

*Turnbuckle*

# GREAT NORTHERN RAILWAY CO.



**57<sup>th</sup> ANNUAL REPORT 1945**



## Cover Picture

The first section of the Empire Builder leaving St. Paul on its 1,800 mile run to Puget Sound. Great Northern handled over 1 billion 300 million passengers one mile in 1945—exceeding any previous year.

57th Annual Report

# Great Northern Railway Company

1945



General Office—St. Paul, Minn.



## GREAT NORTHERN RAILWAY COMPANY

### STOCKHOLDERS

33,815 Stockholders, November 9, 1945.

### BOARD OF DIRECTORS

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  
GRANT KEEHN . . . . . New York  
WALTER G. SEEGER . . . . . St. Paul

Term Expires May 13, 1948

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

### EXECUTIVE COMMITTEE

SHREVE M. ARCHER . . . . . FRANK J. GAVIN  
LOUIS W. HILL . . . . . RICHARD C. LILLY  
\*FREDERICK E. WEYERHAEUSER

\*Deceased October 18, 1945

### 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  
E. C. MATTHIAS, Vice President and General Counsel . . . . . St. Paul  
H. G. DOW, Vice President, Foreign Department . . . . . New York  
P. H. BURNHAM, Freight Traffic Manager . . . . . St. Paul  
A. J. DICKINSON, Passenger Traffic Manager . . . . . 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

27,995 Average Number For 1945

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 9, 1946



# GREAT NORTHERN RAILWAY COMPANY

EXECUTIVE DEPARTMENT

F. J. GAVIN,  
PRESIDENT

ST. PAUL 1, MINNESOTA

April 10, 1946.

To Great Northern Stockholders:

With final victory the year 1945 brought rapid and rather violent changes in the transportation demand made upon your Company. A freight movement predominantly westbound up to V-J Day was completely reversed in September. At the same time the movement of returning military personnel created the heaviest demand for passenger service in the Company's history, with increased burden on motive power and crews.

Revenues of your Company in 1945 exceeded \$200 million for the third successive year, and net income after fixed charges was \$24.2 million, or \$7.81 per share, compared with a net income of \$23.4 million for 1944. The 1945 net income was diminished \$3.4 million by the accrual of the cost of defense projects unamortized at the end of hostilities.

During 1945, \$75 million of General Mortgage Bonds, bearing interest at 3-1/8% and maturing half in 1990 and half in 2000, were sold by competitive bidding for \$73.9 million, and retirement was made (or provided for) of higher rated, shorter term bonds aggregating \$98.8 million. Total annual fixed charges at the end of 1945 approximated \$8.3 million, compared with \$10.2 million at the end of 1944 and \$19.3 million for 1935, ten years ago.

Considering among other things the permanent improvement in the financial set-up, your Directors felt warranted in increasing the dividend from \$2 to \$3 per share.

So much depends on the very uncertain conditions at home and abroad that it is impossible to accurately predict the immediate future. However, the substantial improvement in physical plant and equipment made during recent years, the present adequately maintained condition of the property and low fixed charges, together with the trained organization of loyal officers and employees leads me to believe that your Company is in a favorable position to successfully meet the problems of the future.

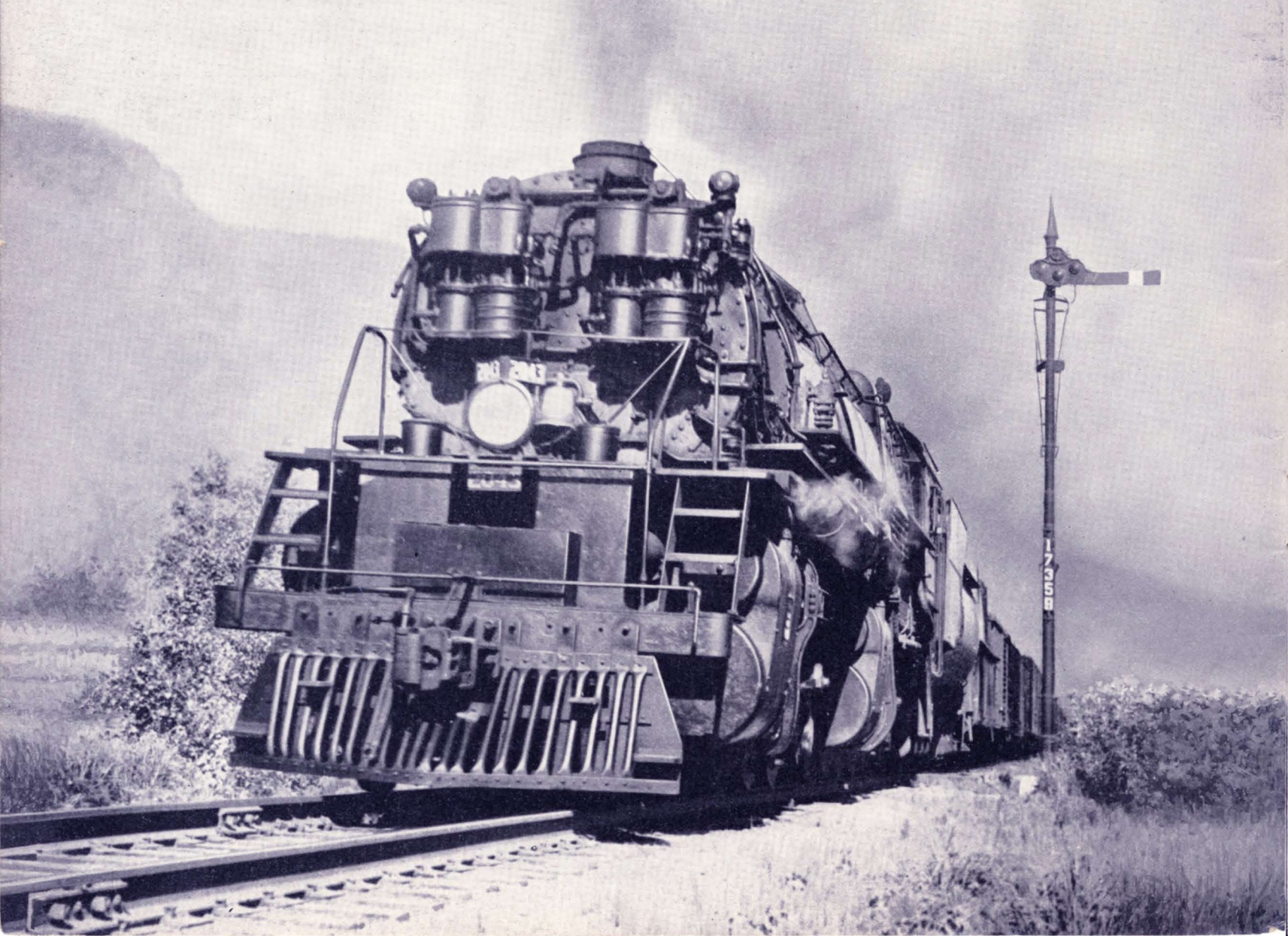
For the Board of Directors,

F. J. Gavin  
President.



# HIGHLIGHTS OF 1945

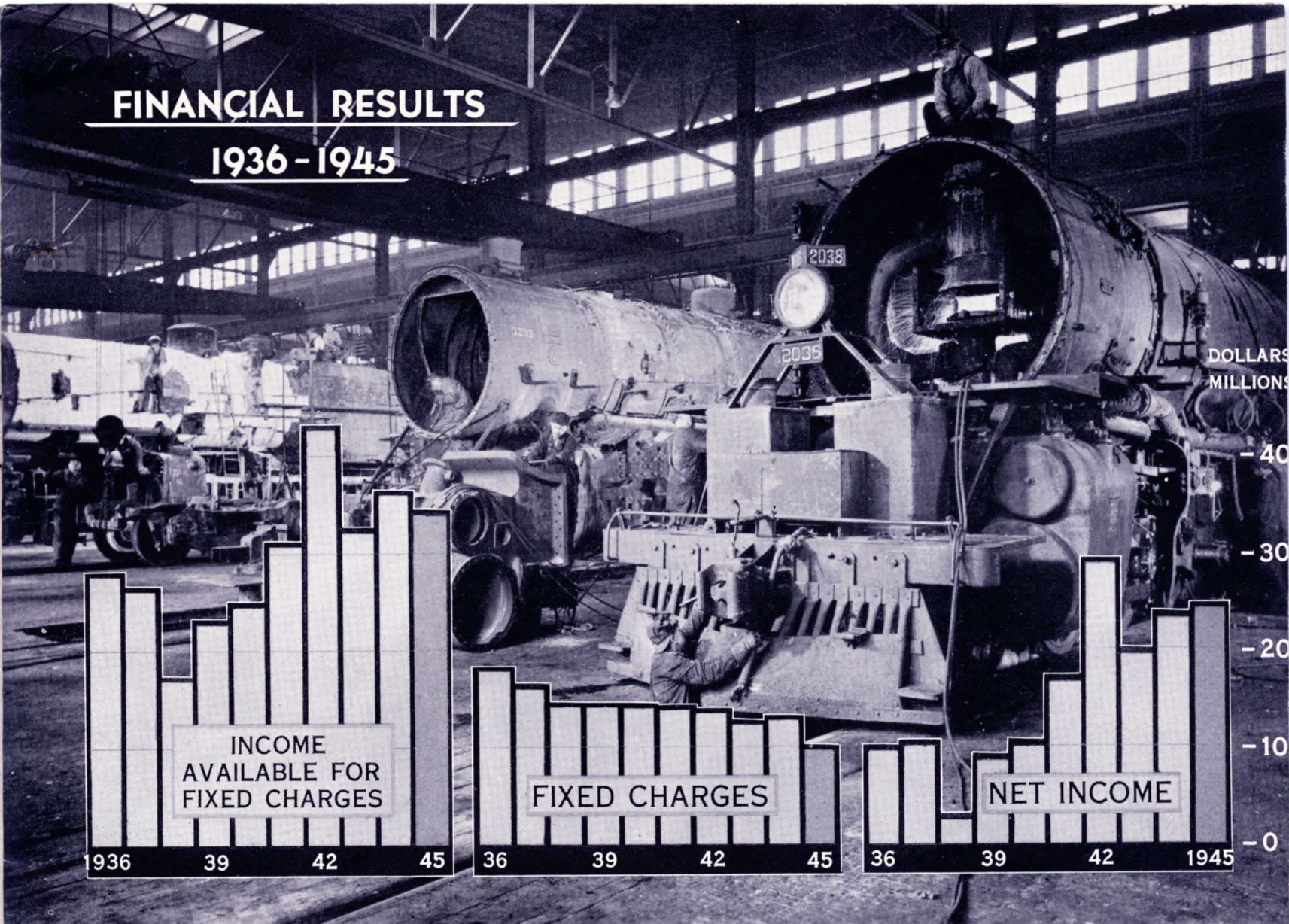
ITEM	1945	1944	1943	1942
OPERATING REVENUES.....	\$200,124,504	\$207,657,795	\$200,573,426	\$165,206,031
NET INCOME.....	24,157,590	23,396,966	19,590,548	29,054,021
DIVIDENDS.....	9,255,749	5,008,894	4,997,798	4,997,795
FIXED CHARGES.....	9,936,272	12,919,278	12,506,172	13,710,996
TAXES.....	11,347,504	40,001,258	48,461,070	30,727,340
TREASURY CASH USED FOR RETIRING INDEBTEDNESS	20,952,015	28,931,264	25,992,984	25,997,529
NUMBER OF SHARES, DECEMBER 31.....	3,092,582 <sup>1</sup> / <sub>2</sub>	2,912,298 <sup>3</sup> / <sub>4</sub>	2,498,922 <sup>1</sup> / <sub>2</sub>	2,498,922 <sup>1</sup> / <sub>2</sub>
NET INCOME PER SHARE.....	\$ 7.81	\$ 8.03	\$ 7.84	\$11.63
FIXED CHARGES PER SHARE.....	\$ 3.21	\$ 4.44	\$ 5.00	\$ 5.49
PERCENT OPERATING EXPENSES TO REVENUES.....	79.71	63.85	61.21	56.49
NUMBER OF TIMES FIXED CHARGES EARNED.....	3.43	2.81	2.57	3.12
REVENUE NET TON MILES (1000's).....	17,836,467	19,586,780	18,574,596	16,712,427
PASSENGERS CARRIED ONE MILE (1000's).....	1,305,138	1,258,930	1,107,901	534,239
REVENUE PER NET TON MILE (cents).....	.922	.878	.896	.857
REVENUE PER PASSENGER MILE (cents).....	1.600	1.653	1.702	1.719
TRAIN LOAD—NET TONS ALL FREIGHT.....	1,352	1,359	1,350	1,283
NET TON MILES PER TRAIN HOUR.....	20,879	20,586	20,328	19,854
FREIGHT LOCOMOTIVE MILES PER LOCOMOTIVE DAY	90.8	98.1	95.6	86.1
FREIGHT CAR MILES PER CAR DAY.....	55.5	54.6	50.2	47.6
GROSS TON MILES PER TON OF FUEL.....	18,281	18,246	18,342	19,114
NET TON MILES PER CAR DAY.....	1,281	1,302	1,231	1,069





# FINANCIAL RESULTS

1936-1945



STEAM POWER GETS EXPERT GROOMING IN HILLYARD, WASH., SHOPS

## YOUR COMPANY'S EARNINGS, OR SIMPLIFIED INCOME ACCOUNT

INCOME	1945	1944	1943
From the public for transportation of passengers and property, and for other transportation and incidental services.....	\$200,124,504	\$207,657,795	\$200,573,426
Dividends and interest on securities owned, property rentals, etc.....	6,674,691	5,047,063	5,061,255
<b>MAKING TOTAL INCOME OF .....</b>	<b>\$206,799,195</b>	<b>\$212,704,858</b>	<b>\$205,634,681</b>
<b>HOW INCOME WAS USED</b>			
Wages and salaries paid employees.....	\$ 80,608,856	\$ 78,715,663	\$ 70,393,571
For taxes.....	11,347,504	40,001,258	48,461,070
For replacing wornout facilities and equipment.....	36,432,571	15,657,590	15,709,298
Locomotive fuel cost.....	11,058,719	11,706,441	10,432,472
Other materials, rentals, etc., cost.....	33,257,683	30,307,662	28,541,550
<b>LEAVING FOR FIXED CHARGES.....</b>	<b>\$ 34,093,862</b>	<b>\$ 36,316,244</b>	<b>\$ 32,096,720</b>
Paid for interest on bonds, notes and other fixed charges.....	9,936,272	12,919,278	12,506,172
<b>RESULTING IN NET INCOME OF .....</b>	<b>\$ 24,157,590</b>	<b>\$ 23,396,966</b>	<b>\$ 19,590,548</b>
Dividends paid to stockholders.....	9,255,749	5,008,894	4,997,798
<b>BALANCE AVAILABLE FOR IMPROVEMENTS TO PROPERTY, DEBT RETIREMENT, CONTINGENCIES, ETC.....</b>	<b>\$ 14,901,841</b>	<b>\$ 18,388,072</b>	<b>\$ 14,592,750</b>



## Operating Revenues

1945—\$200,124,504

1944—\$207,657,795

DECR. \$7,533,291—3.6%

Revenues for 1945, as in the two previous years, exceeded \$200,000,000, but decreased more than \$7,500,000 from the all-time high of 1944. Passenger revenues in 1945 exceeded those of any other year.

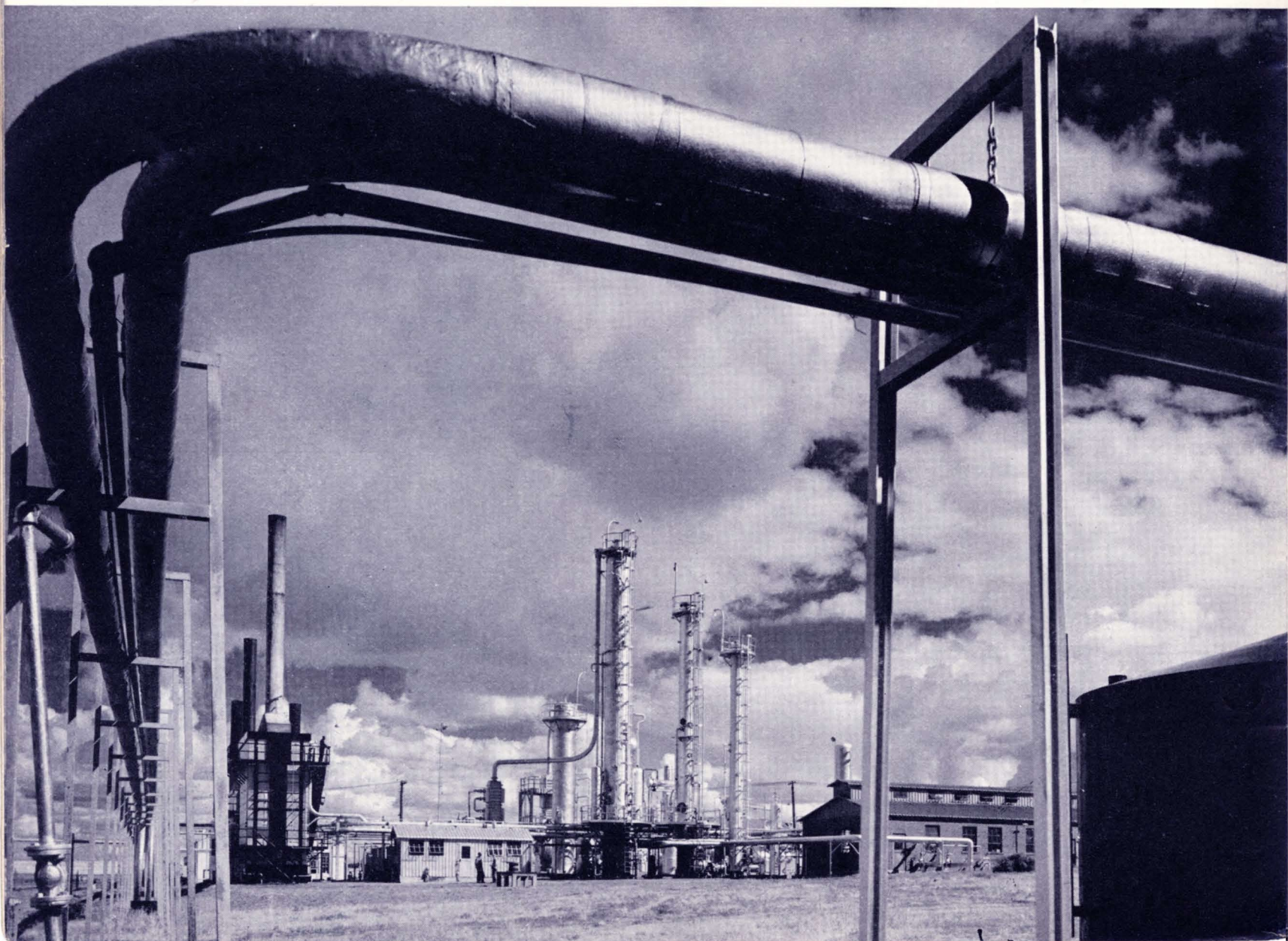
The end of the Pacific war resulted in cancellation of contracts for war materials, and the transportation demand changed from one wherein a heavy westbound movement predominated, to a more moderate volume with an excess of eastbound traffic.

Dislocation of freight cars and their concentration in other sections of the country resulted in a limited supply of cars on Great Northern lines during most of the year. On March 1, 1945, box cars on line of all ownership had decreased to 10,000 cars, or 39% of the 25,000 cars owned by your Company. For the entire year the daily

average number of box cars on line was less than 17,000, or two-thirds of ownership. But for this fact, it is most likely that 1945 revenues would have been the highest in Great Northern's history.

Some of the important commodity movements were:

	1945 Millions	1944 Millions
Grain—bushels.....	215	232
Iron ore—gross tons.	21.9	23.6
	Cars in thousands	Cars in thousands
Forest products.....	119.6	143.2
Petroleum products.	82.0	83.2
Coal and coke.....	71.2	69.1
Live stock.....	33.5	37.3
Fresh fruit.....	31.0	28.8
Potatoes.....	26.2	30.8





The West Coast lumber industry was confronted by a series of crises in 1945, and with an insufficient supply of labor early in the year, followed by a strike in September, was unable to keep abreast of the demand. The oil fields in North Central Montana produced 7.7 million gallons of crude oil compared with 8.4 million gallons in 1944.

During the year the Interstate Commerce Commission issued an order designed to eventuate a uniform scale of rates on traffic moving under class rates in the territory east of the North Dakota-Montana line. Pending the determination of these rates, the Commission prescribed a reduction of 10% in present rates in Western territory and a 10% increase in Eastern territory. A temporary injunction against this order was issued by a Federal Court, and the case is now pending disposition.

Late in December, 1945, President Truman signed the so-called Boren Bill, which provides for repeal of "land grant" rail rates, under which Government military property is moved at half the regular rates. The measure will not be effective until October 1, 1946, when most of the movement of Army and Navy personnel and supplies incident to the war will have ceased.

During 1945 over 200 new industries were located on your Company's property, and many more were established on private property served by Great Northern trackage. The types of new industries included elevators, general warehouses, potato warehouses, dried milk and frozen food plants, oil storage facilities and general distributing centers.

WENATCHEE TERRITORY FRUITS  
ARE WORLD FAMOUS

OIL REFINING A MAJOR INDUSTRY  
ALONG GREAT NORTHERN

Passenger traffic declined during most of the year, but beginning in October there was such a volume of special troop train movements from the West Coast that passenger revenue for the year reached an all-time high. At the same time, the revenue per passenger mile of 1.6 cents was lower than for any previous year.

Hotels, chalets and camps in Glacier National Park were closed through the 1945 season, with the exception of one motor camp. These facilities will be open to the public from June 15 through September 15 this year.

Effective July 15, the Office of Defense Transportation issued an order providing for discontinuing sleeping car service on runs of 450 miles or less. As a result, sixteen sleeping cars, including those in pooled service, were released. This order remained in effect until the spring of 1946.

The prospects for future industrial activities in the territory served by your lines are good, but cannot be fully realized until the general industrial situation is improved by settlement of present labor difficulties and obtaining the necessary materials. Because of the unfilled demands for goods of all kinds, there is every assurance of a high level of industrial activity, which will reflect itself in increasing transportation requirements on your Company.





## FREIGHT TRAIN PERFORMANCE

### GROSS TON MILES PER TRAIN HOUR

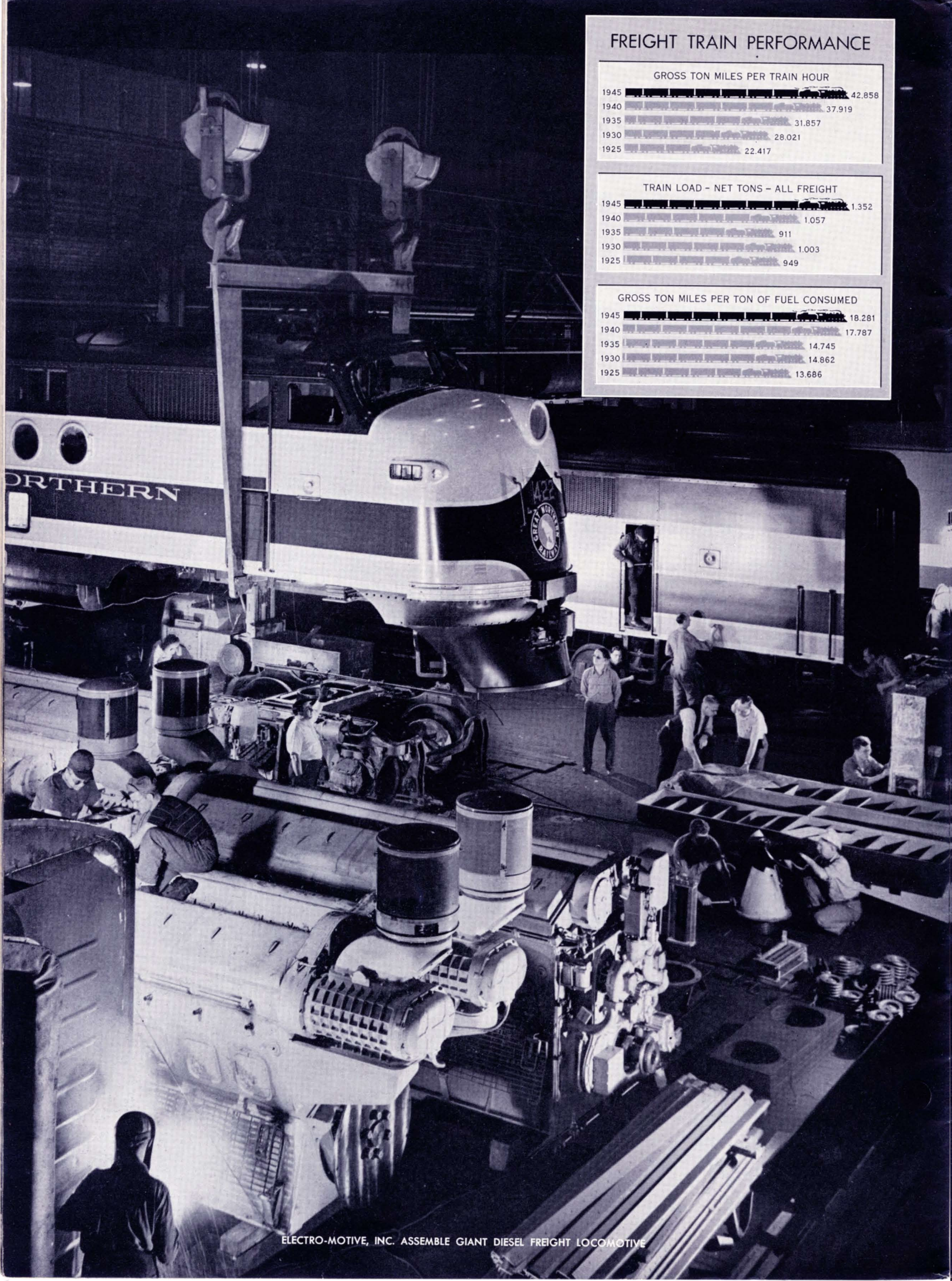
1945	42,858
1940	37,919
1935	31,857
1930	28,021
1925	22,417

### TRAIN LOAD - NET TONS - ALL FREIGHT

1945	1,352
1940	1,057
1935	911
1930	1,003
1925	949

### GROSS TON MILES PER TON OF FUEL CONSUMED

1945	18,281
1940	17,787
1935	14,745
1930	14,862
1925	13,686



ELECTRO-MOTIVE, INC. ASSEMBLE GIANT DIESEL FREIGHT LOCOMOTIVE



## Operating Expenses

1945—\$159,514,432

1944—\$132,595,460

INCR. \$26,918,972—20.3%

The principal reason for the large increase in operating expenses was the \$20,544,000 additional book charge in 1945 for accelerated amortization of the investment covered by Necessity Certificates, as provided for under the Internal Revenue Code. This charge, while decreasing Federal taxes, had the net effect of decreasing net income for 1945 by \$3,438,000.

### AMORTIZATION OF INVESTMENT IN WAR FACILITIES

The operation of the Internal Revenue Code producing the above effect can probably best be explained by a concrete example. In 1943, traffic at a certain point had reached such a volume that an additional passing track had to be built to expedite the movement of war material. This necessitated the expenditure of capital funds without compensating Federal tax relief except through the amortization provisions of the Internal Revenue Code.

Upon proper showing before the War Department, (authority later transferred to War Production Board) a Necessity Certificate was issued stating that the facility was necessary in the interests of national defense and permitting the Company to charge its cost (or a specified percentage thereof), to operating expenses during the emergency period. As the length of the emergency period was not known in advance, it was provided that charges should be on a five-year basis, or 1/60 each month. If the facility were completed, say

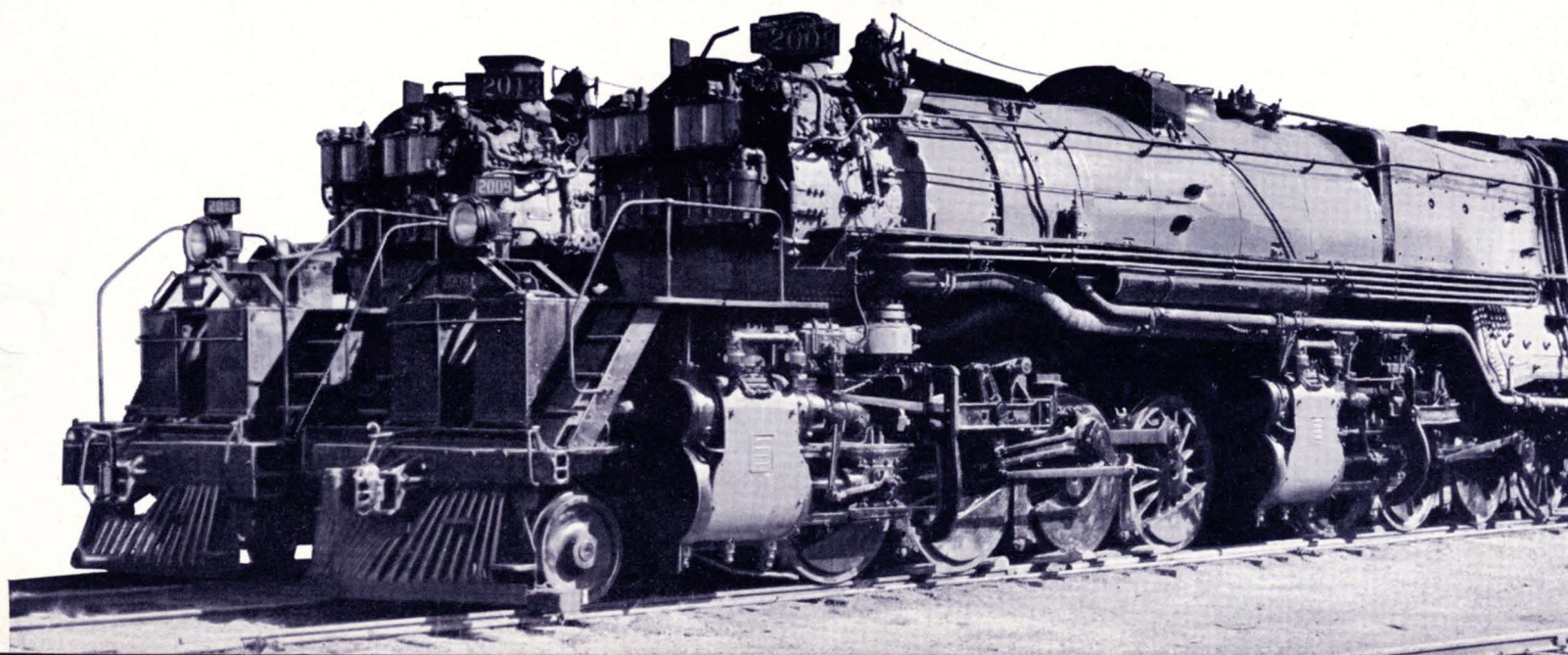
in March, 1943, accruals would be begun in April, 1943, accounts at 1/60 of the allowable cost each month and continued thereafter at the same rate.

During the month of September, 1945, however, the President of the United States declared the emergency period had terminated insofar as the amortization of defense projects was concerned. This permitted the continued amortization on the 60-month basis, or at the taxpayer's election, the termination of such amortization period and recomputing accruals for amortization over the shortened period.

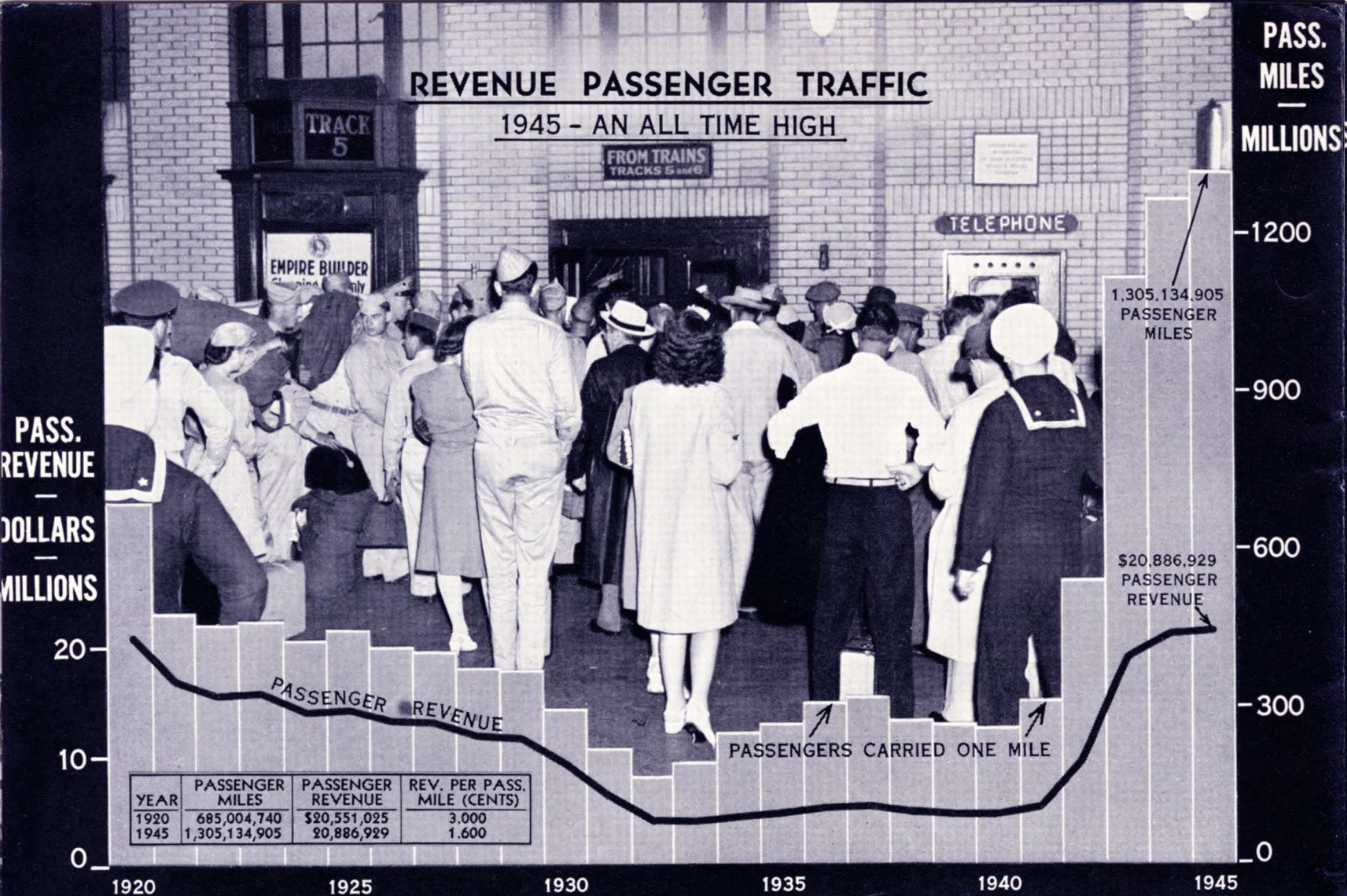
In the case above cited, 30 months had elapsed since the charges had begun in the accounts, and, therefore, 30/60 or one-half had been charged out; the balance then could be charged out entirely in 1945 accounts. Income tax returns for previous years were automatically subject to revision, assigning to each year its proper proportion on the basis of 1/30 per month, in the present example, instead of 1/60 per month as originally included in such returns.

As a result of amortization a charge of \$7,982,000 was made to operating expenses in 1945 applicable to previous years. But, as amortization charges applicable to previous years had to be charged out in 1945, the book net income for that year was lowered and the resultant Federal tax accruals had to be likewise reduced below what they otherwise would have been.

HEAVY POWER FOR THE MONTANA ROCKIES







LOADING THE EMPIRE BUILDER IN ST. PAUL

## OTHER OPERATING CONDITIONS

Violent changes in traffic movements during the year added to the difficulties and cost of operations. In the first quarter, eastbound and westbound transcontinental freight traffic was well balanced, followed by a rapid increase in westbound tonnage until it was double that of eastbound in May, June and July. Swift reversal took place, and for the last four months of the year the westbound business had decreased until it was but seven-tenths as large as the eastbound movement.

The regular passenger trains carried less passengers in 1945 than in 1944, but during the last three months of the year, when rapid demobilization of the Armed Forces was in progress, there was a very heavy eastbound special troop train movement with corresponding westbound special

trains of empty equipment. The cost of operating these trains was substantial, and they reached such a volume (25 to 30 special trains a day) as to impede the movement of freight and increase the cost of freight operation.

New rail applied in 1945 amounted to 34,105 gross tons, compared with 20,722 gross tons in 1944 and exceeding the tonnage placed in any year since 1928. There were 1,503,458 treated cross ties laid in replacement in 1945, a decrease of approximately 200,000 compared with 1944, when tie applications were the greatest in 14 years.

The property of the Company was adequately maintained for handling the heavy volume of wartime traffic. It has not been possible to secure all the maintenance material desired, particularly metal parts, but this situation can be readily corrected as labor and material become more plentiful.



## Taxes

1945—\$11,347,504

1944—\$40,001,258

DECR. \$28,653,754

The decrease in taxes is due largely to the reduction in Federal income and excess profits taxes resulting from the unusual charge to operating expenses for the balance of the cost of projects covered by Necessity Certificates not charged out at the end of September, as explained under "Operating Expenses," beginning on page 9.

As the 1945 operating expenses were increased by these charges the net income was decreased and, therefore, the Federal tax accruals were decreased. These book adjustments of Federal income and excess profits taxes for the period from 1940 through 1945 resulted in a net credit to

taxes in 1945 accounts of \$1,825,882, the adjustment for over-accruals in previous years more than offsetting the normal accrual for the year 1945. For 1944 income and excess profits taxes taken into the accounts amounted to \$25,913,692.

The Federal capital stock tax, which amounted to \$750,000 for 1944, was repealed in 1945. The Minnesota gross earnings tax of \$2,639,892 in 1945 was \$252,384 less than for 1944 because of the decrease in traffic passing through Minnesota. Payroll taxes, which amounted to \$4,853,453 in 1945, are practically the same as for 1944. State and other taxes increased almost \$700,000.





## Capital Stock

	Shares	Stated Value
December 31, 1945...	3,092,582 $\frac{1}{2}$	\$272,838,550
December 31, 1944...	2,912,298 $\frac{3}{4}$	265,627,200
Increase.....	180,283 $\frac{3}{4}$	\$ 7,211,350

As a result of the conversion of some of the 4% Convertible Bonds, Series G, there was issued 180,283 $\frac{3}{4}$  shares of capital stock during 1945. Conversion was made under the terms of the original issue of these bonds in 1936, at a price of forty dollars per share of stock. As part of the 1944 refinancing program the unconverted Series G Bonds were retired on January 2, 1945, at which time the conversion privilege expired. There is no provision for conversion into stock of any of the presently outstanding mortgage bonds.

## Funded Debt

December 31, 1945.....	\$240,897,556*
December 31, 1944.....	267,089,527
Decrease.....	<u>\$ 26,191,971—9.8%</u>

\*Deducting \$7,032,000 of Series E Bonds, whose retirement on July 1, 1947, has been provided for.

Plans were started in May to take advantage of the favorable bond market and further reduce the annual fixed interest charges. Aside from the bonds sold in 1944, the only callable issue outstanding was the \$50,000,000 of Series I, 3 $\frac{3}{4}$ % Bonds, callable at 104. However, the \$36,956,000 of Series E, 4 $\frac{1}{2}$ % Bonds outstanding at that time became callable on July 1, 1947, and it was determined to retire this issue also, by depositing sufficient cash to provide for interest to July 1, 1947, in addition to the 5-point premium due if the bonds were called at that time. Funds for the retirement of these issues were obtained from the issue of Series N and O Bonds, amounting to \$75,000,000 and the remainder from treasury cash.

The new Series N Bonds mature January 1, 1990, and the Series O Bonds mature January 1, 2000. Each series amounted to \$37,500,000, bears interest at 3 $\frac{1}{8}$ % and were sold by competitive bids at 98.5679% of par. Discount on both issues amounted to \$1,074,075.

At the end of 1945 annual interest charges were approximately \$8,311,000,

compared with \$10,167,000 at the close of 1944, a reduction of \$1,856,000, and lower than for any year since 1901.

The favorable market has permitted further reductions in bond interest during the first half of 1946 amounting to \$750,000 per year.

In addition, bond maturities will be much more favorable than formerly. The maturity of \$50,000,000 due in 1967, just three years prior to the \$30,000,000 due in 1970, has been eliminated. The \$40,000,000 maturity in 1977, two and a half years prior to the \$35,000,000 due in 1980 has also been disposed of. The two new issues of \$37,500,000 each, mature in forty-five and fifty-five years. The chart on page thirteen shows the new bond schedule, and indicates the favorable spacing of maturities. The various issues are small enough to be readily handled when they come due, and the amounts shown should be materially reduced by the time each maturity is reached through operation of the sinking funds. Payments to sinking funds may be made in bonds of any series.

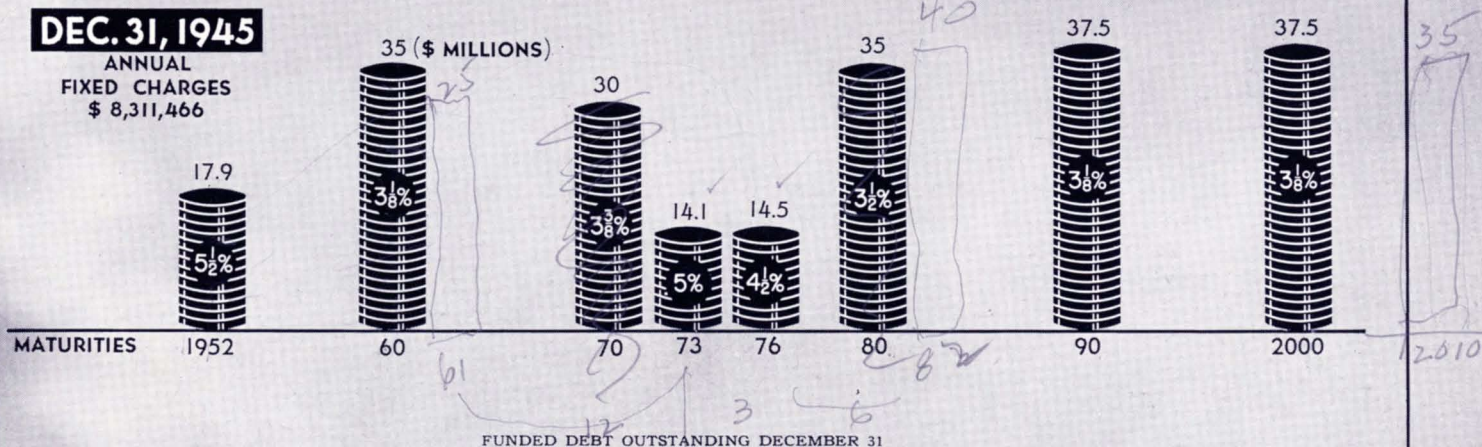
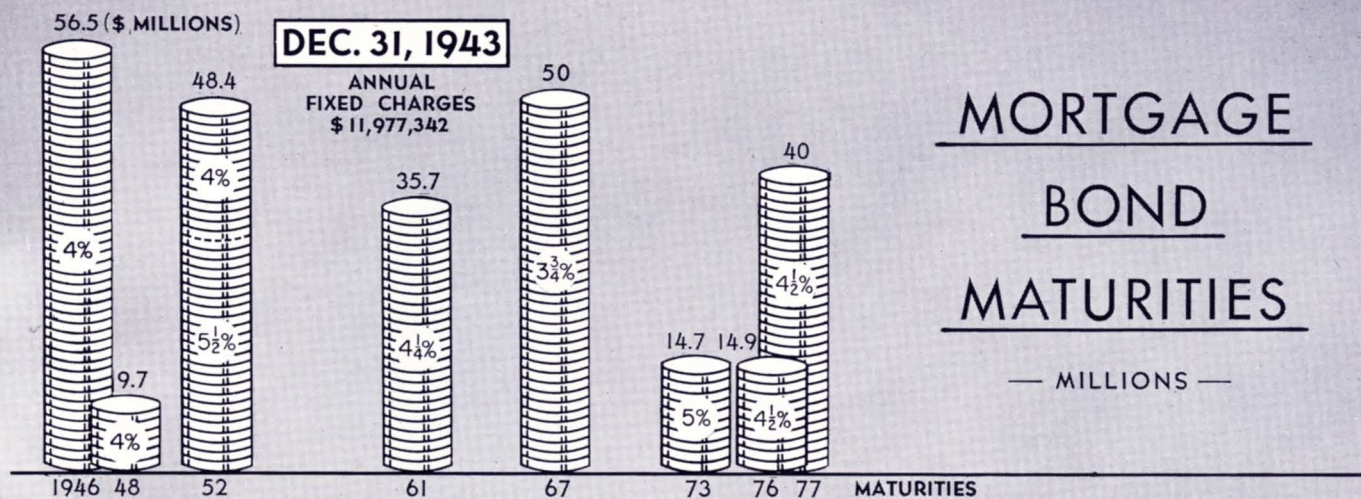
Holders of non-callable bonds were invited to tender them on March 14, 1945, at which time a total par value of \$4,463,700 of bonds were accepted. Open-market purchases were also made of various issues. Funds for these retirements were obtained from treasury cash, and the \$19,019,738 made available by release of cash deposited in 1944 for retirement of the Series G Bonds which was not needed due to conversion of some of those bonds into stock.

Result of the year's transactions follows:

General Mortgage Bonds	Retired	Issued
Series B, 5 $\frac{1}{2}$ %.....	\$ 7,869,600	.....
Series C, 5%.....	520,100	.....
Series D, 4 $\frac{1}{2}$ %.....	365,000	.....
Series E, 4 $\frac{1}{2}$ %.....	40,000,000	.....
Series I, 3 $\frac{3}{4}$ %.....	50,000,000	.....
Series N, 3 $\frac{1}{8}$ %.....	\$37,500,000	.....
Series O, 3 $\frac{1}{8}$ %.....	37,500,000	.....
East. Ry. Co. of Minn., 4%.....	279,000	.....
Equip. obligations (net).....	2,158,271	.....
Total.....	<u>\$101,191,971</u>	<u>\$75,000,000</u>
Net retired.....	<u>\$ 26,191,971</u>	

The \$2,158,271 net of equipment obligations retired allows for \$3,825,218 of conditional sale contracts sold during the year by competitive bidding at an interest rate of 1.63% on deferred payments to finance 80% of the cost of 12 diesel locomotives, 500 gondola cars and 250 flat cars.





FUNDED DEBT OUTSTANDING DECEMBER 31

	1945	1943
First and Refunding Mortgage, Series A, 4¼%, July 1, 1961	\$	\$ 35,668,000
Eastern Railway Co. of Minnesota, Northern Division, First Mortgage, 4%, April 1, 1948		9,695,000
General Mortgage:		
Series B, 5½%, January 1, 1952	17,854,400	29,861,000
Series C, 5%, January 1, 1973	14,154,900	14,675,000
Series D, 4½%, July 1, 1976	14,508,000	14,873,000
Series E, 4½%, July 1, 1977		40,000,000
Series G, 4%, July 1, 1946 (Convertible)		25,138,950
Series H, 4%, July 1, 1946 (Convertible)		31,385,750
Series I, 3¾%, January 1, 1967		50,000,000
Series K, 3½%, January 1, 1960	35,000,000	
Series L, 3½%, January 1, 1970	30,000,000	
Series M, 3½%, January 1, 1980	35,000,000	
Series N, 3½%, January 1, 1990	37,500,000	
Series O, 3½%, January 1, 2000	37,500,000	
Secured 4% Serial Bonds, April 1, 1944		308,000
Collateral Trust 4% Bonds, January 1, 1952		18,500,000
Equipment Trust Certificates, Series E, 2%, March 1, 1947	930,000	1,860,000
Notes evidencing conditional sale contracts	18,450,256	18,909,209
<b>TOTAL</b>	<b>\$240,897,556</b>	<b>\$290,873,909</b>
Annual interest	\$ 8,311,466	\$ 11,977,342

\*\$7,032,000 outstanding December 31, 1945, has been excluded, as provision has been made for payment.



FAST FREIGHTS FOLLOW MOUNTAIN RIVERS



## Fixed Property Improvements and New Equipment

	Fixed Property		New Equipment	
	1945	1944	1945	1944
Cash expenditures.....	\$6,148,344	\$5,586,688	\$12,477,167	\$10,273,275
Less cost of facilities retired.....	5,174,789	2,281,100	1,532,572	4,062,006
Net change in investment account.....	\$ 973,555	\$3,305,588	\$10,944,595	\$ 6,211,269

The larger volume of capital expenditures for 1945, particularly for equipment, is indicated by the above tabulation.

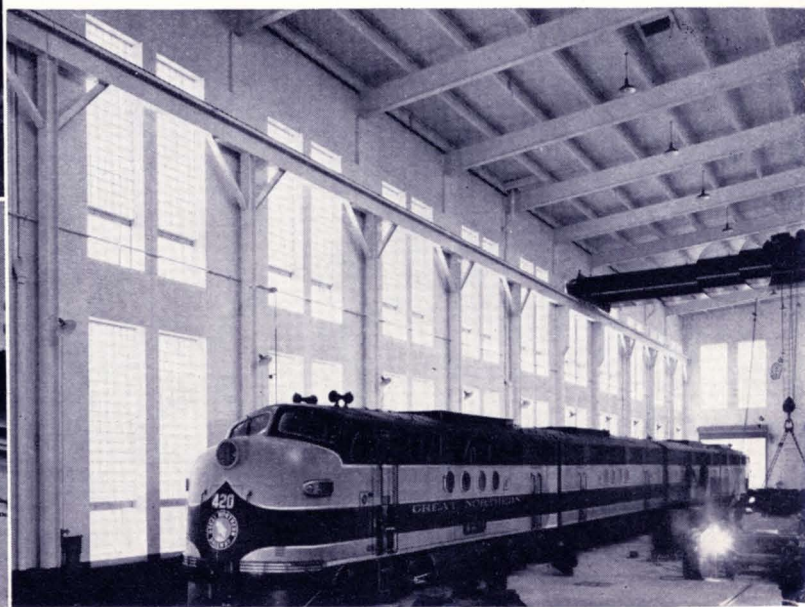
The important line relocation near Red Eagle, Montana, on the west slope of the Rocky Mountains, referred to in last year's report, was completed and placed in operation in 1945. Alignment was also improved between Scotia and Camden in eastern Washington. In these sections, the maximum curvature was reduced from  $10\frac{1}{2}$  degrees to 5 degrees. A total of 555 degrees of curvature was eliminated and the line was shortened four-tenths of a mile.

Change of line was completed between Acme and Collins, Montana; passing tracks were lengthened or installed at 14 points, mostly in the Rocky and Cascade Mountains; the yard at Whitefish, Montana, was extended and spring switches were installed at many points.

To handle maintenance on the Company's large fleet of diesel locomotives, a special service and repair shop was constructed at Havre, Montana. The shop embraces the most modern ideas for facilitating diesel repair work, including elevated concrete platforms which provide working areas at the same level as the locomotive floors; drop-pits for removing trucks; a 25-ton overhead crane and plants for oil treatment and demineralizing water used in diesel cooling systems. The shop is 240 feet long and readily can accommodate the 4-unit 5400-horsepower heavy freight diesel locomotives. A smaller diesel repair plant was also completed in Great Falls, Montana.

Work was begun late in the year on a 1,250,000-bushel, reinforced concrete, grain elevator in Superior, Wisconsin, to replace the portion of the existing elevator destroyed by fire in 1942. Plans are being completed for the installation of automatic block signals between Lyndale Junction and St. Cloud, Minnesota, and between Fargo Junction and Surrey, North Dakota, via Grand Forks, to furnish added protection for 336 miles of road. A service and office building was constructed at the iron ore docks, Allouez, Wisconsin, and a new garage for Company-owned highway trucks was provided in Great Falls, Montana.

MODERN DIESEL SHOP, HAVRE, MONT.  
CONSTRUCTED IN 1945

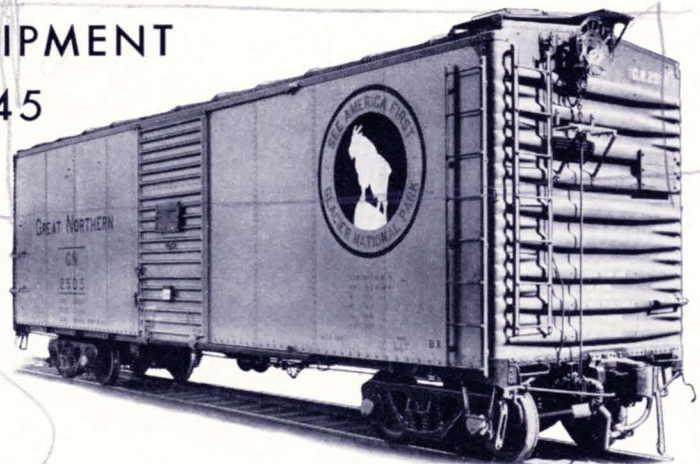




## NEW EQUIPMENT IN 1945



5—4050 H.P. DIESEL FREIGHT LOCOMOTIVES



334—50-TON STEEL-PLYWOOD BOX CARS



250—70-TON FLAT CARS



5—4000 H.P. DIESEL PASSENGER LOCOMOTIVES

OTHER NEW EQUIPMENT NOT SHOWN

6—2700 H.P. DIESEL FREIGHT LOCOMOTIVES

6—1000 H.P. DIESEL SWITCH LOCOMOTIVES



2—5400 H.P. DIESEL FREIGHT LOCOMOTIVES



500—50-TON STEEL GONDOLAS

New diesel locomotives received during 1945 included five 4000-horsepower diesel passenger locomotives for the new streamlined Empire Builder; two 5400-horsepower, and five 4050 horsepower diesel freight locomotives, all of which were paid for in cash. In addition there were delivered six 2700-horsepower diesel freight locomotives and six 1000-horsepower diesel switch locomotives, five hundred 40-foot, 50-ton capacity, 16-door, all-steel gondola cars and two hundred-fifty 52-foot, 70-ton capacity flat cars, financed for 80% of the cost thereof by a conditional sale contract at an interest rate of 1.63%. Three hundred thirty-four 40-foot, 50-ton capacity steel and plywood box cars were built in Company shops.

Improvements to existing equipment included equipping steam locomotives with high-pressure boilers, roller bearings, cast

steel beds with cylinders cast integral, and steam dryers; applying roller bearings to passenger cars; and equipping freight cars with A-B brakes and one-wear wrought steel wheels.

Equipment on order for 1946 delivery includes two 5000-horsepower single cab electric locomotives, ten 1000-horsepower diesel combination road and switch locomotives, three 1500-horsepower diesel road locomotives, three hundred twenty-three 40-foot, 50-ton capacity steel and plywood box cars and twenty-five 70-ton capacity steel covered top hopper bottom cars.

Five 12-car passenger trains are under construction for the streamlined Empire Builder, to furnish faster daily service between Chicago and the Pacific Northwest. They are expected to go in service about the final quarter of 1946.

384  
323  
657





CLEAR TRACK AHEAD FOR DIESEL POWERED FREIGHT

## Wage Demands

During 1945 demands were made on all railroads for increase in wages and changes in working conditions by practically every employees' organization. On January 26, 1946, an agreement between the Carriers' Conference Committees and the Employees' National Conference Committee, representing fifteen non-operating labor organizations, was concluded, providing for arbitration of demand for a 30 cents per hour increase. Agreement was also made with the Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors and Switchmen's Union of North America providing for arbitration of demand for an increase of \$2.50 in existing basic daily wage rates. Demands for rule

changes are deferred until after the wage dispute is settled.

Arbitrators have been selected by both interested parties, and neutral arbitrators have been appointed by the National Mediation Board. Awards must be rendered prior to the expiration of thirty-five days, exclusive of Sundays, from the date upon which hearings began late in February. Increases agreed upon, if any, will be retroactive to January 1, 1946.

The Brotherhood of Locomotive Engineers and Brotherhood of Railroad Trainmen having declined to arbitrate and threatened to strike, President Truman named a fact-finding panel to investigate the dispute and submit recommendations.



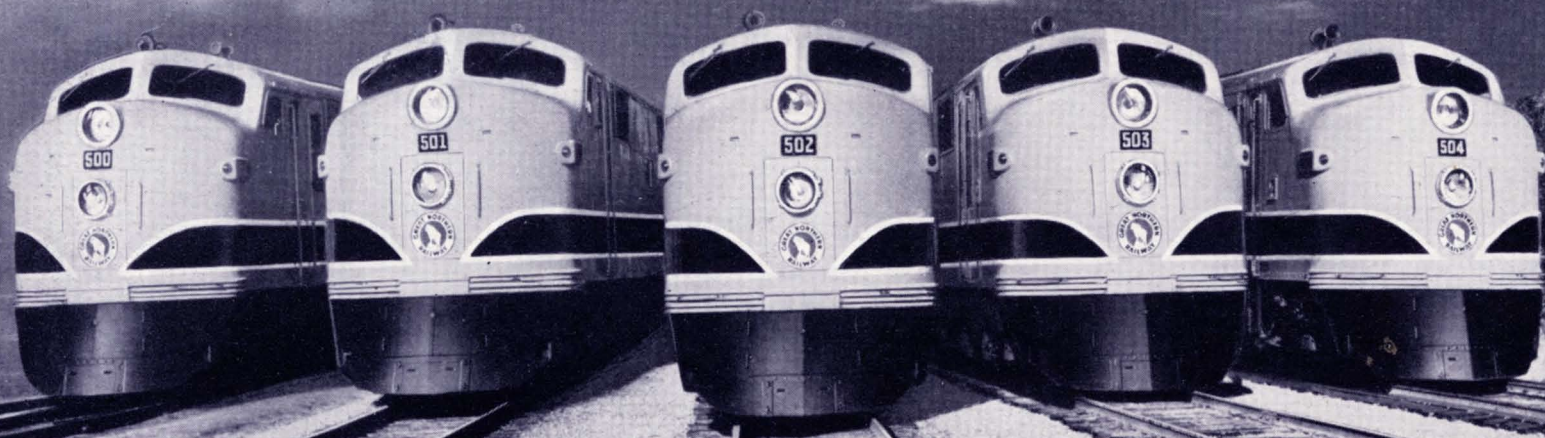




# FINANCIAL POSITION OF YOUR COMPANY AT END OF YEAR, OR SIMPLIFIED BALANCE SHEET

	December 31, 1945	December 31, 1944	INCREASE—I DECREASE—D
<b>QUICK ASSETS:</b>			
Cash and special deposits.....	\$ 49,578,600	\$ 52,254,094	D— \$ 2,675,494
Due from agents, conductors and others.....	24,664,262	32,635,900	D— 7,971,638
Material and supplies for maintenance and operation.....	19,336,774	18,975,564	I— 361,210
<b>TOTAL QUICK ASSETS, READILY CONVERTED INTO CASH.....</b>	<b>93,579,636</b>	<b>103,865,558</b>	<b>D— 10,285,922</b>
<b>CURRENT LIABILITIES:</b>			
Employees' pay checks including back pay, 1945.....	5,786,587	3,836,942	I— 1,949,645
Taxes not yet due.....	14,106,668	35,441,026	D— 21,334,358
Bondholders' interest payable January 1.....	4,211,819	4,912,053	D— 700,234
Funded debt matured, not presented for payment.....	2,578,450	12,559,350	D— 9,980,900
Other current liabilities.....	16,108,583	16,462,422	D— 353,839
<b>TOTAL CURRENT LIABILITIES, DUE WITHIN TWO YEARS.....</b>	<b>42,792,107</b>	<b>73,211,793</b>	<b>D— 30,419,686</b>
<b>"WORKING CAPITAL," the excess of quick assets over current liabilities.....</b>	<b>50,787,529</b>	<b>30,653,765</b>	<b>I— 20,133,764</b>
<b>GREAT NORTHERN'S INVESTMENTS:</b>			
Land, track, rolling stock and other property used in operating the railroad, less depreciation.....	489,909,031	510,168,201	D— 20,259,170
Other property, less depreciation.....	12,514,796	12,629,074	D— 114,278
48.59% of Chicago, Burlington & Quincy R. R. Co. stock.....	109,245,456	109,245,456	I— —
50% of Spokane, Portland and Seattle Ry. Co. stock and bonds.....	45,798,500	46,203,500	D— 405,000
Other stocks, bonds, etc.....	26,105,335	31,127,757	D— 5,022,422
Deferred and unadjusted items.....	7,711,142	4,990,621	I— 2,720,521
<b>TOTAL INVESTMENTS.....</b>	<b>691,284,260</b>	<b>714,364,609</b>	<b>D— 23,080,349</b>
<b>GREAT NORTHERN'S OTHER OBLIGATIONS:</b>			
To investors, and banks for bonds and notes outstanding.....	247,929,556	267,089,527	D— 19,159,971
To all others.....	14,726,631	11,229,335	I— 3,497,296
<b>TOTAL OWED IN ADDITION TO CURRENT LIABILITIES.....</b>	<b>262,656,187</b>	<b>278,318,862</b>	<b>D— 15,662,675</b>
<b>NET WORTH—"WORKING CAPITAL" PLUS "INVESTMENTS" MINUS "OTHER OBLIGATIONS".....</b>	<b>479,415,602</b>	<b>466,699,512</b>	<b>I— 12,716,090</b>
<b>CAPITAL STOCK.....</b>	<b>272,838,550</b>	<b>265,627,200</b>	<b>I— 7,211,350</b>
<b>SURPLUS—"NET WORTH" MINUS "CAPITAL STOCK"—LARGELY INVESTED IN THE PROPERTY.....</b>	<b>\$206,577,052</b>	<b>\$201,072,312</b>	<b>I— \$ 5,504,740</b>

Larger  
 See P 4  
 Bring to





## General

Stockholders in the Company increased 16%, or 4,747, and the total number of shareholders as of November 9, 1945, was 33,815.

In 1945 the directors of your company increased the dividend from \$2 per share paid in 1944 to \$3 per share. As the number of shares outstanding had been increased by the conversion of some of the General Mortgage Series G Bonds into stock, the amount disbursed for dividends was \$9,255,749 in 1945 as compared with \$5,008,894 in 1944. Dividends received from Chicago, Burlington and Quincy Railroad Co. in 1945 amounted to \$4,981,074 compared with \$2,490,537 in 1944.

During 1945 Chicago, Burlington and Quincy Railroad Co., in which your Company has a 48.6% stock ownership, sold \$114,765,000 of First and Refunding mortgage Bonds as follows: \$65,000,000, 3 $\frac{1}{8}$ %, 1985, at 100.0399%; \$49,765,000, 2 $\frac{7}{8}$ %, 1970, at 100.1399%.

With the proceeds of these sales, together with treasury cash, there were retired \$119,400,000 of 3 $\frac{1}{2}$ % to 4 $\frac{1}{2}$ % bonds. Burlington's annual interest charges, which in 1941 amounted to \$9,564,643, had been reduced to \$5,848,860 as of December 31, 1945.

The line of railway between Princeton and Brookmere, B. C., was sold during 1945 to the Canadian Pacific Railway Co. for \$1,500,000. This section is totally detached from other Great Northern lines and operations over it have been conducted by the Canadian Pacific.

On November 4, under authority of the Interstate Commerce Commission service

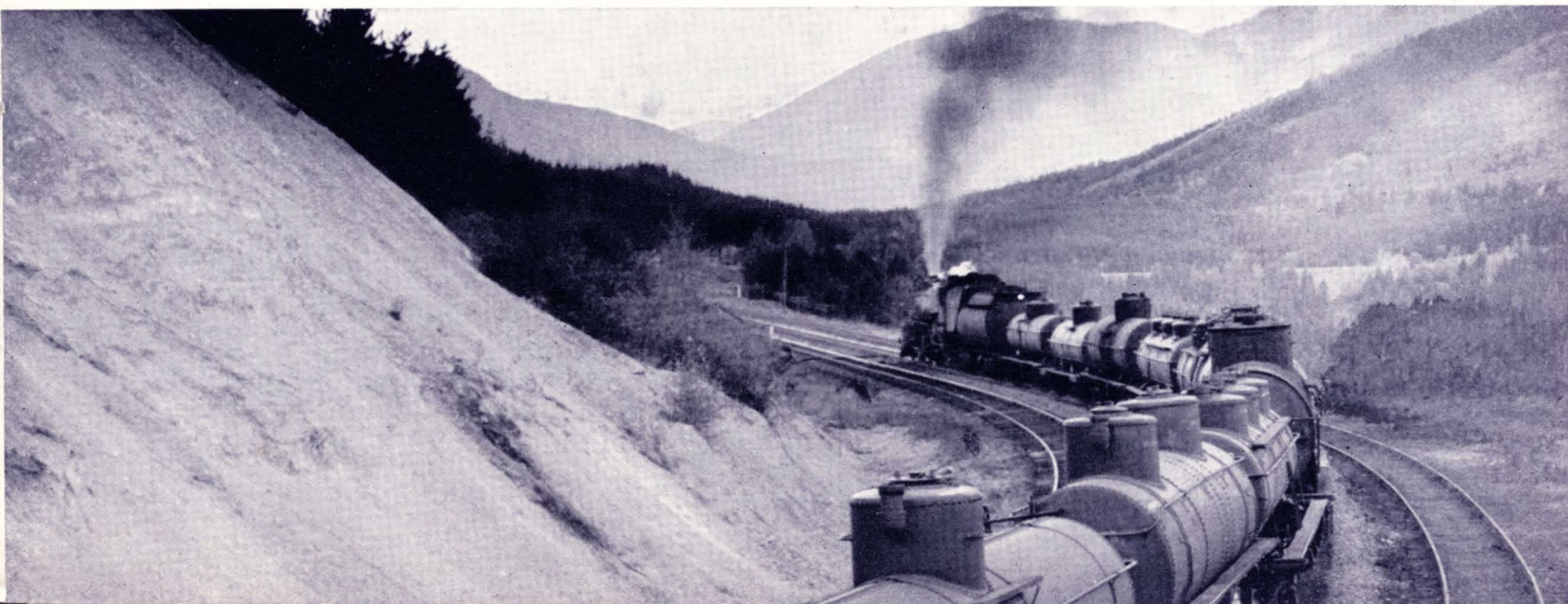
was abandoned on the 38-mile Armington-Neihart Branch, southeast of Great Falls, Montana, to stop operating losses resulting from the light traffic.

A buying group of the principal railroads has agreed to purchase the stock of The Pullman Company. Great Northern's proportion will cost approximately \$700,000. Although approved by the District Court, an appeal by the Department of Justice protesting the sale has been taken to the Supreme Court of the United States, and no decision is expected until late in 1946. In the meantime The Pullman Company will continue its operations.

Mr. Frederick E. Weyerhaeuser, a member of the Board of Directors for more than 29 years, died on October 18, 1945. He was preceded by his father on the directorate of your Company. The directors and officials of the railway have lost, in addition to the friendship of a considerate, thoughtful man, the counsel and judgment of one who attained eminence and honor in the field of industrial endeavor. The Board of Directors, on November 23, adopted a resolution extending their deepest sympathy to his family. He has been succeeded as a director by Mr. Frederick K. Weyerhaeuser of St. Paul, President, Weyerhaeuser Sales Co., who was elected on January 17, 1946.

Mr. Alexander C. Nagle, President, The First National Bank of the City of New York, a member of the Board of Directors for over seven years, resigned and Mr. Grant Keehn, Vice President of the same bank, was elected to succeed him on October 26, 1945.

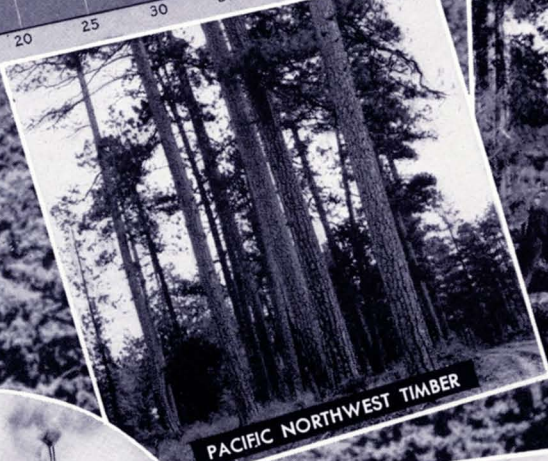
TRAIN LOAD OF MONTANA OIL





The image is a composite of a map and a line graph. The map shows the Pacific Northwest and Great Northern Railway system. Major forest areas are labeled: FOREST AREA (along the coast), FOREST AREA (in the interior), and FOREST AREA (in the north). The Great Northern Railway is shown as a thick black line, with major branches to Vancouver, Seattle, Tacoma, Portland, Longview, Bend, Klamath Falls, Prineer, Libby, Sand Point, Slocan, Great Falls, Butte, Billings, Fargo, Sioux Falls, and Chicago. Other cities shown include Vancouver, Bellingham, Everett, Seattle, Tacoma, Longview, Portland, Bend, Klamath Falls, Prineer, Libby, Sand Point, Slocan, Great Falls, Butte, Billings, Fargo, Sioux Falls, and Chicago. The line graph, titled 'FOREST AREAS AND REVENUES FROM TRANSPORTING FOREST PRODUCTS', shows revenues in millions of dollars from 1900 to 1945. The y-axis ranges from 0 to 20 million, with a break between 10 and 20. The x-axis shows years from 1900 to 1945. The revenue starts at approximately \$2 million in 1900, rises to about \$10 million by 1915, peaks at about \$18 million in 1925, drops to about \$10 million in 1930, rises to about \$15 million in 1935, and peaks again at about \$20 million in 1940 before declining to about \$15 million in 1945.

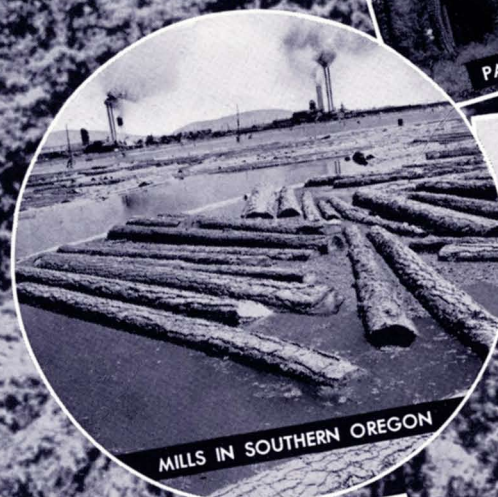
Year	Revenues (Millions of Dollars)
1900	2
1905	5
1910	8
1915	10
1920	15
1925	18
1930	10
1935	15
1940	20
1945	15



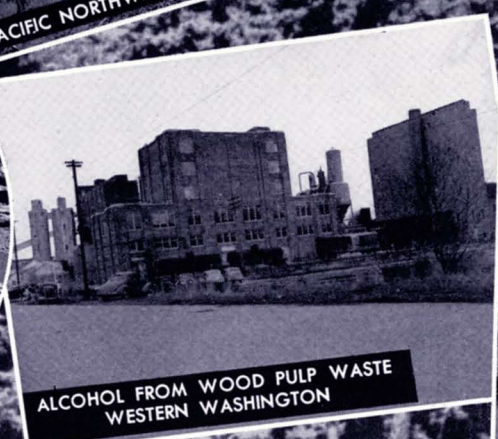
## HARVESTING TIMBER



PACIFIC NORTHWEST TIMBER



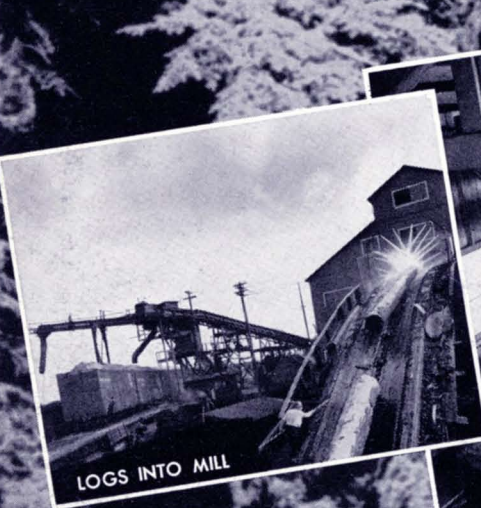
MILLS IN SOUTHERN OREGON



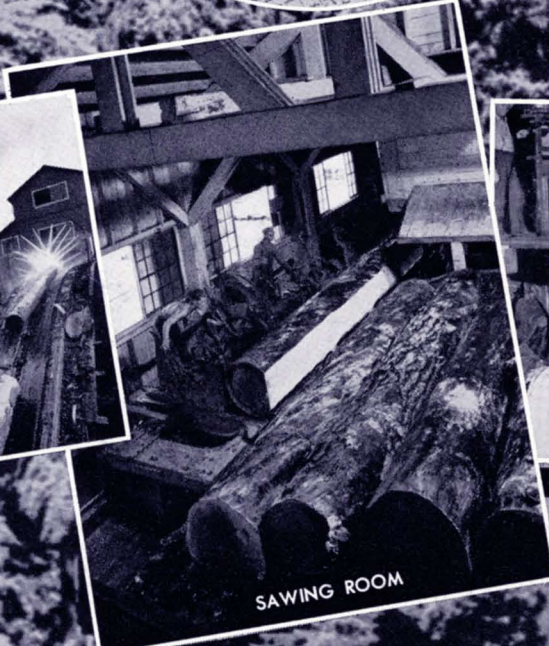
ALCOHOL FROM WOOD PULP WASTE  
WESTERN WASHINGTON



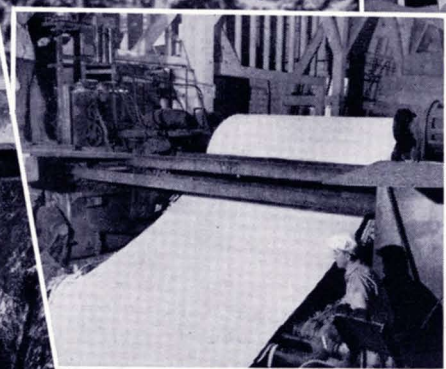
PUGET SOUND



LOGS INTO MILL



SAWING ROOM



## PEELING LOGS FOR PLYWOOD



**LUMBER MAKES APPLE BOXES**



# WOOD FOREST PRODUCTS

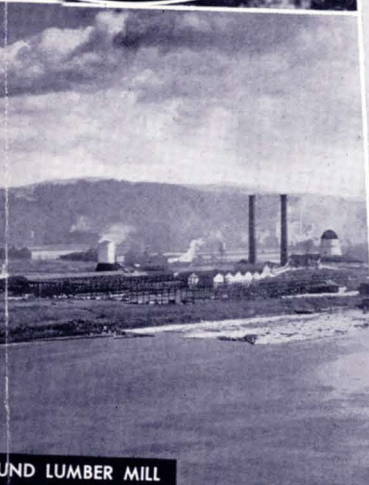
## RAIL TRAFFIC TO GREAT NORTHERN RAILWAY



WOODS TO MILL BY RAIL



INTO MILL POND



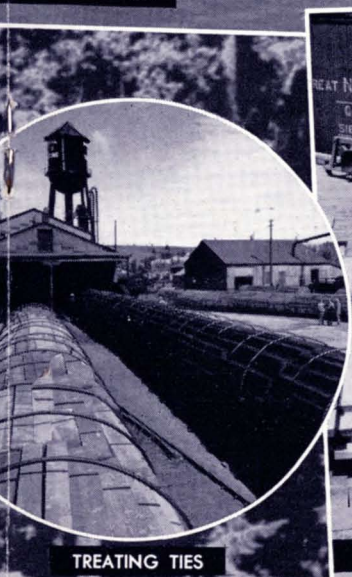
ROUND LUMBER MILL



MILL IN WESTERN MONTANA



NORTHERN MINNESOTA PAPER MILL



TREATING TIES



LOADING LUMBER



MILLS TO MARKET VIA GREAT NORTHERN



# GREAT NORTHERN RAILWAY COMPANY

## INCOME ACCOUNT—1938 to 1945

	1945	1944	1943	1942	1941	1940	1939	1938
Average mileage of road operated.....	8,364.80	8,372.03	8,209.57	8,094.73	8,071.53	8,068.72	8,071.68	8,071.54
<b>1. OPERATING INCOME.</b>								
RAILWAY OPERATING REVENUES								
Freight.....	\$164,379,347	\$171,957,001	\$166,429,112	\$143,264,055	\$110,505,561	\$89,164,630	\$80,001,678	\$68,544,001
Passenger.....	20,887,002	20,816,206	18,853,552	9,182,732	4,866,328	4,225,019	4,350,621	4,544,458
Mail.....	3,658,526	3,768,714	3,890,653	3,458,225	3,298,849	2,862,642	2,783,864	2,734,684
Express.....	3,471,124	3,399,586	2,883,274	2,020,939	1,105,241	1,039,827	1,037,877	866,567
Switching.....	1,448,941	1,278,001	1,265,825	1,111,415	905,967	776,226	631,451	580,821
Other transportation.....	747,494	698,025	579,795	403,519	224,598	212,342	220,952	189,955
Incidental.....	5,936,849	6,083,114	6,536,930	5,707,485	4,267,612	3,460,498	2,767,503	1,963,103
Joint facility—net.....	Dr.— 404,779	Dr.— 342,852	Cr.— 134,285	Cr.— 57,661	Dr.— 129,273	Cr.— 1,962	Dr.— 10,573	Dr.— 208,058
Total railway oper. revs....	200,124,504	207,657,795	200,573,426	165,206,031	125,044,883	101,743,146	91,783,373	79,215,531
RAILWAY OPERATING EXPENSES								
Maintenance of way and struct.....	39,444,398	33,078,700	28,616,041	18,801,376	16,628,547	13,230,789	11,259,128	8,652,584
Maintenance of equipment.....	50,547,917	35,443,596	35,530,748	26,300,208	21,236,550	17,436,498	15,431,415	13,257,006
Traffic.....	2,878,029	2,186,816	3,176,345	2,509,275	2,492,003	2,359,067	2,276,335	2,254,863
Transportation—rail line.....	60,904,897	56,180,890	49,779,649	41,672,967	34,862,432	30,034,420	28,501,753	27,296,664
Miscellaneous operations.....	2,276,567	2,346,377	2,487,472	1,506,469	1,001,720	836,991	859,003	867,528
General.....	3,462,624	3,359,081	3,181,612	2,528,181	2,317,214	2,161,732	2,284,773	2,246,750
Transportation for invest.—Cr.....					215,100	157,774	149,737	58,287
Total railway oper. exp....	159,514,432	132,595,460	122,771,867	93,318,476	78,323,366	65,901,723	60,462,670	54,517,108
Net rev. from railway oper.....	40,610,072	75,062,335	77,801,559	71,887,555	46,721,517	35,841,423	31,320,703	24,698,423
Railway tax accruals.....	11,347,504	40,001,258	48,461,070	30,727,340	16,867,023	12,273,206	10,121,469	8,364,234
Uncollectible railway revenues.....								
Railway operating income.....	29,262,568	35,061,077	29,340,489	41,160,215	29,854,494	23,568,217	21,199,234	16,334,189
Equipment rents—Net debit.....	364,887	1,653,386	390,019	1,359,935	1,223,884	1,361,148	1,314,181	1,479,331
Joint facility rent—Net debit.....	518,246	439,071	387,503	355,204	629,075	400,005	300,458	375,582
NET RAILWAY OPER. INC.....	28,379,435	32,968,620	28,562,967	39,445,076	28,001,535	21,807,064	19,584,595	14,479,276
<b>2. OTHER INCOME.</b>								
Revs. from miscellaneous oper.....	361,355	836,889	754,326	664,165	345,718			
Income from lease of rd. and equip.....	22,832	60,775	103,199	105,014	120,311	121,871	138,374	142,530
Miscellaneous rent income.....	374,961	351,520	376,528	403,144	420,101	361,958	333,822	324,081
Miscellaneous nonoper. phys. prop.....	243,853	333,004	340,536	239,890	229,785	225,183	215,477	209,488
Separately oper. prop.—Profit.....								
Dividend income.....	5,292,975	2,794,819	3,146,776	2,984,686	2,308,934	2,318,489	2,645,934	2,205,150
Income from funded securities.....	140,496	87,514	85,471	73,787	65,951	95,653	637,272	534,637
Inc. from unfunded sec. and accts.....	129,348	218,097	132,402	40,583	49,190	10,568	65,020	3,841
Release of premiums on funded debt.....	20,951	6,293						
Miscellaneous income.....	87,920	358,152	122,017	81,609	86,260	84,417	91,749	154,987
Total other income.....	6,674,691	5,047,063	5,061,255	4,592,878	3,626,250	3,218,139	4,127,648	3,574,714
Total income.....	35,054,126	38,015,683	33,624,222	44,037,954	31,627,785	25,025,203	23,712,243	18,053,990
<b>3. MISCELLANEOUS DEDUCT'NS FROM INC.</b>								
Expenses of miscellaneous oper.....	339,196	790,838	708,523	619,782	323,419			
Taxes on miscellaneous oper. prop.....	22,159	46,051	45,802	44,383	21,515			
Miscellaneous rents.....	75,117	80,861	75,515	75,619	74,801	77,301	74,731	75,331
Miscellaneous tax accruals.....	156,557	157,912	231,247	180,889	125,439	96,031	82,751	70,836
Separately operated prop.—Loss.....	79,810	157,584	226,514	85,135	114,431	158,143	466,918	652,464
Miscellaneous income charges.....	287,425	466,193	239,901	267,129	267,101	273,406	185,648	269,435
Total miscel. deductions.....	960,264	1,699,439	1,527,502	1,272,937	926,706	604,881	810,048	1,068,066
Inc. available for fixed chgs.....	34,093,862	36,316,244	32,096,720	42,765,017	30,701,079	24,420,322	22,902,195	16,985,924
<b>4. FIXED CHARGES.</b>								
Rent for leased roads and equipt.....	58,513	28,771	19,970	19,794	24,889	24,928	23,539	30,835
Interest on funded debt—fixed int.....	9,843,989	12,862,604	12,477,361	13,283,890	13,484,625	13,722,692	14,032,595	14,121,823
Interest on unfunded debt.....	16,816	27,903	8,829	407,312	406,406	464,508	159,636	120,706
Amort. of discount on funded debt.....	16,954		12					
Total fixed charges.....	9,936,272	12,919,278	12,506,172	13,710,996	13,915,920	14,212,128	14,215,770	14,273,364
NET INCOME (or Deficit).....	\$ 24,157,590	\$ 23,396,966	\$ 19,590,548	\$ 29,054,021	\$ 16,785,159	\$ 10,208,194	\$ 8,686,425	\$ 2,712,560
NO. OF TIMES FIXED CHGS. EARNED.....	3.43	2.81	2.57	3.12	2.21	1.72	1.61	1.19
RATIO OF OPER. EXP. TO REVS.—%.....	79.7	63.9	61.2	56.5	62.6	64.8	65.9	68.8
RATIO OF TRANSP. EXP. TO REVS.—%.....	30.4	27.1	24.8	25.2	27.9	29.5	31.1	34.5
<b>5. DISPOSITION OF NET INCOME.</b>								
Inc. appl. to sink. and other res. fds.....	\$ 1,000,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 259,899	\$ 263,063	\$ 263,000	\$ 13,804
Dividend appropriations of income.....								
Inc. approp. for invt. in phys. prop.....				1,250	15,000	15,000	15,000	15,000
Miscellaneous approp. of inc.....	9,279	4,109	26	372				
Total appropriations of inc.....	1,009,279	254,109	250,026	251,622	274,899	278,063	278,000	28,804
Inc. bal. transf. to Prof. & Loss.....	23,148,311	23,142,857	19,340,522	28,802,399	16,510,260	9,930,131	8,408,425	2,683,756
<b>6. PROFIT AND LOSS.</b>								
Profit and loss, January 1.....	114,094,613	106,516,915	*115,503,414	115,401,668	105,857,099	106,281,950	98,853,566	90,835,358
Add: Credits to profit and loss.....	23,264,489	23,393,891	19,686,665	29,277,842	17,219,055	10,584,143	8,565,003	34,492,004
Deduct: Debits to profit and loss.....	18,769,899	15,816,193	28,673,164	27,907,767	7,674,486	11,008,994	1,136,619	26,473,796
Profit and loss, December 31.....	118,589,203	114,094,613	106,516,915	116,771,743	115,401,668	105,857,099	106,281,950	98,853,566
<b>7. DIVIDENDS DECLARED.....</b>	9,255,749	5,008,894	4,997,798	4,997,795	4,997,790	1,249,448		
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).....	\$ 418,802	\$ 792,722	\$ 204,688	\$ 539,443	\$ 206,077	\$ 155,180	\$ 2,110	\$ 411,932

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



## ANNUAL REPORT FOR 1945

## INCOME ACCOUNT—1930 to 1937

	1937	1936	1935	1934	1933	1932	1931	1930
Average mileage of road operated.....	8,087.49	8,188.15	8,278.28	8,344.39	8,445.12	8,408.70	8,357.32	8,366.63
1. OPERATING INCOME.								
RAILWAY OPERATING REVENUES								
Freight.....	\$81,560,214	\$77,150,514	\$70,211,977	\$60,348,273	\$52,673,934	\$45,960,600	\$63,344,821	\$85,797,850
Passenger.....	5,081,691	4,977,601	4,416,108	4,220,571	3,759,187	3,941,659	6,042,610	9,000,087
Mail.....	2,797,474	2,719,087	2,592,247	2,612,588	2,626,891	2,824,801	3,143,556	3,356,243
Express.....	923,423	965,414	939,960	879,234	673,704	787,220	1,223,565	1,856,822
Switching.....	710,286	636,179	506,098	460,974	415,670	431,817	628,283	769,608
Other transportation.....	396,398	291,394	319,343	278,170	271,178	392,626	573,968	778,538
Incidental.....	3,450,360	2,862,617	2,206,630	1,950,567	1,543,912	1,261,738	2,140,800	3,422,311
Joint facility—net.....	Cr.— 22,446	Cr.— 22,299	Dr.— 3,505	Cr.— 2,500	Dr.— 40,585	Dr.— 51,215	Dr.— 10,148	Cr.— 14,617
Total railway oper. revs....	94,942,292	89,625,105	81,188,858	70,752,877	61,923,891	55,549,246	77,087,455	104,996,076
RAILWAY OPERATING EXPENSES								
Maintenance of way and struct.	10,247,812	8,660,007	6,994,058	8,368,883	5,335,607	7,771,028	9,413,813	13,598,876
Maintenance of equipment.....	14,927,846	13,623,780	12,630,006	11,846,694	10,961,690	12,428,089	14,538,454	18,544,614
Traffic.....	2,282,051	2,152,655	2,029,222	1,899,765	1,864,188	2,177,887	2,532,764	2,912,531
Transportation—rail line.....	30,709,734	29,098,139	25,801,313	23,032,746	20,434,097	20,592,335	25,846,075	33,908,017
Miscellaneous operations.....	921,402	844,366	753,248	740,835	563,524	627,974	960,680	1,444,685
General.....	2,380,052	2,556,346	1,908,037	2,778,343	2,429,557	2,284,343	2,660,972	2,801,602
Transportation for invest.—Cr..	91,174	54,571	54,670	57,086	43,439	225,984	666,804	644,447
Total railway oper. exp....	61,377,723	56,880,722	50,061,214	48,610,180	41,545,224	45,655,672	55,285,954	72,565,878
Net rev. from railway oper.	33,564,569	32,744,383	31,127,644	22,142,697	20,378,667	9,893,574	21,801,501	32,430,198
Railway tax accruals.....	8,425,163	7,842,526	6,216,821	6,181,111	6,660,944	6,697,424	7,179,028	8,712,598
Uncollectible railway revenues....	.....	.....	9,257	10,528	7,213	14,210	9,894	9,845
Railway operating income..	25,139,406	24,901,857	24,901,566	15,951,058	13,710,510	3,181,940	14,612,579	23,707,755
Equipment rents—Net debit.....	965,016	889,029	997,612	1,381,666	1,301,953	1,513,915	1,454,238	1,347,804
Joint facility rent—Net debit....	404,982	453,257	420,100	467,742	598,330	377,474	488,921	447,443
NET RAILWAY OPER. INC....	23,769,408	23,559,571	23,483,854	14,101,650	11,810,227	1,290,551	12,669,420	21,912,508
2. OTHER INCOME.								
Revs. from miscellaneous oper....	.....	.....	.....	.....	.....	.....	.....	.....
Income from lease of rd. and equip.	142,677	133,414	313	3,940	313	777	1,428	1,428
Miscellaneous rent income.....	327,800	401,134	388,691	477,269	574,603	650,235	667,283	672,612
Miscellaneous nonoper. phys. prop.	168,097	176,668	177,606	174,425	159,323	165,315	166,934	190,531
Separately oper. prop.—Profit....	45,875	.....	48,316	.....	4,178	.....	.....	.....
Dividend income.....	1,982,889	3,882,151	1,954,999	2,922,223	3,349,378	3,047,899	9,201,615	13,285,672
Income from funded securities....	396,348	238,755	958,176	775,222	464,732	656,306	1,151,748	554,376
Inc. from unfunded sec. and accts.	11,231	5,716	12,373	174,576	40,114	367,835	667,342	582,617
Release of premiums on funded debt	.....	.....	.....	.....	.....	.....	.....	.....
Miscellaneous income.....	165,465	211,331	275,835	310,523	294,531	207,725	254,287	241,081
Total other income.....	3,240,382	5,049,169	3,816,309	4,838,178	4,887,172	5,096,092	12,110,637	15,528,317
Total income.....	27,009,790	28,608,740	27,300,163	18,939,828	16,697,399	6,386,643	24,780,057	37,440,825
3. MISCELLANEOUS DEDUCT'NS FROM INC.								
Expenses of miscellaneous oper....	.....	.....	.....	.....	.....	.....	.....	.....
Taxes on miscellaneous oper. prop.	.....	.....	.....	.....	.....	.....	.....	.....
Miscellaneous rents.....	75,050	75,172	77,304	79,978	58,898	7,972	8,021	5,975
Miscellaneous tax accruals.....	68,019	74,050	70,124	71,018	70,298	93,461	95,673	97,342
Separately operated prop.—Loss..	503,538	541,191	440,552	1,995	76,348	110,719	108,879	279,603
Miscellaneous income charges.....	250,299	246,805	244,096	289,152	218,355	72,495	86,461	87,033
Total miscel. deductions....	896,906	937,218	832,076	442,143	423,899	284,647	299,034	469,953
Inc. available for fixed chgs.	26,112,884	27,671,522	26,468,087	18,497,685	16,273,500	6,101,996	24,481,023	36,970,872
4. FIXED CHARGES.								
Rent for leased roads and equipt..	25,530	3,495	1,176	18,186	100	Cr.— 87	151	171
Interest on funded debt—fixed int.	15,571,487	17,298,166	18,755,665	18,816,884	18,965,541	18,933,208	18,992,022	18,641,072
Interest on unfunded debt.....	18,361	39,833	141,900	302,889	110,928	323,146	Cr.— 95,623	37,179
Amort. of discount on funded debt.	407,586	426,042	429,486	434,206	384,691	251,168	258,566	255,702
Total fixed charges.....	16,022,964	17,767,536	19,328,227	19,572,165	19,461,260	19,507,435	19,155,116	18,934,124
NET INCOME (or Deficit)....	\$10,089,920	\$ 9,903,986	\$ 7,139,860	\$ 1,074,480	\$ 3,187,760	\$13,405,439	\$ 5,325,907	\$18,036,748
NO. OF TIMES FIXED CHGS. EARNED	1.63	1.56	1.37	.95	.84	.31	1.28	1.95
RATIO OF OPER. EXP. TO REVS.—%	64.6	63.5	61.7	68.7	67.1	82.2	71.7	69.1
RATIO OF TRANSP. EXP. TO REVS.—%	32.3	32.5	31.8	32.6	33.0	37.1	33.5	32.3
5. DISPOSITION OF NET INCOME.								
Inc. appl. to sink. and other res. fds.	\$ 15,067	\$ 15,439	\$ 14,993	\$ 14,827	\$ 14,270	\$ 14,386	\$ 14,666	\$ 14,994
Dividend appropriations of income	4,997,788	.....	.....	.....	.....	.....	.....	.....
Inc. approp. for invt. in phys. prop.	15,000	15,000	15,000	15,000	.....	.....	.....	.....
Miscellaneous approp. of inc.....	.....	.....	.....	.....	123,528	629,600	.....	.....
Total appropriations of inc.	5,027,855	30,439	29,993	29,827	137,798	643,986	14,666	14,994
Inc. bal. transf. to Prof. & Loss	5,062,065	9,873,547	7,109,867	1,104,307	3,325,558	14,049,425	5,311,241	18,021,754
6. PROFIT AND LOSS.								
Profit and loss, January 1.....	106,586,171	102,731,957	102,202,449	104,655,903	109,307,501	120,551,319	125,744,603	126,861,795
Add: Credits to profit and loss..	5,527,901	10,270,045	7,364,108	281,740	286,615	6,317,767	5,986,498	18,518,535
Deduct: Debits to profit and loss.	21,278,714	6,415,831	6,834,600	2,735,194	4,938,213	17,561,585	11,179,782	19,635,727
Profit and loss, December 31.....	90,835,358	106,586,171	102,731,957	102,202,449	104,655,903	109,307,501	120,551,319	125,744,603
7. DIVIDENDS DECLARED.....	4,997,788	.....	.....	.....	.....	.....	6,222,717	18,673,035
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)	\$ 420,633	\$ 237,140	\$ 64,460	\$ 561,618	\$ 16,911	\$ 603,566	\$ 91,916	\$ 719,631



# GREAT NORTHERN RAILWAY COMPANY

## GENERAL BALANCE SHEET DECEMBER 31, 1945 AND 1944

ASSETS	December 31, 1945	December 31, 1944	INCREASE	DECREASE
<b>INVESTMENTS</b>				
Road and equipment property				
Road.....	\$464,780,669	\$463,573,607	\$ 1,207,062	
Equipment.....	167,400,544	156,455,949	10,944,595	
General expenditures.....	3,697,732	3,931,239		\$ 233,507
Total.....	635,878,945	623,960,795	11,918,150	
Improvements on leased property.....	456,361	456,361		
Acquisition adjustment—Cr.....	6,212,305	7,458,662		1,246,357
Donations and grants—Cr.....	3,740,977	3,920,381		179,404
Total investment in transportation property.....	626,382,024	613,038,113	13,343,911	
Accrued depreciation—Road.....	Cr.—12,265,340	Cr.—8,720,024	3,545,316	
Accrued depreciation—Equipment.....	Cr.—71,743,699	Cr.—69,066,176	2,677,523	
Accrued amortization of defense projects—Road.....	Cr.—7,278,445	Cr.—1,636,387	5,642,058	
Accrued amortization of defense projects—Equipment.....	Cr.—45,185,509	Cr.—23,447,325	21,738,184	
Investment in transportation property less recorded depreciation and amortization.....	489,909,031	510,168,201		20,259,170
Capital and other reserve funds.....	7,438,399	11,871,048		4,432,649
Miscellaneous physical property.....	12,873,234	12,987,186		113,952
Accrued depreciation—Miscellaneous physical property.....	Cr.—358,438	Cr.—358,112	326	
Miscellaneous physical property less recorded depreciation.....	12,514,796	12,629,074		114,278
Investments in affiliated companies (Page 30):				
Stocks.....	140,993,762	140,993,764		2
Bonds.....	26,508,601	26,508,601		
All other.....	5,877,417	6,898,746		1,021,329
Total.....	173,379,780	174,401,111		1,021,331
Other investments (Page 30):				
Stocks.....	2,306,203	2,314,344		8,141
Bonds.....	548,000	348,000	200,000	
All other.....	3,898,861	4,089,811		190,950
Total.....	6,753,064	6,752,155	909	
Deduct—Reserve for adjustment of investment in securities....	6,421,952	6,447,601		25,649
Total investments.....	683,573,118	709,373,988		25,800,870
<b>CURRENT ASSETS</b>				
Cash.....	36,126,770	21,939,562	14,187,208	
Temporary cash investments and special deposits.....	13,451,830	30,314,532		16,862,702
Loans and bills receivable.....	740	2,500		1,760
Net balance receivable from agents and conductors.....	1,628,960	4,884,409		3,255,449
Miscellaneous accounts receivable.....	15,846,024	21,072,905		5,226,881
Material and supplies.....	19,336,774	18,975,564	361,210	
Interest and dividends receivable.....	27,244	23,359	3,885	
Accrued accounts receivable.....	6,973,190	6,416,225	556,965	
Other current assets.....	188,104	236,502		48,398
Total current assets.....	93,579,636	103,865,558		10,285,922
<b>DEFERRED ASSETS</b>				
Working fund advances.....	46,895	46,060	835	
Other deferred assets.....	2,824,081	1,276,157	1,547,924	
Total deferred assets.....	2,870,976	1,322,217	1,548,759	
<b>UNADJUSTED DEBITS</b>				
Prepayments.....	250,830	174,342	76,488	
Discount on funded debt.....	1,164,677		1,164,677	
Other unadjusted debits.....	3,424,659	3,494,062		69,403
Total unadjusted debits.....	4,840,166	3,668,404	1,171,762	
Grand total.....	\$784,863,896	\$818,230,167		\$ 33,366,271



## GREAT NORTHERN RAILWAY COMPANY

Changes in General Balance Sheet Accounts  
1945701-2 Road and Equipment Property and Improvements  
on Leased Property (Increased \$11,918,150)

Additions and betterments to road property	\$6,148,344	
Cost of road property retired	5,174,789	
Net increase in investment in road property		\$973,555
New equipment purchased and constructed:		
6 Diesel locomotives, 1000 H.P.	\$476,287	
6 " " 2700 "	1,463,126	
5 " " 4000 "	1,755,005	
5 " " 4050 "	1,916,444	
2 " " 5400 "	1,009,825	
500 Gondola cars	2,005,589	
250 Flat cars	896,381	
334 Box cars constructed in company shops	1,645,974	
Other equipment purchased and constructed	128,489	
Additions and betterments to equipment	1,180,047	
Cost of equipment retired	12,477,167	
Net increase in investment in equipment	1,532,572	
		10,944,595
		<u>\$11,918,150</u>

## 702 1/2 Acquisition Adjustment (Decreased Cr. \$1,246,357)

Past accrued depreciation taken up on properties of subsidiary companies acquired in 1943 and 1944	\$1,502,806
Other accounting adjustments made in connection with such properties	Cr. 256,449
	<u>\$1,246,357</u>

## 704 Capital and other reserve funds (Decreased \$4,432,649)

Cost of bonds paid from deposited funds:	
East. Ry. Co. of Minn. Nor. Div. Mtge Bonds	\$292,950
Gen. Mtge. Series B Bonds	3,527,277
" " " C "	724,921
" " " D "	478,824
" " " E "	34,594,859
" " " I "	52,000,000
	<u>91,618,831</u>



# GREAT NORTHERN RAILWAY COMPANY

## GENERAL BALANCE SHEET DECEMBER 31, 1945 AND 1944

ASSETS	December 31, 1945	December 31, 1944	INCREASE	DECREASE
<b>INVESTMENTS</b>				
Road and equipment property				
Road.....	\$464,780,669	\$463,573,607	\$ 1,207,062	
Equipment.....	167,400,544	156,455,949	10,944,595	
General expenditures.....	3,697,732	3,931,239		\$ 233,507
Total.....	635,878,945	623,960,795	11,918,150	
Improvements on leased property.....	456,361	456,361		
Acquisition adjustment—Cr.....	6,212,305	7,458,662		1,246,357
Donations and grants—Cr.....	3,740,977	3,920,381		179,404
Total investment in transportation property.....	626,382,024	613,038,113	13,343,911	
Accrued depreciation—Road.....	Cr.—12,265,340	Cr.—8,720,024	3,545,316	
Accrued depreciation—Equipment.....	Cr.—71,743,699	Cr.—69,066,176	2,677,523	
Accrued amortization of defense projects—Road.....	Cr.—7,278,445	Cr.—1,636,387	5,642,058	
Accrued amortization of defense projects—Equipment.....	Cr.—45,185,509	Cr.—23,447,325	21,738,184	
Investment in transportation property less recorded depreciation and amortization.....	489,909,031	510,168,201		20,259,170
Capital and other reserve funds.....	7,438,399	11,871,048		4,432,649
Miscellaneous physical property.....	12,873,234	12,987,186		113,952
Accrued depreciation—Miscellaneous physical property.....	Cr.—358,438	Cr.—358,112	326	
Miscellaneous physical property less recorded depreciation.....	12,514,796	12,629,074		114,278
Investments in affiliated companies (Page 30):				
Stocks.....	140,993,762	140,993,764		2
Bonds.....	26,508,601	26,508,601		
All other.....	5,877,417	6,898,746		1,021,329
Total.....	173,379,780	174,401,111		1,021,331
Other investments (Page 30):				
Stocks.....	2,306,203	2,314,344		8,141
Bonds.....	548,000	348,000	200,000	
All other.....	3,898,861	4,089,811		190,950
Total.....	6,753,064	6,752,155	909	
Deduct—Reserve for adjustment of investment in securities.....	6,421,952	6,447,601		25,649
Total investments.....	683,573,118	709,373,988		25,800,870
<b>CURRENT ASSETS</b>				
Cash.....	36,126,770	21,939,562	14,187,208	
Temporary cash investments and special deposits.....	13,451,830	30,314,532		16,862,702
Loans and bills receivable.....	740	2,500		1,760
Net balance receivable from agents and conductors.....	1,628,960	4,884,409		3,255,449
Miscellaneous accounts receivable.....	15,846,024	21,072,905		5,226,881
Material and supplies.....	19,336,774	18,975,564	361,210	
Interest and dividends receivable.....	27,244	23,359	3,885	
Accrued accounts receivable.....	6,973,190	6,416,225	556,965	
Other current assets.....	188,104	236,502		48,398
Total current assets.....	93,579,636	103,865,558		10,285,922
<b>DEFERRED ASSETS</b>				
Working fund advances.....	46,895	46,060	835	
Other deferred assets.....	2,824,081	1,276,157	1,547,924	
Total deferred assets.....	2,870,976	1,322,217	1,548,759	
<b>UNADJUSTED DEBITS</b>				
Prepayments.....	250,830	174,342	76,488	
Discount on funded debt.....	1,164,677		1,164,677	
Other unadjusted debits.....	3,424,659	3,494,062		69,403
Total unadjusted debits.....	4,840,166	3,668,404	1,171,762	
Grand total.....	\$784,863,896	\$818,230,167		\$ 33,366,271



GREAT NORTHERN RAILWAY COMPANYChanges in General Balance Sheet Accounts (Contd.)  
1945704 Capital and other reserve funds (Contd)

Deposit made of proceeds from sale of Series N and O Bonds together with funds provided by the company	\$79,689,743	
Transfer from account 711 "Special deposits" of the redemption value of Series G Bonds converted	7,502,129	87,191,872
		4,426,959
Decrease in deposits in lieu of mortgaged property sold		5,690
		<u>\$4,432,649</u>

706 Investments in Affiliated Companies (Decreased \$1,021,331)

<u>Unsecured Notes (Decreased \$448,741)</u>	
Payment received on note of Glacier Park Company	<u>\$448,741</u>
<u>Investment Advances (Decreased \$572,587)</u>	
Payment received from Spokane, Portland & Seattle Ry.Co.	\$405,000
" " " Western Fruit Express Co.	200,000
	<u>\$605,000</u>

722 Other Deferred Assets (Increased \$1,547,924)

Amount of freight charges, demurrage and other uncollected charges for which agents have been allowed credit and which have been referred to the Law Department or others for collection or disposition	Decrease	\$101,738
Amount due from Lake Mining Company for advance royalty credits on iron ore shipped which has been subordinated by agreement to payments due by Lake Mining Company to Reconstruction Finance Corporation	Increase	417,910
Amount receivable from Lake Mining Company under terms of contract for sale of Embarrass Lake iron ore properties not paid because not earned. To be paid in subsequent years when earnings are sufficient. (Contra credit in account 778, Other Unadjusted Credits.)	Increase	901,319
Salvage value of property withdrawn from transportation service which is to be disposed of	Increase	147,670
Amount of disputed land grant disallowances on Government freight. (Contra credit in account 778, Other unadjusted credits)	Increase	132,964
		<u>\$1,548,125</u>



# GREAT NORTHERN RAILWAY COMPANY

## GENERAL BALANCE SHEET DECEMBER 31, 1945 AND 1944

ASSETS	December 31, 1945	December 31, 1944	INCREASE	DECREASE
<b>INVESTMENTS</b>				
Road and equipment property				
Road.....	\$464,780,669	\$463,573,607	\$ 1,207,062	
Equipment.....	167,400,544	156,455,949	10,944,595	
General expenditures.....	3,697,732	3,931,239		\$ 233,507
Total.....	635,878,945	623,960,795	11,918,150	
Improvements on leased property.....	456,361	456,361		
Acquisition adjustment—Cr.....	6,212,305	7,458,662		1,246,357
Donations and grants—Cr.....	3,740,977	3,920,381		179,404
Total investment in transportation property.....	626,382,024	613,038,113	13,343,911	
Accrued depreciation—Road.....	Cr.—12,265,340	Cr.—8,720,024	3,545,316	
Accrued depreciation—Equipment.....	Cr.—71,743,699	Cr.—69,066,176	2,677,523	
Accrued amortization of defense projects—Road.....	Cr.—7,278,445	Cr.—1,636,387	5,642,058	
Accrued amortization of defense projects—Equipment.....	Cr.—45,185,509	Cr.—23,447,325	21,738,184	
Investment in transportation property less recorded depreciation and amortization.....	489,909,031	510,168,201		20,259,170
Capital and other reserve funds.....	7,438,399	11,871,048		4,432,649
Miscellaneous physical property.....	12,873,234	12,987,186		113,952
Accrued depreciation—Miscellaneous physical property.....	Cr.—358,438	Cr.—358,112	326	
Miscellaneous physical property less recorded depreciation.....	12,514,796	12,629,074		114,278
Investments in affiliated companies (Page 30):				
Stocks.....	140,993,762	140,993,764		2
Bonds.....	26,508,601	26,508,601		
All other.....	5,877,417	6,898,746		1,021,329
Total.....	173,379,780	174,401,111		1,021,331
Other investments (Page 30):				
Stocks.....	2,306,203	2,314,344		8,141
Bonds.....	548,000	348,000	200,000	
All other.....	3,898,861	4,089,811		190,950
Total.....	6,753,064	6,752,155	909	
Deduct—Reserve for adjustment of investment in securities....	6,421,952	6,447,601		25,649
Total investments.....	683,573,118	709,373,988		25,800,870
<b>CURRENT ASSETS</b>				
Cash.....	36,126,770	21,939,562	14,187,208	
Temporary cash investments and special deposits.....	13,451,830	30,314,532		16,862,702
Loans and bills receivable.....	740	2,500		1,760
Net balance receivable from agents and conductors.....	1,628,960	4,884,409		3,255,449
Miscellaneous accounts receivable.....	15,846,024	21,072,905		5,226,881
Material and supplies.....	19,336,774	18,975,564	361,210	
Interest and dividends receivable.....	27,244	23,359	3,885	
Accrued accounts receivable.....	6,973,190	6,416,225	556,965	
Other current assets.....	188,104	236,502		48,398
Total current assets.....	93,579,636	103,865,558		10,285,922
<b>DEFERRED ASSETS</b>				
Working fund advances.....	46,895	46,060	835	
Other deferred assets.....	2,824,081	1,276,157	1,547,924	
Total deferred assets.....	2,870,976	1,322,217	1,548,759	
<b>UNADJUSTED DEBITS</b>				
Prepayments.....	250,830	174,342	76,488	
Discount on funded debt.....	1,164,677		1,164,677	
Other unadjusted debits.....	3,424,659	3,494,062		69,403
Total unadjusted debits.....	4,840,166	3,668,404	1,171,762	
Grand total.....	\$784,863,896	\$818,230,167		\$ 33,366,271



## GREAT NORTHERN RAILWAY COMPANY

Changes in General Balance Sheet Accounts (Contd.)  
1945

778 Other Unadjusted Credits (Increased \$3,677,942)	
Increased balance in suspense account covering estimated amount of claims for reduction to land grant rates of charges on Government freight moving at regular tariff rates. (Debited to Freight Revenue.)	\$1,788,764
Increased balance in suspense account covering difference between freight charges at tariff rates and at land grant rates on shipments moving under Government bills of lading on which waybills have been reported and accounted for but on which Government bills of lading have not been submitted for collection	250,860
Increased balance in deferred payments due from Lake Mining Company. (Contra of amount charged to account 722, Other Deferred Assets.)	901,319
Amount of disputed land grant disallowances on Government freight (Contra of amount charged to account 722, Other deferred assets)	182,964
Possible amount of claims for personal injury due to accident at Michigan, N.D., charged to operating expenses	100,000
Amount charged to income for accrual of estimated deficit on St. Paul-Duluth pool train operations	220,000
Estimated additional amount payable to the Western Fruit Express Company for adjustment in cost of icing service for the year 1945	189,296
	<u>\$3,633,203</u>

Accounting Department  
Office of the Comptroller  
May 3, 1946

Provision for income taxes	1,000,000	1,000,000	1,000,000
Insurance reserve	10,000	10,000	10,000
Other unadjusted credits	1,000,000	1,000,000	1,000,000
Accrued interest payable	1,000,000	1,000,000	1,000,000
Other current liabilities	1,000,000	1,000,000	1,000,000
Total current liabilities	1,000,000	1,000,000	1,000,000
Unearned surplus	1,000,000	1,000,000	1,000,000
Earned surplus—Appropriated	1,000,000	1,000,000	1,000,000
*Earned surplus—Unappropriated—Credit balance Page 20	1,000,000	1,000,000	1,000,000
Total surplus	1,000,000	1,000,000	1,000,000
Grand total	1,000,000	1,000,000	1,000,000

[Provision has been made for retiring \$7,342,000—Series B, 4 1/2% General Mortgage Gold Bonds on July 1, 1947.  
Includes \$1,718,124, notes for which were issued as of January 1, 1946.  
\*Does not include appropriate net profit and loss on life to December 31, 1945, amounting to \$233,967 of subsidiaries in which the Company holds directly or indirectly a majority of the outstanding capital stock.]

The St. Paul Union Depot Company First and Refunding Mortgage \$2.5 Million—Series B, 3 1/2%, due October 1, 1971—\$14,000,000  
Spokane, Portland and Seattle Railway Company Expresses First, Series A, 5%, due serially to July 1, 1947—200,000



# GREAT NORTHERN RAILWAY COMPANY

## GENERAL BALANCE SHEET DECEMBER 31, 1945 AND 1944

ASSETS	December 31, 1945	December 31, 1944	INCREASE	DECREASE
<b>INVESTMENTS</b>				
Road and equipment property				
Road.....	\$464,780,669	\$463,573,607	\$ 1,207,062	
Equipment.....	167,400,544	156,455,949	10,944,595	
General expenditures.....	3,697,732	3,931,239		\$ 233,507
Total.....	635,878,945	623,960,795	11,918,150	
Improvements on leased property.....	456,361	456,361		
Acquisition adjustment—Cr.....	6,212,305	7,458,662		1,246,357
Donations and grants—Cr.....	3,740,977	3,920,381		179,404
Total investment in transportation property.....	626,382,024	613,038,113	13,343,911	
Accrued depreciation—Road.....	Cr.—12,265,340	Cr.—8,720,024	3,545,316	
Accrued depreciation—Equipment.....	Cr.—71,743,699	Cr.—69,066,176	2,677,523	
Accrued amortization of defense projects—Road.....	Cr.—7,278,445	Cr.—1,636,387	5,642,058	
Accrued amortization of defense projects—Equipment.....	Cr.—45,185,509	Cr.—23,447,325	21,738,184	
Investment in transportation property less recorded depreciation and amortization.....	489,909,031	510,168,201		20,259,170
Capital and other reserve funds.....	7,438,399	11,871,048		4,432,649
Miscellaneous physical property.....	12,873,234	12,987,186		113,952
Accrued depreciation—Miscellaneous physical property.....	Cr.—358,438	Cr.—358,112	326	
Miscellaneous physical property less recorded depreciation.....	12,514,796	12,629,074		114,278
Investments in affiliated companies (Page 30):				
Stocks.....	140,993,762	140,993,764		2
Bonds.....	26,508,601	26,508,601		
All other.....	5,877,417	6,898,746		1,021,329
Total.....	173,379,780	174,401,111		1,021,331
Other investments (Page 30):				
Stocks.....	2,306,203	2,314,344		8,141
Bonds.....	548,000	348,000	200,000	
All other.....	3,898,861	4,089,811		190,950
Total.....	6,753,064	6,752,155	909	
Deduct—Reserve for adjustment of investment in securities.....	6,421,952	6,447,601		25,649
Total investments.....	683,573,118	709,373,988		25,800,870
<b>CURRENT ASSETS</b>				
Cash.....	36,126,770	21,939,562	14,187,208	
Temporary cash investments and special deposits.....	13,451,830	30,314,532		16,862,702
Loans and bills receivable.....	740	2,500		1,760
Net balance receivable from agents and conductors.....	1,628,960	4,884,409		3,255,449
Miscellaneous accounts receivable.....	15,846,024	21,072,905		5,226,881
Material and supplies.....	19,336,774	18,975,564	361,210	
Interest and dividends receivable.....	27,244	23,359	3,885	
Accrued accounts receivable.....	6,973,190	6,416,225	556,965	
Other current assets.....	188,104	236,502		48,398
Total current assets.....	93,579,636	103,865,558		10,285,922
<b>DEFERRED ASSETS</b>				
Working fund advances.....	46,895	46,060	835	
Other deferred assets.....	2,824,081	1,276,157	1,547,924	
Total deferred assets.....	2,870,976	1,322,217	1,548,759	
<b>UNADJUSTED DEBITS</b>				
Prepayments.....	250,830	174,342	76,488	
Discount on funded debt.....	1,164,677		1,164,677	
Other unadjusted debits.....	3,424,659	3,494,062		69,403
Total unadjusted debits.....	4,840,166	3,668,404	1,171,762	
Grand total.....	\$784,863,896	\$818,230,167		\$ 33,366,271



	3,092,582½	2,912,298¾	7,211,350	180,283½
LONG-TERM DEBT	Dec. 31, 1945	Dec. 31, 1944		
Funded debt unmatured.....	\$298,403,556	\$319,094,527		
Less—Held by or for the Company.....	50,474,000	52,005,000		
Actually outstanding.....	\$247,929,556	\$267,089,527		
Great Northern Railway Company—				
General Mortgage Gold Bonds				
Series B, 5½%, January 1, 1952.....	17,854,400	25,724,000		\$ 7,869,600
Series C, 5%, January 1, 1973.....	14,154,900	14,675,000		520,100
Series D, 4½%, July 1, 1976.....	14,508,000	14,873,000		365,000
Series E, 4½%, July 1, 1977.....	† 7,032,000	40,000,000		32,968,000
Series I, 3¾%, January 1, 1967.....		50,000,000		50,000,000
Series K, 3½%, January 1, 1960.....	35,000,000	35,000,000		
Series L, 3½%, January 1, 1970.....	30,000,000	30,000,000		
Series M, 3½%, January 1, 1980.....	35,000,000	35,000,000		
Series N, 3½%, January 1, 1990.....	37,500,000		37,500,000	
Series O, 3½%, January 1, 2000.....	37,500,000		37,500,000	
Equipment Obligations				
Equipment Trust—Series E, 2% serially to Mar. 1, 1947	930,000	1,395,000		465,000
Notes evidencing conditional sale contracts (Page 36)....	# 18,450,256	20,143,527		1,693,271
Eastern Railway Company of Minnesota Gold Bonds—				
Northern Division, First Mortgage, 4%, April 1, 1948.....		279,000		279,000
Total funded debt outstanding.....	247,929,556	267,089,527		19,159,971
Amounts payable to affiliated companies.....	56,032	84,049		28,017
Total long-term debt.....	247,985,588	267,173,576		19,187,988
Total capital liabilities.....	520,824,138	532,800,776		11,976,638
CURRENT LIABILITIES				
Traffic and car-service balances—Cr.....	3,567,186	4,638,840		1,071,654
Audited accounts and wages payable.....	10,017,625	9,094,051	923,574	
Miscellaneous accounts payable.....	3,735,892	3,324,361	411,531	
Interest matured unpaid.....	4,316,952	5,280,733		963,781
Dividends matured unpaid.....	250,444	291,386		40,942
Unmatured interest accrued.....	13,855	23,214		9,359
Accrued accounts payable.....	3,048,822	1,527,060	1,521,762	
Taxes accrued.....	14,106,668	35,441,026		21,334,358
Other current liabilities.....	3,734,663	13,591,122		9,856,459
Total current liabilities.....	42,792,107	73,211,793		30,419,686
DEFERRED LIABILITIES				
Other deferred liabilities.....	340,648	398,236		57,588
UNADJUSTED CREDITS				
Premium on funded debt.....	423,977	522,511		98,534
Insurance reserves.....	11,462	18,801		7,339
Other unadjusted credits.....	13,871,886	10,193,944	3,677,942	
Accrued depreciation—Leased property.....	22,626	11,794	10,832	
Total unadjusted credits.....	14,329,951	10,747,050	3,582,901	
SURPLUS				
Unearned surplus.....	1,397,393	1,392,247	5,146	
Earned surplus—Appropriated.....	86,590,456	85,585,452	1,005,004	
*Earned surplus—Unappropriated—Credit balance (Page 26)...	118,589,203	114,094,613	4,494,590	
Total surplus.....	206,577,052	201,072,312	5,504,740	
Grand total.....	\$784,863,896	\$818,230,167		\$33,366,271

†Provision has been made for retiring \$7,032,000—Series E, 4½% General Mortgage Gold Bonds on July 1, 1947.

#Includes \$2,274,174, notes for which were issued as of January 1, 1946.

\*Does not include aggregate net profit and loss credits to December 31, 1945, amounting to \$353,967 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, 3½%, due October 1, 1971..\$14,497,000  
Spokane, Portland and Seattle Railway Company Equipment Trust, Series A, 2¾%, due serially to July 1, 1947..... 240,000



# GREAT NORTHERN RAILWAY COMPANY

## EARNED SURPLUS ACCOUNT—DECEMBER 31, 1945

CREDITS		
Credit balance December 31, 1944.....		\$114,094,613
Credit balance transferred from income.....	\$ 23,148,311	
Miscellaneous credits.....	116,178	\$ 23,264,489
DEBITS		
Surplus applied to sinking and other reserve funds.....	29,229	
Dividend appropriations of surplus.....	9,255,749	
Premium and expenses paid on funded debt retired during year.....	8,927,448	
Miscellaneous debits.....	557,473	18,769,899
*Net credit for year 1945.....		4,494,590
Credit balance, December 31, 1945, carried to balance sheet.....		\$118,589,203

\*Does not include net profit and loss debit for the year 1945 amounting to \$381,161 of subsidiaries in which this Company holds directly or indirectly a majority of the outstanding capital stock.

## ROAD AND EQUIPMENT PROPERTY—1945 (Including Improvements on Leased Property)

ACCOUNT	CASH EXPENDI- TURES FOR NEW PROPERTY	NET INCREASE IN INVESTMENT ACCOUNT (AFTER DEDUCTING COST OF PROPERTY RETIRED)	ACCOUNT	CASH EXPENDI- TURES FOR NEW PROPERTY	NET INCREASE IN INVESTMENT ACCOUNT (AFTER DEDUCTING COST OF PROPERTY RETIRED)
Engineering.....	\$ 59,546	Cr. \$ 81,141	Revenues and operating expenses during construction.....		\$ 3,875
Land for transportation purposes..	81,761	Cr.— 20,276	Other expenditures—road.....		Cr.— 9,848
Other right-of-way expenditures...	2,027	1,903			
Grading.....	574,847	Cr. 1,242,758	Shop machinery.....	\$ 475,483	423,127
Tunnels and subways.....	619,333	509,955	Power plant machinery.....	134,748	111,250
Bridges, trestles and culverts.....	395,986	Cr.— 172,105	Total expenditures for road..	6,159,574	1,207,062
Ties.....	278,751	43,194	Steam locomotives.....	759,824	573,917
Rails.....	558,006	20,443	Other locomotives.....	6,630,909	6,630,909
Other track material.....	782,261	582,238	Freight-train cars.....	4,639,281	3,382,336
Ballast.....	56,856	Cr.— 85,636	Passenger-train cars.....	207,167	173,924
Track laying and surfacing.....	327,605	Cr.— 14,295	Work equipment.....	197,478	143,127
Fences, snow sheds, and signs.....	16,783	Cr.— 31,570	Miscellaneous equipment.....	42,508	40,382
Crossings and signs.....	Cr.— 32,079	Cr.— 48,012	Total expenditures for equipment..	12,477,167	10,944,595
Station and office buildings.....	153,701	73,736	Organization expenses.....	Cr.— 7,953	Cr.— 7,953
Roadway buildings.....	47,347	26,714	General officers and clerks.....	3,084	873
Water stations.....	161,965	Cr.— 7,011	Law.....	1,880	157
Fuel stations.....	154,627	63,051	Stationery and printing.....	227	Cr.— 32
Shops and engine houses.....	799,636	727,566	Taxes.....	1,053	176
Wharves and docks.....	53,911	48,315	Interest during construction.....	253	Cr.— 215,317
Coal and ore wharves.....	92,687	92,659	Other expenditures—General.....	Cr.— 9,774	Cr.— 11,411
Telegraph and telephone lines.....	26,099	Cr.— 31,280	Total general expenditures..	Cr.— 11,230	Cr.— 233,507
Signals and interlockers.....	132,071	97,782	Grand total including improvements on leased property.....	\$18,625,511	\$11,918,150
Power plants.....	12,540	9,270			
Power transmission systems.....	49,980	37,967			
Miscellaneous structures.....	6,169	5,713			
Roadway machines.....	213,004	158,142			
Public improvements—Construction.	Cr.— 76,077	Cr.— 85,906			



# ANNUAL REPORT FOR 1945

## OPERATING REVENUES 1945 and 1944

ACCOUNT	1945	1944	INCREASE (D—DECREASE)	
			AMOUNT	PERCENT
Freight.....	\$164,379,347	\$171,957,001	D— \$7,577,654	D— 4.4
Passenger.....	20,887,002	20,816,206	70,796	.3
Baggage.....	97,049	52,436	44,613	85.1
Parlor and chair car.....	68,356	75,652	D— 7,296	D— 9.6
Mail.....	3,658,526	3,768,714	D— 110,188	D— 2.9
Express.....	3,471,124	3,399,586	71,538	2.1
Other passenger-train.....	421,896	411,887	10,009	2.4
Milk.....	160,193	158,050	2,143	1.4
Switching.....	1,448,941	1,278,001	170,940	13.4
Total rail-line transportation revenue.....	194,592,434	201,917,533	D— 7,325,099	D— 3.6
Dining and buffet.....	1,923,916	1,963,038	D— 39,122	D— 2.0
Hotel and restaurant.....	291,238	257,566	33,672	13.1
Station, train and boat privileges.....	61,755	50,739	11,016	21.7
Parcel room.....	28,240	23,318	4,922	21.1
Storage—Freight.....	10,996	9,725	1,271	13.1
Storage—Baggage.....	23,286	25,159	D— 1,873	D— 7.4
Demurrage.....	360,996	285,425	75,571	26.5
Telegraph and telephone.....	176,215	158,272	17,943	11.3
Rents of buildings and other property.....	253,766	295,754	D— 41,988	D— 14.2
Miscellaneous.....	2,806,441	3,014,118	D— 207,677	D— 6.9
Total incidental operating revenues.....	5,936,849	6,083,114	D— 146,265	D— 2.4
Joint facility—Cr.....	217,631	245,702	D— 28,071	D— 11.4
Joint facility—Dr.....	622,410	588,554	33,856	5.8
Total joint facility operating revenues.....	Dr.— 404,779	Dr.— 342,852	61,927	18.1
Total railway operating revenues.....	\$200,124,504	\$207,657,795	D— \$ 7,533,291	D— 3.6

## FREIGHT REVENUE BY COMMODITY GROUPS 1945 and 1944

COMMODITY	1945	PERCENT OF TOTAL FRT. REV.	1944	PERCENT OF TOTAL FRT. REV.	INCREASE (D—DECREASE)	
	FREIGHT REVENUE		FREIGHT REVENUE		AMOUNT	PERCENT
Products of Agriculture.....	\$ 42,495,720	25.8	\$ 46,861,318	27.3	D— \$4,365,598	D— 9.3
Animals and Products.....	6,611,701	4.0	7,819,284	4.5	D— 1,207,583	D— 15.4
Products of Mines.....	28,200,328	17.2	30,761,194	17.9	D— 2,560,866	D— 8.3
Products of Forests.....	16,066,523	9.8	19,501,742	11.3	D— 3,435,219	D— 17.6
Manufactures and Miscellaneous.....	66,213,986	40.3	62,717,443	36.5	3,496,543	5.6
Merchandise—All L. C. L. Freight.....	4,791,089	2.9	4,296,020	2.5	495,069	11.5
Total.....	\$164,379,347	100.0	\$171,957,001	100.0	D— \$7,577,654	D— 4.4



# GREAT NORTHERN RAILWAY COMPANY

## OPERATING EXPENSES, 1945 AND 1944

ACCOUNT	1945	1944	INCREASE	DECREASE
<b>MAINTENANCE OF WAY AND STRUCTURES</b>				
Superintendence.....	\$ 1,396,667	\$ 1,469,730		\$ 73,063
Roadway maintenance.....	2,010,714	2,470,665		459,951
Tunnels and subways.....	147,806	102,210	\$ 45,596	
Bridges, trestles, and culverts.....	1,113,570	1,364,736		251,166
Ties.....	2,783,385	3,165,892		382,507
Rails.....	909,936	704,395	205,541	
Other track material.....	1,088,464	987,970	100,494	
Ballast.....	375,803	304,594	71,209	
Track laying and surfacing.....	11,006,267	12,131,091		1,124,824
Fences, snow sheds, and signs.....	249,481	375,361		125,880
Station and office buildings.....	1,005,073	867,466	137,607	
Roadway buildings.....	129,135	161,031		31,896
Water stations.....	242,689	293,051		50,362
Fuel stations.....	66,500	82,815		16,315
Shops and engine houses.....	868,613	917,741		49,128
Wharves and docks.....	90,943	136,495		45,552
Coal and ore wharves.....	679,465	662,039	17,426	
Telegraph and telephone lines.....	577,278	583,987		6,709
Signals and interlockers.....	771,992	739,128	32,864	
Power plants.....	22,294	16,930	5,364	
Power-transmission systems.....	59,603	119,124		59,521
Miscellaneous structures.....	4,715	2,565	2,150	
Roadway machines.....	507,192	491,830	15,362	
Dismantling retired road property.....	156,642	156,820		178
Small tools and supplies.....	334,803	305,178	29,625	
Removing snow, ice, and sand.....	647,541	414,156	233,385	
Public improvements—Maintenance.....	342,337	324,077	18,260	
Injuries to persons.....	137,025	158,235		21,210
Insurance.....	72,873	68,781	4,092	
Stationery and printing.....	21,406	29,167		7,761
Other expenses.....	41,647	Cr.— 1,239,596	1,281,243	
Right-of-way expenses.....	11,479	9,161	2,318	
Maintaining joint tracks, yards, and other facilities—Dr.....	1,465,765	997,857	467,908	
Maintaining joint tracks, yards, and other facilities—Cr.....	528,983	633,296		104,313
Sub-total.....	28,810,120	28,741,386	68,734	
Road property—Depreciation.....	2,948,177	2,786,827	161,350	
Retirements—Road.....	2,084,781	753,264	1,331,517	
Road—Amortization of defense projects.....	5,601,320	797,223	4,804,097	
Total Depreciation, Retirements and Amortization.....	10,634,278	4,337,314	6,296,964	
Total Maintenance of Way and Structures.....	39,444,398	33,078,700	6,365,698	
<b>MAINTENANCE OF EQUIPMENT</b>				
Superintendence.....	751,180	761,060		9,880
Shop machinery.....	582,480	617,206		34,726
Power-plant machinery.....	92,497	115,381		22,884
Dismantling retired shop and power-plant machinery.....	7,732	1,641	6,091	
Steam locomotives—Repairs.....	10,228,225	11,717,366		1,489,141
Other locomotives—Repairs.....	1,802,432	940,842	861,590	
Freight-train cars—Repairs.....	7,748,392	8,092,931		344,539
Passenger-train cars—Repairs.....	2,268,297	2,353,064		84,767
Work equipment—Repairs.....	709,650	521,609	188,041	
Miscellaneous equipment—Repairs.....	144,328	103,375	40,953	
Dismantling retired equipment.....	10,208	6,856	3,352	
Injuries to persons.....	100,433	119,904		19,471
Insurance.....	106,496	78,943	27,553	
Stationery and printing.....	15,239	17,255		2,016
Other expenses.....	55,608	Cr.— 1,389,791	1,445,399	
Joint maintenance of equipment expenses—Dr.....	209,533	167,575	41,958	
Joint maintenance of equipment expenses—Cr.....	83,106	101,897		18,791
Sub-total.....	24,749,624	24,123,320	626,304	
Equipment, Shop and Power-Plant Machinery—Depr....	4,001,481	3,890,939	110,542	
Retirements—Equipment.....	Cr.— 26,386	Cr.— 1,902	24,484	
Equipment—Amortization of defense projects.....	21,823,198	7,431,239	14,391,959	
Total Depreciation, Retirements and Amortization.....	25,798,293	11,320,276	14,478,017	
Total Maintenance of Equipment.....	50,547,917	35,443,596	15,104,321	
<b>TRAFFIC</b>				
Superintendence.....	658,642	677,535		18,893
Outside agencies.....	1,480,198	1,488,246		8,048
Advertising.....	485,650	405,410	80,240	
Traffic associations.....	49,713	35,248	14,465	
Industrial and immigration bureaus.....	95,176	85,554	9,622	
Insurance.....	1,511	1,511		
Stationery and printing.....	107,139	110,112		2,973
Other expenses.....		Cr.— 616,800	616,800	
Total Traffic Expenses.....	\$ 2,878,029	\$ 2,186,816	\$ 691,213	



# ANNUAL REPORT FOR 1945

## OPERATING EXPENSES, 1945 AND 1944

ACCOUNT	1945	1944	INCREASE	DECREASE
<b>TRANSPORTATION—RAIL LINE</b>				
Superintendence.....	\$ 1,242,726	\$ 1,274,973		\$ 32,247
Dispatching trains.....	693,492	702,814		9,322
Station employees.....	8,043,838	8,221,410		177,572
Weighing, inspection and demurrage bureaus.....	90,535	99,709		9,174
Coal and ore wharves.....	681,023	703,503		22,480
Station supplies and expenses.....	513,865	493,018	\$ 20,847	
Yardmasters and yard clerks.....	1,578,930	1,630,326		51,396
Yard conductors and brakemen.....	3,911,842	3,583,112	328,730	
Yard switch and signal tenders.....	170,016	163,778	6,238	
Yard enginemen.....	1,393,363	1,501,473		108,110
Yard motormen.....	993,050	879,303	113,747	
Yard switching fuel.....	1,504,073	1,499,406	4,667	
Water for yard locomotives.....	63,058	56,350	6,708	
Lubricants for yard locomotives.....	60,433	59,113	1,320	
Other supplies for yard locomotives.....	56,475	53,313	3,162	
Engine-house expenses—Yard.....	922,575	1,002,037		79,462
Yard supplies and expenses.....	77,889	67,537	10,352	
Train enginemen.....	6,646,314	5,117,373	1,528,941	
Train motormen.....	2,266,862	855,693	1,411,169	
Train fuel.....	9,197,511	9,864,189		666,678
Train power produced.....	21,258	19,081	2,177	
Train power purchased.....	335,877	323,765	12,112	
Water for train locomotives.....	604,477	661,465		56,988
Lubricants for train locomotives.....	410,659	370,943	39,716	
Other supplies for train locomotives.....	134,254	126,927	7,327	
Engine-house expenses—Train.....	2,339,211	2,573,933		234,722
Trainmen.....	7,477,089	7,652,532		175,443
Train supplies and expenses.....	4,037,319	3,558,918	478,401	
Signal and interlocker operation.....	385,511	403,164		17,653
Crossing protection.....	96,436	98,611		2,175
Drawbridge operation.....	16,893	18,206		1,313
Telegraph and telephone operation.....	514,131	528,439		14,308
Stationery and printing.....	172,749	185,182		12,433
Other expenses.....	212,090	Cr.— 748,135	960,225	
Insurance.....	148,703	139,741	8,962	
Clearing wrecks.....	194,688	148,790	45,898	
Damage to property.....	134,875	78,410	56,465	
Damage to livestock on right-of-way.....	68,429	66,870	1,559	
Loss and damage—Freight.....	1,278,243	965,690	312,553	
Loss and damage—Baggage.....	5,604	8,241		2,637
Injuries to persons.....	1,504,967	520,954	984,013	
Operating joint yards and terminals—Dr.....	1,740,595	1,738,997	1,598	
Operating joint yards and terminals—Cr.....	1,116,394	1,103,100	13,294	
Operating joint tracks and facilities—Dr.....	359,117	334,007	25,110	
Operating joint tracks and facilities—Cr.....	279,754	319,171		39,417
Total transportation—rail line.....	60,904,897	56,180,890	4,724,007	
<b>MISCELLANEOUS OPERATIONS</b>				
Dining and buffet service.....	2,041,553	2,138,573		97,020
Hotels and restaurants.....	226,398	199,183	27,215	
Other miscellaneous operations.....	8,616	8,621		5
Total miscellaneous operations.....	2,276,567	2,346,377		69,810
<b>GENERAL</b>				
Salaries and expenses of general officers.....	342,283	335,279	7,004	
Salaries and expenses of clerks and attendants.....	2,061,257	2,130,222		68,965
General office supplies and expenses.....	119,009	117,823	1,186	
Law expenses.....	320,730	300,169	20,561	
Insurance.....	3,197	5,689		2,492
Pensions.....	136,851	142,421		5,570
Stationery and printing.....	161,780	130,693	31,087	
Valuation expenses.....	9,634	6,994	2,640	
Other expenses.....	276,656	157,937	118,719	
General joint facilities—Dr.....	44,336	45,128		792
General joint facilities—Cr.....	13,109	13,274		165
Total general expenses.....	3,462,624	3,359,081	103,543	
Grand total railway operating expenses.....	\$159,514,432	\$132,595,460	\$26,918,972	



# GREAT NORTHERN RAILWAY COMPANY

## INVESTMENTS IN SECURITIES (BOOK VALUE—COST TO GREAT NORTHERN RAILWAY COMPANY)

DECEMBER 31, 1945

TITLE OF SECURITY	STOCKS				BONDS	NOTES, ADVANCES, AND MISCEL- LANEOUS	TOTAL BOOK VALUE	DIVIDENDS OR INTEREST RECEIVED
	EXTENT OF STOCK CONTROL %	*PAR VALUE	BOOK VALUE					
			PLEGDED	UNPLEGDED				
INVESTMENTS IN AFFILIATED COMPANIES								
Chicago, Burlington & Quincy R. R. Co.	48.59	\$ 83,017,900	\$109,114,810	\$ 130,646	.....	.....	\$109,245,456	\$ 4,981,074
Cowlitz, Chehalis & Cascade Ry. ....	16.46	69,971	.....	134,430	.....	\$ 38,750	173,180	.....
Duluth and Superior Bridge Co. (The)	100	200,000	.....	200,000	\$ 545,101	.....	745,101	54,220
Glacier Park Company.....	100	1,500,000	.....	1,500,000	.....	3,022,503	4,522,503	27,779
Great Northern Equipment Company.	100	1,000	.....	1,000	.....	.....	1,000	.....
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	.....	27,340	2,427,340	.....
Minnesota Transfer Ry. Co. (The)....	11.11	91,300	91,300	.....	.....	41,809	133,109	.....
Montana Western Ry. Co. (The).....	.....	.....	.....	.....	165,000	.....	165,000	.....
Oregon, California & Eastern Ry. Co..	50	300,000	.....	319,801	.....	1,002,522	1,322,323	.....
Railroad Credit Corporation (The)...	.....	.....	.....	.....	.....	51,319	51,319	9,279
Railway Express Agency, Inc. ....	1.5	*	.....	1,500	.....	363,663	365,163	17,282
St. Paul Union Depot Co. (The).....	12.5	103,600	130,475	.....	.....	5,511	135,986	4,144
Spokane, Portland and Seattle Ry. Co.	50	20,000,000	20,000,000	.....	25,798,500	.....	45,798,500	.....
Western Fruit Express Company.....	100	6,800,000	.....	6,800,000	.....	1,300,000	8,100,000	24,375
Total affiliated companies. ....	.....	*\$114,653,571	\$129,504,385	\$11,489,377	\$26,508,601	\$5,877,417	\$173,379,780	\$5,118,153
OTHER INVESTMENTS								
Crow's Nest Pass Coal Co., Ltd. (The)	7.9	\$ 491,700	.....	\$ 810,210	.....	.....	\$ 810,210	\$ 14,751
Northland Greyhound Lines, Inc. ....	44.3	*	.....	1,233,052	.....	.....	1,233,052	266,776
St. Paul Foundry & Manufacturing Co.	39.2	233,100	.....	233,100	.....	.....	233,100	9,324
Wisconsin Central Ry. Co.—Terminal Bonds.....	.....	.....	.....	.....	\$ 247,500	.....	247,500	9,625
Dominion of Canada—Victory Loans..	.....	.....	.....	.....	300,000	.....	300,000	3,209
Lake Mining Company.....	.....	.....	.....	.....	\$ 3,599,657	.....	3,599,657	.....
Miscellaneous.....	.....	31,460	.....	29,841	500	299,204	329,545	11,633
Total other investments.....	.....	*\$ 756,260	.....	\$ 2,306,203	\$ 548,000	\$ 3,898,861	\$ 6,753,064	\$ 315,318
Grand total.....	.....	\$115,409,831	\$129,504,385	\$13,795,580	\$27,056,601	\$ 9,776,278	\$180,132,844	\$ 5,433,471
Deduct "Reserve for adjustment of investment in securities".....							6,421,952	.....
Total.....							\$173,710,892	.....

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



## ANNUAL REPORT FOR 1945

FREIGHT COMMODITY STATISTICS  
1945 AND 1944

COMMODITY	1945				1944	
	CARLOADS			TOTAL TONS (2,000 LBS.)	TOTAL CARLOADS	TOTAL TONS (2,000 LBS.)
	ORIGINATED	RECEIVED FROM CONNECTIONS	TOTAL			
PRODUCTS OF AGRICULTURE						
Wheat.....	82,173	1,679	83,852	4,151,388	104,806	5,165,151
Corn.....	10,130	1,023	11,153	526,314	3,697	170,510
Oats.....	16,384	667	17,051	695,716	13,228	530,527
Barley and rye.....	17,018	970	17,988	837,621	19,562	889,001
Flour and meal.....	15,452	1,289	16,741	621,511	15,191	557,450
Mill products.....	9,157	1,132	10,289	314,891	9,670	300,957
Apples, fresh.....	18,612	576	19,188	406,793	17,926	373,565
Other fresh fruits.....	3,198	8,659	11,857	230,097	10,856	212,289
Potatoes.....	22,873	3,367	26,240	604,341	30,837	710,480
Vegetables, fresh.....	1,345	4,339	5,684	91,405	4,812	84,264
Flaxseed.....	6,330	101	6,431	308,850	5,999	278,021
Sugar beets.....	8,642	232	8,874	368,890	8,839	372,807
Other products of agriculture.....	11,453	6,019	17,472	531,044	19,704	564,210
Total products of agriculture.....	222,767	30,053	252,820	9,688,861	265,127	10,209,232
ANIMALS AND PRODUCTS						
Cattle and calves.....	17,428	1,762	19,190	220,267	18,920	215,870
Sheep and goats.....	7,245	1,417	8,662	86,089	9,017	90,417
Hogs.....	3,807	334	4,141	44,216	7,880	89,963
Fresh meats.....	4,262	1,285	5,547	88,985	5,619	92,975
Poultry.....	1,247	737	1,984	33,288	1,455	23,955
Eggs.....	2,511	348	2,859	47,458	4,466	72,836
Butter.....	1,255	252	1,507	28,816	1,709	32,063
Other animals and products.....	7,154	3,987	11,141	275,242	11,230	270,903
Total animals and products.....	44,909	10,122	55,031	824,361	60,296	888,982
PRODUCTS OF MINES						
Anthracite coal.....	4	704	708	27,356	1,139	43,776
Bituminous coal.....	1,479	50,736*	52,215	2,349,637	50,214	2,245,811
Lignite.....	11,229	1,922	13,151	528,086	12,265	490,257
Coke.....	3,239	1,930	5,169	190,296	5,518	195,468
Iron ore.....	316,922	51,509	368,431	25,219,027	387,213	26,977,890
Other ores and concentrates.....	3,512	6,174	9,686	510,764	13,543	723,377
Gravel, sand, and stone.....	2,935	1,583	4,518	240,512	6,689	360,239
Crude petroleum.....	5,260	13,512	18,772	667,110	17,802	629,176
Asphalt.....	927	1,884	2,811	103,451	3,904	134,884
Salt.....	464	1,793	2,257	83,499	2,261	84,455
Other products of mines.....	5,132	3,428	8,560	461,304	9,229	503,313
Total products of mines.....	351,103	135,175	486,278	30,381,042	509,777	32,388,646
PRODUCTS OF FORESTS						
Logs, posts, poles, ties and cordwood.....	28,573	6,273	34,846	1,359,470	43,757	1,726,367
Pulpwood.....	6,133	342	6,475	278,531	6,453	278,146
Lumber, shingles, etc.....	41,793	35,254	77,047	2,695,027	91,464	3,225,547
Other products of forests.....	1,069	190	1,259	31,430	1,528	40,299
Total products of forests.....	77,568	42,059	119,627	4,364,458	143,202	5,270,359
MANUFACTURES AND MISCELLANEOUS						
Petroleum products.....	29,817	33,426	63,243	1,720,399	65,401	1,784,802
Sugar, sirup and molasses.....	1,769	2,274	4,043	157,071	3,455	138,907
Metals—pig, bar, sheet and pipe.....	2,169	15,928	18,097	798,207	23,438	1,024,621
Machinery and boilers.....	1,534	4,592	6,126	129,914	6,913	155,866
Cement, brick, lime and plaster.....	8,377	5,023	13,400	540,259	14,081	583,950
Agricultural implements, vehicles, etc.....	900	4,862	5,762	110,229	4,812	86,582
Automobiles and auto trucks.....	2,955	16,853	19,808	298,103	9,513	133,319
Beverages.....	1,604	4,282	5,886	172,282	5,197	148,105
Newsprint paper and printing paper.....	7,212	3,697	10,909	327,665	11,134	344,740
Canned food products.....	4,678	7,187	11,865	443,599	10,166	370,489
Scrap iron and scrap steel.....	1,455	457	1,912	86,835	1,519	69,254
Paper bags, paperboard, etc.....	3,244	4,151	7,395	228,365	7,741	237,390
Other manufactures and miscellaneous.....	57,676	88,417	146,093	4,313,266	135,794	4,082,451
Total manufactures and miscellaneous....	123,390	191,149	314,539	9,326,194	299,164	9,160,476
Grand total carload traffic.....	819,737	408,558	1,228,295	54,584,916	1,277,566	57,917,695
Merchandise—All L. C. L. traffic.....				415,411		369,506
Grand total carload and L. C. L. traffic.....				55,000,327		58,287,201

\*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 1945 AMOUNTED TO \$235,856)

ITEM	FREIGHT TRAINS		PASSENGER TRAINS		TOTAL TRANSPORTATION SERVICE	
	1945	1944	1945	1944	1945	1944
Average mileage of road operated.....	8,268.94	8,276.20	5,883.64	5,884.23	8,364.80	8,372.03
TRAIN MILES						
With steam locomotives.....	11,288,361	13,715,602	6,613,720	6,818,992	17,902,081	20,534,594
With Diesel locomotives.....	2,369,015	1,223,099	1,619,671	857,601	3,988,686	2,080,700
With electric locomotives.....	143,079	140,255	251,300	231,208	394,379	371,463
With rail motor cars.....	157,537	171,514	1,287,122	1,298,974	1,444,659	1,470,488
Light.....	109,791	106,902			109,791	106,902
Total.....	14,067,783	15,357,372	9,771,813	9,206,775	23,839,596	24,564,147
MOTIVE POWER MILES						
Locomotive miles:						
Principal.....	13,910,540	15,186,637	8,484,691	7,907,801	22,395,231	23,094,438
Helper or light.....	799,389	830,799	405,222	329,407	1,204,611	1,160,206
Train switching.....	1,030,374	1,151,028	3,354	4,746	1,033,728	1,155,774
Yard switching.....	5,522,555	5,484,596	300,446	306,264	5,823,001	5,790,860
Total.....	21,262,858	22,653,060	9,193,713	8,548,218	30,456,571	31,201,278
Rail motor cars.....	157,537	171,514	1,287,122	1,298,974	1,444,659	1,470,488
Total.....	21,420,395	22,824,574	10,480,835	9,847,192	31,901,230	32,671,766
CAR MILES						
Freight—loaded.....	552,271,844	588,056,934	654,576	582,753	552,926,420	588,639,687
Freight—empty.....	264,683,737	281,498,386	7,142	29,398	264,690,879	281,527,784
Total.....	816,955,581	869,555,320	661,718	612,151	817,617,299	870,167,471
Passenger coaches.....	800,758	818,109	23,370,905	23,493,502	24,171,663	24,311,611
Sleeping and parlor cars.....	7,641	20,098	29,559,798	23,110,341	29,567,439	23,130,439
Club, lounge, dining and observation cars.....			4,228,735	4,102,848	4,228,735	4,102,848
Mail, express and baggage cars, etc.....	3,500,339	3,814,104	32,729,399	31,532,816	36,229,738	35,346,920
Combination passenger cars.....	779,696	864,167	646,891	660,299	1,426,587	1,524,466
Business cars.....	17,215	18,179	286,843	323,157	304,058	341,336
Total.....	5,105,649	5,534,657	90,822,571	83,222,963	95,928,220	88,757,620
Caboose.....	13,232,430	14,542,594	295,516	141,128	13,527,946	14,683,722
Total.....	835,293,660	889,632,571	91,779,805	83,976,242	927,073,465	973,608,813
NET TONS—ROAD SERVICE						
Revenue.....	54,951,460	58,237,155	25,564	28,836	54,977,024	58,265,991
Non-revenue.....	3,459,410	3,993,986	1,092	1,941	3,460,502	3,995,927
Total.....	58,410,870	62,231,141	26,656	30,777	58,437,526	62,261,918
TON MILES—ROAD SERVICE						
Gross ton miles: (thousands)						
Locomotives and tenders.....	4,436,920	4,735,345	2,302,076	2,149,379	6,738,996	6,884,724
Freight cars, contents and cabooses.....	38,451,568	41,472,613	34,053	27,091	38,485,621	41,499,704
Passenger cars and contents.....	276,703	293,826	6,570,105	5,990,359	6,846,808	6,284,185
Total.....	43,165,191	46,501,784	8,906,234	8,166,829	52,071,425	54,668,613
Net ton miles: (thousands)						
Revenue.....	17,824,295	19,573,622	8,292	9,689	17,832,587	19,583,311
Non-revenue.....	1,042,289	1,154,182	329	561	1,042,618	1,154,743
Total.....	18,866,584	20,727,804	8,621	10,250	18,875,205	20,738,054
PASSENGER SERVICE						
Revenue passengers carried.....	142,218	137,032	2,835,897	2,954,295	2,978,115	3,091,327
Revenue passengers carried one mile (thousands).....	5,874	6,092	1,299,261	1,252,835	1,305,135	1,258,927
TRAIN HOURS—ROAD SERVICE.....						
	903,634	1,006,903	293,962	277,903	1,197,596	1,284,806
FREIGHT CARS ON LINE.....						
					40,364	43,484
AVERAGES						
Train load—revenue net tons.....	1,267	1,275				
Cars per train—total (excluding cabooses).....	58.90	57.38	9.36	9.11		
Train speed—train miles per train hour....	15.57	15.25	33.24	33.13		
Freight—car load—all freight (tons).....					34.14	35.23
Percent loaded of total freight car miles.....					67.63	67.65
Freight car miles per car day.....					55.45	54.64
Net ton miles per freight car day.....					1,281	1,302
Revenue ton miles per mile of road.....					2,156,575	2,366,220
Revenue passengers per train.....					133.56	136.74
Revenue passenger miles per mile of road.....					221,824	213,949



# ANNUAL REPORT FOR 1945

## REVENUE FREIGHT TRAFFIC—1921 TO 1945.

(EXCLUDES MOTOR VEHICLE OPERATIONS—FREIGHT REVENUE FROM THIS TRAFFIC IN 1945 AMOUNTED TO \$235,778)

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
1945	8,365	54,977,024	17,832,587,408	\$164,143,569	.920	324	1,267	176	160	91
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

\*Computations include "Light" train miles.

## REVENUE PASSENGER TRAFFIC—1921 TO 1945.

(EXCLUDES MOTOR VEHICLE OPERATIONS)

YEAR	AVERAGE MILES OF ROAD OPERATED	PASSENGERS CARRIED	PASSENGERS CARRIED ONE MILE	PASSENGER REVENUE	PASSENGER SERVICE TRAIN REVENUE	AVERAGE REVENUE PER PASSENGER MILE (CENTS)	AVERAGE JOURNEY (MILES)	AVERAGE PASSENGERS PER TRAIN	AVERAGE PASSENGERS PER CARRYING CAR	INDEX NUMBERS (1928-29 = 100)		
										PAS-SENGERS CARRIED ONE MILE	PAS-SENGER REV-ENUE	REVENUE PER PAS-SENGER MILE
1945	8,365	2,978,115	1,305,134,905	\$20,886,929	\$28,764,067	1.600	438	133.56	24.51	355	183	52
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



# GREAT NORTHERN RAILWAY COMPANY

## EQUIPMENT OWNED

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

DECEMBER 31, 1941 TO 1945

CLASS	1945	1944	1943	1942	1941
<b>LOCOMOTIVES</b>					
*Steam locomotives.....	805	804	810	812	813
Electric locomotives.....	15	15	15	15	15
Diesel locomotives.....	104	80	58	55	49
Total locomotives.....	924	899	883	882	877
<b>LOCOMOTIVE UNITS (Included Above)</b>					
Electric locomotive units.....	18	18	18	18	18
Diesel locomotive units.....	175	124	66	60	54
<b>FREIGHT-TRAIN CARS</b>					
Box cars.....	25,182	25,545	25,239	25,706	24,316
Flat cars.....	3,279	3,062	3,413	3,361	3,178
Stock cars.....	1,879	1,883	1,887	1,888	1,888
Coal cars.....	3,396	2,896	2,896	2,897	2,897
Ore cars.....	8,328	8,628	8,779	8,369	7,902
Refrigerator cars.....	6,932	7,021	7,032	7,076	7,012
*Caboose cars.....	433	435	436	432	422
Other freight-train cars.....	94	141	155	158	157
Total freight equipment.....	49,523	49,611	49,837	49,887	47,772
<b>PASSENGER-TRAIN CARS</b>					
Coaches.....	176	183	183	173	180
Combination passenger cars.....	29	31	35	34	33
Motor cars.....	33	33	33	34	34
Other combination cars.....	82	82	82	82	83
Dining cars.....	24	24	24	24	24
Baggage and express cars.....	351	328	333	336	337
Postal cars.....	14	14	14	14	14
Other passenger-train cars.....	21	15	15	23	21
Total passenger equipment.....	730	710	719	720	726
<b>COMPANY SERVICE EQUIPMENT</b>					
Officers' cars.....	13	14	14	14	14
Ballast cars.....	97	97	97	97	97
Derrick cars.....	33	33	33	33	34
Wrecking cars.....	104	104	123	124	132
*Other company service equipment.....	2,480	2,237	2,170	2,128	2,066
Total company service equipment.....	2,727	2,485	2,437	2,396	2,343
<b>HIGHWAY MOTOR VEHICLES</b>					
Revenue.....	28	26	25	26	27
Company service.....	272	257	234	200	166
<b>INVESTMENT IN THE ABOVE EQUIPMENT (DEC. 31)</b>					
Great Northern Railway Company.....	\$167,400,544	\$156,455,949	\$150,241,345	\$148,285,234	\$139,882,131
Western Fruit Express Company.....	17,564,627	17,779,686	15,615,453	15,621,980	15,109,047
Vancouver, Victoria and Eastern Railway and Navigation Company.....	**	**	3,335	3,335	3,336
Total.....	\$184,965,171	\$174,235,635	\$165,860,133	\$163,910,549	\$154,994,514

\*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 in 1944.



# ANNUAL REPORT FOR 1945

## 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	1945	805	48,844,333	60,676	116,153	144.29	117.19
	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
ELECTRIC LOCOMOTIVES	1945	15	1,845,720	123,048	3,929	261.93	205.12
DIESEL LOCOMOTIVES	1945	104	10,124,599	97,352	20,779	199.80	194.78
TOTAL LOCOMOTIVES	1945	924	60,814,652	65,817	140,861	152.45	127.35

## CONDITION OF EQUIPMENT—DECEMBER 31, 1945 AND 1944

ITEM	December 31, 1945			December 31, 1944		
	LOCOMOTIVES	FREIGHT CARS	PASSENGER TRAIN CARS	LOCOMOTIVES	FREIGHT CARS	PASSENGER TRAIN CARS
Locomotives owned and cars on line.....	924	35,911	697	899	37,939	676
Units unserviceable.....	40*	1,181	10	49*	666	8
Percent unserviceable.....	4.3	3.3	1.4	5.5	1.8	1.2

\*In shop or awaiting shop.

## MILEAGE OWNED AND OPERATED

(INCLUDES MILEAGE OWNED BY PROPRIETARY COMPANIES WHOSE OPERATIONS ARE INCLUDED IN THIS REPORT)  
DECEMBER 31, 1945

STATE OR PROVINCE	MILEAGE OWNED—DECEMBER 31, 1945				MILEAGE OPERATED—DECEMBER 31, 1945			
	TOTAL MILES OF ROAD	SECOND AND OTHER MAIN TRACKS	YARDS, SIDINGS AND SPURS	TOTAL TRACK MILEAGE	TOTAL MILES OF ROAD	SECOND AND OTHER MAIN TRACKS	YARDS, SIDINGS AND SPURS	TOTAL TRACK MILEAGE
Wisconsin.....	38.37	19.20	175.35	232.92	44.32	24.86	175.60	244.78
Minnesota.....	2,048.43	175.80	768.59	2,992.82	2,068.89	240.90	809.59	3,119.38
North Dakota.....	1,974.36	65.70	445.69	2,485.75	1,974.36	65.70	445.53	2,485.59
South Dakota.....	358.97	.....	47.42	406.39	364.16	.....	47.42	411.58
Iowa.....	78.01	.....	36.91	114.92	78.01	.....	36.91	114.92
Montana.....	1,821.19	122.11	522.59	2,465.89	1,843.70	140.95	625.35	2,610.00
Idaho.....	123.91	.....	38.04	161.95	130.10	.....	39.29	169.39
Washington.....	1,088.85	66.20	518.34	1,673.39	1,326.64	246.95	614.90	2,188.49
Oregon.....	92.97	.....	70.93	163.90	179.21	9.08	140.89	329.18
California.....	99.24	.....	22.59	121.83	100.47	.....	24.19	124.66
Manitoba.....	5.66	.....	8.88	14.54	74.72	2.44	25.35	102.51
British Columbia.....	140.76	7.07	27.99	175.82	147.75	7.07	28.64	183.46
Total owned or operated.....	7,870.72	456.08	2,683.32	11,010.12	8,332.33	737.95	3,013.66	12,083.94
Miles owned but not operated included above.....	.05	.....	.27	.32				
Proportion of jointly owned mileage belonging to other companies included above.....	18.98	1.12	88.17	108.27				



# GREAT NORTHERN RAILWAY COMPANY

## DEPRECIATION AND AMORTIZATION OF DEFENSE PROJECTS CHARGED TO OPERATING EXPENSES 1928 TO 1945

YEAR	ROAD	EQUIPMENT	TOTAL *	YEAR	ROAD	EQUIPMENT	TOTAL
1945	\$ 8,549,497	\$25,824,679	\$34,374,176	1936	\$ 177,538	\$ 3,481,835	\$ 3,659,373
1944	3,584,050	11,322,178	14,906,228	1935	232,764	3,419,849	3,652,613
1943	3,267,312	12,441,986	15,709,298	1934	224,438	3,525,567	3,750,005
1942	442,257	8,278,330	8,720,587	1933	263,143	4,616,304	4,879,447
1941	166,873	6,503,895	6,670,768	1932	295,188	4,815,749	5,110,937
1940	121,565	4,041,710	4,163,275	1931	297,046	4,802,334	5,099,380
1939	158,973	3,527,703	3,686,676	1930	308,810	4,782,731	5,091,541
1938	159,289	3,560,905	3,720,194	1929	311,269	4,552,308	4,863,577
1937	160,116	3,496,844	3,656,960	1928	294,736	4,382,818	4,677,554

\*Includes for amortization of defense projects, 1945—\$27,424,518, (including \$20,543,553, resulting from election to terminate amortization as of September 30, 1945), 1944—\$8,228,462, 1943—\$9,476,994, 1942—\$4,780,832, 1941—\$2,691,376.

## NOTES EVIDENCING CONDITIONAL SALE CONTRACTS DECEMBER 31, 1945 AND 1944

EQUIPMENT	RATE OF INTEREST ON DEFERRED PAYMENTS	MONTHLY PAYMENTS TO	PURCHASE PRICE OF EQUIPMENT	PRINCIPAL OUTSTANDING DECEMBER 31		
				1945	1944	DECREASE (I—INCREASE)
DIESEL LOCOMOTIVES						
14—1000 H. P. . . . .	2	Aug. 1945	\$ 1,208,848	.....	\$ 133,177	\$ 133,177
10—1000 H. P. and 2—600 H. P. . . . .	2	May 1946	978,623	\$ 47,388	168,722	121,334
2—2700 H. P. . . . .	2	June 1946	480,090	43,885	133,236	89,351
2—1000 H. P. . . . .	2	Oct. 1946	159,481	27,409	60,106	32,697
1—4050 H. P., 1—2700 H. P., 10—1000 H. P. and 3—600 H. P. . . . .	2	Jan. 1947	1,602,506	359,288	685,755	326,467
3—5400 H. P. . . . .	1½	Mar. 1949	1,501,438	950,911	1,251,199	300,288
6—5400 H. P. . . . .	1½	July 1949	3,002,877	2,102,014	2,702,589	600,575
4—5400 H. P. . . . .	1.47	Dec. 1949	2,001,918	1,568,169	1,968,553	400,384
6—2700 H. P., 6—1000 H. P. . . . .	1.63	Dec. 1955	1,938,805	1,538,119	.....	I— 1,538,119
70 Diesel Locomotives . . . . .			12,874,586	6,637,183	7,103,337	466,154
BOX CARS						
1,000—50 ton . . . . .	2½	April 1946	2,912,000	161,801	674,031	512,230
2,000—50 ton . . . . .	2	Feb. 1949	5,690,775	2,227,677	2,911,295	683,618
2,000—50 ton . . . . .	2	Nov. 1949	6,380,625	2,632,232	3,314,040	681,808
2,000—50 ton . . . . .	2	Dec. 1949	5,931,145	2,758,584	3,439,209	680,625
7,000 Box Cars . . . . .			20,914,545	7,780,294	10,338,575	2,558,281
ORE CARS						
1,500—75 ton—All steel . . . . .	2	May 1946	4,153,560	248,062	853,324	605,262
500—75 ton—All steel . . . . .	2	Aug. 1949	1,551,000	638,630	807,621	168,991
500—75 ton—All steel . . . . .	1.87	Mar. 1951	1,582,100	871,913	1,040,670	168,757
2,500 Ore Cars . . . . .			7,286,660	1,758,605	2,701,615	943,010
GONDOLA CARS						
**500—50 ton—All steel . . . . .	1.63	Jan. 1956	1,957,280	1,565,824	.....	I— 1,565,824
FLAT CARS						
**250—70 ton—All steel . . . . .	1.63	Jan. 1956	885,437	708,350	.....	I— 708,350
Total—All Equipment . . . . .			\$43,918,508	\$18,450,256	\$20,143,527	\$1,693,271

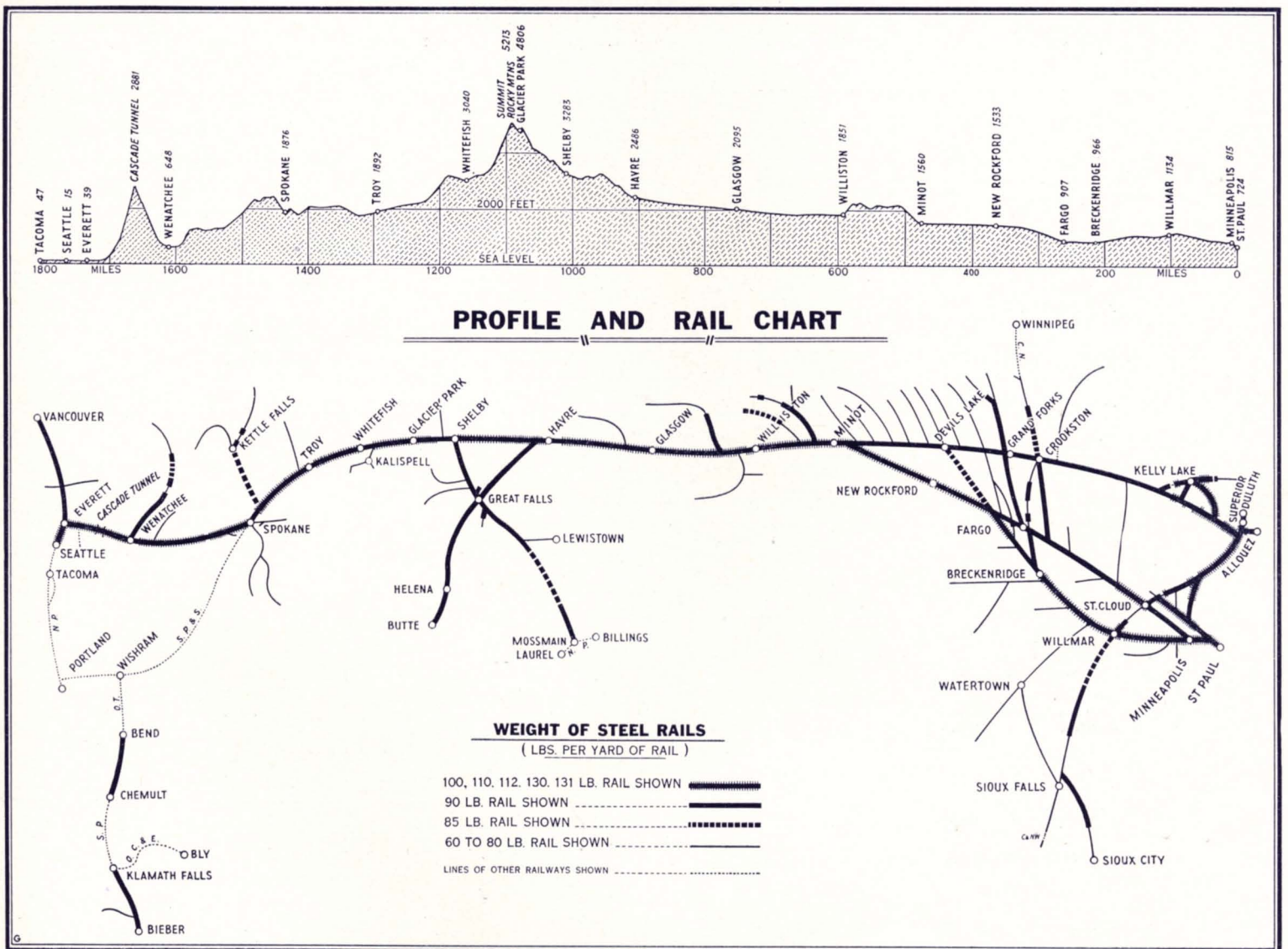
\*\*Notes issued as of January 1, 1946.

## PRINCIPAL PAYMENTS MATURING ON NOTES EVIDENCING CONDITIONAL SALE CONTRACTS

CALENDAR YEAR	AMOUNT	CALENDAR YEAR	AMOUNT
1955	\$ 369,595	1950	\$ 551,279
1954	382,522	1949	2,658,958
1953	382,522	1948	4,187,349
1952	382,522	1947	4,167,385
1951	410,648	1946	4,957,476



# ANNUAL REPORT FOR 1945



WEIGHT OF STEEL RAILS IN MAIN AND BRANCH LINES  
DECEMBER 31, 1945

WEIGHT (POUNDS PER YARD)	MAIN LINE (MILES)	BRANCHES (MILES)	SECOND, THIRD AND FOURTH TRACKS (MILES)	TOTAL MILES	
				DECEMBER 31, 1945	DECEMBER 31, 1944
131	13.60	.....	.02	13.62	15.68
130	38.58	.....	6.58	45.16	49.76
112	702.05	.24	170.41	872.70	693.14
110	906.86	26.56	76.73	1,010.15	1,023.77
100	127.71	41.22	22.82	191.75	200.21
90	1,958.18	532.55	169.58	2,660.31	2,760.82
85	116.96	300.22	4.84	422.02	439.40
80	50.40	210.07	.18	260.65	276.13
77½	5.66	525.18	3.89	534.73	557.47
75	2.57	351.41	1.03	355.01	346.60
60 to 70	.....	1,955.04	.....	1,955.04	2,042.31
Total.....	3,922.57	3,942.49	456.08	8,321.14	8,405.29



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

INCOME ACCOUNT  
1941 TO 1945

ITEM	1945	1944	1943	1942	1941
Average mileage of road operated.....	8,965	8,989	9,030	9,078	9,036
<b>OPERATING INCOME</b>					
Railway operating revenues.....	\$242,542,798	\$240,637,400	\$217,952,483	\$165,289,325	\$117,521,355
Railway operating expenses.....	174,150,921	145,854,303	123,559,336	99,415,696	83,047,925
Net revenue from railway operations....	68,391,877	94,783,097	94,393,147	65,873,629	34,473,430
Railway tax accruals.....	30,248,889	57,190,637	55,573,644	26,192,996	11,900,410
Railway operating income.....	38,142,988	37,592,460	38,819,503	39,680,633	22,573,020
Equipment rents—net debit.....	1,598,413	2,373,366	1,172,357	227,949	1,312,963
Joint facility rent—net debit.....	2,194,786	3,144,271	1,884,659	2,279,001	2,125,052
Net railway operating income.....	34,349,789	32,074,823	35,762,487	37,173,683	19,135,005
<b>OTHER INCOME</b>					
Income from lease of road and equipment.....	212,256	193,027	166,589	162,512	133,819
Miscellaneous rent income.....	430,593	501,885	463,920	494,127	525,918
Miscellaneous nonoperating physical property..	130,838	Dr. 89,545	138,762	133,950	124,932
Dividend income.....	119,089	237,827	264,523	207,164	180,585
Income from funded securities.....	296,451	322,853	328,774	285,407	157,042
Income from unfunded securities and accounts..	356,746	298,656	149,136	64,965	73,852
Release of premiums on funded debt.....	5,387	7,705	9,935	17,930	15,530
Miscellaneous income.....	48,768	41,702	16,756	10,277	11,444
Total other income.....	1,600,128	1,514,110	1,538,395	1,376,332	1,223,122
Total income.....	35,949,917	33,588,933	37,300,882	38,550,015	20,358,127
<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
Miscellaneous rents.....	28,140	24,064	23,406	11,420	13,878
Miscellaneous tax accruals.....	68,576	59,587	54,523	80,162	79,780
Separately operated properties—Loss.....	4,207	13,545	8,961	5,720	28,078
Miscellaneous income charges.....	176,020	104,239	13,986	5,345	6,791
Total miscellaneous deductions.....	276,943	201,435	100,876	102,647	128,527
Income available for fixed charges.....	35,672,974	33,387,498	37,200,006	38,447,368	20,229,600
<b>FIXED CHARGES</b>					
Rent for leased roads and equipment.....	112,209	92,270	95,868	91,570	89,478
Interest on funded debt.....	7,428,309	8,468,658	8,708,550	9,268,119	9,334,465
Interest on unfunded debt.....	604,165	28,690	15,161	290,672	235,443
Amortization of discount on funded debt.....	122,891	150,758	149,163	150,087	151,072
Total fixed charges.....	8,267,574	8,740,376	8,968,742	9,800,448	9,810,458
Net income.....	27,405,400	24,647,122	28,231,264	28,646,920	10,419,142
Dividend appropriations of income.....	10,250,322	5,125,161	5,125,161	5,125,161	3,416,774
Income balance transferred to earned surplus...	\$ 17,155,078	\$ 19,521,961	\$ 23,106,103	\$ 23,521,759	\$ 7,002,368



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

INCOME ACCOUNT  
1941 TO 1945

ITEM	1945	1944	1943	1942	1941
Average mileage of road operated.....	944	944	930	933	945
<b>OPERATING INCOME</b>					
Railway operating revenues.....	\$24,774,933	\$26,125,576	\$23,906,149	\$19,540,611	\$13,289,042
Railway operating expenses.....	20,815,795	18,123,397	13,885,200	9,801,760	8,136,869
Net revenue from railway operations....	3,959,138	8,002,179	10,020,949	9,738,851	5,152,173
Railway tax accruals.....	1,638,385	2,009,328	2,960,368	1,149,866	929,235
Railway operating income.....	2,320,753	5,992,851	7,060,581	8,588,985	4,222,938
Equipment rents—net debit.....	2,044,317	2,210,428	2,518,727	1,900,505	1,314,642
Joint facility rent—net credit.....	184,993	153,569	118,044	163,410	121,863
Net railway operating income.....	461,429	3,935,992	4,659,898	6,851,890	3,030,159
<b>OTHER INCOME</b>					
Revenues from miscellaneous operations.....	8,887	8,867	3,609	.....	.....
Miscellaneous rent income.....	57,732	25,587	75,843	50,662	49,909
Miscellaneous nonoperating physical property...	19,923	76,898	113,931	146,952	156,748
Income from funded securities.....	1,795	1,993	2,269	1,691	832
Income from unfunded securities and accounts..	31,822	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.....	121,809	1,570,475	205,823	201,035	209,259
Total income.....	583,238	5,506,467	4,865,721	7,052,925	3,239,418
<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
Expenses of miscellaneous operations.....	8,246	8,301	2,211	.....	.....
Taxes on miscellaneous operating property.....	508	450	.....	.....	.....
Miscellaneous rents.....	1,311	1,410	2,059	5,278	6,268
Miscellaneous tax accruals.....	19,958	19,321	22,994	26,913	32,524
Miscellaneous income charges.....	619	1,669	1,773	345	542
Total miscellaneous deductions.....	30,642	31,151	29,037	32,536	39,334
Income available for fixed charges.....	552,596	5,475,316	4,836,684	7,020,389	3,200,084
<b>FIXED CHARGES</b>					
Rent for leased roads and equipment.....	38,315	37,801	40,996	43,045	43,402
Interest on funded debt.....	3,024,408	3,065,203	3,060,678	3,123,060	3,125,981
Interest on unfunded debt.....	4,688	1,712	9,568	9,395	9,735
Amortization of discount on funded debt.....	444,618	444,619	444,618	444,619	444,619
Total fixed charges.....	3,512,029	3,549,335	3,555,860	3,620,119	3,623,737
Net income or deficit transferred to Profit and Loss.....	\$ 2,959,433	\$ 1,925,981	\$ 1,280,824	\$ 3,400,270	\$ 423,653

	STOCK	BONDS	MILES OF ROAD OPERATED DEC. 31, 1945
1. Great Northern Railway Company owns— Securities of Spokane, Portland and Seattle Ry. Co.....	50%	50%	608.49
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.....	.....	.....	943.87

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



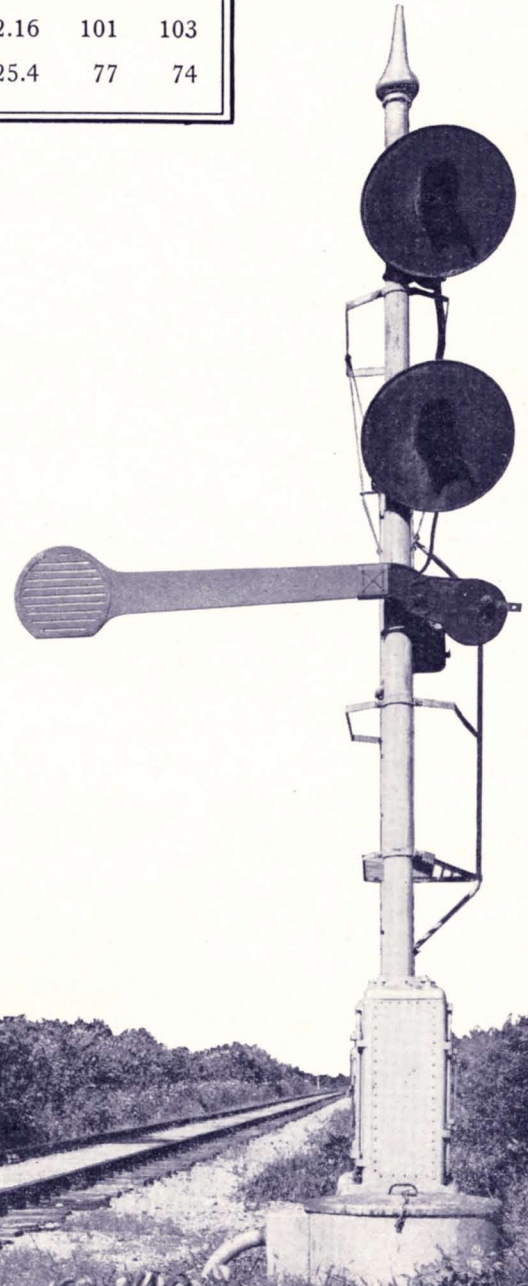
## WHAT \$100 WOULD PURCHASE

### From Great Northern Railway Company

	<u>1945</u>	<u>1935</u>	<u>1925</u>	Per cent 1945 of	
				<u>1925</u>	<u>1935</u>
Revenue net tons moved one mile...	10,870	10,515	9,452	115	103
or Revenue passengers carried one mile	6,250	5,931	3,164	198	105

### By Great Northern Railway Company

Hours of executives and officials....	42	44	45	93	95
or Hours of all other employees.....	104	145	161	65	72
or New treated crossties.....	52	91	101	51	57
or Tons of new steel rail (100# to 112#)	2.18	2.11	2.16	101	103
or Tons of coal for locomotives .....	19.5	26.5	25.4	77	74











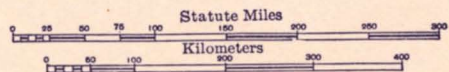
**GREAT NORTHERN RAILWAY SYSTEM**.....

**BURLINGTON LINES**.....

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

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

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









1945



SERVING



WISCONSIN  
MINNESOTA

IOWA

SOUTH DAKOTA

NORTH DAKOTA

MONTANA

IDAHO

WASHINGTON

OREGON

CALIFORNIA

MANITOBA

BRITISH COLUMBIA