

BOSTON AND MAINE RAILROAD

One Hundred and Twelfth

ANNUAL REPORT

Year Ending December 31, 1944



5400 H.P. Diesel Freight Locomotive

TOTAL WEIGHT, 933,000 POUNDS
LENGTH OVER COUPLERS, 193 FEET
FUEL OIL CAPACITY, 4,800 GALLONS
FOUR 16-CYLINDER, 2-CYCLE DIESEL ENGINES, EACH 1350 H.P.
16 PAIRS DRIVING WHEELS, 40-INCH DIAMETER
STARTING TRACTIVE EFFORT, 233,000 POUNDS
CONTINUOUS TRACTIVE EFFORT, 128,000 POUNDS AT 15 M.P.H.
MAXIMUM SAFE OPERATING SPEED, 65 M.P.H.
EQUIPPED WITH DYNAMIC BRAKING

DIRECTORS

PHILIP R. ALLEN, E. Walpole, Mass.	EDWARD S. FRENCH, Springfield, Vt.
ROGER AMORY, Boston, Mass.	JAMES GARFIELD, Cambridge, Mass.
LOUIS M. ATHERTON, Swampscott, Mass.	ALDUS C. HIGGINS, Worcester, Mass.
RICHARD L. BOWDITCH, Cambridge, Mass.	HARVEY P. HOOD, Cambridge, Mass.
HUGH J. CHISHOLM, Portland, Maine	ERNEST M. HOPKINS, Hanover, N. H.
T. JEFFERSON COOLIDGE, Brookline, Mass.	AUGUSTUS P. LORING, Jr., Beverly, Mass.
FAIRMAN R. DICK, New York, N. Y.	JOHN R. McLANE, Manchester, N. H.
*BERNARD W. DOYLE, Leominster, Mass.	ROY L. PATRICK, Burlington, Vt.
HARRY H. DUDLEY, Concord, N. H.	WILLIAM B. SKELTON, Lewiston, Me.
FREDERIC C. DUMAINE, Jr., Weston, Mass.	J. DUNCAN UPHAM, Claremont, N. H.
†REGINALD FOSTER, Manchester, Mass.	WILLIAM D. WOOLSON, Springfield, Vt.

*Elected February 27, 1945.

†Died December 21, 1944.

OFFICERS

President and Chairman of Executive Committee	EDWARD S. FRENCH
Vice-President and Clerk of Corporation	ARTHUR B. NICHOLS
Vice-President — Finance and Accounting	W. S. TROWBRIDGE
Vice-President — Operating	J. W. SMITH
Vice-President — Purchases and Stores	A. W. MUNSTER
Vice-President — Traffic	J. W. RIMMER
Treasurer	E. J. GALLAGHER
General Counsel	E. W. WHEELER
Chief Engineer	T. G. SUGHRUE

Transfer Agent in Boston for all classes of stock, Old Colony Trust Company, 45 Milk Street, Boston, Massachusetts.

Transfer Agent in New York for common stock, Guaranty Trust Company, 140 Broadway, New York City.

BOSTON AND MAINE RAILROAD

To the Owners of Boston and Maine Railroad:

On behalf of the Board of Directors there is submitted herewith a report for the year ended December 31, 1944.

INCOME ACCOUNT — CONDENSED

	1944	Increase or Decrease from 1943	Per Cent
Operating Revenues	\$87,342,286 21	\$1,016,510 91	1.18
Operating Expenses	65,505,530 70	4,939,278 46	8.16
Net Revenue from Operations	\$21,836,755 51	<i>d</i> \$3,922,767 55	15.23
Railway Tax Accruals	8,498,787 52	<i>d</i> 2,123,049 37	19.39
Railway Operating Income	\$13,337,967 99	<i>d</i> \$1,799,718 18	11.89
Equipment and Joint Facility Rents — Net Dr.	3,243,836 76	<i>d</i> 16,491 07	.51
Net Railway Operating Income	\$10,094,131 23	<i>d</i> \$1,783,227 11	15.01
Other Income	1,233,129 41	<i>d</i> 211,759 90	14.66
Total Income	\$11,327,260 64	<i>d</i> \$1,994,987 01	14.97
Deductions:			
Rental Payments	\$ 1,121,552 35	<i>d</i> \$ 38,364 95	3.31
Interest on Debt — Fixed Interest	2,944,585 44	<i>d</i> 100,986 14	3.32
Interest on Unfunded Debt	13,202 42	<i>d</i> 139 42	1.04
Other Deductions	165,137 34	<i>d</i> 40,265 19	19.80
Total Deductions	\$ 4,244,477 55	<i>d</i> \$ 179,755 70	4.06
Income after Fixed Charges (Available Net Income)	\$ 7,082,783 09	<i>d</i> \$1,815,231 31	20.40

d Indicates decrease.

Income after Fixed Charges (Available Net Income) has been allocated in accordance with Mortgage Indentures to the following purposes:

Sinking Fund for redemption of Series RR Bonds	\$ 679,102 00
Interest on Income Bonds Series A:	
Accrued for period, Jan. 1 to Dec. 31, 1944 at 4½%	1,438,227 20
Sinking Fund for redemption of Series A Bonds	482,870 00
Purchase or payment of mortgage bonds	1,494,194 63
Increase the Capital Fund	2,404,893 66
Purchase or payment of funded debt or for expenditures for property or investments as may later be determined by the Board of Directors	583,495 60
Total	\$7,082,783 09

CAPITAL STOCK

The number of shares of Capital Stock of all classes outstanding December 31, 1944, including fully-paid negotiable receipts for subscriptions to Prior Preference Stock, was 1,046,113 shares, of a par value of \$104,611,300.

CHANGES IN LONG-TERM DEBT

Long-Term Debt on December 31, 1944 amounted to \$109,525,573.94, a decrease of \$4,019,325.68 since December 31, 1943. Of the total Long-Term Debt, \$2,861,700 is owned by the Railroad, leaving a balance of \$106,663,873.94 outstanding in the hands of the public.

DECREASE IN LONG-TERM DEBT:

Funded Debt Reacquired and Cancelled:

Series RR 1st Mtge. 4% Bonds due 7/1/60	\$1,172,300 00	
Series A Income Mtge. 4½% Bonds due 7/1/70	4,948,500 00	\$6,120,800 00

Matured Funded Debt Paid Off:

General Mortgage 4½% Bonds paid 1/1/44	\$ 185,000 00	
Series AA Gen. Mtge. 5% Bonds paid 4/1/44	470,000 00	655,000 00

Equipment Trust Certificates:

No. 5 — 5 % Trust Cert. paid 5/1/44 (Final installment) ..	\$ 114,000 00	
No. 6 — 4 % " " " 6/1/44 & 12/1/44	174,000 00	
No. 7 — 3½% " " " 12/1/44 (Final installment)	270,000 00	558,000 00
		\$ 7,333,800 00

INCREASE IN LONG-TERM DEBT:

Increase in Lease and Purchase Agreements — Equipment ...	\$4,720,960 00	
Decrease in Lease and Purchase Agreements — Equipment ..	1,406,485 68	3,314,474 32

Net Decrease

\$ 4,019,325 68

Summary of Debt retired and applied against the \$25,000,000 debt retirement provision of the Mortgage, Article 7-A, Section 2, Paragraph 6:

Boston and Maine Railroad bonds retired to December 31, 1943	\$15,954,400 00
" " " " " " during 1944	6,561,800 00
Sullivan County Railroad 6% bonds matured April 1, 1944	357,000 00

Total to December 31, 1944

\$22,873,200 00

FREIGHT TRAFFIC

Freight revenue for 1944 was \$60,205,568.03, 0.9% higher than 1943, 8% higher than 1942, and an all-time high for the Company.

Revenue tons of freight handled were 27,073,650, 1.6% below 1943, but 6.9% above 1942.

Average revenue per net ton was \$2.22, 2.3% over 1943, and 0.9% over 1942.

The increase in freight revenue was the direct result of higher average earnings per ton, which in turn reflect an increased percentage in the movement of finished goods as compared with bulk commodities. Boston and Maine partici-

pation in the movement of war materials to battle areas was even greater in this, the third year of the war.

There was a 6% increase in total cars loaded on the Boston and Maine.

Anthracite coal tonnage was the greatest since 1930, and though the number of cars handled was less than in 1942, heavier car loading brought the tonnage to slightly in excess of the 1942 figure and about 9% above 1943.

The revenue effect of these increases was sufficient to more than offset substantial declines in the movement of petroleum products and of all-rail bituminous coal, as well as additional revenue of slightly over one million dollars obtained during the first four and a half months of 1943 from the so-called Increased Rates of 1942 which were not effective during any part of 1944. The movement of petroleum products through our western gateways declined from 131,509 cars in 1943 to 113,373 cars, or 16%. The downward trend started about the first of May, and though irregular, continued until the first of December, due to increased allocation of tank steamers to normal service into New England ports. The change in the military situation during the closing weeks of the year was reflected in a sharply increased rail movement of this traffic. All-rail bituminous coal dropped from 48,960 cars in 1943 to 40,047 cars, or 18%. This was caused by an increase in the return of bituminous coal to water movement from Hampton Roads to New England ports, which was mentioned in the 1943 report. During the last half of the year the vessel movement from this area approximated the normal pre-war level.

The increases in freight rates authorized by the Interstate Commerce Commission, effective March 18, 1942, and suspended on May 15, 1943, have remained under suspension since that time. Efforts on the part of certain interests to have the increases permanently cancelled, and attempt on the part of the rail carriers to have them again become operative at the close of 1944, were both unsuccessful and the Commission has continued their suspension until the end of 1945.

PASSENGER TRAFFIC

Passenger revenue for the year amounted to \$19,532,662.01, an increase of 2.7% over 1943, and the highest since 1926. Passenger travel on our system was more evenly distributed over the twelve months period than was the case the previous year, and summer travel was substantially less than in 1943.

Seasonal passenger service, which was suspended during 1943 in accordance with the policy of the Office of Defense Transportation, was also suspended in 1944. However, permission was obtained to run a day train in each direction between Portland, Maine, and New York City in connection with the New York, New Haven & Hartford Railroad during the summer months, using the equipment already in service on the overnight run between these points. This relieved to some extent the demand for night accommodations, which far exceeded the supply, and also took a part of the burden off other regular day trains.

Patronage of our Company-owned parlor cars, which now constitute almost all of our parlor car operations, has increased steadily since these cars went into

service. We began to acquire these cars in the fall of 1940 and have operated the same number throughout the years 1942, 1943 and 1944, using this equipment in local service on the Boston and Maine and on through runs in connection with the Maine Central. The total number of passengers carried in these cars by the Boston and Maine during the three years was as follows:

1942	39,467
1943	52,534
1944	60,244

There were many cases, particularly during the summer of 1944, when many more parlor car passengers would have been handled if the space had been available. It will be noted that the demand for this type of accommodation increased last summer notwithstanding the decline in passenger travel during that period.

Petitions for removal of the February, 1942, 10% increase in passenger fares (other than commutation fares on which the increase was removed in 1943) were rejected by the Interstate Commerce Commission and the increase remains in effect.

MILK TRAFFIC

Revenue from hauling milk and cream was \$1,092,657.58, a decrease of 2.1% under 1943.

The total volume of milk and cream combined was slightly greater than in the previous year but loss of the 3% rate increase in effect during the first four and a half months of 1943, and a decline, due to Government restrictions, in the movement of cream which carries a higher rate, caused the total revenue to decline slightly.

EXPRESS TRAFFIC

Express revenue is estimated at \$1,500,598.85, an increase of 5% over 1943. There was a large increase in the movement of war materials but a decline in the tonnage of other products.

OPERATING RESULTS

There was a slight reduction in the volume of freight traffic in 1944 as compared with the previous year for both gross and net ton miles.

Freight train efficiency advanced during the current year producing three new all time records:

Gross Tons for Each Train
Train Miles per Train Hour
Gross Ton Miles per Train Hour

Gross ton miles per train hour is the common index of freight train efficiency and it is obtained by multiplying the average load behind the locomotive by the average speed at which such weight was transported. The performance in 1943 of 33,858 was a record for all time and this was extended in 1944 to 36,591 or a gain of 8.1%.

Locomotive and car utilization did not make new records during the past year although they were close to the record performances that had been made in the previous year. The continuance of the relatively high performance for these items reflects the effort to expedite traffic under the stress of war time conditions that again has been aided by the cooperation of shippers and consignees to utilize freight cars to the maximum.

The introduction of Diesel road freight locomotives has made it difficult to compare fuel performance with that of past years. The use of fuel oil by this new type of power while known to be economical as compared with the coal burning steam locomotives for a given volume of work performed, is not susceptible to exact measurement.

A fair indication however is shown by a comparison of the two types of power based on the performance of twelve 5400 h.p. Diesel units during the month of December 1944. During this month the average consumption of fuel oil per 1000 gross ton miles produced was 1.59 gallons, which multiplied by the prevailing price per gallon amounted to 10.48¢. Based on recent studies it is estimated that steam locomotives performing the same kind of service during that month would have shown a consumption of 93 pounds of coal per 1000 G.T.M. at a cost of 26.64¢. The saving of 16¢ applied to the total volume of gross ton miles operated by Diesels during December, or 506,891,000, indicates a saving of \$81,102.

When the total number of Diesels have been operating for a full year a better estimated result of savings to include costs other than fuel will be possible.

ROLLING STOCK

9 additional 5,400 H.P. road freight Diesel locomotives were put in service, making a total of 12 now operating. More than 600,000 train miles were operated by these road Diesels.

Three 1,000 H.P. and three 660 H.P. Diesel switchers were also added to our equipment.

Two Santa Fe type locomotives were sold and three small passenger locomotives were retired.

Our present ownership is —

439 steam locomotives
12 road Diesels
34 yard Diesels

We have on order for 1945 delivery six 5,400 H.P. road Diesels (or their equivalent) and three 660 H.P. Diesel switchers.

On December 31, 1944 we owned 6,580 revenue freight cars. No new units were added during the year. 52 units were retired or destroyed on foreign lines; and 33 were converted to non-revenue service.

We own the same number of passenger car units as at the end of 1943 — 1,143 — and 13 rail motor cars.

During the year we acquired ten new cabooses, two gas cranes and one snowplow.

ADDITIONS AND BETTERMENTS

The retirement of the Eastern Route of the Portland Division between North Berwick and Rigby, Maine, was authorized by the Interstate Commerce Commission and the Western Route of the Portland Division was then double-tracked between North Berwick and Kennebunk, Maine. There is now double-tracked route the entire distance between Boston and Portland, Maine.

75.7 single track miles of new 112-lb. rail were laid in the main lines of the Fitchburg, New Hampshire and Portland Divisions.

24 single track miles of stone ballast were installed in the main line of the New Hampshire Division between Nashua and Manchester, N. H.

25½ single track miles of stone ballast on the Fitchburg Division main line were resurfaced.

23 track flange oilers were placed on the Fitchburg and New Hampshire Divisions.

5,150 tons of riprap were placed at various locations on the New Hampshire Division.

2,137 unit switch heaters were put in track to keep switches clear of snow and to help overcome manpower shortages.

3 track bridges and 2 culverts were renewed and 4 overhead bridges were rebuilt.

Additional automatic flasher signals were installed at 2 crossings and automatic flashers and gates replaced manually operated gates at one crossing. Modern electric interlocking plants replaced old-type hand-operated signals at Manchester and Concord, N. H., and new signal towers were built at both points. Modern color light signals respaced to provide adequate braking distances were provided between Edgeworth and Wilmington Junction, Mass.; Haverhill, Mass., and Dover, N. H.; North Chelmsford, Mass., and Concord, N. H.; Wilmington and Lowell, Mass.; Brightwood to Deerfield Junction, Mass.; and Putney to Bellows Falls, Vt.

In pursuance of our program carried on for many years 9,800 cu. yds. of material were placed as fill in the Boston Terminal area. Improved and additional bunk and rest rooms, including locker and toilet facilities for employees were provided at Boston, Springfield, East Deerfield, Lowell and East Fitchburg, Mass.; Nashua, Portsmouth, Woodsville and Keene, N. H.; White River Junction and Bellows Falls, Vt.; Rigby, Maine; and Mechanicville, N. Y. At Mechanicville, N. Y., a 110-ft. turntable was installed in place of a smaller table, and shop facilities were greatly enlarged and improved to provide for servicing Diesel power.

Following plans for the retirement of unused buildings, many station and office buildings, as well as piers and other structures comprised in the Hoosac Tunnel Dock area at Boston, have been retired and demolished. Passenger shelters have been erected to replace the razed passenger stations where such shelters are required by the business handled.

ACQUISITIONS AND ABANDONMENTS

Progress has been made during the year in the acquisition of leased lines and the termination of long term leases, thereby effecting a substantial reduction in fixed charges and a further simplification of the capital structure of the company. With the authorization and approval of the Interstate Commerce Commission and the New Hampshire Public Service Commission, the company completed the purchase of all of the physical properties of the Wilton Railroad Company, the Peterborough Railroad, the Nashua and Lowell Railroad Corporation and the Concord and Portsmouth Railroad, and all franchises connected therewith.

In furtherance of the policy of discontinuing unprofitable sections of its lines, which were no longer required for the adequate service of the public, the company obtained authority from the Interstate Commerce Commission to abandon all of the east route between North Berwick and Rigby Tower No. 1 except for a short section serving industries in Saco. Substantial economies are expected to result from this abandonment.

RATE CASES

During the year there was submitted to the Interstate Commerce Commission the proceeding involving class rates throughout the entire country east of the Rocky Mountains. The chief issue is whether the class rates in the South and West shall be reduced to the same level as those in the Northeast. The case was argued before the entire Commission in June, but no conclusion had been reached at the end of the year.

MATERIALS AND SUPPLIES

The quality of locomotive coal throughout the year was below pre-War standards and the supply so limited that we were unable to stock a sufficient quantity of good coal for protection during the winter months.

Purchases of locomotive coal in 1944 amounted to 1,002,207 net tons at an average delivered line of road price of \$5.46 per net ton, as against 1,040,615 net tons purchased in 1943 at an average price of \$5.28 per net ton. On January 1, 1945 we had a total stock of 90,588 net tons, as against 75,823 net tons on January 1, 1944.

12 Diesel road freight locomotives were in service by December, 1944, and our fuel oil purchases for road and switch Diesel locomotives during 1944 were 4,631,951 gallons at an average price of \$.073 per gallon, as against 1,332,054 gallons at an average price of \$.074 per gallon in 1943.

Lumber and crossties available for railroads have been severely curtailed. Except for lumber products and steel castings, prices showed only an average slight advance.

Total purchases of materials and supplies, including coal but not including new equipment, were \$15,440,390 for the calendar year of 1944, as against \$14,347,070 for the calendar year of 1943.

TAXES

Railroad Retirement and Unemployment Insurance Taxes paid the Federal Government by the Railroad in respect to 1944 payrolls amounted to \$2,576,344, an average of \$167.88 per employee.

Acting as a collection agency for the Federal Government the Railroad withheld from employees or collected from others, including withholding taxes, transportation taxes on persons and on property and employees' proportion of railroad retirement taxes, a total of \$9,833,626.25.

It is with profound regret that the Board of Directors records the passing on December 21, 1944 of Mr. Reginald Foster, a member of the Board since March 23, 1926 and a member of the Executive Committee during substantially all of that time.

Because of his wisdom and interest his advice was constantly sought on a variety of problems and he played an important part in the formation of the policies of the Railroad during a perplexing and troubled era. Admired, respected and trusted by all who knew him, his death deprives the Railroad of a valued counsellor and Boston of an outstanding citizen.

On December 31, 1944, 3,551 of our employees had been given furloughs so that they might enter the armed services. We have advice that as of the same date 62 of that number have made the supreme sacrifice.

The year just past, one of the busiest in the company's history, was a severe test of the efficiency and loyalty of its employees. For their accomplishments under trying conditions, and for the splendid cooperation of the company's customers, the Board of Directors is deeply grateful.



President

February 27, 1945.

CONDENSED GENERAL BALANCE SHEET — Assets

ROAD AND EQUIPMENT	Dec. 31, 1944	Dec. 31, 1943
Investment in Road	\$177,560,378 17	\$174,007,858 58
Investment in Equipment	58,530,128 41	53,652,950 53
<i>Total</i>	\$236,090,506 58	\$227,660,809 11
Improvements on Leased Property	15,765,160 54	16,893,560 79
Acquisition Adjustment	C 3,318,085 54	
Donations and Grants	C 69,352 26	C 69,352 26
Sinking Funds	2,658 99	1,556 95
Deposits in Lieu of Mortgaged Property Sold	955,054 41	816,871 10
Miscellaneous Physical Property	391,107 25	653,645 20
Investments in Affiliated Companies	7,840,457 01	6,437,652 70
Other Investments	3,259,019 27	3,223,814 12
<i>Total Investments</i>	\$260,916,526 25	\$255,618,557 71
CURRENT ASSETS		
Cash	\$ 5,804,956 30	\$ 12,610,775 08
Cash in Transit — Agents' Remittances	756,163 11	609,516 37
Temporary Cash Investments	6,115,000 00	4,133,000 00
Special Deposits	2,502,745 74	2,420,656 14
Net Balance Receivable from Agents and Conductors	1,928,757 09	2,257,263 31
Miscellaneous Accounts Receivable	6,114,094 83	6,773,799 48
Material and Supplies	5,038,315 34	4,728,956 17
Interest and Dividends Receivable	103,305 98	309,937 05
Rents Receivable	113,000 00	113,000 00
Other Current Assets	40,457 98	23,545 43
<i>Total Current Assets</i>	\$ 28,516,796 37	\$ 33,980,449 03
DEFERRED ASSETS		
Working Fund Advances	\$ 13,822 61	\$ 11,502 61
Insurance and Other Funds	965,685 86	807,571 88
Other Deferred Assets	1,616,034 30	1,645,249 27
<i>Total Deferred Assets</i>	\$ 2,595,542 77	\$ 2,464,323 76
UNADJUSTED DEBITS		
Insurance Premiums Paid in Advance	\$ 117,886 29	\$ 77,720 28
Discount on Funded Debt	578,733 07	643,798 52
Other Unadjusted Debits	1,366,480 89	1,110,664 26
Securities Issued or Assumed — Unpledged	2,070,100 00	1,370,900 00
Securities Issued or Assumed — Pledged	396,000 00	396,000 00
<i>Total Unadjusted Debits</i>	\$ 4,529,200 25	\$ 3,599,083 06
<i>Grand Total</i>	\$296,558,065 64	\$295,662,413 56

C Indicates Credit Balance.

CONDENSED GENERAL BALANCE SHEET — Liabilities

CAPITAL STOCK	Dec. 31, 1944	Dec. 31, 1943
Common Stock — 395,051 Shares	\$ 39,505,100 00	\$ 39,505,100 00
Preferred Stock — 31,498 Shares	3,149,800 00	3,149,800 00
First Preferred Stock — 388,179 Shares	38,817,900 00	38,817,900 00
Prior Preference Stock (Includes Negotiable Receipts)	23,138,500 00	23,138,500 00
<i>Total Capital Stock</i>	\$104,611,300 00	\$104,611,300 00
Premiums on Capital Stock	4,227,040 14	4,227,040 14
<i>Total Capital Stock and Premiums</i>	\$108,838,340 14	\$108,838,340 14
Stock Liability for Conversion	\$ 1,400 00	\$ 1,400 00
LONG-TERM DEBT		
Funded Debt Unmatured	\$100,336,600 00	\$107,112,400 00
Equipment Trust Certificates	870,000 00	1,428,000 00
Lease and Purchase Agreements — Equipment	8,318,973 94	5,004,499 62
<i>Total Long-Term Debt</i>	\$109,525,573 94	\$113,544,899 62
CURRENT LIABILITIES		
Traffic and Car Service Balances — Net Payable	(A) \$5,870,001 59	\$ 6,426,525 98
Audited Accounts and Wages Payable	3,474,611 31	5,564,836 97
Miscellaneous Accounts Payable	868,824 93	579,060 58
Interest Matured Unpaid	1,433,734 06	1,494,569 01
Dividends Matured Unpaid	13,810 21	12,858 81
Unmatured Interest Accrued	1,448,376 66	1,709,303 44
Unmatured Rents Accrued	234,158 53	256,588 91
Accrued Tax Liability	6,649,221 17	8,418,075 32
Other Current Liabilities	88,463 61	36,852 18
<i>Total Current Liabilities</i>	\$ 20,081,202 07	\$ 24,498,671 20
DEFERRED LIABILITIES		
Due to Leased Roads at Expiration of Leases	\$ 209,988 70	\$ 209,988 70
New York State E. G. C. Projects	367,081 07	375,772 32
Other Deferred Liabilities	21,176 73	20,330 36
<i>Total Deferred Liabilities</i>	\$ 598,246 50	\$ 606,091 38
UNADJUSTED CREDITS		
Insurance and Casualty Reserves	\$ 50,000 00	\$ 50,000 00
Accrued Depreciation — Road and Equipment	21,746,727 70	21,533,876 64
Accrued Depreciation — Leased Property	242,383 59	164,830 33
Amortization of Defense Projects	2,708,604 33	1,393,591 00
Other Unadjusted Credits	759,402 81	910,555 07
<i>Total Unadjusted Credits</i>	\$ 25,507,118 43	\$ 24,052,853 04
SURPLUS		
Additions to Property through Income since June 30, 1907	\$ 12,322,146 85	\$ 8,438,188 65
Funded Debt Retired through Income and Surplus	26,364,200 00	19,802,400 00
Sinking Fund Reserves	1,164,630 99	1,163,528 95
Miscellaneous Fund Reserves	866,627 91	840,451 72
Appropriated Surplus — Not Specifically Invested	2,077,690 23	4,669,278 04
Appropriated Surplus — Capital Fund	2,500,000 00	2,500,000 00
Appropriated Surplus — Purchase of Leased Line Stock	—	416,837 00
Appropriated Surplus — Purchase of Leased Line Bonds	357,000 00	—
<i>Total Appropriated Surplus</i>	\$ 45,652,295 98	\$ 37,830,684 36
Unearned Surplus	598,088 04	598,088 04
Earned Surplus (B)	D 14,244,199 46	D 14,308,614 22
<i>Total Surplus</i>	\$ 32,006,184 56	\$ 24,120,158 18
<i>Grand Total</i>	\$296,558,065 64	\$295,662,413 56

BONDS GUARANTEED

The Peterborough and Hillsborough R.R. First Mortgage 4½% Bonds due July 1, 1951, owned by Boston and Maine Railroad. \$80,000 00

- (A) Includes estimated net balance of \$2,442,978 due Other Railroads account of Delayed Ticket Reports.
 (B) Includes Surplus Earned by Lessor Companies before Consolidation.
 D Indicates Debit Balance.

INCOME ACCOUNT

	Year Ended Dec. 31, 1944	Increase or Decrease	Per Cent
TRANSPORTATION REVENUE			
Freight	\$60,205,568 03	\$ 510,776 03	.86
Passenger	19,532,662 01	516,779 29	2.72
Excess Baggage	13,816 64	1,377 27	11.07
Parlor and Chair Car	63,861 55	23,961 14	60.05
Mail	1,370,055 00	D 33,994 68	2.42
Express	1,500,598 85	70,824 08	4.95
Other Passenger-Train	243,113 53	D 10,118 14	3.99
Milk	1,092,657 58	D 23,403 10	2.10
Switching	599,247 75	D 8,093 03	1.33
<i>Total Transportation Revenue</i>	\$84,621,580 94	\$1,048,110 86	1.25
INCIDENTAL REVENUE			
Dining and Buffet	\$ 252,865 99	D \$ 139 10	.05
Station and Train Privileges	161,097 90	21,294 83	15.23
Parcel Room	51,617 20	1,182 30	2.34
Storage — Freight	66,841 72	D 21,170 49	24.05
Storage — Baggage	7,900 18	2,108 99	36.42
Demurrage	321,249 86	38,376 75	13.57
Telegraph and Telephone	31,716 32	814 52	2.64
Grain Elevators	32,815 46	D 12,976 09	28.34
Power	64,298 39	1,865 61	2.99
Rents of Buildings and Other Property	994,888 33	76,863 62	8.37
Miscellaneous	518,039 71	D 105,018 47	16.86
<i>Total Incidental Revenue</i>	\$ 2,503,331 06	\$ 3,202 47	.13
Joint Facility — Cr.	\$ 225,614 21	D \$ 34,231 73	13.17
Joint Facility — Dr.	8,240 00	570 69	7.44
<i>Total Joint Facility Operating Revenue</i>	\$ 217,374 21	D \$ 34,802 42	13.80
<i>Total Operating Revenues</i>	\$87,342,286 21	\$1,016,510 91	1.18
OPERATING EXPENSES			
Maintenance of Way and Structures	\$14,632,786 76	\$1,804,616 68	14.07
Maintenance of Equipment	15,118,323 88	1,689,410 04	12.58
Traffic	967,596 87	D 720 94	.07
Transportation	31,893,484 19	1,253,908 08	4.09
Miscellaneous Operations	296,636 35	3,178 36	1.08
General	2,596,702 65	188,886 24	7.84
<i>Total Operating Expenses</i>	\$65,505,530 70	\$4,939,278 46	8.16
<i>Operating Ratio</i>	(75.00%)	(4.84%)	
<i>Net Operating Revenue</i>	\$21,836,755 51	D \$3,922,767 55	15.23
TAX ACCRUALS			
	\$ 8,498,787 52	D \$2,123,049 37	19.99
<i>Operating Income</i>	\$13,337,967 99	D \$1,799,718 18	11.89
Rent from Locomotives	\$ 8,623 81	D \$ 2,060 11	19.51
Rent from Passenger-Train Cars	746,472 75	D 333,581 00	30.89
Rent from Work Equipment	15,954 85	485 82	3.14
Joint Facility Rent Income	349,010 68	12,605 56	3.75
<i>Total Rent Income</i>	\$ 1,120,062 09	D \$ 322,579 73	22.36

D Indicates decrease.

INCOME ACCOUNT — Concluded

	Year Ended Dec. 31, 1944	Increase or Decrease	Per Cent
Hire of Freight Cars — Debit Balance	\$ 3,180,105 80	D \$ 232,811 74	6.82
Rent for Locomotives	2,204 30	D 95,867 11	97.75
Rent for Passenger-Train Cars	533,967 77	D 26,961 42	4.81
Rent for Work Equipment	15,132 90	D 2,265 54	13.02
Joint Facility Rents	632,488 08	18,835 01	3.07
<i>Total Rents Payable</i>	\$ 4,363,898 85	D \$ 339,070 80	7.21
<i>Net Rents Payable</i>	\$ 3,243,836 76	D \$ 16,491 07	.51
<i>Net Railway Operating Income</i>	\$10,094,131 23	D \$1,783,227 11	15.01
OTHER INCOME			
Income from Lease of Road and Equipment	\$ 318,380 00	\$ 222 34	.07
Miscellaneous Rent Income	293,052 36	39,353 41	15.51
Miscellaneous Nonoperating Physical Property	36,062 72	D 111,371 47	147.89
Dividend Income	116,527 60	D 3,182 39	2.66
Income from Funded Securities	393,501 16	24,355 25	6.60
Income from Unfunded Securities and Accounts	63,165 03	26,273 33	71.22
Income from Sinking and Other Reserve Funds	38,194 50	D 7,448 07	16.31
Release of Premiums on Funded Debt	269 10	D 323 42	54.58
Miscellaneous Income	46,102 38	D 2,883 88	5.89
Delayed Income Credits	—	D 176,760 00	100.00
<i>Total Other Income</i>	\$ 1,233,129 41	D \$ 211,759 90	14.66
<i>Total Income</i>	\$11,327,260 64	D \$1,994,987 01	14.97
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Miscellaneous Rents	\$ 9,352 69	\$ 152 19	1.65
Miscellaneous Tax Accruals	11,870 40	D 8,352 22	41.30
Miscellaneous Income Charges	51,649 63	D 8,097 18	13.55
Income Applied to Sinking and Other Reserve Funds	67,082 00	D 13,727 75	16.99
<i>Total Miscellaneous Deductions</i>	\$ 139,954 72	D \$ 30,024 96	17.66
<i>Income Available for Fixed Charges</i>	\$11,187,305 92	D \$1,964,962 05	14.94
FIXED CHARGES			
Rent for Leased Roads	\$ 1,112,199 66	D \$ 38,517 14	3.35
Interest on Funded Debt — Fixed Interest	2,944,585 44	D 100,986 14	3.32
Interest on Unfunded Debt	13,202 42	D 139 42	1.04
Amortization of Discount on Funded Debt	34,535 31	D 10,088 04	22.61
<i>Total Fixed Charges</i>	\$ 4,104,522 83	D \$ 149,730 74	3.52
<i>Income after Fixed Charges</i>	\$ 7,082,783 09	D \$1,815,231 31	20.40
CONTINGENT CHARGES			
Interest on Funded Debt — Contingent Interest	\$ 1,438,227 20	D \$ 317,715 37	18.09
<i>Net Income</i>	\$ 5,644,555 89	D \$1,497,515 94	20.97
DISPOSITION OF NET INCOME			
Income Applied to Sinking and Other Reserve Funds	\$ 1,161,972 00	—	
Income Appropriated for Investment in Physical Property	2,404,893 66	\$1,094,071 87	
Miscellaneous Appropriations of Income	2,077,690 23	D 2,591,587 81	
<i>Total Appropriations of Income</i>	\$ 5,644,555 89	D \$1,497,515 94	

D Indicates decrease.

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES	Year Ended Dec. 31, 1944	Increase or Decrease
Superintendence	\$ 664,107 71	\$ 95,215 19
Roadway Maintenance	1,028,900 84	150,033 11
Tunnels and Subways	56,885 41	20,033 56
Bridges, Trestles and Culverts	451,112 21	28,667 60
Ties	422,186 99	5,967 01
Rails	403,170 73	165,863 80
Other Track Material	645,165 37	D 31,416 98
Ballast	85,033 17	D 44,083 35
Track Laying and Surfacing	3,480,549 62	245,414 65
Fences, Snowsheds and Signs	40,785 95	9,022 18
Station and Office Buildings	724,686 80	D 104,614 57
Roadway Buildings	80,675 67	D 9,548 02
Water Stations	89,185 63	1,901 86
Fuel Stations	70,490 87	6,633 34
Shops and Enginehouses	495,610 19	32,997 17
Grain Elevators	14,396 66	D 5,722 43
Storage Warehouses	920 77	214 32
Wharves and Docks	20,683 39	D 26,902 13
Coal and Ore Wharves	12,002 25	D 41,386 56
Telegraph and Telephone Lines	67,296 99	4,500 61
Signals and Interlockers	681,002 78	D 116,363 37
Power Plants	8,297 18	2,803 94
Power-Transmission Systems	64,093 46	D 39,577 84
Miscellaneous Structures	1,302 09	D 3,730 34
Road Property — Depreciation	1,399,680 96	D 27,816 00
Retirements — Road	1,460,908 26	1,267,382 38
Roadway Machines	145,988 34	16,154 00
Dismantling Retired Road Property	274,857 32	43,427 43
Small Tools and Supplies	193,478 74	20,926 06
Removing Snow, Ice and Sand	556,306 42	D 142,931 45
Public Improvements — Maintenance	258,010 87	102,286 16
Injuries to Persons	97,128 34	10,157 21
Insurance	33,352 43	D 12,360 76
Stationery and Printing	7,781 29	D 3,334 55
Other Expenses	69,662 56	67,328 77
Maintaining Joint Tracks, Yards and Other Facilities — Dr.	700,719 74	259,306 41
Maintaining Joint Tracks, Yards and Other Facilities — Cr.	173,631 24	51,781 75
Total Maintenance of Way and Structures	\$14,632,786 76	\$1,804,616 68
Ratio to Total Operating Revenues	(16.75%)	(1.89%)
MAINTENANCE OF EQUIPMENT		
Superintendence	\$ 494,536 33	\$ 56,090 23
Shop Machinery	346,812 54	38,292 87
Power-Plant Machinery	80,680 32	3,140 22
Shop and Power-Plant Machinery — Depreciation	92,364 00	D 864 00
Dismantling Retired Shop and Power-Plant Machinery	33 97	D 528 16
Steam Locomotives — Repairs	6,083,895 25	96,796 52
Other Locomotives — Repairs	520,214 46	267,158 30
Freight-Train Cars — Repairs	2,127,202 25	521,860 01
Passenger-Train Cars — Repairs	1,885,521 56	D 17,076 43
Floating Equipment — Repairs	—	13 52
Work Equipment — Repairs	367,991 40	50,786 01
Miscellaneous Equipment — Repairs	19,044 65	D 929 11
Dismantling Retired Equipment	3,560 62	D 1,523 51
Retirements — Equipment	1,030 18	D 1,030 18
Equipment — Depreciation	1,496,515 70	93,928 95
Equipment — Amortization of Defense Projects	1,316,043 51	544,220 52
Injuries to Persons	86,762 54	22,878 50
Insurance	33,893 04	D 17,815 64
Stationery and Printing	10,647 02	2,736 99
Other Expenses	36,387 42	27,120 70
Maintaining Joint Equipment at Terminals — Dr.	127,196 94	3,839 12
Maintaining Joint Equipment at Terminals — Cr.	9,949 46	D 341 65
Total Maintenance of Equipment	\$15,118,323 88	\$1,689,410 04
Ratio to Total Operating Revenues	(17.31%)	(1.75%)

D Indicates decrease.

OPERATING EXPENSES—Continued

TRAFFIC	Year Ended Dec. 31, 1944	Increase or Decrease
Superintendence	\$ 382,856 38	D \$ 5,821 01
Outside Agencies	298,036 34	14,056 30
Advertising	207,003 69	D 3,873 85
Traffic Associations	39,575 08	D 215 45
Industrial and Immigration Bureaus	13,556 66	311 71
Insurance	23 40	D 23 76
Stationery and Printing	26,545 32	D 5,153 64
Other Expenses	—	D 1 24
Total Traffic	\$ 967,596 87	D \$ 720 94
Ratio to Total Operating Revenues	(1.11%)	D (.01%)
TRANSPORTATION		
Superintendence	\$ 763,267 06	D \$ 31,786 65
Dispatching Trains	259,877 67	4,038 51
Station Employees	4,826,698 44	351,306 72
Weighing, Inspection and Demurrage Bureaus	18,651 12	2,551 79
Coal and Ore Wharves	43,105 44	D 64,504 11
Station Supplies and Expenses	408,201 55	45,739 86
Yardmasters and Yard Clerks	820,410 34	36,764 41
Yard Conductors and Brakemen	1,791,247 70	73,978 26
Yard Switch and Signal Tenders	258,019 17	26,309 64
Yard Enginemen	686,712 42	D 26,264 43
Yard Motormen	395,252 33	46,347 14
Yard Switching Fuel	624,366 99	D 20,457 69
Water for Yard Locomotives	17,986 59	D 2,011 61
Lubricants for Yard Locomotives	21,258 62	273 23
Other Supplies for Yard Locomotives	14,754 38	661 71
Enginehouse Expenses — Yard	256,223 23	23,138 59
Yard Supplies and Expenses	80,838 91	12,537 55
Operating Joint Yards and Terminals — Dr.	2,076,670 60	190,851 13
Operating Joint Yards and Terminals — Cr.	335,112 67	22,867 23
Train Enginemen	2,756,172 99	D 183,205 65
Train Motormen	237,978 23	109,866 54
Train Fuel	5,239,207 42	D 130,053 60
Train Power Purchased	119,460 22	D 19,497 06
Water for Train Locomotives	177,366 12	4,925 48
Lubricants for Train Locomotives	168,812 03	31,109 86
Other Supplies for Train Locomotives	88,600 03	7,302 55
Enginehouse Expenses — Train	1,474,804 98	159,470 38
Trainmen	3,951,456 48	D 1,346 58
Train Supplies and Expenses	1,635,880 67	212,665 49
Signal and Interlocker Operation	538,200 65	D 33,343 54
Crossing Protection	1,022,754 83	100,482 58
Drawbridge Operation	30,834 45	1,040 48
Telegraph and Telephone Operation	49,950 19	3,104 94
Operating Floating Equipment	—	D 50 38
Stationery and Printing	148,335 67	10,324 23
Other Expenses	57,933 10	12,620 36
Operating Joint Tracks and Facilities — Dr.	131,376 57	101,048 84
Operating Joint Tracks and Facilities — Cr.	58,346 86	8,272 23
Insurance	7,494 69	D 1,471 46
Clearing Wrecks	40,923 74	D 9,518 40
Damage to Property	46,846 27	D 4,579 53
Damage to Live Stock on Right of Way	3,851 59	D 3,446 80
Loss and Damage — Freight	634,943 41	197,854 21
Loss and Damage — Baggage	8,327 93	2,120 64
Injuries to Persons	351,888 90	48,149 91
Total Transportation	\$31,893,484 19	\$1,253,908 08
Ratio to Total Operating Revenues	(36.52%)	(1.03%)

D Indicates decrease.

OPERATING EXPENSES — Concluded

MISCELLANEOUS OPERATIONS	Year Ended Dec. 31, 1944	Increase or Decrease
Dining and Buffet Service	\$ 276,197 04	\$ 24,755 78
Grain Elevators	20,313 26	<i>D</i> 21,136 47
Other Miscellaneous Operations	126 05	<i>D</i> 440 95
<i>Total Miscellaneous Operations</i>	<i>\$ 296,636 35</i>	<i>\$ 3,178 36</i>
<i>Ratio to Total Operating Revenues</i>	<i>(.34%)</i>	<i>—</i>
GENERAL		
Salaries and Expenses of General Officers	\$ 182,939 37	\$ 2,845 22
Salaries and Expenses of Clerks and Attendants	1,722,060 46	123,201 45
General Office Supplies and Expenses	148,969 71	23,342 30
Law Expenses	144,627 67	<i>D</i> 1,647 51
Insurance	836 08	191 83
Pensions	162,511 82	26,810 24
Stationery and Printing	53,563 30	5,519 10
Valuation Expenses	28,380 30	<i>D</i> 1,402 91
Other Expenses	132,092 61	6,906 97
General Joint Facilities — <i>Dr.</i>	20,721 33	3,119 55
<i>Total General</i>	<i>\$ 2,596,702 65</i>	<i>\$ 188,886 24</i>
<i>Ratio to Total Operating Revenues</i>	<i>(2.97%)</i>	<i>(.18%)</i>
<i>Total Operating Expenses</i>	<i>\$65,505,530 70</i>	<i>\$4,939,278 46</i>
<i>Ratio to Total Operating Revenues</i>	<i>(75.00%)</i>	<i>(4.84%)</i>

D Indicates decrease.

EARNED SURPLUS — DECEMBER 31, 1944

Item	Debit	Credit
Balance, December 31, 1943 (Debit)	(A) \$14,308,614 22	
Adjustment to Par of Boston and Maine Railroad Bonds Purchased		\$ 2,489,634 91
Miscellaneous Credits		98,910 00
Transferred To "Funded Debt Retired through Income and Surplus"		\$6,561,800 00
From "Sinking and Miscellaneous Fund Reserves"		4,451,826 27
From this Account	2,109,973 73	
Loss on Retired Miscellaneous Physical Property	282,021 85	
Miscellaneous Debits	132,134 57	
Balance, December 31, 1944 (Debit)		(A) 14,244,199 46
	\$16,832,744 37	\$16,832,744 37

(A) Includes Surplus earned by Lessor Companies before Consolidation.

ADDITIONS AND BETTERMENTS

(OPERATING PROPERTY)

Year Ending December 31, 1944

Road	Title Account	Gross Expenditures	Property Retired	Net Capital Changes
1	Engineering	\$ 208,324 46	\$ 161,099 41	\$ 47,225 05
2	Land for Transportation Purposes	375,634 27	83,260 77	292,373 50
2½	Other Right-of-way Expenditures	396 00	—	396 00
3	Grading	1,124,659 17	530,230 37	594,428 80
5	Tunnels and Subways	58,690 95	—	58,690 95
6	Bridges, Trestles and Culverts	569,121 14	264,153 27	304,967 87
8	Ties	385,395 38	111,295 13	274,100 25
9	Rails	1,273,600 64	940,043 33	333,557 31
10	Other Track Material	834,596 90	607,585 18	227,011 72
11	Ballast	258,639 53	242,356 28	16,283 25
12	Track Laying and Surfacing	429,027 65	119,048 55	309,979 10
13	Fences, Snowsheds and Signs	138,214 83	30,141 00	108,073 83
16	Station and Office Buildings	609,763 58	798,578 52	188,814 94
17	Roadway Buildings	17,179 29	22,935 52	5,756 23
18	Water Stations	18,775 23	45,486 40	26,711 17
19	Fuel Stations	7,276 43	17,473 27	10,196 84
20	Shops and Enginehouses	235,741 16	696,571 29	460,830 13
21	Grain Elevators	596 20	19,588 80	18,989 80
22	Storage Warehouses	6,188 32	—	6,188 32
23	Wharves and Docks	13,743 00	183,367 00	169,624 00
26	Telegraph and Telephone Lines	6,359 53	791 33	5,568 20
27	Signals and Interlockers	640,038 59	357,222 83	282,815 76
29	Power Plants	—	12,785 00	12,785 00
31	Power-Transmission Systems	2,722 80	4,873 92	2,151 12
35	Miscellaneous Structures	1,147 21	—	1,147 21
37	Roadway Machines	93,730 88	64,194 62	29,536 26
38	Roadway Small Tools	9,663 41	4,463 80	5,199 61
39	Public Improvements — Construction	112,217 07	66,717 07	45,500 00
44	Shop Machinery	86,346 92	24,389 42	61,957 50
	<i>Total Road</i>	<i>\$ 7,517,790 54</i>	<i>\$5,408,649 28</i>	<i>\$2,109,141 26</i>
Equipment				
51	Steam Locomotives	\$ 77,059 81	\$ 223,959 91	\$ 146,900 10
52	Other Locomotives	5,028,267 15	—	5,028,267 15
53	Freight-Train Cars	165,883 99	192,028 74	26,144 75
54	Passenger-Train Cars	92,368 79	50,519 82	41,848 97
57	Work Equipment	173,005 05	146,103 48	26,901 57
58	Miscellaneous Equipment	11,801 39	6,377 12	5,424 27
	<i>Total Equipment</i>	<i>\$ 5,548,386 18</i>	<i>\$ 618,989 07</i>	<i>\$4,929,397 11</i>
General Expenditures				
72	General Officers and Clerks	\$ 25,486 29	\$ —	\$ 25,486 29
73	Law	15,497 36	18 54	15,478 82
74	Stationery and Printing	1,865 07	—	1,865 07
75	Taxes	8,702 66	—	8,702 66
76	Interest During Construction	207,684 64	2,052 84	205,631 80
77	Other Expenditures — General	5,594 21	—	5,594 21
	<i>Total General Expenditures</i>	<i>\$ 264,830 23</i>	<i>\$ 2,071 38</i>	<i>\$ 262,758 85</i>
	<i>Totals (See Note)</i>	<i>\$13,331,006 95</i>	<i>*\$6,029,709 73</i>	<i>\$ 7,301,297 22</i>

Account

*** DISPOSITION OF CREDITS**

701 — Investment in Road and Equipment — Equipment Converted	\$ 120,825 19
708 — Cash — Land, Buildings, Equipment, Rail and Track Fastenings Sold	372,698 14
716 — Material and Supplies — Usable Material	485,626 84
722 — Other Deferred Assets — Canadian Pacific Railway Lease Account	31,128 00
776 — Reserve for Accrued Depreciation — Road and Equipment — Owned Road	2,644,930 16
779 — Reserve for Accrued Depreciation — Road and Equipment — Leased Property	98,475 09
531 — Operating Expenses	2,202,605 68
621 — Profit and Loss — Miscellaneous Debits	73,420 63
<i>Total Amount Credited to Investment in Road and Equipment</i>	<i>\$ 6,029,709 73</i>

NOTE. — "Gross Expenditures" includes journal entries amount \$4,249,134.49, to conform with Interstate Commerce Commission accounting requirements in connection with the acquisition of the Wilton Railroad — \$430,548.30, the Peterborough Railroad — \$604,028.01, the Nashua and Lowell Railroad — \$1,708,064.89, and the Concord and Portsmouth Railroad — \$1,506,493.29.

CAPITAL STOCK AND LONG-TERM DEBT OUTSTANDING DECEMBER 31, 1944—OWNED ROAD

CAPITAL STOCK	Amount Outstanding	Dividend Rate	Cumulative Dividends Unpaid Since Jan. 1, 1932—*Oct. 1, 1931	Amount in Hands of Public	Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund**
Prior Preference	\$ 23,136,000 00	7 %	‡\$ 91 00 per share \$20,874,399 00	\$ 22,938,900 00	\$ 197,100 00
Prior Preference Negotiable Receipts	2,500 00			2,500 00	
First Preferred, Class A	18,860,000 00	5 %	*\$ 66 25 " " 12,477,591 25	18,834,100 00	25,900 00
" " " B	7,648,800 00	8 %	*\$ 106 00 " " 8,107,728 00	7,648,800 00	
" " " C	7,917,100 00	7 %	*\$ 92 75 " " 7,336,617 75	7,910,100 00	7,000 00
" " " D	4,327,000 00	10 %	*\$ 132 50 " " 5,729,167 50	4,323,900 00	3,100 00
" " " E	65,000 00	4½ %	*\$ 59 625 " " 38,756 25	65,000 00	
Preferred	3,149,800 00	6 %	Non-cumulative	3,149,800 00	
Common	39,505,100 00			39,472,800 00	32,300 00
	\$104,611,300 00			\$104,345,900 00	\$ 265,400 00

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LONG-TERM DEBT	Amount Outstanding	Date of Maturity	Rate		
Bonds secured by Mortgage dated December 1, 1919, supplemented as of July 1, 1940					
Series CC	\$ 29,000 00	January 1, 1945	5 %	\$ 29,000 00	
" DD	83,500 00	June 1, 1945	5 %	83,500 00	
" EE	6,000 00	January 1, 1946	5 %	6,000 00	
" FF	52,000 00	January 1, 1947	5 %	52,000 00	
" GG	13,000 00	April 1, 1947	5 %	13,000 00	
" II	25,000 00	July 1, 1950	3 %	10,000 00	\$ 15,000 00 (A)
" RR	1,237,000 00	May 1, 1955	5 %	1,237,000 00	
" JJ	63,457,100 00	July 1, 1960	4 %	62,698,400 00	758,700 00 (B)
" AC	902,000 00	April 1, 1961	4¾ %	897,000 00	5,000 00 (A)
Income Mortgage " A	3,065,000 00	September 1, 1967	5 %	2,424,000 00	641,000 00 (A)
	31,467,000 00	July 1, 1970	4½ %	30,025,000 00	1,442,000 00
<i>Total Mortgage Bonds</i>	\$100,336,600 00			\$ 97,474,900 00	\$2,861,700 00

Equipment Trust No. 6 Trust Certificates	\$ 870,000 00	June-Dec. 1, 1945-49	4 %	\$ 870,000 00	
Lease and Purchase Agreements — Equipment ...	\$ 8,318,973 94	Various	Various	\$ 8,318,973 94	
<i>Grand Total Long-Term Debt</i>	\$109,525,573 94			\$106,663,873 94	\$2,861,700 00

** No interest paid.
 (A) Deposited with and held by Trustee in Lien of Mortgaged Property Sold.
 (B) \$396,000 pledged under Collateral Trust Indenture.

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**CAPITAL STOCK AND FUNDED DEBT OUTSTANDING
DECEMBER 31, 1944**

Leased Roads

NAME OF ROAD AND DESCRIPTION	CAPITAL STOCK		
	Amount Outstanding	Dividend Rate (Paid as rental)	Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund
Stony Brook	\$ 300,000 00	7%	\$ 24,700 00
Pemigewasset Valley	541,500 00	3%	412,500 00
Northern	3,068,400 00	6%	287,000 00
Vermont and Massachusetts	3,193,000 00	6%	10,000 00
Troy and Bennington	150,800 00	10%	41,900 00
Connecticut and Passumpsic Rivers — Preferred	2,500,000 00	6%	473,000 00
Massachusetts Valley	800,000 00	6%	—
Vermont Valley	1,000,000 00	—	1,000,000 00
Sullivan County	500,000 00	—	—
Peterborough and Hillsborough	45,000 00	—	—
Newport & Richford	350,000 00	—	—
Concord & Claremont, N. H.	412,400 00	—	12,000 00
<i>Total Capital Stock</i>	\$12,861,100 00		\$2,261,100 00

FUNDED DEBT

	Bonds Outstanding	Date of Maturity	Rate	Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund
Connecticut and Passumpsic Rivers — First Mortgage	\$1,900,000 00	*Apr. 1, 1943	4 %	(A) \$1,862,000 00
Concord & Claremont, N. H. — First Mortgage	500,000 00	*Jan. 1, 1944	5 %	500,000 00
Sullivan County — First Mortgage	357,000 00	*Apr. 1, 1944	6 %	357,000 00
Peterborough and Hillsborough — First Mortgage	80,000 00	July 1, 1951	4 1/2 %	80,000 00
Vermont Valley — Second Mortgage	65,000 00	**Apr. 30, 1887	No interest	—
Newport & Richford — First Mortgage	1,404,000 00	Oct. 1, 1953	4 %	—
Peterborough and Hillsborough — First Mortgage	338,000 00	Jan. 1, 1966	4 %	338,000 00
<i>Total Funded Debt</i>	\$4,644,000 00			\$3,137,000 00

MILES OF ROAD OPERATED, DECEMBER 31, 1944

STEAM ROADS	Owned			Leased	Total
	Owned	Leased	Total		
Main Lines	789 57	230 22	1,019 79		
Branch Lines	577 35	110 04	687 39		
Trackage Rights	—	82 22	82 22		
<i>Total Road Operated</i>	1,366 92	422 48	1,789 40		
Second Track	464 13	(b) 116 27	580 40		
Third Track	4 49	(c) 5 44	9 93		
Other Tracks	911 13	139 24	1,050 37		
<i>Total Track Operated</i>	2,746 67	683 43	3,430 10		

(A) \$38,000 owned by Connecticut and Passumpsic Rivers Railroad Company.

(b) Includes trackage rights 14.47 miles.

(c) Includes trackage rights .99 mile.

* These bonds have matured and are held by the Boston and Maine Railroad as overdue obligations of the leased roads.

** These bonds matured April 30, 1887. Owned by the Northern Railroad and held by the Boston and Maine Railroad under the terms of the Northern Railroad lease.

OPERATING STATISTICS

	Year Ended Dec. 31, 1944	Increase or Decrease
AVERAGE MILES OF ROAD OPERATED		
Freight service	1,803.22	6.47
Passenger service	1,438.62	3.79
<i>Total</i>	1,815.46	6.45
TRAIN MILEAGE		
Freight service (with locomotives)	4,636,723	319,581
Passenger service (with locomotives)	6,829,078	13,711
Passenger service (without locomotives)	291,325	53,723
Work service	288,213	10,389
<i>Total train miles</i>	12,045,339	351,804
* LOCOMOTIVE MILEAGE		
Freight service	5,753,541	754,711
Passenger service	7,276,179	5,850
Train switching	297,816	12,210
Yard switching	2,810,136	27,130
Work service	336,441	9,458
<i>Total locomotive miles</i>	16,474,113	790,493
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded	168,104,393	714,761
Empty	83,013,083	7,805,943
Caboose	4,790,580	305,454
<i>Total freight-train car miles</i>	255,908,056	7,399,636
Passenger-Train Car Miles:		
Passenger coaches	24,086,153	428,557
Sleeping and parlor cars	4,747,011	604,741
Club, lounge, dining and observation cars	298,169	34,074
Business cars	11,492	4,717
Mail, express, and baggage cars, and combination cars other than passenger	16,076,780	89,585
Combination passenger cars (mail, express, or baggage with passenger)	4,518,425	4,635
<i>Total passenger-train car miles</i>	49,738,030	131,077
<i>Total transportation service car miles</i>	305,646,086	7,293,659
AVERAGES		
Operating revenues per mile of road	\$48,110.28	\$ 728.26
Operating expenses per mile of road	36,082.06	2,838.79
Net railway operating income per mile of road	5,560.10	959.08
Operating revenues per train mile	\$ 7.43	\$.31
Operating expenses per train mile	5.37	.57
Net railway operating income per train mile	.86	.12
Total Freight cars per revenue train mile	54.16	2.06
Loaded Freight cars per revenue train mile	36.26	2.49
Empty Freight cars per revenue train mile	17.90	.48
Total Passenger cars per train mile	6.99	.06

* Includes 340,821 Electric locomotive miles and 1,773,262 Diesel locomotive miles. Italics indicate decrease.

TRAFFIC STATISTICS

	Year Ended Dec. 31, 1944	Increase or Decrease
FREIGHT		
Freight Revenue	\$ 60,205,568	\$ 510,776
Tons of revenue freight carried	27,073,650	453,439
Tons of company freight carried	2,217,547	138,868
<i>Total tons of freight carried</i>	<i>29,291,197</i>	<i>691,087</i>
Tons of revenue freight carried one mile	4,678,148,367	132,994,035
Tons of company freight carried one mile	209,038,608	353,067
<i>Total tons of freight carried one mile</i>	<i>4,887,186,975</i>	<i>133,347,092</i>
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers	\$ 790,040.20	\$ 11,656.38
All other commutation ticket passengers	1,327,796.33	5,817.06
Single fare ticket passengers (not including interline)	9,649,509.54	418,844.08
Interline ticket passengers	7,765,315.94	917,549.93
<i>Total passenger revenue</i>	<i>\$19,532,662.01</i>	<i>\$516,779.29</i>
Number of Passengers Carried:		
Monthly commutation ticket passengers	3,641,268	149,495
All other commutation ticket passengers	7,872,498	285,846
Single fare ticket passengers (not including interline)	15,403,202	796,366
Interline ticket passengers	4,014,285	214,970
<i>Total number of passengers carried</i>	<i>30,931,253</i>	<i>149,064</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers	78,456,058	2,124,234
All other commutation ticket passengers	69,239,639	3,621,209
Single fare ticket passengers (not including interline)	480,080,903	17,720,326
Interline ticket passengers	359,633,834	59,474,304
<i>Total number of passengers carried one mile</i>	<i>987,410,434</i>	<i>36,001,935</i>
Number of passengers to and from Boston, including monthly ticket passengers	25,153,478	116,987
AVERAGES		
Freight:		
Miles hauled — revenue freight	172.79	1.99
Tons of revenue freight per train mile	1,008.93	38.22
Tons of revenue freight per loaded car mile	27.83	.91
Revenue per ton of freight	\$ 2,223.77	\$.05519
Revenue per ton per mile	(cents) 1.287	.046
Revenue per revenue train mile	\$ 12.985	\$.941
Freight revenue per loaded car mile	(cents) 35.814	.152
Passenger:		
Average distance carried per passenger (miles)	31.92	1.31
Number of passengers per train mile	138.67	5.84
Number of passengers per car mile	29.61	.93
Revenue per passenger	(cents) 83.15	1.98
Revenue per passenger mile, monthly commutation ticket passengers	(cents) 1.007	.041
Revenue per passenger mile, other commutation ticket passengers	(cents) 1.918	.104
Revenue per passenger mile, single fare not including interline	(cents) 2.010	.013
Revenue per passenger mile, interline passengers	(cents) 2.159	.122
Revenue per passenger mile, all passengers	(cents) 1.978	.020
Passenger revenue per passenger car mile	(cents) 58.566	1.238
Total passenger service train revenue per train mile	\$ 3.345	\$.096

Italics indicate decrease.