



Boston and Maine Railroad

113th ANNUAL REPORT

BOSTON & MAINE RAILROAD

BOARD of

- PHILIP R. ALLEN, East Walpole, Mass.
- ROGER AMORY, Boston, Mass.
- LOUIS M. ATHERTON, Swampscott, Mass.
- RICHARD L. BOWDITCH, Cambridge, Mass.
- HUGH J. CHISHOLM, Portland, Maine
- T. JEFFERSON COOLIDGE, Brookline, Mass.
- FAIRMAN R. DICK, New York, N. Y.
- BERNARD W. DOYLE, Leominster, Mass.
- HARRY H. DUDLEY, Concord, N. H.
- FREDERIC C. DUMAINE, JR., Weston, Mass.
- *RALPH E. FLANDERS, Springfield, Vt.

* Elected December 18, 1945

EXECUTIVE COMMITTEE

- | | |
|-------------------|--------------------------|
| PHILIP R. ALLEN | FREDERIC C. DUMAINE, JR. |
| LOUIS M. ATHERTON | EDWARD S. FRENCH |
| HUGH J. CHISHOLM | JOHN R. McLANE |
| ROY L. PATRICK | |

TRANSFER AGENTS

For all classes of stock, Old Colony Trust Company, 45 Milk Street, Boston, Massachusetts.

For common stock, Guaranty Trust Company, 140 Broadway, New York City.

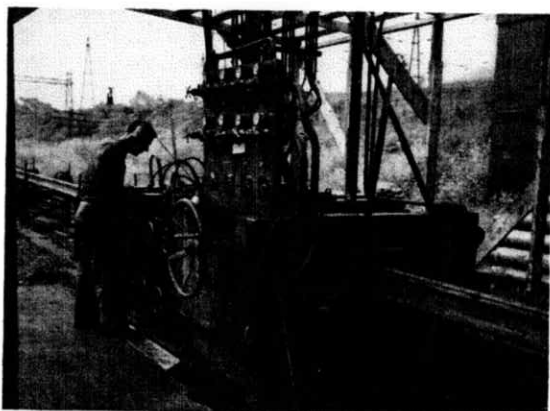
DIRECTORS

- EDWARD S. FRENCH, Springfield, Vt.
- JAMES GARFIELD, Cambridge, Mass.
- ALDUS C. HIGGINS, Worcester, Mass.
- HARVEY P. HOOD, Cambridge, Mass.
- ERNEST M. HOPKINS, Hanover, N. H.
- AUGUSTUS P. LORING, JR., Beverly, Mass.
- JOHN R. McLANE, Manchester, N. H.
- ROY L. PATRICK, Burlington, Vt.
- WILLIAM B. SKELTON, Lewiston, Me.
- J. DUNCAN UPHAM, Claremont, N. H.
- † WILLIAM D. WOOLSON, Springfield, Vt.

† Died December 10, 1945

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 — Operations 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

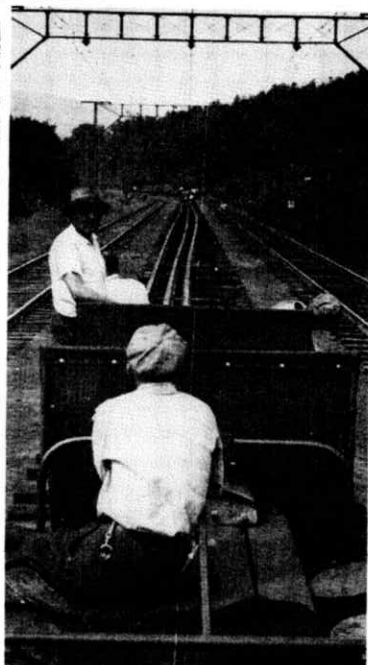
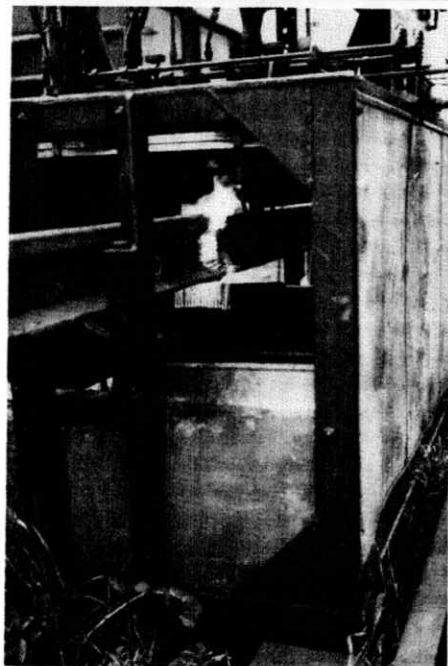


Hoosac Tunnel, now the largest single installation of continuous welded rail in this part of the Nation

Left—Welding machine

Lower left—Gas pressure welding

Transporting 850-foot rails



*To the Owners of
the Boston and Maine Railroad:*

There is submitted to you in the following pages a brief résumé of your company's activities, and statements of the financial results of its operations, for the year 1945.

As it is the earnest desire of the management to have your comments or criticisms concerning the report, or to furnish information on any item of the report that may be of especial interest, any communication from you along these lines will be welcomed.

It will be of interest to the shareholders to know that a committee of your Board of Directors is currently giving its study to the development of a fair and equitable plan for the simplification of the company's capital stock structure. As you may realize, this is a particularly complex task, and as yet the Committee has not determined the feasibility of any considered plan.

**INCOME
ACCOUNT**
(Condensed)

Operating Revenues	Operating Expenses	Net Revenue from Operations	Railway Tax Accruals	Railway Operating Income	Equipment and Joint Facility Rents—	Net Railway Operating Income	Other Income	<i>Total Income</i>	Deductions:	Rental Payments	Interest on Debt— Fixed Interest	Interest on Unfunded Debt	Other Deductions	<i>Total Deductions</i>	Income after Fixed Charges (Available d Indicates decrease.
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	1945	Increase or Decrease from 1944	Per Cent
	\$82,232,949 12	d \$5,109,337 09	5.85
	70,374,764 65	4,869,233 95	7.43
	\$11,858,184 47	d \$9,978,571 04	45.70
	5,039,033 58	d 3,459,753 94	40.71
	\$ 6,819,150 89	d \$6,518,817 10	48.87
Net Dr.	3,258,473 55	14,636 79	.45
	\$ 3,560,677 34	d \$6,533,453 89	64.73
	1,288,128 37	54,998 96	4.46
	\$ 4,848,805 71	d \$6,478,454 93	57.19
	\$ 1,056,917 11	d \$ 64,635 24	5.76
	2,887,463 88	d 57,121 56	1.94
	18,694 71	5,492 29	41.60
	132,801 83	d 32,335 51	19.58
	\$ 4,095,877 53	d \$ 148,600 02	3.50
Net Income)	\$ 752,928 18	d \$6,329,854 91	89.37

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
Interest on Income Bonds, Series A: See note . . .

Total

	\$679,102 00
	73,826 18
	<u>\$752,928 18</u>

NOTE.— Interest on Income Mortgage Bonds @ 4½% for the year 1945 amounts to \$1,322,409.86 and, although earnings for 1945 were not sufficient and interest is not mandatorily payable by the terms of the Mortgage Indenture, the Directors at their meeting on January 29, 1946, authorized the payment of 1945 interest in full @ 4½% on May 1, 1946, the unearned interest, viz. \$1,248,583.68, to be deducted from subsequent earnings.

BOSTON and MAINE RAILROAD

Operating Expenses for the year 1945 were adversely affected by the accounting necessary to take advantage of the proclamation issued by the President of the United States on September 29, 1945, terminating the emergency period defined in Sec. 124 of the Internal Revenue Code.

The Railroad had been amortizing on a 60-month basis facilities costing \$10,681,629.96 which were certified by the Secretary of War and the War Production Board as necessary in the interest of National Defense. The termination of the period as provided in the proclamation of September 29, 1945, resulted in additional charges to Operating Expenses over and above what charges would have been on a 60-month amortization basis of

\$ 74,743 36	— Maintenance of Way and Structures
5,765,604 41	— Maintenance of Equipment
<u>\$5,840,347 77</u>	

CAPITAL STOCK

The number of shares of Capital Stock of all classes outstanding December 31, 1945, including fully-paid negotiable receipts for subscriptions to Prior Preference Stock, was unchanged at 1,046,113 shares, of a par value of \$104,611,300.

CHANGES IN LONG-TERM DEBT

Long-Term Debt on December 31, 1945 amounted to \$105,152,365.87, a decrease of \$4,373,208.07 since December 31, 1944. Of the total Long-Term Debt, \$2,646,200 is owned by the Railroad (see note) leaving a balance of \$102,506,165.87 outstanding in the hands of the public.

Annual Report for the Year 1945

DECREASE IN LONG-TERM DEBT:

Funded Debt Reacquired and Cancelled:

Series RR 1st Mtge. 4% Bonds		
due 7/1/60	\$1,053,900 00	
Series A Income Mtge. 4½% Bonds due 7/1/70	1,427,000 00	\$2,480,900 00

Matured Funded Debt Paid Off:

Series CC Gen. Mtge. 5% Bonds paid 1/1/45	\$ 29,000 00	
Series DD Gen. Mtge. 5% Bonds paid 6/1/45	83,500 00	112,500 00

Equipment Trust Certificates:

No. 6 — 4% Trust Cert. paid 6/1/45 & 12/1/45	\$ 174,000 00	174,000 00
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Decrease in Lease and Purchase

Agreements — Equipment	\$2,193,804 07	
Increase in Lease and Purchase Agreements — Equipment	587,996 00	1,605,808 07

Net Decrease		<u>\$4,373,208 07</u>
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NOTE. — Of the Long-Term Debt owned by the Railroad, the following is pledged:

With Old Colony Trust Company, Trustee; in lieu of Mortgaged Property Sold	661,000 00
With First National Bank, Trustee; as collateral under Collateral Trust Indenture	396,000 00
	<u>1,057,000 00</u>

The debt retirement provision of the Railroad's First Mortgage which required that \$25,000,000.00 Funded Debt of the Railroad, as that term is defined in the mortgage, be retired was fully satisfied by final delivery to the Trustee for cancellation of balance of bonds necessary on May 11, 1945. Therefore, Available Net Income, after providing for sinking fund for First Mortgage Bonds, interest and sinking fund for Income Mortgage Bonds, may thereafter be applied to any proper corporate purposes, subject, however, to certain mortgage restrictions as to the declaration or payment of dividends and purchase of stock of the Railroad.

FREIGHT TRAFFIC

Freight revenue for the year was \$55,552,307.31, 7.7% below 1944 but 24.2% above 1941, the last year before we felt the full impact of war traffic.

Revenue tons of freight handled were 25,314,674, 6.5% below 1944 but 21.6% above 1941.

Average revenue per net ton was \$2.19, 1.4% below 1944 but 1.9% above 1941.

During the first two months of the year the movement of freight was impeded by the unusual severity of the winter, particularly in the Great Lakes Region. This backing up of traffic, together with a heavy export movement of war materials, combined to make March the month of heaviest tonnage and highest freight revenue during the entire war period. Late in April, when the ending of hostilities in Europe became imminent, there was an abrupt curtailment in the movement of war materials which caused an immediate decline in our freight revenue and tonnage. There was a further decline with the close of the war with Japan, and during the last four months of the year our volume flattened out at a level slightly above the corresponding period of 1941.

Our all-rail movement of petroleum products into New England, which had averaged over 300 cars a day in 1943 and 1944, declined steadily during the first eight months of the year as tank vessels were restored in increasing numbers to normal service to New England ports, and in September had reverted to pre-war levels. All-rail coal tonnage declined, anthracite showing a decrease of about 16% under 1944, due to decreased production, and bituminous a decrease of about 11%, caused by displacement of rail coal by coal moving by water from Hampton Roads to New England ports at nearly the normal level.

With the end of the war in Europe the movement of war materials outbound through New England ports and supplies to Army and Navy bases, as well as to shipyards and other war industries, ceased almost entirely. Since that time some movement of grain and other foodstuffs to relieve shortages abroad, and substantial tonnages of war materials returned from the battle areas through New England ports cushioned to some extent the shock of the large decline in eastbound business. The last few months of the year saw a resumption in volume of the importation of wood-pulp and other raw materials which had been cut off by the outbreak of war in Europe in 1939.

Over 12,000 cars per year may be expected from concerns which were newly located on the Boston and Maine in 1945. Of this, a substantial

volume of freight traffic will be realized from the new industrial plants and warehouses which are now being erected or for which sites have been selected along the lines of the railroad. New plant or warehouse construction will total approximately 1,500,000 square feet. Among these is a textile plant to be located in New Hampshire, the first new textile plant to come into New England in twenty years.

The demand for new sites with railroad connections continues to be active in this territory.

The Interstate Commerce Commission on May 15 issued its decision in the proceeding involving class rates throughout the entire country east of the Rocky Mountains. The Commission prescribed a uniform basis of class rates for this entire territory higher than the majority of the present class rates within Official Territory (the Northeastern part of the country) and lower than most of such rates within the rest of the territory and between the rest of the territory and the Northeast. Pending the establishment of the permanent basis, which the Commission realized would take years to put into effect, because of the magnitude of the undertaking, as an interim adjustment it ordered all class rates within Official territory raised 10% and all other class rates east of the Rocky Mountains reduced 10%. The temporary basis was published to go into effect on January 1, 1946, but the Governors of almost all of the Northeastern States and the Railroads west of the Mississippi River attacked the Commission's order in the Federal Courts and obtained a temporary injunction restraining its enforcement. The proposed rate changes were thereupon withdrawn and at the end of the year the question of the validity of the Commission's decision was pending in a United States District Court in New York, awaiting hearing and final decision. The rates involved are applicable on a relatively small percentage of our total tonnage.

The increased freight rates authorized by the Interstate Commerce Commission, effective March 18, 1942, and suspended on May 15, 1943, still continue under suspension.

PASSENGER TRAFFIC

Passenger revenue for the year amounted to \$19,260,971.39, 1.4% below 1944 but 134.2% above 1941, which indicates the expansion in railroad passenger traffic during the war period. After running slightly ahead of 1944 for the first seven months, revenue began to decline with the end of the war with Japan and ran behind 1944 during the remainder of the year. This loss, however, was largely the result of decreased military movements over our system, while civilian travel showed only a small

decline in spite of the lifting of gasoline rationing and the continuance of certain restrictions which were detrimental to rail travel.

Early in the year, demands on the American railroads for military movements led to a further tightening of travel restrictions. The Office of Defense Transportation early in January ordered all rail carriers to discontinue seasonal passenger service to resort, recreational and vacation areas. This made it impossible for us to operate the Mountaineer between Boston and the White Mountain region, the Day Express between Portland and New York City, and a few other Summer specials. In July the railroads were ordered to discontinue the operation of all sleeping cars with scheduled runs of less than 450 miles to make additional equipment available for military uses, and this restriction continued until early in 1946. This eliminated all our sleeping car operations except those between Boston and Aroostook County in Maine, Boston and the Maritime Provinces, Boston and Chicago, and Washington and Montreal.

Immediately following V-J Day the restriction against the operation of seasonal trains was lifted, and we at once restored the Mountaineer to operation between Boston and the White Mountain area. Subsequently many other restrictive orders were removed and during the fall we operated special trains for sports and recreational purposes so far as our supply of passenger equipment made this possible.

There was no general change in the level of passenger fares during the year. The 10% increase granted by the Interstate Commerce Commission in the Spring of 1942 continued in effect except for commutation fares on which the increase was removed in 1943.

MILK TRAFFIC

Revenue from hauling milk and cream was \$1,162,019.49, an increase of 6.3% over 1944.

During the first ten months of the year, milk moved in substantially greater volume than during the previous year. The November and December tonnage, however, was adversely affected by a shortage of milk in New England which necessitated diversion of tank cars normally operated entirely within New England to service from the Middle West, and the additional time required in transit reduced the volume handled. In spite of this, the total volume on the Boston and Maine was the largest of any year since 1916.

EXPRESS TRAFFIC

Express revenue is estimated at \$1,238,352.04, a decrease of 17.5% under 1944.

This was due to the virtual elimination of the movement of war materials during a large part of the year.

PURCHASE BY RAILROADS OF THE PULLMAN COMPANY

At the beginning of the year, Pullman, Incorporated, had been ordered by the United States Circuit Court of Appeals for the Third Circuit to dispose of all of its interest in the ownership and operation of sleeping and parlor cars, and it was far from clear how this business would then be conducted. During the year the Boston and Maine entered into an agreement with a number of other railroads forming a buying group which offered to purchase from Pullman, Incorporated all of the capital stock of The Pullman Company, the company owning and operating the cars. The agreement gives to the Boston and Maine the option of buying all of the Pullman cars regularly assigned to its lines. It contemplates the eventual reduction of the Pullman Company to an agency to supply cars from a pool to railroads having need of extra equipment and to service and maintain such railroad-owned sleeping and parlor cars as the individual roads may desire. The agreement also provides for the continuance of service substantially in the present form during the transition period. The offer of the buying group of railroads was accepted by Pullman, Incorporated and in December was approved by the Court, thus insuring the orderly continuance and development of sleeping car service on the lines of your company.

ACQUISITIONS AND DISPOSALS OF LINES

Further progress has been made during the year in the acquisition of leased lines with resulting savings to the company and continued simplification of its capital structure. With the authorization of the Interstate Commerce Commission and of the New Hampshire Public Service Commission, the company completed the purchase of the physical properties of the Concord & Claremont, N. H., Railroad and of The Peterborough and Hillsborough Railroad, together with all the franchises connected therewith. During the year, pursuant to stockholders' authorization at their 1945 meeting, the company also entered into an agreement with the Canadian Pacific Railway Company for the joint purchase of all of the properties and franchises of the Connecticut and Passumpsic Rivers Railroad Company, your company to acquire the part of such line which it now operates. At the end of the year, an application to the Interstate Commerce Commission for authority to complete this transaction was in process of preparation, and has since been filed.

In furtherance of the policy of discontinuing or disposing of un-

profitable sections of its lines, the company during the year sold its branch lines extending from the main line at Mechanicville to Saratoga and to Schuylerville, New York, to the Saratoga & Schuylerville Railroad Corporation, a new company organized to operate these branches as an independent short-line railroad, and under arrangements which it is believed will be advantageous to this company.

OPERATING RESULTS

The fluctuating characteristics in traffic volume throughout the year 1945 were not conducive to creating the same record of high efficiency indices that have been shown for recent years.

Gross Ton Miles, or the full weight behind the locomotive, at the end of June 1945 were within 5% of the corresponding six months' period in 1944. The sharp drop during the last six months brought about a decrease for the full year 1945 of 10.3% under the year 1944.

The one new high record established in 1945 was the Average Gross Tons for each train that amounted to 2,401 tons as compared with the previous record of 2,373 tons in the previous year.

The balance of the seven items associated with efficiency such as Train Speed, Train Hour Production and utilization of both locomotives and freight cars were close to their respective high records. A more stabilized volume of traffic under normal conditions unquestionably will permit a resumption to higher levels.

ROLLING STOCK

3 additional 1,000 H.P. Diesel switchers were received making a present ownership of 11 of this type and size and a total of 37 Diesel switching units of all sizes.

In October one 4,000 H.P. passenger Diesel locomotive began operation between Boston and Troy, N. Y. This has been operated as two 2,000 H.P. units and they had operated 67,792 miles up to December 31st.

17 heavy freight locomotives built in 1928 were sold. This was made possible by the use of the freight Diesels.

The following were retired because of obsolescence:

- 2 Switching locomotives
- 1 Passenger locomotive
- 3 Freight locomotives
- 1 Electric locomotive

Revenue freight car ownership on December 31, 1945 was 6,445. During the year 136 units were retired.

Passenger train car ownership on December 31st was 1,152.

MATERIALS AND SUPPLIES

The quality of locomotive coal still continues to be below pre-war standards due largely to our double screened coal being shipped to others on directives of the Solid Fuels Administration.

We were able to maintain an ample supply of Diesel fuel oil, but our locomotive fuel coal December 31, 1945 was down to a 20 days supply, as against a 36 days supply on December 31, 1944.

Much difficulty was experienced in obtaining regular and satisfactory delivery of materials and supplies. Prices stiffened throughout the year with some substantial increases granted suppliers by the OPA.

The prices of many materials increased during the year, with no semblance of uniformity, such increases running up to 18%.

It was impossible to obtain sufficient lumber products, including crossties. Quality was down and prices were up and frequent substitutions in kinds of lumber and a substantial use of secondhand timber from retired wharves at Boston was necessary.

The total purchases of materials and supplies, including coal but excluding new equipment amounted to \$13,477,105 for 1945, as against \$15,440,390 for the calendar year of 1944.

TAXES

Taxes deducted from 1945 earnings amounted to \$5,047,949.58 as compared with similar deduction in 1944 of \$8,510,657.92. The difference is due entirely to Federal Income Tax accruals in 1945, which were substantially reduced by reason of abnormal charges to Operating Expenses account of accelerated amortization, somewhat lower taxable gross earnings, and credit adjustment from prior years' tax accruals.

Railroad Retirement and Unemployment Insurance taxes paid to the Federal Government by the railroad with respect to 1945 payrolls amounted to \$2,421,045.27, an average of \$166.05 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 properties, and proportion of Railroad Retirement taxes, a total of \$9,754,045.96.

ADDITIONS AND BETTERMENTS

70 single track miles of new 112-lb. rail were laid in the main lines of Portland, New Hampshire and Fitchburg Divisions and 4.7 single track miles of new 107-lb. rail in Hoosac Tunnel.

20.4 single track miles of stone ballast were installed, 8.4 miles between Manchester and Concord, N. H., and 12.0 miles between North Berwick and Kennebunk, Me.

14.5 single track miles of existing stone ballast were resurfaced on Portland and Fitchburg Divisions' main lines.

1 grade crossing at Northville, N. H., was eliminated by closing.

At Wilder Street in Lowell, Mass., a removable barrier was installed to protect against high water.

Following out the practice of recent years additional snow melting equipment was installed on switches.

3 track bridges were renewed and 1 culvert extended. 1 overhead bridge was rebuilt with State funds and 1 overhead bridge was raised to increase clearances.

To provide improved highway crossing protection automatic flashers were installed at 1 additional crossing; automatic flashers and gates replaced old style wig-wag at 1 crossing; automatic flashers replaced other protection at 4 crossings. Additional or improved warnings for gate tenders were installed at 14 crossings and additional units installed on existing flashers at 3 crossings.

Modern centralized traffic control system was installed between North Berwick and Rigby, Me., enabling discontinuance of signal tower at Biddeford, Me. Modern color light signals, respaced to provide adequate braking distances, replaced old semaphore type signals from —

Eagle Bridge to Mechanicville, N. Y.
Crescent to Rotterdam, N. Y.
Lawrence to Haverhill, Mass.
Beverly to Newburyport, Mass.
Everett to Salem, Mass.

Modern signalling was installed at Lawrence, Mass. to provide remote control of interlocking and retirement of a signal tower.

In pursuance of a program of many years 13,100 cu. yds. of fill were placed in the Boston Terminal tidewater area.

New ventilating fans were installed at the central shaft of the Hoosac Tunnel.

Washing and drinking water, locker room, toilet and better lighting and heating facilities were put in at many terminal locations.

Improvement has been made in facilities at the Company's locomotive shops at Billerica, Mass., its car shops at Concord, N. H. and by providing facilities for heavy repairs of Diesel locomotives at Mechanicville, N. Y.

The Company had not operated its Easthampton Branch between Mt. Tom and Hampton Mills, Mass., since May 1933. In June 1945 in order to give adequate service to customers at Easthampton the Branch was restored to operation.

RETIREMENTS

The policy of retiring unused and unnecessary structures has been followed with the result that 40 buildings, 2 water tanks, and 2 turntables have been retired and written off.

Reference was made in the 1944 Report to authorization for the abandonment of the Eastern Route between North Berwick and Rigby, Me. This retirement which was made possible by double tracking the Western Route between North Berwick and Kennebunk, Me., was completed during the year.

Of the 3,878 employees of the company furloughed to enter the armed services a substantial number have begun to return. However, we have been advised that as of December 31, 1945, 98 of our employees have given their lives in the service of their country. To their families we extend sincere sympathy.

Mr. William D. Woolson, a Director for more than 23 years, died on December 10, 1945.

He was elected to the Board soon after the consolidation of this Company with its 7 principal leased lines. His long experience in dealing with industrial problems and his good business judgment enabled him to give to the Railroad most valuable personal service and his associates feel that they have lost a wise advisor.

For the efficient manner in which the business of the Railroad has been conducted during the year by its officers and employees, and for the continued cooperation of our customers, the Board of Directors desires to record its sincere appreciation.



President

February 26, 1946



Condensed General Balance Sheet — Assets

ROAD AND EQUIPMENT	Dec. 31, 1945	Dec. 31, 1944
Investment in Road	\$180,951,801 19	\$177,560,378 17
Investment in Equipment	57,190,558 75	58,530,128 41
<i>Total</i>	\$238,142,359 94	\$236,090,506 58
Improvements on Leased Property	15,424,298 85	15,765,160 54
Acquisition Adjustment	c 4,227,102 69	c 3,318,085 54
Donations and Grants	c 69,352 26	c 69,352 26
<i>Total Investment in Transportation Property</i>	\$249,270,203 84	\$248,468,229 32
Accrued Depreciation — Road and Equipment	c 23,406,561 40	c 21,746,727 70
Accrued Amortization of Defense Projects — Road and Equipment	c 10,685,838 43	c 2,708,604 33
<i>Investment in Transportation Property less Recorded Depreciation and Amortization</i>	\$215,177,804 01	\$224,012,897 29
Sinking Funds	3,112 79	2,658 99
Capital and Other Reserve Funds	1,027,680 07	1,032,766 97
Miscellaneous Physical Property	393,420 46	391,107 25
Investments in Affiliated Companies	6,928,277 47	7,840,457 01
Other Investments	3,564,409 54	3,259,019 27
<i>Total Investments</i>	\$227,094,704 34	\$236,538,906 78
CURRENT ASSETS		
Cash	\$ 10,254,924 59	\$ 5,804,956 30
Cash in Transit — Agents' Remittances	576,968 77	756,163 11
Temporary Cash Investments	7,115,000 00	6,115,000 00
Special Deposits	1,067,439 33	2,425,033 18
Net Balance Receivable from Agents and Conductors	1,898,769 62	1,928,757 09
Miscellaneous Accounts Receivable	5,965,463 73	6,114,094 83
Material and Supplies	4,249,738 88	5,038,315 34
Interest and Dividends Receivable	121,660 86	103,305 98
Accrued Accounts Receivable	859,841 00	1,351,780 42
Other Current Assets	36,353 33	40,457 98
<i>Total Current Assets</i>	\$ 32,146,160 11	\$ 29,657,864 23
DEFERRED ASSETS		
Working Fund Advances	\$ 13,424 17	\$ 13,822 61
Insurance and Other Funds	1,040,056 36	965,685 86
Other Deferred Assets	1,364,888 12	1,616,034 30
<i>Total Deferred Assets</i>	\$ 2,418,368 65	\$ 2,595,542 77
UNADJUSTED DEBITS		
Prepayments	\$ 123,201 36	\$ 118,367 45
Discount on Funded Debt	534,545 72	578,733 07
Other Unadjusted Debits	815,629 68	1,005,121 26
Securities Issued or Assumed — Unpledged	1,854,600 00	2,070,100 00
Securities Issued or Assumed — Pledged	396,000 00	396,000 00
<i>Total Unadjusted Debits</i>	\$ 3,723,976 76	\$ 4,168,321 78
<i>Grand Total</i>	\$265,383,209 86	\$272,960,635 56

c Indicates Credit Balance.

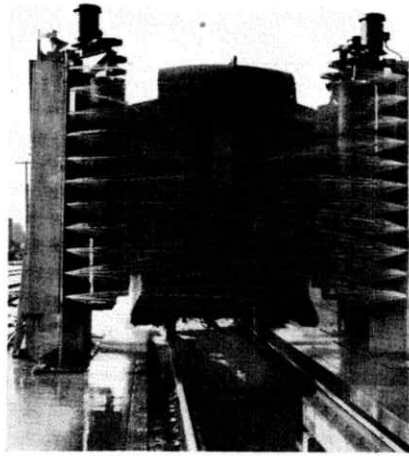
Condensed General Balance Sheet — Liabilities

CAPITAL STOCK	Dec. 31, 1945	Dec. 31, 1944
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	\$ 97,743,200 00	\$100,336,600 00
Equipment Trust Certificates	696,000 00	870,000 00
Lease and Purchase Agreements — Equipment	6,713,165 87	8,318,973 94
<i>Total Long-Term Debt</i>	\$105,152,365 87	\$109,525,573 94
CURRENT LIABILITIES		
Traffic and Car Service Balances — Net Payable	\$ 4,929,072 98	\$ 2,976,911 59
Audited Accounts and Wages Payable	2,910,401 77	3,474,611 31
Miscellaneous Accounts Payable	1,915,107 98	2,183,188 23
Interest Matured Unpaid	1,406,022 11	1,433,734 06
Dividends Matured Unpaid	13,757 12	13,810 21
Unmatured Interest Accrued	1,384,162 95	1,448,376 66
Accrued Accounts Payable	959,409 68	4,104,951 92
Accrued Tax Liability	3,901,783 45	5,334,857 87
Other Current Liabilities	95,950 39	88,463 61
<i>Total Current Liabilities</i>	\$ 17,515,668 43	\$ 21,058,905 46
DEFERRED LIABILITIES		
Due to Leased Roads at Expiration of Leases	\$ 209,988 70	\$ 209,988 70
New York State E. G. C. Projects	358,507 36	367,081 07
Other Deferred Liabilities	25,674 37	21,176 73
<i>Total Deferred Liabilities</i>	\$ 594,170 43	\$ 598,246 50
UNADJUSTED CREDITS		
Insurance Reserves	\$ 50,000 00	\$ 50,000 00
Accrued Depreciation — Leased Property	397,956 67	242,383 59
Other Unadjusted Credits	651,341 81	639,601 37
<i>Total Unadjusted Credits</i>	\$ 1,099,298 48	\$ 931,984 96
SURPLUS		
Additions to Property through Income since June 30, 1907	\$ 14,822,146 85	\$ 12,322,146 85
Funded Debt Retired through Income and Surplus	14,532,653 97	26,364,200 00
Sinking Fund Reserves	682,214 79	1,164,630 99
Miscellaneous Fund Reserves	920,998 41	866,627 91
Appropriated Surplus — Not Specifically Invested	—	2,077,690 23
Appropriated Surplus — Capital Fund	—	2,500,000 00
Appropriated Surplus — Purchase of Leased Line Bonds	357,000 00	357,000 00
<i>Total Appropriated Surplus</i>	\$ 31,315,014 02	\$ 45,652,295 98
Unearned Surplus	598,088 04	598,088 04
Earned Surplus (a)	268,864 45	d 14,244,199 46
<i>Total Surplus</i>	\$ 32,181,966 51	\$ 32,006,184 56
<i>Grand Total</i>	\$265,383,209 86	\$272,960,635 56

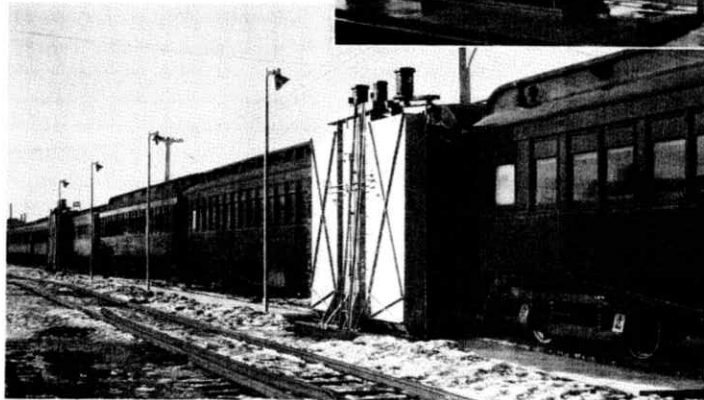
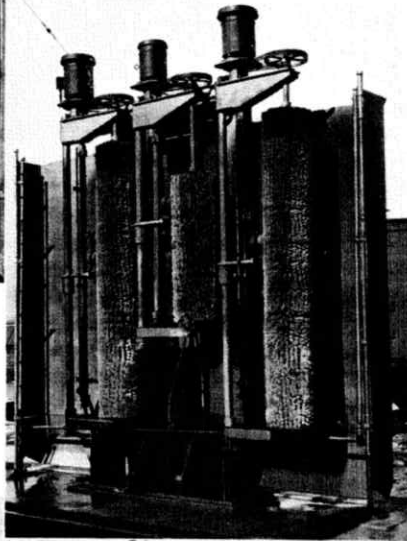
(a) Includes Surplus Earned by Lessor Companies before Consolidation.

d Indicates Debit Balance.

NOTE.—1944 figures have been restated to conform with current Interstate Commerce Commission Classification of Accounts.



The new car washing machine — recently installed



TRANSPORTATION REVENUE

	Year Ended Dec. 31, 1945	Increase or Decrease	Per Cent
Freight	\$55,552,307 31	d \$4,653,260 72	7.73
Passenger	19,260,971 39	d 271,690 62	1.39
Excess Baggage	18,071 51	4,254 87	30.80
Parlor and Chair Car	76,537 22	12,675 67	19.85
Mail	1,305,754 80	d 64,300 20	4.69
Express	1,238,352 04	d 262,246 81	17.48
Other Passenger-Train	234,859 46	d 8,254 07	3.40
Milk	1,162,019 49	69,361 91	6.35
Switching	590,736 79	d 8,510 96	1.42

Total Transportation Revenue

\$79,439,610 01	d \$5,181,970 93	6.12
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INCIDENTAL REVENUE

Dining and Buffet	\$ 270,926 64	\$ 18,060 65	7.14
Station and Train Privileges	176,823 61	15,725 71	9.76
Parcel Room	63,124 60	11,507 40	22.29
Storage — Freight	56,393 63	d 10,448 09	15.63
Storage — Baggage	6,857 84	d 1,042 34	13.19
Demurrage	346,818 06	25,568 20	7.96
Telegraph and Telephone	38,304 03	6,587 71	20.77
Grain Elevators	37,679 50	4,864 04	14.82
Power	63,121 72	d 1,176 67	1.83
Rents of Buildings and Other Property	1,047,018 01	52,129 68	5.24
Miscellaneous	429,108 51	d 88,931 20	17.17

Total Incidental Revenue

\$ 2,536,176 15	\$ 32,845 09	1.31
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Joint Facility — Cr.	\$ 265,599 34	\$ 39,985 13	17.72
Joint Facility — Dr.	8,436 38	196 38	2.38

Total Joint Facility Operating Revenue

\$ 257,162 96	\$ 39,788 75	18.30
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Total Operating Revenues

\$82,232,949 12	d \$5,109,337 09	5.85
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OPERATING EXPENSES

Maintenance of Way and Structures	\$14,663,707 76	\$ 30,921 00	.21
Maintenance of Equipment	20,662,846 66	5,544,522 78	36.67
Traffic	1,054,290 44	86,693 57	8.96
Transportation	31,011,479 26	d 882,004 93	2.77
Miscellaneous Operations	323,762 81	27,126 46	9.14
General	2,658,677 72	61,975 07	2.39

Total Operating Expenses

\$70,374,764 65	\$4,869,233 95	7.43
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Operating Ratio	(85.58%)	(10.58%)
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Net Operating Revenue	\$11,858,184 47	d \$9,978,571 04	45.70
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d Indicates decrease.

Income Account (Continued)

	Year Ended Dec. 31, 1945	Increase or Decrease	Per Cent
TAX ACCRUALS	\$ 5,039,033 58	d \$3,459,753 94	40.71
<i>Operating Income</i>	\$ 6,819,150 89	d \$6,518,817 10	48.87
Rent from Locomotives	\$ 41,987 90	\$ 33,364 09	386.88
Rent from Passenger-Train Cars	831,190 09	84,717 34	11.35
Rent from Work Equipment	17,258 03	1,303 18	8.17
Joint Facility Rent Income	357,691 01	8,680 33	2.49
<i>Total Rent Income</i>	\$ 1,248,127 03	\$ 128,064 94	11.43
Hire of Freight Cars — Debit Balance	\$ 3,279,338 01	\$ 99,232 21	3.12
Rent for Locomotives	1,472 40	d 731 90	33.20
Rent for Passenger-Train Cars	621,327 61	87,359 84	16.36
Rent for Work Equipment	259 86	d 14,873 04	98.28
Joint Facility Rents	604,202 70	d 28,285 38	4.47
<i>Total Rents Payable</i>	\$ 4,506,600 58	\$ 142,701 73	3.27
<i>Net Rents Payable</i>	\$ 3,258,473 55	\$ 14,636 79	.45
<i>Net Railway Operating Income</i>	\$ 3,560,677 34	d \$6,533,453 89	64.73
OTHER INCOME			
Income from Lease of Road and Equipment	\$ 318,157 66	d \$ 222 34	.07
Miscellaneous Rent Income	284,587 95	d 8,464 41	2.89
Miscellaneous Nonoperating Physical Property	7,122 95	43,185 67	—
Dividend Income	93,200 33	d 23,327 27	20.02
Income from Funded Securities	449,660 43	56,159 27	14.27
Income from Unfunded Securities and Accounts	58,126 90	d 5,038 13	7.98
Income from Sinking and Other Reserve Funds	29,900 30	d 8,294 20	21.72
Release of Premiums on Funded Debt	—	d 269 10	100.00
Miscellaneous Income	47,371 85	1,269 47	2.75
<i>Total Other Income</i>	\$ 1,288,128 37	\$ 54,998 96	4.46
<i>Total Income</i>	\$ 4,848,805 71	d \$6,478,454 93	57.19

Income Account (Concluded)

	Year Ended Dec. 31, 1945	Increase or Decrease	Per Cent
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Miscellaneous Rents	\$ 9,821 69	\$ 469 00	5.01
Miscellaneous Tax Accruals	8,916 00	d 2,954 40	24.89
Miscellaneous Income Charges Income Applied to Sinking and Other Reserve Funds	37,890 19	d 13,759 44	26.64
	54,370 50	d 12,711 50	18.95
<i>Total Miscellaneous De- ductions</i>	\$ 110,998 38	d \$ 28,956 34	20.69
<i>Income Available for Fixed Charges</i>	\$ 4,737,807 33	d \$6,449,498 59	57.65
FIXED CHARGES			
Rent for Leased Roads	\$ 1,047,095 42	d \$ 65,104 24	5.85
Interest on Funded Debt — Fixed Interest	2,887,463 88	d 57,121 56	1.94
Interest on Unfunded Debt	18,694 71	d 5,492 29	41.60
Amortization of Discount on Funded Debt	31,625 14	d 2,910 17	8.43
<i>Total Fixed Charges</i>	\$ 3,984,879 15	d \$ 119,643 68	2.91
<i>Income after Fixed Charges</i>	\$ 752,928 18	d \$6,329,854 91	89.37
CONTINGENT CHARGES			
Sinking Fund — Series RR Bonds	\$ 679,102 00	—	—
Interest on Funded Debt — Contingent Interest	(a) 1,322,409 86	d \$ 115,817 34	8.05
<i>Total Contingent Charges</i>	\$ 2,001,511 86	d \$ 115,817 34	5.47
<i>Net Income after Fixed Charges and Other De- ductions (Deficit)</i>	\$ 1,248,583 68	d \$6,214,037 57	—

d Indicates decrease.
(a) Interest on Income Mortgage Bonds @ 4½% for the year 1945 amounts to \$1,322,409.86 and, although earnings for 1945 were not sufficient and interest is not mandatorily payable by the terms of the Mortgage Indenture, the Directors at their meeting on January 29, 1946, authorized the payment of 1945 interest in full @ 4½% on May 1, 1946, the unearned interest viz., \$1,248,583.68 to be deducted from subsequent earnings.

Operating Expenses

	Year Ended Dec. 31, 1945	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	\$ 693,349 07	\$ 29,241 36
Roadway Maintenance	882,611 67	d 146,289 17
Tunnels and Subways	40,495 61	d 16,389 80
Bridges, Trestles and Culverts	130,444 03	d 320,668 18
Ties	322,123 70	d 100,063 29
Rails	422,089 02	18,918 29
Other Track Material	686,205 50	41,040 13
Ballast	77,541 50	d 7,491 67
Track Laying and Surfacing	3,547,485 61	66,935 99
Fences, Snowsheds and Signs	48,474 35	7,688 40
Station and Office Buildings	561,823 67	d 162,863 13
Roadway Buildings	63,327 31	d 17,348 36
Water Stations	56,380 47	d 32,805 16
Fuel Stations	55,805 53	d 14,685 34
Shops and Enginehouses	566,313 57	70,703 38
Grain Elevators	33,071 20	18,674 54
Storage Warehouses	654 93	d 265 84
Wharves and Docks	79,451 25	58,767 86
Coal and Ore Wharves	4,276 97	d 7,725 28
Telegraph and Telephone Lines	59,274 05	d 8,022 94
Signals and Interlockers	865,557 90	184,555 12
Power Plants	4,456 11	d 3,841 07
Power-Transmission Systems	56,320 08	d 7,773 38
Miscellaneous Structures	576 33	d 725 76
Road Property — Depreciation	1,627,182 96	227,502 00
Retirements — Road	896,813 44	d 564,094 82
Roadway Machines	144,828 85	d 1,159 49
Dismantling Retired Road Property	173,893 26	d 100,964 06
Road — Amortization of Defense Projects	84,981 65	84,981 65
Small Tools and Supplies	186,811 03	d 6,667 71
Removing Snow, Ice and Sand	1,469,540 10	913,233 68
Public Improvements — Maintenance	141,457 45	d 116,553 42
Injuries to Persons	64,733 33	d 32,395 01
Insurance	17,659 63	d 15,692 80
Stationery and Printing	8,987 92	1,206 63
Other Expenses	69,926 62	264 06
Maintaining Joint Tracks, Yards and Other Facilities — Dr.	747,974 97	47,255 23
Maintaining Joint Tracks, Yards and Other Facilities — Cr.	229,192 88	55,561 64
<i>Total Maintenance of Way and Structures</i>	<i>\$14,663,707 76</i>	<i>\$ 30,921 00</i>
<i>Ratio to Total Operating Revenues</i>	<i>(17.83%)</i>	<i>(1.08%)</i>

Operating Expenses (Continued)

	Year Ended Dec. 31, 1945	Increase or Decrease
MAINTENANCE OF EQUIPMENT		
Superintendence	\$ 509,969 07	\$ 15,432 74
Shop Machinery	333,219 01	d 13,593 53
Power-Plant Machinery	46,815 75	d 33,864 57
Shop and Power-Plant Machinery — Depreciation	93,534 00	1,170 00
Dismantling Retired Shop and Power-Plant Machinery	109 89	75 92
Steam Locomotives — Repairs	4,659,352 95	d 1,424,542 30
Other Locomotives — Repairs	941,763 50	421,549 04
Freight-Train Cars — Repairs	2,141,132 39	13,930 14
Passenger-Train Cars — Repairs	1,846,054 57	d 39,466 99
Work Equipment — Repairs	391,975 40	23,984 00
Miscellaneous Equipment — Repairs	20,179 58	1,134 93
Dismantling Retired Equipment	11,720 09	8,159 47
Retirements — Equipment	1,497 17	d 466 99
Equipment — Depreciation	1,476,390 40	d 20,125 30
Equipment — Amortization of Defense Projects	7,893,887 01	6,577,843 50
Injuries to Persons	72,851 94	d 13,910 60
Insurance	27,524 84	d 6,368 20
Stationery and Printing	10,079 34	d 567 68
Other Expenses	42,540 62	6,153 20
Maintaining Joint Equipment at Terminals — Dr.	153,184 15	25,987 21
Maintaining Joint Equipment at Terminals — Cr.	7,940 67	d 2,008 79
<i>Total Maintenance of Equipment</i>	<i>\$20,662,846 66</i>	<i>\$5,544,522 78</i>
<i>Ratio to Total Operating Revenues</i>	<i>(25.13%)</i>	<i>(7.82%)</i>
TRAFFIC		
Superintendence	\$ 385,963 21	\$ 3,106 83
Outside Agencies	315,728 01	17,691 67
Advertising	266,634 75	59,631 06
Traffic Associations	40,851 54	1,276 46
Industrial and Immigration Bureaus	14,993 46	1,436 80
Insurance	23 28	d 12
Stationery and Printing	30,096 19	3,550 87
<i>Total Traffic</i>	<i>\$ 1,054,290 44</i>	<i>\$ 86,693 57</i>
<i>Ratio to Total Operating Revenues</i>	<i>(1.28%)</i>	<i>(.17%)</i>

d Indicates decrease.

BOSTON & MAIN RAILROAD
HISTORICAL SOCIETY
ARCHIVES

Operating Expenses (Continued)

Operating Expenses (Concluded)

	Year Ended Dec. 31, 1945	Increase or Decrease
TRANSPORTATION		
Superintendence	\$ 751,197 95	d \$ 12,069 11
Dispatching Trains	273,642 97	13,765 30
Station Employees	4,851,325 25	24,626 81
Weighing, Inspection and Demurrage Bureaus	17,986 48	d 664 64
Coal and Ore Wharves	—	d 43,105 44
Station Supplies and Expenses	433,838 02	25,636 47
Yardmasters and Yard Clerks	839,117 58	18,707 24
Yard Conductors and Brakemen	1,751,941 15	d 39,306 55
Yard Switch and Signal Tenders	285,584 25	27,565 08
Yard Enginemen	605,954 28	d 80,758 14
Yard Motormen	470,012 72	74,760 39
Yard Switching Fuel	590,483 81	d 33,883 18
Water for Yard Locomotives	18,844 62	858 03
Lubricants for Yard Locomotives	20,873 68	d 384 94
Other Supplies for Yard Locomotives	16,134 12	1,379 74
Enginehouse Expenses — Yard	257,514 94	1,291 71
Yard Supplies and Expenses	83,451 28	2,612 37
Operating Joint Yards and Terminals — Dr.	1,993,488 49	d 83,182 11
Operating Joint Yards and Terminals — Cr.	327,994 43	d 7,118 24
Train Enginemen	2,404,146 30	d 352,026 69
Train Motormen	448,045 00	210,066 77
Train Fuel	4,714,879 67	d 524,327 75
Train Power Purchased	92,883 78	d 26,576 44
Water for Train Locomotives	155,854 01	d 21,512 11
Lubricants for Train Locomotives	197,879 88	29,067 85
Other Supplies for Train Locomotives	92,365 84	3,765 81
Enginehouse Expenses — Train	1,411,165 40	d 63,639 58
Trainmen	3,840,576 78	d 110,879 70
Train Supplies and Expenses	1,700,860 61	64,979 94
Signal and Interlocker Operation	543,962 22	5,761 57
Crossing Protection	1,062,260 90	39,506 07
Drawbridge Operation	31,252 89	418 44
Telegraph and Telephone Operation	50,819 79	869 60
Stationery and Printing	143,495 01	d 4,840 66
Other Expenses	68,087 29	10,154 19
Operating Joint Tracks and Facilities — Dr.	30,672 77	d 100,703 80
Operating Joint Tracks and Facilities — Cr.	61,205 97	2,859 11
Insurance	10,478 55	2,983 86
Clearing Wrecks	57,463 27	16,539 53
Damage to Property	51,298 54	4,452 27
Damage to Live Stock on Right of Way	4,639 69	788 10
Loss and Damage — Freight	629,209 31	d 5,734 10
Loss and Damage — Baggage	7,686 32	d 641 61
Injuries to Persons	389,304 25	37,415 35
<i>Total Transportation</i>	\$31,011,479 26	d \$ 882,004 93
<i>Ratio to Total Operating Revenues</i>	(37.71%)	(1.19%)

	Year Ended Dec. 31, 1945	Increase or Decrease
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service	\$ 283,487 05	\$ 7,290 01
Grain Elevators	40,267 48	19,954 22
Other Miscellaneous Operations	8 28	d 117 77
<i>Total Miscellaneous Operations</i>	\$ 323,762 81	\$ 27,126 46
<i>Ratio to Total Operating Revenues</i>	(.40%)	(.06%)
GENERAL		
Salaries and Expenses of General Officers	\$ 196,002 60	\$ 13,063 23
Salaries and Expenses of Clerks and Attendants	1,758,551 85	36,491 39
General Office Supplies and Expenses	149,766 30	796 59
Law Expenses	157,205 49	12,577 82
Insurance	824 80	d 11 28
Pensions	171,749 97	9,238 15
Stationery and Printing	59,859 72	6,296 42
Valuation Expenses	28,912 69	532 39
Other Expenses	116,536 23	d 15,556 38
General Joint Facilities — Dr.	19,268 07	d 1,453 26
<i>Total General</i>	\$ 2,658,677 72	\$ 61,975 07
<i>Ratio to Total Operating Revenues</i>	(3.23%)	(.26%)
<i>Total Operating Expenses</i>	\$70,374,764 65	\$4,869,233 95
<i>Ratio to Total Operating Revenues</i>	(85.58%)	(10.58%)

d Indicates decrease.

Item	Debit	Credit
Balance, December 31, 1944 (Debit)	(a) \$14,244,199 46	
Debit Balance from Income Account for year 1945	1,248,583 68	
Balance of 1944 Available Net Income transferred from Appropriated to Unappropriated Surplus		\$ 1,742,589 21
Transfer from Appropriated to Unappropriated Surplus:		
Par value Series D 6% Bonds retired in 1924	\$1,929,000 00	
Par value Improvement Bonds of 1937 retired in 1937	1,919,000 00	
Difference between par and amount of Available Net Income Appropriated to purchase bonds retired between July 1940 and May 11, 1945	9,480,165 25	13,328,165 25
Adjustment to Par of Boston and Maine Railroad Bonds purchased during 1945		418,398 91
Profit on sale of Northeast Airlines, Inc. Capital Stock		311,400 00
Miscellaneous Credits		27,245 66
Loss on Retired Miscellaneous Property Sold	39,966 74	
Miscellaneous Debits	26,184 70	
Credit Balance, December 31, 1945	(a) 268,864 45	
	\$15,827,799 03	\$15,827,799 03

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

ROAD	TITLE ACCOUNT	Gross Expenditures	Property Retired	Net Capital Changes
1	Engineering	\$ 177,458 24	\$ 71,602 39	\$ 105,855 85
2	Land for Transportation Purposes	151,814 42	163,269 84	11,455 42
2 1/2	Other Right-of-Way Expenditures	3,060 00	—	3,060 00
3	Grading	775,881 80	380,211 60	395,670 20
5	Tunnels and Subways	29,333 10	3,089 98	26,243 12
6	Bridges, Trestles and Culverts	618,606 11	109,025 62	509,580 49
8	Ties	217,805 88	90,254 46	127,551 42
9	Rails	1,005,870 47	812,247 07	193,623 40
10	Other Track Material	859,748 42	583,199 94	276,548 48
11	Ballast	202,940 55	44,850 39	158,090 16
12	Track Laying and Surfacing	246,151 37	100,554 03	145,597 34
13	Fences, Snowsheds and Signs	73,013 79	104,759 24	31,745 45
16	Station and Office Buildings	299,029 64	144,202 79	154,826 85
17	Roadway Buildings	12,590 18	13,503 80	913 62
18	Water Stations	14,843 71	23,514 11	8,670 40
19	Fuel Stations	31,767 34	1,193 68	30,573 66
20	Shops and Enginehouses	371,002 34	143,717 51	227,284 83
21	Grain Elevators	15,761 87	4,348 76	11,413 11
22	Storage Warehouses	930 28	—	930 28
23	Wharves and Docks	10,905 70	—	10,905 70
24	Coal and Ore Wharves	—	3,612 42	3,612 42
26	Telegraph and Telephone Lines	1,916 71	2,143 32	226 61
27	Signals and Interlockers	823,538 14	319,257 20	504,280 94
29	Power Plants	2,980 18	1,270 44	1,709 74
31	Power-Transmission Systems	7,122 19	6,603 67	518 52
35	Miscellaneous Structures	176 74	—	176 74
37	Roadway Machines	90,584 63	50,305 78	40,278 85
38	Roadway Small Tools	8,240 44	1,793 00	6,447 44
39	Public Improvements — Construction	11,754 96	52,152 00	40,397 04
44	Shop Machinery	209,174 39	33,559 47	175,614 92
45	Power-Plant Machinery	9,496 90	44,195 35	34,698 45
	Total Road	\$6,283,500 49	\$3,308,437 86	\$2,975,062 63
EQUIPMENT				
51	Steam Locomotives	15,360 52	1,744,954 06	1,729,593 54
52	Other Locomotives	664,877 11	68,764 91	596,112 20
53	Freight-Train Cars	44,968 65	239,475 65	194,507 00
54	Passenger-Train Cars	10,178 11	31,359 23	21,181 12
57	Work Equipment	126,415 65	124,751 10	1,664 55
58	Miscellaneous Equipment	12,516 06	4,580 81	7,935 25
	Total Equipment	\$ 874,316 10	\$2,213,885 76	\$1,339,569 66
GENERAL EXPENDITURES				
71	Organization Expenses	—	723 00	723 00
72	General Officers and Clerks	16,264 60	5,747 50	10,517 10
73	Law	9,013 00	3,488 50	5,524 50
74	Stationery and Printing	1,452 72	484 00	968 72
75	Taxes	5,788 88	1,988 37	3,800 51
76	Interest during Construction	153,580 30	100,516 16	53,064 14
77	Other Expenditures — General	3,615 80	1,269 07	2,346 73
	Total General Expenditures	\$ 189,715 30	\$ 114,216 60	\$ 75,498 70
	Totals (See Note)	\$7,347,531 89	*\$5,636,540 22	\$1,710,991 67

* DISPOSITION OF CREDITS

Account No.		
701	— Road and Equipment Property — Equipment Converted	\$ 24,308 11
702 1/2	— Accrued Depreciation — Road and Equipment — Owned Road	2,299,959 80
702 1/2	— Accrued Amortization Defense Projects — Equipment	1,634 56
705	— Miscellaneous Physical Property	200 00
708	— Cash — Land, Buildings, Equipment, Rail and Track Fastenings Sold	1,071,203 94
716	— Material and Supplies — Usable Material	643,701 24
722	— Other Deferred Assets — Lease Account	3,789 00
779	— Accrued Depreciation — Leased Property	45,257 06
531	— Operating Expenses	1,529,173 41
621	— Profit and Loss — Miscellaneous Debits	17,313 10
	Total Amount credited to Investment in Road and Equipment	\$5,636,540 22

NOTE. — "Gross Expenditures" includes Journal Entries amount \$2,502,266.80, to conform with Interstate Commerce Commission accounting requirements in connection with the acquisition of the Concord & Claremont, N. H., Railroad — \$2,256,563.04, and The Peterborough and Hillsborough Railroad — \$245,703.76.

CAPITAL STOCK	Amount Outstanding	Dividend Rate
Prior Preference	\$ 23,136,000 00	7 %
Prior Preference Negotiable Receipts	2,500 00	
First Preferred, Class A	18,860,000 00	5 %
“ “ “ B	7,648,800 00	8 %
“ “ “ C	7,917,100 00	7 %
“ “ “ D	4,327,000 00	10 %
“ “ “ E	65,000 00	4½ %
Preferred	3,149,800 00	6 %
Common	39,505,100 00	
	\$104,611,300 00	

LONG-TERM DEBT	Amount Outstanding
Bonds secured by Mortgage dated December 1, 1919, supplemented as of July 1, 1940	
Series EE	\$ 6,000 00
“ FF	52,000 00
“ GG	13,000 00
“	25,000 00
“ II	1,237,000 00
“ RR	62,403,200 00
“ JJ	902,000 00
“ AC	3,065,000 00
Income Mortgage “ A	30,040,000 00
<i>Total Mortgage Bonds</i>	\$ 97,743,200 00
Equipment Trust No. 6 Trust Certificates	696,000 00
Lease and Purchase Agreements — Equipment	6,713,165 87
<i>Grand Total Long-Term Debt</i>	\$105,152,365 87

Cumulative Dividends Unpaid Since †Jan. 1, 1932—*Oct. 1, 1931	Amount in Hands of Public	Owned, Deposited with Trustee, or Held in Treasury **
†\$ 98 00 per share \$22,480,122 00	\$ 22,938,900 00	\$ 197,100 00
*\$ 71 25 “ “ 13,419,296 25	2,500 00	
*\$114 00 “ “ 8,719,632 00	18,834,100 00	25,900 00
*\$ 99 75 “ “ 7,890,324 75	7,648,800 00	
*\$142 50 “ “ 6,161,557 50	7,910,100 00	7,000 00
*\$ 64 125 “ “ 41,681 25	4,323,900 00	3,100 00
Non-cumulative	65,000 00	
	3,149,800 00	
	39,472,800 00	32,300 00
	\$104,345,900 00	\$ 265,400 00

Date of Maturity	Rate		
January 1, 1946	5 %	\$ 6,000 00	
January 1, 1947	5 %	52,000 00	
April 1, 1947	5 %	13,000 00	
July 1, 1950	3 %	10,000 00	\$ 15,000 00 a
May 1, 1955	5 %	1,237,000 00	
July 1, 1960	4 %	61,877,000 00	526,200 00 b
April 1, 1961	4¾ %	897,000 00	5,000 00 a
September 1, 1967	5 %	2,424,000 00	641,000 00 a
July 1, 1970	4½ %	28,581,000 00	1,459,000 00
June-Dec. 1, 1946-49	4 %	\$ 95,097,000 00	\$2,646,200 00
		696,000 00	
Various	Various	6,713,165 87	
		\$102,506,165 87	\$2,646,200 00

** No interest.
a Deposited with and held by Trustee in Lieu of Mortgaged Property Sold. To release would require payment of par in cash.
b \$396,000 pledged under Collateral Trust Indenture. To be released in 1946.

Capital Stock and Funded Debt Outstanding December 31, 1945 —
Leased Roads

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%	\$ 25,800 00
Pemigewasset Valley	541,500 00	3%	414,100 00
Northern	3,068,400 00	6%	340,100 00
Vermont and Massachusetts	3,193,000 00	6%	10,000 00
Troy and Bennington	150,800 00	10%	43,600 00
Connecticut and Passumpsic Rivers — Preferred	a 2,500,000 00	6%	491,600 00
Massawippi Valley	b 800,000 00	6%	—
Vermont Valley	1,000,000 00	—	1,000,000 00
Sullivan County	c 500,000 00	—	—
Newport & Richford	d 350,000 00	—	—
Total Capital Stock	\$12,403,700 00		\$2,325,200 00

a \$700,000 owned by Vermont Valley Railroad.
b \$400,000 owned by Connecticut and Passumpsic Rivers Railroad Company and \$100,000 owned by Vermont Valley Railroad.
c All owned by Vermont Valley Railroad.
d All owned by Connecticut and Passumpsic Rivers Railroad Company.

FUNDED DEBT	Bonds Outstanding	Date of Maturity	Rate	Owned, Deposited with Trustee, or Held in Treasury
Connecticut and Passumpsic Rivers First Mortgage	\$1,862,000 00	* Apr. 1, 1943	4%	\$1,862,000 00
Sullivan County First Mortgage	357,000 00	* Apr. 1, 1944	6%	357,000 00
Vermont Valley First Mortgage	1,377,000 00	Oct. 1, 1955	4%	—
Newport & Richford First Mortgage	334,000 00	Jan. 1, 1966	4%	334,000 00
Total Funded Debt	\$3,930,000 00			\$2,553,000 00

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

Miles of Road Operated, December 31, 1945

STEAM ROADS	Owned			Leased			Total		
Main Lines	789	56	230	23	1,019	79			
Branch Lines	630	72	31	53	662	25			
Trackage Rights	—	—	82	22	82	22			
Total Road Operated	1,420	28	343	98	1,764	26			
Second Track	464	18	a 116	28	580	46			
Third Track	4	49	b 5	44	9	93			
Other Tracks	908	96	129	31	1,038	27			
Total Track Operated	2,797	91	595	01	3,392	92			

a Includes trackage rights 14.47 miles.
b Includes trackage rights .99 mile.

Operating Statistics

	Year ended Dec. 31, 1945	Increase or Decrease
AVERAGE MILES OF ROAD OPERATED		
Freight Service	1,777.14	26.08
Passenger Service	1,411.10	27.52
Total	1,789.38	26.08
TRAIN MILEAGE		
Freight service (with locomotives)	4,108,943	527,780
Passenger service (with locomotives)	6,933,399	104,321
Passenger service (without locomotives)	273,319	18,006
Work service	347,386	59,175
Total train miles	11,663,047	382,292
* LOCOMOTIVE MILEAGE		
Freight service	4,565,972	1,187,569
Passenger service	7,356,975	80,796
Train switching	299,034	1,218
Yard switching	2,732,136	78,000
Work service	392,812	56,371
Total locomotive miles	15,346,929	1,127,184
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded	155,441,767	12,662,626
Empty	68,021,401	14,991,682
Caboose	4,246,644	543,936
Total freight-train car miles	227,709,812	28,198,244
Passenger-Train Car Miles:		
Passenger coaches	24,692,790	606,637
Sleeping and parlor cars	3,414,598	1,332,413
Club, lounge, dining and observation cars	264,005	34,164
Business cars	11,352	140
Mail, express, and baggage cars, and combination cars other than passenger	16,374,686	297,906
Combination passenger cars (mail, express, or baggage with passenger)	4,631,273	112,848
Total passenger-train car miles	49,388,704	349,326
Total transportation service car miles	277,098,516	28,547,570
AVERAGES		
Operating revenues per mile of road	\$45,956.11	\$2,154.17
Operating expenses per mile of road	39,329.13	3,247.07
Net railway operating income per mile of road	1,989.89	3,570.21
Operating revenues per train mile	\$ 7.27	\$.16
Operating expenses per train mile	6.22	.65
Net railway operating income per train mile	.31	.55
Total Freight cars per revenue train mile	54.38	.22
Loaded Freight cars per revenue train mile	37.83	1.57
Empty Freight cars per revenue train mile	16.55	1.35
Total Passenger cars per train mile	6.85	.14

* Includes 178,353 Electric locomotive miles and 2,870,668 Diesel locomotive miles. Italics indicate decrease.

Traffic Statistics

	Year Ended Dec. 31, 1945	Increase or Decrease
FREIGHT		
Freight Revenue	\$ 55,552,307	\$ 4,653,261
Tons of revenue freight carried	25,314,674	1,758,976
Tons of company freight carried	1,953,831	263,716
<i>Total tons of freight carried</i>	27,268,505	2,022,692
Tons of revenue freight carried one mile	4,226,430,440	451,717,927
Tons of company freight carried one mile	165,184,485	43,854,123
<i>Total tons of freight carried one mile</i>	4,391,614,925	495,572,050
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers	\$ 847,276.33	\$ 57,236.13
All other commutation ticket passengers	1,410,987.02	83,190.69
Single fare ticket passengers (not including interline)	9,750,197.43	100,687.89
Interline ticket passengers	7,252,510.61	512,805.33
<i>Total passenger revenue</i>	\$19,260,971.39	\$271,690.62
Number of Passengers Carried:		
Monthly commutation ticket passengers	3,867,861	226,593
All other commutation ticket passengers	8,135,372	262,874
Single fare ticket passengers (not including interline)	15,655,912	252,710
Interline ticket passengers	3,914,368	99,917
<i>Total number of passengers carried</i>	31,573,513	642,260
Number of Passengers carried one mile:		
Monthly commutation ticket passengers	84,503,128	6,047,070
All other commutation ticket passengers	73,648,233	4,408,594
Single fare ticket passengers (not including interline)	487,145,232	7,064,329
Interline ticket passengers	345,926,153	13,707,681
<i>Total number of passengers carried one mile</i>	991,222,746	3,812,312
Number of passengers to and from Boston, including monthly ticket passengers	26,208,917	1,055,439
AVERAGES		
Freight:		
Miles hauled — revenue freight	166.96	5.83
Tons of revenue freight per train mile	1,028.59	19.66
Tons of revenue freight per loaded car mile	27.19	.64
Revenue per ton of freight	\$ 2.19447	\$.02930
Revenue per ton per mile (cents)	1.314	.027
Revenue per revenue train mile	\$ 13.520	\$.535
Freight revenue per loaded car mile (cents)	35.738	.076
Passenger:		
Average distance carried per passenger (miles)	31.39	.53
Number of passengers per train mile	137.54	1.13
Number of passengers per car mile	30.28	.67
Revenue per passenger (cents)	61.00	2.15
Revenue per passenger mile, monthly commutation ticket passengers (cents)	1.003	.004
Revenue per passenger mile, other commutation ticket passengers (cents)	1.915	.003
Revenue per passenger mile, single fare not including interline (cents)	2.001	.009
Revenue per passenger mile, interline passengers (cents)	2.096	.063
Revenue per passenger mile, all passengers (cents)	1.943	.035
Passenger revenue per passenger car mile (cents)	58.832	.266
Total passenger service train revenue per train mile	\$ 3.233	\$.112

Italics indicate decrease.

