

GREAT NORTHERN RAILWAY CO.



56th ANNUAL REPORT 1944

Cover picture shows track-laying on relocation of double-track line along the Flathead River bordering Glacier National Park, near Red Eagle, Montana. The old line follows the telegraph poles running off at right center of picture. This is part of the 1944 work, the most recent in a series of line changes begun in 1942, to eliminate curvature and improve the Rocky Mountain crossing on its west slope. These projects included heavy rock cuts and fills, nearly 3,100 feet of tunnels, and cost over \$2,000,000. Additional work has been authorized for 1945. As a result, 30 curves from 8 degrees to $10\frac{1}{2}$ degrees have been eliminated, total curvature has been reduced 1,294 degrees, and the relocated line has a maximum curvature of 5 degrees. The new line is a much faster track with less wear on rails, wheels, brake shoes and equipment generally, and will be easier and cheaper to maintain.

56th Annual Report

Great Northern Railway Company

1 9 4 4



General Office—St. Paul, Minn.

GREAT NORTHERN RAILWAY COMPANY

STOCKHOLDERS

29,068 Stockholders, November 13, 1944.

BOARD OF DIRECTORS

Term Expires May 10, 1945

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

Term Expires May 9, 1946

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

Term Expires May 8, 1947

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

EXECUTIVE COMMITTEE

SHREVE M. ARCHER FRANK J. GAVIN
LOUIS W. HILL RICHARD C. LILLY
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
I. E. MANION, 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

EMPLOYES

27,978 Average Number For 1944
7,710 in Armed Forces

Principal Office: Great Northern Building, St. Paul (1), Minn.

Financial and Transfer Office: 2 Wall Street, New York (5), N. Y.

Annual Meeting of Stockholders, St. Paul, Minnesota, May 10, 1945

GREAT NORTHERN RAILWAY COMPANY

EXECUTIVE DEPARTMENT

F. J. GAVIN,
PRESIDENT

ST. PAUL (1), MINNESOTA

April 10, 1945.

To Great Northern Stockholders:

In the third war year of 1944 your Company provided the greatest volume of freight and passenger transportation in its history, and in spite of the large number of new, inexperienced employes and limitations on materials, traffic was handled promptly and without congestion.

Operating revenues of \$207,657,795 exceeded those of 1943 - the previous record year - by more than 7 millions, while net income, after all expenses and charges, was \$23,396,966 as compared with \$19,590,548 for 1943.

Your Board of Directors constantly has had in mind the improvement of the stockholders' position by retiring funded debt and reducing fixed charges to an amount that can be earned when the volume of transportation may be substantially reduced.

Continuing this policy in 1944 resulted in retirement of five bond issues aggregating \$119,887,700 in principal amount. Necessary funds were secured by the use of treasury cash and the sale of \$100,000,000 of $3\frac{1}{8}\%$ to $3\frac{1}{2}\%$ bonds at a premium of \$645,500. As a result, annual fixed charges will be reduced to approximately \$10,000,000 for 1945 compared with \$19,328,227 ten years ago, and nearly \$90,000,000 of debt maturing in 1946, 1948 and 1952 has been retired. Thus, your Company, over the past few years, has accomplished a substantial reduction in fixed charges without sacrifice by stockholders of their equities in the property, as has been the case with many companies forced into reorganization.

It is apparent that your railroad will be expected to continue in 1945 its important share in handling record volumes of war materials and civilian essentials. The directors, officers and employes can be depended on to devote all their energies to operating the property effectively. This will be the greatest contribution to the principal objective of all of us - the hastening of final Victory.

For the Board of Directors,

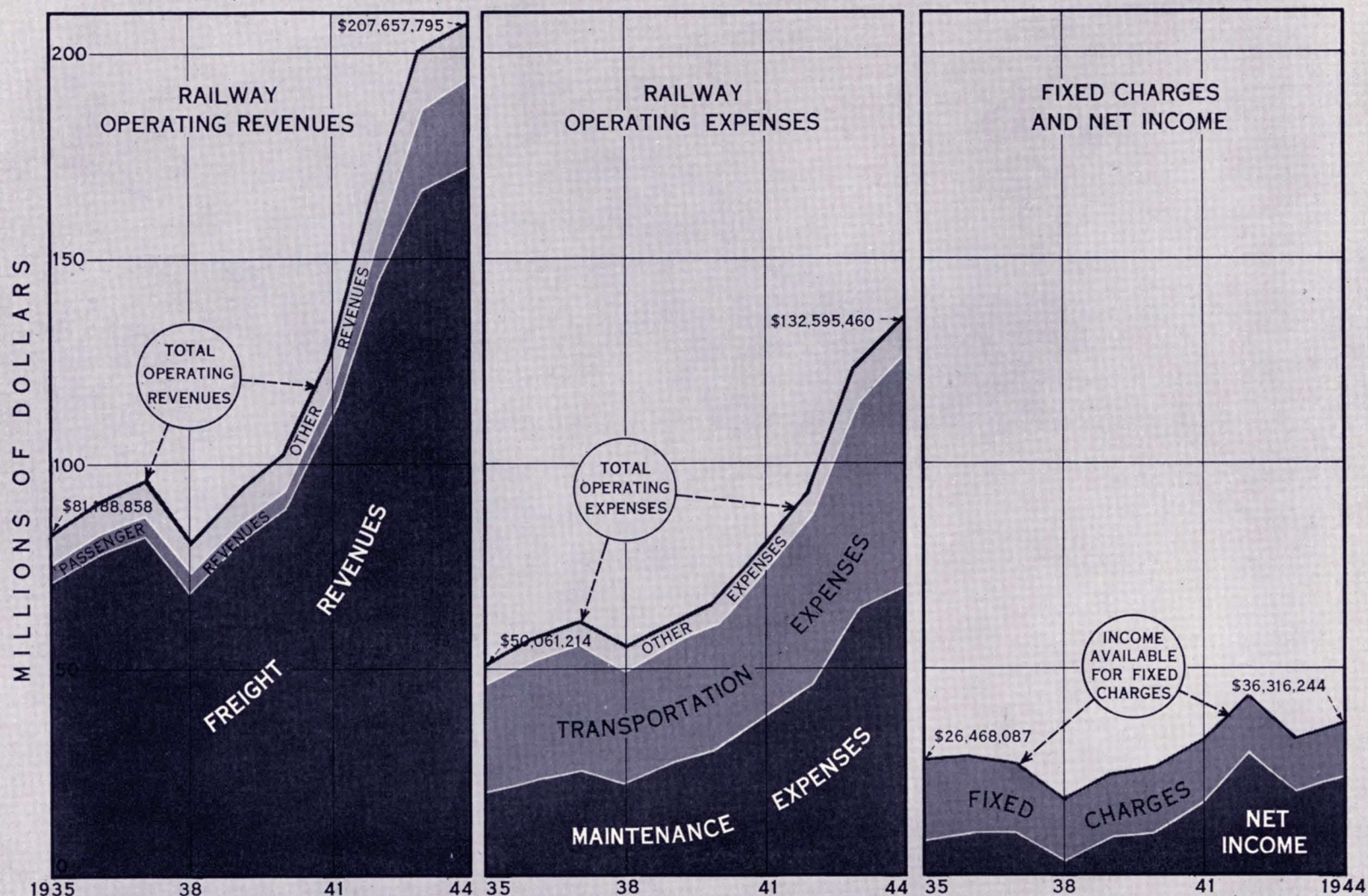

President.

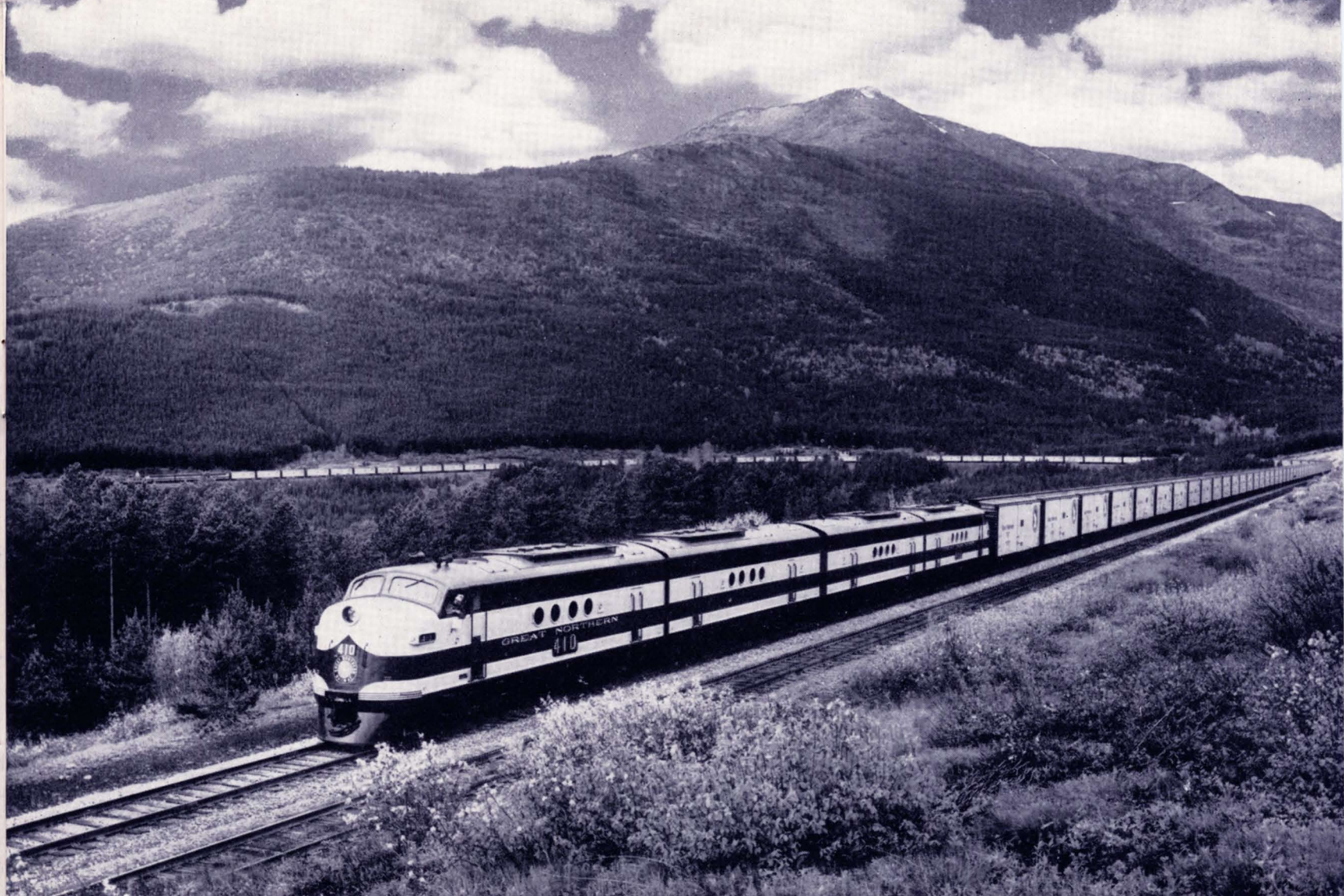
GREAT NORTHERN RAILWAY COMPANY

HIGHLIGHTS OF 1944

ITEM	1944	1943	1942
OPERATING REVENUES.....	\$207,657,795	\$200,573,426	\$165,206,031
NET INCOME.....	23,396,966	19,590,548	29,054,021
DIVIDENDS.....	5,008,894	4,997,798	4,997,795
FIXED CHARGES.....	12,919,278	12,506,172	13,710,996
TAXES.....	40,001,258	48,461,070	30,727,340
TREASURY CASH USED FOR RETIRING INDEBTEDNESS.....	28,931,264	25,992,984	25,997,529
NUMBER OF SHARES, DECEMBER 31.....	2,912,298 ³ / ₄	2,498,922 ¹ / ₂	2,498,922 ¹ / ₂
NET INCOME PER SHARE.....	\$ 8.03	\$ 7.84	\$11.63
FIXED CHARGES PER SHARE.....	\$ 4.44	\$ 5.00	\$ 5.49
TAXES PER SHARE.....	\$13.74	\$19.39	\$12.30
PERCENT OPERATING EXPENSES TO REVENUES.....	63.9	61.2	56.5
NUMBER OF TIMES FIXED CHARGES EARNED.....	2.81	2.57	3.12
REVENUE NET TON MILES (1000's).....	19,586,780	18,574,596	16,712,427
PASSENGERS CARRIED ONE MILE (1000's).....	1,258,930	1,107,901	534,239
REVENUE PER NET TON MILE (cents).....	.878	.896	.857
REVENUE PER PASSENGER MILE (cents).....	1.653	1.702	1.719
TRAIN LOAD—NET TONS ALL FREIGHT.....	1,359	1,350	1,283
NET TON MILES PER TRAIN HOUR.....	20,586	20,328	19,854
FREIGHT LOCOMOTIVE MILES PER LOCOMOTIVE DAY.....	98.1	95.6	86.1
FREIGHT CAR MILES PER CAR DAY.....	54.6	50.2	47.6
GROSS TON MILES PER TON OF FUEL.....	18,246	18,342	19,114
NET TON MILES PER CAR DAY.....	1,302	1,231	1,069

FINANCIAL RESULTS ~ TEN YEARS ~ 1935 - 1944





NEW DIESEL POWER AND PLYWOOD AND STEEL BOX CARS—IN MONTANA ROCKIES.

YOUR COMPANY'S EARNINGS, OR SIMPLIFIED INCOME ACCOUNT

INCOME	1944	1943	1942
From the public for transportation of passengers and property, and for other transportation and incidental services.....	\$207,657,795	\$200,573,426	\$165,206,031
Dividends and interest on securities owned, property rentals, etc.....	5,047,063	5,061,255	4,592,878
MAKING TOTAL INCOME OF.....	\$212,704,858	\$205,634,681	\$169,798,909
HOW INCOME WAS USED			
Wages and salaries paid employees.....	\$ 78,715,663	\$ 70,393,571	\$ 55,563,723
For taxes.....	40,001,258	48,461,070	30,727,340
For replacing wornout facilities and equipment.....	15,657,590	15,709,298	8,720,587
Locomotive fuel cost.....	11,706,441	10,432,472	8,386,421
Other materials, rentals, etc., cost.....	30,307,662	28,541,550	23,635,821
LEAVING FOR FIXED CHARGES.....	\$ 36,316,244	\$ 32,096,720	\$ 42,765,017
Paid for interest on bonds, notes and other fixed charges.....	12,919,278	12,506,172	13,710,996
RESULTING IN NET INCOME OF.....	\$ 23,396,966	\$ 19,590,548	\$ 29,054,021
Dividends paid to stockholders.....	5,008,894	4,997,798	4,997,795
BALANCE AVAILABLE FOR IMPROVEMENTS TO PROPERTY, DEBT RETIREMENT, CONTINGENCIES, ETC.....	\$ 18,388,072	\$ 14,592,750	\$ 24,056,226

GREAT NORTHERN RAILWAY COMPANY

Operating Revenues

1944—\$207,657,795

1943—\$200,573,426

INCR. \$7,084,369—3.5%

Operating revenues in 1944 exceeded those of 1943, the previous peak year, by nearly \$7,100,000, and were more than double those of 1940. There were fewer freight cars on line in 1944 than in 1943. But for this shortage of equipment the 1944 revenues would have been still larger.

Volume of freight traffic exceeded 19½ billion net ton miles—up 1 billion from 1943. The revenue received per ton of freight handled in 1944 was \$2.95, slightly in excess of the 1922 revenue of \$2.84 per ton. The average haul in 1922 was 251 miles, but in 1944 it had increased to 336 miles, or one-third farther. This additional service was rendered with practically no increase in revenue despite the much higher wage rates, material costs and taxes, and over 300 millions of dollars of new money invested in the property in the 22 years.

Grain produced on line and moved in 1944 amounted to 227 million bushels—slightly less than the record-breaking movement of 229 million bushels in 1943. Iron ore movement of 23,551,673 long tons compares with 24,936,189 tons handled over Great Northern docks in 1943. Revenue received from iron ore was 10% of total revenues. Petroleum products handled in 1944 amounted to 83,203 cars, or 48% above the 1943 movement. Other important commodities showing increases were fruit, potatoes, lumber, copper, livestock, dairy products and less-than-carload freight, while the coal tonnage from Duluth and Superior (eastern coal

handled up the Great Lakes to those points) decreased one-fourth of a million tons to slightly over 1½ million tons.

During 1944 a new and modern warehouse was constructed in Seattle and leased to the Army and Navy. The lease of your Company's dock in Everett, Wash., has made it a distributing center for a large volume of fresh frozen and canned fish. A through route for forest products originating with a barge movement on the Columbia Lake reservoir north of Grand Coulee Dam was established via Kettle Falls, Wash., opening up a new area for an extensive lumber movement. Six dried milk plants were opened at local points in Minnesota, while other warehouses and industries were located accessible to Great Northern.

In March, 1942, the Interstate Commerce Commission granted freight rate increases amounting to slightly over 3% of freight revenues. However, these increases were suspended on May 15, 1943, until January 1, 1944. From time to time the suspension was extended, and now carries an expiration date of December 31, 1945.

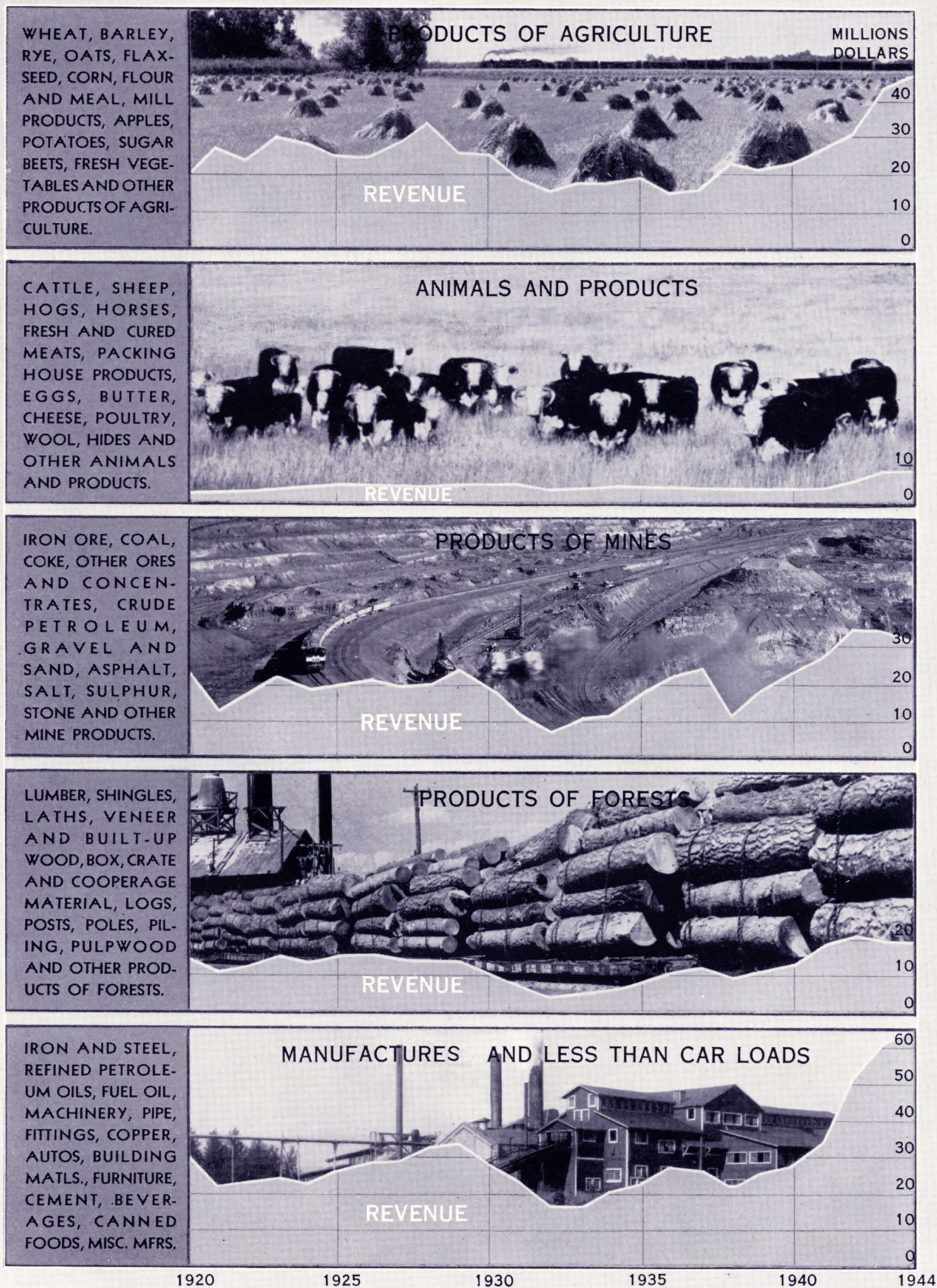
Controversy over rates applicable to Government traffic moving through Pacific Coast ports was compromised when the railroads agreed to accept the export rates without land grant deductions. The agreement covered traffic moving after January 1, 1942, and the refund will cost approximately \$170,000 after giving effect to income taxes.

FREIGHT REVENUE BY COMMODITY GROUPS
1944 AND 1943

COMMODITY	1944	PERCENT OF TOTAL FRT. REV.	1943	PERCENT OF TOTAL FRT. REV.	INCREASE (D—DECREASE)	
	FREIGHT REVENUE		FREIGHT REVENUE		AMOUNT	PERCENT
Products of Agriculture.....	\$ 46,861,318	27.3	\$ 44,515,199	26.7	\$2,346,119	5.3
Animals and Products.....	7,819,284	4.5	7,700,213	4.6	119,071	1.5
Products of Mines.....	30,761,194	17.9	33,857,905	20.4	D-3,096,711	D-9.1
Products of Forests.....	19,501,742	11.3	19,288,214	11.6	213,528	1.1
Manufactures and Miscellaneous..	62,717,443	36.5	57,570,616	34.6	5,146,827	8.9
Merchandise—All L. C. L. Freight.	4,296,020	2.5	3,496,965	2.1	799,055	22.8
Total.....	\$171,957,001	100.0	\$166,429,112	100.0	\$5,527,889	3.3

FREIGHT REVENUES BY COMMODITY GROUPS

25 YEARS 1920 - 1944





Great Northern's passenger revenue in 1944 of \$20,816,206 was the largest in the Company's history. This was slightly greater than the previous all-time high in 1920 of \$20,551,025; it was \$1,962,654 or 10.4% above 1943, and nearly 5 times as large as 1940.

However, this comparison is noteworthy—the Railway had to produce $1\frac{1}{4}$ billion passenger miles in 1944 or 80% more than the 685 million passenger miles in 1920, for practically the same revenue.

With the exception of one motor camp, hotels, chalets and camps in Glacier National Park owned by a subsidiary of your Company again were not operated in 1944.

The Company has on order new light-weight, Diesel-powered passenger trains for daily service between Chicago and Pacific Northwest cities. Construction of the new equipment will not be started until release of materials and manpower is authorized by Governmental agencies.

Consist of the new 12-car trains will be: baggage-mail car, four coaches, lunch-counter car with dormitory for dining car crew, dining car, four sleeping cars containing duplex roomettes, bedrooms, compartments, drawing rooms and a limited amount of open sections, in addition to a commodious observation lounge.

While not uncomfortably fast, the schedule of the new train will save one night between Chicago and the Pacific Northwest and a business day on coast to coast journeys.

AT LEFT—DOUGLAS FIR FOREST IN OREGON.

BELOW—LOADING LUMBER—OVER 140,000 CARLOADS OF FOREST PRODUCTS HANDLED IN 1944.



ANNUAL REPORT FOR 1944

Operating Expenses

1944—\$132,595,460

1943—\$122,771,867

INCR. \$9,823,593—8.0%

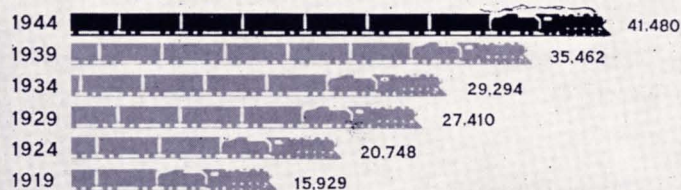
Higher wage rates and material costs in addition to the larger volume of traffic handled in 1944 were the principal reasons for the increase of over \$9,800,000 in operating expenses.

Most 1944 operating averages showed substantial improvement over 1943. Train-load and gross ton miles per train hour were at new highs. The net ton miles per car day is the ultimate measure of effectiveness of car handling, as it is the product of the car load, the percent of loads and the miles per

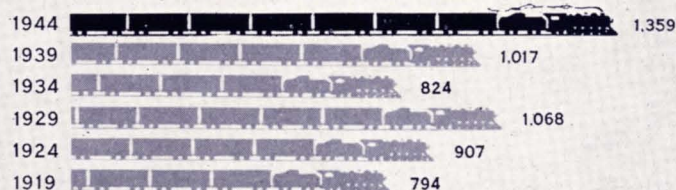
car day. The 1,302 net ton miles per car day for 1944 was the highest on record and compares with 559 five years ago and a low of 248 in 1932.

In 1943 the five "operating" unions received an increase of 4 cents per hour from April 1 to December 26, and 9 cents per hour after December 26. In 1944 the 9 cents per hour increase was effective for the entire year. The "non-operating" unions received increases of 4 to 10 cents per hour from February 1, 1943, to December 26,

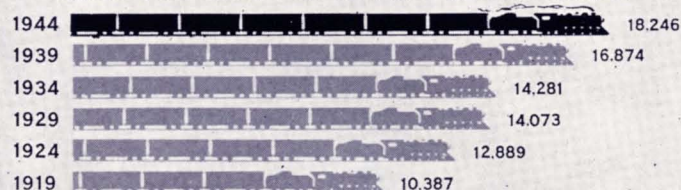
GROSS TON MILES PER TRAIN HOUR



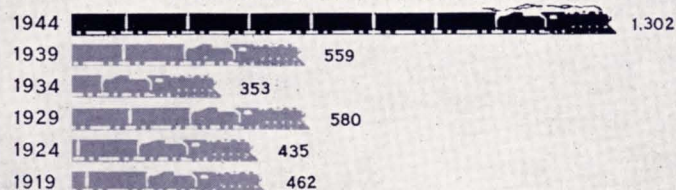
TRAIN LOAD ~ NET TONS ~ ALL FREIGHT



GROSS TON MILES PER TON OF FUEL CONSUMED



NET TON MILES PER CAR DAY



FREIGHT TRAIN PERFORMANCE

5 YEAR INTERVALS
1919 - 1944



GREAT NORTHERN RAILWAY COMPANY

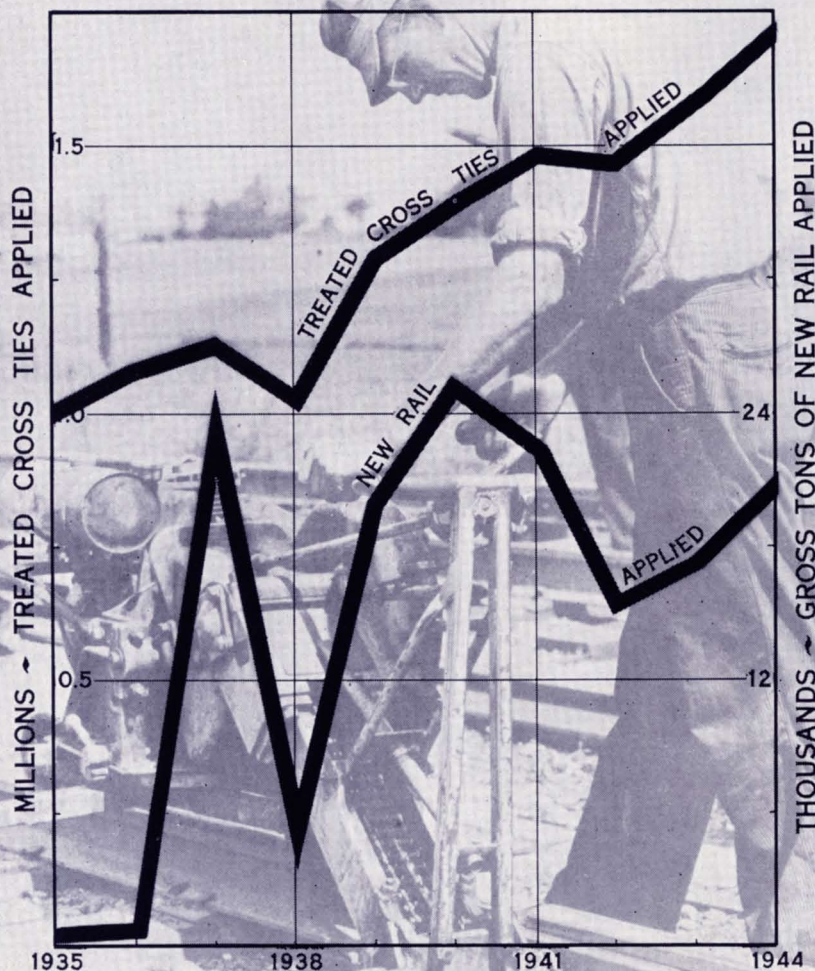
and 9 to 11 cents per hour thereafter. In 1944 the 9 to 11 cent increase obtained throughout the year. Certain vacation allowances also added to the 1944 wage bill.

Maintenance expenses in 1944 were nearly \$4,400,000 above those for 1943, and the increase would have been greater but for the \$803,070 decrease in book charges for depreciation and amortization of defense projects.

Nearly 21,000 gross tons of new rail were laid, an increase of 4,000 tons over 1943, and treated ties applied in 1944 were approximately 1,700,000, or 130,000 more than for the previous year. Rebuilding the roadbed in territory where soft sub-grade is encountered was continued. Additional maintenance has been applied to structures,

including bridges, stations, wharves, docks, etc. Maintenance expenditures (excluding depreciation and amortization of defense projects) in the past 5 years totaled 195 million dollars, and exceeded those of the previous 10 years. There was a decrease in units unserviceable for motive power and freight and passenger cars during 1944.

Transportation expenses increased over \$6,400,000. The west-bound business continues to exceed the east-bound traffic. Normally the east-bound loads are approximately double the west-bound movement, and the physical plant has been developed to best serve this condition. Reversing the traffic flow adds to the operating difficulties, particularly the adverse grades, and expenses are even higher than increases in wage rates and fuel costs would indicate.



TIES AND RAIL

— APPLIED —

10 YEARS

1935 - 1944

YEAR	TREATED CROSS TIES LAID IN REPLACEMENT	GROSS TONS OF NEW RAIL LAID IN REPLACEMENT
1944	1,713,238	20,722
1943	1,581,854	17,197
1942	1,468,054	15,471
1941	1,484,194	22,254
1940	1,388,367	25,131
1939	1,289,943	19,810
1938	1,025,515	5,218
1937	1,125,326	24,560
1936	1,079,985	443
1935	1,003,635	337

Changes in Capital Structure

Your Board of Directors began early in 1944 to formulate plans providing for redemption and retirement of five issues of prior lien and General Mortgage Bonds, aggregating \$119,887,700 par value. They recognized that the market for railroad bonds was improving, and that an advantageous sale of new bonds might be made to provide part of the funds necessary for the completion of such an undertaking.

After extended study and many conferences with officials of The First National Bank of the City of New York, acting as financial advisers, a plan was developed providing for three issues of General Mortgage Bonds, approximately equal in size and aggregating \$100,000,000 par value, with maturities of fifteen, twenty-five and thirty-five years. By dividing the new bonds in this manner advantage could be taken of the lower coupon rates for the shorter term bonds. To provide a broader market by attracting various classes of investors, the maturities of the new issues were spaced 10 years apart and the size of each issue was reduced to an amount that could be readily refinanced when it comes due. The entire \$100,000,000 of bonds were sold late in September.

Some of the results were:

1. Fixed charges were reduced to an estimated \$10,000,000 for 1945. This is a reduction in ten years of \$9,328,227 per annum, or 48.3% from the \$19,328,227 fixed charges of 1935.

2. Nearby maturities of 1946, 1948 and 1952, amounting to nearly \$90,000,000, are eliminated. At the end of 1944 the only bonds falling due in the next fifteen years were the \$25,724,000 non-callable General Mortgage Series B 5½% issue due January 1, 1952.

3. The General Mortgage, the only mortgage remaining, and which was largely a second and third lien, is raised to a first lien on all mortgaged property. The increase in the security of the bonds sold hereafter will be reflected in lower interest rates. This is an unusual situation in railroad financial structures, as in most cases the underlying mortgages are closed and the only sales of new bonds that can be made are the junior issues.

4. Total capitalization is divided almost equally between the \$265.6 millions of stock and \$267.1 millions of funded debt, including \$21.5 millions of short term serial securities issued to finance equipment purchases. This is regarded as a favorable relationship.

5. Although the new issues provide for a yearly sinking fund of \$1,000,000, the increase in cash outlay during the next seven years will aggregate only \$2,000,000, as the Company was formerly obligated to pay a total of \$5,000,000 in annual serial installments on the Collateral Trust 4% Bonds (one of the issues retired) before 1952.

Capital stock was increased 413,376¼ shares during 1944, by the conversion of General Mortgage 4% Convertible Bonds, Series G, as explained on page 12.

There can be little doubt that the 1944 changes in capital structure have materially improved the position of the stockholder by lowering the fixed charges to an amount that can be supported with a greatly diminished volume of traffic. Reductions in fixed charges made in the past ten years, and the removal of extensive nearby maturities, have given the Company a secure financial structure, without the necessity of going through the usual re-capitalization in which the stockholder loses his entire equity.

GREAT NORTHERN RAILWAY COMPANY

Capital Stock

	Shares	Stated Value
Dec. 31, 1944.....	2,912,298 $\frac{3}{4}$	\$265,627,200
Dec. 31, 1943.....	2,498,922 $\frac{1}{2}$	249,092,150
Increase.....	413,376 $\frac{1}{4}$	\$ 16,535,050

Late in 1944 General Mortgage 4% Convertible Bonds, Series G, amounting to \$16,535,050 par value, were presented for conversion into no par capital stock in accordance with the terms under which those bonds were offered for sale to the shareholders in 1936. As this conversion was made at a price of forty dollars per share, 413,376 $\frac{1}{4}$ additional shares of capital stock were issued. Additional Series G Bonds were converted on January 2, 1945, after which the stock outstanding amounted to 3,092,583 shares. As the right to convert the Series G and H Bonds expired January 2, 1945, no additional stock can be issued for this purpose.

Funded Debt

Dec. 31, 1944.....	\$267,089,527
Dec. 31, 1943.....	290,873,909
Decrease.....	\$ 23,784,382—8.2%

During 1944 funded debt amounting to \$129,790,136 was retired and \$106,005,754 of new securities were issued. The latter included \$100,000,000 of General Mortgage, Series K, L and M Bonds, and \$6,005,754 of notes evidencing conditional sale contracts. The net decrease in funded debt was \$23,784,382 or 8.2%. On December 31, 1934, the funded debt outstanding was \$354,809,515.

With approval of the Interstate Commerce Commission, and through competitive bidding, the \$100,000,000 of new bonds were sold late in September for \$100,645,500. Terms of the new issues include:

	Series K	Series L	Series M
Par value.....	\$35,000,000	\$30,000,000	\$35,000,000
Coupon interest rate	3 $\frac{1}{8}$ %	3 $\frac{3}{8}$ %	3 $\frac{1}{2}$ %
Due date.....	Jan. 1, 1960	Jan. 1, 1970	Jan. 1, 1980
Sale price.....	100.88	100.18	100.81

The average coupon rate was 3.33% and the rate to maturity was slightly less than 3.29%. The bonds are not convertible into stock. Other terms include appropriate provision for optional redemption effective January 1, 1945, at decreasing premiums as the bonds approach maturity and a sinking fund of \$1,000,000 per year to be made in cash or General Mortgage Bonds, commencing with 1946.

During 1944 notes evidencing conditional sale contracts amounting to \$6,506,233 were sold by competitive bids to provide funds for paying for thirteen 5400 horsepower Diesel freight locomotives. These notes were sold at par, \$2,001,918 being at 1.47% interest and the remainder at 1.5% interest, principal amount to be repaid in 60 equal monthly installments. As one of these locomotives was delivered in December, 1943, and the obligation for its purchase price was included in 1943 accounts, the recorded increase in new obligations was \$6,005,754.

With funds received from the sale of the General Mortgage Series K, L and M Bonds, together with treasury cash and Series G Bonds converted, the following obligations were redeemed or otherwise retired during 1944:

Eastern Ry. Co. of Minnesota, Northern Division, First Mortgage 4% Bonds, due April 1, 1948, called on April 1, 1945, at 105.....	\$ 9,416,000
First and Refunding Mortgage, 4 $\frac{1}{4}$ % Bonds, due July 1, 1961, called on January 1, 1945, at 105.....	35,668,000
General Mortgage 4% Convertible Bonds, Series G, due July 1, 1946, called on January 1, 1945, at 101:	
Presented for conversion.....	\$23,746,400
Retired with cash.....	1,392,550
General Mortgage 4% Convertible Bonds, Series H, due July 1, 1946, called on January 1, 1945, at 101.....	31,385,750
Collateral Trust 4% Bonds, due serially to January 1, 1952, called on January 1, 1945, at 104.....	18,000,000
General Mortgage 5 $\frac{1}{2}$ % Bonds, Series B, due January 1, 1952.....	4,137,000
Collateral Trust 4% Bonds, due July 1, 1944..	500,000
Equipment Trust, Series E, 2% Bonds, due March 1, 1944.....	465,000
Secured 4% Serial Bonds, due April 1, 1944...	308,000
Principal payments on notes evidencing conditional sale contracts.....	4,771,436
Total.....	\$129,790,136

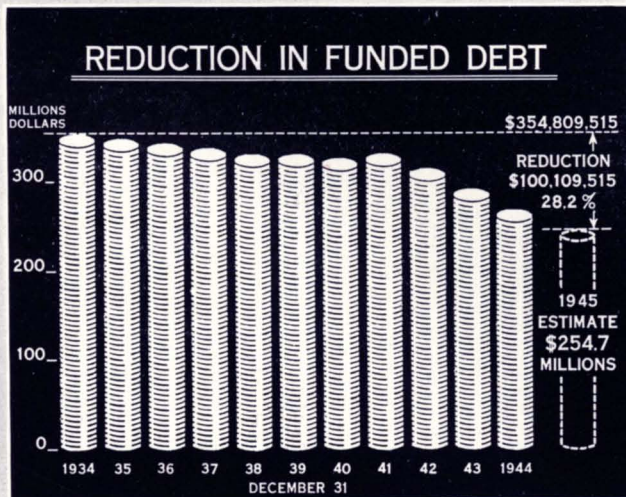
ANNUAL REPORT FOR 1944

The entire issues of the first five items of tabulation on the preceding page were called for redemption, although \$279,000 of the Eastern Ry. Co. Bonds, in addition to the \$9,416,000 shown, still are outstanding, the call date for this issue being April 1, 1945.

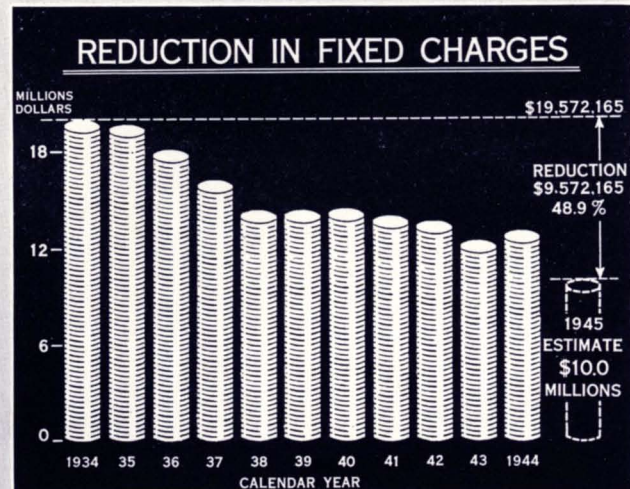
After the Series K, L and M Bonds were sold, and before putting out the call for the five issues that were to be retired, sufficient funds had to be deposited with the Trustee to pay for the called bonds. The price of the capital stock increased so substantially late in the year that the holders of the Series G Convertible Bonds found it advantageous to convert these bonds into stock instead of accepting the call price of 101 for their bonds. As each Series G Bond was presented for conversion the Trustee transferred from the deposited cash to an Agency fund the par value of the Series G Bond presented and the 1% premium deposited

by the Company for redemption. Terms of sale of the Series K, L and M Bonds included provision that this fund was to be used in the purchase and retirement of additional General Mortgage Bonds. The Agent, upon instructions from the Company, purchased \$4,137,000 par value of Series B, 5½% Bonds from this fund in 1944. After the expiration of the conversion privilege of the Series G Bonds on January 2, 1945, the Agent had \$19,019,738 of cash on hand for the purchase and retirement of additional General Mortgage Bonds in 1945.

Fixed charges for 1944 were \$12,919,278, or \$413,000 more than for 1943, due to additional interest on the Series K, L and M Bonds during the last part of the year. At present, fixed charges are estimated at \$10,000,000 for 1945.



DEC. 31	FUNDED DEBT	DEC. 31	FUNDED DEBT
1945 (Est.)	\$254,700,000	1939	\$333,140,242
1944	267,089,527	1938	330,761,515
1943	290,873,909	1937	336,628,515
1942	314,332,338	1936	345,574,915
1941	334,318,005	1935	349,245,515
1940	331,947,800	1934	354,809,515



YEAR	FIXED CHARGES	YEAR	FIXED CHARGES
1945 (Est.)	\$10,000,000	1939	\$14,215,770
1944	12,919,278	1938	14,273,364
1943	12,506,172	1937	16,022,964
1942	13,710,996	1936	17,767,536
1941	13,915,920	1935	19,328,227
1940	14,212,128	1934	19,572,165

NEW EQUIPMENT

⇒ 1944 ⇐



6 - 1000 HORSEPOWER DIESEL SWITCHERS



4 - 1000 HORSEPOWER DIESEL COMBINATION
ROAD AND SWITCH LOCOMOTIVES



843-50-TON STEEL AND PLYWOOD BOX CARS
COMPLETED IN COMPANY SHOPS.
657 MORE WILL BE BUILT IN 1945



12 - 5400 HORSEPOWER DIESEL
ROAD FREIGHT LOCOMOTIVES

Taxes

1944—\$40,001,258

1943—\$48,461,070

DECR. \$8,459,812—17.5%

Although taxes decreased in 1944, they continue to take a heavy toll from earnings, amounting to over 19 cents of every dollar of gross revenues, taking nearly two-thirds of net income before taxes.

Some of the decrease in taxes is due to special adjustments outside of the income account, and these items, while deductible

for income and excess profits taxes are not accounted for through the income account, but are charged to Profit and Loss.

Excess profits tax for 1944, was at the net rate of 85.5%, and amounted to \$20,717,000, and total taxes due the Federal government, including income and payroll taxes, were nearly \$32,000,000.

Fixed Property Improvements and New Equipment

	Fixed Property		New Equipment	
	1944	1943	1944	1943
Cash expenditures.....	\$5,586,688	\$4,030,456	\$10,273,275	\$2,988,215
Less cost of facilities retired.....	2,281,100	4,116,222	4,062,006	1,039,845
Net change in investment account....	\$3,305,588	\$ 85,766	Decr. \$ 6,211,269	\$1,948,370

The above tabulation, which excludes amounts capitalized by acquisition of wholly owned subsidiaries, indicates the larger volume of improvement work carried on in 1944.

The most important single project was the relocation of line in the vicinity of Red Eagle, Montana, in the Rocky mountains. A portion of this work is depicted on the front cover of this report. By driving three tunnels aggregating nearly 3,100 feet, the maximum curvature will be reduced from 10½ to 5 degrees. The line will be shortened four-tenths of one mile and 468 degrees of curvature will be eliminated. The new line will be open for service in the spring of 1945. This is part of a program begun in 1942 toward improving the Rocky Mountain crossing to make it a more dependable section of railroad.

Other important work included elimination of timber bridge near Bonners Ferry, Idaho, by filling; change of line between Acme and Collins, Mont.; construction of additional passing tracks, yard track extensions and spring switch installations; new power plant in St. Paul; construction of Diesel repair shop in Havre; Diesel fuel oil

facilities at various points, and a new freight house in Seattle.

During 1944, twelve 5400-horsepower Diesel freight locomotives were delivered and put in service over the Rocky Mountains between Havre or Great Falls, Mont., and Hillyard, Wash. This motive power is giving a highly satisfactory performance over the heavier grades on these sections of the railroad. Six 1000-horsepower Diesel switch locomotives and four 1000-horsepower Diesel combination road and switch locomotives were delivered and paid for out of Company funds.

Construction was begun in Company shops on 1000 40-foot steel and plywood box cars. A total of 843 cars were completed by the end of the year, funds being provided from treasury cash.

For 1945 delivery eighteen large Diesel road locomotives from 2700 to 5400-horsepower have been ordered, including five passenger locomotives. Nineteen Diesel switch and combination road and switch locomotives are on order. An additional 500 steel and plywood box cars will be constructed and 500 40-foot all steel gondola cars and 250 70-ton all steel flat cars have been ordered.

GREAT NORTHERN RAILWAY COMPANY

FINANCIAL POSITION OF YOUR COMPANY AT END OF YEAR, OR SIMPLIFIED BALANCE SHEET

	December 31, 1944	December 31, 1943	INCREASE—I DECREASE—D
QUICK ASSETS:			
Cash and special deposits	\$ 52,254,094	\$ 60,451,972	D— \$ 8,197,878
Due from agents, conductors and others	26,219,675	21,279,279	I— 4,940,396
Material and supplies for maintenance and operation	18,975,564	16,409,334	I— 2,566,230
TOTAL QUICK ASSETS, READILY CONVERTED INTO CASH....	97,449,333	98,140,585	D— 691,252
CURRENT LIABILITIES:			
Employees' pay checks including back pay, 1943	3,836,942	7,478,032	D— 3,641,090
Taxes not yet due	37,197,337	44,651,737	D— 7,454,400
Bondholders' interest payable January 1	4,912,053	5,618,634	D— 706,581
Funded debt matured, not presented for payment	12,559,350	1,136,400	I— 11,422,950
Other current liabilities	13,646,789	6,508,541	I— 7,138,248
TOTAL CURRENT LIABILITIES, DUE WITHIN TWO YEARS.....	72,152,471	65,393,344	I— 6,759,127
"WORKING CAPITAL," the excess of quick assets over current liabilities.	25,296,862	32,747,241	D— 7,450,379
GREAT NORTHERN'S INVESTMENTS:			
Land, track, rolling stock and other property used in operating the railroad, less depreciation	510,168,201	496,315,960	I— 13,852,241
Other property, less depreciation	12,689,563	13,523,718	D— 834,155
48.59% of Chicago, Burlington & Quincy R. R. Co. stock	109,245,456	109,245,456	
50% of Spokane, Portland and Seattle Ry. Co. stock and bonds	46,203,500	46,203,500	
Other stocks, bonds, etc.	31,067,268	35,826,825	D— 4,759,557
Deferred and unadjusted items	11,406,846	7,488,674	I— 3,918,172
TOTAL INVESTMENTS.....	720,780,834	708,604,133	I— 12,176,701
GREAT NORTHERN'S OTHER OBLIGATIONS:			
To investors, and banks for bonds and notes outstanding	267,089,527	290,873,909	D— 23,784,382
To all others	12,288,657	8,142,984	I— 4,145,673
TOTAL OWED IN ADDITION TO CURRENT LIABILITIES.....	279,378,184	299,016,893	D— 19,638,709
NET WORTH—"WORKING CAPITAL" PLUS "INVESTMENTS" MINUS "OTHER OBLIGATIONS".....	466,699,512	442,334,481	I— 24,365,031
CAPITAL STOCK.....	265,627,200	249,092,150	I— 16,535,050
SURPLUS—"NET WORTH" MINUS "CAPITAL STOCK"—LARGELY INVESTED IN THE PROPERTY.....	\$201,072,312	\$193,242,331	I— \$ 7,829,981

ALONG THE KOOTENAI RIVER—WESTERN MONTANA.



General

In 1944 your Company paid a dividend of \$2 per share, the same as for the preceding three years. Dividends received from Chicago, Burlington and Quincy Railroad Co., in 1944, as in 1943 and 1942, amounted to \$3 per share, or \$2,490,537.

Your Company owns 48.6% of the capital stock of Chicago, Burlington and Quincy Railroad Co. During 1944 the Burlington refinanced \$56,773,000 of Illinois Division 3½% and 4% bonds, due July 1, 1949, by the sale of \$10,000,000 of 1½% 5-year serial collateral notes, and \$30,000,000 of 3½% 25-year Collateral Trust Bonds, providing the balance of the funds necessary from treasury cash. Later in the year \$40,000,000 of First and Refunding 3¾% 30-year bonds were sold and the proceeds, together with treasury funds, were used to retire a similar amount of 5% bonds due in 1971 and issued under the same mortgage. As a result the Burlington's annual interest charges were reduced to approximately \$7,050,000, compared with \$8,708,550 for 1943 and \$9,564,643 for 1941.

As mentioned in the 1943 report, the Secretary of War took over the railroads on December 27, 1943, and terminated this situation on January 18, 1944. There was no change in financial results due to this action, as the Government neither paid nor received any compensation for this 22-day period.

Further simplification of the corporate structure was effectuated during 1944 by the acquisition of the properties of Vancouver, Victoria and Eastern Railway and Navigation Co., and The Nelson and Ft. Sheppard Railway Co., two wholly owned Canadian subsidiaries. An enactment by Canada's Parliament permits your Company to operate directly in Canada, instead of through the two Canadian corporations. The results of operation of these properties always have been included in Great Northern's income account, the only change being a substitution of direct physical

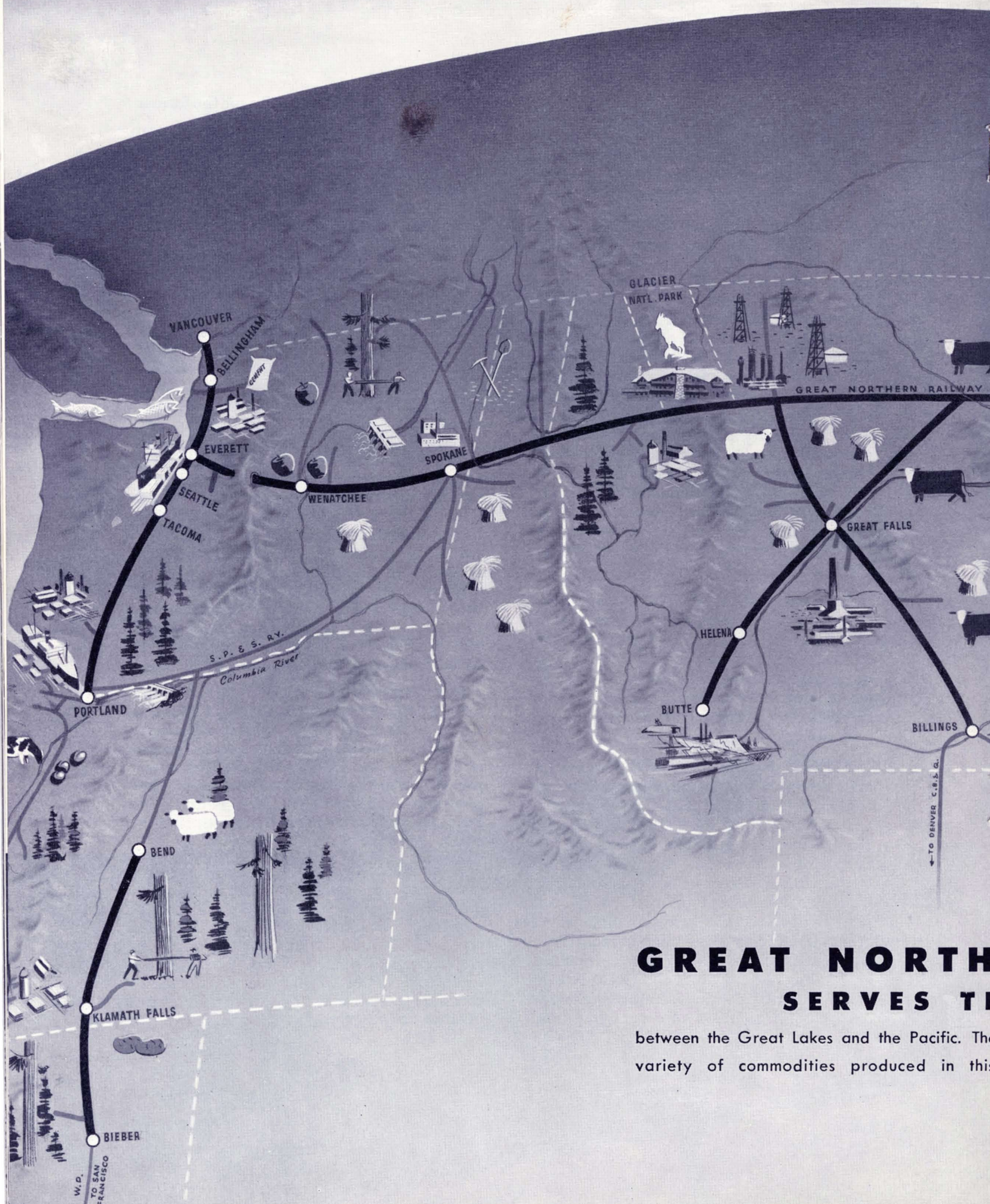
ownership of these properties for the former stock ownership.

Early in the year the Interstate Commerce Commission issued a report holding that after June 30 railroad securities should be sold only through competitive bidding except under certain unusual circumstances.

The decree of the Federal District Court in the Government's anti-trust suit against the Pullman group of companies became effective July 7, 1944, and provided that Pullman Incorporated must dispose of its interest in the sleeping car business or in the equipment manufacturing business. Pullman elected to continue in the manufacturing business, and so notified the railroads being furnished with sleeping car service, including your railroad, presenting a plan for the sale of all of its sleeping cars, shops, laundries and miscellaneous structures, etc., to a proposed railway-owned sleeping car company. However, some of the larger railroads rejected this plan. Subsequently various governmental agencies agreed that sleeping car service by the Pullman Company should continue during the emergency. Plans have been developed to protect Great Northern's interest when final disposition of the sleeping car business by the Pullman Company becomes effective.

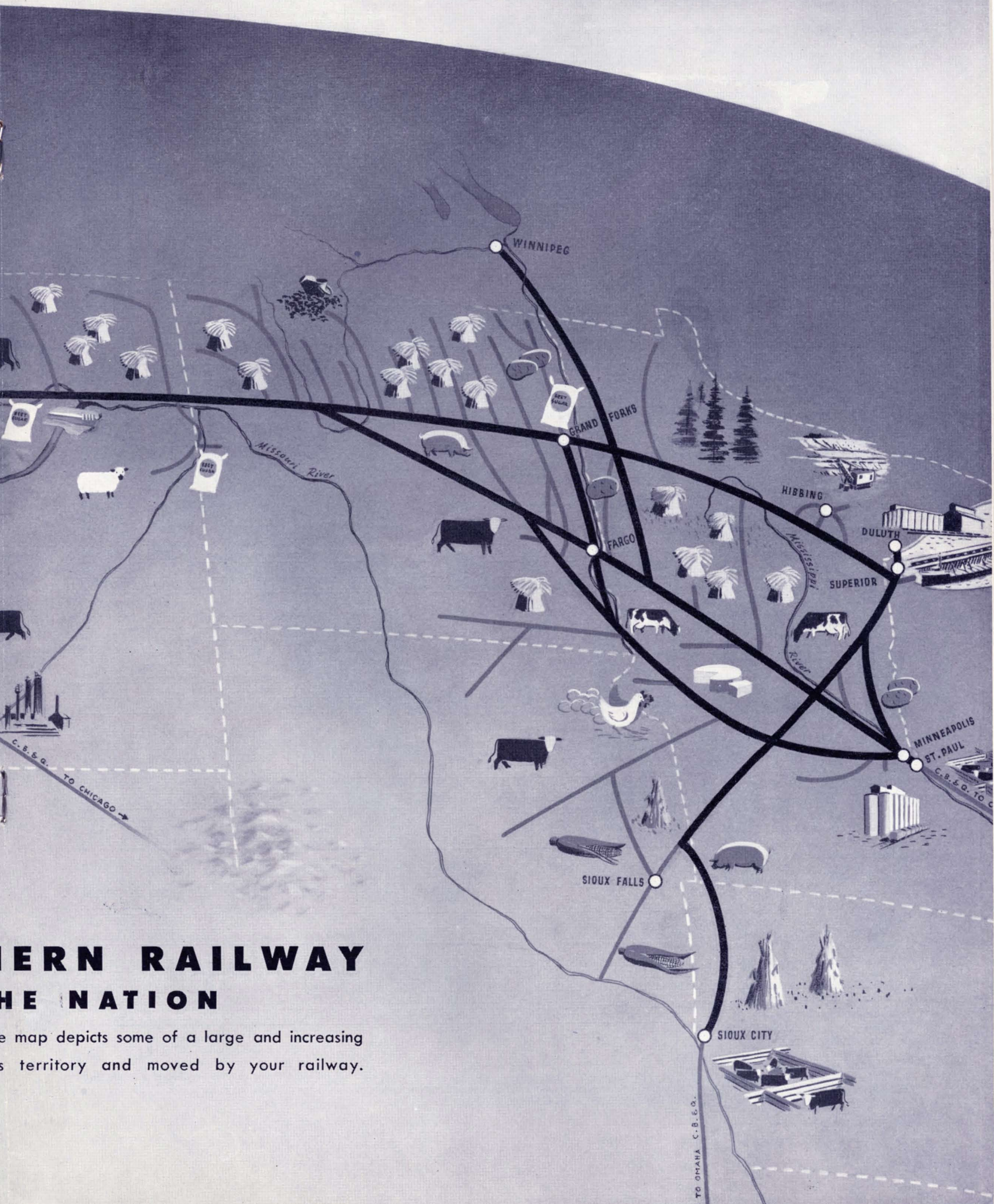
Suit was instituted in 1944 by the Attorney General of the United States in Federal Court in Lincoln, Neb., against all major western railroads, including Great Northern, and various railway associations seeking to restrain alleged violations of the Sherman Anti-trust Act. On January 2, 1945, the defendants sought to dismiss the action, to strike or dismiss parts of the complaint and asked for a bill of particulars.

Close cooperation between shippers, governmental agencies and the Company's staff and its employees has made possible the production of the record-breaking volume of freight and passenger traffic, and it is confidently expected that your railroad will continue to effectively handle its full share of the wartime transportation load.



GREAT NORTH SERVES THE

between the Great Lakes and the Pacific. The
variety of commodities produced in this



NORTHERN RAILWAY SERVES THE NATION

This map depicts some of a large and increasing territory served by your railway.

GREAT NORTHERN RAILWAY COMPANY

INCOME ACCOUNT—1937 to 1944

	1944	1943	1942	1941	1940	1939	1938	1937
Average mileage of road operated.....	8,372.03	8,209.57	8,094.73	8,071.53	8,068.72	8,071.68	8,071.54	8,087.49
1. OPERATING INCOME								
RAILWAY OPERATING REVENUES								
Freight.....	\$171,957,001	\$166,429,112	\$143,264,055	\$110,505,561	\$89,164,630	\$80,001,678	\$68,544,001	\$81,560,214
Passenger.....	20,816,206	18,853,552	9,182,732	4,866,328	4,225,019	4,350,621	4,544,458	5,081,691
Mail.....	3,768,714	3,890,653	3,458,225	3,298,849	2,862,642	2,783,864	2,734,684	2,797,474
Express.....	3,399,586	2,883,274	2,020,939	1,105,241	1,039,827	1,037,877	866,567	923,423
Switching.....	1,278,001	1,265,825	1,111,415	905,967	776,226	631,451	580,821	710,286
Other transportation.....	698,025	579,795	403,519	224,598	212,342	220,952	189,955	396,398
Incidental.....	6,083,114	6,536,930	5,707,485	4,267,612	3,460,498	2,767,503	1,963,103	3,450,360
Joint facility—net.....	Dr.— 342,852	Cr.— 134,285	Cr.— 57,661	Dr.— 129,273	Cr.— 1,962	Dr.— 10,573	Dr.— 208,058	Cr.— 22,446
Total railway oper. revs....	207,657,795	200,573,426	165,206,031	125,044,883	101,743,146	91,783,373	79,215,531	94,942,292
RAILWAY OPERATING EXPENSES								
Maintenance of way and struct.	33,078,700	28,616,041	18,801,376	16,628,547	13,230,789	11,259,128	8,652,584	10,247,812
Maintenance of equipment.....	35,443,596	35,530,748	26,300,208	21,236,550	17,436,498	15,431,415	13,257,006	14,927,846
Traffic.....	2,186,816	3,176,345	2,509,275	2,492,003	2,359,067	2,276,335	2,254,863	2,282,051
Transportation—rail line.....	56,180,890	49,779,649	41,672,967	34,862,432	30,034,420	28,501,753	27,296,664	30,709,734
Miscellaneous operations.....	2,346,377	2,487,472	1,506,469	1,001,720	836,991	859,003	867,528	921,402
General.....	3,359,081	3,181,612	2,528,181	2,317,214	2,161,732	2,284,773	2,246,750	2,380,052
Transportation for invest.—Cr.				215,100	157,774	149,737	58,287	91,174
Total railway oper. exp....	132,595,460	122,771,867	93,318,476	78,323,366	65,901,723	60,462,670	54,517,108	61,377,723
Net rev. from railway oper.	75,062,335	77,801,559	71,887,555	46,721,517	35,841,423	31,320,703	24,698,423	33,564,569
Railway tax accruals.....	40,001,258	48,461,070	30,727,340	16,867,023	12,273,206	10,121,469	8,364,234	8,425,163
Uncollectible railway revenues.....								
Railway operating income....	35,061,077	29,340,489	41,160,215	29,854,494	23,568,217	21,199,234	16,334,189	25,139,406
Equipment rents—Net debit.....	1,653,386	390,019	1,359,935	1,223,884	1,361,148	1,314,181	1,479,331	965,016
Joint facility rent—Net debit.....	439,071	387,503	355,204	629,075	400,005	300,458	375,582	404,982
NET RAILWAY OPER. INC.....	32,968,620	28,562,967	39,445,076	28,001,535	21,807,064	19,584,595	14,479,276	23,769,408
2. OTHER INCOME.								
Revs. from miscellaneous oper....	836,889	754,326	664,165	345,718				
Income from lease of rd. and equip.	60,775	103,199	105,014	120,311	121,871	138,374	142,530	142,677
Miscellaneous rent income.....	351,520	376,528	403,144	420,101	361,958	333,822	324,081	327,800
Miscellaneous nonoper. phys. prop.	333,004	340,536	239,890	229,785	225,183	215,477	209,488	168,097
Separately oper. prop.—Profit.....								45,875
Dividend income.....	2,794,819	3,146,776	2,984,686	2,308,934	2,318,489	2,645,934	2,205,150	1,982,889
Income from funded securities....	87,514	85,471	73,787	65,951	95,653	637,272	534,637	396,348
Inc. from unfunded sec. and accts.	218,097	132,402	40,583	49,190	10,568	65,020	3,841	11,231
Release of premiums on funded debt	6,293							
Miscellaneous income.....	358,152	122,017	81,609	86,260	84,417	91,749	154,987	165,465
Total other income.....	5,047,063	5,061,255	4,592,878	3,626,250	3,218,139	4,127,648	3,574,714	3,240,382
Total income.....	38,015,683	33,624,222	44,037,954	31,627,785	25,025,203	23,712,243	18,053,990	27,009,790
3. MISCELLANEOUS DEDUCT'NS FROM INC.								
Expenses of miscellaneous oper....	790,838	708,523	619,782	323,419				
Taxes on miscellaneous oper. prop.	46,051	45,802	44,383	21,515				
Miscellaneous rents.....	80,861	75,515	75,619	74,801	77,301	74,731	75,331	75,050
Miscellaneous tax accruals.....	157,912	231,247	180,889	125,439	96,031	82,751	70,836	68,019
Separately operated prop.—Loss..	157,584	226,514	85,135	114,431	158,143	466,918	652,464	503,538
Miscellaneous income charges....	466,193	239,901	267,129	267,101	273,406	185,648	269,435	250,299
Total miscel. deductions....	1,699,439	1,527,502	1,272,937	926,706	604,881	810,048	1,068,066	896,906
Inc. available for fixed chgs.	36,316,244	32,096,720	42,765,017	30,701,079	24,420,322	22,902,195	16,985,924	26,112,884
4. FIXED CHARGES.								
Rent for leased roads and equipt..	28,771	19,970	19,794	24,889	24,928	23,539	30,835	25,530
Interest on funded debt—fixed int.	12,862,604	12,477,361	13,283,890	13,484,625	13,722,692	14,032,595	14,121,823	15,571,487
Interest on unfunded debt.....	27,903	8,829	407,312	406,406	464,508	159,636	120,706	18,361
Amort. of discount on funded debt.		12						407,586
Total fixed charges.....	12,919,278	12,506,172	13,710,996	13,915,920	14,212,128	14,215,770	14,273,364	16,022,964
NET INCOME (or Deficit)....	\$ 23,396,966	\$ 19,590,548	\$ 29,054,021	\$ 16,785,159	\$ 10,208,194	\$ 8,686,425	\$ 2,712,560	\$ 10,089,920
NO. OF TIMES FIXED CHGS. EARNED	2.81	2.57	3.12	2.21	1.72	1.61	1.19	1.63
RATIO OF OPER. EXP. TO REVS.—%	63.9	61.2	56.5	62.6	64.8	65.9	68.8	64.6
RATIO OF TRANSP. EXP. TO REVS.—%	27.1	24.8	25.2	27.9	29.5	31.1	34.5	32.3
5. DISPOSITION OF NET INCOME.								
Inc. appl. to sink. and other res. fds.	\$ 250,000	\$ 250,000	\$ 250,000	\$ 259,899	\$ 263,063	\$ 263,000	\$ 13,804	\$ 15,067
Dividend appropriations of income								4,997,788
Inc. approp. for invt. in phys. prop.			1,250	15,000	15,000	15,000	15,000	15,000
Miscellaneous approp. of inc.....	4,109	26	372					
Total appropriations of inc.	254,109	250,026	251,622	274,899	278,063	278,000	28,804	5,027,855
Inc. bal. transf. to Prof. & Loss	23,142,857	19,340,522	28,802,399	16,510,260	9,930,131	8,408,425	2,683,756	5,062,065
6. PROFIT AND LOSS.								
Profit and loss, January 1.....	106,516,915	*115,503,414	115,401,668	105,857,099	106,281,950	98,853,566	90,835,358	106,586,171
Add: Credits to profit and loss...	23,393,891	19,686,665	29,277,842	17,219,055	10,584,143	8,565,003	34,492,004	5,527,901
Deduct: Debits to profit and loss.	15,816,193	28,673,164	27,907,767	7,674,486	11,008,994	1,136,619	26,473,796	21,278,714
Profit and loss, December 31....	114,094,613	106,516,915	116,771,743	115,401,668	105,857,099	106,281,950	98,853,566	90,835,358
7. DIVIDENDS DECLARED.....	5,008,894	4,997,798	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)	\$ 792,722	\$ 204,688	\$ 539,443	\$ 206,077	\$ 155,180	\$ 2,110	\$ 411,932	\$ 420,633

*Revised to conform with changes in Interstate Commerce Commission accounting classification.

ANNUAL REPORT FOR 1944

INCOME ACCOUNT—1929 to 1936

	1936	1935	1934	1933	1932	1931	1930	1929
Average mileage of road operated.....	8,188.15	8,278.28	8,344.39	8,445.12	8,408.70	8,357.32	8,366.63	8,387.88
1. OPERATING INCOME								
RAILWAY OPERATING REVENUES								
Freight.....	\$77,150,514	\$70,211,977	\$60,348,273	\$52,673,934	\$45,960,600	\$63,344,821	\$85,797,850	\$101,178,779
Passenger.....	4,977,601	4,416,108	4,220,571	3,759,187	3,941,659	6,042,610	9,000,087	11,298,352
Mail.....	2,719,087	2,592,247	2,612,588	2,626,891	2,824,801	3,143,556	3,356,243	4,770,053
Express.....	965,414	939,960	879,234	673,704	787,220	1,223,565	1,856,822	2,366,080
Switching.....	636,179	506,098	460,974	415,670	431,817	628,283	769,608	990,101
Other transportation.....	291,394	319,343	278,170	271,178	392,626	573,968	778,538	949,469
Incidental.....	2,862,617	2,206,630	1,950,567	1,543,912	1,261,738	2,140,800	3,422,311	4,348,227
Joint facility—net.....	Cr.— 22,299	Dr.— 3,505	Cr.— 2,500	Dr.— 40,585	Dr.— 51,215	Dr.— 10,148	Cr.— 14,617	Cr.— 31,747
Total railway oper. revs....	89,625,105	81,188,858	70,752,877	61,923,891	55,549,246	77,087,455	104,996,076	125,932,808
RAILWAY OPERATING EXPENSES								
Maintenance of way and struct.	8,660,007	6,994,058	8,368,883	5,335,607	7,771,028	9,413,813	13,598,876	17,073,972
Maintenance of equipment.....	13,623,780	12,630,006	11,846,694	10,961,690	12,428,089	14,538,454	18,544,614	20,278,320
Traffic.....	2,152,655	2,029,222	1,899,765	1,864,188	2,177,887	2,532,764	2,912,531	3,127,846
Transportation—rail line.....	29,098,139	25,801,313	23,032,746	20,434,097	20,592,335	25,846,075	33,908,017	38,351,284
Miscellaneous operations.....	844,366	753,248	740,835	563,524	627,974	960,680	1,444,685	1,723,623
General.....	2,556,346	1,908,037	2,778,343	2,429,557	2,284,343	2,660,972	2,801,602	2,784,428
Transportation for invest.—Cr..	54,571	54,670	57,086	43,439	225,984	666,804	644,447	476,563
Total railway oper. exp....	56,880,722	50,061,214	48,610,180	41,545,224	45,655,672	55,285,954	72,565,878	82,862,910
Net rev. from railway oper.	32,744,383	31,127,644	22,142,697	20,378,667	9,893,574	21,801,501	32,430,198	43,069,898
Railway tax accruals.....	7,842,526	6,216,821	6,181,111	6,660,944	6,697,424	7,179,028	8,712,598	9,201,154
Uncollectible railway revenues.....		9,257	10,528	7,213	14,210	9,894	9,845	17,181
Railway operating income..	24,901,857	24,901,566	15,951,058	13,710,510	3,181,940	14,612,579	23,707,755	33,851,563
Equipment rents—Net debit.....	889,029	997,612	1,381,666	1,301,953	1,513,915	1,454,238	1,347,804	991,449
Joint facility rent—Net debit....	453,257	420,100	467,742	598,330	377,474	488,921	447,443	402,591
NET RAILWAY OPER. INC.....	23,559,571	23,483,854	14,101,650	11,810,227	1,290,551	12,669,420	21,912,508	32,457,523
2. OTHER INCOME.								
Revs. from miscellaneous oper....								
Income from lease of rd. and equip.	133,414	313	3,940	313	777	1,428	1,428	1,428
Miscellaneous rent income.....	401,134	388,691	477,269	574,603	650,235	667,283	672,612	687,720
Miscellaneous nonoper. phys. prop.	176,668	177,606	174,425	159,323	165,315	166,934	190,531	149,317
Separately oper. prop.—Profit.....		48,316		4,178				
Dividend income.....	3,882,151	1,954,999	2,922,223	3,349,378	3,047,899	9,201,615	13,285,672	9,363,567
Income from funded securities.....	238,755	958,176	775,222	464,732	656,306	1,151,748	554,376	985,260
Inc. from unfunded sec. and accts.	5,716	12,373	174,576	40,114	367,835	667,342	582,617	595,023
Release of premiums on funded debt								
Miscellaneous income.....	211,331	275,835	310,523	294,531	207,725	254,287	241,081	243,912
Total other income.....	5,049,169	3,816,309	4,838,178	4,887,172	5,096,092	12,110,637	15,528,317	12,026,227
Total income.....	28,608,740	27,300,163	18,939,828	16,697,399	6,386,643	24,780,057	37,440,825	44,483,750
3. MISCELLANEOUS DEDUCT'NS FROM INC.								
Expenses of miscellaneous oper....								
Taxes on miscellaneous oper. prop.								
Miscellaneous rents.....	75,172	77,304	79,978	58,898	7,972	8,021	5,975	5,572
Miscellaneous tax accruals.....	74,050	70,124	71,018	70,298	93,461	95,673	97,342	110,457
Separately operated prop.—Loss..	541,191	440,552	1,995	76,348	110,719	108,879	279,603	100,039
Miscellaneous income charges.....	246,805	244,096	289,152	218,355	72,495	86,461	87,033	83,836
Total miscel. deductions....	937,218	832,076	442,143	423,899	284,647	299,034	469,953	299,904
Inc. available for fixed chgs.	27,671,522	26,468,087	18,497,685	16,273,500	6,101,996	24,481,023	36,970,872	44,183,846
4. FIXED CHARGES.								
Rent for leased roads and equipt..	3,495	1,176	18,186	100	Cr.— 87	151	171	1,829
Interest on funded debt—fixed int.	17,298,166	18,755,665	18,816,884	18,965,541	18,933,208	18,992,022	18,641,072	18,220,132
Interest on unfunded debt.....	39,833	141,900	302,889	110,928	323,146	Cr.—95,623	37,179	42,387
Amort. of discount on funded debt.	426,042	429,486	434,206	384,691	251,168	258,566	255,702	250,947
Total fixed charges.....	17,767,536	19,328,227	19,572,165	19,461,260	19,507,435	19,155,116	18,934,124	18,515,295
NET INCOME (or Deficit)....	\$ 9,903,986	\$ 7,139,860	\$ 1,074,480	\$ 3,187,760	\$ 13,405,439	\$ 5,325,907	\$ 18,036,748	\$ 25,668,551
NO. OF TIMES FIXED CHGS. EARNED	1.56	1.37	.95	.84	.31	1.28	1.95	2.39
RATIO OF OPER. EXP. TO REVS.—%	63.5	61.7	68.7	67.1	82.2	71.7	69.1	65.8
RATIO OF TRANSP. EXP. TO REVS.—%	32.5	31.8	32.6	33.0	37.1	33.5	32.3	30.5
5. DISPOSITION OF NET INCOME.								
Inc. appl. to sink. and other res. fds.	\$ 15,439	\$ 14,993	\$ 14,827	\$ 14,270	\$ 14,386	\$ 14,666	\$ 14,994	\$ 14,707
Dividend appropriations of income								12,450,225
Inc. approp. for invt. in phys. prop.	15,000	15,000	15,000					
Miscellaneous approp. of inc.....				123,528	629,600			
Total appropriations of inc.	30,439	29,993	29,827	137,798	643,986	14,666	14,994	12,464,932
Inc. bal. transf. to Prof. & Loss	9,873,547	7,109,867	1,104,307	3,325,558	14,049,425	5,311,241	18,021,754	13,203,619
6. PROFIT AND LOSS.								
Profit and loss, January 1.....	102,731,957	102,202,449	104,655,903	109,307,501	120,551,319	125,744,603	126,861,795	123,880,368
Add: Credits to profit and loss...	10,270,045	7,364,108	281,740	286,615	6,317,767	5,986,498	18,518,535	14,954,526
Deduct: Debits to profit and loss.	6,415,831	6,834,600	2,735,194	4,938,213	17,561,585	11,179,782	19,635,727	11,973,099
Profit and loss, December 31.....	106,586,171	102,731,957	102,202,449	104,655,903	109,307,501	120,551,319	125,744,603	126,861,795
7. DIVIDENDS DECLARED.								
Aggregate net income of subsidiaries						6,222,717	18,673,035	12,450,225
in which the Company holds directly or indirectly a majority of the outstanding capital stock, not included above: Net Income (or Deficit)	\$ 237,140	\$ 64,460	\$ 561,618	\$ 16,911	\$ 603,566	\$ 91,916	\$ 719,631	\$ 352,846

GREAT NORTHERN RAILWAY COMPANY

GENERAL BALANCE SHEET DECEMBER 31, 1944 AND 1943

ASSETS	December 31, 1944	December 31, 1943	INCREASE	DECREASE
INVESTMENTS				
Road and equipment property				
Road.....	\$463,573,607	\$443,451,612	\$ 20,121,995	
Equipment.....	156,455,949	150,241,345	6,214,604	
General expenditures.....	3,931,239	2,315,426	1,615,813	
Total.....	623,960,795	596,008,383	27,952,412	
Improvements on leased property.....	456,361	455,200	1,161	
Acquisition adjustment—Cr.....	7,458,662	6,054,978	1,403,684	
Donations and grants—Cr.....	3,920,381	3,618,346	302,035	
Total investment in transportation property.....	613,038,113	586,790,259	26,247,854	
Special reserve funds.....	11,810,559		11,810,559	
Deposits in lieu of mortgaged property sold.....	60,489	13,568	46,921	
Miscellaneous physical property.....	12,987,186	14,049,365		\$ 1,062,179
Investments in affiliated companies (Page 28):				
Stocks.....	140,993,764	166,665,908		25,672,144
Bonds.....	26,508,601	26,508,601		
All other.....	6,898,746	6,203,141	695,605	
Total.....	174,401,111	199,377,650		24,976,539
Other investments (Page 28):				
Stocks.....	2,314,344	2,317,077		2,733
Bonds.....	348,000	697,500		349,500
All other.....	4,089,811	3,999,635	90,176	
Total.....	6,752,155	7,014,212		262,057
Deduct—Reserve for adjustment of investment in securities....	6,447,601	15,116,081		8,668,480
Total investments.....	812,602,012	792,128,973	20,473,039	
CURRENT ASSETS				
Cash.....	21,939,562	24,984,647		3,045,085
Temporary cash investments and special deposits.....	30,314,532	35,467,325		5,152,793
Loans and bills receivable.....	2,500	3,105		605
Net balance receivable from agents and conductors.....	4,884,409	5,636,701		752,292
Miscellaneous accounts receivable.....	21,072,905	15,232,327	5,840,578	
Material and supplies.....	18,975,564	16,409,334	2,566,230	
Interest and dividends receivable.....	23,359	48,753		25,394
Rents receivable.....		41,625		41,625
Other current assets.....	236,502	316,768		80,266
Total current assets.....	97,449,333	98,140,585		691,252
DEFERRED ASSETS				
Working fund advances.....	46,060	39,708	6,352	
Other deferred assets.....	834,371	11,787	822,584	
Total deferred assets.....	880,431	51,495	828,936	
UNADJUSTED DEBITS				
Rents and insurance premiums paid in advance.....	174,342	203,950		29,608
Other unadjusted debits.....	10,352,073	7,233,229	3,118,844	
Total unadjusted debits.....	10,526,415	7,437,179	3,089,236	
Grand total.....	\$921,458,191	\$897,758,232	\$ 23,699,959	

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GENERAL BALANCE SHEET DECEMBER 31, 1944 AND 1943

LIABILITIES	December 31, 1944	December 31, 1943	INCREASE	DECREASE
STOCK				
Capital stock—Book liability.....	\$266,816,800	\$250,281,750	\$ 16,535,050	
Less—Held by or for the Company.....	1,189,600	1,189,600		
Total stock.....	265,627,200	249,092,150	16,535,050	
Total shares, without par value.....	2,912,298 ³ / ₄	2,498,922 ¹ / ₂	413,376 ¹ / ₄	
LONG-TERM DEBT	Dec. 31, 1944	Dec. 31, 1943		
Funded debt unmatured.....	\$319,094,527	\$379,536,909		
Less—Held by or for the Company.....	52,005,000	88,663,000		
Actually outstanding.....	\$267,089,527	\$290,873,909		
Great Northern Railway Company—				
First and Refunding Gold Bonds				
Series A, 4 ¹ / ₄ %, July 1, 1961.....		35,668,000		\$ 35,668,000
General Mortgage				
Series B, 5 ¹ / ₂ % Gold Bonds, January 1, 1952.....	25,724,000	29,861,000		4,137,000
Series C, 5% Gold Bonds, January 1, 1973.....	14,675,000	14,675,000		
Series D, 4 ¹ / ₂ % Gold Bonds, July 1, 1976.....	14,873,000	14,873,000		
Series E, 4 ¹ / ₂ % Gold Bonds, July 1, 1977.....	40,000,000	40,000,000		
Series G, 4% Convertible Bonds, July 1, 1946.....		25,138,950		25,138,950
Series H, 4% Convertible Bonds, July 1, 1946.....		31,385,750		31,385,750
Series I, 3 ³ / ₄ % Gold Bonds, January 1, 1967.....	50,000,000	50,000,000		
Series K, 3 ¹ / ₈ % Gold Bonds, January 1, 1960.....	35,000,000		35,000,000	
Series L, 3 ³ / ₈ % Gold Bonds, January 1, 1970.....	30,000,000		30,000,000	
Series M, 3 ¹ / ₂ % Gold Bonds, January 1, 1980.....	35,000,000		35,000,000	
Collateral Trust				
Secured 4% Serial Bonds, serially to April 1, 1944.....		308,000		308,000
Collateral Trust 4% Bonds				
Serial Bonds, serially to July 1, 1951.....		5,500,000		5,500,000
Term Bonds, January 1, 1952.....		13,000,000		13,000,000
Equipment Obligations				
Equipment Trust—Series E, 2% serially to Mar. 1, 1947.....	1,395,000	1,860,000		465,000
Notes evidencing conditional sale contracts (Page 25).....	20,143,527	#18,909,209	1,234,318	
Eastern Railway Company of Minnesota Gold Bonds—				
Northern Division, First Mortgage, 4%, April 1, 1948.....	279,000	9,695,000		9,416,000
Total funded debt outstanding.....	267,089,527	290,873,909		23,784,382
Amounts payable to affiliated companies.....	84,049	413,781		329,732
Total long-term debt.....	267,173,576	291,287,690		24,114,114
Total capital liabilities.....	532,800,776	540,379,840		7,579,064
CURRENT LIABILITIES				
Traffic and car-service balances—Cr.....	4,638,840	101,589	4,537,251	
Audited accounts and wages payable.....	9,094,051	12,076,179		2,982,128
Miscellaneous accounts payable.....	2,035,788	503,442	1,532,346	
Interest matured unpaid.....	5,280,733	5,737,704		456,971
Dividends matured unpaid.....	291,386	170,851	120,535	
Unmatured interest accrued.....	23,214	127,638		104,424
Accrued tax liability.....	37,197,337	44,651,737		7,454,400
Other current liabilities.....	13,591,122	2,024,204	11,566,918	
Total current liabilities.....	72,152,471	65,393,344	6,759,127	
DEFERRED LIABILITIES				
Other deferred liabilities.....	398,236	341,249	56,987	
UNADJUSTED CREDITS				
Premium on funded debt.....	522,511		522,511	
Insurance and casualty reserves.....	18,801	6,771	12,030	
Accrued amortization of defense projects—Road.....	1,636,387	846,085	790,302	
Accrued depreciation—Road and equipment.....	77,786,200	73,595,496	4,190,704	
Accrued amortization of defense projects—Equipment.....	23,447,325	16,032,718	7,414,607	
Accrued depreciation—Miscellaneous physical property.....	358,112	539,215		181,103
Other unadjusted credits.....	11,253,266	7,381,183	3,872,083	
Accrued depreciation—Leased property.....	11,794		11,794	
Total unadjusted credits.....	115,034,396	98,401,468	16,632,928	
SURPLUS				
Unearned surplus.....	1,392,247	1,381,773	10,474	
Earned surplus—Appropriated.....	85,585,452	85,343,643	241,809	
*Earned surplus—Unappropriated—Credit balance (Page 24) ..	114,094,613	106,516,915	7,577,698	
Total surplus.....	201,072,312	193,242,331	7,829,981	
Grand total.....	\$921,458,191	\$897,758,232	\$ 23,699,959	

#Includes \$500,479, notes for which were executed in 1944.

*Does not include aggregate net profit and loss credits to December 31, 1944, amounting to \$735,128 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 First and Refunding Mortgage Gold Bonds, Series B, 3¹/₈% Bonds due Oct. 1, 1971. \$14,737,000
 Western Fruit Express Company Equipment Trust, 4¹/₄%, due serially to November 1, 1945..... 27,000
 Spokane, Portland and Seattle Railway Company Equipment Trust, Series A, 2³/₄%, due serially to July 1, 1947..... 360,000

GREAT NORTHERN RAILWAY COMPANY

EARNED SURPLUS ACCOUNT—DECEMBER 31, 1944

CREDITS		
Credit balance December 31, 1943.....		\$106,516,915
Credit balance transferred from income.....	\$ 23,142,857	
Miscellaneous credits.....	251,034	\$ 23,393,891
DEBITS		
Surplus applied to sinking and other reserve funds.....	5,938	
Dividend appropriations of surplus.....	5,008,894	
Miscellaneous debits.....	10,801,361	15,816,193
*Net credit for year 1944.....		7,577,698
Credit balance, December 31, 1944, carried to balance sheet.....		\$114,094,613

*Does not include net profit and loss credit for the year 1944 amounting to \$830,478 of subsidiaries in which this Company holds directly or indirectly a majority of the outstanding capital stock.

ROAD AND EQUIPMENT PROPERTY—1944 (Including Improvements on Leased Property)

ACCOUNT	CASH EXPENDITURES FOR NEW PROPERTY	*NET INCREASE IN INVESTMENT ACCOUNT (AFTER DEDUCTING COST OF PROPERTY RETIRED)	ACCOUNT	CASH EXPENDITURES FOR NEW PROPERTY	*NET INCREASE IN INVESTMENT ACCOUNT (AFTER DEDUCTING COST OF PROPERTY RETIRED)
Engineering.....	\$ 80,810	\$ 36,596	Miscellaneous structures.....	\$ 61,082	\$ 58,587
Land for transportation purposes....	47,951	Cr.— 7,566	Roadway machines.....	155,939	94,570
Other right-of-way expenditures....	3,601	3,579	Roadway small tools.....		Cr.— 433
Grading.....	749,642	485,501	Public improvements—Construction.	72,806	59,699
Tunnels and subways.....	610,102	593,400	Shop machinery.....	210,280	105,797
Bridges, trestles and culverts.....	406,901	Cr.— 89,743	Power plant machinery.....	39,354	36,159
Ties.....	245,982	133,874	Total expenditures for road....	5,586,433	3,306,814
Rails.....	340,560	165,321	Steam locomotives.....	321,340	72,843
Other track material.....	569,279	435,056	Other locomotives.....	6,829,337	6,829,337
Ballast.....	61,401	Cr.— 12,513	Freight-train cars.....	2,912,540	Cr.— 771,441
Track laying and surfacing.....	282,290	105,945	Passenger-train cars.....	29,952	Cr.— 17,106
Fences, snow sheds, and signs.....	27,057	Cr.— 5,269	Work equipment.....	123,551	59,969
Crossings and signs.....		Cr.— 17,381	Miscellaneous equipment.....	56,555	37,667
Station and office buildings.....	540,617	427,276	Total expenditures for equipment	10,273,275	6,211,269
Roadway buildings.....	88,827	75,408	Law.....		Cr.— 240
Water stations.....	122,917	1,132	Taxes.....		Cr.— 30
Fuel stations.....	122,019	74,080	Interest during construction.....	213	Cr.— 677
Shops and engine houses.....	463,251	336,528	Other expenditures—General.....	42	Cr.— 279
Wharves and docks.....	22,742	19,708	Total general expenditures....	255	Cr.— 1,226
Coal and ore wharves.....	71,875	59,738	Grand total including improvements on leased property.....	\$15,859,963	\$ 9,516,857
Telegraph and telephone lines.....	45,463	37,348			
Signals and interlockers.....	83,574	42,043			
Power plants.....	45,380	45,380			
Power transmission systems.....	14,731	6,994			

*Does not include \$18,436,716, which represents the original cost, or estimated original cost of the acquired properties of subsidiary and proprietary companies, viz.: Farmers' Grain and Shipping Company, authorized by the Interstate Commerce Commission, Finance Docket No. 14276—\$575,498. Brandon, Devils Lake and Southern Railway Company, authorized by the Interstate Commerce Commission, Finance Docket No. 14276—\$179,708. Vancouver, Victoria and Eastern Railway and Navigation Company—\$14,815,928. The Nelson and Fort Sheppard Railway Company—\$2,865,582. The three latter named properties were acquired through tax free liquidation.

PRINCIPAL PAYMENTS MATURING ON NOTES EVIDENCING CONDITIONAL SALE CONTRACTS

CALENDAR YEAR	AMOUNT	CALENDAR YEAR	AMOUNT
1951	\$ 28,126	1947	\$3,784,526
1950	168,757	1946	4,575,875
1949	2,293,854	1945	5,487,907
1948	3,804,482		

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NOTES EVIDENCING CONDITIONAL SALE CONTRACTS DECEMBER 31, 1944 AND 1943

DECEMBER 31, 1949 AND 1948						
EQUIPMENT	RATE OF INTEREST ON DEFERRED PAYMENTS %	MONTHLY PAYMENTS TO	PURCHASE PRICE OF EQUIPMENT	PRINCIPAL OUTSTANDING DECEMBER 31		
				1944	1943	DECREASE (I—INCREASE)
DIESEL LOCOMOTIVES						
14—1000 H. P.....	2	Aug. 1945	\$ 1,208,848	\$ 133,177	\$ 335,977	\$ 202,800
10—1000 H. P. and 2—600 H. P.....	2	May 1946	978,623	168,722	287,656	118,934
2—2700 H. P.....	2	June 1946	480,090	133,236	220,820	87,584
2—1000 H. P.....	2	Oct. 1946	159,481	60,106	92,156	32,050
1—4050 H. P., 1—2700 H. P., 10—1000 H. P., and 3—600 H. P.....	2	Jan. 1947	1,602,506	685,755	1,005,762	320,007
3—5400 H. P.....	1½	Mar. 1949	1,501,438	1,251,199	500,479	I— 750,720
6—5400 H. P.....	1½	July 1949	3,002,877	2,702,589	.....	I— 2,702,589
4—5400 H. P.....	1.47	Dec. 1949	2,001,918	1,968,553	.....	I— 1,968,553
58 Diesel Locomotives.....			10,935,781	7,103,337	2,442,850	I— 4,660,487
BOX CARS						
1,000—50 ton.....	2½	April 1946	2,912,000	674,031	1,174,067	500,036
2,000—50 ton.....	2	Feb. 1949	5,690,775	2,911,295	3,581,387	670,092
2,000—50 ton.....	2	Nov. 1949	6,380,625	3,314,040	3,980,409	666,369
2,000—50 ton.....	2	Dec. 1949	5,931,145	3,439,209	4,101,189	661,980
7,000 Box Cars.....			20,914,545	10,338,575	12,837,052	2,498,477
ORE CARS						
1,500—75 ton—All steel.....	2	May 1946	4,153,560	853,324	1,446,611	593,287
500—75 ton—All steel.....	2	Aug. 1949	1,551,000	807,621	973,268	165,647
500—75 ton—All steel.....	1.87	Mar. 1951	1,582,100	1,040,670	1,209,428	168,758
2,500 Ore Cars.....			7,286,660	2,701,615	3,629,307	927,692
Total—All Equipment.....			\$39,136,986	\$20,143,527	\$18,909,209	I— \$1,234,318

OPERATING REVENUES 1944 AND 1943

ACCOUNT	1944	1943	INCREASE (D—DECREASE)	
			AMOUNT	PERCENT
Freight.....	\$171,957,001	\$166,429,112	\$5,527,889	3.3
Passenger.....	20,816,206	18,853,552	1,962,654	10.4
Baggage.....	52,436	39,105	13,331	34.1
Sleeping car.....	.....	26	D— 26	D— 100.0
Parlor and chair car.....	75,652	68,525	7,127	10.4
Mail.....	3,768,714	3,890,653	D— 121,939	D— 3.1
Express.....	3,399,586	2,883,274	516,312	17.9
Other passenger-train.....	411,887	302,804	109,083	36.0
Milk.....	158,050	169,335	D— 11,285	D— 6.7
Switching.....	1,278,001	1,265,825	12,176	1.0
Total rail-line transportation revenue.....	201,917,533	193,902,211	8,015,322	4.1
Dining and buffet.....	1,963,038	1,421,675	541,363	38.1
Hotel and restaurant.....	257,566	96,033	161,533	168.2
Station, train and boat privileges.....	50,739	38,358	12,381	32.3
Parcel room.....	23,318	20,093	3,225	16.1
Storage—Freight.....	9,725	11,476	D— 1,751	D— 15.3
Storage—Baggage.....	25,159	19,233	5,926	30.8
Demurrage.....	285,425	803,001	D— 517,576	D— 64.5
Telegraph and telephone.....	158,272	163,395	D— 5,123	D— 3.1
Rents of buildings and other property.....	295,754	255,423	40,331	15.8
Miscellaneous.....	3,014,118	3,708,243	D— 694,125	D— 18.7
Total incidental operating revenues.....	6,083,114	6,536,930	D— 453,816	D— 6.9
Joint facility—Cr.....	245,702	421,248	D— 175,546	D— 41.7
Joint facility—Dr.....	588,554	286,963	301,591	105.1
Total joint facility operating revenues.....	Dr.— 342,852	Cr.— 134,285	D— 477,137	D— 355.3
Total railway operating revenues.....	\$207,657,795	\$200,573,426	\$7,084,369	3.5

GREAT NORTHERN RAILWAY COMPANY

OPERATING EXPENSES, 1944 AND 1943

ACCOUNT	1944	1943	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence.....	\$ 1,469,730	\$ 1,255,158	\$ 214,572	
Roadway maintenance.....	2,470,665	2,406,927	63,738	
Tunnels and subways.....	102,210	40,002	62,208	
Bridges, trestles, and culverts.....	1,364,736	1,056,766	307,970	
Ties.....	3,165,892	3,041,931	123,961	
Rails.....	704,395	672,896	31,499	
Other track material.....	987,970	970,977	16,993	
Ballast.....	304,594	508,990		\$ 204,396
Track laying and surfacing.....	12,131,091	7,704,488	4,426,603	
Fences, snow sheds, and signs.....	375,361	223,194	152,167	
Station and office buildings.....	867,466	661,960	205,506	
Roadway buildings.....	161,031	154,096	6,935	
Water stations.....	293,051	239,390	53,661	
Fuel stations.....	82,815	84,278		1,463
Shops and engine houses.....	917,741	809,853	107,888	
Wharves and docks.....	136,495	51,042	85,453	
Coal and ore wharves.....	662,039	514,857	147,182	
Telegraph and telephone lines.....	583,987	525,508	58,479	
Signals and interlockers.....	739,128	581,731	157,397	
Power plants.....	16,930	13,601	3,329	
Power-transmission systems.....	119,124	53,778	65,346	
Miscellaneous structures.....	2,565	4,976		2,411
Road property—Depreciation.....	2,786,827	2,751,099	35,728	
Retirements—Road.....	753,264		753,264	
Roadway machines.....	491,830	418,473	73,357	
Dismantling retired road property.....	156,820	93,357	63,463	
Road—Amortization of defense projects.....	797,223	516,213	281,010	
Small tools and supplies.....	305,178	282,674	22,504	
Removing snow, ice, and sand.....	414,156	764,095		349,939
Public improvements—Maintenance.....	324,077	321,502	2,575	
Injuries to persons.....	158,235	159,235		1,000
Insurance.....	68,781	63,000	5,781	
Stationery and printing.....	29,167	19,396	9,771	
Other expenses.....	Cr.—1,239,596	1,376,560		2,616,156
Right-of-way expenses.....	9,161	14,368		5,207
Maintaining joint tracks, yards, and other facilities—Dr.....	997,857	744,931	252,926	
Maintaining joint tracks, yards, and other facilities—Cr.....	633,296	485,261	148,035	
Total maintenance of way and structures.....	33,078,700	28,616,041	4,462,659	
MAINTENANCE OF EQUIPMENT				
Superintendence.....	761,060	606,932	154,128	
Shop machinery.....	617,206	457,225	159,981	
Power-plant machinery.....	115,381	82,865	32,516	
Shop and power-plant machinery—Depreciation.....	228,351	224,307	4,044	
Dismantling retired shop and power-plant machinery.....	1,641	1,946		305
Steam locomotives—Repairs.....	11,717,366	9,652,185	2,065,181	
Other locomotives—Repairs.....	940,842	574,007	366,835	
Freight-train cars—Repairs.....	8,092,931	7,294,682	798,249	
Passenger-train cars—Repairs.....	2,353,064	2,125,603	227,461	
Work equipment—Repairs.....	521,609	538,342		16,733
Miscellaneous equipment—Repairs.....	103,375	82,670	20,705	
Dismantling retired equipment.....	6,856	8,245		1,389
Retirements—Equipment.....	Cr.—1,902			1,902
Equipment—Depreciation.....	3,662,588	3,256,898	405,690	
Equipment—Amortization of defense projects.....	7,431,239	8,960,781		1,529,542
Injuries to persons.....	119,904	77,326	42,578	
Insurance.....	78,943	69,766	9,177	
Stationery and printing.....	17,255	14,466	2,789	
Other expenses.....	Cr.—1,389,791	1,420,347		2,810,138
Joint maintenance of equipment expenses—Dr.....	167,575	166,212	1,363	
Joint maintenance of equipment expenses—Cr.....	101,897	84,057	17,840	
Total maintenance of equipment.....	35,443,596	35,530,748		87,152
TRAFFIC				
Superintendence.....	677,535	620,362	57,173	
Outside agencies.....	1,488,246	1,318,730	169,516	
Advertising.....	405,410	372,450	32,960	
Traffic associations.....	35,248	42,238		6,990
Industrial and immigration bureaus.....	85,554	85,879		325
Insurance.....	1,511	1,638		127
Stationery and printing.....	110,112	118,201		8,089
Other expenses.....	Cr.—616,800	616,847		1,233,647
Total traffic expenses.....	2,186,816	3,176,345		989,529

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OPERATING EXPENSES, 1944 AND 1943

ACCOUNT	1944	1943	INCREASE	DECREASE
TRANSPORTATION—RAIL LINE				
Superintendence.....	\$ 1,274,973	\$ 1,043,541	\$ 231,432	
Dispatching trains.....	702,814	575,769	127,045	
Station employees.....	8,221,410	6,437,127	1,784,283	
Weighing, inspection and demurrage bureaus.....	99,709	74,866	24,843	
Coal and ore wharves.....	703,503	681,600	21,903	
Station supplies and expenses.....	493,018	427,018	66,000	
Yardmasters and yard clerks.....	1,630,326	1,323,272	307,054	
Yard conductors and brakemen.....	3,583,112	3,231,722	351,390	
Yard switch and signal tenders.....	163,778	127,095	36,683	
Yard enginemen.....	1,501,473	1,570,247		\$ 68,774
Yard motormen.....	879,303	721,911	157,392	
Yard switching fuel.....	1,499,406	1,402,589	96,817	
Water for yard locomotives.....	56,350	64,895		8,545
Lubricants for yard locomotives.....	59,113	57,137	1,976	
Other supplies for yard locomotives.....	53,313	44,750	8,563	
Engine-house expenses—Yard.....	1,002,037	827,796	174,241	
Yard supplies and expenses.....	67,537	58,536	9,001	
Train enginemen.....	5,117,373	4,805,356	312,017	
Train motormen.....	855,693	528,215	327,478	
Train fuel.....	9,864,189	8,746,425	1,117,764	
Train power produced.....	19,081	12,748	6,333	
Train power purchased.....	323,765	270,710	53,055	
Water for train locomotives.....	661,465	582,472	78,993	
Lubricants for train locomotives.....	370,943	323,284	47,659	
Other supplies for train locomotives.....	126,927	92,463	34,464	
Engine-house expenses—Train.....	2,573,933	1,904,003	669,930	
Trainmen.....	7,652,532	6,782,016	870,516	
Train supplies and expenses.....	3,558,918	2,820,901	738,017	
Signal and interlocker operation.....	403,164	353,051	50,113	
Crossing protection.....	98,611	67,424	31,187	
Drawbridge operation.....	18,206	14,196	4,010	
Telegraph and telephone operation.....	528,439	451,007	77,432	
Stationery and printing.....	185,182	155,375	29,807	
Other expenses.....	Cr.— 748,135	1,088,913		1,837,048
Insurance.....	139,741	110,767	28,974	
Clearing wrecks.....	148,790	155,329		6,539
Damage to property.....	78,410	64,008	14,402	
Damage to live stock on right of way.....	66,870	72,000		5,130
Loss and damage—Freight.....	965,690	627,708	337,982	
Loss and damage—Baggage.....	8,241	5,222	3,019	
Injuries to persons.....	520,954	421,320	99,634	
Operating joint yards and terminals—Dr.....	1,738,997	1,449,716	289,281	
Operating joint yards and terminals—Cr.....	1,103,100	958,284	144,816	
Operating joint tracks and facilities—Dr.....	334,007	347,217		13,210
Operating joint tracks and facilities—Cr.....	319,171	183,784	135,387	
Total transportation—rail line.....	56,180,890	49,779,649	6,401,241	
MISCELLANEOUS OPERATIONS				
Dining and buffet service.....	2,138,573	1,671,133	467,440	
Hotels and restaurants.....	199,183	75,100	124,083	
Other miscellaneous operations.....	8,621	741,239		732,618
Total miscellaneous operations.....	2,346,377	2,487,472		141,095
GENERAL				
Salaries and expenses of general officers.....	335,279	317,456	17,823	
Salaries and expenses of clerks and attendants.....	2,130,222	1,732,604	397,618	
General office supplies and expenses.....	117,823	113,556	4,267	
Law expenses.....	300,169	267,642	32,527	
Insurance.....	5,689	3,195	2,494	
Pensions.....	142,421	146,464		4,043
Stationery and printing.....	130,693	111,405	19,288	
Valuation expenses.....	6,994	6,823	171	
Other expenses.....	157,937	455,680		297,743
General joint facilities—Dr.....	45,128	38,949	6,179	
General joint facilities—Cr.....	13,274	12,162	1,112	
Total general expenses.....	3,359,081	3,181,612	177,469	
Grand total railway operating expenses.....	\$132,595,460	\$122,771,867	\$ 9,823,593	

GREAT NORTHERN RAILWAY COMPANY

INVESTMENTS IN SECURITIES (BOOK VALUE—COST TO GREAT NORTHERN RAILWAY COMPANY) DECEMBER 31, 1944

TITLE OF SECURITY	STOCKS				BONDS	NOTES, ADVANCES, AND MISCEL- LANEOUS	TOTAL BOOK VALUE	DIVIDENDS OR INTEREST RECEIVED
	EXTENT OF STOCK CONTROL %	*PAR VALUE	BOOK VALUE					
			PLEDGED	UNPLEDGED				
INVESTMENTS IN AFFILIATED COMPANIES								
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	.....	\$ 18,750	153,180	.....
Duluth and Superior Bridge Co. (The)	100	200,000	.....	200,000	\$ 545,101	.....	745,101	88,220
Glacier Park Company.....	100	1,500,000	.....	1,500,000	.....	3,471,244	4,971,244	.....
Great Northern Equipment Company.	100	1,000	.....	1,000	.....	.....	1,000	.....
Industrial Sites, Ltd.....	100	300,000	.....	1	.....	.....	1	.....
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	.....	.....	34,895	126,195	.....
Montana Western Ry. Co. (The).....	.....	.....	.....	.....	165,000	.....	165,000	.....
Oregon, California & Eastern Ry. Co..	50	300,000	.....	319,801	.....	1,002,332	1,322,133	.....
Railroad Credit Corporation (The)....	.....	.....	.....	.....	.....	75,544	75,544	4,109
Railway Express Agency, Inc.	1.5	*	.....	1,500	.....	339,639	341,139	16,081
St. Paul Union Depot Co. (The).....	12.5	103,600	130,475	.....	.....	.....	130,475	4,144
Spokane, Portland and Seattle Ry. Co.	50	20,000,000	20,000,000	.....	25,798,500	405,000	46,203,500	.....
Western Fruit Express Co.....	100	6,800,000	.....	6,800,000	.....	1,500,000	8,300,000	.....
Total affiliated companies.....	.....	*\$115,053,571	\$129,504,385	\$11,489,379	\$26,508,601	\$ 6,898,746	\$174,401,111	\$ 2,603,091
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	234,629
St. Paul Engineering & Manufacturing Co.....	39.2	233,100	.....	233,100	.....	.....	233,100	.....
Wisconsin Central Ry. Co.—Terminal Bonds.....	.....	.....	.....	.....	\$ 247,500	.....	247,500	9,625
Dominion of Canada—Victory Loans..	.....	.....	.....	.....	100,000	.....	100,000	6,988
Lake Mining Company.....	.....	.....	.....	.....	.....	\$ 3,717,189	3,717,189	.....
Miscellaneous.....	.....	33,080	.....	31,640	500	372,622	404,762	13,249
Total other investments.....	.....	*\$ 757,880	.....	\$ 2,314,344	\$ 348,000	\$ 4,089,811	\$ 6,752,155	\$ 279,242
Grand total.....	.....	\$115,811,451	\$129,504,385	\$13,803,723	\$26,856,601	\$10,988,557	\$181,153,266	\$2,882,333
Deduct "Reserve for adjustment of investment in securities".....	.....	.....	.....	.....	.....	.....	6,447,601	.....
Total.....	\$174,705,665

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

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FREIGHT COMMODITY STATISTICS 1944 AND 1943

COMMODITY	1944				1943	
	CARLOADS			TOTAL TONS (2,000 LBS.)	TOTAL CARLOADS	TOTAL TONS (2,000 LBS.)
	ORIGINATED	RECEIVED FROM CONNECTIONS	TOTAL			
PRODUCTS OF AGRICULTURE						
Wheat.....	97,387	7,419	104,806	5,165,151	98,491	4,834,301
Corn.....	3,169	528	3,697	170,510	5,598	259,754
Oats.....	12,180	1,048	13,228	530,527	13,519	532,718
Barley and rye.....	19,135	427	19,562	889,001	25,330	1,155,889
Flour and meal.....	13,950	1,241	15,191	557,450	15,486	551,446
Mill products.....	8,635	1,035	9,670	300,957	9,044	270,446
Apples, fresh.....	17,215	711	17,926	373,565	16,213	325,854
Other fresh fruits.....	3,091	7,765	10,856	212,289	10,082	201,365
Potatoes.....	28,463	2,374	30,837	710,480	23,456	517,065
Vegetables, fresh.....	1,235	3,577	4,812	84,264	4,976	95,678
Flaxseed.....	5,958	41	5,999	278,021	8,041	381,880
Sugar beets.....	8,671	168	8,839	372,807	6,609	297,664
Other products of agriculture.....	13,702	6,002	19,704	564,210	17,579	502,915
Total products of agriculture.....	232,791	32,336	265,127	10,209,232	254,424	9,926,975
ANIMALS AND PRODUCTS						
Cattle and calves.....	17,653	1,267	18,920	215,870	14,342	163,715
Sheep and goats.....	7,752	1,265	9,017	90,417	9,250	93,016
Hogs.....	7,586	294	7,880	89,963	8,269	93,081
Fresh meats.....	4,284	1,335	5,619	92,975	5,770	97,285
Poultry.....	1,099	356	1,455	23,955	1,168	19,898
Eggs.....	3,307	1,159	4,466	72,836	1,803	27,725
Butter.....	1,537	172	1,709	32,063	1,813	36,692
Other animals and products.....	7,172	4,058	11,230	270,903	10,658	268,697
Total animals and products.....	50,390	9,906	60,296	888,982	53,073	800,109
PRODUCTS OF MINES						
Anthracite coal.....	160	979	1,139	43,776	942	35,210
Bituminous coal.....	2,025	48,189*	50,214	2,245,811	58,693	2,573,064
Lignite.....	10,628	1,637	12,265	490,257	12,782	493,205
Coke.....	3,760	1,758	5,518	195,468	6,087	223,534
Iron ore.....	358,274	28,939	387,213	26,977,890	414,162	28,704,525
Other ores and concentrates.....	1,151	4,054	5,205	290,697	8,161	454,095
Gravel, sand, and stone.....	5,060	1,629	6,689	360,239	11,150	638,031
Crude petroleum.....	7,103	10,699	17,802	629,176	12,346	429,524
Asphalt.....	979	2,925	3,904	134,884	3,924	141,001
Salt.....	366	1,895	2,261	84,455	2,258	85,832
Other products of mines.....	8,978	8,589	17,567	935,993	21,957	1,197,827
Total products of mines.....	398,484	111,293	509,777	32,388,646	552,462	34,975,848
PRODUCTS OF FORESTS						
Logs, posts, poles, ties and cordwood.....	37,529	6,228	43,757	1,726,367	39,319	1,563,906
Pulpwood.....	6,200	253	6,453	278,146	3,515	139,870
Lumber, shingles, etc.....	53,014	38,450	91,464	3,225,547	88,002	3,087,449
Other products of forests.....	1,220	308	1,528	40,299	1,382	31,510
Total products of forests.....	97,963	45,239	143,202	5,270,359	132,218	4,822,735
MANUFACTURES AND MISCELLANEOUS						
Petroleum products.....	26,326	39,075	65,401	1,784,802	44,062	1,113,905
Sugar, sirup and molasses.....	1,753	1,702	3,455	138,907	3,538	149,612
Metals—pig, bar, sheet and pipe.....	3,054	20,384	23,438	1,024,621	21,779	965,566
Machinery and boilers.....	1,828	5,085	6,913	155,866	5,271	125,573
Cement, brick, lime and plaster.....	10,008	4,073	14,081	583,950	15,029	651,450
Agricultural implements, vehicles, etc.....	789	4,023	4,812	86,582	3,105	65,979
Automobiles and auto trucks.....	2,203	7,310	9,513	133,319	9,018	107,271
Beverages.....	1,308	3,889	5,197	148,105	4,039	116,851
Newsprint paper and printing paper.....	6,754	4,380	11,134	344,740	11,055	349,653
Canned food products.....	4,560	5,606	10,166	370,489	9,834	346,600
Scrap iron and scrap steel.....	1,132	387	1,519	69,254	2,812	118,583
Paper bags, paperboard, etc.....	3,503	4,238	7,741	237,390	7,091	224,525
Other manufactures and miscellaneous.....	54,745	81,049	135,794	4,082,451	128,463	3,733,113
Total manufactures and miscellaneous.....	117,963	181,201	299,164	9,160,476	265,096	8,068,681
Grand total carload traffic.....	897,591	379,975	1,277,566	57,917,695	1,257,273	58,594,348
Merchandise—All L. C. L. traffic.....				369,506		326,529
Grand total carload and L. C. L. traffic.....				58,287,201		58,920,877

*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

STATISTICS OF RAIL LINE OPERATIONS

(EXCLUDES MOTOR VEHICLE OPERATIONS—REVENUE FROM THIS TRAFFIC IN 1944 AMOUNTED TO \$207,116)

1944 AND 1943

ITEM	FREIGHT TRAINS		PASSENGER TRAINS		TOTAL TRANSPORTATION SERVICE	
	1944	1943	1944	1943	1944	1943
Average mileage of road operated.....	8,276.20	8,113.75	5,884.23	5,861.37	8,372.03	8,209.57
TRAIN MILES						
With steam locomotives.....	13,715,602	13,916,294	6,818,992	6,689,898	20,534,594	20,606,192
With Diesel locomotives.....	1,223,099	420,129	857,601	809,763	2,080,700	1,229,892
With electric locomotives.....	140,255	110,612	231,208	224,393	371,463	335,005
With rail motor cars.....	171,514	142,905	1,298,974	1,307,115	1,470,488	1,450,020
Light.....	106,902	123,377			106,902	123,377
Total.....	15,357,372	14,713,317	9,206,775	9,031,169	24,564,147	23,744,486
MOTIVE POWER MILES						
Locomotive miles:						
Principal.....	15,186,637	14,571,409	7,907,801	7,724,054	23,094,438	22,295,463
Helper or light.....	830,799	725,941	329,407	303,000	1,160,206	1,028,941
Train switching.....	1,151,028	1,136,376	4,746	4,872	1,155,774	1,141,248
Yard switching.....	5,484,596	5,450,338	306,264	286,525	5,790,860	5,736,863
Total.....	22,653,060	21,884,064	8,548,218	8,318,451	31,201,278	30,202,515
Rail motor cars.....	171,514	142,905	1,298,974	1,307,115	1,470,488	1,450,020
Total.....	22,824,574	22,026,969	9,847,192	9,625,566	32,671,766	31,652,535
CAR MILES						
Freight—loaded.....	588,056,934	546,145,735	582,753	784,325	588,639,687	546,930,060
Freight—empty.....	281,498,386	257,709,862	29,398	108,768	281,527,784	257,818,630
Total.....	869,555,320	803,855,597	612,151	893,093	870,167,471	804,748,690
Passenger coaches.....	818,109	832,557	23,493,502	22,291,455	24,311,611	23,124,012
Sleeping and parlor cars.....	20,098	153,954	23,110,341	20,520,355	23,130,439	20,674,309
Club, lounge, dining and observation cars.....		183	4,102,848	3,685,155	4,102,848	3,685,338
Mail, express and baggage cars, etc.....	3,814,104	4,465,756	31,532,816	28,628,487	35,346,920	33,094,243
Combination passenger cars.....	864,167	944,829	660,299	581,124	1,524,466	1,525,953
Business cars.....	18,179	23,646	323,157	316,713	341,336	340,359
Total.....	5,534,657	6,420,925	83,222,963	76,023,289	88,757,620	82,444,214
Caboose.....	14,542,594	13,811,113	141,128	127,190	14,683,722	13,938,303
Total.....	889,632,571	824,087,635	83,976,242	77,043,572	973,608,813	901,131,207
NET TONS—ROAD SERVICE						
Revenue.....	58,237,155	58,863,582	28,836	36,854	58,265,991	58,900,436
Non-revenue.....	3,993,986	4,045,992	1,941	731	3,995,927	4,046,723
Total.....	62,231,141	62,909,574	30,777	37,585	62,261,918	62,947,159
TON MILES—ROAD SERVICE						
Gross ton miles: (thousands)						
Locomotives and tenders.....	4,735,345	4,430,660	2,149,379	2,074,250	6,884,724	6,504,910
Freight cars, contents and cabooses.....	41,472,613	38,819,908	27,091	34,690	41,499,704	38,854,598
Passenger cars and contents.....	293,826	350,438	5,990,359	5,447,687	6,284,185	5,798,125
Total.....	46,501,784	43,601,006	8,166,829	7,556,627	54,668,613	51,157,633
Net ton miles: (thousands)						
Revenue.....	19,573,622	18,559,679	9,689	11,609	19,583,311	18,571,288
Non-revenue.....	1,154,182	1,143,973	561	207	1,154,743	1,144,180
Total.....	20,727,804	19,703,652	10,250	11,816	20,738,054	19,715,468
PASSENGER SERVICE						
Revenue passengers carried.....	137,032	125,506	2,954,295	2,742,604	3,091,327	2,868,110
Revenue passengers carried one mile (thousands).....	6,092	5,580	1,252,835	1,102,317	1,258,927	1,107,897
TRAIN HOURS—ROAD SERVICE.....						
	1,006,903	969,298	277,903	274,072	1,284,806	1,243,370
FREIGHT CARS ON LINE.....						
					43,484	43,849
AVERAGES						
Train load—revenue net tons.....	1,275	1,261				
Cars per train—total (excluding cabooses).....	57.38	55.54	9.11	8.52		
Train speed—train miles per train hour.....	15.25	15.18	33.13	32.95		
Freight—car load—all freight (tons).....					35.23	36.05
Percent loaded of total freight car miles.....					67.65	67.96
Freight car miles per car day.....					54.64	50.23
Net ton miles per freight car day.....					1,302	1,231
Revenue ton miles per mile of road.....					2,366,220	2,288,866
Revenue passengers per train.....					136.74	122.67
Revenue passenger miles per mile of road.....					213,949	189,017

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REVENUE FREIGHT TRAFFIC—1920 TO 1944.

(EXCLUDES MOTOR VEHICLE OPERATIONS—FREIGHT REVENUE FROM THIS TRAFFIC IN 1944 AMOUNTED TO \$207,031)

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
1944	8,372	58,265,991	19,583,311,258	\$171,749,970	.877	336	1,275	193	167	87
1943	8,210	58,900,436	18,571,287,602	166,220,578	.895	315	1,261	183	162	88
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.

REVENUE PASSENGER TRAFFIC—1920 TO 1944.

(EXCLUDES MOTOR VEHICLE OPERATIONS)

YEAR	AVERAGE MILES OF ROAD OPERATED	PASSENGERS CARRIED	PASSENGERS CARRIED ONE MILE	PASSENGER REVENUE	PASSENGER SERVICE TRAIN REVENUE	AVERAGE REVENUE PER PAS- SENGER MILE (CENTS)	AVERAGE JOURNEY (MILES)	AVERAGE PAS- SENGERS PER TRAIN	AVERAGE PASSEN- GERS PER PAS- SENGER CARRYING CAR	INDEX NUMBERS (1928-29 = 100)		
										PAS- SENGERS CARRIED ONE MILE	PAS- SENGER REV- ENUE	REVENUE PER PAS- SENGER MILE
1944	8,372	3,091,327	1,258,927,025	\$20,816,129	\$28,682,446	1.653	407	136.74	26.82	342	183	53
1943	8,210	2,868,110	1,107,896,547	18,853,461	26,207,172	1.702	386	122.67	25.70	301	165	55
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

MILEAGE OWNED AND OPERATED

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

DECEMBER 31, 1944

STATE OR PROVINCE	MILEAGE OWNED—DECEMBER 31, 1944				MILEAGE OPERATED—DECEMBER 31, 1944			
	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.....	38.36	19.20	175.42	232.98	44.31	24.86	175.67	244.84
Minnesota.....	2,048.37	175.81	764.60	2,988.78	2,068.84	240.92	805.77	3,115.53
North Dakota.....	1,974.27	65.70	441.74	2,481.71	1,974.27	65.70	441.58	2,481.55
South Dakota.....	358.97		47.30	406.27	364.16		47.30	411.46
Iowa.....	78.01		36.91	114.92	78.01		36.91	114.92
Montana.....	1,860.40	122.12	520.23	2,502.75	1,882.91	140.96	615.03	2,638.90
Idaho.....	130.10		37.91	168.01	130.10		37.91	168.01
Washington.....	1,089.23	66.20	508.77	1,664.20	1,326.69	246.95	606.84	2,180.48
Oregon.....	92.97		71.09	164.06	179.21	9.08	139.41	327.70
California.....	99.24		22.31	121.55	100.47		23.91	124.38
Manitoba.....	5.66		8.88	14.54	74.72	2.44	23.39	100.55
British Columbia.....	179.27	7.07	34.86	221.20	147.75	7.07	28.65	183.47
Total owned or operated.....	7,954.85	456.10	2,670.02	11,080.97	8,371.44	737.98	2,982.37	12,091.79
Miles owned but not operated included above.....	38.56		7.13	45.69				
Proportion of jointly owned mileage belonging to other companies included above.....	18.98	1.12	87.86	107.96				

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	1944	804	48,973,878	60,913	116,152	144.47	117.22
	1943	810	49,268,083	60,825	117,063	144.52	117.14
	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
ELECTRIC LOCOMOTIVES	1944	15	1,845,720	123,048	3,929	261.93	205.12
DIESEL LOCOMOTIVES	1944	80	7,206,827	90,085	14,414	180.18	180.18
TOTAL LOCOMOTIVES	1944	899	58,026,425	64,546	134,495	149.61	124.34

CONDITION OF EQUIPMENT—DECEMBER 31, 1944 AND 1943

UNIT	December 31, 1944			December 31, 1943		
	LOCOMOTIVES	FREIGHT CARS	PASSENGER TRAIN CARS	LOCOMOTIVES	FREIGHT CARS	PASSENGER TRAIN CARS
Locomotives owned and cars on line.....	899	37,939	676	883	35,984	684
Units unserviceable.....	49*	666	8	61*	918	16
Percent unserviceable.....	5.5	1.8	1.2	6.9	2.6	2.3

*In shop or awaiting shop.

ANNUAL REPORT FOR 1944

EQUIPMENT OWNED

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

DECEMBER 31, 1940 TO 1944

CLASS	1944	1943	1942	1941	1940
LOCOMOTIVES					
*Steam locomotives.....	804	810	812	813	888
Electric locomotives.....	15	15	15	15	15
Diesel locomotives.....	80	58	55	49	32
Total locomotives.....	899	883	882	877	935
FREIGHT-TRAIN CARS					
Box cars.....	25,545	25,239	25,706	24,316	24,262
Flat cars.....	3,062	3,413	3,361	3,178	2,869
Stock cars.....	1,883	1,887	1,888	1,888	1,888
Coal cars.....	2,896	2,896	2,897	2,897	2,897
Ore cars.....	8,628	8,779	8,369	7,902	8,038
Refrigerator cars.....	7,021	7,032	7,076	7,012	7,050
*Caboose cars.....	435	436	432	422	404
Other freight-train cars.....	141	155	158	157	25
Total freight equipment.....	49,611	49,837	49,887	47,772	47,433
PASSENGER-TRAIN CARS					
Coaches.....	183	183	173	180	183
Combination passenger cars.....	31	35	34	33	35
Motor cars.....	33	33	34	34	35
Other combination cars.....	82	82	82	83	84
Dining cars.....	24	24	24	24	24
Baggage and express cars.....	328	333	336	337	340
Postal cars.....	14	14	14	14	14
Other passenger-train cars.....	15	15	23	21	14
Total passenger equipment.....	710	719	720	726	729
COMPANY SERVICE EQUIPMENT					
Officers' cars.....	14	14	14	14	14
Ballast cars.....	97	97	97	97	97
Derrick cars.....	33	33	33	34	34
Wrecking cars.....	104	123	124	132	158
*Other company service equipment.....	2,237	2,170	2,128	2,066	1,967
Total company service equipment.....	2,485	2,437	2,396	2,343	2,270
HIGHWAY MOTOR VEHICLES					
Revenue.....	26	25	26	27	27
Company service.....	257	234	200	166	147
INVESTMENT IN THE ABOVE EQUIPMENT (DEC. 31)					
Great Northern Railway Company.....	\$156,455,949	\$150,241,345	\$148,285,234	\$139,882,131	\$133,803,557
Western Fruit Express Company.....	17,779,686	15,615,453	15,621,980	15,109,047	15,007,254
Vancouver, Victoria and Eastern Railway and Navigation Company.....	**	3,335	3,335	3,336	3,336
Total.....	\$174,235,635	\$165,860,133	\$163,910,549	\$154,994,514	\$148,814,147

*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.

**Property acquired by Great Northern Railway Company (See Note—Page No. 24).

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY
48.59% OF COMMON STOCK OWNED BY GREAT NORTHERN RAILWAY COMPANY

INCOME ACCOUNT
1940 TO 1944

ITEM	1944	1943	1942	1941	1940
Average mileage of road operated	8,989	9,030	9,078	9,036	8,973
OPERATING INCOME					
Railway operating revenues	\$240,637,400	\$217,952,483	\$165,289,325	\$117,521,355	\$ 97,631,242
Railway operating expenses	145,854,303	123,559,336	99,415,696	83,047,925	71,853,873
Net revenue from railway operations . . .	94,783,097	94,393,147	65,873,629	34,473,430	25,777,369
Railway tax accruals	57,190,637	55,573,644	26,192,996	11,900,410	8,697,632
Railway operating income	37,592,460	38,819,503	39,680,633	22,573,020	17,079,737
Equipment rents—net debit	2,373,366	1,172,357	227,949	1,312,963	1,952,935
Joint facility rent—net debit	3,144,271	1,884,659	2,279,001	2,125,052	2,044,024
Net railway operating income	32,074,823	35,762,487	37,173,683	19,135,005	13,082,778
OTHER INCOME					
Income from lease of road and equipment	193,027	166,589	162,512	133,819	121,510
Miscellaneous rent income	501,885	463,920	494,127	525,918	545,041
Miscellaneous nonoperating physical property . . .	Dr. 89,545	138,762	133,950	124,932	94,988
Dividend income	237,827	264,523	207,164	180,585	105,523
Income from funded securities	322,853	328,774	285,407	157,042	153,914
Income from unfunded securities and accounts . .	298,656	149,136	64,965	73,852	31,410
Release of premiums on funded debt	7,705	9,935	17,930	15,530	11,847
Miscellaneous income	41,702	16,756	10,277	11,444	6,298
Total other income	1,514,110	1,538,395	1,376,332	1,223,122	1,070,531
Total income	33,588,933	37,300,882	38,550,015	20,358,127	14,153,309
MISCELLANEOUS DEDUCTIONS FROM INCOME					
Miscellaneous rents	24,064	23,406	11,420	13,878	30,776
Miscellaneous tax accruals	59,587	54,523	80,162	79,780	65,170
Separately operated properties—Loss	13,545	8,961	5,720	28,078	.....
Miscellaneous income charges	104,239	13,986	5,345	6,791	6,348
Total miscellaneous deductions	201,435	100,876	102,647	128,527	102,294
Income available for fixed charges	33,387,498	37,200,006	38,447,368	20,229,600	14,051,015
FIXED CHARGES					
Rent for leased roads and equipment	92,270	95,868	91,570	89,478	81,143
Interest on funded debt	8,468,658	8,708,550	9,268,119	9,334,465	9,320,917
Interest on unfunded debt	28,690	15,161	290,672	235,443	104,034
Amortization of discount on funded debt	150,758	149,163	150,087	151,072	152,057
Total fixed charges	8,740,376	8,968,742	9,800,448	9,810,458	9,658,151
Net income	24,647,122	28,231,264	28,646,920	10,419,142	4,392,864
Dividend appropriations of income	5,125,161	5,125,161	5,125,161	3,416,774	3,416,774
Income balance transferred to earned surplus . .	\$ 19,521,961	\$ 23,106,103	\$ 23,521,759	\$ 7,002,368	\$ 976,090

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
1940 TO 1944

ITEM	1944	1943	1942	1941	1940
Average mileage of road operated	944	930	933	945	948
OPERATING INCOME					
Railway operating revenues	\$26,125,576	\$23,906,149	\$19,540,611	\$13,289,042	\$ 9,718,807
Railway operating expenses	18,123,397	13,885,200	9,801,760	8,136,869	6,786,882
Net revenue from railway operations	8,002,179	10,020,949	9,738,851	5,152,173	2,931,925
Railway tax accruals	2,009,328	2,960,368	1,149,866	929,235	910,166
Railway operating income	5,992,851	7,060,581	8,588,985	4,222,938	2,021,759
Equipment rents—net debit	2,210,428	2,518,727	1,900,505	1,314,642	854,354
Joint facility rent—net credit	153,569	118,044	163,410	121,863	114,671
Net railway operating income	3,935,992	4,659,898	6,851,890	3,030,159	1,282,076
OTHER INCOME					
Revenues from miscellaneous operations	8,867	3,609			
Miscellaneous rent income	25,587	75,843	50,662	49,909	56,391
Miscellaneous nonoperating physical property	76,898	113,931	146,952	156,748	139,049
Income from funded securities	1,993	2,269	1,691	832	759
Income from unfunded securities and accounts	23,997	8,521	80	120	
Release of premiums on funded debt	1,650	1,650	1,650	1,650	1,650
Delayed income credits	1,431,483				
Total other income	1,570,475	205,823	201,035	209,259	197,849
Total income	5,506,467	4,865,721	7,052,925	3,239,418	1,479,925
MISCELLANEOUS DEDUCTIONS FROM INCOME					
Expenses of miscellaneous operations	8,301	2,211			
Taxes on miscellaneous operating property	450				
Miscellaneous rents	1,410	2,059	5,278	6,268	4,871
Miscellaneous tax accruals	19,321	22,994	26,913	32,524	33,685
Miscellaneous income charges	1,669	1,773	345	542	471
Total miscellaneous deductions	31,151	29,037	32,536	39,334	39,027
Income available for fixed charges	5,475,316	4,836,684	7,020,389	3,200,084	1,440,898
FIXED CHARGES					
Rent for leased roads and equipment	37,801	40,996	43,045	43,402	42,872
Interest on funded debt	3,065,203	3,060,678	3,123,060	3,125,981	3,140,720
Interest on unfunded debt	1,712	9,568	9,395	9,735	987
Amortization of discount on funded debt	444,619	444,618	444,619	444,619	444,619
Total fixed charges	3,549,335	3,555,860	3,620,119	3,623,737	3,629,198
Net income or deficit transferred to Profit and Loss	\$ 1,925,981	\$ 1,280,824	\$ 3,400,270	\$ 423,653	\$ 2,188,300

	STOCK	BONDS	MILES OF ROAD OPERATED DEC. 31, 1944
1. Great Northern Railway Company owns— Securities of Spokane, Portland and Seattle Ry. Co.	50%	50%	608.37
2. Spokane, Portland and Seattle Railway Company owns— Securities of:			
Oregon Trunk Railway	100%	{ None Issued	151.93
Oregon Electric Railway Co.	99%	93%	202.02
Total allowing for 18.57 miles duplicated			943.75

*Property of United Railways Company acquired by Spokane, Portland and Seattle Railway Company in 1944.

Great Northern In Two Wars

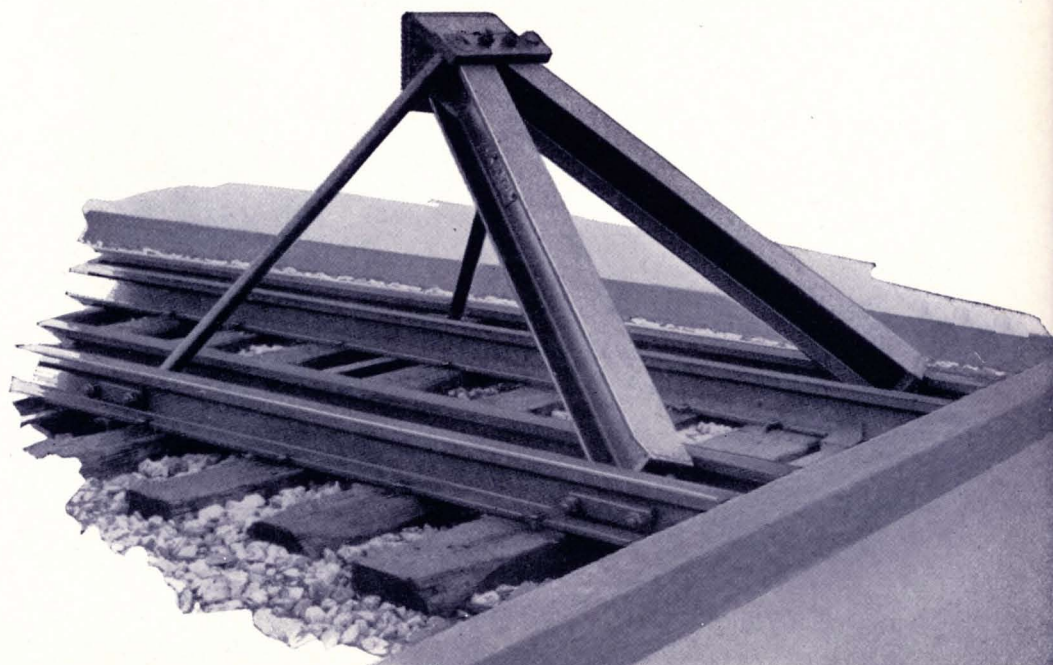
EQUIPMENT OWNED:	1918	1944
Locomotives.....	1,366	899
Freight cars.....	55,316	49,176
Passenger cars.....	1,204	710

TRANSPORTATION PRODUCED: (in millions)

Freight car miles.....	489	870
Tons of revenue freight carried one mile.....	8,845	19,587
Passenger car miles.....	70	89
Revenue passengers carried one mile.....	601	1,259

FINANCIAL OPERATIONS: (in millions of dollars)

Investments.....	\$652	\$813
Revenue collected.....	101	208
Taxes accrued.....	7	40
Net income.....	20	23







1944



SERVING



WISCONSIN
MINNESOTA

IOWA

SOUTH DAKOTA

NORTH DAKOTA

MONTANA

IDAHO

WASHINGTON

OREGON

CALIFORNIA

MANITOBA

BRITISH COLUMBIA