

*Turnbuckle*

# GREAT NORTHERN RAILWAY CO.



**54<sup>th</sup> ANNUAL  
REPORT 1942**



The picture on the cover shows a section of Great Northern's iron ore docks on Lake Superior. Nearly 29,000,000 long tons of ore were loaded from these docks in 1942.

54th Annual Report

# Great Northern Railway Company

1 9 4 2



General Office — St. Paul, Minn.



## GREAT NORTHERN RAILWAY COMPANY

### DIRECTORS

Term Expires May 13, 1943

SHREVE M. ARCHER . . . . . Minneapolis  
FRANK F. HENRY . . . . . Buffalo  
WILLIAM L. McKNIGHT . . . . . St. Paul  
ARCHIBALD W. WITHERSPOON . . . . . Spokane

Term Expires May 11, 1944

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

Term Expires May 10, 1945

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

### EXECUTIVE COMMITTEE

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

### OFFICERS

F. J. GAVIN, President . . . . . St. Paul  
V. P. TURNBURKE, Assistant to the 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  
C. W. TILTON, General Auditor . . . . . St. Paul  
C. McDONOUGH, General Manager, Lines East of Williston . . . . . Duluth  
T. F. DIXON, General Manager, Lines West of Williston . . . . . Seattle  
J. B. SMITH, General Superintendent Transportation . . . . . St. Paul  
I. G. POOL, General Superintendent Motive Power . . . . . St. Paul  
C. M. NYE, Chief Engineer . . . . . St. Paul  
A. N. CRENSHAW, 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. F. ZIEGAHN, 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 13, 1943



FIFTY-FOURTH  
ANNUAL REPORT  
FOR THE CALENDAR YEAR 1942

*To the Stockholders:*

The Board of Directors submits the following report for the year ended December 31, 1942:

During the first full year of the war, the importance of your railway to the war effort was reflected in further substantial increases in its use for the movement of war traffic.

The large increase in the volume of services performed by the Company resulted in the largest revenues in its history. Despite advancing costs of materials and supplies, higher wages and taxes, net income was the

largest in the Company's history and gratifyingly helped your Company partially to recover from the set-backs suffered during the depression years.

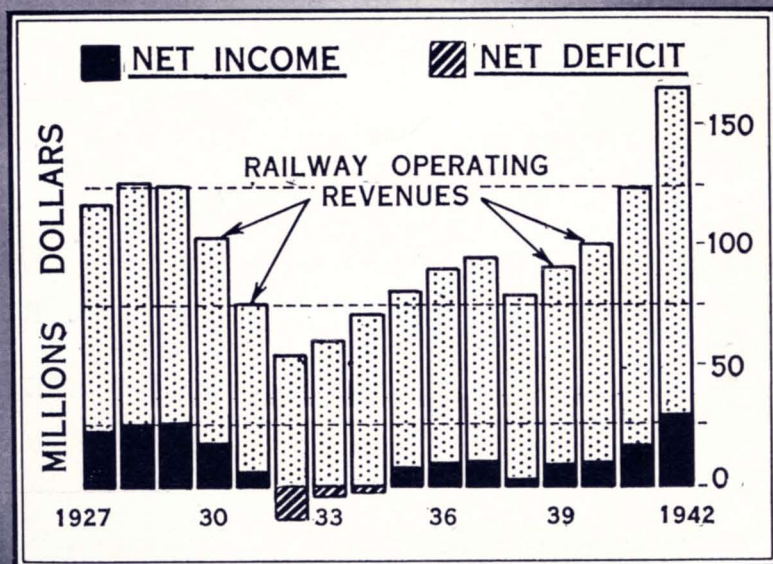
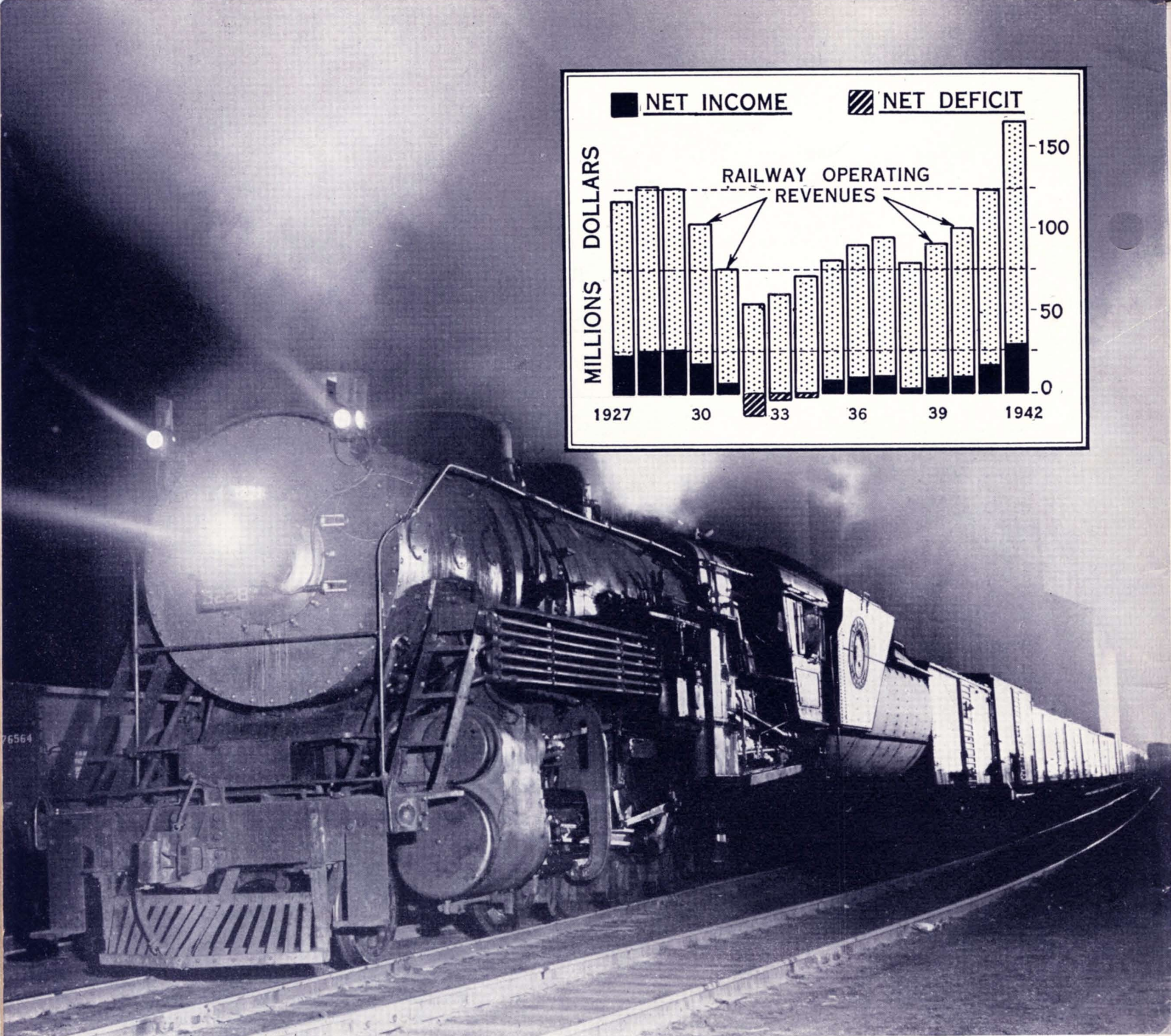
The net funded indebtedness of your Company was reduced nearly \$20,000,000 and its financial position materially strengthened. More than \$14,275,000 was spent for additions and betterments although it was not possible to secure all the equipment and materials desired.

Highlights of 1942 operations compared with 1941 and 1940 are shown below:

HIGHLIGHTS OF 1942

| ITEM   | 1942          | 1941          | 1940          |
|--|---------------|---------------|---------------|
| OPERATING REVENUES.....  | \$165,206,031 | \$125,044,883 | \$101,743,146 |
| NET INCOME.....  | \$ 29,054,021 | \$ 16,785,159 | \$ 10,208,194 |
| NET INCOME PER SHARE.....  | \$11.63       | \$6.72        | \$4.09        |
| INDEBTEDNESS RETIRED WITH CASH.....                                | \$ 25,997,529 | \$ 5,620,138  | \$ 10,618,587 |
| TAXES.....   | \$ 30,727,340 | \$ 16,867,023 | \$ 12,273,206 |
| TAXES PER SHARE.....   | \$12.30       | \$6.75        | \$4.91        |
| DIVIDENDS.....   | \$ 4,997,795  | \$ 4,997,790  | \$ 1,249,448  |
| DIVIDENDS PER SHARE.....   | \$2.00        | \$2.00        | \$0.50        |
| REVENUE NET TON MILES (THOUSANDS).....                             | 16,712,427    | 13,215,682    | 10,116,482    |
| PASSENGERS CARRIED ONE MILE (THOUSANDS).....                       | 534,239       | 304,050       | 253,849       |
| REVENUE PER NET TON MILE (CENTS).....                              | .857          | .836          | .881          |
| REVENUE PER PASSENGER MILE (CENTS).....                            | 1.719         | 1.601         | 1.664         |
| RATIO OF OPERATING EXPENSES TO REVENUES—PERCENT.....               | 56.5          | 62.6          | 64.8          |
| PERCENT OF OPERATING REVENUE CARRIED TO NET INCOME...              | 17.6          | 13.4          | 10.0          |
| NUMBER OF TIMES FIXED CHARGES EARNED.....                          | 3.12          | 2.21          | 1.72          |
| EXCESS CURRENT ASSETS OVER CURRENT LIABILITIES AT END OF YEAR..... | \$ 31,007,835 | \$ 28,889,812 | \$ 20,309,558 |





AROUND THE CLOCK GREAT NORTHERN TRAINS KEEP ROLLING—  
EXPEDITING THE NATION'S WAR EFFORT

| YEAR | RAILWAY<br>OPERATING<br>REVENUES | NET INCOME<br>OR NET DEFICIT | YEAR | RAILWAY<br>OPERATING<br>REVENUES | NET INCOME<br>OR NET DEFICIT |
|------|----------------------------------|------------------------------|------|----------------------------------|------------------------------|
| 1942 | \$165,206,031                    | \$29,054,021                 | 1934 | \$ 70,752,877                    | \$ 1,074,480 D               |
| 1941 | 125,044,883                      | 16,785,159                   | 1933 | 61,923,891                       | 3,187,760 D                  |
| 1940 | 101,743,146                      | 10,208,194                   | 1932 | 55,549,246                       | 13,405,439 D                 |
| 1939 | 91,783,373                       | 8,686,425                    | 1931 | 77,087,455                       | 5,325,907                    |
| 1938 | 79,215,531                       | 2,712,560                    | 1930 | 104,996,076                      | 18,036,748                   |
| 1937 | 94,942,292                       | 10,089,920                   | 1929 | 125,932,808                      | 25,668,551                   |
| 1936 | 89,625,105                       | 9,903,986                    | 1928 | 126,737,091                      | 25,168,230                   |
| 1935 | 81,188,858                       | 7,139,860                    | 1927 | 117,904,005                      | 22,985,923                   |

D—Deficit.



# ANNUAL REPORT FOR 1942

## Net Income

1942 — \$29,054,021

1941 — \$16,785,159

With railway operating revenues in 1942 exceeding those of any previous year by some \$40,000,000, a record net income was produced—approximately \$12,250,000 above the net income for 1941. Superimposing war activities on the peace time economy and the cessation of intercoastal shipping created an unprecedented demand for transportation of men and materials and your Company successfully met every requirement. The volume of freight traffic (net ton miles) in 1942 was 26% over that for 1941 and 65% above 1929, the largest previous year. Passengers carried one mile were 76% more than in 1941 and the greatest volume since 1920.

The foresight and confidence of your Board of Directors in authorizing the ex-

penditure of millions of dollars during the dark nineteen thirties for plant improvements and new equipment were the underlying factors that made possible the accomplishments of 1942. Cooperation of shippers, the armed forces and particularly the Office of Defense Transportation, also contributed to these results. Every effort is being made to continue your Company's fine record of service. The railroad's capacity has been increased by expediting repairs, modernizing equipment, adopting numerous conservation measures, by the fine cooperation of employees generally, and the extraordinary efforts of many of them. They are keenly aware of the importance of the railroad to the war effort.

## INCOME AND HOW IT WAS USED

| INCOME  | 1942          | 1941          | 1940          | 1928          |
|---|---------------|---------------|---------------|---------------|
| Received from the public for transportation of passengers and property, and for other transportation and incidental services. . . . . | \$165,206,031 | \$125,044,883 | \$101,743,146 | \$126,737,091 |
| Received as dividends and interest on securities owned, property rentals, etc. . . . .  | 4,592,878     | 3,626,250     | 3,218,139     | 13,032,123    |
| MAKING TOTAL INCOME AVAILABLE OF. . . . .   | \$169,798,909 | \$128,671,133 | \$104,961,285 | \$139,769,214 |
| HOW INCOME WAS USED   |               |               |               |               |
| Wages and salaries paid employees. . . . .  | \$ 55,563,723 | \$ 45,605,443 | \$ 37,776,867 | \$ 47,893,732 |
| Tax collectors required. . . . .  | 30,727,340    | 16,867,023    | 12,273,206    | 10,297,997    |
| Locomotive fuel cost. . . . .   | 8,386,421     | 7,156,615     | 6,173,454     | 10,392,731    |
| Depreciation and amortization of defense projects on locomotives, cars and fixed property amounted to. . . . .                        | 8,720,587     | 6,670,768     | 4,163,275     | 4,677,553     |
| Miscellaneous materials, rental of equipment and facilities, etc., cost. . . . .  | 23,635,821    | 21,670,205    | 20,154,161    | 22,439,500    |
| LEAVING FOR FIXED CHARGES. . . . .  | \$ 42,765,017 | \$ 30,701,079 | \$ 24,420,322 | \$ 44,067,701 |
| Paid for interest on bonds, conditional sale contracts and other fixed charges. . . . .   | \$ 13,710,996 | \$ 13,915,920 | \$ 14,212,128 | \$ 18,899,471 |
| RESULTING IN NET INCOME OF. . . . .   | \$ 29,054,021 | \$ 16,785,159 | \$ 10,208,194 | \$ 25,168,230 |
| Dividends paid to stockholders. . . . .   | \$ 4,997,795  | \$ 4,997,790  | \$ 1,249,448  | \$ 12,449,205 |
| BALANCE AVAILABLE FOR ADDITIONS AND BETTERMENTS TO PROPERTY, DEBT RETIREMENT, CONTINGENCIES, ETC. . . . .                             | \$ 24,056,226 | \$ 11,787,369 | \$ 8,958,746  | \$ 12,719,025 |



## Operating Revenues

1942—\$165,206,031

1941—\$125,044,883

INCR. \$40,161,148—32.1%

Operating revenues of \$165,206,031 in 1942 exceeded the previous record year, 1928, by approximately \$38,500,000, the increase being 32% over 1941 and 62% over 1940. Freight revenue increased 30% over 1941, while passenger and express revenues increased 89% and 83% respectively.

The impact of the war upon your railroad in 1942 resulted in a traffic movement entirely different from that heretofore existing, both as to proportion of the various commodities handled and the direction of movement. Plane and ship construction on the Pacific Coast produced a large volume of westbound materials, and the two-ocean war caused increases in traffic both westbound and eastbound. The volume of traffic reached new levels. Revenue ton miles, nearly  $16\frac{3}{4}$  billions, were at a new high, 26% greater than 1941, and 65% above 1940, while the 534 million passenger miles were the largest since 1920. For the first time over 1,000,000 cars of freight were loaded on line. The revenue per ton mile of 8.57 mills in 1942 was the lowest for any year since 1917 with the exception of the 8.36 mills in 1941.

The 1942 grain movement of some 171,000,000 bushels, compared with 152,000,000 bushels in 1941, has been exceeded in only one previous year. There were 28,717,689 long tons of iron ore shipped from the railroad's ore docks, a high record for the second successive year, and 3,233,604

long tons more than 1941 shipments. The year 1942 marked the fiftieth anniversary of the movement of iron ore from the Mesabi Range, the first boat having been loaded at Great Northern docks on November 11, 1892. A pictorial history of this development is shown on pages 22 and 23. There was a substantial increase in shipments of food, particularly meats and canned goods. Nearly  $3\frac{1}{4}$  million tons of lumber were handled, more than in any previous year. Petroleum production in north central Montana oil fields, located on your Company's lines, increased 10 per cent, to  $7\frac{1}{2}$  million barrels. Most other commodities showed substantial increases.

Some 150 new industries were located on the Company's lines in 1942. Among them were grain elevators, potato and other warehouses, fuel and lumber yards, egg and milk drying plants, and a number of war industries such as aluminum and magnesium plants, etc. Facilities for the temporary storage of grain were built at many places.

The tabulation of revenues by commodity groups at the top of following page shows that the largest percentage increases were for "Manufactures and miscellaneous" and "Animals and products" (due largely to the increase in movement of meats), and that "Manufactures and miscellaneous" in particular contributed a substantially increased proportion of total freight revenues in 1942.



# ANNUAL REPORT FOR 1942

| COMMODITY                             | 1942               | PERCENT<br>OF<br>TOTAL<br>FRT. REV. | 1941               | PERCENT<br>OF<br>TOTAL<br>FRT. REV. | INCREASE      |         |
|---------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|---------------|---------|
|                                       | FREIGHT<br>REVENUE |                                     | FREIGHT<br>REVENUE |                                     | AMOUNT        | PERCENT |
| PRODUCTS OF AGRICULTURE.....          | \$ 30,782,570      | 21.5                                | \$ 27,289,228      | 24.7                                | \$ 3,493,342  | 12.8    |
| ANIMALS AND PRODUCTS.....             | 5,259,117          | 3.7                                 | 3,403,679          | 3.1                                 | 1,855,438     | 54.5    |
| PRODUCTS OF MINES.....                | 34,299,948         | 23.9                                | 27,191,221         | 24.6                                | 7,108,727     | 26.1    |
| PRODUCTS OF FORESTS.....              | 20,798,792         | 14.5                                | 18,412,642         | 16.7                                | 2,386,150     | 13.0    |
| MANUFACTURES AND MISCELLANEOUS...     | 48,632,055         | 34.0                                | 30,522,090         | 27.6                                | 18,109,965    | 59.3    |
| MERCHANDISE—ALL L. C. L. FREIGHT..... | 3,491,573          | 2.4                                 | 3,686,701          | 3.3                                 | D— 195,128    | D—5.3   |
| TOTAL.....                            | \$143,264,055      | 100.0                               | \$110,505,561      | 100.0                               | \$ 32,758,494 | 29.6    |

"D" Indicates Decrease.

Passenger revenues of \$9,182,732 in 1942 increased \$4,316,404, or 88.7% over 1941. In fact they exceeded the total for 1940 and 1941 combined and reached the 1930 level. Passengers carried one mile were the largest in over 20 years, 76% above 1941 and 3¼ times the 1932 low. Approximately 30% of the 1942 passenger revenue was derived from all branches of the military service. The conservation of rubber and rationing of gasoline were responsible for a considerable part of the increased traffic. The falling off in tourist travel resulted in a decrease of 60% in train arrivals at Glacier National Park. The Prince of Wales Hotel at Waterton Lakes and the chalets at Cut Bank, Belton and St. Mary were closed in 1942, and it is doubtful if any of the facilities will be opened for the 1943 season.

Express revenues of \$2,020,939 were \$915,698 more than in 1941, an increase of 82.9%, and other revenue accounts showed substantial increases.

During the year there was an increase in rates, effective March 18, amounting to slightly over 3% on freight traffic and 6%

on accessorial services. Passenger rates were increased 10% on February 10. These increases were permitted to offset partially the advance in wages of approximately 15%, effective September 1, 1941, and the increased cost of materials and supplies. These rate increases in 1942 accounted for approximately \$5,200,000 additional revenues, while the wage increases amounted to about \$7,200,000, with substantial additional costs for materials and supplies.

The reduction in our revenue as a result of the reduced rates granted the United States Government for transportation of troops and property (largely to equalize the land grant rates that our competitors are required to make) assumed unusual proportions in 1942, approximately \$4,500,000.

Effective December 1, 1942, a tax of 3% was placed on all freight and incidental service except coal, on which the rate of tax was fixed at 4 cents per ton. Tax on passenger revenues, berths, seat fares, etc., which had been 5%, was increased to 10% on November 1, 1942.



## Operating Expenses

1942—\$93,318,476

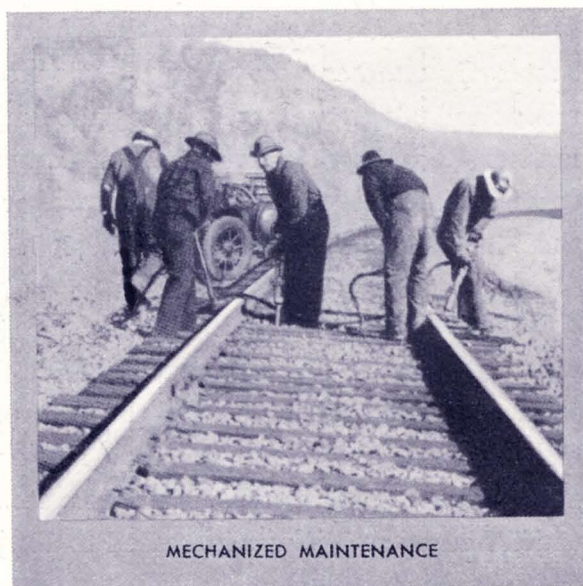
1941—\$78,323,366

INCR. \$14,995,110—19.1%

The increase in operating expenses consumed nearly \$15,000,000 of the increase in operating revenues of some \$40,000,000. The percentage of operating expenses to operating revenues dropped from 62.6% in 1941 to 56.5% in 1942, the lowest since 1916.

The large traffic volume, recent improvements in physical plant and installation of modern motive power and cars, cooperation of shippers and the armed forces in loading cars more heavily and in promptly loading and releasing cars, and improvement in operating methods, are some of the factors contributing to these results. On the other hand, there were some adverse factors. Wage levels were higher than ever before and material costs have increased substantially in the past few years. Heretofore there have always been a great many more loaded cars moving eastbound than westbound—lumber, fruit, grain, potatoes, etc.,

moving to eastern markets. The physical development of the railroad has been made with this in mind, and grades are more favorable eastbound. The development of westbound traffic incident to the war effort, brought about by transporting materials to Pacific Coast shipyards, aircraft factories, etc., has resulted in westbound traffic controlling. In other words, a much greater percentage of the total traffic must be handled over the heavier grades. Westbound loaded cars moved over the Rocky Mountains increased nearly 75% in 1942 compared with 1941, while there was no increase in eastbound loaded cars over this portion of the railway. Also, much of the transcontinental traffic handled to the Pacific Coast was in open top cars, and the urgent demand for this type of equipment in the east and lack of originating traffic that could utilize these cars resulted in many cases in an empty return movement eastbound.



MECHANIZED MAINTENANCE

Three hundred fewer locomotives, with 7% less total tractive effort, were available in 1942 than in 1928-1929, when the previous peak movement occurred; also 5,000 less freight train cars. Nevertheless the train load increased 22%, the gross ton miles produced per train hour increased 54%, and the net ton miles per car day, the ultimate factor of freight car utilization (the product of the car load, percent of loads to all cars, and the car miles per car day) increased 85%. These statistics for years 1933 to 1942 are shown on pages 34 and 35.



Although difficulty was experienced in obtaining sufficient manpower and materials, the roadbed and equipment were maintained at a high standard. Charges for maintenance were above those for any of the past 20 years. Over sixteen thousand tons of new rail were received, which was 70% of the tonnage ordered. Some of the manpower deficiencies have been made up by increasing the length of the work week, particularly in the shops, and at the end of the year serviceable equipment was at a new high, 94% for locomotives and 98% for both freight and passenger cars. The intensive usage now being required of both roadway and equipment is making adequate maintenance more difficult, and under the limitations of materials and shortages of skilled workers it is probable that in the future the wear and tear cannot be fully restored.

All classes of railway employees are seeking higher wages and, if the requests are granted, the increase in wage payments would approximate \$16,000,000 per year, based on 1942 employment. Joint conferences have been held without agreement, and the National Railway Labor Panel has appointed an Emergency Board to consider the demands of the fifteen non-operating organizations, and hearings were begun before that Board on March 1, 1943. It is expected that a similar Board will later be appointed to consider the request of the Transportation Brotherhoods.

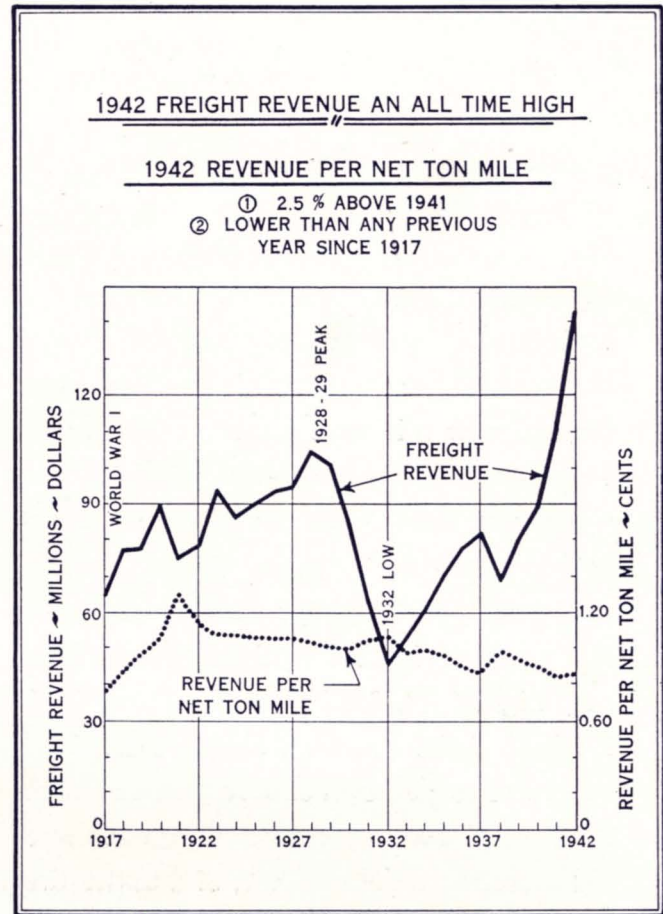
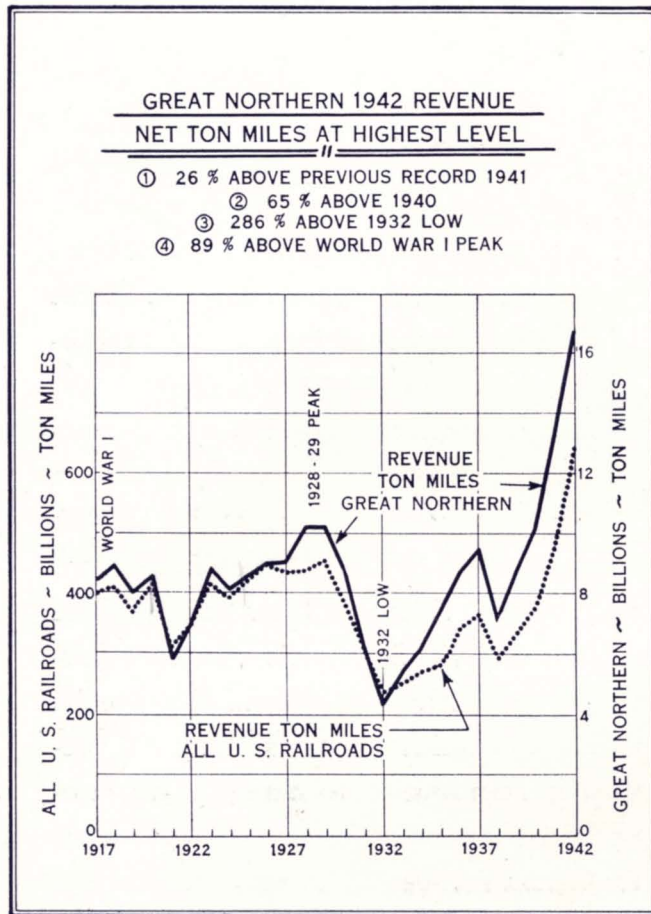
During the year many orders were issued by the Office of Defense Transportation, some of which had a pronounced effect upon present and future operating costs. Some of the more important orders were: establishing minimum weight limits per car for civilian less-carload freight of 6 tons effective May 1, rising to 8 tons on July 1, and 10 tons on September 1; prohibiting the acceptance of cars of carload freight not fully loaded either to their marked load limit or full visible capacity; freezing passenger train schedules, eliminating special trains, new trains or extra sections not previously run; and establishing a system of permits for moving freight into port areas for trans-shipment to vessels. Freight train schedules for transcontinental movements between Chicago and all Pacific Coast points were lengthened 24 hours, and earlier departure or later arrival times were placed in effect for important passenger trains.



EQUIPMENT CAPACITY INCREASED BY PROMPT REPAIRS



# GREAT NORTHERN RAILWAY COMPANY



| YEAR | REVENUE NET TON MILES      |                                  | GREAT NORTHERN  |                                  |
|------|----------------------------|----------------------------------|-----------------|----------------------------------|
|      | GREAT NORTHERN (THOUSANDS) | #ALL U. S. RAILROADS (THOUSANDS) | FREIGHT REVENUE | REVENUE PER NET TON MILE (CENTS) |
| 1942 | 16,709,535                 | 640,500,000                      | \$143,084,128   | .856                             |
| 1941 | 13,212,937                 | 477,576,232                      | 110,342,384     | .835                             |
| 1940 | 10,113,942                 | 375,368,718                      | 89,010,078      | .880                             |
| 1939 | 8,701,383                  | 335,375,486                      | 79,853,655      | .918                             |
| 1938 | 7,017,296                  | 291,866,410                      | 68,418,930      | .975                             |
| 1937 | 9,477,756                  | 362,815,382                      | 81,451,161      | .859                             |
| 1936 | 8,664,572                  | 341,181,596                      | 77,046,160      | .889                             |
| 1935 | 7,372,079                  | 283,637,058                      | 70,132,152      | .951                             |
| 1934 | 6,137,694                  | 270,291,541                      | 60,347,883      | .983                             |
| 1933 | 5,431,603                  | 250,651,190                      | 52,672,751      | .970                             |
| 1932 | 4,324,700                  | 235,308,521                      | 45,958,761      | 1.063                            |
| 1931 | 6,151,063                  | 311,072,637                      | 63,344,056      | 1.030                            |
| 1930 | 8,720,584                  | 385,815,376                      | 85,797,268      | .984                             |
| 1929 | 10,150,710                 | 450,189,394                      | 101,178,226     | .997                             |
| 1928 | 10,127,254                 | 436,086,747                      | 103,980,301     | 1.027                            |
| 1927 | 8,958,350                  | 432,013,979                      | 94,405,030      | 1.054                            |
| 1926 | 8,902,970                  | 447,443,627                      | 93,346,740      | 1.048                            |
| 1925 | 8,517,914                  | 417,418,464                      | 90,098,763      | 1.058                            |
| 1924 | 8,093,136                  | 391,945,037                      | 86,144,671      | 1.064                            |
| 1923 | 8,754,273                  | 416,255,550                      | 93,672,147      | 1.070                            |
| 1922 | 6,882,465                  | 342,187,536                      | 78,065,563      | 1.134                            |
| 1921 | 5,740,921                  | 309,533,365                      | 74,700,241      | 1.301                            |
| 1920 | 8,518,841                  | 413,698,749                      | 89,760,845      | 1.054                            |
| 1919 | 7,973,569                  | 367,161,371                      | 77,351,472      | .970                             |
| 1918 | 8,844,787                  | 408,778,061                      | 76,937,445      | .870                             |
| 1917 | 8,399,349                  | 398,263,062                      | 64,300,666      | .766                             |

#Data for years 1917 to 1941 from Interstate Commerce Commission's compilations. 1942 estimated for smaller lines. Includes all steam railways, and excludes motor vehicle operations.



# ANNUAL REPORT FOR 1942

## FINANCIAL POSITION AT END OF YEAR

| ITEM  | December 31,<br>1942 | December 31,<br>1941 | INCREASE—I<br>DECREASE—D |
|---|----------------------|----------------------|--------------------------|
| <b>GREAT NORTHERN RAILWAY COMPANY OWNS</b>  |                      |                      |                          |
| Cash and special deposits.....  | \$ 41,513,656        | \$ 37,075,998        | I— \$ 4,437,658          |
| Due from agents, conductors and others, including net traffic balances from other<br>railroads.....   | 16,127,556           | 7,736,037            | I— 8,391,519             |
| Material and supplies on hand for maintenance and operation of the property...  | 14,317,044           | 11,986,751           | I— 2,330,293             |
| <b>THE ABOVE ITEMS ARE CURRENT ASSETS AS THEY ARE READILY<br/>CONVERTIBLE INTO CASH. THEIR TOTAL IS.....</b>  | <b>71,958,256</b>    | <b>56,798,786</b>    | <b>I— 15,159,470</b>     |
| Deferred items.....   | 1,660,038            | 1,645,274            | I— 14,764                |
| Items that cannot be cleared until additional information is available, such as<br>hire of equipment and bills anticipated, gravel pit operations, etc..... | 5,942,006            | 4,980,715            | I— 961,291               |
| The Company had invested in land, track, locomotives, cars and other property<br>used for transportation purposes.....                                      | 587,527,797          | 579,978,386          | I— 7,549,411             |
| 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.....   | 46,203,500           | 46,703,500           | D— 500,000               |
| Canadian subsidiaries forming part of system.....   | 28,226,409           | 28,140,538           | I— 85,871                |
| Other transportation affiliates and subsidiaries, terminal companies, etc.....  | 13,911,245           | 13,712,722           | I— 198,523               |
| Other affiliates and subsidiaries, coal, lumber, townsite companies, etc.....   | 6,593,790            | 6,672,125            | D— 78,335                |
| Non-affiliated companies.....   | 1,676,620            | 1,784,889            | D— 108,269               |
| The Company had invested in non-operating physical property, etc.....   | 14,352,836           | 10,767,584           | I— 3,585,252             |
| Deduct reserve for adjustment of investment in securities.....  | 15,150,093           | 15,221,755           | D— 71,662                |
| <b>MAKING TOTAL ASSETS OF.....</b>  | <b>\$872,147,860</b> | <b>\$845,208,220</b> | <b>I— \$26,939,640</b>   |

## GREAT NORTHERN RAILWAY COMPANY OWES

|  |                      |                      |                        |
|--|----------------------|----------------------|------------------------|
| To employes for outstanding paychecks, including back paychecks in 1941.....               | \$ 3,466,173         | \$ 4,083,056         | D— \$ 616,883          |
| To tax collectors for taxes not yet due.....   | 26,363,046           | 12,878,896           | I— 13,484,150          |
| To bondholders for interest maturing December 31, payable January 1.....                   | 6,023,173            | 6,456,240            | D— 433,067             |
| To others for materials, supplies, etc.....  | 5,098,029            | 4,490,782            | I— 607,247             |
| <b>THE ABOVE ITEMS ARE CURRENT LIABILITIES DUE WITHIN TWO<br/>YEARS, AND TOTAL TO.....</b> | <b>40,950,421</b>    | <b>27,908,974</b>    | <b>I— 13,041,447</b>   |
| Reserves for depreciation and amortization of road, equipment and other property.          | 77,937,777           | 69,978,075           | I— 7,959,702           |
| Other reserves, vouchers anticipated, suspense accounts, etc.....                          | 4,412,336            | 2,105,924            | I— 2,306,412           |
| To investors, banks and trust companies for bonds and notes outstanding.....               | 314,332,338          | 334,318,005          | D— 19,985,667          |
| To affiliated companies.....   | 193,975              | 422,545              | D— 228,570             |
| Grants in aid of construction.....   | 2,057,901            | 2,208,238            | D— 150,337             |
| <b>MAKING TOTAL LIABILITIES AND INDEBTEDNESS OF....</b>                                    | <b>\$439,884,748</b> | <b>\$436,941,761</b> | <b>I— \$ 2,942,987</b> |

## NET WORTH AND SURPLUS

|  |                      |                      |                        |
|--|----------------------|----------------------|------------------------|
| <b>DEDUCTING TOTAL LIABILITIES FROM TOTAL ASSETS, THERE<br/>REMAINED AVAILABLE FOR CAPITAL STOCK A NET WORTH OF.</b>                   |                      |                      |                        |
| Capital Stock—2,498,922.5 shares owned by 29,119 stockholders (November 10,<br>1942).....  | \$432,263,112        | \$408,266,459        | I— \$23,996,653        |
|  | 249,092,150          | 249,092,150          |                        |
| <b>DEDUCTING CAPITAL STOCK FROM NET WORTH, THERE RE-<br/>MAINED A CORPORATE SURPLUS (LARGELY INVESTED IN THE<br/>PROPERTY) OF.....</b> | <b>\$183,170,962</b> | <b>\$159,174,309</b> | <b>I— \$23,996,653</b> |
| <b>CURRENT ASSETS EXCEEDED CURRENT LIABILITIES BY.....</b>   | <b>\$ 31,007,835</b> | <b>\$ 28,889,812</b> | <b>I— \$ 2,118,023</b> |
| <b>CASH EXCEEDED CURRENT LIABILITIES BY.....</b>   | <b>563,235</b>       | <b>9,167,024</b>     | <b>D— 8,603,789</b>    |
| <b>NET WORTH PER SHARE OF CAPITAL STOCK.....</b>   | <b>\$172.98</b>      | <b>\$163.38</b>      | <b>I— \$9.60</b>       |
| <b>RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES.....</b>   | <b>1.76</b>          | <b>2.04</b>          | <b>D— .28</b>          |
| <b>RATIO OF CASH TO CURRENT LIABILITIES.....</b>   | <b>1.01</b>          | <b>1.33</b>          | <b>D— .32</b>          |



## GREAT NORTHERN RAILWAY COMPANY

### Taxes

1942—\$30,727,340

1941—\$16,867,023

INCR. \$13,860,317—82.2%

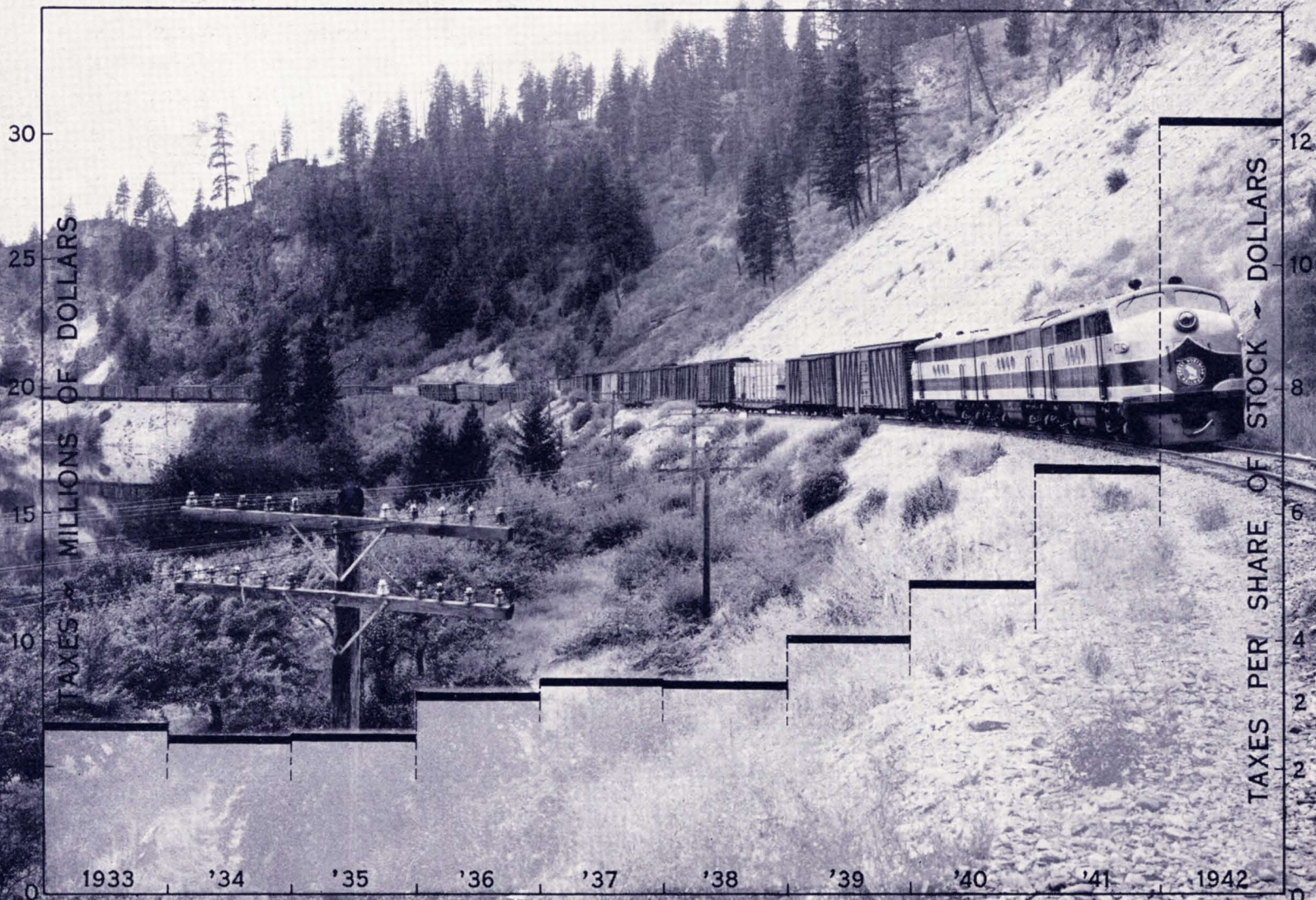
For the third successive year, railway tax accruals in 1942 exceeded all previous years, increasing \$13,860,317, or 82.2% over 1941. Most of this increase was in income taxes. Taxes took 18.6 cents out of every dollar of gross revenues, and were equivalent to \$12.30 per share of stock.

The major portion of these unprecedented taxes constitutes your Company's contribution to the cost of winning the war.

Earnings in prior years were below the amount allowable for excess profits taxes and these deficiencies, when carried over into the 1942 tax computations, eliminated the accrual of excess profits tax for that year. For 1943 relatively little credit for previous years' deficiencies is available, and a very substantial portion of the taxable income will be at the excess profits tax rate, which was a minimum of 81% under the 1942 tax law after allowing for certain credits.

DIESEL POWER EXPEDITES FREIGHT MOVEMENTS IN ROCKY MOUNTAINS

### TAXES HAVE TRIPLED IN THREE YEARS



TEN YEARS OF TAXES



# ANNUAL REPORT FOR 1942

## TEN YEARS OF RAILWAY TAXES

| YEAR | OPERATING REVENUES | TAX ACCRUALS |                             | YEAR | OPERATING REVENUES | TAX ACCRUALS |                             |
|------|--------------------|--------------|-----------------------------|------|--------------------|--------------|-----------------------------|
|      |                    | AMOUNT       | CENTS PER DOLLAR OF REVENUE |      |                    | AMOUNT       | CENTS PER DOLLAR OF REVENUE |
| 1942 | \$165,206,031      | \$30,727,340 | 18.6                        | 1937 | \$94,942,292       | \$8,425,163  | 8.9                         |
| 1941 | 125,044,883        | 16,867,023   | 13.5                        | 1936 | 89,625,105         | 7,842,526    | 8.8                         |
| 1940 | 101,743,146        | 12,273,206   | 12.1                        | 1935 | 81,188,858         | 6,216,821    | 7.7                         |
| 1939 | 91,783,373         | 10,121,469   | 11.0                        | 1934 | 70,752,877         | 6,181,111    | 8.7                         |
| 1938 | 79,215,531         | 8,364,234    | 10.6                        | 1933 | 61,923,891         | 6,660,944    | 10.8                        |

## Fixed Property Improvements

|  | 1942                    | 1941                     |
|--|-------------------------|--------------------------|
| Cash expenditures for new property ..... | \$4,822,213             | \$8,129,135              |
| Less cost of property retired .....      | 5,675,905               | 3,623,794                |
| Net change in investment account .....   | <u>\$ 853,692</u> Decr. | <u>\$4,505,341</u> Incr. |

An important change in line was made on the west slope of the Rocky Mountains between Belton and Citadel, Montana, and additional yard tracks were completed at the Allouez Dock ore yards and at Minot, North Dakota, and Klamath Falls, Oregon. Additional mine tracks were constructed on the Mesabi Iron Range. Approximately \$700,000 was spent on bridge and culvert work, and over \$400,000 on signals, interlockers, telephone and telegraph lines.

Details of capital expenditures are shown on page 31.

Cost of property retired is shown as exceeding the cash expenditures for new property, but this is due largely to a change in accounting methods, by which the investment in grain elevator and coal dock at Superior, Wisconsin, and the tie treating plant at Somers, Montana, amounting to \$3,692,037, was transferred from "Road and equipment property" account to "Miscellaneous physical property."

## New Equipment

|   | 1942               | 1941                |
|---|--------------------|---------------------|
| Cash expenditures for new equipment ..... | \$9,453,268        | \$10,811,380        |
| Less cost of equipment retired .....      | 1,050,165          | 4,732,806           |
| Net increase in investment account .....  | <u>\$8,403,103</u> | <u>\$ 6,078,574</u> |

Three 1000-horsepower switching Diesel locomotives and three 1000-horsepower combination road and switching Diesel locomotives were delivered in 1942. Two additional switching locomotives of this class are on order and it is expected that one will be delivered in 1943. One of the Diesel locomotives was received early in January and

completed the equipment under a 1941 conditional sale contract. The other five were paid for with Company funds.

There are thirteen 5400-horsepower road freight Diesel locomotives on order, some for nearly two years. None was received in 1942, and due to material shortages only a limited number are to be constructed in 1943.



## GREAT NORTHERN RAILWAY COMPANY

It is expected that some of the units will be allocated to your Company. This power is badly needed in order to continue to satisfy the present unprecedented demand for transportation.

The last of the 25 heavy freight Mallet locomotives which were rebuilt and modernized at Company shops during 1940 and 1941 was completed early in 1942.

The 2,000 50-ton box cars ordered in May, 1941, were delivered in the spring of 1942. Order for 1,000 75-ton steel ore cars was reduced to 500 cars by the War Production Board, and these cars were received in September, 1942. The additional 500 75-ton steel ore cars have been authorized for 1943 delivery and it is hoped they will be received early in the spring to assist in handling the 1943 iron ore movement, which is again expected to break all previous records.

The 2,000 box cars cost \$6,380,625 and 20% was paid at time of purchase and the balance, \$5,104,500, was financed by conditional sale contracts. Another contract for \$1,163,250 financed 75% of the cost of 500 steel ore cars. All contracts provided for monthly payments with 2% interest on deferred payments, final maturity being between August and November, 1949.

In December notes were issued as further evidence of the unpaid indebtedness on all outstanding conditional sale contracts, and the amount of this indebtedness was transferred on the Balance sheet from "Deferred liabilities" to "Long term debt." During 1942 a total of \$3,539,828 was paid on principal of conditional sale contracts, or notes evidencing same. Details are shown on page 40.

### Funded Debt

Dec. 31, 1942—\$314,332,338

Dec. 31, 1941—\$334,318,005

Decr. \$19,985,667

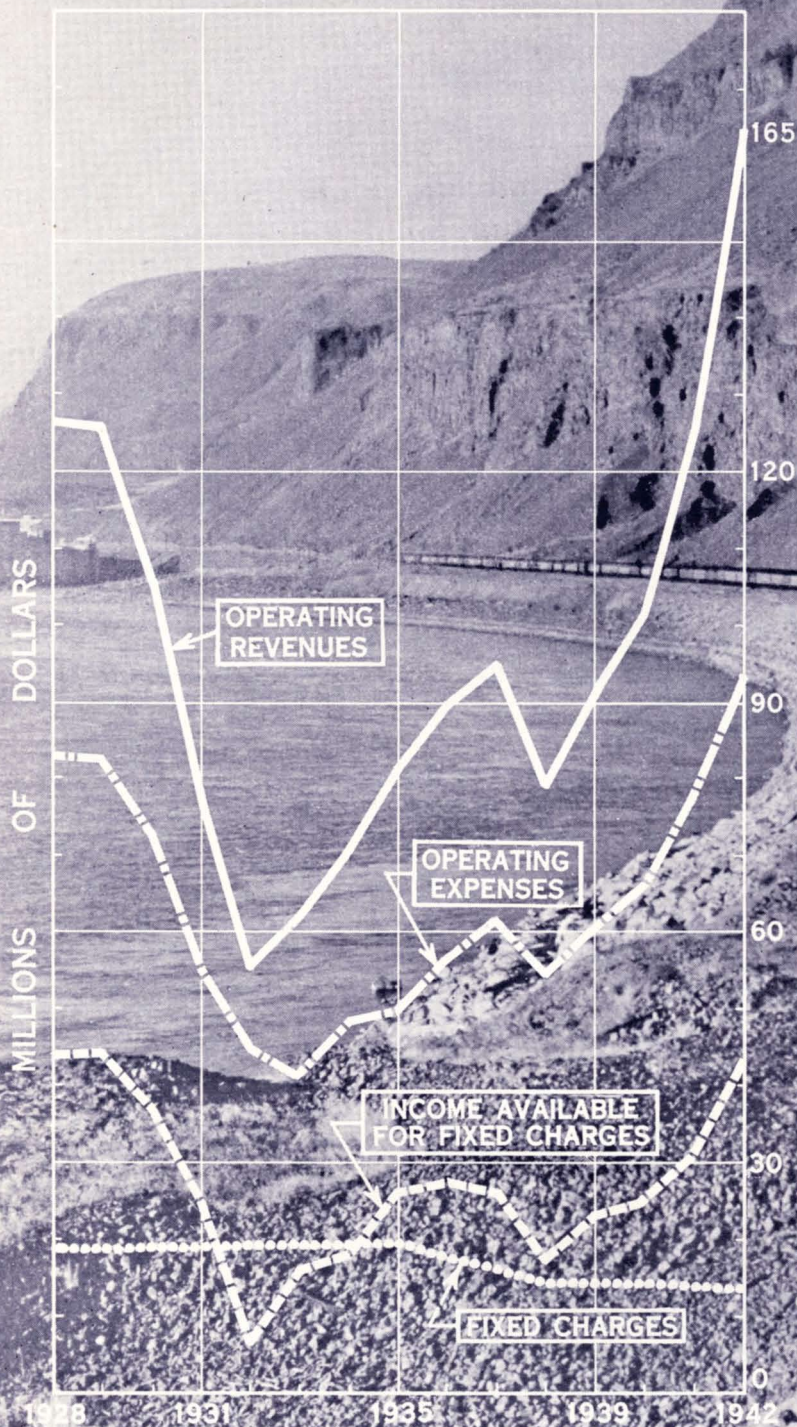
Funded debt was reduced nearly \$20,000,000 in 1942, and fixed charges were lower than at any time since 1920. Retirements included Collateral Trust Secured 4% Serial Bonds, \$616,000; Collateral Trust 4% Bonds of 1940, \$500,000; and Equipment Trust—Series "E" 2% Serial Trust Certificates, \$465,000; total for these items \$1,581,000.

Continuing its policy of reducing the July 1, 1946 maturities, the Company purchased in the open market throughout the year \$7,294,000 par value of General Mortgage, Series "G" and "H" 4% Convertible Bonds at a cost of \$7,060,469. On November 17, 1942, an invitation for tenders was made to

the holders of these bonds, to be returned by December 8, at prices not in excess of the par value and accrued interest to December 23. Over 600 tenders were received, and all bonds offered were accepted. Total bonds thus secured amounted to \$13,933,300 par value, at a cost of \$13,893,611, averaging 99.72% of par. All bonds purchased have been cancelled. As a result of 1942 retirements and those heretofore made there was outstanding on December 31, 1942, Series "G" Bonds of a par value of \$43,238,950, and Series "H" Bonds of a par value of \$32,938,750, total of these two issues \$76,177,700, compared with \$99,422,400 originally issued.



# FINANCIAL RESULTS



APPLES BY THE TRAINLOAD  
Along Columbia River Near Wenatchee

| YEAR | OPERATING REVENUES | OPERATING EXPENSES | INCOME AVAILABLE FOR FIXED CHARGES | FIXED CHARGES |
|------|--------------------|--------------------|------------------------------------|---------------|
| 1942 | \$165,206,031      | \$93,318,476       | \$42,765,017                       | \$13,710,996  |
| 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    |



## General

Dividends paid in 1942 were \$2.00 per share, the same as for 1941. There was no increase in amount of stock outstanding.

The Great Northern Railway received a \$3.00 per share dividend from the Chicago, Burlington & Quincy Railroad Company, amounting to \$2,490,537. A \$2.00 per share dividend was paid in 1941. Spokane, Portland and Seattle Railway Company and its subsidiaries repaid \$610,315 on advances previously made, compared with \$850,000 in 1941.

Some of the impact of the war upon the railroad has been indicated in this report. In addition, the need for relay rails and scrap metal resulted in the removal of a considerable mileage of unimportant trackage. The Interstate Commerce Commission gave permission to abandon operations between Wylie and St. Hilaire, Minnesota, 7.3 miles, and between Tintah and Elbow Lake, Minnesota, 16.2 miles, and these lines will be removed in 1943. To assist in moving the large traffic volume the rail carriers have cooperated with one another by loaning locomotives to overloaded railroads, moving empty cars to points where needed regardless of return routing rules, etc.

Employees in the armed forces at the end of the year 1942 numbered 4,389. These include the 704th Engineer Headquarters, Railway Grand Division, sponsored by your Company, whose officer personnel included an assistant superintendent of transportation, division and shop superintendents, trainmasters and other officials.

An active campaign has been conducted for the sale of United States War Savings Bonds through payroll deductions, the Company qualifying as an issuing agent to

insure prompt delivery. More than 17,000 employees are buying bonds regularly under this plan.

The Interstate Commerce Commission decision and order, dated April 6, 1943, suspended general freight rate increases granted in the spring of 1942. The suspension is effective May 15, 1943, and continues until January 1, 1944. Passenger fares generally were left undisturbed. The order will reduce our freight revenues during the balance of 1943 between three and four million dollars.

Your management acknowledges the loyalty and devotion to service of officers and employees.

During the past trying year the railroad industry has confounded its critics and demonstrated an ability to handle an abnormally large volume of war traffic with the same dependability as in times of peace. It is noteworthy that the railroad industry, depending wholly upon its own resources, rigidly regulated and heavily taxed, has discharged its obligation so successfully to a nation at war.

For the immediate future there will undoubtedly be further increases in transportation demands. Meanwhile the situation with respect to obtaining replacements of equipment, needed materials and supplies, and necessary manpower is becoming more critical. These difficulties, however, are being anticipated by your management as far in advance as possible, and every effort is being made to continue the record of dependable service that has been achieved up to the present time.

Detailed reports of the Comptroller follow.

For the Board of Directors,



President.

April 10, 1943.



# ANNUAL REPORT FOR 1942

## Comptroller's Report

March 31, 1943.

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, 1942.

|  | Page Number |
|--|-------------|
| Great Northern Railway Company:                                |             |
| Income account (1928-1942) . . . . .                           | 18          |
| General balance sheet . . . . .                                | 20          |
| Half century of iron ore transportation . . . . .              | 22          |
| Profit and loss account . . . . .                              | 24          |
| Operating revenues by primary accounts . . . . .               | 24          |
| Freight commodity statistics . . . . .                         | 25          |
| Track mileage owned and operated . . . . .                     | 26          |
| Revenue freight traffic (1920-1942) . . . . .                  | 26          |
| Revenue passenger traffic (1920-1942) . . . . .                | 27          |
| Operating expenses by primary accounts . . . . .               | 28          |
| Payments to employes, investors and government . . . . .       | 30          |
| Road and equipment property . . . . .                          | 31          |
| Freight service statistics . . . . .                           | 32          |
| Passenger service statistics . . . . .                         | 33          |
| Freight train performance . . . . .                            | 34          |
| Equipment owned (1938-1942) . . . . .                          | 36          |
| Tractive power and weight of locomotives owned . . . . .       | 37          |
| Condition of equipment . . . . .                               | 37          |
| Aggregate and average capacity of freight cars . . . . .       | 38          |
| Investments in securities . . . . .                            | 39          |
| Depreciation charges and rates . . . . .                       | 40          |
| Amortization of defense projects charges . . . . .             | 40          |
| Notes evidencing conditional sale contracts . . . . .          | 40          |
| Profile of main line . . . . .                                 | 41          |
| Rail chart . . . . .   | 41          |
| Weight of steel rails in main and branch line tracks . . . . . | 41          |
| Chicago, Burlington & Quincy Railroad Company:                 |             |
| Income account (1938-1942) . . . . .                           | 42          |
| Spokane, Portland and Seattle Railway System:                  |             |
| Income account (1938-1942) . . . . .                           | 43          |

Respectfully submitted,



*Comptroller.*



# GREAT NORTHERN RAILWAY COMPANY

## INCOME ACCOUNT—1936 to 1942

|  | 1942          | 1941          | 1940         | 1939         | 1938         | 1937         | 1936         |
|--|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Average mileage of road operated.....  | 8,094.73      | 8,071.53      | 8,068.72     | 8,071.68     | 8,071.54     | 8,087.49     | 8,188.15     |
| <b>1. OPERATING INCOME</b>   |               |               |              |              |              |              |              |
| RAILWAY OPERATING REVENUES   |               |               |              |              |              |              |              |
| Freight.....   | \$143,264,055 | \$110,505,561 | \$89,164,630 | \$80,001,678 | \$68,544,001 | \$81,560,214 | \$77,150,514 |
| Passenger.....   | 9,182,732     | 4,866,328     | 4,225,019    | 4,350,621    | 4,544,458    | 5,081,691    | 4,977,601    |
| Mail.....  | 3,458,225     | 3,298,849     | 2,862,642    | 2,783,864    | 2,734,684    | 2,797,474    | 2,719,087    |
| Express.....   | 2,020,939     | 1,105,241     | 1,039,827    | 1,037,877    | 866,567      | 923,423      | 965,414      |
| Switching.....   | 1,111,415     | 905,967       | 776,226      | 631,451      | 580,821      | 710,286      | 636,179      |
| Other transportation.....  | 403,519       | 224,598       | 212,342      | 220,952      | 189,955      | 396,398      | 291,394      |
| Incidental.....  | 5,707,485     | 4,267,612     | 3,460,498    | 2,767,503    | 1,963,103    | 3,450,360    | 2,862,617    |
| Joint facility—net.....  | Cr.— 57,661   | Dr.—129,273   | Cr.— 1,962   | Dr.—10,573   | Dr.—208,058  | Cr.— 22,446  | Cr.— 22,299  |
| Total railway operating revenues.....  | 165,206,031   | 125,044,883   | 101,743,146  | 91,783,373   | 79,215,531   | 94,942,292   | 89,625,105   |
| RAILWAY OPERATING EXPENSES   |               |               |              |              |              |              |              |
| Maintenance of way and structures.....   | 18,801,376    | 16,628,547    | 13,230,789   | 11,259,128   | 8,652,584    | 10,247,812   | 8,660,007    |
| Maintenance of equipment.....  | 26,300,208    | 21,236,550    | 17,436,498   | 15,431,415   | 13,257,006   | 14,927,846   | 13,623,780   |
| Traffic.....   | 2,509,275     | 2,492,003     | 2,359,067    | 2,276,335    | 2,254,863    | 2,282,051    | 2,152,655    |
| Transportation—rail line.....  | 41,672,967    | 34,862,432    | 30,034,420   | 28,501,753   | 27,296,664   | 30,709,734   | 29,098,139   |
| Miscellaneous operations.....  | 1,506,469     | 1,001,720     | 836,991      | 859,003      | 867,528      | 921,402      | 844,366      |
| General.....   | 2,528,181     | 2,317,214     | 2,161,732    | 2,284,773    | 2,246,750    | 2,380,052    | 2,556,346    |
| Transportation for investment—Cr.....  |               | 215,100       | 157,774      | 149,737      | 58,287       | 91,174       | 54,571       |
| Total railway operating expenses.....  | 93,318,476    | 78,323,366    | 65,901,723   | 60,462,670   | 54,517,108   | 61,377,723   | 56,880,722   |
| Net revenue from railway operations.....   | 71,887,555    | 46,721,517    | 35,841,423   | 31,320,703   | 24,698,423   | 33,564,569   | 32,744,383   |
| Railway tax accruals.....  | 30,727,340    | 16,867,023    | 12,273,206   | 10,121,469   | 8,364,234    | 8,425,163    | 7,842,526    |
| Uncollectible railway revenues.....  |               |               |              |              |              |              |              |
| Railway operating income.....  | 41,160,215    | 29,854,494    | 23,568,217   | 21,199,234   | 16,334,189   | 25,139,406   | 24,901,857   |
| Equipment rents—Net debit.....   | 1,359,935     | 1,223,884     | 1,361,148    | 1,314,181    | 1,479,331    | 965,016      | 889,029      |
| Joint facility rent—Net debit.....   | 355,204       | 629,075       | 400,005      | 300,458      | 375,582      | 404,982      | 453,257      |
| NET RAILWAY OPERATING INCOME.....  | 39,445,076    | 28,001,535    | 21,807,064   | 19,584,595   | 14,479,276   | 23,769,408   | 23,559,571   |
| <b>2. OTHER INCOME</b>   |               |               |              |              |              |              |              |
| Revenues from miscellaneous operations.....  | 664,165       | 345,718       |              |              |              |              |              |
| Income from lease of road and equipment.....   | 105,014       | 120,311       | 121,871      | 138,374      | 142,530      | 142,677      | 133,414      |
| Miscellaneous rent income.....   | 403,144       | 420,101       | 361,958      | 333,822      | 324,081      | 327,800      | 401,134      |
| Miscellaneous nonoperating physical property   | 239,890       | 229,785       | 225,183      | 215,477      | 209,488      | 168,097      | 176,668      |
| Separately operated properties—Profit.....   |               |               |              |              |              | 45,875       |              |
| Dividend income.....   | 2,984,686     | 2,308,934     | 2,318,489    | 2,645,934    | 2,205,150    | 1,982,889    | 3,882,151    |
| Income from funded securities.....   | 73,787        | 65,951        | 95,653       | 637,272      | 534,637      | 396,348      | 238,755      |
| Income from unfunded securities and accounts   | 40,583        | 49,190        | 10,568       | 65,020       | 3,841        | 11,231       | 5,716        |
| Miscellaneous income.....  | 81,609        | 86,260        | 84,417       | 91,749       | 154,987      | 165,465      | 211,331      |
| Total other income.....  | 4,592,878     | 3,626,250     | 3,218,139    | 4,127,648    | 3,574,714    | 3,240,382    | 5,049,169    |
| Total income.....  | 44,037,954    | 31,627,785    | 25,025,203   | 23,712,243   | 18,053,990   | 27,009,790   | 28,608,740   |
| <b>3. MISCELLANEOUS DEDUCTIONS FROM INCOME</b>   |               |               |              |              |              |              |              |
| Expenses of miscellaneous operations.....  | 619,782       | 323,419       |              |              |              |              |              |
| Taxes on miscellaneous operating properties.....   | 44,383        | 21,515        |              |              |              |              |              |
| Miscellaneous rents.....   | 75,619        | 74,801        | 77,301       | 74,731       | 75,331       | 75,050       | 75,172       |
| Miscellaneous tax accruals.....  | 180,889       | 125,439       | 96,031       | 82,751       | 70,836       | 68,019       | 74,050       |
| Separately operated properties—Loss.....   | 85,135        | 114,431       | 158,143      | 466,918      | 652,464      | 503,538      | 541,191      |
| Miscellaneous income charges.....  | 267,129       | 267,101       | 273,406      | 185,648      | 269,435      | 250,299      | 246,805      |
| Total miscellaneous deductions.....  | 1,272,937     | 926,706       | 604,881      | 810,048      | 1,068,066    | 896,906      | 937,218      |
| Income available for fixed charges....   | 42,765,017    | 30,701,079    | 24,420,322   | 22,902,195   | 16,985,924   | 26,112,884   | 27,671,522   |
| <b>4. FIXED CHARGES</b>  |               |               |              |              |              |              |              |
| Rent for leased roads and equipment.....   | 19,794        | 24,889        | 24,928       | 23,539       | 30,835       | 25,530       | 3,495        |
| Interest on funded debt—fixed interest.....  | 13,283,890    | 13,484,625    | 13,722,692   | 14,032,595   | 14,121,823   | 15,571,487   | 17,298,166   |
| Interest on unfunded debt.....   | 407,312       | 406,406       | 464,508      | 159,636      | 120,706      | 18,361       | 39,833       |
| Amortization of discount on funded debt.....   |               |               |              |              |              | 407,586      | 426,042      |
| Total fixed charges.....   | 13,710,996    | 13,915,920    | 14,212,128   | 14,215,770   | 14,273,364   | 16,022,964   | 17,767,536   |
| NET INCOME.....  | \$ 29,054,021 | \$ 16,785,159 | \$10,208,194 | \$ 8,686,425 | \$ 2,712,560 | \$10,089,920 | \$ 9,903,986 |
| NUMBER OF TIMES FIXED CHARGES EARNED.....  | 3.12          | 2.21          | 1.72         | 1.61         | 1.19         | 1.63         | 1.56         |
| RATIO OF OPERATING EXPENSES TO REVENUES—%  | 56.5          | 62.6          | 64.8         | 65.9         | 68.8         | 64.6         | 63.5         |
| RATIO OF TRANSP. EXPENSES TO REVENUES—%  | 25.2          | 27.9          | 29.5         | 31.1         | 34.5         | 32.3         | 32.5         |
| <b>5. DISPOSITION OF NET INCOME</b>  |               |               |              |              |              |              |              |
| Income applied to sink. and other res. funds.....  | \$ 250,000    | \$ 259,899    | \$ 263,063   | \$ 263,000   | \$ 13,804    | \$ 15,067    | \$ 15,439    |
| Dividend appropriations of income.....   |               |               |              |              |              | 4,997,788    |              |
| Income appropriated for invest. in phys. prop.....   | 1,250         | 15,000        | 15,000       | 15,000       | 15,000       | 15,000       | 15,000       |
| Miscellaneous appropriations of income.....  | 372           |               |              |              |              |              |              |
| Total appropriations of income.....  | 251,622       | 274,899       | 278,063      | 278,000      | 28,804       | 5,027,855    | 30,439       |
| Inc. bal. transferred to Profit and Loss.....  | 28,802,399    | 16,510,260    | 9,930,131    | 8,408,425    | 2,683,756    | 5,062,065    | 9,873,547    |
| <b>6. PROFIT AND LOSS</b>  |               |               |              |              |              |              |              |
| Profit and loss, January 1.....  | 115,401,668   | 105,857,099   | 106,281,950  | 98,853,566   | 90,835,358   | 106,586,171  | 102,731,957  |
| Add: Credits to profit and loss.....   | 29,277,842    | 17,219,055    | 10,584,143   | 8,565,003    | 34,492,004   | 5,527,901    | 10,270,045   |
| Deduct: Debits to profit and loss.....   | 27,907,767    | 7,674,486     | 11,008,994   | 1,136,619    | 26,473,796   | 21,278,714   | 6,415,831    |
| Profit and Loss, December 31.....  | 116,771,743   | 115,401,668   | 105,857,099  | 106,281,950  | 98,853,566   | 90,835,358   | 106,586,171  |
| <b>7. DIVIDENDS DECLARED.....</b>  | 4,997,795     | 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)..... | \$ 539,443    | \$ 206,077    | \$ 155,180   | \$ 2,110     | \$ 411,932   | \$ 420,633   | \$ 237,140   |



# ANNUAL REPORT FOR 1942

## INCOME ACCOUNT—1928 to 1935

|   | 1935         | 1934         | 1933         | 1932         | 1931         | 1930         | 1929          | 1928          |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Average mileage of road operated.....   | 8,278.28     | 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.....  | \$70,211,977 | \$60,348,273 | \$52,673,934 | \$45,960,600 | \$63,344,821 | \$85,797,850 | \$101,178,779 | \$103,980,331 |
| Passenger.....  | 4,416,108    | 4,220,571    | 3,759,187    | 3,941,659    | 6,042,610    | 9,000,087    | 11,298,352    | 11,505,351    |
| Mail.....   | 2,592,247    | 2,612,588    | 2,626,891    | 2,824,801    | 3,143,556    | 3,356,243    | 4,770,053     | 3,084,976     |
| Express.....  | 939,960      | 879,234      | 673,704      | 787,220      | 1,223,565    | 1,856,822    | 2,366,080     | 2,323,371     |
| Switching.....  | 506,098      | 460,974      | 415,670      | 431,817      | 628,283      | 769,608      | 990,101       | 1,020,433     |
| Other transportation.....   | 319,343      | 278,170      | 271,178      | 392,626      | 573,968      | 778,538      | 949,469       | 838,771       |
| Incidental.....   | 2,206,630    | 1,950,567    | 1,543,912    | 1,261,738    | 2,140,800    | 3,422,311    | 4,348,227     | 3,877,193     |
| Joint facility—net.....   | Dr.— 3,505   | Cr.— 2,500   | Dr.— 40,585  | Dr.— 51,215  | Dr.— 10,148  | Cr.— 14,617  | Cr.— 31,747   | Cr.— 106,665  |
| Total railway oper. revs..  | 81,188,858   | 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 struct.  | 6,994,058    | 8,368,883    | 5,335,607    | 7,771,028    | 9,413,813    | 13,598,876   | 17,073,972    | 18,319,757    |
| Maintenance of equipment.....   | 12,630,006   | 11,846,694   | 10,961,690   | 12,428,089   | 14,538,454   | 18,544,614   | 20,278,320    | 18,991,651    |
| Traffic.....  | 2,029,222    | 1,899,765    | 1,864,188    | 2,177,887    | 2,532,764    | 2,912,531    | 3,127,846     | 2,897,159     |
| Transportation—rail line.....   | 25,801,313   | 23,032,746   | 20,434,097   | 20,592,335   | 25,846,075   | 33,908,017   | 38,351,284    | 39,374,519    |
| Miscellaneous operations.....   | 753,248      | 740,835      | 563,524      | 627,974      | 960,680      | 1,444,685    | 1,723,623     | 1,588,363     |
| General.....  | 1,908,037    | 2,778,343    | 2,429,557    | 2,284,343    | 2,660,972    | 2,801,602    | 2,784,428     | 2,807,921     |
| Transportation for invest—Cr..  | 54,670       | 57,086       | 43,439       | 225,984      | 666,804      | 644,447      | 476,563       | 744,254       |
| Total railway oper. exp..   | 50,061,214   | 48,610,180   | 41,545,224   | 45,655,672   | 55,285,954   | 72,565,878   | 82,862,910    | 83,235,116    |
| Net rev. from railway oper.   | 31,127,644   | 22,142,697   | 20,378,667   | 9,893,574    | 21,801,501   | 32,430,198   | 43,069,898    | 43,501,975    |
| Railway tax accruals.....   | 6,216,821    | 6,181,111    | 6,660,944    | 6,697,424    | 7,179,028    | 8,712,598    | 9,201,154     | 10,297,997    |
| Uncollectible railway revenues...   | 9,257        | 10,528       | 7,213        | 14,210       | 9,894        | 9,845        | 17,181        | 13,916        |
| Railway operating income.   | 24,901,566   | 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.....  | 997,612      | 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....   | 420,100      | 467,742      | 598,330      | 377,474      | 488,921      | 447,443      | 402,591       | 377,996       |
| NET RAILWAY OPER. INC..   | 23,483,854   | 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>   |              |              |              |              |              |              |               |               |
| Revs. from miscellaneous oper....   |              |              |              |              |              |              |               |               |
| Income from lease of rd. and equip.   | 313          | 3,940        | 313          | 777          | 1,428        | 1,428        | 1,428         | 1,498         |
| Miscellaneous rent income.....  | 388,691      | 477,269      | 574,603      | 650,235      | 667,283      | 672,612      | 687,720       | 658,962       |
| Miscellaneous nonoper. phys. prop.  | 177,606      | 174,425      | 159,323      | 165,315      | 166,934      | 190,531      | 149,317       | 163,913       |
| Separately oper. prop.—Profit....   | 48,316       |              | 4,178        |              |              |              |               |               |
| Dividend income.....  | 1,954,999    | 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....   | 958,176      | 775,222      | 464,732      | 656,306      | 1,151,748    | 554,376      | 985,260       | 872,726       |
| Inc. from unfunded sec. and accts.  | 12,373       | 174,576      | 40,114       | 367,835      | 667,342      | 582,617      | 595,023       | 1,373,171     |
| Miscellaneous income.....   | 275,835      | 310,523      | 294,531      | 207,725      | 254,287      | 241,081      | 243,912       | 190,017       |
| Total other income.....   | 3,816,309    | 4,838,178    | 4,887,172    | 5,096,092    | 12,110,637   | 15,528,317   | 12,026,227    | 13,032,123    |
| Total income.....   | 27,300,163   | 18,939,828   | 16,697,399   | 6,386,643    | 24,780,057   | 37,440,825   | 44,483,750    | 44,326,192    |
| <b>3. MISCELLANEOUS DEDUCT'NS FROM INC.</b>   |              |              |              |              |              |              |               |               |
| Expenses of miscellaneous oper....  |              |              |              |              |              |              |               |               |
| Taxes on miscellaneous oper. prop.  |              |              |              |              |              |              |               |               |
| Miscellaneous rents.....  | 77,304       | 79,978       | 58,898       | 7,972        | 8,021        | 5,975        | 5,572         | 8,957         |
| Miscellaneous tax accruals.....   | 70,124       | 71,018       | 70,298       | 93,461       | 95,673       | 97,342       | 110,457       | 103,922       |
| Separately operated prop.—Loss..  | 440,552      | 1,995        | 76,348       | 110,719      | 108,879      | 279,603      | 100,039       | 68,087        |
| Miscellaneous income charges....  | 244,096      | 289,152      | 218,355      | 72,495       | 86,461       | 87,033       | 83,836        | 77,525        |
| Total miscel. deductions....  | 832,076      | 442,143      | 423,899      | 284,647      | 299,034      | 469,953      | 299,904       | 258,491       |
| Inc. available for fixed chgs.  | 26,468,087   | 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 equipt..  | 1,176        | 18,186       | 100          | Cr.— 87      | 151          | 171          | 1,829         | 105,067       |
| Interest on funded debt—fixed int.  | 18,755,665   | 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.....  | 141,900      | 302,889      | 110,928      | 323,146      | Cr.—95,623   | 37,179       | 42,387        | 138,349       |
| Amort. of discount on funded debt   | 429,486      | 434,206      | 384,691      | 251,168      | 258,566      | 255,702      | 250,947       | 258,382       |
| Total fixed charges.....  | 19,328,227   | 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)....   | \$ 7,139,860 | \$ 1,074,480 | \$ 3,187,760 | \$13,405,439 | \$ 5,325,907 | \$18,036,748 | \$ 25,668,551 | \$ 25,168,230 |
| NO. OF TIMES FIXED CHGS. EARNED   | 1.37         | .95          | .84          | .31          | 1.28         | 1.95         | 2.39          | 2.33          |
| RATIO OF OPER. EXP. TO REVS.—%  | 61.7         | 68.7         | 67.1         | 82.2         | 71.7         | 69.1         | 65.8          | 65.7          |
| RATIO OF TRANSP. EXP. TO REVS.—%  | 31.8         | 32.6         | 33.0         | 37.1         | 33.5         | 32.3         | 30.5          | 31.1          |
| <b>5. DISPOSITION OF NET INCOME.</b>  |              |              |              |              |              |              |               |               |
| Inc. appl. to sink. and other res. fds.   | \$ 14,993    | \$ 14,827    | \$ 14,270    | \$ 14,386    | \$ 14,666    | \$ 14,994    | \$ 14,707     | \$ 15,451     |
| Dividend appropriations of income   |              |              |              |              |              |              | 12,450,225    | 12,449,205    |
| Inc. approp. for invt. in phys. prop.   | 15,000       | 15,000       |              |              |              |              |               |               |
| Miscellaneous approp. of inc.....   |              |              | 123,528      | 629,600      |              |              |               |               |
| Total appropriations of inc.  | 29,993       | 29,827       | 137,798      | 643,986      | 14,666       | 14,994       | 12,464,932    | 12,464,656    |
| Inc. bal. transf. to Prof. & Loss   | 7,109,867    | 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.....   | 102,202,449  | 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...  | 7,364,108    | 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   | 6,834,600    | 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....  | 102,731,957  | 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) | \$ 64,460    | \$ 561,618   | \$ 16,911    | \$ 603,566   | \$ 91,916    | \$ 719,631   | \$ 352,846    | \$ 440,745    |



GREAT NORTHERN RAILWAY COMPANYChanges in General Balance Sheet Accounts  
1942701 Road and Equipment Property and Improvements on  
Leased Property (Increased \$7,549,411)

## Cash expenditures for new road property:

|  |                    |
|--|--------------------|
| Line from Marion to Hubbard, Mont., 7.21 miles,<br>purchased from Glacier Park Hotel Company | \$ 58,133          |
| Additions and betterments to road property   | 4,764,080          |
|  | <u>\$4,822,213</u> |

## Cost of property retired:

|  |                  |                  |
|--|------------------|------------------|
| Investment in Elevator S and Coal Dock #6, Superior,<br>Wisc. and in Tie Treating Plant, Somers, Mont.<br>transferred to account 705, Miscellaneous<br>Physical Property | \$3,692,037      |                  |
| Other retirements of road property   | <u>1,983,868</u> | 5,675,905        |
| Net decrease in investment in road property  |                  | <u>\$853,692</u> |

## Cash expenditures for new equipment:

|  |                    |
|--|--------------------|
| 6 Diesel locomotives                   | \$ 525,545         |
| 2000 Box cars                          | 6,380,625          |
| 500 Ore cars                           | 1,551,000          |
| Other equipment purchased              | 131,925            |
| Additions and betterments to equipment | 864,173            |
|  | <u>\$9,453,268</u> |

## Cost of equipment retired

|   |                    |
|---|--------------------|
| Net increase in investment in equipment | 1,050,165          |
|   | <u>\$8,403,103</u> |

705 Miscellaneous Physical Property (Increased \$3,565,368)

|  |                    |
|--|--------------------|
| Transfer to this account from Account 701, Road and<br>equipment property, of investment in Elevator S<br>and Coal Dock #6, Superior, Wisc. and Tie Treating<br>Plant, Somers, Mont. | <u>\$3,692,037</u> |
|--|--------------------|

706 Investments in Affiliated Companies:Unsecured Notes - (Increased \$4,870,212)

|  |                    |
|--|--------------------|
| Glacier Park Hotel Co. - Note taken to evidence<br>indebtedness for advances and current account   | \$3,750,000        |
| Washington & Great Northern Townsite Company -<br>Note taken to evidence indebtedness for advances | \$1,300,000        |
| Less payment thereon   | <u>177,288</u>     |
| Cowlitz, Chehalis & Cascade Ry. - Cash payment   | 1,122,712          |
|  | Cr. 2,500          |
|  | <u>\$4,870,212</u> |

Investment Advances (Decrease \$5,143,993)

|  |                    |
|--|--------------------|
| Glacier Park Hotel Co. - Advances evidenced by note<br>and transferred to Unsecured Notes                      | \$3,250,000        |
| Washington & Great Northern Townsite Co. - Advances<br>evidenced by note and transferred to<br>Unsecured Notes | 1,300,000          |
| Spokane, Portland & Seattle Ry. Co. - Cash repayment   | 500,000            |
| Ruth Realty Co. - Cash repayment   | 110,315            |
| Railroad Credit Corporation - Cash repayment   | 21,650             |
| Total of principal items   | <u>\$5,181,965</u> |



## ANNUAL REPORT FOR 1942

GENERAL BALANCE SHEET  
DECEMBER 31, 1942 AND 1941

| LIABILITY SIDE  | December 31,<br>1942 | December 31,<br>1941 | 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.....  | 2,057,901            | 2,208,238            |               | \$ 150,337 |
| <b>LONG-TERM DEBT</b>   | Dec. 31, 1942        | Dec. 31, 1941        |               |            |
| Funded debt unmatured.....  | \$402,669,338        | \$423,948,005        |               |            |
| Less—Held by or for the Company.....  | 88,337,000           | 89,630,000           |               |            |
| Actually outstanding.....   | \$314,332,338        | \$334,318,005        |               |            |
| 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, January 1, 1952.....  | 29,861,000           | 29,861,000           |               |            |
| Series "C," 5% Gold Bonds, January 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.....   | 43,238,950           | 49,177,800           |               | 5,938,850  |
| Series "H," 4% Conv. Bonds, July 1, 1946.....   | 32,938,750           | 48,227,200           |               | 15,288,450 |
| Series "I," 3¾% Gold Bonds, January 1, 1967.....  | 50,000,000           | 50,000,000           |               |            |
| Collateral Trust  |                      |                      |               |            |
| Secured 4% Serial Bonds, serially to April 1, 1944.....                                   | 924,000              | 1,540,000            |               | 616,000    |
| Collateral Trust 4% Bonds   |                      |                      |               |            |
| Serial Bonds, serially to July 1, 1951.....   | 6,000,000            | 6,500,000            |               | 500,000    |
| Term Bonds, January 1, 1952.....  | 13,000,000           | 13,000,000           |               |            |
| Equipment Obligations   |                      |                      |               |            |
| Equipment Trust—Series "E," 2% serially to Mar. 1, 1947                                   | 2,325,000            | 2,790,000            |               | 465,000    |
| Notes evidencing conditional sale contracts (Page 40)....                                 | 21,133,638           |                      | \$ 21,133,638 |            |
| Conditional sale contracts (Page 40) (under "Deferred liabilities" in 1941 accounts)..... |                      | 18,311,005           |               | 18,311,005 |
| Eastern Railway Company of Minnesota Gold Bonds—  |                      |                      |               |            |
| Northern Division, First Mortgage, 4%, April 1, 1948.....                                 | 9,695,000            | 9,695,000            |               |            |
| Total funded debt outstanding.....  | 314,332,338          | 334,318,005          |               | 19,985,667 |
| Amounts payable to affiliated companies.....  | 193,975              | 422,545              |               | 228,570    |
| Total long-term debt.....   | 314,526,313          | 334,740,550          |               | 20,214,237 |
| Total capital liabilities.....  | 565,676,364          | 586,040,938          |               | 20,364,574 |
| <b>CURRENT LIABILITIES</b>  |                      |                      |               |            |
| Audited accounts and wages payable.....   | 6,237,868            | 7,117,567            |               | 879,699    |
| Miscellaneous accounts payable.....   | 839,376              | 855,383              |               | 16,007     |
| Interest matured unpaid.....  | 6,129,507            | 6,546,611            |               | 417,104    |
| Dividends matured unpaid.....   | 132,896              |                      | 132,896       |            |
| Unmatured interest accrued.....   | 139,647              | 139,038              |               | 609        |
| Accrued tax liability.....  | 26,363,046           | 12,878,896           | 13,484,150    |            |
| Other current liabilities.....  | 1,108,081            | 371,479              | 736,602       |            |
| Total current liabilities.....  | 40,950,421           | 27,908,974           | 13,041,447    |            |
| <b>DEFERRED LIABILITIES</b>   |                      |                      |               |            |
| Other deferred liabilities.....   | 400,934              | 380,154              | 20,780        |            |
| <b>UNADJUSTED CREDITS</b>   |                      |                      |               |            |
| Insurance and casualty reserves.....  | 9,980                | 8,953                | 1,027         |            |
| Accrued depreciation—Road.....  | 5,679,079            | 5,702,750            |               | 23,671     |
| Accrued amortization of defense projects—Road.....  | 320,188              | 43,400               | 276,788       |            |
| Accrued depreciation—Equipment.....   | 64,362,042           | 61,261,522           | 3,100,520     |            |
| Accrued amortization of defense projects—Equipment.....                                   | 7,081,465            | 2,647,976            | 4,433,489     |            |
| Accrued depreciation—Miscellaneous physical property.....                                 | 495,003              | 322,427              | 172,576       |            |
| Other unadjusted credits.....   | 4,001,422            | 1,716,817            | 2,284,605     |            |
| Total unadjusted credits.....   | 81,949,179           | 71,703,845           | 10,245,334    |            |
| <b>CORPORATE SURPLUS</b>  |                      |                      |               |            |
| Additions to property through income and surplus.....                                     | 3,692,608            | 3,673,628            | 18,980        |            |
| Funded debt retired through income and surplus.....                                       | 59,073,024           | 36,444,149           | 22,628,875    |            |
| Sinking fund reserves.....  | 250,000              | 250,000              |               |            |
| Miscellaneous fund reserves.....  | 130,736              | 152,013              |               | 21,277     |
| Appropriated surplus not specifically invested.....                                       | 3,252,851            | 3,252,851            |               |            |
| Total appropriated surplus.....   | 66,399,219           | 43,772,641           | 22,626,578    |            |
| *Profit and loss credit balance (Page 24).....  | 116,771,743          | 115,401,668          | 1,370,075     |            |
| Total corporate surplus.....  | 183,170,962          | 159,174,309          | 23,996,653    |            |
| Grand total.....  | \$872,147,860        | \$845,208,220        | \$ 26,939,640 |            |

\*Does not include aggregate net profit and loss deficits to December 31, 1942, amounting to \$10,552,070, 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.....              | \$ 600,000 |
| 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.....               | 261,000    |
| Spokane, Portland and Seattle Railway Company Equipment Trust, Series A, 2¾%, due serially to July 1, 1947.....  | 600,000    |

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16



## GREAT NORTHERN RAILWAY COMPANY

Sheet 2 of 2 Sheets

## GREAT NORTHERN RAILWAY COMPANY

Changes in General Balance Sheet Accounts (Contd.)1942727 Other Unadjusted Debits (Increased \$899,223)

Increased balances in suspense accounts for hire of equipment, amounts due from foreign lines for tickets sold over this company's lines during December, and amount due from Pullman Company for earnings from operation of sleeping cars

\$822,300

Expenditures for drilling test holes on and installing pumps for draining of iron ore properties carried in suspense temporarily

116,813

Total of principal items

\$939,113778 Other Unadjusted Credits (Increased \$2,284,605)

Unaudited items affecting operating expenses

\$ 552,811

Difference between freight charges at tariff rates and at land grant rates on shipments moving under Government bills of lading on which waybills have been reported and accounted for but on which Government bills of lading have not been submitted for collection

264,207

Anticipated amount of claims for reduction to land grant rates of charges on Government freight moving at regular tariff rates

1,550,000

Total of principal items

\$2,367,018780 Funded Debt Retired through Income and Surplus (Increased \$22,628,875)

Collateral Trust Bonds, 4%

\$ 500,000

General Mortgage, Series G Bonds

5,857,347

" " " H "

16,020,106

Retired through operation of General Mortgage Series "I" Sinking Fund

General Mortgage Series H Bonds

251,422

Total

\$22,628,875



## ANNUAL REPORT FOR 1942

GENERAL BALANCE SHEET  
DECEMBER 31, 1942 AND 1941

| LIABILITY SIDE  | December 31,<br>1942 | December 31,<br>1941 | 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.....  | 2,057,901            | 2,208,238            |               | \$ 150,337 |
| <b>LONG-TERM DEBT</b>   | Dec. 31, 1942        | Dec. 31, 1941        |               |            |
| Funded debt unmatured.....  | \$402,669,338        | \$423,948,005        |               |            |
| Less—Held by or for the Company.....  | 88,337,000           | 89,630,000           |               |            |
| Actually outstanding.....   | \$314,332,338        | \$334,318,005        |               |            |
| 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, January 1, 1952.....  | 29,861,000           | 29,861,000           |               |            |
| Series "C," 5% Gold Bonds, January 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.....   | 43,238,950           | 49,177,800           |               | 5,938,850  |
| Series "H," 4% Conv. Bonds, July 1, 1946.....   | 32,938,750           | 48,227,200           |               | 15,288,450 |
| Series "I," 3¾% Gold Bonds, January 1, 1967.....  | 50,000,000           | 50,000,000           |               |            |
| Collateral Trust  |                      |                      |               |            |
| Secured 4% Serial Bonds, serially to April 1, 1944.....                                   | 924,000              | 1,540,000            |               | 616,000    |
| Collateral Trust 4% Bonds   |                      |                      |               |            |
| Serial Bonds, serially to July 1, 1951.....   | 6,000,000            | 6,500,000            |               | 500,000    |
| Term Bonds, January 1, 1952.....  | 13,000,000           | 13,000,000           |               |            |
| Equipment Obligations   |                      |                      |               |            |
| Equipment Trust—Series "E," 2% serially to Mar. 1, 1947                                   | 2,325,000            | 2,790,000            |               | 465,000    |
| Notes evidencing conditional sale contracts (Page 40)....                                 | 21,133,638           |                      | \$ 21,133,638 |            |
| Conditional sale contracts (Page 40) (under "Deferred liabilities" in 1941 accounts)..... |                      | 18,311,005           |               | 18,311,005 |
| Eastern Railway Company of Minnesota Gold Bonds—  |                      |                      |               |            |
| Northern Division, First Mortgage, 4%, April 1, 1948.....                                 | 9,695,000            | 9,695,000            |               |            |
| Total funded debt outstanding.....  | 314,332,338          | 334,318,005          |               | 19,985,667 |
| Amounts payable to affiliated companies.....  | 193,975              | 422,545              |               | 228,570    |
| Total long-term debt.....   | 314,526,313          | 334,740,550          |               | 20,214,237 |
| Total capital liabilities.....  | 565,676,364          | 586,040,938          |               | 20,364,574 |
| <b>CURRENT LIABILITIES</b>  |                      |                      |               |            |
| Audited accounts and wages payable.....   | 6,237,868            | 7,117,567            |               | 879,699    |
| Miscellaneous accounts payable.....   | 839,376              | 855,383              |               | 16,007     |
| Interest matured unpaid.....  | 6,129,507            | 6,546,611            |               | 417,104    |
| Dividends matured unpaid.....   | 132,896              |                      | 132,896       |            |
| Unmatured interest accrued.....   | 139,647              | 139,038              |               | 609        |
| Accrued tax liability.....  | 26,363,046           | 12,878,896           | 13,484,150    |            |
| Other current liabilities.....  | 1,108,081            | 371,479              | 736,602       |            |
| Total current liabilities.....  | 40,950,421           | 27,908,974           | 13,041,447    |            |
| <b>DEFERRED LIABILITIES</b>   |                      |                      |               |            |
| Other deferred liabilities.....   | 400,934              | 380,154              | 20,780        |            |
| <b>UNADJUSTED CREDITS</b>   |                      |                      |               |            |
| Insurance and casualty reserves.....  | 9,980                | 8,953                | 1,027         |            |
| Accrued depreciation—Road.....  | 5,679,079            | 5,702,750            |               | 23,671     |
| Accrued amortization of defense projects—Road.....  | 320,188              | 43,400               | 276,788       |            |
| Accrued depreciation—Equipment.....   | 64,362,042           | 61,261,522           | 3,100,520     |            |
| Accrued amortization of defense projects—Equipment.....                                   | 7,081,465            | 2,647,976            | 4,433,489     |            |
| Accrued depreciation—Miscellaneous physical property.....                                 | 495,003              | 322,427              | 172,576       |            |
| Other unadjusted credits.....   | 4,001,422            | 1,716,817            | 2,284,605     |            |
| Total unadjusted credits.....   | 81,949,179           | 71,703,845           | 10,245,334    |            |
| <b>CORPORATE SURPLUS</b>  |                      |                      |               |            |
| Additions to property through income and surplus.....                                     | 3,692,608            | 3,673,628            | 18,980        |            |
| Funded debt retired through income and surplus.....                                       | 59,073,024           | 36,444,149           | 22,628,875    |            |
| Sinking fund reserves.....  | 250,000              | 250,000              |               |            |
| Miscellaneous fund reserves.....  | 130,736              | 152,013              |               | 21,277     |
| Appropriated surplus not specifically invested.....                                       | 3,252,851            | 3,252,851            |               |            |
| Total appropriated surplus.....   | 66,399,219           | 43,772,641           | 22,626,578    |            |
| *Profit and loss credit balance (Page 24).....  | 116,771,743          | 115,401,668          | 1,370,075     |            |
| Total corporate surplus.....  | 183,170,962          | 159,174,309          | 23,996,653    |            |
| Grand total.....  | \$872,147,860        | \$845,208,220        | \$ 26,939,640 |            |

\*Does not include aggregate net profit and loss deficits to December 31, 1942, amounting to \$10,552,070, 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.....              | \$ 600,000 |
| 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.....               | 261,000    |
| Spokane, Portland and Seattle Railway Company Equipment Trust, Series A, 2¾%, due serially to July 1, 1947.....  | 600,000    |

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GENERAL BALANCE SHEET  
DECEMBER 31, 1942 AND 1941

| ASSET SIDE  | December 31,<br>1942 | December 31,<br>1941 | INCREASE      | DECREASE   |
|---|----------------------|----------------------|---------------|------------|
| <b>INVESTMENTS</b>  |                      |                      |               |            |
| Road and equipment property                                   |                      |                      |               |            |
| Road.....   | \$436,747,313        | \$437,601,961        |               | \$ 854,648 |
| Equipment.....  | 148,285,234          | 139,882,131          | \$ 8,403,103  |            |
| General expenditures.....                                     | 1,972,103            | 1,968,436            | 3,667         |            |
| Total.....  | 587,004,650          | 579,452,528          | 7,552,122     |            |
| Improvements on leased property.....                          | 523,147              | 525,858              |               | 2,711      |
| Deposits in lieu of mortgaged property sold.....              | 28,412               | 8,528                | 19,884        |            |
| Miscellaneous physical property.....                          | 14,324,424           | 10,759,056           | 3,565,368     |            |
| Investments in affiliated companies (Page 39):                |                      |                      |               |            |
| Stocks.....   | 167,352,347          | 167,377,347          |               | 25,000     |
| Bonds.....  | 26,508,601           | 26,508,601           |               |            |
| Unsecured notes.....  | 5,725,712            | 855,500              | 4,870,212     |            |
| Investment advances.....                                      | 3,354,346            | 8,498,339            |               | 5,143,993  |
| Total.....  | 202,941,006          | 203,239,787          |               | 298,781    |
| Other investments (Page 39):                                  |                      |                      |               |            |
| Stocks.....   | 2,317,077            | 2,334,654            |               | 17,577     |
| Bonds.....  | 248,000              | 249,000              |               | 1,000      |
| Other secured obligations.....                                | 345,305              | 435,084              |               | 89,779     |
| Unsecured notes.....  | 632                  | 705                  |               | 73         |
| Investment advances.....                                      | 5,000                |                      | 5,000         |            |
| Total.....  | 2,916,014            | 3,019,443            |               | 103,429    |
| Deduct—Reserve for adjustment of investment in securities.... | 15,150,093           | 15,221,755           |               | 71,662     |
| Total investments.....  | 792,587,560          | 781,783,445          | 10,804,115    |            |
| <b>CURRENT ASSETS</b>   |                      |                      |               |            |
| Cash.....   | 28,397,676           | 30,967,878           |               | 2,570,202  |
| Temporary cash investments.....                               | 13,014,000           | 6,005,400            | 7,008,600     |            |
| Special deposits.....   | 101,980              | 102,720              |               | 740        |
| Loans and bills receivable.....                               | 4,638                | 20,921               |               | 16,283     |
| Traffic and car-service balances—Dr.....                      | 1,010,767            | 840,360              | 170,407       |            |
| Net balance receivable from agents and conductors.....        | 4,754,634            | 2,243,237            | 2,511,397     |            |
| Miscellaneous accounts receivable.....                        | 10,001,627           | 4,322,032            | 5,679,595     |            |
| Material and supplies.....                                    | 14,317,044           | 11,986,751           | 2,330,293     |            |
| Interest and dividends receivable.....                        | 29,463               | 38,653               |               | 9,190      |
| Rents receivable.....   | 41,387               | 40,990               | 397           |            |
| Other current assets.....                                     | 285,040              | 229,844              | 55,196        |            |
| Total current assets.....                                     | 71,958,256           | 56,798,786           | 15,159,470    |            |
| <b>DEFERRED ASSETS</b>  |                      |                      |               |            |
| Working fund advances.....                                    | 21,185               | 24,436               |               | 3,251      |
| Other deferred assets.....                                    | 1,638,853            | 1,620,838            | 18,015        |            |
| Total deferred assets.....                                    | 1,660,038            | 1,645,274            | 14,764        |            |
| <b>UNADJUSTED DEBITS</b>                                      |                      |                      |               |            |
| Rents and insurance premiums paid in advance.....             | 115,757              | 53,689               | 62,068        |            |
| Other unadjusted debits.....                                  | 5,826,249            | 4,927,026            | 899,223       |            |
| Total unadjusted debits.....                                  | 5,942,006            | 4,980,715            | 961,291       |            |
| Grand total.....  | \$872,147,860        | \$845,208,220        | \$ 26,939,640 |            |

1941 accounts both "Assets" and "Liabilities" have been rearranged to conform with Interstate Commerce Commission's requirements for 1942.



## ANNUAL REPORT FOR 1942

GENERAL BALANCE SHEET  
DECEMBER 31, 1942 AND 1941

| LIABILITY SIDE  | December 31,<br>1942 | December 31,<br>1941 | 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.....  | 2,057,901            | 2,208,238            |               | \$ 150,337 |
| <b>LONG-TERM DEBT</b>   | Dec. 31, 1942        | Dec. 31, 1941        |               |            |
| Funded debt unmatured.....  | \$402,669,338        | \$423,948,005        |               |            |
| Less—Held by or for the Company.....  | 88,337,000           | 89,630,000           |               |            |
| Actually outstanding.....   | \$314,332,338        | \$334,318,005        |               |            |
| 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, January 1, 1952.....  | 29,861,000           | 29,861,000           |               |            |
| Series "C," 5% Gold Bonds, January 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.....   | 43,238,950           | 49,177,800           |               | 5,938,850  |
| Series "H," 4% Conv. Bonds, July 1, 1946.....   | 32,938,750           | 48,227,200           |               | 15,288,450 |
| Series "I," 3¾% Gold Bonds, January 1, 1967.....  | 50,000,000           | 50,000,000           |               |            |
| Collateral Trust  |                      |                      |               |            |
| Secured 4% Serial Bonds, serially to April 1, 1944.....                                   | 924,000              | 1,540,000            |               | 616,000    |
| Collateral Trust 4% Bonds   |                      |                      |               |            |
| Serial Bonds, serially to July 1, 1951.....   | 6,000,000            | 6,500,000            |               | 500,000    |
| Term Bonds, January 1, 1952.....  | 13,000,000           | 13,000,000           |               |            |
| Equipment Obligations   |                      |                      |               |            |
| Equipment Trust—Series "E," 2% serially to Mar. 1, 1947                                   | 2,325,000            | 2,790,000            |               | 465,000    |
| Notes evidencing conditional sale contracts (Page 40)....                                 | 21,133,638           |                      | \$ 21,133,638 |            |
| Conditional sale contracts (Page 40) (under "Deferred liabilities" in 1941 accounts)..... |                      | 18,311,005           |               | 18,311,005 |
| Eastern Railway Company of Minnesota Gold Bonds—  |                      |                      |               |            |
| Northern Division, First Mortgage, 4%, April 1, 1948.....                                 | 9,695,000            | 9,695,000            |               |            |
| Total funded debt outstanding.....  | 314,332,338          | 334,318,005          |               | 19,985,667 |
| Amounts payable to affiliated companies.....  | 193,975              | 422,545              |               | 228,570    |
| Total long-term debt.....   | 314,526,313          | 334,740,550          |               | 20,214,237 |
| Total capital liabilities.....  | 565,676,364          | 586,040,938          |               | 20,364,574 |
| <b>CURRENT LIABILITIES</b>  |                      |                      |               |            |
| Audited accounts and wages payable.....   | 6,237,868            | 7,117,567            |               | 879,699    |
| Miscellaneous accounts payable.....   | 839,376              | 855,383              |               | 16,007     |
| Interest matured unpaid.....  | 6,129,507            | 6,546,611            |               | 417,104    |
| Dividends matured unpaid.....   | 132,896              |                      | 132,896       |            |
| Unmatured interest accrued.....   | 139,647              | 139,038              |               | 609        |
| Accrued tax liability.....  | 26,363,046           | 12,878,896           | 13,484,150    |            |
| Other current liabilities.....  | 1,108,081            | 371,479              | 736,602       |            |
| Total current liabilities.....  | 40,950,421           | 27,908,974           | 13,041,447    |            |
| <b>DEFERRED LIABILITIES</b>   |                      |                      |               |            |
| Other deferred liabilities.....   | 400,934              | 380,154              | 20,780        |            |
| <b>UNADJUSTED CREDITS</b>   |                      |                      |               |            |
| Insurance and casualty reserves.....  | 9,980                | 8,953                | 1,027         |            |
| Accrued depreciation—Road.....  | 5,679,079            | 5,702,750            |               | 23,671     |
| Accrued amortization of defense projects—Road.....  | 320,188              | 43,400               | 276,788       |            |
| Accrued depreciation—Equipment.....   | 64,362,042           | 61,261,522           | 3,100,520     |            |
| Accrued amortization of defense projects—Equipment.....                                   | 7,081,465            | 2,647,976            | 4,433,489     |            |
| Accrued depreciation—Miscellaneous physical property.....                                 | 495,003              | 322,427              | 172,576       |            |
| Other unadjusted credits.....   | 4,001,422            | 1,716,817            | 2,284,605     |            |
| Total unadjusted credits.....   | 81,949,179           | 71,703,845           | 10,245,334    |            |
| <b>CORPORATE SURPLUS</b>  |                      |                      |               |            |
| Additions to property through income and surplus.....                                     | 3,692,608            | 3,673,628            | 18,980        |            |
| Funded debt retired through income and surplus.....                                       | 59,073,024           | 36,444,149           | 22,628,875    |            |
| Sinking fund reserves.....  | 250,000              | 250,000              |               |            |
| Miscellaneous fund reserves.....  | 130,736              | 152,013              |               | 21,277     |
| Appropriated surplus not specifically invested.....                                       | 3,252,851            | 3,252,851            |               |            |
| Total appropriated surplus.....   | 66,399,219           | 43,772,641           | 22,626,578    |            |
| *Profit and loss credit balance (Page 24).....  | 116,771,743          | 115,401,668          | 1,370,075     |            |
| Total corporate surplus.....  | 183,170,962          | 159,174,309          | 23,996,653    |            |
| Grand total.....  | \$872,147,860        | \$845,208,220        | \$ 26,939,640 |            |

\*Does not include aggregate net profit and loss deficits to December 31, 1942, amounting to \$10,552,070, of subsidiaries in which this Company holds directly or indirectly a majority of the outstanding capital stock.

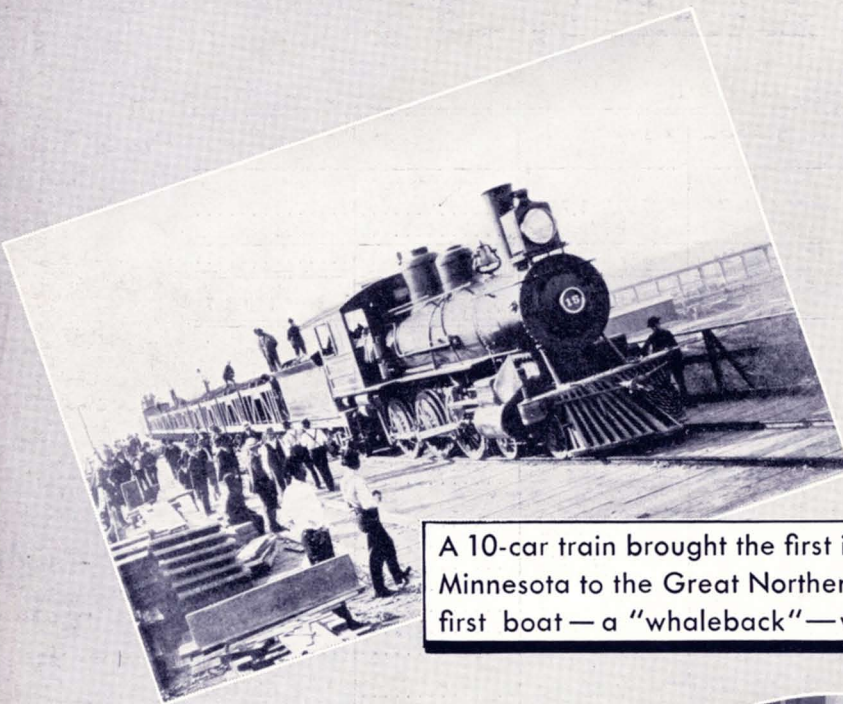
## CONTINGENT LIABILITY

|  |            |
|--|------------|
| The St. Paul Union Depot Company Guaranteed Notes of 1941, 1%, due serially to October 1, 1944.....              | \$ 600,000 |
| 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.....               | 261,000    |
| Spokane, Portland and Seattle Railway Company Equipment Trust, Series A, 2¾%, due serially to July 1, 1947.....  | 600,000    |

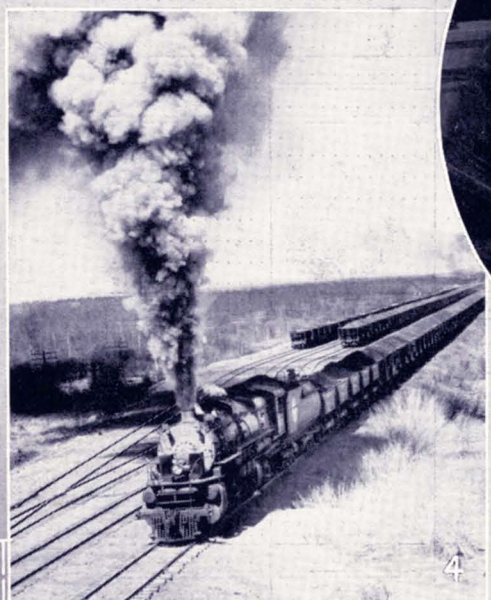
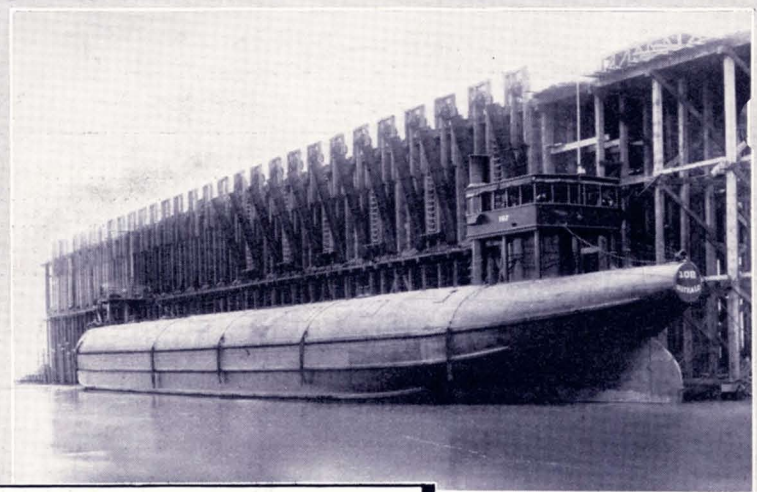
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# GREAT NORTHERN COMPLETES HALF CENT



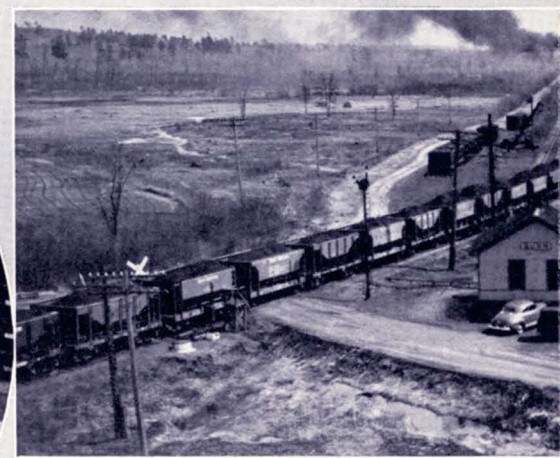
A 10-car train brought the first iron ore from the Mesabi Range in Minnesota to the Great Northern's docks near Superior, Wis. The first boat—a "whaleback"—was loaded November 11, 1892.



Ore train leaving on 100 mile trip to dock yards.



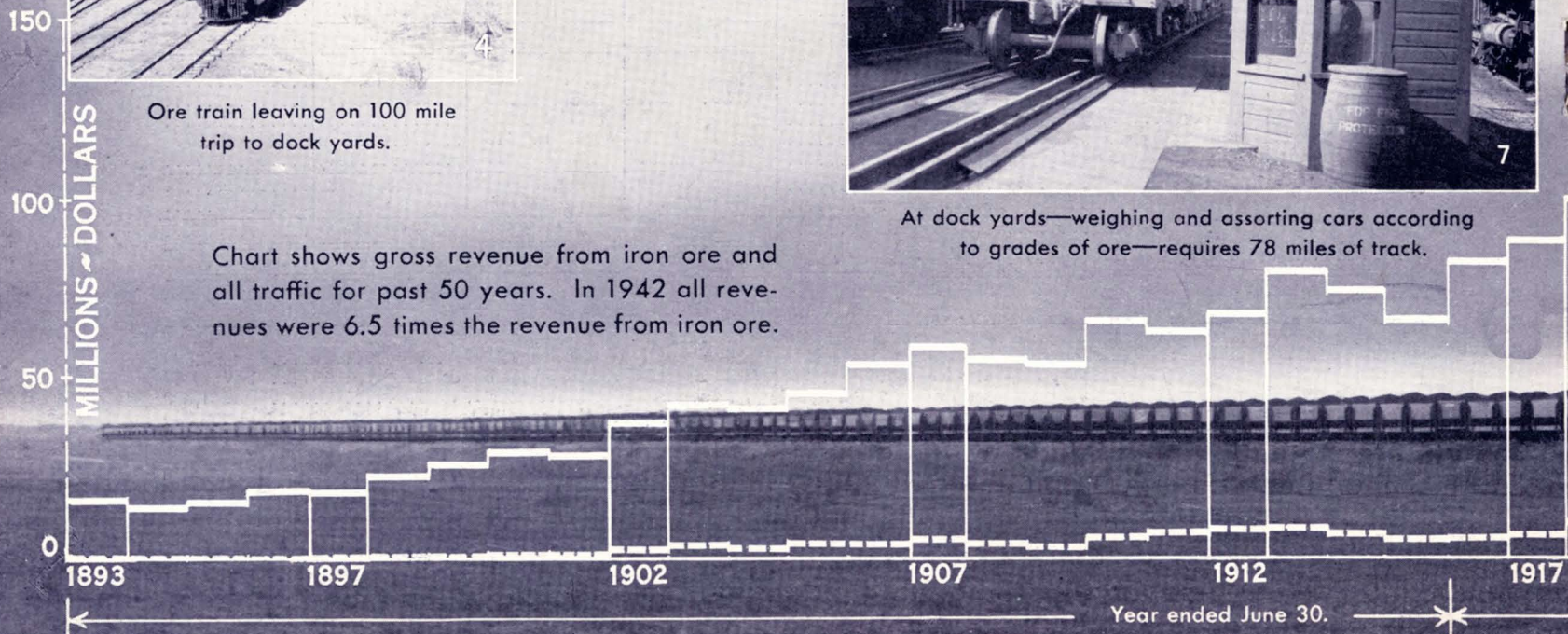
Directing traffic.



Enroute to docks.



At dock yards—weighing and assorting cars according to grades of ore—requires 78 miles of track.

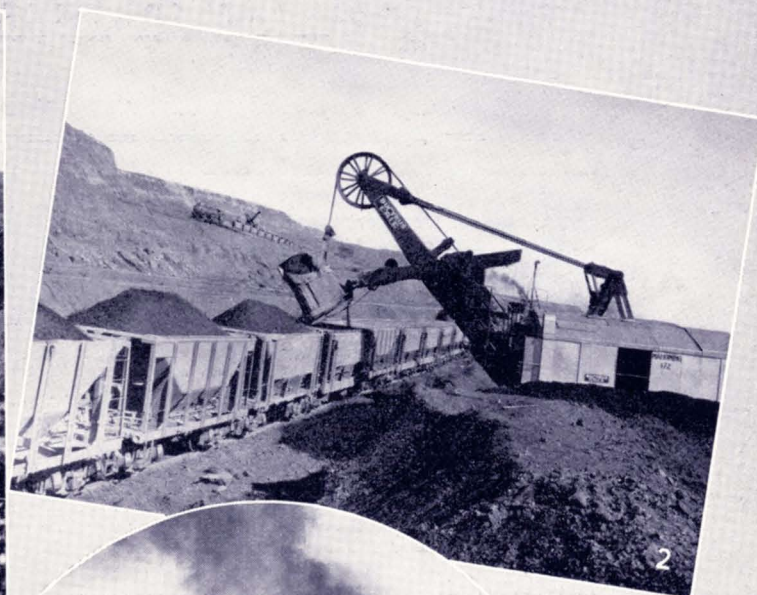




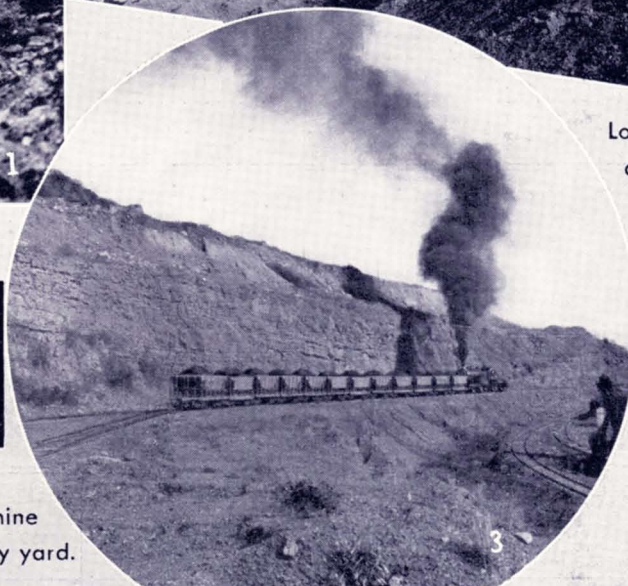
# NTURY OF IRON ORE TRANSPORTATION.



Open pit mine.



Loading one of 7900 ore cars in service.



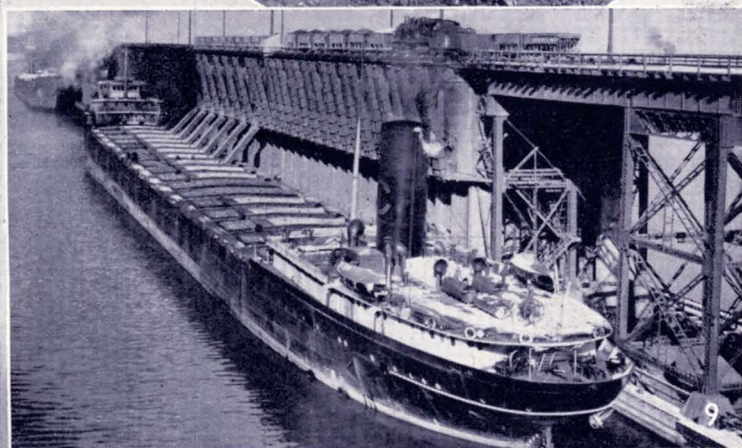
From mine to assembly yard.



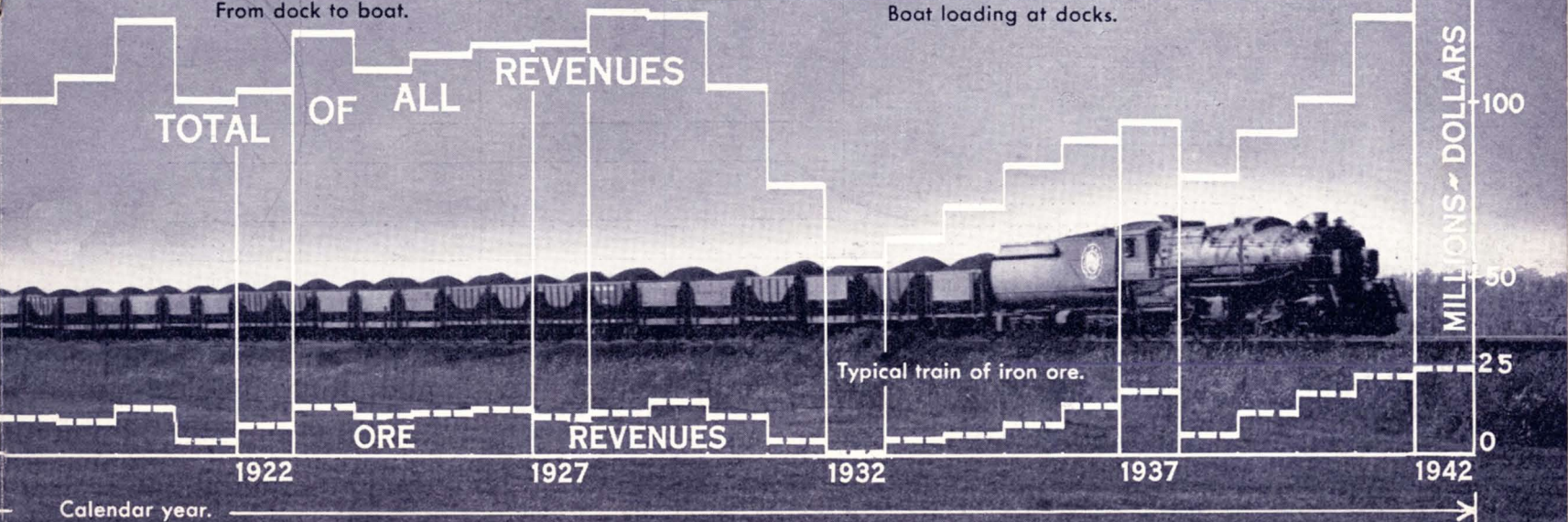
Great Northern Railway Company is an important factor to the steel industry and during the last 50 years has loaded 448,594,845 long tons of iron ore through its four ore docks.



From dock to boat.



Boat loading at docks.





# GREAT NORTHERN RAILWAY COMPANY

## PROFIT AND LOSS ACCOUNT—DECEMBER 31, 1942

| CREDITS  |              |              |               |
|--|--------------|--------------|---------------|
| Credit balance December 31, 1941.....                            |              |              | \$115,401,668 |
| Credit balance transferred from income.....                      | \$28,802,399 |              |               |
| Credits from retired road and equipment.....                     | 9,408        |              |               |
| Donations.....   | 30,786       |              |               |
| Miscellaneous credits.....                                       | 435,249      | \$29,277,842 |               |
| DEBITS   |              |              |               |
| Surplus applied to sinking and other reserve funds.....          | \$ 1,423     |              |               |
| Dividend appropriations of surplus.....                          | 4,997,795    |              |               |
| Surplus appropriated for investment in physical property.....    | 30,786       |              |               |
| Debt discount extinguished through surplus.....                  | 21           |              |               |
| Miscellaneous appropriations of surplus.....                     | 22,377,453   |              |               |
| Debits from retired road and equipment.....                      | 264,921      |              |               |
| Miscellaneous debits.....  | 235,368      | 27,907,767   |               |
| *Net credit for year 1942.....                                   |              |              | 1,370,075     |
| Credit balance, December 31, 1942, carried to balance sheet..... |              |              | \$116,771,743 |

\*Does not include net profit and loss credit for the year 1942 amounting to \$428,698 of subsidiaries in which this Company holds directly or indirectly a majority of the outstanding capital stock.

## OPERATING REVENUES 1942 AND 1941

| ACCOUNT                                     | 1942          | 1941          | INCREASE<br>(D—DECREASE) |         |
|---|---------------|---------------|--------------------------|---------|
|   |               |               | AMOUNT                   | PERCENT |
| Freight.....                                | \$143,264,055 | \$110,505,561 | \$32,758,494             | 29.6    |
| Passenger.....                              | 9,182,732     | 4,866,328     | 4,316,404                | 88.7    |
| Baggage.....                                | 25,113        | 17,077        | 8,036                    | 47.1    |
| Parlor and chair car.....                   | 34,182        | 18,199        | 15,983                   | 87.8    |
| Mail.....                                   | 3,458,225     | 3,298,849     | 159,376                  | 4.8     |
| Express.....                                | 2,020,939     | 1,105,241     | 915,698                  | 82.9    |
| Other passenger-train.....                  | 173,317       | 22,307        | 151,010                  | 677.0   |
| Milk.....                                   | 170,907       | 167,015       | 3,892                    | 2.3     |
| Switching.....                              | 1,111,415     | 905,967       | 205,448                  | 22.7    |
| Total rail-line transportation revenue..... | 159,440,885   | 120,906,544   | 38,534,341               | 31.9    |
| Dining and buffet.....                      | 812,888       | 431,683       | 381,205                  | 88.3    |
| Hotel and restaurant.....                   | 64,012        | 40,634        | 23,378                   | 57.5    |
| Station, train and boat privileges.....     | 20,255        | 13,166        | 7,089                    | 53.8    |
| Parcel room.....                            | 9,894         | 5,915         | 3,979                    | 67.3    |
| Storage—Freight.....                        | 20,592        | 20,536        | 56                       | .3      |
| Storage—Baggage.....                        | 9,103         | 5,022         | 4,081                    | 81.3    |
| Demurrage.....                              | 582,812       | 131,123       | 451,689                  | 344.5   |
| Telegraph and telephone.....                | 135,110       | 121,205       | 13,905                   | 11.5    |
| Rents of buildings and other property.....  | 246,288       | 226,292       | 19,996                   | 8.8     |
| Miscellaneous.....                          | 3,806,531     | 3,272,036     | 534,495                  | 16.3    |
| Total incidental operating revenues.....    | 5,707,485     | 4,267,612     | 1,439,873                | 33.7    |
| Joint facility—Cr.....                      | 284,499       | 124,586       | 159,913                  | 128.4   |
| Joint facility—Dr.....                      | 226,838       | 253,859       | D— 27,021                | D— 10.6 |
| Total joint facility operating revenue..... | Cr.— 57,661   | Dr.— 129,273  | 186,934                  | .....   |
| Total railway operating revenues.....       | \$165,206,031 | \$125,044,883 | \$40,161,148             | 32.1    |



# ANNUAL REPORT FOR 1942

## FREIGHT COMMODITY STATISTICS 1942 AND 1941

| COMMODITY                                     | 1942               |                           |           |                                | 1941                           |            |
|---|--------------------|---------------------------|-----------|--------------------------------|--------------------------------|------------|
|   | NUMBER OF CARLOADS |                           |           | NUMBER OF TONS<br>(2,000 LBS.) | NUMBER OF TONS<br>(2,000 LBS.) |            |
|   | ORIGINATED         | RECEIVED FROM CONNECTIONS | TOTAL     |                                |                                |            |
| PRODUCTS OF AGRICULTURE                       |                    |                           |           |                                |                                |            |
| Wheat.....                                    | 56,361             | 2,088                     | 58,449    | 2,811,612                      | 58,002                         | 2,624,944  |
| Corn.....                                     | 6,759              | 391                       | 7,150     | 326,885                        | 7,284                          | 311,568    |
| Oats.....                                     | 9,110              | 202                       | 9,312     | 338,790                        | 6,675                          | 219,287    |
| Barley and rye.....                           | 18,028             | 709                       | 18,737    | 827,998                        | 19,659                         | 808,994    |
| Flour and meal.....                           | 14,170             | 1,374                     | 15,544    | 480,253                        | 14,806                         | 399,170    |
| Mill products.....                            | 5,411              | 1,188                     | 6,599     | 178,846                        | 5,896                          | 143,860    |
| Apples, fresh.....                            | 16,752             | 837                       | 17,589    | 354,255                        | 17,127                         | 336,318    |
| Other fresh fruits.....                       | 2,907              | 7,448                     | 10,355    | 175,334                        | 9,834                          | 166,728    |
| Potatoes.....                                 | 24,254             | 2,405                     | 26,659    | 504,769                        | 27,009                         | 489,872    |
| Vegetables, fresh.....                        | 1,174              | 3,205                     | 4,379     | 64,633                         | 3,346                          | 57,427     |
| Flaxseed.....                                 | 6,572              | 142                       | 6,714     | 304,118                        | 4,494                          | 186,895    |
| Sugar beets.....                              | 8,001              | 268                       | 8,269     | 366,700                        | 8,196                          | 372,620    |
| Other products of agriculture.....            | 7,799              | 4,831                     | 12,630    | 323,144                        | 10,208                         | 236,060    |
| Total products of agriculture.....            | 177,298            | 25,088                    | 202,386   | 7,057,337                      | 192,536                        | 6,353,743  |
| ANIMALS AND PRODUCTS                          |                    |                           |           |                                |                                |            |
| Cattle and calves.....                        | 12,585             | 2,146                     | 14,731    | 166,450                        | 12,649                         | 137,863    |
| Sheep and goats.....                          | 7,270              | 1,347                     | 8,617     | 83,750                         | 7,954                          | 71,265     |
| Hogs.....                                     | 5,471              | 247                       | 5,718     | 62,457                         | 3,926                          | 35,343     |
| Fresh meats.....                              | 4,711              | 786                       | 5,497     | 78,750                         | 5,095                          | 62,658     |
| Poultry.....                                  | 1,262              | 301                       | 1,563     | 21,614                         | 1,410                          | 17,689     |
| Eggs.....                                     | 1,543              | 108                       | 1,651     | 20,266                         | 1,347                          | 16,099     |
| Butter.....                                   | 1,976              | 193                       | 2,169     | 29,488                         | 2,497                          | 31,855     |
| Other animals and products.....               | 4,389              | 2,681                     | 7,070     | 156,810                        | 4,638                          | 102,258    |
| Total animals and products.....               | 39,207             | 7,809                     | 47,016    | 619,585                        | 39,516                         | 475,030    |
| PRODUCTS OF MINES                             |                    |                           |           |                                |                                |            |
| Anthracite coal.....                          | 9                  | *1,134                    | 1,143     | 34,792                         | 1,056                          | 28,977     |
| Bituminous coal.....                          | 2,985              | *46,914                   | 49,899    | 2,089,811                      | 41,678                         | 1,623,594  |
| Lignite.....                                  | 10,476             | 2,397                     | 12,873    | 458,467                        | 13,269                         | 434,211    |
| Coke.....                                     | 3,899              | 1,334                     | 5,233     | 176,992                        | 4,897                          | 156,899    |
| Iron ore.....                                 | 429,489            | 43,309                    | 472,798   | 32,901,161                     | 417,402                        | 28,973,238 |
| Other ore and concentrates.....               | 2,431              | 2,770                     | 5,201     | 283,426                        | 3,675                          | 187,424    |
| Gravel, sand, and stone.....                  | 21,025             | 4,317                     | 25,342    | 1,413,116                      | 7,675                          | 401,210    |
| Crude petroleum.....                          | 7,106              | 1,284                     | 8,390     | 295,567                        | 7,178                          | 246,958    |
| Asphalt.....                                  | 1,824              | 3,839                     | 5,663     | 210,760                        | 4,379                          | 160,439    |
| Salt.....                                     | 300                | 2,132                     | 2,432     | 82,187                         | 1,674                          | 50,640     |
| Other products of mines.....                  | 9,785              | 9,431                     | 19,216    | 1,004,437                      | 11,090                         | 544,203    |
| Total products of mines.....                  | 489,329            | 118,861                   | 608,190   | 38,950,716                     | 513,973                        | 32,807,793 |
| PRODUCTS OF FORESTS                           |                    |                           |           |                                |                                |            |
| Logs, posts, poles, ties and cordwood.....    | 40,776             | 5,171                     | 45,947    | 1,794,526                      | 43,317                         | 1,721,515  |
| Pulp wood.....                                | 5,881              | 139                       | 6,020     | 212,905                        | 3,224                          | 117,885    |
| Lumber, shingles, etc.....                    | 61,076             | 40,677                    | 101,753   | 3,205,205                      | 93,901                         | 2,701,410  |
| Other products of forests.....                | 727                | 407                       | 1,134     | 26,408                         | 1,352                          | 29,313     |
| Total products of forests.....                | 108,460            | 46,394                    | 154,854   | 5,239,044                      | 141,794                        | 4,570,123  |
| MANUFACTURES AND MISCELLANEOUS                |                    |                           |           |                                |                                |            |
| Petroleum products.....                       | 35,073             | 24,126                    | 59,199    | 1,574,404                      | 59,151                         | 1,600,723  |
| Sugar, sirup and molasses.....                | 1,989              | 1,809                     | 3,798     | 137,383                        | 4,195                          | 139,139    |
| Metals—pig, bar, sheet and pipe.....          | 1,445              | 19,194                    | 20,639    | 804,200                        | 10,305                         | 371,986    |
| Machinery and boilers.....                    | 1,010              | 2,814                     | 3,824     | 85,326                         | 2,261                          | 51,711     |
| Cement, brick, lime and plaster.....          | 14,313             | 7,493                     | 21,806    | 912,714                        | 18,458                         | 697,164    |
| Agricultural implements, vehicles, etc.....   | 679                | 2,866                     | 3,545     | 61,752                         | 4,829                          | 71,725     |
| Automobiles and auto trucks.....              | 789                | 6,531                     | 7,320     | 73,166                         | 14,282                         | 112,859    |
| Beverages.....                                | 1,127              | 2,801                     | 3,928     | 93,036                         | 2,968                          | 63,194     |
| Newsprint paper and printing paper.....       | 3,229              | 8,938                     | 12,167    | 360,970                        | 8,357                          | 239,979    |
| Canned food products.....                     | 3,479              | 6,038                     | 9,517     | 304,933                        | 7,338                          | 217,402    |
| Scrap iron and scrap steel.....               | 4,501              | 413                       | 4,914     | 201,797                        | 3,236                          | 142,861    |
| Paper bags, paperboard, etc.....              | 3,436              | 4,016                     | 7,452     | 218,011                        | 5,646                          | 155,669    |
| Other manufactures and miscellaneous.....     | 38,417             | 58,604                    | 97,021    | 2,774,672                      | 68,176                         | 2,017,512  |
| Total manufactures and miscellaneous.....     | 109,487            | 145,643                   | 255,130   | 7,602,364                      | 209,202                        | 5,881,924  |
| Grand total carload traffic.....              | 923,781            | 343,795                   | 1,267,576 | 59,469,046                     | 1,097,021                      | 50,088,613 |
| Merchandise—All L. C. L. traffic.....         |                    |                           |           | 293,661                        |                                | 308,395    |
| Grand total carload and L. C. L. traffic..... |                    |                           |           | 59,762,707                     |                                | 50,397,008 |

\*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

## PROFIT AND LOSS ACCOUNT—DECEMBER 31, 1942

| CREDITS  |              |              |               |
|--|--------------|--------------|---------------|
| Credit balance December 31, 1941.....                            |              |              | \$115,401,668 |
| Credit balance transferred from income.....                      | \$28,802,399 |              |               |
| Credits from retired road and equipment.....                     | 9,408        |              |               |
| Donations.....   | 30,786       |              |               |
| Miscellaneous credits.....                                       | 435,249      | \$29,277,842 |               |
|  |              |              |               |
| DEBITS   |              |              |               |
| Surplus applied to sinking and other reserve funds.....          | \$ 1,423     |              |               |
| Dividend appropriations of surplus.....                          | 4,997,795    |              |               |
| Surplus appropriated for investment in physical property.....    | 30,786       |              |               |
| Debt discount extinguished through surplus.....                  | 21           |              |               |
| Miscellaneous appropriations of surplus.....                     | 22,377,453   |              |               |
| Debits from retired road and equipment.....                      | 264,921      |              |               |
| Miscellaneous debits.....  | 235,368      | 27,907,767   |               |
|  |              |              |               |
| *Net credit for year 1942.....                                   |              |              | 1,370,075     |
| Credit balance, December 31, 1942, carried to balance sheet..... |              |              | \$116,771,743 |

\*Does not include net profit and loss credit for the year 1942 amounting to \$428,698 of subsidiaries in which this Company holds directly or indirectly a majority of the outstanding capital stock.

## OPERATING REVENUES 1942 AND 1941

| ACCOUNT                                     | 1942          | 1941          | INCREASE<br>(D—DECREASE) |         |
|---|---------------|---------------|--------------------------|---------|
|   |               |               | AMOUNT                   | PERCENT |
| Freight.....                                | \$143,264,055 | \$110,505,561 | \$32,758,494             | 29.6    |
| Passenger.....                              | 9,182,732     | 4,866,328     | 4,316,404                | 88.7    |
| Baggage.....                                | 25,113        | 17,077        | 8,036                    | 47.1    |
| Parlor and chair car.....                   | 34,182        | 18,199        | 15,983                   | 87.8    |
| Mail.....                                   | 3,458,225     | 3,298,849     | 159,376                  | 4.8     |
| Express.....                                | 2,020,939     | 1,105,241     | 915,698                  | 82.9    |
| Other passenger-train.....                  | 173,317       | 22,307        | 151,010                  | 677.0   |
| Milk.....                                   | 170,907       | 167,015       | 3,892                    | 2.3     |
| Switching.....                              | 1,111,415     | 905,967       | 205,448                  | 22.7    |
| Total rail-line transportation revenue..... | 159,440,885   | 120,906,544   | 38,534,341               | 31.9    |
| Dining and buffet.....                      | 812,888       | 431,683       | 381,205                  | 88.3    |
| Hotel and restaurant.....                   | 64,012        | 40,634        | 23,378                   | 57.5    |
| Station, train and boat privileges.....     | 20,255        | 13,166        | 7,089                    | 53.8    |
| Parcel room.....                            | 9,894         | 5,915         | 3,979                    | 67.3    |
| Storage—Freight.....                        | 20,592        | 20,536        | 56                       | .3      |
| Storage—Baggage.....                        | 9,103         | 5,022         | 4,081                    | 81.3    |
| Demurrage.....                              | 582,812       | 131,123       | 451,689                  | 344.5   |
| Telegraph and telephone.....                | 135,110       | 121,205       | 13,905                   | 11.5    |
| Rents of buildings and other property.....  | 246,288       | 226,292       | 19,996                   | 8.8     |
| Miscellaneous.....                          | 3,806,531     | 3,272,036     | 534,495                  | 16.3    |
| Total incidental operating revenues.....    | 5,707,485     | 4,267,612     | 1,439,873                | 33.7    |
| Joint facility—Cr.....                      | 284,499       | 124,586       | 159,913                  | 128.4   |
| Joint facility—Dr.....                      | 226,838       | 253,859       | D— 27,021                | D— 10.6 |
| Total joint facility operating revenue..... | Cr.— 57,661   | Dr.— 129,273  | 186,934                  | .....   |
| Total railway operating revenues.....       | \$165,206,031 | \$125,044,883 | \$40,161,148             | 32.1    |



# ANNUAL REPORT FOR 1942

## FREIGHT COMMODITY STATISTICS 1942 AND 1941

| COMMODITY                                     | 1942               |                           |           |                                | 1941                           |            |
|---|--------------------|---------------------------|-----------|--------------------------------|--------------------------------|------------|
|   | NUMBER OF CARLOADS |                           |           | NUMBER OF TONS<br>(2,000 LBS.) | NUMBER OF TONS<br>(2,000 LBS.) |            |
|   | ORIGINATED         | RECEIVED FROM CONNECTIONS | TOTAL     |                                |                                |            |
| PRODUCTS OF AGRICULTURE                       |                    |                           |           |                                |                                |            |
| Wheat.....                                    | 56,361             | 2,088                     | 58,449    | 2,811,612                      | 58,002                         | 2,624,944  |
| Corn.....                                     | 6,759              | 391                       | 7,150     | 326,885                        | 7,284                          | 311,568    |
| Oats.....                                     | 9,110              | 202                       | 9,312     | 338,790                        | 6,675                          | 219,287    |
| Barley and rye.....                           | 18,028             | 709                       | 18,737    | 827,998                        | 19,659                         | 808,994    |
| Flour and meal.....                           | 14,170             | 1,374                     | 15,544    | 480,253                        | 14,806                         | 399,170    |
| Mill products.....                            | 5,411              | 1,188                     | 6,599     | 178,846                        | 5,896                          | 143,860    |
| Apples, fresh.....                            | 16,752             | 837                       | 17,589    | 354,255                        | 17,127                         | 336,318    |
| Other fresh fruits.....                       | 2,907              | 7,448                     | 10,355    | 175,334                        | 9,834                          | 166,728    |
| Potatoes.....                                 | 24,254             | 2,405                     | 26,659    | 504,769                        | 27,009                         | 489,872    |
| Vegetables, fresh.....                        | 1,174              | 3,205                     | 4,379     | 64,633                         | 3,346                          | 57,427     |
| Flaxseed.....                                 | 6,572              | 142                       | 6,714     | 304,118                        | 4,494                          | 186,895    |
| Sugar beets.....                              | 8,001              | 268                       | 8,269     | 366,700                        | 8,196                          | 372,620    |
| Other products of agriculture.....            | 7,799              | 4,831                     | 12,630    | 323,144                        | 10,208                         | 236,060    |
| Total products of agriculture.....            | 177,298            | 25,088                    | 202,386   | 7,057,337                      | 192,536                        | 6,353,743  |
| ANIMALS AND PRODUCTS                          |                    |                           |           |                                |                                |            |
| Cattle and calves.....                        | 12,585             | 2,146                     | 14,731    | 166,450                        | 12,649                         | 137,863    |
| Sheep and goats.....                          | 7,270              | 1,347                     | 8,617     | 83,750                         | 7,954                          | 71,265     |
| Hogs.....                                     | 5,471              | 247                       | 5,718     | 62,457                         | 3,926                          | 35,343     |
| Fresh meats.....                              | 4,711              | 786                       | 5,497     | 78,750                         | 5,095                          | 62,658     |
| Poultry.....                                  | 1,262              | 301                       | 1,563     | 21,614                         | 1,410                          | 17,689     |
| Eggs.....                                     | 1,543              | 108                       | 1,651     | 20,266                         | 1,347                          | 16,099     |
| Butter.....                                   | 1,976              | 193                       | 2,169     | 29,488                         | 2,497                          | 31,855     |
| Other animals and products.....               | 4,389              | 2,681                     | 7,070     | 156,810                        | 4,638                          | 102,258    |
| Total animals and products.....               | 39,207             | 7,809                     | 47,016    | 619,585                        | 39,516                         | 475,030    |
| PRODUCTS OF MINES                             |                    |                           |           |                                |                                |            |
| Anthracite coal.....                          | 9                  | *1,134                    | 1,143     | 34,792                         | 1,056                          | 28,977     |
| Bituminous coal.....                          | 2,985              | *46,914                   | 49,899    | 2,089,811                      | 41,678                         | 1,623,594  |
| Lignite.....                                  | 10,476             | 2,397                     | 12,873    | 458,467                        | 13,269                         | 434,211    |
| Coke.....                                     | 3,899              | 1,334                     | 5,233     | 176,992                        | 4,897                          | 156,899    |
| Iron ore.....                                 | 429,489            | 43,309                    | 472,798   | 32,901,161                     | 417,402                        | 28,973,238 |
| Other ore and concentrates.....               | 2,431              | 2,770                     | 5,201     | 283,426                        | 3,675                          | 187,424    |
| Gravel, sand, and stone.....                  | 21,025             | 4,317                     | 25,342    | 1,413,116                      | 7,675                          | 401,210    |
| Crude petroleum.....                          | 7,106              | 1,284                     | 8,390     | 295,567                        | 7,178                          | 246,958    |
| Asphalt.....                                  | 1,824              | 3,839                     | 5,663     | 210,760                        | 4,379                          | 160,439    |
| Salt.....                                     | 300                | 2,132                     | 2,432     | 82,187                         | 1,674                          | 50,640     |
| Other products of mines.....                  | 9,785              | 9,431                     | 19,216    | 1,004,437                      | 11,090                         | 544,203    |
| Total products of mines.....                  | 489,329            | 118,861                   | 608,190   | 38,950,716                     | 513,973                        | 32,807,793 |
| PRODUCTS OF FORESTS                           |                    |                           |           |                                |                                |            |
| Logs, posts, poles, ties and cordwood.....    | 40,776             | 5,171                     | 45,947    | 1,794,526                      | 43,317                         | 1,721,515  |
| Pulp wood.....                                | 5,881              | 139                       | 6,020     | 212,905                        | 3,224                          | 117,885    |
| Lumber, shingles, etc.....                    | 61,076             | 40,677                    | 101,753   | 3,205,205                      | 93,901                         | 2,701,410  |
| Other products of forests.....                | 727                | 407                       | 1,134     | 26,408                         | 1,352                          | 29,313     |
| Total products of forests.....                | 108,460            | 46,394                    | 154,854   | 5,239,044                      | 141,794                        | 4,570,123  |
| MANUFACTURES AND MISCELLANEOUS                |                    |                           |           |                                |                                |            |
| Petroleum products.....                       | 35,073             | 24,126                    | 59,199    | 1,574,404                      | 59,151                         | 1,600,723  |
| Sugar, sirup and molasses.....                | 1,989              | 1,809                     | 3,798     | 137,383                        | 4,195                          | 139,139    |
| Metals—pig, bar, sheet and pipe.....          | 1,445              | 19,194                    | 20,639    | 804,200                        | 10,305                         | 371,986    |
| Machinery and boilers.....                    | 1,010              | 2,814                     | 3,824     | 85,326                         | 2,261                          | 51,711     |
| Cement, brick, lime and plaster.....          | 14,313             | 7,493                     | 21,806    | 912,714                        | 18,458                         | 697,164    |
| Agricultural implements, vehicles, etc.....   | 679                | 2,866                     | 3,545     | 61,752                         | 4,829                          | 71,725     |
| Automobiles and auto trucks.....              | 789                | 6,531                     | 7,320     | 73,166                         | 14,282                         | 112,859    |
| Beverages.....                                | 1,127              | 2,801                     | 3,928     | 93,036                         | 2,968                          | 63,194     |
| Newsprint paper and printing paper.....       | 3,229              | 8,938                     | 12,167    | 360,970                        | 8,357                          | 239,979    |
| Canned food products.....                     | 3,479              | 6,038                     | 9,517     | 304,933                        | 7,338                          | 217,402    |
| Scrap iron and scrap steel.....               | 4,501              | 413                       | 4,914     | 201,797                        | 3,236                          | 142,861    |
| Paper bags, paperboard, etc.....              | 3,436              | 4,016                     | 7,452     | 218,011                        | 5,646                          | 155,669    |
| Other manufactures and miscellaneous.....     | 38,417             | 58,604                    | 97,021    | 2,774,672                      | 68,176                         | 2,017,512  |
| Total manufactures and miscellaneous....      | 109,487            | 145,643                   | 255,130   | 7,602,364                      | 209,202                        | 5,881,924  |
| Grand total carload traffic.....              | 923,781            | 343,795                   | 1,267,576 | 59,469,046                     | 1,097,021                      | 50,088,613 |
| Merchandise—All L. C. L. traffic.....         |                    |                           |           | 293,661                        |                                | 308,395    |
| Grand total carload and L. C. L. traffic..... |                    |                           |           | 59,762,707                     |                                | 50,397,008 |

\*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

## MILEAGE OWNED AND OPERATED

(INCLUDES MILEAGE OWNED BY PROPRIETARY COMPANIES WHOSE OPERATIONS ARE INCLUDED IN THIS REPORT)

DECEMBER 31, 1942

| STATE OR PROVINCE  | MILEAGE OWNED—DECEMBER 31, 1942 |                              |                          |                     | MILEAGE OPERATED—DECEMBER 31, 1942 |                              |                          |                     |
|--|---------------------------------|------------------------------|--------------------------|---------------------|------------------------------------|------------------------------|--------------------------|---------------------|
|  | 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.....   | 38.37                           | 19.69                        | 172.04                   | 230.10              | 44.32                              | 25.35                        | 172.29                   | 241.96              |
| Minnesota.....   | 2,074.91                        | 175.01                       | 757.99                   | 3,007.91            | 2,093.20                           | 237.76                       | 793.21                   | 3,124.17            |
| North Dakota.....  | 1,910.36                        | 53.15                        | 434.27                   | 2,397.78            | 1,910.36                           | 53.15                        | 434.11                   | 2,397.62            |
| South Dakota.....  | 358.97                          | .....                        | 48.25                    | 407.22              | 364.13                             | .....                        | 48.25                    | 412.38              |
| Iowa.....  | 78.01                           | .....                        | 36.15                    | 114.16              | 78.01                              | .....                        | 36.15                    | 114.16              |
| Montana.....   | 1,861.09                        | 120.43                       | 518.05                   | 2,499.57            | 1,883.60                           | 139.27                       | 606.01                   | 2,628.88            |
| Idaho.....   | 107.11                          | .....                        | 29.43                    | 136.54              | 107.11                             | .....                        | 29.43                    | 136.54              |
| Washington.....  | 947.19                          | 66.20                        | 466.62                   | 1,480.01            | 1,141.66                           | 203.93                       | 552.06                   | 1,897.65            |
| Oregon.....  | 108.38                          | .....                        | 63.95                    | 172.33              | 179.21                             | 9.40                         | 129.47                   | 318.08              |
| California.....  | 99.24                           | .....                        | 22.20                    | 121.44              | 100.47                             | .....                        | 23.80                    | 124.27              |
| Manitoba.....  | 5.66                            | .....                        | 8.87                     | 14.53               | 74.72                              | 2.39                         | 23.69                    | 100.80              |
| British Columbia.....  | 179.27                          | 7.07                         | 33.66                    | 220.00              | 147.72                             | 7.07                         | 27.47                    | 182.26              |
| Total owned or operated.....   | 7,768.56                        | 441.55                       | 2,591.48                 | 10,801.59           | 8,124.51                           | 678.32                       | 2,875.94                 | 11,678.77           |
| Miles owned but not operated included above.....                                     | 53.97                           | .....                        | 8.26                     | 62.23               |                                    |                              |                          |                     |
| Proportion of jointly owned mileage belonging to other companies included above..... | 24.75                           | 1.12                         | 76.84                    | 102.71              |                                    |                              |                          |                     |

## REVENUE FREIGHT TRAFFIC—1920 TO 1942.

(EXCLUDES MOTOR VEHICLE OPERATIONS—FREIGHT REVENUE FROM THIS TRAFFIC IN 1942 AMOUNTED TO \$179,927)

| 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 |
| 1942 | 8,095                          | 59,745,333           | 16,709,534,853                                | \$143,084,128   | .856                                     | 280                                  | 1,204                                  | 165                         | 139             | 85                       |
| 1941 | 8,072                          | 50,381,028           | 13,212,936,708                                | 110,342,384     | .835                                     | 262                                  | 1,041                                  | 130                         | 108             | 83                       |
| 1940 | 8,069                          | 40,047,611           | 10,113,942,319                                | 89,010,078      | .880                                     | 253                                  | 967                                    | 100                         | 87              | 87                       |
| 1939 | 8,072                          | 32,821,757           | 8,701,383,343                                 | 79,853,655      | .918                                     | 265                                  | 919                                    | 86                          | 78              | 91                       |
| 1938 | 8,072                          | 23,264,183           | 7,017,295,740                                 | 68,418,930      | .975                                     | 302                                  | 801                                    | 69                          | 67              | 96                       |
| 1937 | 8,087                          | 41,513,174           | 9,477,756,018                                 | 81,451,161      | .859                                     | 228                                  | 935                                    | 93                          | 79              | 85                       |
| 1936 | 8,188                          | 34,203,355           | 8,664,572,456                                 | 77,046,160      | .889                                     | 253                                  | 874                                    | 85                          | 75              | 88                       |
| 1935 | 8,278                          | 29,394,382           | 7,372,079,484                                 | 70,132,152      | .951                                     | 251                                  | 801                                    | 73                          | 68              | 94                       |
| 1934 | 8,344                          | 21,690,396           | 6,137,693,978                                 | 60,347,883      | .983                                     | 283                                  | 709                                    | 61                          | 59              | 97                       |
| 1933 | 8,445                          | 17,781,455           | 5,431,602,934                                 | 52,672,751      | .970                                     | 305                                  | 723                                    | 54                          | 51              | 96                       |
| 1932 | 8,409                          | 11,744,694           | 4,324,700,394                                 | 45,958,761      | 1.063                                    | 368                                  | 582                                    | 43                          | 45              | 105                      |
| 1931 | 8,357                          | 20,153,330           | 6,151,063,399                                 | 63,344,056      | 1.030                                    | 305                                  | 770                                    | 61                          | 62              | 102                      |
| 1930 | 8,367                          | 32,037,312           | 8,720,583,904                                 | 85,797,268      | .984                                     | 272                                  | 910                                    | 86                          | 84              | 97                       |
| 1929 | 8,388                          | 39,661,221           | 10,150,709,921                                | 101,178,226     | .997                                     | 256                                  | 962                                    | 100                         | 99              | 99                       |
| 1928 | 8,277                          | 35,593,173           | 10,127,253,509                                | 103,980,301     | 1.027                                    | 285                                  | 934                                    | 100                         | 101             | 101                      |
| 1927 | 8,164                          | 33,843,008           | 8,958,349,961                                 | 94,405,030      | 1.054                                    | 265                                  | 891                                    | 88                          | 92              | 104                      |
| 1926 | 8,188                          | 35,117,929           | 8,902,970,446                                 | 93,346,740      | 1.048                                    | 254                                  | 873                                    | 88                          | 91              | 104                      |
| 1925 | 8,242                          | 33,494,620           | 8,517,913,981                                 | 90,098,763      | 1.058                                    | 254                                  | 830                                    | 84                          | 88              | 105                      |
| 1924 | 8,251                          | 31,669,750           | 8,093,136,444                                 | 86,144,671      | 1.064                                    | 256                                  | 770                                    | 80                          | 84              | 105                      |
| 1923 | 8,254                          | 36,385,396           | 8,754,272,702                                 | 93,672,147      | 1.070                                    | 241                                  | 712                                    | 86                          | 91              | 106                      |
| 1922 | 8,261                          | 27,450,587           | 6,882,464,797                                 | 78,065,563      | 1.134                                    | 251                                  | 656                                    | 68                          | 76              | 112                      |
| 1921 | 8,163                          | 19,533,134           | 5,740,921,478                                 | 74,700,241      | 1.301                                    | 294                                  | 607                                    | 57                          | 73              | 129                      |
| 1920 | 8,174                          | 32,948,292           | 8,518,840,991                                 | 89,760,845      | 1.054                                    | 259                                  | 693                                    | 84                          | 88              | 104                      |

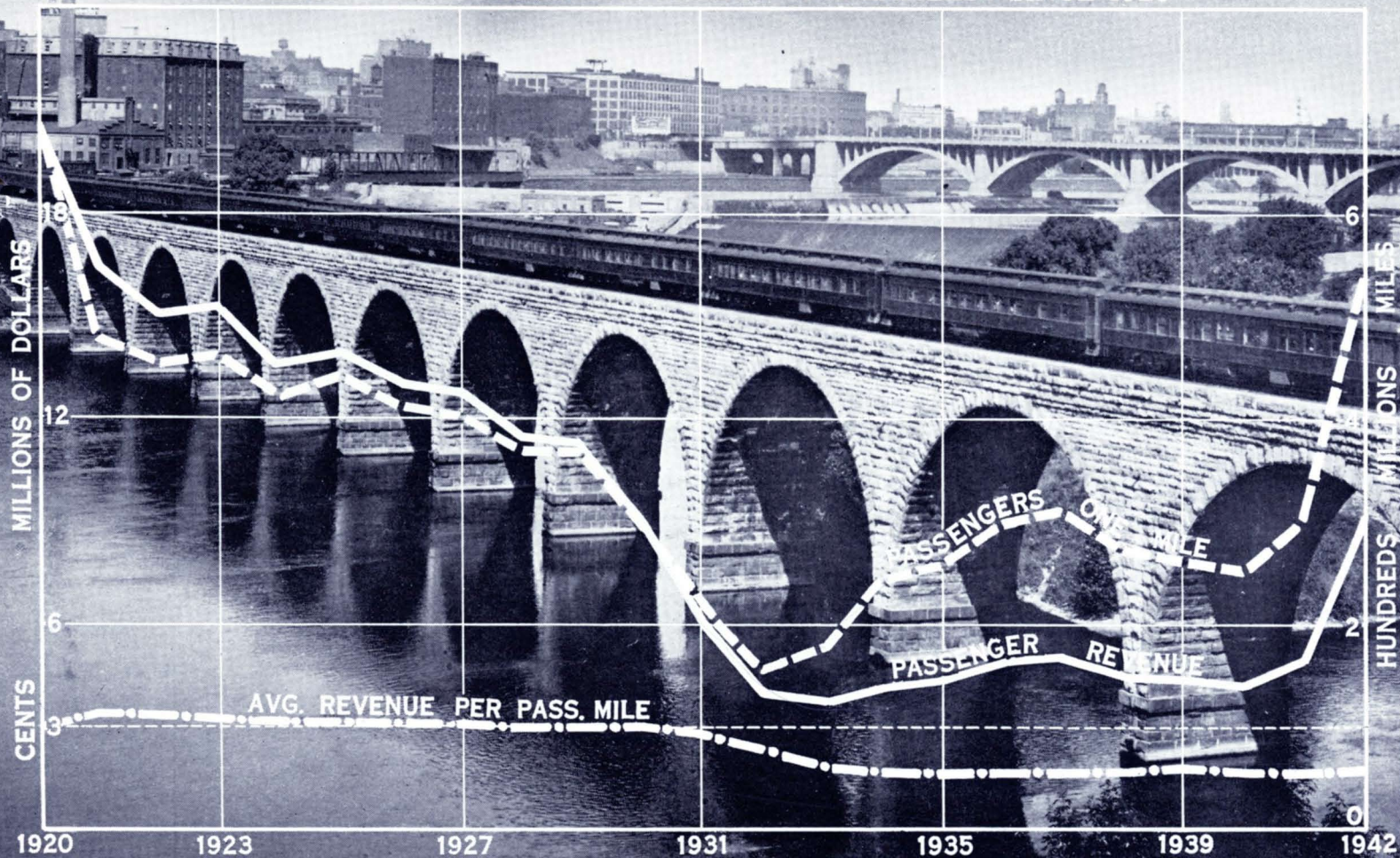
\*Computations include "Light" train miles.

29 - 32 -57.5 -250  
 32 - 37 +119 100  
 29 - 37 -7 0  
 37 41 +40 48  
 39 41 52 58



# REVENUE PASSENGER TRAFFIC

PASSENGERS CARRIED ONE MILE IN 1942 LARGEST SINCE 1920



EMPIRE BUILDER ENTERING MINNEAPOLIS

REVENUE PASSENGER TRAFFIC—1920 to 1942  
(EXCLUDES MOTOR VEHICLE OPERATIONS)

| YEAR | AVERAGE<br>MILES<br>OF ROAD<br>OPERATED | PASSENGERS<br>CARRIED | PASSENGERS<br>CARRIED<br>ONE MILE | PASSENGER<br>REVENUE | PASSENGER<br>SERVICE<br>TRAIN<br>REVENUE | AVERAGE<br>REVENUE<br>PER PAS-<br>SENGER<br>MILE<br>(CENTS) | AVERAGE<br>JOURNEY<br>(MILES) | AVERAGE<br>PAS-<br>SENGERS<br>PER<br>TRAIN | AVERAGE<br>PASSEN-<br>GERS PER<br>PAS-<br>SENGER<br>CARRYING<br>CAR | INDEX NUMBERS (1928-29 = 100)             |                                |  |
|------|---|-----------------------|-----------------------------------|----------------------|--|---|-------------------------------|--|---|---|--------------------------------|--|
|      |   |                       |                                   |                      |  |   |                               |  |   | PAS-<br>SENGERS<br>CARRIED<br>ONE<br>MILE | PAS-<br>SENGER<br>REV-<br>ENUE | REVENUE<br>PER<br>PAS-<br>SENGER<br>MILE |
| 1942 | 8,095                                   | 1,757,451             | 534,235,235                       | \$9,182,657          | \$15,065,264                             | 1.719   | 304                           | 68.42                                      | 16.87   | 145                                       | 81                             | 56                                       |
| 1941 | 8,072                                   | 1,140,964             | 304,047,093                       | 4,866,276            | 9,494,943                                | 1.601   | 266                           | 39.67                                      | 11.10   | 83  | 43                             | 52                                       |
| 1940 | 8,069                                   | 1,015,415             | 253,846,663                       | 4,224,973            | 8,339,758                                | 1.664   | 250                           | 32.85                                      | 9.70  | 69  | 37                             | 54                                       |
| 1939 | 8,072                                   | 1,083,607             | 258,427,249                       | 4,350,571            | 8,393,208                                | 1.683   | 238                           | 33.71                                      | 10.04   | 70  | 38                             | 54                                       |
| 1938 | 8,072                                   | 1,146,447             | 271,001,010                       | 4,544,244            | 8,334,916                                | 1.677   | 236                           | 35.00                                      | 10.25   | 74  | 40                             | 54                                       |
| 1937 | 8,087                                   | 1,407,668             | 311,557,322                       | 5,078,965            | 9,191,296                                | 1.630   | 221                           | 37.33                                      | 10.83   | 85  | 45                             | 53                                       |
| 1936 | 8,188                                   | 1,457,725             | 301,706,187                       | 4,973,523            | 8,944,248                                | 1.648   | 207                           | 37.08                                      | 11.10   | 82  | 44                             | 53                                       |
| 1935 | 8,278                                   | 1,301,366             | 260,145,967                       | 4,385,931            | 8,208,410                                | 1.686   | 200                           | 34.39                                      | 9.53  | 71  | 38                             | 54                                       |
| 1934 | 8,344                                   | 1,244,819             | 246,897,409                       | 4,202,624            | 7,953,108                                | 1.702   | 198                           | 31.87                                      | 9.18  | 67  | 37                             | 55                                       |
| 1933 | 8,445                                   | 876,841               | 188,831,804                       | 3,759,177            | 7,310,687                                | 1.991   | 215                           | 25.09                                      | 7.85  | 51  | 33                             | 64                                       |
| 1932 | 8,409                                   | 845,213               | 164,220,516                       | 3,941,659            | 7,928,036                                | 2.400   | 194                           | 21.18                                      | 6.81  | 45  | 35                             | 77                                       |
| 1931 | 8,357                                   | 1,070,044             | 215,807,372                       | 6,042,610            | 10,948,882                               | 2.800   | 202                           | 23.40                                      | 7.50  | 59  | 53                             | 90                                       |
| 1930 | 8,367                                   | 1,694,437             | 291,984,003                       | 9,000,087            | 14,927,843                               | 3.082   | 172                           | 26.44                                      | 8.01  | 79  | 79                             | 100                                      |
| 1929 | 8,388                                   | 2,276,069             | 367,978,032                       | 11,298,352           | 19,189,656                               | 3.070   | 162                           | 33.26                                      | 9.82  | 100                                       | 99                             | 99                                       |
| 1928 | 8,277                                   | 2,512,026             | 368,238,758                       | 11,505,352           | 17,693,260                               | 3.124   | 147                           | 34.01                                      | 10.34   | 100                                       | 101                            | 101                                      |
| 1927 | 8,164                                   | 3,108,427             | 400,566,250                       | 12,716,616           | 18,619,852                               | 3.175   | 129                           | 36.63                                      | 11.10   | 109                                       | 112                            | 103                                      |
| 1926 | 8,188                                   | 3,081,457             | 409,510,459                       | 13,041,085           | 18,981,137                               | 3.185   | 133                           | 36.77                                      | 11.34   | 111                                       | 114                            | 103                                      |
| 1925 | 8,242                                   | 3,642,749             | 441,498,635                       | 13,955,742           | 19,900,346                               | 3.161   | 121                           | 38.26                                      | 11.46   | 120                                       | 122                            | 102                                      |
| 1924 | 8,251                                   | 3,940,656             | 422,372,425                       | 13,683,383           | 20,408,989                               | 3.240   | 107                           | 36.17                                      | 10.80   | 115                                       | 120                            | 105                                      |
| 1923 | 8,254                                   | 4,975,800             | 460,207,562                       | 15,305,242           | 22,427,799                               | 3.326   | 92                            | 39.17                                      | 11.72   | 125                                       | 134                            | 107                                      |
| 1922 | 8,261                                   | 5,509,459             | 450,052,946                       | 15,112,453           | 21,943,937                               | 3.358   | 82                            | 39.51                                      | 11.55   | 122                                       | 133                            | 108                                      |
| 1921 | 8,163                                   | 6,194,676             | 478,267,466                       | 16,460,280           | 23,220,492                               | 3.442   | 77                            | 40.60                                      | 11.97   | 130                                       | 144                            | 111                                      |
| 1920 | 8,174                                   | 8,538,912             | 685,004,740                       | 20,551,025           | 30,447,272                               | 3.000   | 80                            | 58.60                                      | 16.41   | 186                                       | 180                            | 97                                       |



# GREAT NORTHERN RAILWAY COMPANY

## OPERATING EXPENSES 1942 AND 1941

| ACCOUNT   | 1942         | 1941         | INCREASE   | DECREASE  |
|---|--------------|--------------|------------|-----------|
| <b>MAINTENANCE OF WAY AND STRUCTURES</b>                      |              |              |            |           |
| Superintendence.....  | \$ 1,168,987 | \$ 1,031,043 | \$ 137,944 |           |
| Roadway maintenance.....                                      | 1,688,971    | 1,595,435    | 93,536     |           |
| Tunnels and subways.....                                      | 57,925       | 17,479       | 40,446     |           |
| Bridges, trestles, and culverts.....                          | 961,628      | 939,101      | 22,527     |           |
| Ties.....   | 2,179,897    | 2,004,126    | 175,771    |           |
| Rails.....  | 407,957      | 523,892      |            | \$115,935 |
| Other track material.....                                     | 801,567      | 876,776      |            | 75,209    |
| Ballast.....  | 221,705      | 174,369      | 47,336     |           |
| Track laying and surfacing.....                               | 5,403,718    | 4,742,757    | 660,961    |           |
| Fences, snow sheds, and signs.....                            | 205,203      | 238,229      |            | 33,026    |
| Station and office buildings.....                             | 682,511      | 671,461      | 11,050     |           |
| Roadway buildings.....  | 183,679      | 150,572      | 33,107     |           |
| Water stations.....   | 345,471      | 282,209      | 63,262     |           |
| Fuel stations.....  | 98,845       | 46,225       | 52,620     |           |
| Shops and engine houses.....                                  | 634,171      | 586,745      | 47,426     |           |
| Grain elevators.....  | 167,558      |              | 167,558    |           |
| Wharves and docks.....  | 15,950       | 23,661       |            | 7,711     |
| Coal and ore wharves.....                                     | 402,374      | 222,851      | 179,523    |           |
| Telegraph and telephone lines.....                            | 500,313      | 447,164      | 53,149     |           |
| Signals and interlockers.....                                 | 519,835      | 581,020      |            | 61,185    |
| Power plants.....   | 15,082       | 5,398        | 9,684      |           |
| Power-transmission systems.....                               | 48,526       | 46,911       | 1,615      |           |
| Miscellaneous structures.....                                 | 8,279        | 4,285        | 3,994      |           |
| Road property—Depreciation.....                               | 108,987      | 123,473      |            | 14,486    |
| Roadway machines.....   | 400,736      | 290,981      | 109,755    |           |
| Road—Amortization of defense projects.....                    | 333,270      | 43,400       | 289,870    |           |
| Small tools and supplies.....                                 | 246,178      | 283,888      |            | 37,710    |
| Removing snow, ice, and sand.....                             | 242,779      | 228,937      | 13,842     |           |
| Public improvements—Maintenance.....                          | 179,902      | 173,376      | 6,526      |           |
| Injuries to persons.....                                      | 128,243      | 64,647       | 63,596     |           |
| Insurance.....  | 63,452       | 45,699       | 17,753     |           |
| Stationery and printing.....                                  | 16,027       | 19,294       |            | 3,267     |
| Other expenses.....   | 142,453      | 17,315       | 125,138    |           |
| Right-of-way expenses.....                                    | 4,050        | 5,468        |            | 1,418     |
| Maintaining joint tracks, yards, and other facilities—Dr..... | 565,759      | 476,604      | 89,155     |           |
| Maintaining joint tracks, yards, and other facilities—Cr..... | 350,612      | 356,244      |            | 5,632     |
| Total maintenance of way and structures..                     | 18,801,376   | 16,628,547   | 2,172,829  |           |
| <b>MAINTENANCE OF EQUIPMENT</b>                               |              |              |            |           |
| Superintendence.....  | 542,057      | 484,916      | 57,141     |           |
| Shop machinery.....   | 335,878      | 314,022      | 21,856     |           |
| Power-plant machinery.....                                    | 63,557       | 74,094       |            | 10,537    |
| Steam locomotives—Repairs.....                                | 7,806,964    | 6,157,808    | 1,649,156  |           |
| Other locomotives—Repairs.....                                | 482,704      | 303,905      | 178,799    |           |
| Freight-train cars—Repairs.....                               | 6,338,905    | 5,403,822    | 935,083    |           |
| Passenger-train cars—Repairs.....                             | 1,585,260    | 1,397,305    | 187,955    |           |
| Work equipment—Repairs.....                                   | 402,053      | 376,416      | 25,637     |           |
| Miscellaneous equipment—Repairs.....                          | 58,833       | 49,437       | 9,396      |           |
| Equipment—Retirements.....                                    | 13,806       | 24,108       |            | 10,302    |
| Equipment—Depreciation.....                                   | 3,830,768    | 3,855,919    |            | 25,151    |
| Equipment—Amortization of defense projects.....               | 4,447,562    | 2,647,976    | 1,799,586  |           |
| Injuries to persons.....                                      | 53,162       | 45,182       | 7,980      |           |
| Insurance.....  | 61,590       | 52,347       | 9,243      |           |
| Stationery and printing.....                                  | 11,253       | 12,326       |            | 1,073     |
| Other expenses.....   | 197,001      | 4,632        | 192,369    |           |
| Maintaining joint equipment—Dr.....                           | 141,533      | 117,975      | 23,558     |           |
| Maintaining joint equipment—Cr.....                           | 72,678       | 85,640       |            | 12,962    |
| Total maintenance of equipment.....                           | 26,300,208   | 21,236,550   | 5,063,658  |           |
| <b>TRAFFIC</b>  |              |              |            |           |
| Superintendence.....  | 592,610      | 560,122      | 32,488     |           |
| Outside agencies.....   | 1,287,851    | 1,253,705    | 34,146     |           |
| Advertising.....  | 359,089      | 432,168      |            | 73,079    |
| Traffic associations.....                                     | 53,760       | 38,896       | 14,864     |           |
| Industrial and immigration bureaus.....                       | 82,842       | 79,072       | 3,770      |           |
| Insurance.....  | 1,326        | 1,211        | 115        |           |
| Stationery and printing.....                                  | 131,797      | 126,214      | 5,583      |           |
| Other expenses.....   |              | 615          |            | 615       |
| Total traffic expenses.....                                   | \$ 2,509,275 | \$ 2,492,003 | \$ 17,272  |           |

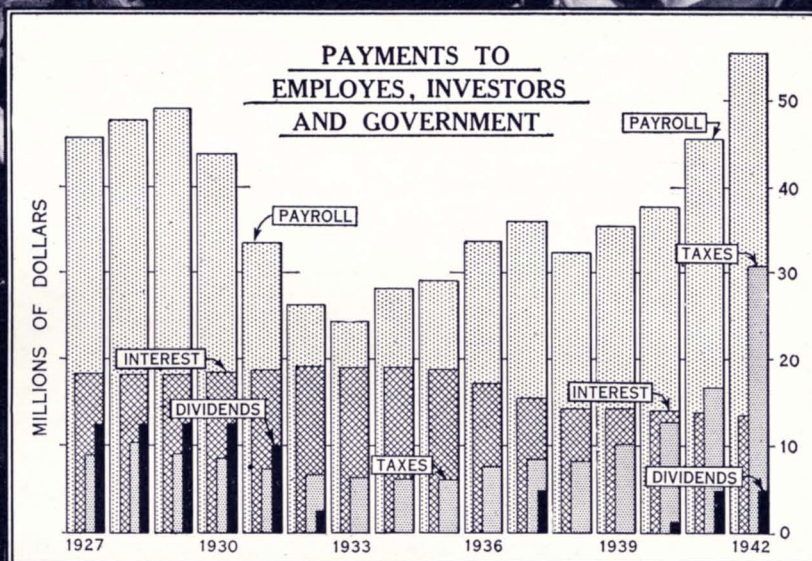
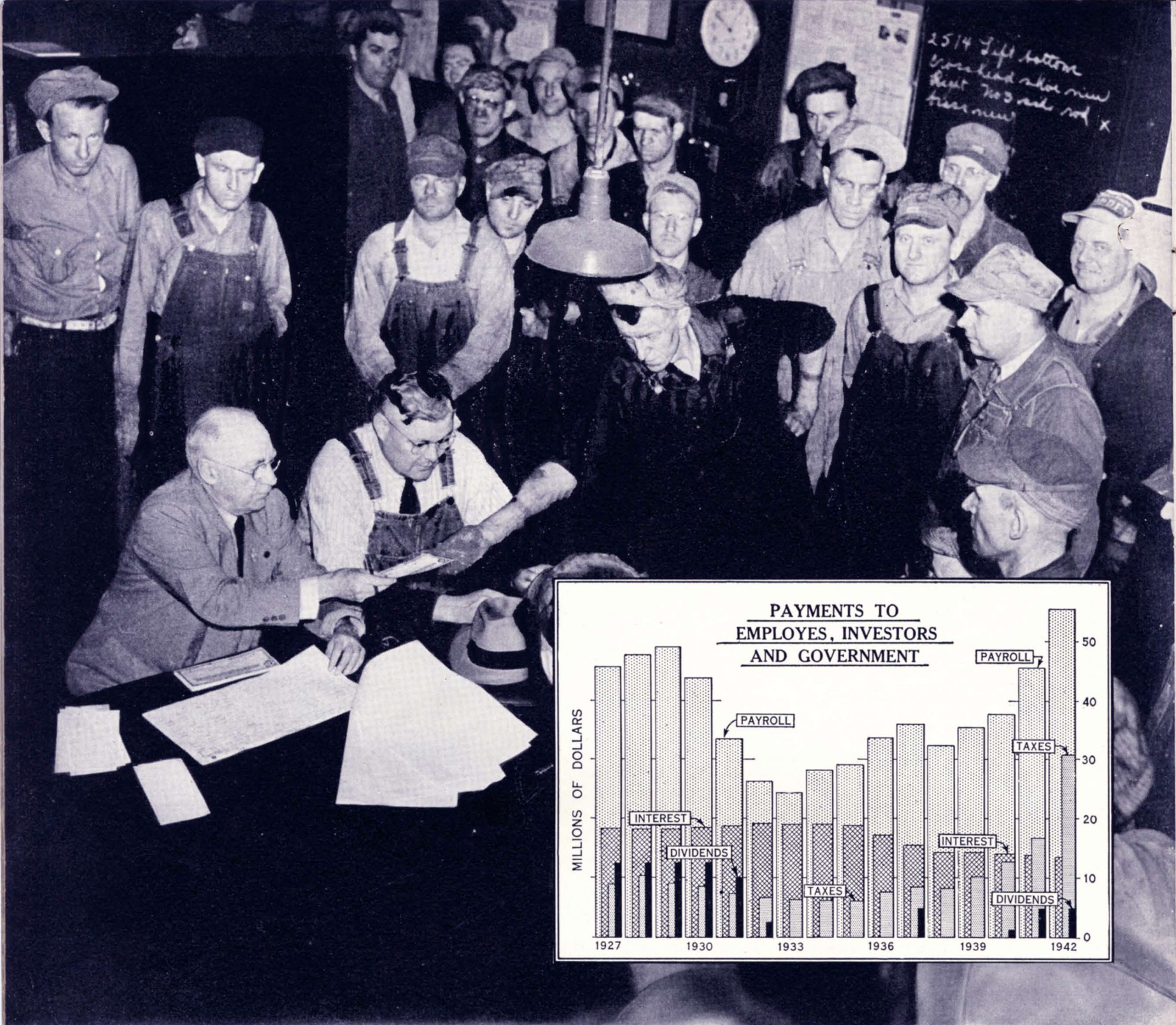


# ANNUAL REPORT FOR 1942

## OPERATING EXPENSES 1942 AND 1941

| ACCOUNT   | 1942          | 1941          | INCREASE      | DECREASE  |
|---|---------------|---------------|---------------|-----------|
| <b>TRANSPORTATION—RAIL LINE</b>                     |               |               |               |           |
| Superintendence.....                                | \$ 919,668    | \$ 807,381    | \$ 112,287    |           |
| Dispatching trains.....                             | 540,094       | 439,253       | 100,841       |           |
| Station employees.....                              | 5,732,322     | 4,833,528     | 898,794       |           |
| Weighing, inspection and demurrage bureaus.....     | 82,194        | 70,504        | 11,690        |           |
| Coal and ore wharves.....                           | 688,839       | 519,015       | 169,824       |           |
| Station supplies and expenses.....                  | 395,468       | 368,325       | 27,143        |           |
| Yardmasters and yard clerks.....                    | 1,145,665     | 924,335       | 221,330       |           |
| Yard conductors and brakemen.....                   | 2,957,440     | 2,471,746     | 485,694       |           |
| Yard switch and signal tenders.....                 | 113,722       | 93,800        | 19,922        |           |
| Yard enginemen.....                                 | 1,307,962     | 1,142,554     | 165,408       |           |
| Yard motormen.....                                  | 637,761       | 470,395       | 167,366       |           |
| Yard switching fuel.....                            | 1,227,806     | 1,016,168     | 211,638       |           |
| Water for yard locomotives.....                     | 39,121        | 36,848        | 2,273         |           |
| Lubricants for yard locomotives.....                | 48,495        | 38,817        | 9,678         |           |
| Other supplies for yard locomotives.....            | 33,070        | 27,825        | 5,245         |           |
| Engine-house expenses—Yard.....                     | 701,672       | 566,627       | 135,045       |           |
| Yard supplies and expenses.....                     | 49,690        | 40,626        | 9,064         |           |
| Train enginemen.....                                | 4,167,504     | 3,626,664     | 540,840       |           |
| Train motormen.....                                 | 459,019       | 315,283       | 143,736       |           |
| Train fuel.....                                     | 6,914,590     | 5,941,351     | 973,239       |           |
| Train power produced.....                           | 12,972        | 12,437        | 535           |           |
| Train power purchased.....                          | 231,053       | 186,659       | 44,394        |           |
| Water for train locomotives.....                    | 484,131       | 420,181       | 63,950        |           |
| Lubricants for train locomotives.....               | 287,244       | 218,372       | 68,872        |           |
| Other supplies for train locomotives.....           | 66,659        | 52,727        | 13,932        |           |
| Engine-house expenses—Train.....                    | 1,589,104     | 1,248,701     | 340,403       |           |
| Trainmen.....                                       | 5,906,024     | 4,973,403     | 932,621       |           |
| Train supplies and expenses.....                    | 2,329,037     | 2,030,278     | 298,759       |           |
| Signal and interlocker operation.....               | 341,388       | 310,782       | 30,606        |           |
| Crossing protection.....                            | 66,337        | 58,826        | 7,511         |           |
| Drawbridge operation.....                           | 14,220        | 11,745        | 2,475         |           |
| Telegraph and telephone operation.....              | 416,182       | 344,562       | 71,620        |           |
| Stationery and printing.....                        | 137,838       | 133,141       | 4,697         |           |
| Other expenses.....                                 | 139,690       | 113,820       | 25,870        |           |
| Insurance.....                                      | 70,428        | 38,138        | 32,290        |           |
| Clearing wrecks.....                                | 76,549        | 63,320        | 13,229        |           |
| Damage to property.....                             | 45,322        | 42,492        | 2,830         |           |
| Damage to live stock on right of way.....           | 48,286        | 42,118        | 6,168         |           |
| Loss and damage—Freight.....                        | 443,449       | 332,118       | 111,331       |           |
| Loss and damage—Baggage.....                        | 1,684         | 850           | 834           |           |
| Injuries to persons.....                            | 310,661       | 238,487       | 72,174        |           |
| Operating joint yards and terminals—Dr.....         | 1,181,621     | 944,459       | 237,162       |           |
| Operating joint yards and terminals—Cr.....         | 844,889       | 688,167       | 156,722       |           |
| Operating joint tracks and facilities—Dr.....       | 328,788       | 204,541       | 124,247       |           |
| Operating joint tracks and facilities—Cr.....       | 172,913       | 222,603       |               | \$ 49,690 |
| Total transportation—rail line.....                 | 41,672,967    | 34,862,432    | 6,810,535     |           |
| <b>MISCELLANEOUS OPERATIONS</b>                     |               |               |               |           |
| Dining and buffet service.....                      | 1,199,801     | 804,238       | 395,563       |           |
| Hotels and restaurants.....                         | 56,007        | 47,681        | 8,326         |           |
| Other miscellaneous operations.....                 | 250,661       | 149,801       | 100,860       |           |
| Total miscellaneous operations.....                 | 1,506,469     | 1,001,720     | 504,749       |           |
| <b>GENERAL</b>                                      |               |               |               |           |
| Salaries and expenses of general officers.....      | 321,907       | 311,614       | 10,293        |           |
| Salaries and expenses of clerks and attendants..... | 1,490,911     | 1,298,937     | 191,974       |           |
| General office supplies and expenses.....           | 93,506        | 87,128        | 6,378         |           |
| Law expenses.....                                   | 252,393       | 246,093       | 6,300         |           |
| Insurance.....                                      | 2,961         | 5,752         |               | 2,791     |
| Pensions.....                                       | 84,794        | 29,339        | 55,455        |           |
| Stationery and printing.....                        | 85,260        | 98,994        |               | 13,734    |
| Valuation expenses.....                             | 8,153         | 10,568        |               | 2,415     |
| Other expenses.....                                 | 167,907       | 212,039       |               | 44,132    |
| General joint facilities—Dr.....                    | 30,604        | 26,720        | 3,884         |           |
| General joint facilities—Cr.....                    | 10,215        | 9,970         | 245           |           |
| Total general expenses.....                         | 2,528,181     | 2,317,214     | 210,967       |           |
| <b>TRANSPORTATION FOR INVEST-<br/>MENT—CR.....</b>  |               |               |               |           |
|   |               | 215,100       |               | 215,100   |
| Grand total railway operating expenses...           | \$ 93,318,476 | \$ 78,323,366 | \$ 14,995,110 |           |





PAY DAY AT ROUNDHOUSE, ST. PAUL

| YEAR | PAYMENTS TO EMPLOYEES<br>(OPERATING<br>EXPENSES ONLY) | PAYMENTS TO INVESTORS |              |              | PAYMENTS TO GOVERNMENT<br>(RAILWAY TAX<br>ACCRUALS) |
|------|---|-----------------------|--------------|--------------|---|
|      |   | INTEREST              | DIVIDENDS    | TOTAL        |   |
| 1942 | \$55,563,723  | \$13,691,202          | \$ 4,997,795 | \$18,688,997 | \$30,727,340  |
| 1941 | 45,605,443  | 13,891,031            | 4,997,790    | 18,888,821   | 16,867,023  |
| 1940 | 37,776,867  | 14,187,200            | 1,249,448    | 15,436,648   | 12,273,206  |
| 1939 | 35,411,980  | 14,192,231            | .....        | 14,192,231   | 10,121,469  |
| 1938 | 32,300,558  | 14,242,529            | .....        | 14,242,529   | 8,364,234   |
| 1937 | 35,939,880  | 15,589,848            | 4,997,788    | 20,587,636   | 8,425,163   |
| 1936 | 33,518,881  | 17,337,999            | .....        | 17,337,999   | 7,842,526   |
| 1935 | 29,208,471  | 18,897,565            | .....        | 18,897,565   | 6,216,821   |
| 1934 | 28,276,815  | 19,119,773            | .....        | 19,119,773   | 6,181,111   |
| 1933 | 24,354,205  | 19,076,469            | .....        | 19,076,469   | 6,660,944   |
| 1932 | 26,300,862  | 19,256,354            | 2,488,684    | 21,745,038   | 6,697,424   |
| 1931 | 33,394,983  | 18,896,399            | 9,957,420    | 28,853,819   | 7,179,028   |
| 1930 | 43,887,764  | 18,678,251            | 12,449,648   | 31,127,899   | 8,712,598   |
| 1929 | 49,133,907  | 18,262,519            | 12,450,225   | 30,712,744   | 9,201,154   |
| 1928 | 47,893,732  | 18,536,022            | 12,449,205   | 30,985,227   | 10,297,997  |
| 1927 | 45,884,703  | 18,450,593            | 12,447,355   | 30,897,948   | 9,046,049   |

510, 3044, 180  
 Go back to cover say 500,000,000 employees  
 Taxes during same period 180,000,000  
 Divs 44,000,000 - 1/2 as much as the  
 public in taxes + 1/2 as much as before



# ANNUAL REPORT FOR 1942

## ROAD AND EQUIPMENT PROPERTY—1942 (Including Improvements on Leased Property)

| ACCOUNT  | CASH EXPENDITURES<br>FOR NEW PROPERTY | *NET INCREASE IN<br>INVESTMENT ACCOUNT<br>(AFTER DEDUCTING COST<br>OF PROPERTY RETIRED) |
|--|---------------------------------------|---|
| Engineering .....  | \$ 205,137                            | \$ 106,740  |
| Land for transportation purposes .....                       | 93,201                                | 77,825  |
| Other right-of-way expenditures .....                        | 1,346                                 | 831   |
| Grading .....  | 75,211                                | Cr.— 51,225   |
| Tunnels and subways .....                                    | Cr.— 8,005                            | Cr.— 12,101   |
| Bridges, trestles and culverts .....                         | 706,871                               | 457,076   |
| Ties .....   | 329,121                               | 238,894   |
| Rails .....  | 460,817                               | 283,503   |
| Other track material .....                                   | 679,221                               | 556,341   |
| Ballast .....  | 116,324                               | 98,530  |
| Track laying and surfacing .....                             | 302,588                               | 163,268   |
| Fences, snow sheds, and signs .....                          | 33,463                                | 7,844   |
| Crossings and signs .....                                    |                                       | Cr.— 44,861   |
| Station and office buildings .....                           | 274,086                               | 185,901   |
| Roadway buildings .....                                      | 31,373                                | Cr.— 309,893  |
| Water stations .....   | 132,604                               | Cr.— 31,343   |
| Fuel stations .....  | 71,229                                | 50,134  |
| Shops and engine houses .....                                | 263,255                               | 170,002   |
| Grain elevators .....  | 10,170                                | Cr.— 3,285,703  |
| Wharves and docks .....                                      |                                       | Cr.— 282,914  |
| Coal and ore wharves .....                                   | 134,011                               | 133,297   |
| Telegraph and telephone lines .....                          | 163,775                               | 99,077  |
| Signals and interlockers .....                               | 265,062                               | 242,264   |
| Power plants .....   | Cr.— 11,788                           | Cr.— 15,953   |
| Power transmission systems .....                             | 5,977                                 | Cr.— 24,176   |
| Miscellaneous structures .....                               | 35,572                                | 31,238  |
| Roadway machines .....                                       | 234,858                               | 124,681   |
| Roadway small tools .....                                    | Cr.— 391                              | Cr.— 3,968  |
| Public improvements—Construction .....                       | 92,169                                | 85,654  |
| Shop machinery .....   | 177,603                               | 146,468   |
| Power-plant machinery .....                                  | Cr.— 52,647                           | Cr.— 54,790   |
| Total expenditures for road .....                            | 4,822,213                             | Cr.— 857,359  |
| Steam locomotives .....                                      | 193,461                               | 50,739  |
| Other locomotives .....                                      | 523,886                               | 523,886   |
| Freight-train cars .....                                     | 8,477,464                             | 7,739,418   |
| Passenger-train cars .....                                   | 38,525                                | Cr.— 35,612   |
| Work equipment .....   | 136,345                               | 77,377  |
| Miscellaneous equipment .....                                | 83,587                                | 47,295  |
| Total expenditures for equipment .....                       | 9,453,268                             | 8,403,103   |
| Interest during construction .....                           |                                       | 4,328   |
| Other expenditures—General .....                             |                                       | Cr.— 661  |
| Total general expenditures .....                             |                                       | 3,667   |
| Grand total, including improvements on leased property ..... | \$14,275,481                          | \$7,549,411   |

\*Includes credits for transfer of "Road and equipment property" to "Miscellaneous physical property" as follows: Roadway buildings, \$359,033; Grain elevators, \$3,043,274; and Wharves and docks, \$289,730, Total expenditures for road, \$3,692,037.



# GREAT NORTHERN RAILWAY COMPANY

## FREIGHT SERVICE STATISTICS

(EXCLUDES MOTOR VEHICLE OPERATIONS—FREIGHT REVENUE FROM THIS TRAFFIC IN 1942 AMOUNTED TO \$179,927)  
1942 AND 1941

| ITEM  | 1942           | 1941           | INCREASE      |          | DECREASE  |          |
|---|----------------|----------------|---------------|----------|-----------|----------|
|   |                |                | AMOUNT        | PER CENT | AMOUNT    | PER CENT |
| <b>FREIGHT TRAIN OPERATIONS</b><br>(Including incidental passenger service) |                |                |               |          |           |          |
| Average mileage of road operated.....                                       | 7,998.91       | 7,975.71       | 23.20         | .29      |           |          |
| <b>TRAIN MILES</b>  |                |                |               |          |           |          |
| Ordinary (with locomotives).....  | 13,635,034     | 12,439,710     | 1,195,324     | 9.61     |           |          |
| Ordinary (without locomotives).....   | 151,350        | 179,685        |               |          | 28,335    | 15.77    |
| Total.....  | 13,786,384     | 12,619,395     | 1,166,989     | 9.25     |           |          |
| Light (with locomotives).....   | 81,273         | 60,511         | 20,762        | 34.31    |           |          |
| Grand total.....  | 13,867,657     | 12,679,906     | 1,187,751     | 9.37     |           |          |
| <b>MOTIVE POWER MILES</b>   |                |                |               |          |           |          |
| Locomotive Miles:   |                |                |               |          |           |          |
| Principal.....  | 13,719,171     | 12,501,782     | 1,217,389     | 9.74     |           |          |
| Helper.....   | 138,836        | 133,652        | 5,184         | 3.88     |           |          |
| Light.....  | 436,322        | 399,270        | 37,052        | 9.28     |           |          |
| Train switching.....  | 1,080,336      | 1,033,848      | 46,488        | 4.50     |           |          |
| Yard switching.....   | 5,195,218      | 4,656,653      | 538,565       | 11.57    |           |          |
| Total.....  | 20,569,883     | 18,725,205     | 1,844,678     | 9.85     |           |          |
| Rail motor-cars (self-propelled units).....                                 | 151,350        | 179,685        |               |          | 28,335    | 15.77    |
| Grand total.....  | 20,721,233     | 18,904,890     | 1,816,343     | 9.61     |           |          |
| <b>CAR MILES</b>  |                |                |               |          |           |          |
| Freight—loaded.....   | 510,995,574    | 448,515,899    | 62,479,675    | 13.93    |           |          |
| Freight—empty.....  | 277,163,446    | 280,190,351    |               |          | 3,026,905 | 1.08     |
| Total.....  | 788,159,020    | 728,706,250    | 59,452,770    | 8.16     |           |          |
| Passenger coaches.....  | 837,342        | 810,987        | 26,355        | 3.25     |           |          |
| Sleeping and parlor cars.....   | 276,114        | 109,012        | 167,102       | 153.29   |           |          |
| Mail, express, and baggage cars, etc.....                                   | 5,584,463      | 7,179,974      |               |          | 1,595,511 | 22.22    |
| Combination passenger cars.....   | 1,020,480      | 965,662        | 54,818        | 5.68     |           |          |
| Business cars.....  | 17,685         | 16,903         | 782           | 4.63     |           |          |
| Total.....  | 7,736,084      | 9,082,538      |               |          | 1,346,454 | 14.82    |
| Caboose.....  | 12,742,744     | 11,625,145     | 1,117,599     | 9.61     |           |          |
| Grand total.....  | 808,637,848    | 749,413,933    | 59,223,915    | 7.90     |           |          |
| <b>GROSS TON MILES—ROAD SERVICE</b>   |                |                |               |          |           |          |
| Locomotives and tenders.....  | 4,189,689,661  | 3,778,431,503  | 411,258,158   | 10.88    |           |          |
| Cars, contents and cabooses.....  | 36,897,097,608 | 31,896,807,246 | 5,000,290,362 | 15.68    |           |          |
| Total.....  | 41,086,787,269 | 35,675,238,749 | 5,411,548,520 | 15.17    |           |          |
| <b>NET TON MILES—ROAD SERVICE</b>   |                |                |               |          |           |          |
| Revenue.....  | 16,695,449,755 | 13,200,873,296 | 3,494,576,459 | 26.47    |           |          |
| Non-revenue.....  | 996,823,171    | 979,623,775    | 17,199,396    | 1.76     |           |          |
| Total.....  | 17,692,272,926 | 14,180,497,071 | 3,511,775,855 | 24.76    |           |          |
| <b>TRAIN HOURS—ROAD SERVICE</b>   | 891,130        | 805,889        | 85,241        | 10.58    |           |          |
| <b>FREIGHT CARS ON LINE</b>   | 45,344         | 43,196         | 2,148         | 4.97     |           |          |
| <b>AVERAGES</b>   |                |                |               |          |           |          |
| Train load—all freight, excl. "Light" train miles (tons).....               | 1,283.31       | 1,123.71       | 159.60        | 14.20    |           |          |
| Cars per train—total (excl. cabooses).....                                  | 57.73          | 58.46          |               |          | .73       | 1.25     |
| Train speed—train miles per train hour.....                                 | 15.56          | 15.73          |               |          | .17       | 1.08     |
| Freight-car load—all freight (tons).....                                    | 34.62          | 31.62          | 3.00          | 9.49     |           |          |
| Percent loaded of total freight car miles.....                              | 64.83          | 61.55          | 3.28          | 5.33     |           |          |
| Car miles per freight car day.....  | 47.62          | 46.22          | 1.40          | 3.03     |           |          |
| Net ton miles per freight car day.....                                      | 1,069          | 899            | 170           | 18.91    |           |          |
| <b>REVENUE FREIGHT TRAFFIC—TOTAL IN FREIGHT AND PASSENGER TRAINS</b>        |                |                |               |          |           |          |
| Tons of freight carried.....  | 59,745,333     | 50,381,028     | 9,364,305     | 18.59    |           |          |
| Net ton miles.....  | 16,709,534,853 | 13,212,936,708 | 3,496,598,145 | 26.46    |           |          |
| Freight revenue.....  | \$ 143,084,128 | \$ 110,342,384 | \$ 32,741,744 | 29.67    |           |          |
| <b>AVERAGES</b>   |                |                |               |          |           |          |
| Miles per revenue ton.....  | 279.68         | 262.26         | 17.42         | 6.64     |           |          |
| Revenue per ton mile.....   | \$ .00856      | \$ .00835      | \$ .00021     | 2.51     |           |          |
| Revenue per ton.....  | \$ 2.39        | \$ 2.19        | \$ .20        | 9.13     |           |          |
| Traffic density—revenue ton miles per mile of road.....                     | 2,088,976      | 1,656,647      | 432,329       | 26.10    |           |          |



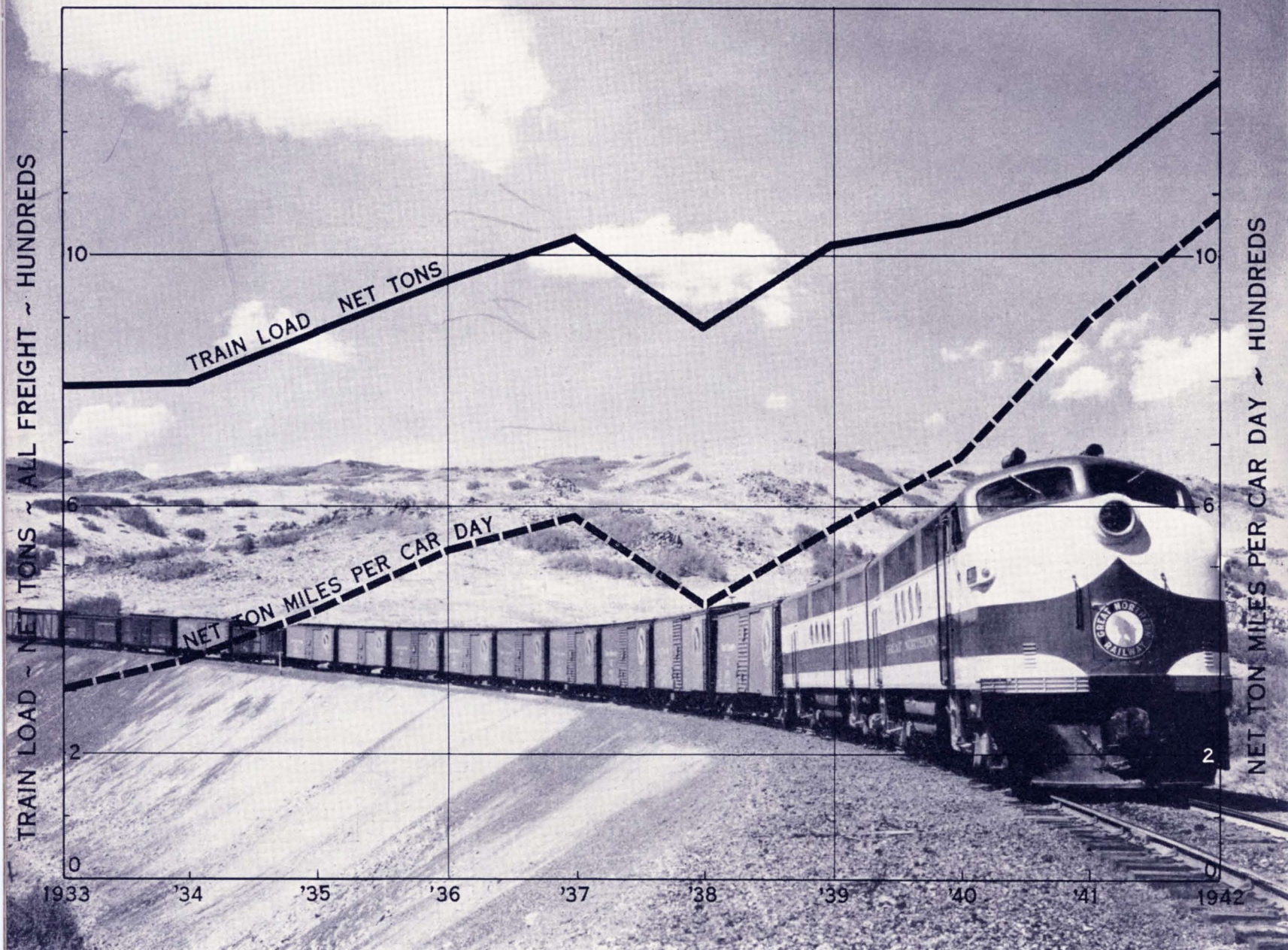
# ANNUAL REPORT FOR 1942

## PASSENGER SERVICE STATISTICS (EXCLUDES MOTOR VEHICLE OPERATIONS) 1942 AND 1941

| ITEM  | 1942          | 1941         | INCREASE     |          | DECREASE |          |
|---|---------------|--------------|--------------|----------|----------|----------|
|   |               |              | AMOUNT       | PER CENT | AMOUNT   | PER CENT |
| <b>PASSENGER TRAIN OPERATIONS</b><br>(Including incidental freight service)     |               |              |              |          |          |          |
| Average mileage of road operated.....   | 5,845.97      | 5,909.01     |              |          | 63.04    | 1.07     |
| <b>TRAIN MILES</b>  |               |              |              |          |          |          |
| Ordinary (with locomotives).....  | 6,483,872     | 6,374,556    | 109,316      | 1.71     |          |          |
| Ordinary (without locomotives).....   | 1,324,602     | 1,290,750    | 33,852       | 2.62     |          |          |
| Total.....  | 7,808,474     | 7,665,306    | 143,168      | 1.87     |          |          |
| <b>MOTIVE POWER MILES</b>   |               |              |              |          |          |          |
| Locomotive Miles:   |               |              |              |          |          |          |
| Principal.....  | 6,483,872     | 6,374,556    | 109,316      | 1.71     |          |          |
| Helper.....   | 14,465        | 9,010        | 5,455        | 60.54    |          |          |
| Light.....  | 230,821       | 177,056      | 53,765       | 30.37    |          |          |
| Train switching.....  | 5,526         | 7,086        |              |          | 1,560    | 22.02    |
| Yard switching.....   | 224,777       | 240,742      |              |          | 15,965   | 6.63     |
| Total.....  | 6,959,461     | 6,808,450    | 151,011      | 2.22     |          |          |
| Rail motor-cars (self-propelled units).....                                     | 1,324,602     | 1,290,750    | 33,852       | 2.62     |          |          |
| Grand total.....  | 8,284,063     | 8,099,200    | 184,863      | 2.28     |          |          |
| <b>CAR MILES</b>  |               |              |              |          |          |          |
| Passenger coaches.....  | 15,780,305    | 13,632,653   | 2,147,652    | 15.75    |          |          |
| Sleeping and parlor cars.....   | 15,652,912    | 13,575,637   | 2,077,275    | 15.30    |          |          |
| Club, lounge, dining and observation cars.....                                  | 3,475,432     | 3,951,125    |              |          | 475,693  | 12.04    |
| Mail, express, and baggage cars, etc.....                                       | 24,287,243    | 22,680,789   | 1,606,454    | 7.08     |          |          |
| Combination passenger cars.....   | 458,350       | 345,161      | 113,189      | 32.79    |          |          |
| Business cars.....  | 322,816       | 337,438      |              |          | 14,622   | 4.33     |
| Total.....  | 59,977,058    | 54,522,803   | 5,454,255    | 10.00    |          |          |
| Freight—loaded.....   | 602,513       | 474,973      | 127,540      | 26.85    |          |          |
| Freight—empty.....  | 101,078       | 3,918        | 97,160       |          |          |          |
| Total.....  | 703,591       | 478,891      | 224,700      | 46.92    |          |          |
| Caboose.....  | 99,457        | 36,794       | 62,663       | 170.31   |          |          |
| Grand total.....  | 60,780,106    | 55,038,488   | 5,741,618    | 10.43    |          |          |
| <b>NET TON MILES—ROAD SERVICE</b>   |               |              |              |          |          |          |
| Revenue.....  | 14,085,098    | 12,063,412   | 2,021,686    | 16.76    |          |          |
| Non-revenue.....  | 289,661       | 436,218      |              |          | 146,557  | 33.60    |
| Total.....  | 14,374,759    | 12,499,630   | 1,875,129    | 15.00    |          |          |
| <b>TRAIN HOURS—ROAD SERVICE</b>   |               |              |              |          |          |          |
|   | 230,818       | 228,321      | 2,497        | 1.09     |          |          |
| <b>AVERAGES</b>   |               |              |              |          |          |          |
| Cars per train—total.....   | 7.78          | 7.18         | .60          | 8.36     |          |          |
| Train speed—train miles per train hour.....                                     | 33.83         | 33.57        | .26          | .77      |          |          |
| Train miles per mile of road.....   | 1,335.70      | 1,297.22     | 38.48        | 2.97     |          |          |
| Revenue passengers per passenger carrying car                                   | 16.87         | 11.10        | 5.77         | 51.98    |          |          |
| <b>REVENUE PASSENGER TRAFFIC—<br/>TOTAL IN PASSENGER AND<br/>FREIGHT TRAINS</b> |               |              |              |          |          |          |
| Revenue passengers carried.....   | 1,757,451     | 1,140,964    | 616,487      | 54.03    |          |          |
| Revenue passenger miles.....  | 534,235,235   | 304,047,093  | 230,188,142  | 75.71    |          |          |
| Passenger revenue.....  | \$ 9,182,657  | \$ 4,866,276 | \$ 4,316,381 | 88.70    |          |          |
| Passenger service train revenue.....  | \$ 15,065,264 | \$ 9,494,943 | \$ 5,570,321 | 58.67    |          |          |
| <b>AVERAGES</b>   |               |              |              |          |          |          |
| Miles per revenue passenger.....  | 303.98        | 266.48       | 37.50        | 14.07    |          |          |
| Revenue per passenger mile.....   | \$ .01719     | \$ .01601    | \$ .00118    | 7.37     |          |          |
| Revenue per passenger.....  | \$ 5.22       | \$ 4.27      | \$ .95       | 22.25    |          |          |
| Revenue passengers per train.....   | 68.42         | 39.67        | 28.75        | 72.47    |          |          |
| Revenue passenger miles per mile of road....                                    | 91,385        | 51,455       | 39,930       | 77.60    |          |          |



# FREIGHT TRAIN PERFORMANCE













HEAVY COPPER TRAFFIC BETWEEN BUTTE AND GREAT FALLS

| YEAR | TRAIN LOAD<br>(NET TONS ALL<br>FREIGHT) | NET TON<br>MILES PER<br>CAR DAY | YEAR | TRAIN LOAD<br>(NET TONS ALL<br>FREIGHT) | NET TON<br>MILES PER<br>CAR DAY |
|------|---|---------------------------------|------|---|---------------------------------|
| 1942 | 1,283                                   | 1,069                           | 1937 | 1,026                                   | 577                             |
| 1941 | 1,124                                   | 899                             | 1936 | 957                                     | 522                             |
| 1940 | 1,057                                   | 675                             | 1935 | 879                                     | 426                             |
| 1939 | 1,017                                   | 559                             | 1934 | 793                                     | 353                             |
| 1938 | 885                                     | 437                             | 1933 | 791                                     | 303                             |





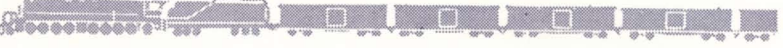







# ANNUAL REPORT FOR 1942

## GROSS TON MILES PER TRAIN HOUR

|      |  |        |          |
|------|--|--------|----------|
| 1942 |    | 41,405 | 35510 JS |
| 1941 |    | 39,580 | 34684    |
| 1940 |    | 37,919 | 33811    |
| 1939 |    | 35,462 | 32808    |
| 1938 |    | 31,526 | 31141    |
| 1937 |    | 33,609 | 30349    |
| 1936 |    | 32,574 |          |
| 1935 |    | 31,857 |          |
| 1934 |   | 29,294 |          |
| 1933 |  | 28,525 |          |

## GROSS TON MILES PER TON OF FUEL CONSUMED

|      |  |        |
|------|--|--------|
| 1942 |  | 19,114 |
| 1941 |  | 18,437 |
| 1940 |  | 17,769 |
| 1939 |  | 16,874 |
| 1938 |  | 15,296 |
| 1937 |  | 16,150 |
| 1936 |  | 15,463 |
| 1935 |  | 14,745 |
| 1934 |  | 14,281 |
| 1933 |  | 14,451 |



# 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, 1938 TO 1942

| CLASS   | 1942          | 1941          | 1940          | 1939          | 1938          |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>LOCOMOTIVES</b>  |               |               |               |               |               |
| *Steam locomotives.....   | 812           | 813           | 888           | 904           | 942           |
| Electric locomotives.....   | 15            | 15            | 15            | 15            | 15            |
| Diesel locomotives.....   | 55            | 49            | 32            | 29            | 3             |
| Total locomotives.....  | 882           | 877           | 935           | 948           | 960           |
| <b>FREIGHT-TRAIN CARS</b>   |               |               |               |               |               |
| Box cars.....   | 25,706        | 24,316        | 24,262        | 25,265        | 25,417        |
| Flat cars.....  | 3,361         | 3,178         | 2,869         | 2,910         | 2,999         |
| Stock cars.....   | 1,888         | 1,888         | 1,888         | 1,888         | 2,634         |
| Coal cars.....  | 2,897         | 2,897         | 2,897         | 2,955         | 3,117         |
| Ore cars.....   | 8,369         | 7,902         | 8,038         | 8,529         | 8,883         |
| Refrigerator cars.....  | 7,076         | 7,012         | 7,050         | 7,158         | 7,211         |
| *Caboose cars.....  | 432           | 422           | 404           | 419           | 435           |
| Other freight-train cars.....                                       | 158           | 157           | 25            | 25            | 58            |
| Total freight equipment.....  | 49,887        | 47,772        | 47,433        | 49,149        | 50,754        |
| <b>PASSENGER-TRAIN CARS</b>   |               |               |               |               |               |
| Coaches.....  | 173           | 180           | 183           | 204           | 212           |
| Combination passenger cars.....                                     | 34            | 33            | 35            | 37            | 39            |
| Motor cars.....   | 34            | 34            | 35            | 36            | 36            |
| Other combination cars.....   | 82            | 83            | 84            | 84            | 86            |
| Dining cars.....  | 24            | 24            | 24            | 24            | 26            |
| Baggage and express cars.....                                       | 336           | 337           | 340           | 342           | 381           |
| Postal cars.....  | 14            | 14            | 14            | 14            | 14            |
| Other passenger-train cars.....                                     | 23            | 21            | 14            | 19            | 21            |
| Total passenger equipment.....                                      | 720           | 726           | 729           | 760           | 815           |
| <b>COMPANY SERVICE EQUIPMENT</b>                                    |               |               |               |               |               |
| Officers' cars.....   | 14            | 14            | 14            | 17            | 17            |
| Ballast cars.....   | 97            | 97            | 97            | 97            | 97            |
| Derrick cars.....   | 33            | 34            | 34            | 37            | 43            |
| Wrecking cars.....  | 124           | 132           | 158           | 152           | 179           |
| *Other company service equipment.....                               | 2,128         | 2,066         | 1,967         | 1,715         | 1,611         |
| Total company service equipment.....                                | 2,396         | 2,343         | 2,270         | 2,018         | 1,947         |
| <b>HIGHWAY-MOTOR VEHICLES</b>                                       |               |               |               |               |               |
| Revenue.....  | 29            | 29            | 29            | 26            | 22            |
| Company service.....  | 128           | 147           | 136           | 127           | 91            |
| <b>INVESTMENT IN THE ABOVE EQUIPMENT (DEC. 31)</b>                  |               |               |               |               |               |
| Great Northern Railway Company.....                                 | \$148,285,234 | \$139,882,131 | \$133,803,557 | \$128,403,905 | \$126,148,842 |
| Western Fruit Express Company.....                                  | 15,621,980    | 15,109,047    | 15,007,254    | 15,061,738    | 14,992,267    |
| Vancouver, Victoria and Eastern Railway and Navigation Company..... | 3,335         | 3,336         | 3,336         | 26,032        | 71,377        |
| Total.....  | \$163,910,549 | \$154,994,514 | \$148,814,147 | \$143,491,675 | \$141,212,486 |

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



# ANNUAL REPORT FOR 1942

## 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    | 1942        | 812    | 49,018,227     | 60,367                          | 117,370                    | 144.54                        | 117.13  |
|                      | 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  |
|                      |             |        |                |                                 |                            |                               |   |
| ELECTRIC LOCOMOTIVES | 1942        | 15     | 1,845,720      | 123,048                         | 3,929                      | 261.93                        | 205.12  |
| DIESEL LOCOMOTIVES   | 1942        | 55     | 3,474,537      | 63,173                          | 6,949                      | 126.35                        | 126.35  |
| TOTAL LOCOMOTIVES    | 1942        | 882    | 54,338,484     | 61,608                          | 128,248                    | 145.41                        | 119.21  |

## CONDITION OF EQUIPMENT DECEMBER 31, 1942 AND 1941

|   | December 31, 1942 |              |                      | December 31, 1941 |              |                      |
|---|-------------------|--------------|----------------------|-------------------|--------------|----------------------|
|   | LOCOMOTIVES       | FREIGHT CARS | PASSENGER TRAIN CARS | LOCOMOTIVES       | FREIGHT CARS | PASSENGER TRAIN CARS |
| Locomotives owned and cars on line..... | 882               | 40,706       | 686                  | 877               | 40,979       | 688                  |
| Units unserviceable.....                | * 51              | 763          | 14                   | * 92              | 886          | 31                   |
| Percent unserviceable.....              | 5.8%              | 1.9%         | 2.0%                 | 10.5%             | 2.2%         | 4.5%                 |

\* In shop or awaiting shop.

Diesel locomotives placed in service in 1942 shown below included 3 1000-horsepower switching locomotives and 3 1000-horsepower combination road and switching locomotives.





# GREAT NORTHERN RAILWAY COMPANY

## AGGREGATE CAPACITY OF FREIGHT CARS OWNED AND LEASED—TONS

(INCLUDES REFRIGERATOR CARS OWNED AND LEASED BY WESTERN FRUIT EXPRESS COMPANY, A WHOLLY OWNED SUBSIDIARY)

DECEMBER 31, 1938 TO 1942

| KIND                          | DECEMBER 31 |           |           |           |           |
|-------------------------------|-------------|-----------|-----------|-----------|-----------|
|                               | 1942        | 1941      | 1940      | 1939      | 1938      |
| Box cars.....                 | 1,151,370   | 1,075,860 | 1,053,220 | 1,071,510 | 1,062,990 |
| Flat cars.....                | 155,450     | 148,090   | 135,460   | 137,810   | 143,140   |
| Stock cars.....               | 73,270      | 73,270    | 73,240    | 73,240    | 89,310    |
| Coal cars.....                | 149,930     | 149,930   | 149,930   | 152,730   | 160,830   |
| Ore cars.....                 | 588,375     | 552,525   | 559,325   | 546,375   | 564,075   |
| Refrigerator cars.....        | 222,243     | 219,517   | 220,530   | 223,345   | 224,805   |
| Other freight-train cars..... | 6,570       | 6,530     | 1,250     | 1,250     | 2,880     |
| Total.....                    | 2,347,208   | 2,225,722 | 2,192,955 | 2,206,260 | 2,248,030 |

## AVERAGE CAPACITY OF FREIGHT CARS OWNED AND LEASED—TONS

(INCLUDES REFRIGERATOR CARS OWNED AND LEASED BY WESTERN FRUIT EXPRESS COMPANY, A WHOLLY OWNED SUBSIDIARY)

DECEMBER 31, 1938 TO 1942

| KIND                          | DECEMBER 31 |       |       |       |       |
|-------------------------------|-------------|-------|-------|-------|-------|
|                               | 1942        | 1941  | 1940  | 1939  | 1938  |
| Box cars.....                 | 44.79       | 44.24 | 43.41 | 42.02 | 41.82 |
| Flat cars.....                | 46.25       | 46.60 | 47.22 | 47.36 | 47.73 |
| Stock cars.....               | 37.62       | 37.62 | 37.62 | 37.62 | 33.33 |
| Coal cars.....                | 51.75       | 51.75 | 51.75 | 51.69 | 51.60 |
| Ore cars.....                 | 70.30       | 69.92 | 69.59 | 64.06 | 63.50 |
| Refrigerator cars.....        | 31.41       | 31.31 | 31.28 | 31.20 | 31.17 |
| Other freight-train cars..... | 41.58       | 41.59 | 50.00 | 50.00 | 49.66 |
| Total.....                    | 47.46       | 47.01 | 46.23 | 45.28 | 44.64 |



# ANNUAL REPORT FOR 1942

## INVESTMENTS IN SECURITIES (BOOK VALUE—COST TO GREAT NORTHERN RAILWAY COMPANY) DECEMBER 31, 1942

| TITLE OF SECURITY  | STOCKS                               |                |               |              | BONDS        | NOTES,<br>ADVANCES,<br>AND MISCEL-<br>LANEOUS | TOTAL<br>BOOK VALUE | DIVIDENDS<br>OR<br>INTEREST<br>RECEIVED |
|--|--------------------------------------|----------------|---------------|--------------|--------------|---|---------------------|---|
|  | EXTENT<br>OF STOCK<br>CONTROL<br>(%) | *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         | \$ 2,490,537                            |
| Cowlitz, Chehalis & Cascade Ry. ....                                 | 16.46                                | 69,971         |               | 134,430      |              |   | 134,430             | 72                                      |
| Duluth and Superior Bridge Co. (The). ....                           | 100                                  | 200,000        |               | 200,000      | \$ 545,101   |   | 745,101             | 73,220                                  |
| Farmers' Grain and Shipping Co. ....                                 |                                      |                |               |              |              | \$ 64,358                                     | 64,358              |   |
| Gales Creek & Wilson River R. R. Co. ....                            |                                      |                |               |              |              | 411,108                                       | 411,108             |   |
| Glacier Park Hotel Co. ....  | 100                                  | 1,500,000      |               | 1,500,000    |              | 3,769,485                                     | 5,269,485           |   |
| 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        |              | 24,000  | 193,800             |   |
| Midland Ry. Co. of Manitoba (The) ..                                 | 50                                   | 2,400,000      |               | 2,400,000    |              | 27,342  | 2,427,342           |   |
| Minnesota Transfer Ry. Co. (The) ....                                | 11.11                                | 91,300         | 91,300        |              |              | 20,902  | 112,202             |   |
| 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      |              | 1,049,156                                     | 1,368,957           |   |
| Railroad Credit Corporation (The) ....                               |                                      |                |               |              |              | 132,028                                       | 132,028             | 372                                     |
| Railway Express Agency, Inc. ....                                    | 1.5                                  | *              |               | 1,500        |              | 291,591                                       | 293,091             | 13,679                                  |
| 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       |              | 1,476,676                                     | 1,496,676           |   |
| Spokane, Portland and Seattle Ry. Co. ....                           | 50                                   | 20,000,000     |               | 20,000,000   | 25,798,500   | 405,000                                       | 46,203,500          |   |
| Vancouver, Victoria and Eastern Rail-<br>way and Navigation Co. .... | 100                                  | 23,500,000     | 23,545,000    | 35,000       |              | 100,047                                       | 23,680,047          |   |
| Washington & Great Northern Town-<br>site Co. ....                   | 100                                  | 50,000         |               | 15,939       |              | 1,308,365                                     | 1,324,304           |   |
| Western Fruit Express Co. ....                                       | 100                                  | 6,800,000      |               | 6,800,000    |              |   | 6,800,000           | 272,000                                 |
| Total affiliated companies .....                                     |                                      | *\$141,820,871 | \$135,784,127 | \$31,568,220 | \$26,508,601 | \$ 9,080,058                                  | \$202,941,006       | \$ 2,854,024                            |
| OTHER INVESTMENTS  |                                      |                |               |              |              |   |                     |   |
| Crow's Nest Pass Coal Co., Ltd. (The). ....                          | 7.9                                  | \$ 491,700     |               | \$ 810,210   |              |   | \$ 810,210          | \$ 14,751                               |
| Northland Greyhound Lines, Inc. ....                                 | 44.7                                 | *              |               | 1,239,394    |              |   | 1,239,394           | 167,593                                 |
| St. Paul Foundry Co. ....  | 39.2                                 | 233,100        |               | 233,100      |              |   | 233,100             |   |
| Wisconsin Central Ry. Co.—Terminal<br>Bonds .....                    |                                      |                |               |              | \$ 247,500   |   | 247,500             | 9,625                                   |
| Various outstanding contracts .....                                  |                                      |                |               |              |              | \$ 219,033                                    | 219,033             | 6,108                                   |
| Miscellaneous .....  |                                      | 35,333         |               | 34,373       | 500          | 131,904                                       | 166,777             | 6,372                                   |
| Total other investments .....  |                                      | *\$ 760,133    |               | \$ 2,317,077 | \$ 248,000   | \$ 350,937                                    | \$ 2,916,014        | \$ 204,449                              |
| Grand total .....  |                                      | \$ 142,581,004 | \$135,784,127 | \$33,885,297 | \$26,756,601 | \$ 9,430,995                                  | \$ 205,857,020      | \$ 3,058,473                            |
| Deduct "Reserve for adjustment of investment in securities" .....    |                                      |                |               |              |              |   | 15,150,093          |   |
| Total .....  |                                      |                |               |              |              |   | \$190,706,927       |   |

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



# GREAT NORTHERN RAILWAY COMPANY

## DEPRECIATION AND AMORTIZATION OF DEFENSE PROJECTS CHARGED TO OPERATING EXPENSES 1927 TO 1942

| YEAR | ROAD      | EQUIPMENT   | TOTAL       | YEAR | ROAD      | EQUIPMENT   | TOTAL       |
|------|-----------|-------------|-------------|------|-----------|-------------|-------------|
| 1942 | \$442,257 | \$8,278,330 | \$8,720,587 | 1934 | \$224,438 | \$3,525,567 | \$3,750,005 |
| 1941 | 166,873   | 6,503,895   | 6,670,768   | 1933 | 263,143   | 4,616,304   | 4,879,447   |
| 1940 | 121,565   | 4,041,710   | 4,163,275   | 1932 | 295,188   | 4,815,749   | 5,110,937   |
| 1939 | 158,973   | 3,527,703   | 3,686,676   | 1931 | 297,046   | 4,802,334   | 5,099,380   |
| 1938 | 159,289   | 3,560,905   | 3,720,194   | 1930 | 308,810   | 4,782,731   | 5,091,541   |
| 1937 | 160,116   | 3,496,844   | 3,656,960   | 1929 | 311,269   | 4,552,308   | 4,863,577   |
| 1936 | 177,538   | 3,481,835   | 3,659,373   | 1928 | 294,736   | 4,382,818   | 4,677,554   |
| 1935 | 232,764   | 3,419,849   | 3,652,613   | 1927 | 291,928   | 4,347,699   | 4,639,627   |

## AMORTIZATION OF DEFENSE PROJECTS INCLUDED IN ABOVE TABULATION 1941 AND 1942

| YEAR | ROAD      | EQUIPMENT   | TOTAL       | YEAR | ROAD      | EQUIPMENT   | TOTAL       |
|------|-----------|-------------|-------------|------|-----------|-------------|-------------|
| 1942 | \$333,270 | \$4,447,562 | \$4,780,832 | 1941 | \$ 43,400 | \$2,647,976 | \$2,691,376 |

## RATES OF DEPRECIATION AND AMORTIZATION OF DEFENSE PROJECTS 1942

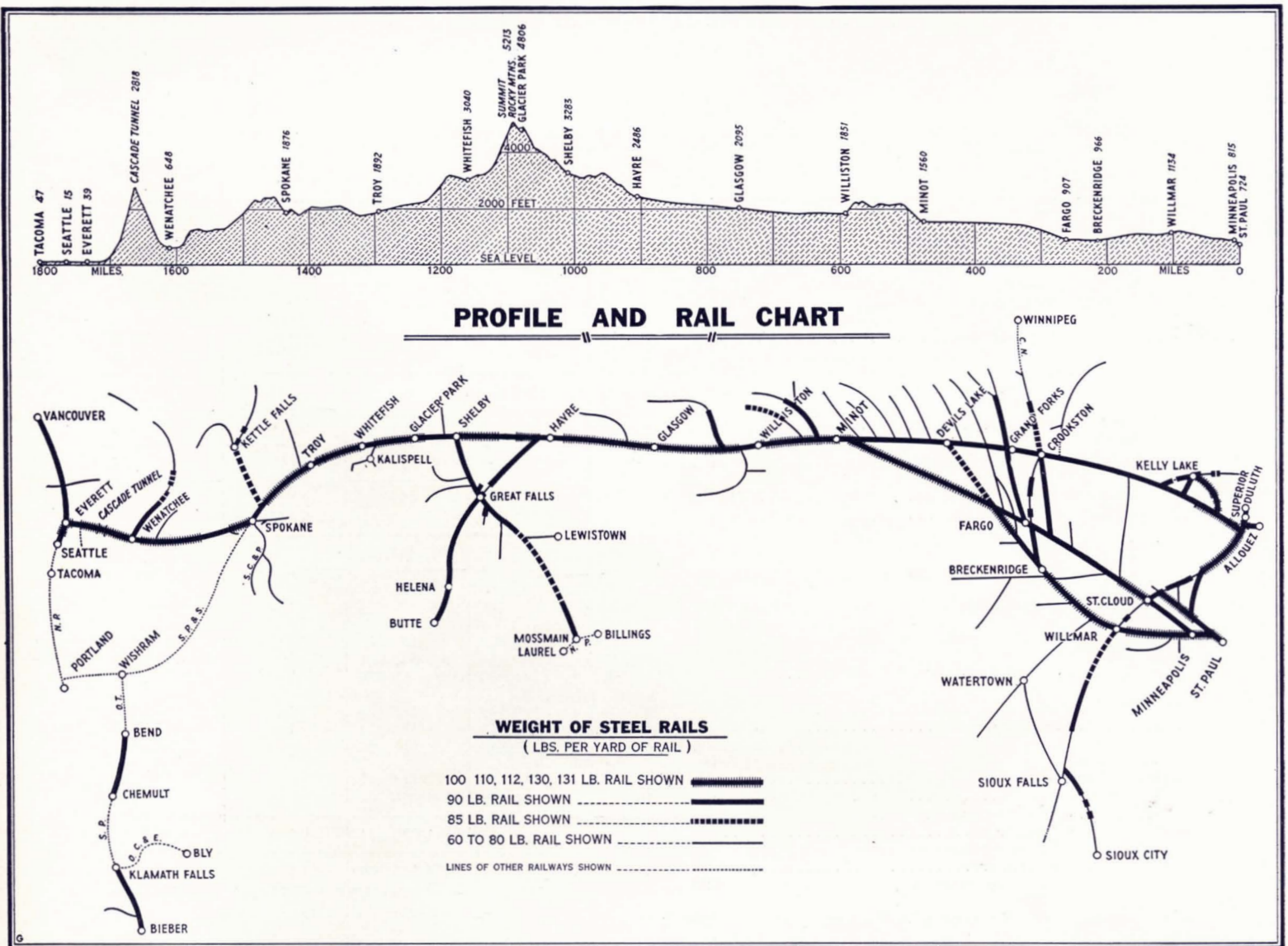
|                                  | RATE—% |                                   | RATE—% |
|----------------------------------|--------|-----------------------------------|--------|
| DEPRECIATION:                    |        | DEPRECIATION:                     |        |
| Road—Ore docks.....              | 1.29   | Equipment—Work equipment.....     | 3.09   |
|                                  |        | Miscellaneous equipment.....      | 15.61  |
| Equipment—Steam locomotives..... | 3.01   | Composite of all equipment.....   | 3.20   |
| Electric locomotives.....        | 2.78   |                                   |        |
| Diesel locomotives.....          | 5.21   | AMORTIZATION OF DEFENSE PROJECTS: |        |
| Freight-train cars.....          | 3.22   | All projects.....                 | 20.00  |
| Passenger-train cars.....        | 2.93   |                                   |        |

## CONDITIONAL SALE CONTRACTS AND NOTES EVIDENCING SAME DECEMBER 31, 1942 AND 1941

| EQUIPMENT   | RATE OF INTEREST ON DEFERRED PAYMENTS | MONTHLY PAYMENTS TO | PURCHASE PRICE OF EQUIPMENT | PRINCIPAL OUTSTANDING DECEMBER 31 |              |                          |
|---|---------------------------------------|---------------------|-----------------------------|-----------------------------------|--------------|--------------------------|
|   |                                       |                     |                             | 1942                              | 1941         | I—INCREASE<br>D—DECREASE |
| 14—1000 H. P. Diesel locomotives.....   | 2%                                    | Aug. 1945           | \$ 1,208,848                | \$ 538,777                        | \$ 740,903   | D—\$ 202,126             |
| 10—1000 H. P. and 2—600 H. P. Diesel locomotives.....                             | 2%                                    | May 1946            | 978,623                     | 404,236                           | 517,966      | D— 113,730               |
| 1500—75 ton all steel ore cars.....   | 2%                                    | May 1946            | 4,153,560                   | 2,028,159                         | 2,598,429    | D— 570,270               |
| 2—2700 H. P. Diesel locomotives.....  | 2%                                    | June 1946           | 480,090                     | 306,671                           | 390,790      | D— 84,119                |
| 1000—50 ton box cars.....   | 2 1/2%                                | April 1946          | 2,912,000                   | 1,660,108                         | 2,123,514    | D— 463,406               |
| 2—1000 H. P. Diesel locomotives.....  | 2%                                    | Oct. 1946           | 159,481                     | 123,571                           | 154,417      | D— 30,846                |
| 1—4050 H. P., 1—2700 H. P., 10—1000 H. P. and 3—600 H. P. Diesel locomotives..... | 2%                                    | Jan. 1947           | 1,602,506                   | 1,319,438                         | 1,507,795    | D— 188,357               |
| 2000—50 ton box cars.....   | 2%                                    | Feb. 1949           | 5,690,775                   | 4,238,222                         | 4,885,217    | D— 646,995               |
| 500—75 ton all steel ore cars.....  | 2%                                    | Aug. 1949           | 1,551,000                   | 1,135,639                         | .....        | I— 1,135,639             |
| 2000—50 ton box cars.....   | 2%                                    | Nov. 1949           | 6,380,625                   | 4,632,264                         | .....        | I— 4,632,264             |
| 2000—50 ton box cars.....   | 2%                                    | Dec. 1949           | 5,931,145                   | 4,746,553                         | 5,391,974    | D— 645,421               |
| Total.....  |                                       |                     | \$31,048,653                | \$21,133,638                      | \$18,311,005 | I—\$2,822,633            |



# ANNUAL REPORT FOR 1942



WEIGHT OF STEEL RAILS IN MAIN AND BRANCH LINES  
DECEMBER 31, 1942

| WEIGHT<br>(POUNDS PER YARD) | MAIN LINE<br>(MILES) | BRANCHES<br>(MILES) | SECOND, THIRD AND<br>FOURTH TRACKS<br>(MILES) | TOTAL MILES       |                   |
|-----------------------------|----------------------|---------------------|---|-------------------|-------------------|
|                             |                      |                     |   | DECEMBER 31, 1942 | DECEMBER 31, 1941 |
| 131                         | 15.19                | .....               | .....   | 15.19             | 15.72             |
| 130                         | 52.51                | .....               | 9.43  | 61.94             | 65.16             |
| 112                         | 425.83               | .06                 | 43.49   | 469.38            | 383.27            |
| 110                         | 951.74               | 20.26               | 73.20   | 1,045.20          | 1,054.51          |
| 100                         | 154.74               | 21.05               | 26.49   | 202.28            | 210.72            |
| 90                          | 2,102.45             | 494.96              | 278.40  | 2,875.81          | 2,912.02          |
| 85                          | 140.31               | 299.97              | 4.87  | 445.15            | 446.67            |
| 80                          | 50.76                | 231.97              | .58   | 283.31            | 283.96            |
| 77½                         | 30.64                | 539.69              | 3.96  | 574.29            | 587.66            |
| 75                          | 2.67                 | 361.31              | 1.13  | 365.11            | 366.50            |
| 60 to 70                    | .....                | 1,866.79            | .....   | 1,866.79          | 1,864.91          |
| Total.....                  | 3,926.84             | 3,836.06            | 441.55  | 8,204.45          | 8,191.10          |



## CHICAGO, BURLINGTON &amp; QUINCY RAILROAD COMPANY

48.59% OF COMMON STOCK OWNED BY GREAT NORTHERN RY. CO.

INCOME ACCOUNT  
1938 TO 1942

| ITEM  | 1942          | 1941          | 1940          | 1939          | 1938          |
|---|---------------|---------------|---------------|---------------|---------------|
| Average mileage of road operated . . . . .              | 9,078         | 9,036         | 8,973         | 8,973         | 8,965         |
| OPERATING INCOME  |               |               |               |               |               |
| Railway operating revenues . . . . .                    | \$165,289,325 | \$117,521,355 | \$ 97,631,242 | \$ 96,131,794 | \$ 93,070,136 |
| Railway operating expenses . . . . .                    | 99,415,696    | 83,047,925    | 71,853,873    | 70,885,896    | 67,087,220    |
| Net revenue from railway operations . . . . .           | 65,873,629    | 34,473,430    | 25,777,369    | 25,245,898    | 25,982,916    |
| Railway tax accruals . . . . .                          | 26,192,996    | 11,900,410    | 8,697,632     | 8,616,802     | 9,061,509     |
| Railway operating income . . . . .                      | 39,680,633    | 22,573,020    | 17,079,737    | 16,629,096    | 16,921,407    |
| Equipment rents—net debit . . . . .                     | 227,949       | 1,312,963     | 1,952,935     | 2,227,271     | 2,497,984     |
| Joint facility rent—net debit . . . . .                 | 2,279,001     | 2,125,052     | 2,044,024     | 2,131,373     | 2,016,031     |
| Net railway operating income . . . . .                  | 37,173,683    | 19,135,005    | 13,082,778    | 12,270,452    | 12,407,392    |
| OTHER INCOME  |               |               |               |               |               |
| Income from lease of road and equipment . . . . .       | 162,512       | 133,819       | 121,510       | 122,682       | 130,324       |
| Miscellaneous rent income . . . . .                     | 494,127       | 525,918       | 545,041       | 508,712       | 526,059       |
| Miscellaneous nonoperating physical property . . . . .  | 133,950       | 124,932       | 94,988        | 128,916       | 156,428       |
| Dividend income . . . . .                               | 207,164       | 180,585       | 105,523       | 169,020       | 54,560        |
| Income from funded securities . . . . .                 | 285,407       | 157,042       | 153,914       | 153,763       | 173,927       |
| Income from unfunded securities and accounts . . . . .  | 64,965        | 73,852        | 31,410        | 30,380        | 32,314        |
| Release of premiums on funded debt . . . . .            | 17,930        | 15,530        | 11,847        | 13,717        | 14,844        |
| Miscellaneous income . . . . .                          | 10,277        | 11,444        | 6,298         | 7,775         | 7,360         |
| Total other income . . . . .                            | 1,376,332     | 1,223,122     | 1,070,531     | 1,134,965     | 1,095,816     |
| Total income . . . . .                                  | 38,550,015    | 20,358,127    | 14,153,309    | 13,405,417    | 13,503,208    |
| MISCELLANEOUS DEDUCTIONS FROM INCOME                    |               |               |               |               |               |
| Miscellaneous rents . . . . .                           | 11,420        | 13,878        | 30,776        | 24,290        | 25,976        |
| Miscellaneous tax accruals . . . . .                    | 80,162        | 79,780        | 65,170        | 67,843        | 64,277        |
| Separately operated properties—Loss . . . . .           | 5,720         | 28,078        |               |               |               |
| Miscellaneous income charges . . . . .                  | 5,345         | 6,791         | 6,348         | 6,480         | 7,204         |
| Total miscellaneous deductions . . . . .                | 102,647       | 128,527       | 102,294       | 98,613        | 97,457        |
| Income available for fixed charges . . . . .            | 38,447,368    | 20,229,600    | 14,051,015    | 13,306,804    | 13,405,751    |
| FIXED CHARGES   |               |               |               |               |               |
| Rent for leased roads and equipment . . . . .           | 91,570        | 89,478        | 81,143        | 85,228        | 89,734        |
| Interest on funded debt . . . . .                       | 9,268,119     | 9,334,465     | 9,320,917     | 9,376,771     | 9,412,657     |
| Interest on unfunded debt . . . . .                     | 290,672       | 235,443       | 104,034       | 30,093        | 109,147       |
| Amortization of discount on funded debt . . . . .       | 150,087       | 151,072       | 152,057       | 153,373       | 152,450       |
| Total fixed charges . . . . .                           | 9,800,448     | 9,810,458     | 9,658,151     | 9,645,465     | 9,763,988     |
| Net income . . . . .                                    | 28,646,920    | 10,419,142    | 4,392,864     | 3,661,339     | 3,641,763     |
| Dividend appropriations of income . . . . .             | 5,125,161     | 3,416,774     | 3,416,774     | 3,416,774     | 3,416,774     |
| Income balance transferred to Profit and Loss . . . . . | \$ 23,521,759 | \$ 7,002,368  | \$ 976,090    | \$ 244,565    | \$ 224,989    |



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  
1938 TO 1942

| ITEM   | 1942         | 1941         | 1940         | 1939          | 1938                    |
|--|--------------|--------------|--------------|---------------|-------------------------|
| Average mileage of road operated.....  | 933          | 945          | 948          | 948           | 948                     |
| <b>OPERATING INCOME</b>  |              |              |              |               |                         |
| Railway operating revenues.....  | \$19,540,611 | \$13,289,042 | \$9,718,807  | \$8,645,562   | \$8,196,779             |
| Railway operating expenses.....  | 9,801,760    | 8,136,869    | 6,786,882    | 6,194,682     | 5,999,305               |
| Net revenue from railway operations.....   | 9,738,851    | 5,152,173    | 2,931,925    | 2,450,880     | 2,197,474               |
| Railway tax accruals.....  | 1,149,866    | 929,235      | 910,166      | 923,791       | 900,657                 |
| Railway operating income.....  | 8,588,985    | 4,222,938    | 2,021,759    | 1,527,089     | 1,296,817               |
| Equipment rents—net debit.....   | 1,900,505    | 1,314,642    | 854,354      | 800,864       | 674,029                 |
| Joint facility rent—net credit.....  | 163,410      | 121,863      | 114,671      | 94,798        | 98,990                  |
| Net railway operating income.....  | 6,851,890    | 3,030,159    | 1,282,076    | 821,023       | 721,778                 |
| <b>OTHER INCOME</b>  |              |              |              |               |                         |
| Miscellaneous rent income.....   | 50,662       | 49,909       | 56,391       | 50,103        | 38,521                  |
| Miscellaneous nonoperating physical property...  | 146,952      | 156,748      | 139,049      | 125,829       | 129,773                 |
| Income from funded securities.....   | 1,691        | 832          | 759          | 20,891        | 1,094                   |
| Income from unfunded securities and accounts...  | 80           | 120          |              | 26,229        | 12                      |
| Release of premiums on funded debt.....  | 1,650        | 1,650        | 1,650        | 2,277         | 1,087                   |
| Miscellaneous income.....  |              |              |              | 54            |                         |
| Total other income.....  | 201,035      | 209,259      | 197,849      | 225,383       | 170,487                 |
| Total income.....  | 7,052,925    | 3,239,418    | 1,479,925    | 1,046,406     | 892,265                 |
| <b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>  |              |              |              |               |                         |
| Miscellaneous rents.....   | 5,278        | 6,268        | 4,871        | 4,362         | 3,874                   |
| Miscellaneous tax accruals.....  | 26,913       | 32,524       | 33,685       | 35,020        | 31,637                  |
| Miscellaneous income charges.....  | 345          | 542          | 471          | 526           | 746                     |
| Total miscellaneous deductions.....  | 32,536       | 39,334       | 39,027       | 39,908        | 36,257                  |
| Income available for fixed charges.....  | 7,020,389    | 3,200,084    | 1,440,898    | 1,006,498     | 856,008                 |
| <b>FIXED CHARGES</b>   |              |              |              |               |                         |
| Rent for leased roads and equipment.....   | 43,045       | 43,402       | 42,872       | 42,891        | 42,900                  |
| Interest on funded debt.....   | 3,123,060    | 3,125,981    | 3,140,720    | 3,153,287     | 3,170,464               |
| Interest on unfunded debt.....   | 9,395        | 9,735        | 987          | 1,159         | 1,260                   |
| Amortization of discount on funded debt.....   | 444,619      | 444,619      | 444,619      | 445,457       | 445,429                 |
| Total fixed charges.....   | 3,620,119    | 3,623,737    | 3,629,198    | 3,642,794     | 3,660,053               |
| Net income or deficit transferred to Profit and Loss.....                              | \$ 3,400,270 | \$ 423,653   | \$ 2,188,300 | \$ 2,636,296  | \$ 2,804,045            |
|  |              |              |              |               |                         |
|  |              |              | STOCK        | BONDS         | *MILES OF ROAD OPERATED |
| 1. Great Northern Ry. Co. owns Securities of Spokane, Portland and Seattle Ry. Co..... |              |              | 50%          | 50%           | 545.75                  |
| 2. Spokane, Portland and Seattle Ry. Co. owns Securities of:                           |              |              |              |               |                         |
| Oregon Trunk Ry.....   |              |              | 100%         | { None Issued | 151.93                  |
| Oregon Electric Ry. Co.....  |              |              | 98%          | 92%           | 200.64                  |
| United Railways Co.....  |              |              | 100%         | 100%          | 50.15                   |
| Total allowing for 18.35 miles duplicated.....   |              |              |              |               | 930.12                  |

\*December 31, 1942.













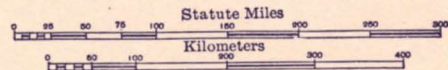
**GREAT NORTHERN RAILWAY SYSTEM**.....

**BURLINGTON LINES**.....

**SPOKANE, PORTLAND & SEATTLE RAILWAY**.....  
(AND ITS SUBSIDIARY LINES)

Main Connections..... Other Railroads.....

Steamship Lines..... Standard Time Division..... + + + +











SERVING



WISCONSIN  
MINNESOTA

IOWA

SOUTH DAKOTA

NORTH DAKOTA

MONTANA

IDAHO

WASHINGTON

OREGON

CALIFORNIA

MANITOBA

BRITISH COLUMBIA