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1902

THE PENNSYLVANIA RAILROAD COMPANY

FIFTY-SIXTH ANNUAL REPORT.

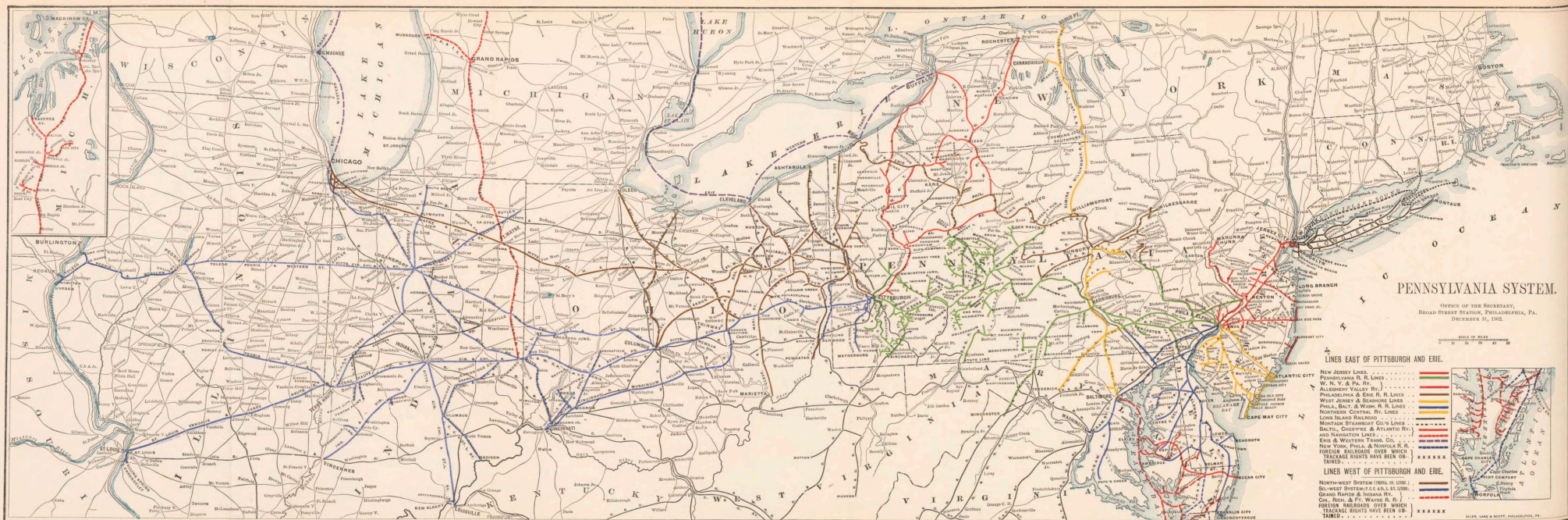
FOR THE YEAR 1902.

OFFICE OF THE SECRETARY,
BROAD STREET STATION,
PHILADELPHIA, PA.

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1902

THE PENNSYLVANIA RAILROAD COMPANY

FIFTY-SIXTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

INDEX

TO THE STOCKHOLDERS.

FOR THE YEAR 1902.

Presented and adopted at the Annual Meeting of the Stockholders,

10th March, 1903.



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DIRECTORS

OF

THE PENNSYLVANIA RAILROAD COMPANY

ELECTED BY THE STOCKHOLDERS.

	TERM EXPIRES		TERM EXPIRES
ALEXANDER M. FOX, . . .	1905.	WILLIAM H. BARNES, . . .	1907.
N. PARKER SHORTRIDGE, . .	1905.	GEORGE WOOD,	1907.
WILLIAM L. ELKINS, . . .	1905.	C. STUART PATTERSON, . .	1907.
ALEXANDER J. CASSATT, . .	1904.	EFFINGHAM B. MORRIS, . .	1906.
CLEMENT A. GRISCOM, . . .	1904.	THOMAS DEWITT CUYLER, .	1906.
AMOS R. LITTLE,	1904.	JAMES McCREA,	1906.
LINCOLN GODFREY, term expires 1906.			

ADDITIONAL MEMBERS OF THE BOARD SELECTED, BY THE ABOVE-NAMED DIRECTORS, TO ACT AS
VICE-PRESIDENTS FOR THE TERM OF ONE YEAR EXPIRING MARCH, 1904.

JOHN P. GREEN.	SUTHERLAND M. PREVOST.
CHARLES E. PUGH.	SAMUEL REA.

OFFICERS ELECTED BY THE BOARD OF DIRECTORS.

President,
ALEXANDER J. CASSATT.

First Vice-President, JOHN P. GREEN. *Third Vice-President,* SUTHERLAND M. PREVOST.

Second Vice-President, CHARLES E. PUGH. *Fourth Vice-President,* SAMUEL REA.

<i>Secretary,</i> LEWIS NEILSON.	<i>Treasurer,</i> ROBERT W. SMITH.
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OFFICERS OF THE PENNSYLVANIA RAILROAD COMPANY.

MARCH, 1903.

PRESIDENT,	ALEXANDER J. CASSATT.
FIRST VICE-PRESIDENT,	JOHN P. GREEN.
SECOND VICE-PRESIDENT,	CHARLES E. FUGH.
THIRD VICE-PRESIDENT,	SUTHERLAND M. PREVOST.
FOURTH VICE-PRESIDENT,	SAMUEL REA.
ASSISTANT TO THE PRESIDENT,	WILLIAM A. PATTON.
ASSISTANT TO THE PRESIDENT,	E. T. POSTLETHWAITE.
RESIDENT ASSISTANT TO THE PRESIDENT AT PITTSBURGH,	ROBERT PITCAIRN.
ASSISTANT TO SECOND VICE-PRESIDENT,	J. B. HUTCHINSON.
ENGINEER OF BRANCH LINES,	JOSEPH U. CRAWFORD.
SECRETARY,	LEWIS NEILSON.
ASSISTANT SECRETARY,	ROBERT H. GROFF.
ASSISTANT SECRETARY,	A. J. COUNTY.
ASSISTANT SECRETARY,	K. S. GREEN.
TREASURER,	ROBERT W. SMITH.
ASSISTANT TREASURER,	P. FRANK HUNTER.
ASSISTANT TREASURER,	H. P. CONNER.
ASSISTANT TO TREASURER,	GEORGE A. WALKER.
CASHIER,	E. B. BROADAWAY.
COMPTROLLER,	ROBERT W. DOWNING.
ASSISTANT COMPTROLLER,	M. RIEBENACK.
FREIGHT TRAFFIC MANAGER,	W. H. JOYCE.
GENERAL FREIGHT AGENT,	J. B. THAYER, Jr.
ASSISTANT GENERAL FREIGHT AGENT,	GEORGE D. DIXON.
COAL FREIGHT AGENT,	J. G. SEARLES.
FREIGHT CLAIM AGENT,	FRANK D. HOWELL.
MANAGER OF EMPIRE LINE,	GEORGE M. BALL.
MANAGER OF UNION LINE,	E. A. DAWSON.
GENERAL PASSENGER AGENT,	JAMES R. WOOD.
ASSISTANT GENERAL PASSENGER AGENT,	GEORGE W. BOYD.
CHIEF ENGINEER,	W. H. BROWN.
ASSISTANT TO CHIEF ENGINEER,	WILLIAM A. PRATT.
CHIEF OF MOTIVE POWER,	THEO. N. ELY.
GENERAL MANAGER,	W. W. ATTERBURY.
GENERAL SUPERINTENDENT OF TRANSPORTATION,	M. TRUMP.
GENERAL SUPERINTENDENT OF MOTIVE POWER,	A. W. GIBBS.
ENGINEER OF MAINTENANCE OF WAY,	JOSEPH T. RICHARDS.
SUPERINTENDENT OF TELEGRAPH,	CHAS. M. SHEAFFER.
GENERAL SUPERINTENDENT P. R. R. DIVISION,	GEORGE W. CREIGHTON.
GENERAL SUPERINTENDENT U. R. RDS. OF N. J. DIVISION,	FRANK L. SHEPPARD.
GENERAL SUPERINTENDENT P. & E. R. R. DIVISION,	W. HEYWARD MYERS.
GENERAL SUPERINTENDENT B. & A. V. DIVISION,	R. L. O'DONNELL.
RESIDENT MANAGER ON THE U. R. RDS. OF N. J. DIVISION,	F. WOLCOTT JACKSON.
GENERAL AGENT, NEW YORK,	GEO. T. SMITH.
GENERAL AGENT, ERIE,	J. W. REYNOLDS.
PURCHASING AGENT,	D. S. NEWHALL.
ASSISTANT PURCHASING AGENT,	SAMUEL PORCHER.
REAL ESTATE AGENT,	BENJAMIN W. CARSKADDON.
ASSISTANT REAL ESTATE AGENT,	H. E. TRIPLER.
GENERAL COUNSEL,	GEORGE V. MASSEY.
GENERAL SOLICITOR,	FRANCIS I. GOWEN.
ASSISTANT GENERAL SOLICITOR,	PARKER B. PRINCE.
ASSISTANT GENERAL SOLICITOR,	G. STUART PATTERSON.
SUPERINTENDENT INSURANCE DEPARTMENT,	HUGH B. ELY.
ASSISTANT SUPERINTENDENT INSURANCE DEPARTMENT,	R. H. NEWBERN.
SUPERINTENDENT VOLUNTARY RELIEF DEPARTMENT,	SPENCER MEADE.
ASSISTANT SUPERINTENDENT VOLUNTARY RELIEF DEPARTMENT, ..	MATTHIAS HOMER.
SUPERINTENDENT EMPLOYEES' SAVING FUND,	A. J. COUNTY.

FIFTY-SIXTH ANNUAL MEETING.

PHILADELPHIA, 10th March, 1903.

The Annual Meeting of the stockholders of The Pennsylvania Railroad Company was held this day at 11 o'clock, A. M., at Horticultural Hall.

On motion of Mr. David E. Williams, General Louis Wagner was called to the chair, and Mr. Lewis Neilson chosen Secretary.

The Secretary read the call for the meeting, as follows:—

THE PENNSYLVANIA RAILROAD COMPANY.

GENERAL OFFICE, BROAD STREET STATION,

Philadelphia, 7th January, 1903.

The Annual Meeting of the Stockholders of this Company will be held on Tuesday, the tenth day of March, 1903, at 11 o'clock, A. M., in Horticultural Hall, Broad Street below Locust Street, Philadelphia, at which meeting there will be submitted for consideration, and action by the Stockholders, the Annual Report of the Company for the year ending 31st December, 1902; several agreements for the acquisition by this Company of the corporate property and franchises of each of the six following Railroad Companies, viz.: South Fork Railroad Company, West Chester Railroad Company, The Riverfront Railroad Company, Western Pennsylvania Railroad Company, The Turtle Creek Valley Railroad Company, and Downingtown and Lancaster Railroad Company; a lease to this Company of the railroad and property of the Western New York and Pennsylvania Railway Company for the term of twenty years, commencing the 1st of August, 1903, but terminable by sixty days' notice by either party; an increase of the Capital Stock of the Company, and an increase of the bonded indebtedness of the Company, such increase of either to be made from time to time when and as in the judgment of the Directors it may be required by the corporate needs of the Company, and as they may by appropriate resolution duly authorize and prescribe; and other appropriate subjects.

Stockholders can obtain copies of the Annual Report of the Company, and the necessary tickets of admission to the meeting, on and after the 3d of March next, by personal application, or by letter, at the Secretary's office, Room 271, Broad Street Station, Philadelphia.

LEWIS NEILSON,
Secretary.

Col. John Cassels offered the following resolution, which was, on motion, adopted:—

Resolved, That the Annual Report having been published in pamphlet form for the information of the stockholders on 3d March, and a comprehensive synopsis thereof advertised in the newspapers prior thereto, its reading be dispensed with.

Mr. William Wood offered the following resolution, which was, on motion, adopted:—

Resolved, That the report of the President and Board of Directors for the year 1902, be and the same is hereby approved and adopted, and that the thanks of the stockholders be tendered to the management for their faithful and able administration of the affairs of the Company during the past year.

Col. R. Dale Benson offered the following resolution, which was, on motion, adopted:—

Resolved, That the Chairman of this meeting be requested to appoint a committee of seven stockholders of this Company, to recommend, after conferring with the President, a ticket for Directors, to be voted by the stockholders at the next annual election.

The Chairman named the following gentlemen as such committee:—

Messrs. R. Dale Benson, John H. Converse, John B. Gest, Henry Norris, William Wood, Charles C. Harrison, S. Weir Mitchell.

Mr. John P. Green, First Vice-President of the Company, called the attention of the meeting to the General Remarks in the Annual Report in regard to the acquisition of the corporate property and franchises of the South Fork Railroad Company, West Chester Railroad Company, The Riverfront Railroad Company, Western Pennsylvania Railroad Company, The Turtle Creek Valley Railroad Company, and Downingtown and Lancaster Railroad Company; and stated that under the law authorizing such acquisition, it was necessary to have the action of the stockholders thereon, in pursuance of notice given in the call for the Annual Meeting, as follows, viz.:—

The agreement, dated the fourteenth day of January, 1903, for the acquisition by The Pennsylvania Railroad Company of the franchises, corporate property, rights and credits of the South Fork Railroad Company, executed by each Company, under its corporate seal, duly attested, as required by law, pursuant to resolutions duly adopted by the Board of Directors of each Company, was then submitted to the meeting for approval or disapproval, and the same having been considered, the following resolution was, on motion of Mr. John P. Green, seconded by Mr. Thomas Hibbert, unanimously adopted by the stockholders:—

Resolved, That the agreement between The Pennsylvania Railroad Company and the South Fork Railroad Company, dated the fourteenth day of January, 1903, for the acquisition by the former of the franchises, corporate property, rights and credits of the latter, submitted to this meeting, be and the same is hereby approved.

The agreement, dated the fourteenth day of January, 1903, for the acquisition by The Pennsylvania Railroad Company of the franchises, corporate property, rights and credits of the West Chester Railroad Company, executed by each Company, under its corporate seal, duly attested, as required by law, pursuant to resolutions duly adopted by the Board of Directors of each Company, was then submitted to the meeting for approval or disapproval, and the same having been considered, the following resolution was, on motion of Mr. John P. Green, duly seconded, unanimously adopted by the stockholders:—

Resolved, That the agreement between The Pennsylvania Railroad Company and the West Chester Railroad Company, dated the fourteenth day of January, 1903, for the acquisition by the former of the franchises, corporate property, rights and credits of the latter, submitted to this meeting, be and the same is hereby approved.

The agreement, dated the fourteenth day of January, 1903, for the acquisition by The Pennsylvania Railroad Company of the franchises, corporate property, rights and credits of The Riverfront Railroad Company, executed by each Company, under its corporate seal, duly attested, as required by law, pursuant to resolutions duly adopted by the Board of Directors of each Company, was then submitted to the meeting for approval or disapproval, and the same having been considered, the following resolution was, on motion of Mr. John P. Green, duly seconded, unanimously adopted by the stockholders:—

Resolved, That the agreement between The Pennsylvania Railroad Company and The Riverfront Railroad Company, dated the fourteenth day of January, 1903, for the acquisition by the former of the franchises, corporate property, rights and credits of the latter, submitted to this meeting, be and the same is hereby approved.

The agreement, dated the fourteenth day of January, 1903, for the acquisition by The Pennsylvania Railroad Company of the franchises, corporate property, rights and credits of the Western Pennsylvania Railroad Company, executed by each Company, under its corporate seal, duly attested, as required by law, pursuant to resolutions duly adopted by the Board of Directors of each Company, was then submitted to the meeting for approval or disapproval, and the same having been considered, the following resolution was, on motion of Mr. John P. Green, duly seconded, unanimously adopted by the stockholders:—

Resolved, That the agreement between The Pennsylvania Railroad Company and the Western Pennsylvania Railroad Company, dated the fourteenth day of January, 1903, for the acquisition by the former of the franchises, corporate property, rights and credits of the latter, submitted to this meeting, be and the same is hereby approved.

The agreement, dated the fourteenth day of January, 1903, for the acquisition by The Pennsylvania Railroad Company of the franchises, corporate property, rights and credits of The Turtle Creek Valley Railroad Company, executed by each Company, under its corporate seal, duly attested, as required by law, pursuant to resolutions duly adopted by the Board of Directors of each Company, was then submitted to the meeting for approval or disapproval, and the same having been considered, the following resolution was, on motion of Mr. John P. Green, duly seconded, unanimously adopted by the stockholders:—

Resolved, That the agreement between The Pennsylvania Railroad Company and The Turtle Creek Valley Railroad Company, dated the fourteenth day of January, 1903, for the acquisition by the former of the franchises, corporate property, rights and credits of the latter, submitted to this meeting, be and the same is hereby approved.

The agreement, dated the fourteenth day of January, 1903, for the acquisition by The Pennsylvania Railroad Company of the franchises, corporate property, rights and credits of the Downingtown and Lancaster Railroad Company, executed by each Company, under its corporate seal, duly attested, as required by law, pursuant to resolutions duly adopted by the Board of Directors of each Company, was then submitted to the meeting for approval or disapproval, and the same having been considered, the following resolution was, on motion of Mr. John P. Green, duly seconded, unanimously adopted by the stockholders:—

Resolved, That the agreement between The Pennsylvania Railroad Company and the Downingtown and Lancaster Railroad Company, dated the fourteenth day of January, 1903, for the acquisition by the former of the franchises, corporate property, rights and credits of the latter, submitted to this meeting, be and the same is hereby approved.

Mr. Green then called the further attention of the meeting to the contract of lease between Western New York and Pennsylvania Railway Company and The Pennsylvania Railroad Company, dated the 22d of October, 1902, and duly executed by each Company under its corporate seal, pursuant to resolution of the Directors of each, whereby the railroad and property of the former are leased to the latter for the term of twenty years from and after the first day of August, A. D. 1903, but terminable at any time by either party upon sixty days' notice to the other, as among the subject matters to be acted upon by the meeting, and submitted the same for action, whereupon it having been duly considered, the following resolution, presented by Mr. Green, was, on his motion, duly seconded, unanimously adopted, to wit:—

Resolved, That the contract of lease between Western New York and Pennsylvania Railway Company and The Pennsylvania Railroad Company, dated the twenty-second day of October, 1902, whereby the railroads and property of the first named corporation are leased to the last named corporation, which has been submitted to and considered by this meeting, be and the same is hereby approved.

Mr. Green then stated that there were two other matters requiring the action of the shareholders viz., an increase in the authorized capital stock and indebtedness of the Company. He then submitted the following certificate, showing action taken by the Directors relative to an increase in capital stock, viz.:—

THE PENNSYLVANIA RAILROAD COMPANY.

OFFICE OF THE SECRETARY, GENERAL OFFICE,
BROAD STREET STATION, PHILADELPHIA.

I HEREBY CERTIFY That the following is a true and correct copy, from the minutes, of resolutions unanimously adopted at a regular meeting of the Board of Directors of The Pennsylvania Railroad Company, held at the General Office, in the City of Philadelphia, upon the twenty-fourth day of December, 1902; more than a majority of the entire number of Directors being present at the said meeting and voting:—

“Resolved, That it is deemed necessary, to accomplish and carry on and enlarge the business and purposes and objects of this corporation, that its capital stock shall be increased two million nine hundred and sixty-six thousand (2,966,000) shares, of the par value of fifty (50) dollars each, over and above the amount of five million and thirty-four thousand (5,034,000) shares, of the par value of fifty (50) dollars each, which it is now authorized to issue; and that when the persons and bodies corporate holding the larger amount in value of its stock shall have consented to such increase, the same shall be issued at such time or times, and shall be disposed of, and sold at a price not less than par, in such manner and upon such terms as shall be by the Board of Directors declared and prescribed.”

“Resolved, That the increase of capital stock and its issue, disposition, and sale in the manner proposed in the last preceding resolution, shall be submitted to the stockholders for their consent at their next annual meeting, to be held on Tuesday, the tenth day of March, 1903, and that notice of the time and place of said meeting, stating that one of the objects thereof, and to be considered thereat, shall be the question of increasing the capital stock of the Company, shall be published once a week for sixty (60) days prior to said meeting, in at least one newspaper published in the City and County of Philadelphia, the place in this Commonwealth in which the chief office or place of business of this corporation is situated.”

I ALSO CERTIFY That, in pursuance of the foregoing resolutions, and in accordance with the laws of the Commonwealth of Pennsylvania, notice, in the form following, has been given, once a week for more than sixty days prior to the regular annual meeting, of the intention to present for the consideration and action of the stockholders, the increase of the capital stock, at the said annual meeting, to be held Tuesday, the tenth day of March, 1903, namely :—

THE PENNSYLVANIA RAILROAD COMPANY.

GENERAL OFFICE, BROAD STREET STATION,

Philadelphia, 7th January, 1903.

The Annual Meeting of the Stockholders of this Company will be held on Tuesday, the tenth day of March, 1903, at 11 o'clock, A. M., in Horticultural Hall, Broad Street below Locust Street, Philadelphia, at which meeting there will be submitted for consideration, and action by the Stockholders, the Annual Report of the Company for the year ending 31st December, 1902; several agreements for the acquisition by this Company of the corporate property and franchises of each of the six following Railroad Companies, viz. : South Fork Railroad Company, West Chester Railroad Company, The Riverfront Railroad Company, Western Pennsylvania Railroad Company, The Turtle Creek Valley Railroad Company, and Downingtown and Lancaster Railroad Company; a lease to this Company of the railroad and property of the Western New York and Pennsylvania Railway Company for the term of twenty years, commencing the 1st of August, 1903, but terminable by sixty days' notice by either party; an increase of the Capital Stock of the Company, and an increase of the bonded indebtedness of the Company, such increase of either to be made from time to time when and as in the judgment of the Directors it may be required by the corporate needs of the Company, and as they may by appropriate resolution duly authorize and prescribe; and other appropriate subjects.

Stockholders can obtain copies of the Annual Report of the Company, and the necessary tickets of admission to the meeting, on and after the 3d of March next, by personal application, or by letter, at the Secretary's office, Room 271, Broad Street Station, Philadelphia.

LEWIS NEILSON, *Secretary.*

which was advertised in the *Public Ledger* of Philadelphia, a newspaper published in the City of Philadelphia, wherein the chief office of The Pennsylvania Railroad Company is situate, on January 7, 8, 17, 23, 27, February 5, 14, 20, 24, March 5 and 10, 1903; and was also published in other newspapers.



Attest :

LEWIS NEILSON,
Secretary.

Whereupon, on motion of Mr. Green, seconded by Mr. Thomas Spratt, the following preamble and resolution were unanimously adopted:—

WHEREAS, The question of the proposed increase of this Company's capital stock of two million nine hundred and sixty-six thousand (2,966,000) shares, of the par value of fifty (50) dollars each, over and above that heretofore authorized, and the issuance thereof, having been, pursuant to resolutions of the Board of Directors and after sixty (60) days' notice as required by law, submitted to this meeting for the consent of the stockholders; therefore

Resolved, That the consent of the stockholders of this Company be and it is hereby given to the proposed increase of said Company's capital stock of two million nine hundred and sixty-six thousand (2,966,000) shares, of the par value of fifty (50) dollars each, over and above the amount of five million and thirty-four thousand (5,034,000) shares of the par value of fifty (50) dollars each, which said Company is now authorized to have and issue; and to the issuance, disposition, and sale, at a price not less than par of said increase, at such time or times, and in such manner, as the Directors may by resolution prescribe.

Immediately after adoption of the preceding preamble and resolution, a stock vote on the question of an increase of capital stock, and the issuance, disposition, and sale thereof, as set forth therein, was duly demanded. Whereupon, the following preamble and resolution were presented, and, on motion duly seconded, unanimously adopted:—

WHEREAS, A stock vote has been demanded on the question of the proposed increase of this Company's capital stock, and the issuance, disposition, and sale thereof, as set forth in the resolution adopted at this meeting; therefore

Resolved, That the President and Secretary of this meeting be and they are hereby directed to cause a stock vote to be taken at the election for Directors of this Company, to be held on Tuesday, the twenty-fourth day of the present month of March, by the judges holding said election, at the same time and in the same manner as the vote for Directors shall be taken, "*for*" and "*against*" the following proposition, viz.:—

"An increase of the capital stock of The Pennsylvania Railroad Company of two million nine hundred and sixty-six thousand (2,966,000) shares, of the par value of fifty (50) dollars each, over and above the amount of five million and thirty-four thousand (5,034,000) shares, of the par value of fifty (50) dollars each, which it is now authorized to have and issue, and the issuance, disposition, and sale at a price not less than par of said increase, at such time or times, and in such manner, as the Directors of said Company shall by resolution prescribe."

And said judges holding said election shall ascertain the result of said vote, make certificates thereof in duplicate, and deliver one to the President and the other to the Secretary of this meeting. If the persons and bodies corporate holding the larger amount in value of this Company's stock shall vote in favor of said proposition and thereby consent to the increase of capital stock and its issuance, disposition, and sale, as embodied in said proposition, then the President and Secretary of this meeting shall certify the fact in duplicate, under oath, as required by law, and deliver said certificates to one of the chief officers of said Company, and one of said certificates shall be filed in the office of the Secretary of the Commonwealth, at Harrisburg, Pennsylvania, as required by law.

The following mandate of the President and Secretary of the annual meeting was then submitted and duly executed in the presence of the stockholders:—

“MANDATE.

“To the Judges holding the annual election for Directors of The Pennsylvania Railroad Company, on Tuesday, the twenty-fourth day of March, 1903:

“By virtue of the Act entitled ‘An Act to provide for increasing the capital stock and indebtedness of corporations’ approved February 9, 1901 (P. L. 1901, page 1), and also pursuant to direction contained in a resolution (copy attached) adopted by the stockholders at the regular annual meeting of The Pennsylvania Railroad Company held this tenth day of March, 1903, we, the undersigned, respectively President and Secretary of said annual meeting, do hereby direct and empower you, the said Judges at said election on the twenty-fourth day of March, 1903, to take the votes of stockholders of said Company ‘for’ and ‘against’ the following proposition, viz.:—

“‘An increase of the capital stock of The Pennsylvania Railroad Company of two million nine hundred and sixty-six thousand (2,966,000) shares, of the par value of fifty (50) dollars each, over and above the amount of five million and thirty-four thousand (5,034,000) shares, of the par value of fifty (50) dollars each, which it is now authorized to have and issue, and the issuance, disposition, and sale at a price not less than par of said increase, at such time or times, and in such manner, as the Directors of said Company shall by resolution prescribe’;

“And we do also direct and empower you, the said Judges, to ascertain and certify under your hands in duplicate the result of said vote, and deliver one of such certificates to each of the undersigned.

“IN TESTIMONY WHEREOF, we, Louis Wagner, President, and Lewis Neilson, Secretary, of said annual meeting of The Pennsylvania Railroad Company, have hereunto set our hands this tenth day of March, in the year of our Lord one thousand nine hundred and three (A. D. 1903).

“LOUIS WAGNER,

*“President, Annual Meeting The Pennsylvania Railroad Company,
held 10th March, 1903.*

“LEWIS NEILSON,

*“Secretary, Annual Meeting The Pennsylvania Railroad Company,
held 10th March, 1903.”*

Mr. Green then submitted the following certificate, showing action taken by the Directors relative to increasing the bonded indebtedness, viz.:—

THE PENNSYLVANIA RAILROAD COMPANY.

OFFICE OF THE SECRETARY, GENERAL OFFICE,
BROAD STREET STATION, PHILADELPHIA.

I HEREBY CERTIFY That the following is a true and correct copy, from the minutes, of resolutions unanimously adopted at a regular meeting of the Board of Directors of The Pennsylvania Railroad Company, held at the General Office, in the City of Philadelphia, upon the twenty-fourth day of December, 1902; more than a majority of the entire number of Directors being present at the said meeting and voting:—

"Resolved, That it is deemed necessary to accomplish and carry on and enlarge its business, purposes, and objects that this corporation shall have and be possessed of adequate authority and power when and as, in the judgment of its Directors, its corporate needs may require, from time to time, so to increase its bonded indebtedness over and above the amount of its existing bonded indebtedness (including any portion which may remain outstanding of the issue of fifty million (50,000,000) dollars, three and one-half (3½) per centum gold bonds, authorized by resolution of its Directors March 12, 1902) as that the aggregate of its bonded indebtedness—as well that now existing as that which may hereafter be created—may be made equal to, but shall not at any time exceed, the amount of its full paid capital stock then issued and outstanding; and when the persons and bodies corporate holding the larger amount in value of its capital stock shall have consented that this corporation shall have and be possessed of adequate authority and power to so increase its bonded indebtedness to accommodate its corporate needs, its said bonded indebtedness may, as and when authorized by resolution of its Directors, be from time to time increased up to, but never exceeding, the amount of its full paid capital stock then issued and outstanding, and may be created at such time or times, and be evidenced by debenture bonds, or bonds secured by any existing or future mortgage or mortgages of the corporation's railroad, properties, and franchises, bearing such dates and rates of interest, and payable at such times and in such manner, as the Directors shall by resolution prescribe."

"Resolved, That the increase of indebtedness, and its creation in the manner proposed in the last preceding resolution, shall be submitted to the stockholders for their consent at their next annual meeting, to be held on Tuesday, the tenth day of March, 1903, and that notice of the time and place of such meeting, stating that one of the objects thereof, and to be considered thereat, shall be the question of increasing the indebtedness of the Company, shall be published once a week for sixty (60) days prior to such meeting, in at least one newspaper published in the City and County of Philadelphia, the place in this Commonwealth in which the chief office or place of business of this corporation is situated."

I ALSO CERTIFY That, in pursuance of the foregoing resolutions, and in accordance with the laws of the Commonwealth of Pennsylvania, notice, in the form following, has been given, once a week for more than sixty days prior to the regular annual meeting, of the intention to present for the consideration and action of the stockholders, the increase of the bonded indebtedness, at the said annual meeting, to be held Tuesday, the tenth day of March, 1903, namely:—

THE PENNSYLVANIA RAILROAD COMPANY.

GENERAL OFFICE, BROAD STREET STATION,

Philadelphia, 7th January, 1903.

The Annual Meeting of the Stockholders of this Company will be held on Tuesday, the tenth day of March, 1903, at 11 o'clock, A. M., in Horticultural Hall, Broad Street below Locust Street, Philadelphia, at which meeting there will be submitted for consideration, and action by the Stockholders, the Annual Report of the Company for the year ending 31st December, 1902; several agreements for the acquisition by this Company of the corporate property and franchises of each of the six following Railroad Companies, viz.: South Fork Railroad Company, West Chester Railroad Company, The Riverfront Railroad Company, Western Pennsylvania Railroad Company, The Turtle Creek Valley Railroad Company, and Downingtown and Lancaster Railroad Company; a lease to this Company of the railroad and property of the Western New York and Pennsylvania Railway Company for the term of twenty years, commencing the 1st of August, 1903, but terminable by sixty days' notice by either party; an increase of the Capital Stock of the Company, and an increase of the bonded indebtedness of the Company, such increase of either to be made from time to time when and as in the judgment of the Directors it may be required by the corporate needs of the Company, and as they may by appropriate resolution duly authorize and prescribe; and other appropriate subjects.

Stockholders can obtain copies of the Annual Report of the Company, and the necessary tickets of admission to the meeting, on and after the 3d of March next, by personal application, or by letter, at the Secretary's office, Room 271, Broad Street Station, Philadelphia.

LEWIS NEILSON, *Secretary*.

which was advertised in the *Public Ledger* of Philadelphia, a newspaper published in the City of Philadelphia, wherein the chief office of The Pennsylvania Railroad Company is situate, on January 7, 8, 17, 23, 27, February 5, 14, 20, 24, March 5 and 10, 1903; and was also published in other newspapers.



Attest:

LEWIS NEILSON,
Secretary.

Whereupon, on motion of Mr. Green, duly seconded, the following preamble and resolution were unanimously adopted :—

WHEREAS, The question of proposed increase of this Company's bonded indebtedness, over and above the amount of its existing bonded indebtedness, including any portion which may remain outstanding of the fifty million dollars (\$50,000,000) three and one-half ($3\frac{1}{2}$) per centum gold bonds duly authorized and issued by and pursuant to resolution adopted by its Directors March 12, 1902, and the creation and issuance of bonds representing such increase having been, pursuant to resolutions of the Board of Directors, and after sixty (60) days' notice as required by law, submitted to this meeting for consent of the stockholders; therefore,

Resolved, That the consent of the stockholders of this Company be and it is hereby given to an increase of the bonded indebtedness of said Company, over and above its existing bonded indebtedness, including any portion which may remain outstanding of the fifty million dollars (\$50,000,000) three and one-half ($3\frac{1}{2}$) per centum convertible gold bonds duly authorized and issued by and pursuant to resolution adopted by its Board of Directors March 12, 1902, to an amount not exceeding fifty million dollars (\$50,000,000); such increase shall be made at such time or times, and at such rates of interest, as the Directors shall by resolution prescribe, and shall be evidenced only by bonds convertible, at the option of the holder, into capital stock of the Company upon such terms as the Directors shall by resolution declare and designate, or, if not so converted, payable absolutely at such time as the Directors shall prescribe, not later than ten (10) years from date of issue: *Provided, however*, that if, and to the extent to which, such convertible bonds shall be issued pursuant to the consent and authority hereby given, an equivalent amount of the increased capital stock consented to and authorized by resolution precedently adopted at this meeting, shall be and hereby is set apart, appropriated, and reserved, either for conversion of said bonds, or to provide funds required for payment of any thereof which may not be converted into capital stock.

Immediately after adoption of the preceding preamble and resolution, a stock vote on the question of an increase of the bonded indebtedness, and the creation and issuance thereof, as set forth therein, was duly demanded. Whereupon, the following preamble and resolution were presented, and, on motion duly seconded, unanimously adopted :—

WHEREAS, A stock vote has been demanded on the question of the proposed increase of this Company's bonded indebtedness, and the creation and issuance thereof, as set forth in the resolution adopted at this meeting; therefore,

Resolved, That the President and Secretary of this meeting be and they are hereby directed to cause a stock vote to be taken at the election for Directors of this Company, to be held on Tuesday, the twenty-fourth day of the present month of March, by the Judges holding said election, at the same time, and in the same manner, as the vote for Directors shall be taken "for" and "against" the following proposition, viz. :—

"An increase in the bonded indebtedness of The Pennsylvania Railroad Company over and above its existing bonded indebtedness, including any portion which may remain outstanding of the fifty million dollars (\$50,000,000) three and one-half ($3\frac{1}{2}$) per centum convertible gold bonds duly authorized and issued by and pursuant to resolution adopted by its Board of Directors March 12, 1902, to an amount not exceeding fifty million dollars (\$50,000,000); such increase shall be made at such time or times, and at such rates of interest, as the Directors shall by resolution prescribe, and shall be evidenced only by bonds convertible, at the option of the holder, into capital stock of the Company, upon such terms as the Directors shall by resolution declare and designate, or, if not so converted, payable absolutely at such time as the Directors shall prescribe, not later than ten (10) years from date of issue: *Provided, however*, that if, and to the extent to which, such convertible bonds shall be issued pursuant to the consent and authority hereby given, an equivalent amount of the increased capital stock consented to and authorized by resolution precedently adopted at this meeting, shall be and hereby is set apart, appropriated, and reserved, either for conversion of said bonds, or to provide funds required for payment of any thereof which may not be converted into capital stock."

And said Judges holding said election shall ascertain the result of said vote, make certificates thereof in duplicate, and deliver one to the President, and the other to the Secretary of this meeting. If the persons and bodies corporate holding the larger amount in value of this Company's stock shall vote in favor of said proposition, and thereby consent to the increase of bonded indebtedness, and its creation and issuance, as embodied in said proposition, then the President and Secretary of this meeting shall certify the fact in duplicate, under oath, as required by law, and deliver said certificates to one of the chief officers of said Company; and one of said certificates shall be filed in the office of the Secretary of the Commonwealth at Harrisburg, Pennsylvania, as required by law.

The following mandate of the President and Secretary of the annual meeting was then submitted and duly executed in the presence of the stockholders:—

“MANDATE.

“To the Judges holding the annual election for Directors of The Pennsylvania Railroad Company on Tuesday, the twenty-fourth day of March, 1903:

“By virtue of the Act entitled ‘An Act to provide for increasing the capital stock and indebtedness of corporations,’ approved February 9, 1901 (P. L. 1901, page 1), and also pursuant to direction contained in resolution (copy attached) adopted by the stockholders at the regular annual meeting of The Pennsylvania Railroad Company held this tenth day of March, 1903, we, the undersigned, respectively President and Secretary of said annual meeting, do hereby direct and empower you, the said Judges, at said election on the twenty-fourth day of March, 1903, to take the votes of stockholders of said Company ‘for’ and ‘against’ the following proposition, to wit:—

“‘An increase in the bonded indebtedness of The Pennsylvania Railroad Company over and above its existing bonded indebtedness, including any portion which may remain outstanding of the fifty million dollars (\$50,000,000), three and one-half (3½) per centum convertible gold bonds duly authorized and issued by and pursuant to resolution adopted by its Board of Directors March 12, 1902, to an amount not exceeding fifty million dollars (\$50,000,000); such increase shall be made at such time or times, and at such rates of interest, as the Directors shall by resolution prescribe, and shall be evidenced only by bonds convertible, at the option of the holder, into capital stock of the Company, upon such terms as the Directors shall by resolution declare and designate, or, if not so converted, payable absolutely at such time as the Directors shall prescribe, not later than ten (10) years from date of issue: *Provided, however,* that if, and to the extent to which, such convertible bonds shall be issued pursuant to the consent and authority hereby given, an equivalent amount of the increased capital stock consented to and authorized by resolution precedently adopted at this meeting, shall be and hereby is set apart, appropriated, and reserved, either for conversion of said bonds, or to provide funds required for payment of any thereof which may not be converted into capital stock.’

“And we do also direct and empower you, the said Judges, to ascertain and certify, under your hands, in duplicate, the result of said vote, and deliver one of such certificates to each of the undersigned.

“IN TESTIMONY WHEREOF, We, Louis Wagner, President, and Lewis Neilson, Secretary, of said annual meeting of The Pennsylvania Railroad Company, have hereunto set our hands this tenth day of March, in the year of our Lord one thousand nine hundred and three (A. D. 1903).

“LOUIS WAGNER,

*“President, Annual Meeting The Pennsylvania Railroad Company,
held 10th March, 1903.”*

“LEWIS NEILSON,

*“Secretary, Annual Meeting The Pennsylvania Railroad Company,
held 10th March, 1903.”*

Mr. C. C. Febiger offered the following resolution, and, having explained his purpose in presenting it for the consideration of the meeting, the same, being duly seconded, was, on motion, unanimously adopted:—

Resolved, That the acquisition and ownership by this Company of the shares and securities of other corporations, specially referred to in the annual report for the year 1902, and shown in the schedule of securities accompanying the same, be and the same are hereby approved, ratified, and confirmed.

On motion of Mr. C. Stuart Patterson, the thanks of the stockholders were tendered to the Chairman for the able and impartial manner in which he had presided over the meeting.

The stockholders then, on motion, adjourned.

LOUIS WAGNER,
Chairman.

LEWIS NELSON,
Secretary.

1902

THE PENNSYLVANIA RAILROAD COMPANY.

FIFTY-SIXTH ANNUAL REPORT.

THE PENNSYLVANIA RAILROAD COMPANY,

GENERAL OFFICE,

PHILADELPHIA, February 28th, 1903

To the Stockholders of

The Pennsylvania Railroad Company.

The Board of Directors herewith submit their report for the year 1902, with such data relating to the railway and other corporations embraced in your System as will give a clear understanding of their physical and financial condition.

The statements immediately following show the Operating Results of the four Grand Divisions and the General Income Account of the Company, and cover all of the lines East of Pittsburgh and Erie operated directly by the Company, viz:—

The Pennsylvania Railroad Division,	1,761.32 miles.
The United Railroads of New Jersey Division, {	Railroads and ferries, . . 469.79 miles.
	Delaware and Raritan Canal 66.00 "
	<u>535.79 "</u>
The Philadelphia and Erie Railroad Division,	599.31 "
The Buffalo and Allegheny Valley Division,	809.28 "
Total,	<u><u>3,705.70 "</u></u>

Of these 3,705.70 miles, 833.87 are owned and the remaining 2,871.83 are operated under lease or as agent. The change in the mileage of roads owned and operated is due to the absorption by your Company, as hereinafter stated, of the Schuylkill and Juniata and Trenton Cut-off Railroads, and to the construction of small branches on various portions of your system, which additional mileage was more than offset by the sale of the Susquehanna and Clearfield Railroad, and the transfer of the operation of the York, Hanover and Frederick Railroad and of your York Branch to the Northern Central Railway Company, and of the Columbia and Port Deposit Railway to the Philadelphia, Baltimore and Washington Railroad Company.

The statements in the appendix give the traffic and other statistics for the lines operated directly East of Pittsburgh and Erie, and show the financial results of all railway, ferry, canal, and other corporations East and West of Pittsburgh and Erie owned, operated, or controlled by, or affiliated in interest with the Pennsylvania Railroad System, the said railway, ferry, and canal lines having an aggregate mileage as follows:—

East of Pittsburgh and Erie,	5,836.36 miles.
West of Pittsburgh and Erie,	<u>4,947.60 "</u>
Total,	<u><u>10,783.96 "</u></u>

PENNSYLVANIA RAILROAD DIVISION.

MAIN LINE, PHILADELPHIA TO PITTSBURGH, AND BRANCHES.

OPERATING RESULTS

FOR THE YEAR ENDING DECEMBER 31st, 1902, AND COMPARISON WITH THE YEAR 1901.

	1902.	1902.	1901.	INCREASE.	DECREASE.
EARNINGS.—From freight traffic,	\$53,623,876.31	. . . . .	\$46,130,667.23	\$7,493,209.08	
From passenger traffic,	11,573,596.06	. . . . .	9,896,478.64	1,677,117.42	
From express traffic,	1,126,468.26	. . . . .	1,007,240.89	119,227.37	
From transportation of mails,	1,348,831.87	. . . . .	1,174,124.69	174,707.18	
From miscellaneous sources,	340,708.13	. . . . .	337,949.24	2,758.89	
From rents,	273,577.85	. . . . .	298,563.92	. . . . .	\$24,986.07
Total Earnings, . . . . .	. . . . .	\$68,287,058.48	\$58,845,024.61	\$9,442,033.87	
EXPENSES.—For maintenance of way and structures, . .	\$7,784,824.74	. . . . .	\$7,105,608.43	\$679,216.31	
For maintenance of equipment,	11,622,135.97	. . . . .	9,718,417.43	1,903,718.54	
For conducting transportation,	21,967,894.62	. . . . .	17,946,832.23	4,021,062.39	
For general expenses,	1,509,728.47	. . . . .	1,343,520.04	166,208.43	
Total Expenses, . . . . .	. . . . .	42,884,583.80	\$36,114,378.13	\$6,770,205.67	
Net Earnings from operation, . . . . .	. . . . .	\$25,402,474.68	\$22,730,646.48	\$2,671,828.20	

UNITED RAILROADS OF NEW JERSEY DIVISION.

PHILADELPHIA TO NEW YORK, CAMDEN TO SOUTH AMBOY, AND BRANCHES,
AND DELAWARE AND RARITAN CANAL.

OPERATING RESULTS

FOR THE YEAR ENDING DECEMBER 31st, 1902, AND COMPARISON WITH THE YEAR 1901.

	1902.	1902.	1901.	INCREASE.	DECREASE.
EARNINGS. —From freight traffic,	\$14,670,251.29		\$13,597,334.34	\$1,072,916.95	
From passenger traffic,	9,597,180.21		8,597,223.39	999,956.82	
From express traffic,	960,680.23		884,274.34	76,405.89	
From transportation of mails,	504,408.19		467,340.84	37,067.35	
From miscellaneous sources,	243,030.78		204,698.08	38,332.70	
From rents,	273,021.97		306,964.70		\$33,942.73
From Delaware and Raritan Canal,	334,066.46		272,752.63	61,313.83	
Total Earnings,		\$26,582,639.13	\$24,330,588.32	\$2,252,050.81	
EXPENSES. —For maintenance of way and structures, . .	\$2,982,809.08		\$2,796,863.02	\$185,946.06	
For maintenance of equipment,	2,830,476.01		2,513,856.63	316,619.38	
For conducting transportation,	12,342,536.32		11,357,276.11	985,260.21	
For general expenses,	299,682.38		305,584.93		\$5,902.55
For Delaware and Raritan Canal,	384,767.76		331,649.03	53,118.73	
Total Expenses,		18,840,271.55	\$17,305,229.72	\$1,535,041.83	
Net Earnings from operation,		\$7,742,367.58	\$7,025,358.60	\$717,008.98	

PHILADELPHIA AND ERIE RAILROAD DIVISION.

SUNBURY TO ERIE, AND BRANCHES.

OPERATING RESULTS

FOR THE YEAR ENDING DECEMBER 31st, 1902, AND COMPARISON WITH THE YEAR 1901.

	1902.	1902.	1901.	INCREASE.	DECREASE.
EARNINGS. —From freight traffic,	\$7,647,690.38	. . . . .	\$8,449,784.36	. . . . .	\$802,093.98
From passenger traffic,	1,391,489.12	. . . . .	1,343,020.96	\$48,468.16	
From express traffic,	99,293.23	. . . . .	92,198.47	7,094.76	
From transportation of mails,	77,282.93	. . . . .	74,802.96	2,479.97	
From miscellaneous sources,	34,956.87	. . . . .	36,423.20	. . . . .	1,466.33
From rents,	48,867.04	. . . . .	43,053.21	5,813.83	
Total Earnings, . . . . .	. . . . .	\$9,299,579.57	\$10,039,283.16	. . . . .	\$739,703.59
EXPENSES. —For maintenance of way and structures, . .	\$1,230,470.12	. . . . .	\$1,261,688.94	. . . . .	\$31,218.82
For maintenance of equipment,	1,597,558.97	. . . . .	1,465,504.71	\$132,054.26	
For conducting transportation,	3,209,204.59	. . . . .	3,064,694.11	144,510.48	
For general expenses,	124,185.38	. . . . .	123,583.59	601.79	
Total Expenses, . . . . .	. . . . .	6,161,419.06	\$5,915,471.35	\$245,947.71	
Net Earnings from operation, . . . . .	. . . . .	\$3,138,160.51	\$4,123,811.81	. . . . .	\$985,651.30

BUFFALO AND ALLEGHENY VALLEY DIVISION.

PITTSBURGH TO BUFFALO AND ROCHESTER, AND BRANCHES.

OPERATING RESULTS

FOR THE YEAR ENDING DECEMBER 31st, 1902, AND COMPARISON WITH THE YEAR 1901.

	1902.	1902.	1901.	INCREASE.	DECREASE.
EARNINGS. —From freight traffic,	\$6,307,351.43	. . . . .	\$5,722,153.23	\$585,198.20	
From passenger traffic,	1,869,682.96	. . . . .	2,066,540.17	. . . . .	\$196,857.21
From express traffic,	94,986.67	. . . . .	89,220.65	5,766.02	
From transportation of mails,	99,502.77	. . . . .	100,897.99	. . . . .	1,395.22
From miscellaneous sources,	46,919.65	. . . . .	49,065.83	. . . . .	2,146.18
From rents,	75,609.47	. . . . .	87,021.26	. . . . .	11,411.79
Total Earnings, . . . . .	. . . . .	\$8,494,052.95	\$8,114,899.13	\$379,153.82	
EXPENSES. —For maintenance of way and structures, .	\$1,933,346.57	. . . . .	\$1,499,793.07	\$433,553.50	
For maintenance of equipment,	1,712,385.93	. . . . .	1,389,930.13	322,455.80	
For conducting transportation,	3,409,882.06	. . . . .	2,949,110.15	460,771.91	
For general expenses,	109,182.20	. . . . .	85,630.53	23,551.67	
Total Expenses, . . . . .	. . . . .	7,164,796.76	\$5,924,463.88	1,240,332.88	
Net Earnings from operation, . . . . .	. . . . .	\$1,329,256.19	\$2,190,435.25	. . . . .	\$861,179.06

GENERAL INCOME ACCOUNT OF THE PENNSYLVANIA RAILROAD COMPANY. FOR THE YEAR ENDING DECEMBER 31st, 1902, AND COMPARISON WITH THE YEAR 1901.

	1902.	1901.	1901.	INCREASE.	DECREASE.
EARNINGS OF ALL LINES DIRECTLY OPERATED.					
From freight traffic,	\$82,249,169.41	73,899,939.16	\$73,899,939.16	\$8,349,230.25	
From passenger traffic,	24,431,944.35	21,903,263.16	21,903,263.16	2,528,681.19	
From express traffic,	2,281,428.39	2,072,934.35	2,072,934.35	208,494.04	
From transportation of mails,	2,030,025.76	1,817,166.48	1,817,166.48	212,859.28	
From miscellaneous sources,	665,615.43	628,136.35	628,136.35	37,479.08	
From rents,	671,076.33	735,603.09	735,603.09		\$64,526.76
From Delaware and Raritan Canal,	334,066.46	272,752.63	272,752.63	61,313.83	
GROSS EARNINGS,		112,663,330.13	\$101,329,795.22	\$11,333,534.91	
EXPENSES.— For maintenance of way and structures,	\$13,931,450.51	12,663,953.46	\$12,663,953.46	\$1,267,497.05	
For maintenance of equipment,	17,762,556.88	15,087,708.90	15,087,708.90	2,674,847.98	
For conducting transportation,	40,929,517.59	35,317,912.60	35,317,912.60	5,611,604.99	
For general expenses,	2,042,778.43	1,858,319.09	1,858,319.09	184,459.34	
For Delaware and Raritan Canal,	384,767.76	331,649.03	331,649.03	53,118.73	
OPERATING EXPENSES,		75,051,071.17	\$65,259,541.08	\$9,791,528.09	
NET EARNINGS from operation,		\$37,612,258.96	\$36,070,252.14	\$1,542,006.82	
DEDUCT: Rentals paid roads operated on basis of net earnings,		6,657,421.97	9,663,450.46		\$3,006,028.49
NET OPERATING EARNINGS of the Pennsylvania Railroad Company,		\$30,954,836.99	\$26,406,801.68	\$4,548,035.31	
To which add:					
Interest from investments of Pennsylvania Railroad Company,	\$8,118,860.65	7,781,720.38	\$7,781,720.38	\$337,140.27	
Interest on securities of United New Jersey Railroad and Canal Company, and other income,	253,543.19	255,170.28	255,170.28		\$1,627.09
Interest from branch and other roads for use of equipment,	394,700.41	444,489.19	444,489.19		49,788.78
Profits from sundry accounts,	272,772.69	103,534.56	103,534.56	169,238.13	
GROSS INCOME,		9,039,876.94	\$8,584,914.41	\$454,962.53	
		\$39,994,713.93	\$34,991,716.09	\$5,002,997.84	
DEDUCT PAYMENTS.— Fixed rentals of leased roads,	\$4,948,526.20	4,979,693.88	\$4,979,693.88		\$31,167.68
Interest on bonded debt,	4,661,562.07	4,254,585.40	4,254,585.40	\$406,976.67	
Interest on First Installment P.R.R. 3½ per cent. Gold Convertible Bonds,	434,321.34			434,321.34	
Interest on mortgages and ground-rents,	172,318.97	162,636.71	162,636.71	9,682.26	
Car Trust payments,	2,050,480.04	1,503,173.42	1,503,173.42	547,306.62	
Interest General Account, Sinking Fund, Equipment Trust Gold Loan,	74,168.23	200,678.26	200,678.26		126,510.03
Taxes of The Pennsylvania Railroad Company,	136,400.00	136,400.00	136,400.00		
Payments on account joint guaranty with Northern Central Railway Company on lines north of Elmira, and miscellaneous accounts,	1,558,788.77	1,474,606.71	1,474,606.71	84,182.06	
	108,185.07	85,611.60	85,611.60	22,573.47	
NET INCOME,		14,144,750.69	\$12,797,385.98	\$1,347,364.71	
		\$25,849,963.24	\$22,194,330.11	\$3,655,633.13	

From this Net Income for the year, \$25,849,963.24
the following amounts have been deducted:—

PAYMENT TO THE TRUST OF OCTOBER, 1878, FOR THE PURCHASE OF SECURITIES GUARANTEED BY THE PENNSYLVANIA RAILROAD COMPANY, OR ISSUED OR GUARANTEED BY THE PENNSYLVANIA COMPANY,	\$129,428.63
PENNSYLVANIA R.R. COMPANY'S CONSOLIDATED MORTGAGE BONDS, Sinking Fund account,	402,100.00
Sinking Fund First Mortgage Bonds, Sunbury, Hazleton and Wilkesbarre Railway absorbed by your Company April 1st, 1902,	5,000.00
—EXTRAORDINARY EXPENDITURES—	

Amount expended in revision of grades and alignment, and for additional tracks, piers, yards, bridges, station and other terminal facilities, abolition of grade crossings, and increase of equipment,	12,500,000.00
Cash dividend of six per cent.,	12,262,491.00

	25,290,019.63
Balance transferred to credit of Profit and Loss Account,	\$550,943.61
Amount to credit of Profit and Loss December 31st, 1901,	24,310,476.28
	\$24,861,419.89
Less amount charged off in adjustment of Sundry Accounts,	119,195.06
Amount to credit of Profit and Loss December 31st, 1902,	\$24,742,224.83

FUNDED DEBT AND SINKING FUNDS.

The amount of bonded debt, including mortgages on real estate and ground rents, December 31st, 1902, was \$140,619,856.91, being an increase of \$51,726,533.34.

Of this increase \$50,000,000 represents the issue of 3½ per cent. 10-year Convertible Bonds, bearing date November 1st, 1902, hereinafter referred to. The Sunbury, Hazleton and Wilkesbarre and the Sunbury and Lewistown Railway Companies, two of the constituents of the Schuylkill and Juniata Railroad Company, having at the date of the absorption of that road by your Company, April 1st, 1902, outstanding bonds to the amount respectively of \$2,350,000 and \$500,000, the same now appear upon your Balance Sheet. The Navy Yard bonds of your Company for \$1,000,000 having been cancelled, that reduction appears on your Balance Sheet and also a decrease of \$94,466.66 in real estate mortgages and ground rents.

Under the provisions of your Consolidated Mortgage, the sum of \$402,100 was set apart out of the net income for the redemption of the outstanding bonds secured by that mortgage. Twenty-nine thousand dollars of the bonds issued thereunder were purchased and cancelled, and this reduction in your funded debt appears in the Balance-Sheet. The remainder of the sum was placed to the credit of the Trustees of the Sinking Fund for investment under the terms of the mortgage. Their report is attached hereto, showing the amount of \$8,306,376.49, in securities and cash, in the fund for the redemption of the bonds.

The Trustees of the Sinking Fund for the redemption of the Trust Certificates issued for the purchase of the shares of the capital stock of the Philadelphia, Wilmington and Baltimore Railroad Company were not able to purchase any of these certificates during the year. The total amount purchased and cancelled to December 31st, 1902, was, therefore, \$2,298,000, leaving outstanding \$7,702,000.

The Trustees of the Sinking Fund for the redemption of the four and one-half per cent. Collateral Trust Loan were also unable to obtain any of these securities during the year at the limit fixed in the agreement. The amount of this loan outstanding December 31st, 1902, was \$9,900,000.

Under the provisions of the four per cent. Equipment Trust Gold Loan, there was paid to the Trustee during the year, for the Sinking Fund, the sum of \$136,400. The Trustee was unable to obtain any of the bonds at the price fixed in the lease, and, in accordance with the terms thereof, the amount has been invested in additional equipment.

In pursuance of the terms of the first mortgage of the Sunbury, Hazleton and Wilkesbarre Railway Company, securing \$1,000,000 of bonds due May 1st, 1928, the sum of \$5,000 was paid to the Trustee to be applied to the redemption of these securities.

SECURITIES OF OTHER CORPORATIONS.

The entire cost of the securities of other corporations held by your Company December 31st, 1902, was \$225,948,825.75. The increase over last year is due mainly to a larger holding of the common stock of the Baltimore and Ohio Railroad Company, resulting from an allotment made by that Company, to your purchase of the stock of the Pennsylvania and Northwestern Railroad Company as hereinafter explained, to your investment in the stock of the Pennsylvania, New York and Long Island Railroad Company, which is building your tunnel extension under the city of New York, and to the acquisition of additional securities upon roads embraced in your system. The direct revenue received from securities during the year was \$8,118,860.65, which amounted to 3½ per cent. upon the cost thereof.

CAR TRUSTS.

The issue of Car Trust securities made during the year consisted of \$4,729,000 of certificates of Series "F," "G," "H," "I," and "K," Pennsylvania Equipment Trust, \$10,000,000 of the Pennsylvania Steel Car Trust, being Series "A" to "K," and \$590,000 of the Pennsylvania Steel Equipment Trust, all bearing interest at the rate of $3\frac{1}{2}$ per cent. per annum. There will thus be furnished for The Pennsylvania Railroad Company 4000 box cars, 2960 long gondolas, 3000 steel gondolas; for the Pennsylvania Company 1500 steel gondolas, 100 steel underframe long gondolas, 500 steel flat cars, 500 refrigerator cars; for the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company 300 steel gondolas, 400 steel underframe long gondolas; for the Grand Rapids and Indiana Railway Company 85 refrigerator cars; for the Cincinnati and Muskingum Valley Railroad Company 200 steel gondolas; an aggregate of 13,545 cars. The exceptional demand for equipment referred to in the last annual report continued throughout the year, and it was necessary to arrange for the building of 12,000 additional cars for the lines in your systems, the greater portion of which will represent an increase in your regular equipment East and West of Pittsburgh.

The outstanding certificates of Series "A," "B," "C," and "D" of the Pennsylvania Rolling Stock Trust having matured during the year, were paid and cancelled. These series covered 4500 box, 54 long gondolas, 2000 hopper gondolas, and 115 steel gondola cars in service on the Pennsylvania Railroad, representing in all 6669 cars and a total cost of \$4,000,000. These cars have therefore now become the property of The Pennsylvania Railroad Company.

THE CAR TRUST SERIES IN EXISTENCE AT THE BEGINNING OF THE YEAR WERE:

Pennsylvania Rolling Stock Trust, Series A., B., C., D., E., F., G., H., I., and K.
 Pennsylvania Car Trust, Series A., B., C., D., E., F., G., H., I., and K.
 Pennsylvania Equipment Trust, Series A., B., C., D., E., and \$271,000 of Series F.

THOSE ISSUED DURING THE YEAR WERE:

Pennsylvania Equipment Trust, \$4,729,000, being the remainder of Series F., and Series G., H., I., and K.
 Pennsylvania Steel Car Trust, Series A., B., C., D., E., F., G., H., I., and K.
 Pennsylvania Steel Equipment Trust, \$590,000.

THE TOTAL AMOUNT OF CERTIFICATES ISSUED UNDER THE SAID SERIES OF THE ABOVE CAR TRUSTS WAS, \$40,590,000.00

THE PAYMENTS MADE ON ACCOUNT THEREOF DURING THE YEAR WERE AS FOLLOWS:

	TOTAL PAYMENTS.	PROPORTION APPLIED TO PAYMENT OF INTEREST.	BALANCE APPLIED TO REDEMPTION OF CERTIFICATES.
By The Pennsylvania Railroad Company,	\$2,559,580.04	\$578,755.66	\$1,980,824.38
By The Northern Central Railway Company,	23,501.59	5,175.34	18,326.25
By Allegheny Valley Railway Company,	38,248.32	8,422.74	29,825.58
By Western New York and Pennsylvania Railway Company,	66,442.36	16,692.36	49,750.00
By Pennsylvania Company,	459,852.41	155,828.15	304,024.26
By Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company,	264,035.92	64,875.39	199,160.53
By Toledo, Peoria and Western Railway Company,	22,717.07	4,628.07	18,089.00
By Grand Rapids and Indiana Railway Company,	2,693.12	2,693.12	
By Cincinnati and Muskingum Valley Railroad Company,	4,853.65	4,853.65	
Total,	\$3,441,924.48	\$841,924.48	\$2,600,000.00

Payments made on account of the principal of these certificates prior to January 1st, 1902, 6,600,000.00

Total payments made on account of the principal of existing series of Car Trusts, 9,200,000.00

Amount of Car Trust certificates outstanding December 31st, 1902, \$31,390,000.00

ISSUED FOR CARS AS FOLLOWS:

Pennsylvania Railroad Company,	30,355 cars,	BALANCE OF COST. \$22,543,918.03
Assigned and sublet.		
Northern Central Railway Company,	270 "	128,283.75
Allegheny Valley Railway Company,	400 "	208,779.02
Western New York and Pennsylvania Railway Company,	500 "	447,750.00
Pennsylvania Company,	5,900 "	5,312,644.36
Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company,	3,510 "	2,300,700.76
Toledo, Peoria and Western Railway Company,	326 "	126,623.00
Grand Rapids and Indiana Railway Company,	85 "	97,325.00
Cincinnati and Muskingum Valley Railroad Company,	200 "	223,976.08
Total,	41,546 cars.	\$31,390,000.00

PERCENTAGE OF OPERATING EXPENSES TO GROSS EARNINGS.

	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
Pennsylvania Railroad Division,	62.80	1.43	
United Railroads of New Jersey Division, excluding Delaware and Raritan Canal,	70.31		0.24
Delaware and Raritan Canal,	115.18		6.41
Philadelphia and Erie Railroad Division,	66.25	7.33	
Buffalo and Allegheny Valley Division,	84.35	11.34	
Total,	66.62	2.22	

TONNAGE.

	1902.	COMPARISON WITH 1901.		
		INCREASE.	DECREASE.	PERCENTAGE OF INCREASE OR DECREASE.
Pennsylvania Railroad Division,	77,505,061	10,289,361		15.31
United Railroads of New Jersey Division, excluding Delaware and Raritan Canal,	24,499,420	2,156,905		9.65
Delaware and Raritan Canal,	510,316		37,137	6.78
Philadelphia and Erie Railroad Division,	18,635,807		1,485,254	7.38
Buffalo and Allegheny Valley Division,	12,793,557	773,493		6.44
Total,	133,944,161	11,697,368		9.57

TONNAGE MILEAGE.

	1902.	COMPARISON WITH 1901.		
		INCREASE.	DECREASE.	PERCENTAGE OF INCREASE OR DECREASE.
Pennsylvania Railroad Division,	10,091,984,493	1,370,405,415		15.71
United Railroads of New Jersey Division, excluding Delaware and Raritan Canal,	1,409,601,524	111,647,725		8.60
Delaware and Raritan Canal,	16,066,301		1,207,724	6.99
Philadelphia and Erie Railroad Division,	1,476,143,135		256,546,671	14.81
Buffalo and Allegheny Valley Division,	1,046,468,899	102,339,118		10.84
Total,	14,040,264,352	1,326,637,863		10.43

The aggregate coal and coke shipments over the Pennsylvania Railroad Division during the year 1902 were 41,722,988 tons, as against 37,001,478 tons in 1901, an increase of 4,721,510 tons, or 12.76 per cent.

* FREIGHT TRAIN MILEAGE.

	1902.	COMPARISON WITH 1901.		
		INCREASE.	DECREASE.	PERCENTAGE OF INCREASE OR DECREASE.
Pennsylvania Railroad Division,	18,618,947	1,255,531		7.23
United Railroads of New Jersey Division,	2,854,012		81,491	2.78
Philadelphia and Erie Railroad Division,	2,803,246		152,753	5.17
Buffalo and Allegheny Valley Division,	2,789,312	101,141		3.76
Total,	27,065,517	1,122,428		4.33

AVERAGE EARNINGS, EXPENSES, AND NET EARNINGS PER MILE.

		PER TON PER MILE.			*PER FREIGHT TRAIN MILE.		
		1902.	COMPARISON WITH 1901.		1902.	COMPARISON WITH 1901.	
			INCREASE OR DECREASE.	PER-CENTAGE.		INCREASE OR DECREASE.	PER-CENTAGE.
		CENTS.	CENTS.		CENTS.	CENTS.	
Pennsylvania Railroad Division,	Earnings, . . .	0.531	I. 0.002	0.38	288.0	I. 22.3	8.39
	Expenses, . . .	0.345	I. 0.015	4.55	187.0	I. 21.3	12.85
	Net earnings, .	0.186	D 0.013	6.53	101.0	I. 1.0	1.00
United Railroads of New Jersey Division, excluding Delaware and Raritan Canal,	Earnings, . . .	1.041	D 0.007	0.67	514.0	I. 50.8	10.97
	Expenses, . . .	0.817	I. 0.012	1.49	403.5	I. 47.7	13.41
	Net earnings, .	0.224	D 0.019	7.82	110.5	I. 3.1	2.89
Philadelphia and Erie Railroad Division,	Earnings, . . .	0.518	I. 0.030	6.15	272.8	D 13.1	4.58
	Expenses, . . .	0.344	I. 0.061	21.55	180.9	I. 14.9	8.98
	Net earnings, .	0.174	D 0.031	15.12	91.9	D 28.0	23.35
Buffalo and Allegheny Valley Division,	Earnings, . . .	0.603	D 0.003	0.50	226.1	I. 13.2	6.20
	Expenses, . . .	0.501	I. 0.048	10.60	187.8	I. 28.7	18.04
	Net earnings, .	0.102	D 0.051	33.33	38.3	D 15.5	28.81
Total,	Earnings, . . .	0.586	I. 0.004	0.69	303.9	I. 19.0	6.67
	Expenses, . . .	0.404	I. 0.023	6.04	209.3	I. 22.8	12.23
	Net earnings, .	0.182	D 0.019	9.45	94.6	D 3.8	3.86

PASSENGERS.

	1902.	COMPARISON WITH 1901.	
		INCREASE.	PERCENTAGE OF INCREASE.
Pennsylvania Railroad Division,	24,605,597	1,900,612	8.37
United Railroads of New Jersey Division,	19,542,934	1,562,520	8.69
Philadelphia and Erie Railroad Division,	2,563,282	112,170	4.58
Buffalo and Allegheny Valley Division,	3,575,196	13,112	0.37
Total,	50,287,009	3,588,414	7.68

* Train mileage represents mileage of freight and passenger trains only—all helping, shifting, or work train mileage and mileage made by engines and cabooses without cars being excluded.

PASSENGER MILEAGE.

	1902.	COMPARISON WITH 1901.		
		INCREASE.	DECREASE.	PERCENTAGE OF INCREASE OR DECREASE.
Pennsylvania Railroad Division,	560,544,368	79,208,337	. . . . .	16.46
United Railroads of New Jersey Division,	456,254,479	50,258,224	. . . . .	12.38
Philadelphia and Erie Railroad Division,	61,287,454	440,855	. . . . .	0.72
Buffalo and Allegheny Valley Division,	87,522,732	. . . . .	14,762,076	14.43
Total,	1,165,609,033	115,145,340	. . . . .	10.96

* PASSENGER TRAIN MILEAGE.

	1902.	COMPARISON WITH 1901.		
		INCREASE.	DECREASE.	PERCENTAGE OF INCREASE OR DECREASE.
Pennsylvania Railroad Division,	9,865,056	424,253	. . . . .	4.49
United Railroads of New Jersey Division,	6,203,991	208,271	. . . . .	3.47
Philadelphia and Erie Railroad Division,	1,646,193	51,069	. . . . .	3.20
Buffalo and Allegheny Valley Division,	2,324,494	. . . . .	80,713	3.36
Total,	20,039,734	602,880	. . . . .	3.10

AVERAGE EARNINGS, EXPENSES, AND NET EARNINGS PER MILE.

	PER PASSENGER PER MILE.				* PER PASSENGER TRAIN MILE.			
	1902.	COMPARISON WITH 1901.		1902.	COMPARISON WITH 1901.		1902.	PER- CENTAGE.
		INCREASE OR DECREASE.	PER- CENTAGE.		INCREASE OR DECREASE.	PER- CENTAGE.		
Pennsylvania Railroad Division,	Earnings, . .	2.065	I. 0.009	0.44	145.6	I. 14.3	10.89	
	Expenses, . .	1.438	D. 0.089	5.83	81.7	I. 3.8	4.88	
	Net earnings, . .	0.627	I. 0.098	18.53	63.9	I. 10.5	19.66	
United Railroads of New Jersey Division, . . .	Earnings, . .	1.882	I. 0.005	0.27	164.8	I. 12.5	8.21	
	Expenses, . .	1.294	D. 0.075	5.48	95.2	I. 2.5	2.70	
	Net earnings, . .	0.588	I. 0.080	15.75	69.6	I. 10.0	16.78	
Philadelphia and Erie Railroad Division, . . .	Earnings, . .	2.270	I. 0.063	2.85	97.2	I. 0.4	0.41	
	Expenses, . .	1.780	I. 0.123	7.42	66.2	I. 3.0	4.75	
	Net earnings, . .	0.490	D. 0.060	10.91	31.0	D. 2.6	7.74	
Buffalo and Allegheny Valley Division,	Earnings, . .	2.136	I. 0.116	5.74	90.7	D. 5.0	5.22	
	Expenses, . .	2.199	I. 0.588	36.50	82.8	I. 14.3	20.88	
	Net earnings, . .	0.063	I. 0.472	115.40	7.9	D. 19.3	70.96	
Total,	Earnings, . .	2.009	I. 0.017	0.85	141.2	I. 10.7	8.20	
	Expenses, . .	1.457	D. 0.025	1.69	84.7	I. 4.6	5.74	
	Net earnings, . .	0.552	I. 0.042	8.24	56.5	I. 6.1	12.10	

* Train mileage represents mileage of freight and passenger trains only—all helping, shifting, or work train mileage and mileage made by engines and cabooses without cars being excluded.

PENNSYLVANIA LINES WEST OF PITTSBURGH.

PENNSYLVANIA COMPANY.

LINES OPERATED DIRECTLY.

GENERAL INCOME ACCOUNT FOR THE YEAR ENDING DECEMBER 31st, 1902, AND COMPARISON WITH YEAR 1901.

	1902.	1902.	1901.	INCREASE.	DECREASE.
EARNINGS. —From freight traffic,	\$24,966,656.07	. . . . .	\$21,972,238.56	\$2,994,417.51	
From passenger traffic,	5,660,764.32	. . . . .	4,848,850.31	811,914.01	
From express traffic,	658,123.14	. . . . .	581,711.87	76,411.27	
From transportation of mails,	734,463.68	. . . . .	730,311.90	4,152.08	
From rents,	830,958.82	. . . . .	728,279.98	102,678.84	
From miscellaneous sources,	174,682.06	. . . . .	193,152.30	. . . . .	\$18,470.24
GROSS EARNINGS, . . . . .	. . . . .	\$33,025,648.39	\$29,054,544.92	\$3,971,103.47	
EXPENSES. —For maintenance of way and structures,	\$4,371,002.90	. . . . .	\$4,480,851.73	. . . . .	\$109,848.83
For maintenance of equipment,	5,198,863.50	. . . . .	4,544,086.36	\$654,777.14	
For conducting transportation	12,123,044.39	. . . . .	9,784,750.32	2,338,294.07	
For general expenses,	566,317.02	. . . . .	531,947.62	34,369.40	
For taxes,	1,049,201.33	. . . . .	970,402.47	78,798.86	
OPERATING EXPENSES, . . . . .	. . . . .	23,308,429.14	\$20,312,038.50	\$2,996,390.64	
NET EARNINGS from operation, . . . . .	. . . . .	\$9,717,219.25	\$8,742,506.42	\$974,712.83	
To which add:					
Dividends and interest received from investments . . . . .	. . . . .	5,413,983.32	3,505,365.98	1,908,617.34	
GROSS INCOME, . . . . .	. . . . .	\$15,131,202.57	\$12,247,872.40	\$2,883,330.17	
DEDUCT PAYMENTS. —Rentals, leased and operated roads,	\$6,758,003.65	. . . . .	\$6,662,777.27	\$95,226.38	
Interest on funded debt,	2,103,748.19	. . . . .	1,482,701.40	621,046.79	
Payments on account of Car Trust cars, including interest and expenses,	231,552.23	. . . . .	161,658.93	69,893.30	
Interest General Account,	135,863.53	. . . . .	214,718.67	. . . . .	\$78,855.14
Advances to Indianapolis and Vincennes R. R. Co.,	118,049.96	. . . . .	44,755.39	73,294.57	
		9,347,217.56	\$8,566,611.66	\$780,605.90	
NET INCOME, . . . . .	. . . . .	\$5,783,985.01	\$3,681,260.74	\$2,102,724.27	

From this Net Income for the year, \$5,783,985.01
the following amounts have been deducted:—

Accrued contribution to Sinking Fund Pennsylvania Company, 3½ per cent. Gold Loan of 1901,	\$1,334,000.00
Contributions to Sinking Fund, Guaranteed Trust Certificates, Series "A" and "B,"	148,960.00
Contribution to Sinking Fund for redemption of Third Mortgage Bonds of Pittsburgh, Fort Wayne and Chicago Ry. Co.,	145,000.00
Amount transferred to Extraordinary Expenditure Fund,	2,000,000.00
Dividend of 3 per cent. on capital stock,	1,200,000.00
	<u>4,827,960.00</u>

Balance transferred to credit of Profit and Loss for the year 1902, \$956,025.01
Amount to credit of Profit and Loss, December 31st, 1901, 5,330,856.11

Discount on securities sold, less amount realized in settlement of old accounts, &c., \$6,286,881.12
164,521.53

Balance to credit of Profit and Loss December 31st, 1902, \$6,122,359.59

PITTSBURGH, CINCINNATI, CHICAGO AND ST. LOUIS RAILWAY COMPANY.

LINES OPERATED DIRECTLY.

GENERAL INCOME ACCOUNT FOR THE YEAR ENDING DECEMBER 31st, 1902,
AND COMPARISON WITH YEAR 1901.

	1902.	1902.	1901.	INCREASE.	DECREASE.
EARNINGS.—From freight traffic,	\$18,645,160.68		\$17,073,866.25	\$1,571,294.43	
From passenger traffic,	5,861,786.20		5,253,906.37	607,879.83	
From express traffic,	750,949.26		690,790.92	60,158.34	
From transportation of mails,	929,992.90		921,219.62	8,773.28	
From rents,	190,669.21		182,175.17	8,494.04	
From miscellaneous sources,	255,799.29		168,933.87	86,865.42	
GROSS EARNINGS,		\$26,634,357.54	\$24,290,892.20	\$2,343,465.34	
EXPENSES.—Formaintenance of way and structures,	\$3,483,699.47		\$3,091,555.29	\$392,144.18	
For maintenance of equipment,	4,831,932.33		4,258,262.69	573,669.64	
For conducting transportation,	10,207,101.12		8,665,299.28	1,541,801.84	
For general expenses,	506,135.70		401,691.49	104,444.21	
For taxes,	931,583.60		858,515.29	73,068.31	
OPERATING EXPENSES,		19,960,452.22	\$17,275,324.04	\$2,685,128.18	
NET EARNINGS from operation,		\$6,673,905.32	\$7,015,568.16		\$341,662.84
To which add:					
Interest from investments,	\$58,272.40		\$44,407.40	\$13,865.00	
Interest General Account,	12,770.53		13,127.37		\$356.84
Miscellaneous income Little Miami Railroad,	108,333.93		118,264.09		9,930.16
		179,376.86	\$175,798.86	\$3,578.00	
GROSS INCOME,		\$6,853,282.18	\$7,191,367.02		\$338,084.84
DEDUCT PAYMENTS.—Rentals, leased and operated roads,	\$1,168,620.98		\$1,070,059.96	\$98,561.02	
Rentals paid for use of tracks and road of other companies,	131,687.60		132,239.24		\$551.64
Interest on funded debt,	2,202,504.67		2,161,600.88	40,903.79	
Interest on mortgages and ground rents,			2,250.00		2,250.00
Payments on account of Car Trust cars, including interest and expenses,	254,878.14		224,355.47	30,522.67	
Proportion of loss in operations of St. Louis, Vandalia and Terre Haute Railroad,	73,607.15		Profit, 96,129.46	169,736.61	
		3,831,298.54	\$3,494,376.09	\$336,922.45	
NET INCOME,		\$3,021,983.64	\$3,696,990.93		\$675,007.29

From this Net Income for the year, \$3,021,983.64

the following amounts have been deducted, viz.:—

Extraordinary Expenditures in revising grades and alignment and other outlay not properly chargeable to capital account,	\$808,661.10	
Contribution to Sinking Fund for P., C., C. & St. L. Ry. Co. consolidated mortgage bonds,	364,020.00	
Amount carried to Sinking Fund for redemption of Dayton and Western Railroad Company mortgage bonds maturing January 1st, 1905,	60,000.00	
Amount of net earnings applicable to and declared as dividends:—		
Four per cent. on preferred stock,	\$907,926.00	
Three per cent. on common stock,	743,296.50	
	<u>1,651,222.50</u>	2,883,903.60

Balance transferred to credit of Profit and Loss for the year 1902, \$138,080.04

Add amount to credit of Profit and Loss, December 31st, 1901, 3,678,730.94

\$3,816,810.98

Deduct premium paid on Jeffersonville, Madison and Indianapolis Railroad Company first mortgage bonds redeemed through Sinking Fund, and loss on sale of securities; less amount realized in settlement of sundry old accounts, 120,298.43

Balance to credit of Profit and Loss, December 31st, 1902, \$3,696,512.55

PENNSYLVANIA LINES WEST OF PITTSBURGH—(Continued).

SUMMARY OF CAPITAL EXPENDITURES.

The following statement shows the amounts expended during the past year for construction, equipment, and real estate, on the Lines West of Pittsburgh:—

Pennsylvania Company:		
For equipment,	\$34,415.60	
For real estate,	128,613.95	
		\$163,029.55
Pittsburgh, Fort Wayne and Chicago Railway,		1,992,668.03
Erie and Pittsburgh Railroad,		368,350.06
Cleveland and Pittsburgh Railroad,		786,036.93
Western New York and Pennsylvania Railway—Volant Branch,		162,732.56
Pittsburgh, Cincinnati, Chicago and St. Louis Railway,		2,005,682.23
Ohio Connecting Railway,		416,299.80
Chartiers Railway,		125,000.00
New Cumberland and Pittsburgh Railway,		27,092.62
Little Miami Railroad,		92,959.88
Cincinnati, Lebanon and Northern Railway,		342,880.38
Terre Haute and Logansport Railway,		60,363.29
Logansport and Toledo Railway,		126,689.74
Sundry expenditures on various branch lines,		13,107.65
Total amount expended for construction, equipment, and real estate during 1902,		<u>\$6,682,892.72</u>

CAPITAL STOCK AND FUNDED DEBT.

In pursuance of the agreement of September 1st, 1897, between the Pennsylvania Company, the Pennsylvania Railroad Company, and the Girard Trust Company, under which provision was made for an issue of \$20,000,000 of the Pennsylvania Company's 40-year Guaranteed 3½ per cent. Gold Trust Certificates, secured by the deposit of an equal amount of the 7 per cent. Guaranteed Special Stock of the Pittsburgh, Fort Wayne and Chicago Railway Company, by the covenant of the Pennsylvania Company and the guaranty of your Company, an issue was made December 1st, 1902, of the remaining \$5,000,000, being Series "C" of these securities. The proceeds of these certificates were used by the Pennsylvania Company in the purchase of securities and for its other corporate purposes.

A sale was also made of \$2,000,000 of the Consolidated Mortgage 3½ per cent. Bonds, Series "E" of the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company, to reimburse its treasury for expenditures on capital account and in the redemption and cancellation of prior lien securities.

SINKING FUNDS.

No further redemptions could be made of the four and one-half per cent. bonds secured by the \$20,000,000 mortgage of the Pennsylvania Company, so that the amount outstanding at the close of the year was \$19,467,000. Fifty thousand dollars of the three and one-half per cent. Series "A" Guaranteed Trust Certificates of that Company secured by the deposit of Pittsburgh, Fort Wayne and Chicago Railway Company Guaranteed Stock as collateral, were redeemed under the terms of the Trust, and the amount of that series outstanding at the close of the year was \$4,900,000. Of the \$10,000,000 of certificates of Series "B," \$102,000 were redeemed, leaving the amount outstanding at the close of the year \$9,898,000. Under the provisions of the three and one-half per cent. Gold Loan of the Pennsylvania Company of 1901, \$1,334,000 of the certificates of that issue were drawn, of which all but \$27,000 have been presented for redemption, leaving the amount outstanding at the close of the year \$18,693,000.

The report made by the Trustees of the Sinking Funds of the First and Second Mortgages of the Pittsburgh, Fort Wayne and Chicago Railway Company shows that they redeemed during the year \$124,500 of the first mortgage and \$111,000 of the second mortgage bonds, making the total amount redeemed to December 31st, 1902:—

First mortgage bonds,	\$3,044,000.00
Second mortgage bonds,	3,257,500.00

With a balance of cash in the hands of the Trustees, uninvested, December 31st, 1902:—

On account of first mortgage sinking fund,	\$1,110,909.65
On account of second mortgage sinking fund,	1,339,570.34
Total,	<u>\$2,450,479.99</u>

Under the terms of the Sinking Fund provided for the redemption of the Consolidated Mortgage bonds of the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company, \$417,000 of these securities were redeemed and cancelled; and \$2,000,000 thereof having been issued as heretofore stated, the entire amount outstanding at the close of the year was \$35,985,000.

Under the provisions of the Sinking Fund established for the redemption of the First Mortgage 7 per cent. bonds of the Jeffersonville, Madison and Indianapolis Railroad Company, one of the constituent organizations of the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company, \$2,212,000 of those securities have been redeemed and cancelled to December 31st, 1902, leaving \$731,000 outstanding. Five thousand dollars of the Second Mortgage 7 per cent. Bonds of the same Company, and \$119,000 of the 7 per cent. Bonds of the Columbus and Indianapolis Central Railway Company were also purchased and cancelled.

ACQUISITION OF NEW LINES.

The Columbus, Sandusky and Hocking Railroad having been sold under legal proceedings, the portion thereof lying between Columbus and Sandusky was purchased in your interest and now forms a part of your Toledo, Walhonding Valley and Ohio Railroad, which it intersected at Carrothers. The acquisition of this property gives your Toledo line the advantage of another lake terminal, at Sandusky, and thus increases its facilities for handling the coal and other traffic interchanged with your railway connections at Columbus. In order to furnish in part the necessary funds to pay for the 110 miles of road thus acquired, the Toledo, Walhonding Valley and Ohio Railroad Company issued September 1st, 1902, \$1,492,000 of its First Mortgage 40-year 4 per cent. Bonds (Series "C"), making the total amount outstanding \$3,970,000.

For the purpose of acquiring the Middletown and Cincinnati Railroad, fourteen miles in length, which extended from the Little Miami Railroad to a connection with your Cincinnati, Lebanon and Northern Railroad and thence to Middletown, and of acquiring additional terminal facilities in Cincinnati, the latter Company made an issue of \$900,000 of its Consolidated Mortgage 40-year 4 per cent. Bonds under date November 1st, 1902.

INCOME ACCOUNTS.

All transportation companies East and West of Pittsburgh and Erie, owned, operated or controlled by or affiliated in interest with the Pennsylvania Railroad System.

FOR THE YEAR ENDING DECEMBER 31st, 1902.

	GROSS EARNINGS.	EXPENSES.	NET EARNINGS.	OTHER INCOME.	GROSS INCOME.	INTEREST, RENTALS, DIVIDENDS, AND OTHER CHARGES INCLUDING EXTRAORDINARY EXPENSES, AND EXTRAORDINARY EXPENDITURE FUNDS.	SURPLUS OR DEFICIT.	INCREASE OR DECREASE IN NET PROFIT AS COMPARED WITH 1901.
COMPANIES EAST OF PITTSBURGH AND ERIE.								
Pennsylvania Railroad Company,	\$112,663,330.13	\$75,051,071.17	\$37,612,258.96	\$9,039,876.94	\$46,652,135.90	\$45,101,192.29	S. \$550,943.61	I. \$550,943.61
Philadelphia, Wilmington and Baltimore Railroad Co.,	12,231,194.18	8,241,495.69	3,989,698.49	566,489.97	4,556,188.46	4,556,188.46		
West Jersey and Seashore Railroad Company, . . .	3,893,798.86	2,891,407.96	1,002,390.90	23,190.14	1,025,581.04	1,025,581.04		
Northern Central Railway Company,	8,456,685.19	6,105,094.99	2,351,590.20	575,607.78	2,927,197.98	2,797,631.07	S. 129,566.91	I. 129,566.91
Cumberland Valley Railroad Company,	1,256,500.66	896,173.58	360,327.08	18,375.05	378,702.13	305,147.15	S. 73,554.98	I. 66,808.58
Independent companies, East	7,148,254.97	4,951,661.08	2,196,593.89	343,011.60	2,539,605.49	2,576,687.35	D. 37,081.86	I. 74,678.73
Companies East, total 1902, .	\$145,649,763.99	\$98,136,904.47	\$47,512,859.52	\$10,566,551.48	\$58,079,411.00	\$57,362,427.36	S. \$716,983.64	I. \$821,997.83
Companies East, total 1901, .	132,181,403.87	86,820,846.50	45,360,557.37	10,128,963.30	55,489,520.67	55,594,534.86	D. 105,014.19	
Increase,	\$13,468,360.12	\$11,316,057.97	\$2,152,302.15	\$437,588.18	\$2,589,890.33	\$1,767,892.50		
COMPANIES WEST OF PITTSBURGH AND ERIE.								
Pennsylvania Company, . .	\$33,025,648.39	\$23,308,429.14	\$9,717,219.25	\$5,413,983.32	\$15,131,202.57	\$14,175,177.56	S. \$956,025.01	D. \$727,902.39
Pittsburgh, Cincinnati, Chicago and St. Louis Ry. Co.,	26,634,357.54	19,960,452.22	6,673,905.32	179,376.86	6,853,282.18	6,715,202.14	S. 138,080.04	D. 233,469.20
Grand Rapids and Indiana Railway Company,	4,014,775.56	3,057,419.38	957,356.18	1,562.50	958,918.68	881,997.26	S. 76,921.42	I. 54,969.98
Independent companies, West	8,168,256.62	6,075,192.75	2,093,063.87	71,018.46	2,164,082.33	1,462,741.68	S. 701,340.65	I. 105,330.35
Operated by V. T. Malott, Receiver: Terre Haute and Indianapolis Railroad, Terre Haute and Peoria R.R. }	2,357,062.38	1,681,873.87	675,188.51	22,217.65	697,406.16	292,496.52	S. 404,909.64	D. 209,120.64
Companies West, total 1902, .	\$74,200,100.49	\$54,083,367.36	\$20,116,733.13	\$5,688,158.79	\$25,804,891.92	\$23,527,615.16	S2,277,276.76	D \$1,010,191.89
Companies West, total 1901, .	66,445,474.27	46,892,539.75	19,552,934.52	3,943,065.95	23,496,000.47	20,208,531.82	S3,287,468.65	
Increase,	\$7,754,626.22	\$7,190,827.61	\$563,798.61	\$1,745,092.84	\$2,308,891.45	\$3,319,083.34		
Grand total, 1902 (10,783.96 miles), }	\$219,849,864.48	\$152,220,271.83	\$67,629,592.65	\$16,254,710.27	\$83,884,302.92	\$80,890,042.52	S2,994,260.40	D. \$188,194.06
Grand total, 1901 (10,485.21 miles), }	198,626,878.14	133,713,386.25	64,913,491.89	14,072,029.25	78,985,521.14	75,803,066.68	S3,182,454.46	
Increase (298.75 miles),	\$21,222,986.34	\$18,506,885.58	\$2,716,100.76	\$2,182,681.02	\$4,898,781.78	\$5,086,975.84		

◆ For the year ending October 31st, 1902.

TRAFFIC STATISTICS FOR ALL LINES OWNED, OPERATED OR CONTROLLED BY
OR AFFILIATED IN INTEREST WITH THE PENNSYLVANIA RAILROAD
SYSTEM EAST AND WEST OF PITTSBURGH AND ERIE.

FREIGHT.

	NUMBER OF TONS.		NUMBER OF TONS ONE MILE.	
	1902.	COMPARISON WITH 1901.	1902.	COMPARISON WITH 1901.
		INCREASE.		INCREASE.
Lines East of Pittsburgh and Erie,	164,967,834	11,865,608	15,795,933,765	1,320,411,355
Lines West of Pittsburgh and Erie,	104,545,045	14,183,291	8,031,071,569	577,028,460
Total,	269,512,879	26,048,899	23,827,005,334	1,897,439,815

PASSENGER.

	NUMBER OF PASSENGERS.		NUMBER OF PASSENGERS ONE MILE.	
	1902.	COMPARISON WITH 1901.	1902.	COMPARISON WITH 1901.
		INCREASE.		INCREASE.
Lines East of Pittsburgh and Erie,	90,439,163	7,200,644	1,953,606,301	174,586,945
Lines West of Pittsburgh and Erie,	25,409,678	3,220,876	713,609,042	92,691,343
Total,	115,848,841	10,421,520	2,667,215,343	267,278,288

GENERAL REMARKS.

The report of the Managers of the Trust created October 9th, 1878, hereto appended, shows that there has been paid to this Trust by the Company to December 31st, 1902, the sum of \$5,146,319.49, that on that date securities amounting at par to \$11,546,230 were held in the Trust, and that the total income therefrom has been \$9,049,640.20. There was appropriated to the Trust for the year 1902 the sum of \$129,428.63, and the interest received on securities held in the Trust during the year averaged about $4\frac{5}{8}$ per cent. on their cost.

The statement of the Insurance Fund hereto appended shows assets on hand at the end of the year of \$4,968,636.43, being an increase, as compared with 1901, of \$105,032.81.

The membership of the Employés' Voluntary Relief Department of the Lines East of Pittsburgh and Erie aggregated 70,307 at the close of the year, being a gain of 10,637 members as compared with the previous year. The statement of the operations of the Fund hereto appended shows that during the year the members contributed \$1,061,103.01, while your Company and its affiliated lines paid \$164,446.29 for operating expenses. The total receipts of the Department, including interest and other items, were \$1,310,604.00, which, with \$357,269.45, the balance on hand at the beginning of the year, made an aggregate of \$1,667,873.45, out of which \$467,883.59 was distributed as death benefits (being an average in each case of about \$560.34), and \$652,857.05 in cases of disability arising from sickness and accident. After meeting its obligations for the year, a balance of \$382,686.52 remained to the credit of the Fund, from which must be paid unadjusted claims for benefits growing out of sickness or accident during 1902 and previous years. In addition to this balance there is a surplus which has accumulated during the life of the Fund, amounting to \$751,256.25, which has been invested in securities yielding a return of 4 per cent. upon their cost.

The statement of the Employés' Saving Fund shows that the number of employés who availed themselves of its benefits continued to increase, there being 7,997 at the end of the year, a gain of 942 over the preceding year. The amount received from depositors during 1902 was \$958,060 and the balance in the Fund, at the close of the year, was \$3,408,250.50. Of this amount, \$3,300,000 has been invested in securities, bearing interest at an average rate of over $3\frac{1}{2}$ per cent.

The Pension Department is fully meeting the purposes of its organization, and its requirements are satisfactorily met by the increased appropriation thereto authorized at the last meeting of the shareholders. During the year there were retired 133 employés who had reached the seventy-year limit, and 94 employés between sixty-five and seventy years of age, who had been over thirty years in the service and were incapacitated for further active work. Of the employés who had been formerly retired 131 died during the year, so that there are now carried on the rolls 1,017 employés over seventy years of age and 184 between sixty-five and seventy years of age. The amount of allowances paid during the year was \$265,112.65.

In accordance with the announcement made at the last annual meeting that a large expenditure would be required for the increase of your equipment, and also for the construction of the tunnel line to connect your system by rail with the City of New York, and the erection of a centrally-located passenger station in that city, and with the view of providing funds for these and other corporate purposes, the privilege was granted, on the 12th of March, 1902, to the shareholders to subscribe in proportion to their holdings for \$50,000,000 of $3\frac{1}{2}$ per cent. ten-year Convertible Gold Bonds of your Company, bearing date November 1st, 1902. In addition to the right then given to the holders of these securities to convert the same into your capital stock on May 1st, 1904, or at any subsequent semi-annual interest period, at seventy dollars per share, it has since been deemed proper to give them the privilege of an earlier conversion on the same basis, under which they may surrender their bonds and become shareholders of record May 9th, 1903.

The tunnel extension into New York commences at a point on your United New Jersey Railroad about a mile east of Newark, whence a double-track road will be constructed by the Pennsylvania, New Jersey and New York Railroad Company on an elevated line to Weehawken, and thence by

tunnel under Bergen Hill and the North River to a connection on the boundary line between the States of New York and New Jersey, with the line of the Pennsylvania, New York and Long Island Railroad. The latter Company is to complete the line from that point under the North River, the City of New York, the East River and Long Island City, to a junction with your Long Island Railroad near Thompson Avenue in that city. It will also make connection with the New York Connecting Railroad, and through it with the New York, New Haven and Hartford Railroad, and thus provide an all-rail passenger route between your system and New England.

The necessary authority from the States of New Jersey and New York for the prosecution of this enterprise was readily obtained, but the inception of the work was delayed by the inability to procure the requisite legislation from the municipal authorities of the City of New York. The franchise for this purpose, which was promptly granted by the Board of Rapid Transit Railroad Commissioners, had also to be approved by the Board of Aldermen, but it was only on the 16th of December last that that body took affirmative action. Your application to the Board of Rapid Transit Railroad Commissioners covered the construction—

First.—Of a railway consisting of two double-track lines, starting from adjacent points under the Hudson River, on the line between the States of New York and New Jersey, and running eastwardly through New York City, one under Thirty-first Street and the other under Thirty-second Street, and thence under the East River and Long Island City to a surface terminus near Thompson Avenue in that city.

Second.—The construction of a terminal station between Thirty-first and Thirty-second Streets, and Seventh and Ninth Avenues, in New York, and for that purpose the closing and occupancy of Thirty-second Street between the avenues named.

Third.—The construction of a third double-track railway from this terminal station under Thirty-third Street and to and under the East River to the terminus near Thompson Avenue.

Fourth.—The construction of additional tracks on Thirty-first, Thirty-second, and Thirty-third Streets necessary for the operation of the railway and station.

Fifth.—The occupancy of ground under Thirty-third Street and east and west of Fourth Avenue for a local station.

Sixth.—The maintenance and operation of the necessary cables, wires, and conduits under and along the route of the railway for power, heating, light, and other necessary purposes.

Seventh.—The right to use private property, lawfully acquired, for its corporate purposes in connection with the construction and operation of the tunnel; and

Eighth.—The right to maintain and operate the railroad in perpetuity.

The conditions under which the franchise was granted are—

First.—That the tunnel company shall begin the construction of its road within three months after obtaining the needful municipal and other consents, and complete its construction within five years thereafter, except the portion under Thirty-first Street, as to which an additional ten years is given, with the option to the company to abandon the construction of that section, or build it in whole or in part during said period; but such period of five years may be extended for a further five years upon reasonable cause shown, and shall be extended so as to cover any delays properly caused by legal proceedings.

Second.—That the tunnel company shall pay the city a compensation per linear foot for the tracks so laid under the cities of New York and Long Island, and a further compensation for the use, for station purposes, of the underground portions of the streets, other than Thirty-second, which it so occupies. Such compensation is fixed for the first period of twenty-five years, and is subject to readjustment at the end of each like period. For the first period of twenty-five years, it is so adjusted that the tunnel company pays double the amount per annum for the latter fifteen years thereof that it does for the first ten, and on this basis the average for the entire period will be about \$64,000 per annum.

Third.—That the tunnel company shall also pay \$36,000 per annum for the portions of Thirty-second Street vacated between Seventh and Ninth Avenues and occupied by the passenger station,

with the right to commute such annual compensation by payment of \$788,600 as soon as the city is authorized to convey said property to the tunnel company in fee.

Fourth.—That the power to be used shall be electricity or other approved power not involving combustion in the tunnel.

A large proportion of the real estate required for the construction of the terminal station has been purchased, and the residue thereof will be acquired through proceedings in condemnation. The necessary consents are also being obtained from the owners of the property abutting on the streets under or through which the railway runs, and in default of such consents, the determination of Commissioners appointed under the law to grant the proper authority in lieu thereof will be secured. The engineering work is now in progress and the actual construction will soon be inaugurated. It is believed that the location of the terminal station is such that it will permanently and satisfactorily accommodate the passenger traffic of your system, and it is intended that the building to be erected and the facilities to be furnished at that point shall fully correspond with the requirements of the service. It will be necessary to provide additional capital for the prosecution of this work after the expiration of the current year.

In the extraordinary expenditure for the year is included a large amount of work upon the Main Line and the United Railroads of New Jersey. The most important work upon the United Railroads of New Jersey was in connection with the elevation of your tracks through Newark and New Brunswick, and the revision of your line through Trenton, for the purpose of eliminating the grade crossings in those cities. The change of line at Trenton involved the construction of a new four-track stone arched bridge over the Delaware River at that point, and a corresponding change in the location of the tracks of the Philadelphia and Trenton Railroad on the western side of the river.

The other main expenditures upon that Division were in the substitution of masonry and embankment for trestles on the Harsimus Branch, the rebuilding of the Grand Street Pier at Jersey City, the prosecution of the terminal improvements at Greenville on the New York Bay Railroad, through the construction of the bulkhead, the dredging of the channel, and the filling in of the property at that point, for the accommodation of traffic to and beyond Long Island and to New York harbor; and the completion of the train shed and other facilities connected with the new passenger station at Camden, New Jersey, for the use of your Amboy Division and seashore lines.

Upon the Main Line large outlays were required in the improvement of your coal piers at Greenwich, and of piers and freight stations at other points on the Delaware River front at Philadelphia. The changes in your line at West Philadelphia, which have involved a large amount of difficult work, will be completed in the early spring. The elevated west-bound passenger track, which eliminates the former grade crossing of your freight tracks and yards at Fifty-second Street, is now in service, as also the undergrade crossing connecting your main tracks with the Schuylkill Division. The revision between your Broad Street Terminal Station and Powelton Avenue, which includes the abandonment of the passenger station at the latter point, the use of a new local and transfer station at Thirty-second and Market Streets, and the substantial reconstruction of your West Philadelphia passenger yard, is being vigorously prosecuted. The tunnel connections between your New York Division, the Main Line, and the Philadelphia, Baltimore and Washington Railroad are practically completed, as are also the two additional bridges over the Schuylkill River.

At Harrisburg, the passenger station has been enlarged and improved, and the under-grade crossing at Market Street completed. The new four-track stone arched bridge over the Susquehanna River, above Harrisburg, was put in service on March 30th, 1902. Heavy expenditures were made on the new passenger line at Marysville and on the completion of the four-track system between Duncannon and Aqueduct, Lewistown Narrows and Mifflin, and Mount Union and Mill Creek, on the Middle Division.

At Altoona the shops were further extended, but the heaviest expenditure at that point was on the extensive gravity yard for receiving and classifying westbound trains. Heretofore the proper classification of this equipment has been prevented by the limited capacity of the present yard, and

congestion has resulted whenever there was a pressure of traffic. But through the facilities which will now be furnished, not only will this tonnage be handled more promptly on your Main Line, but through the making up of solid trains for Pittsburgh and points beyond, its movement will be expedited upon your Western system. It is therefore believed that the exceptionally large outlay upon this yard is fully justified.

On the Pittsburgh Division, the work on the new single-track tunnel at Gallitzin was pushed forward, the four-track system completed between Wilmore and Summerhill, and the larger portion of the work on that system finished between Latrobe and Beatty and Larimer and Stewart. The improvement of the Port Perry bridge and tunnel was also prosecuted, with the view of better accommodating the traffic to and from your Pittsburgh, Virginia and Charleston Railway.

The Pittsburgh Station, and other facilities connected with the passenger service at that point, with the exception of a small section of the train shed, have been completed, and are now in service.

The total amount of these expenditures during the year upon your Main Line between New York and Pittsburgh, and the branches operated in connection therewith, including \$7,466,185.35 for equipment and shop tools and machinery, was \$25,874,276.37. Of this aggregate the sum of \$8,374,276.37 was charged to Capital Account, as hereinafter stated, \$5,000,000 were supplied by the fund set aside in 1901, and \$12,500,000 were charged against the income of the past year. Additional expenditures upon the branch roads amounting to \$5,341,630 were met by the several Companies out of their own resources.

On your branch and auxiliary lines the heaviest expenditure was upon the roads specially engaged in the bituminous coal and coke traffic.

On the Southwest Pennsylvania and South Fork Railroads additional sections of double track were constructed to accommodate their increasing traffic, and on the Cambria and Clearfield, Tyrone and Clearfield, and Ebensburg and Black Lick Railroads branches and extensions were built and necessary additions made to the yard, siding, and other facilities. On the Western Pennsylvania Railroad, the outlay was mainly on double tracks and sidings and on a connection with the new stock yards on Herr's Island near Pittsburgh.

For the purpose of further developing the coal territory along the Monongahela River, the Monongahela Railroad is being constructed from Brownsville Junction to the State Line between Pennsylvania and West Virginia, in the joint interest of your Company and of the Pittsburgh and Lake Erie Railroad Company, with branches up Middle and Cat's Runs, and also up Brown's Run to a connection with the Southwest Pennsylvania Railway and the Masontown and New Salem Railroad. The construction of this line will be completed in the early summer. But the main expenditure in the Monongahela Valley was on the Pittsburgh, Virginia and Charleston Railway, where the demands of the traffic necessitated the most liberal expenditure in the acquisition of additional real estate and right of way, and in the construction of four tracks and largely increased terminals on the south side of Pittsburgh. Through this work and the revision of line and construction of additional tracks at that point by your Southwestern line, the Pittsburgh, Cincinnati, Chicago and St. Louis Railway, and the improved approaches to the bridge over the Ohio River, which forms a connecting link between your Northwestern and Southwestern systems, a large portion of the heavy coal, coke, and other traffic passing between your Main Line and branches and your system West of Pittsburgh is now carried around that city on easy gradients and under much more favorable conditions for its prompt movement.

In pursuance of the announcement made in the last annual report, the Philadelphia, Wilmington and Baltimore and Baltimore and Potomac Railroad Companies, of which two roads your Company practically owned or controlled the entire capital stock, were on the 1st of November, 1902, merged and consolidated into a corporation, known as the Philadelphia, Baltimore and Washington Railroad Company, thus placing under one ownership the line between Philadelphia and Washington. That Company is now rebuilding its bridge across the Potomac River at Washington, and as soon as legislation pending in Congress takes definite shape, will proceed to the erection of a new passenger station at the National Capital, and the elimination of the grade crossings of your line in that city.

In accordance with action taken at the last meeting, the Trenton Cut-Off Railroad and Schuylkill and Juniata Railroads were duly absorbed by your Company under agreements dated respectively June 12th and November 27th, 1901, and taking effect April 1st, 1902. In further pursuance of the same policy resolutions will be submitted for your approval at the annual meeting, for the absorption of the following railroads which connect directly with your Main Line, and in which your Company is the sole shareholder, namely, the Western Pennsylvania, South Fork, Turtle Creek Valley, West Chester, Downingtown and Lancaster, and Riverfront Railroads. The Western Pennsylvania Railroad diverges from your Main Line at a point about two miles west of Johnstown, and is also connected therewith further west, at Bolivar and Blairsville Intersection. It furnishes the low grade line over which a large portion of your through traffic passes to and from the Pittsburgh, Fort Wayne and Chicago Railway and other roads in your system northwest of Pittsburgh. The South Fork Railroad, which was created by the consolidation of that line with the Scalp Level Railroad on January 1st, 1902, was built to develop a valuable coal territory on the western slope of the Allegheny Mountain. The West Chester, Turtle Creek Valley, and Downingtown and Lancaster Railroads are branches built to develop local territory. The Riverfront Railroad is a short line, which furnishes valuable terminal facilities for your traffic along the Delaware River front of the city of Philadelphia. The consolidation of these roads with your Main Line will save unnecessary accounting, and is in the direction of economy and efficiency.

A further issue was made of your Capital Stock to the extent of \$978,950, for the purpose of acquiring, on satisfactory terms, the stock of the Pennsylvania and Northwestern Railroad Company. This road connects with the Main Line at Bellwood, and extends thence in a northwesterly direction towards the Punxsutawney District and your Allegheny Valley Railway, and develops a valuable coal territory tributary to your system. Its ownership by your Company also enables this line to be used advantageously for the movement of the coal traffic originating on your other roads in the same district.

An additional amount of \$123,800 of Capital Stock was issued in payment for stock of the Philadelphia, Wilmington and Baltimore Railroad Company, and in the conversion of dividend scrip, making the total increase during the year \$1,102,750.

The charges to Capital Account during the year were as follows:

COST OF ROAD:

Being extraordinary expenditures in extension of four-track system, construction of additional tracks, new lines, yards and terminal facilities,		\$4,781,130.65
REAL ESTATE,		415,133.72
EQUIPMENT:		
Locomotives,	\$2,713,012.00	
Car Trust equipment,	465,000.00	
		<u>3,178,012.00</u>
		\$8,374,276.37
Cost of Schuylkill and Juniata Railroad, absorbed April 1st, 1902,	16,496,546.26	
Cost of Trenton Cut-off, absorbed April 1st, 1902,	61,042.50	
		<u>\$24,931,865.13</u>

The charges to Capital on account of the Schuylkill and Juniata and Trenton Cut-off Railroads mainly represent a transfer on your Balance Sheet from the "Cost of Securities" to "Cost of Road."

In accordance with the requirements of the laws of the State of New York, the necessary notice has been given to the shareholders of your Company and the Western New York and Pennsylvania Railway Company in order that the lease of the latter road to your Company for a period of twenty years may be duly authorized.

The \$1,000,000 of six per cent. bonds of the Belvidere Delaware Railroad Company originally issued June 1st, 1852, and extended in 1877 for twenty-five years, having matured June 1st, 1902, were paid off through the proceeds of a like amount of its 3½ per cent. Consolidated Mortgage

Bonds, running for forty years from January 1st, 1903, and guaranteed principal and interest by the United New Jersey Railroad and Canal Company.

The contract with the Western Union Telegraph Company under which the use of a portion of your right of way was granted to it for its telegraph lines having terminated, a contract was entered into between your Company and the Postal Telegraph Cable Company, on July 1st, 1902, for the term of fifteen years, under which a larger compensation and more advantageous terms are assured to your system for the privileges granted.

The remarkable development of business throughout the country, and particularly in the sections served by your lines, created during the past year a demand for transportation which could not be supplied. For although the traffic carried over the roads composing your system East and West of Pittsburgh aggregated nearly 270,000,000 tons, being an increase of 26,000,000 tons, or more than ten per cent. over the previous year, the necessities of the industries dependent upon your lines demanded a much larger movement. The inability to accommodate these industries was due mainly to lack of track and yard facilities. There were cars and locomotives enough to have moved a much larger traffic and possibly to have provided the transportation required if the movement had been free, but owing to the overcrowding of the running tracks and yards, it was impossible to use the equipment to its full capacity. It has been the policy of your management for years past to continuously increase these facilities so as to keep them up to the demands of the traffic; but although heavier expenditures have been made for this purpose since the beginning of the present period of business activity than ever before in the same time, the exceptional growth of the tonnage has outstripped the facilities that it was practicable to create.

The duty which your Company owes to the public, as well as to the shareholders, clearly requires that your lines should be put in a condition to supply the legitimate demands of your shippers. To do this, on a scale justified by past experience, will involve a large outlay, for it is clear that on some of your lines the limit of the capacity of the running tracks and yards has been reached. This is particularly true of your Main Line between Pittsburgh and Philadelphia, where the traffic has become exceptionally dense. The ton mileage of the Main Line, excluding branches, amounted to over 8500 millions of ton-miles, and the density to 23,764,530 ton-miles for each mile of road. The earnings from freight traffic alone were \$116,478.96 per mile, and the total earnings \$149,127.88 per mile..

After careful consideration, your management has decided upon the following improvements as absolutely necessary to promptly and economically handle the present volume of traffic, and meet the demands of the next few years of active growth:—

These are:

First.—The building of a new connection, known as the Brilliant Branch, between the Main Line at East Liberty and the Allegheny Valley Railway at Brilliant and the Western Pennsylvania Railroad at Aspinwall, and the construction of a steel viaduct between the tracks of the Port Perry Branch and the Main Line at Brinton. These improvements will facilitate the interchange of traffic between the Pittsburgh, Virginia and Charleston Railway, the Main Line, the Allegheny Valley and Western Pennsylvania Railroads, and will complete the final links in a belt line around Pittsburgh. The passenger trains of the Allegheny Valley and Western Pennsylvania Railroads will be run into Pittsburgh Station by way of the Brilliant line, thus leaving the tracks of both roads west of their junction with that line exclusively for the movement of freight. Two large freight yards will be built respectively at the junction of this line with the Allegheny Valley Railway, and at Sharpsburg, the latter for interchange of traffic between the Western Pennsylvania Railroad and the Pittsburgh, Fort Wayne and Chicago Railway and to serve the local industries in Allegheny City. Another yard will be built on the site of the old stock yards at East Liberty for the classification and distribution of Pittsburgh local freight. The Western Pennsylvania Railroad will be four-tracked west of the junction of the Brilliant line and will be elevated through Allegheny City to a connection with the Pittsburgh, Fort Wayne and Chicago Railway. An elevated double-track railroad will be built from the Main Line in Pittsburgh, along Duquesne Way, to connect with a freight station to be erected upon property already secured for that purpose west of Third Street. This line

will also afford a connection with the present Duquesne Station at the Point, and will permit of the removal of the tracks now at grade on Liberty Street, Pittsburgh. Large extensions will be made to the yard at Shire Oaks on the Pittsburgh, Virginia and Charleston Railway, and to the Ormsby yard in South Pittsburgh, and a new yard will be built at Thomson to serve the adjacent steel works. These improvements will add greatly to the facilities in the Pittsburgh district and will, it is hoped, relieve the chronic state of congestion which has existed there for the past two years:

Second.—The double-tracking of the Western Pennsylvania Railroad and the reduction of its grades eastbound to $15\frac{1}{8}$ feet per mile:

Third.—The building of a new low-grade four-track line from Radebaugh tunnel, near Greensburg, on the Pittsburgh Division, to Millwood, east of Derry, a distance of nineteen miles, and the completion of the four-track system on that Division:

Fourth.—The construction of a double-track railway, via the roadbed of the New Portage Road, between the east end of the Gallitzin tunnel and Hollidaysburg, a distance of seventeen miles, and the double tracking of the Petersburg Branch, thus furnishing an alternate line about fifty miles in length between the summit of the Allegheny Mountain and Petersburg in the Juniata Valley:

Fifth.—The building of a large classification yard at Hollidaysburg, and another at Fairview on the Northern Central Railway, on the opposite side of the Susquehanna River from Harrisburg. Experience having shown that yards may become too large for the prompt and economical movement of traffic, these new yards will be used for coal, coke, and limestone, and through the relief thus afforded, the Altoona and Harrisburg yards will be amply sufficient for the general merchandise traffic:

Sixth.—The building in connection with the four-tracking of the Northern Central Railway between the new Fairview yard and York Haven, of a new double-track low grade railroad about ninety-five miles in length from the latter point, via Columbia, to Philadelphia. This line will cross the Susquehanna River by a stone arched bridge near Shocks', will utilize five miles of your Columbia and Port Deposit Railroad from Columbia to Cresswell, where the new line leaves the Susquehanna to enter the valley of the Pequea, will run thence to your Main Line at Parkesburg, which it will follow from Parkesburg to Thorndale, and parallel it from Thorndale to Paoli, while the Main Line between Paoli and Philadelphia will be six-tracked:

Seventh.—The construction of a double-track elevated freight railroad through the West Philadelphia yards between the Main Line at Thirty-sixth Street and the Delaware Extension and the Philadelphia, Baltimore and Washington Railroad. In this way coal trains will be run through between Fairview and Greenwich, on the Delaware River, and traffic between the Philadelphia, Baltimore and Washington Railroad and the New York Division may be handled directly between the Shellpot yard, north of Wilmington, and Harsimus yard on the Hudson River, without detention at West Philadelphia.

The grades on the Trenton Cut-Off between Glen Loch and Morrisville will be reduced from 29 to $15\frac{1}{8}$ feet per mile, the New York Division between Trenton and Newark will be six-tracked and the grades reduced to the same maximum, and the line through Frankford, Bristol, and Rahway straightened and elevated. A receiving and classification yard will also be built west of Frankford Junction, Philadelphia, to admit of solid trains for that section being made up at Harrisburg and run without stop through the West Philadelphia yard.

When these improvements shall have been completed, the maximum grade against the east-bound traffic, between Pittsburgh and Jersey City by way of the Western Pennsylvania Railroad, will be reduced to $15\frac{1}{8}$ feet per mile, with the exception of the western slope of the Allegheny Mountains between Conemaugh and Gallitzin, a distance of 24 miles, where the grade is $52\frac{1}{8}$ feet per mile, and where the use of helping engines will have to be continued. On the Main Line between Radebaugh and Derry the opposing grade eastbound will also have been reduced from $52\frac{1}{8}$ to $15\frac{1}{8}$ feet per mile, so that it will be necessary on that end of the Pittsburgh Division to use assisting power only as far as Radebaugh.

The estimated cost of the improvements East of Pittsburgh for which your Company will have to provide the means, and which will require from two to three years to complete, is as follows:

For the Brilliant Branch, the Sharpsburg, Brilliant, Shire Oaks, Ormsby and other yards, the connection between the Port Perry Branch and the Main Line at Brinton, the elevation of the Western Pennsylvania Railroad, the extension of the elevated railroad along Duquesne Way, and the cost of the new freight station at the Point, &c.,	\$9,500,000.00
For the new line between Radebaugh and Derry, and the completion of the four-track system on the Pittsburgh Division,	13,000,000.00
For the double-tracking of the Western Pennsylvania Railroad and other improvements thereon,	2,000,000.00
For the new line on the New Portage roadbed, double-tracking the Petersburg Branch, and the Hollidaysburg yard,	5,000,000.00
For completing the four-track system on the Middle Division and other improvements on that Division,	3,000,000.00
For the new line between York Haven and Parkesburg, and Thorndale and Paoli, and two additional tracks between Paoli and Philadelphia,	18,000,000.00
For the extension of the West Philadelphia yard, the elevated railroad connecting the Maryland Division and the Delaware Extension with the Main Line and the New York Division, and for other facilities in West Philadelphia,	3,000,000.00
For reducing the grades on the Trenton Cut-Off,	1,500,000.00
For two additional tracks, making six running tracks in all, between Trenton and Newark, changes of line at Frankford and Bristol, elevating the road through Rahway, completing the elevation at Newark and New Brunswick and the change of line at Trenton, and other improvements on the New York Division,	12,000,000.00
Total,	\$67,000,000.00

While this is a large sum, no less an expenditure will enable your Company to perform its duty to the public. Your Board are satisfied that the investment of this amount will result in largely increased net earnings to your property, not only from the greater volume of traffic which will be handled, but through the economies which will result from the reduction of grades, the better location and arrangement of yards, and the saving in shifting service, now unduly expensive, and in overtime to train crews, which, owing to the overcrowding of yards and tracks, has become a serious item. While the amount of such savings cannot be estimated with positive accuracy, it is safe to say that in the handling of last year's tonnage upon the lines East of Pittsburgh they would have amounted to several millions of dollars.

Extensive improvements will also be required on your leased lines West of Pittsburgh, a part of the funds for which will have to be supplied by your Company. In addition to double-tracking material portions of the existing roads, it is proposed to proceed at once with the construction of a new line about 60 miles in length between a point on the Fort Wayne Road near Enon and Red Bank, Pennsylvania, where it will connect with your Allegheny Valley Railway. This road will form, with the Low Grade Division of the Allegheny Valley Railway, the Philadelphia and Erie Railroad and the Northern Central Railway, a low grade line from the West to Harrisburg, only 28 miles longer than the present line via Pittsburgh. Over this route the through traffic of the Pittsburgh, Fort Wayne and Chicago and Cleveland and Pittsburgh Roads can be moved without passing through Pittsburgh, and additional relief thus afforded to the congested tracks in that district. For such portion of the capital expenditure West of Pittsburgh as you may supply to the Pennsylvania Company, you will be reimbursed through its dividend-paying stock or other securities.

In addition to the above expenditures, and to those required for equipment and for the work upon the tunnel line into New York, large outlays will be required upon the Philadelphia, Baltimore and Washington Railroad, the Northern Central Railway, and the Pittsburgh, Virginia and Charleston Railway, the means for which will be provided by those Companies.

In this connection it may be well to call attention to the fact that the charges to capital account for the construction of tracks and roadbed in recent years have been comparatively small. From 1897 to 1902 inclusive, a period of five years, the increase in Cost of Road has been only about \$6,000,000, or a little over eleven per cent., for improvements of the character referred to, they having been substantially paid for out of Income, while the tonnage of the Main Line and branches has increased during the same time from about 47,000,000 to over 77,000,000 tons, or about 64 per cent., and while its Gross Earnings for the same period have increased from about \$38,000,000 to \$68,000,000, or nearly 80 per cent., and its Net Earnings from about \$14,000,000 to \$25,000,000, or over 78 per cent.

It will, as already stated, require from two to three years to complete these improvements, but the money needed should be provided in advance. It was in view of this fact that your Board gave the necessary notice of its intention to recommend at the coming annual meeting an increase in the authorized capital. As the law of Pennsylvania requires a vote of the majority of the outstanding stock to increase either capital stock or indebtedness, and as there is always difficulty in securing such a representation, owing to your stock being held by about twenty-nine thousand persons residing in this country and abroad, your approval will be asked of an increase in the authorized stock to an amount sufficient to provide for the probable wants of the Company for some years to come: but the Board of Directors only propose to issue at this time the amount needed to provide for the improvements hereinbefore referred to; and no further issues will be made except for such purposes as you shall approve. It is not the intention of your Board to ask you to now authorize any issue of permanent bonded debt.

In the annual report for the year 1899 reference was made to the acquisition of interests in other railroads and to the good results which it was hoped to attain thereby, and your Board is now gratified to be able to state that their expectations in this respect have been more than realized. It is confidently believed that the results achieved, and the fact that it has been proven to be possible to carry on the business of the railroads under a strict adherence to tariff rates, as well as the determination shown by the Government authorities and the Courts to enforce the law (in which effort they will have the active assistance of all conservatively managed railroads), will prevent a return to old methods. The doing away with unjust discriminations and preferences between shippers, and the placing thereby of the transportation business of the country upon a stable basis, cannot fail to bring about better relations between the public and the railroad companies, and must also add largely to the value of railroad investments and to the security of the business interests which are dependent upon railway transportation. Your management having accomplished what it sought to attain by the policy referred to, and having completed the investments then contemplated, it is believed that further acquisitions of this character will be unnecessary.

Your Board have to record with deep regret the sudden death, on October 29th, 1902, at his home at Bala, Pa., of Hon. James A. Logan, the General Solicitor of your Company. Judge Logan entered your service as Assistant General Solicitor on July 1st, 1879, after a valuable experience at the bar and on the bench, and filled that position until, upon the resignation of Hon. John Scott, he became your General Solicitor on February 1st, 1895.

His administration of the Legal Department was marked not only by an unflagging devotion to your interests, but by a rare resourcefulness and ability to deal with the important legal questions which constantly develop in the operation of your system. His personal traits won the regard and affection of his associates, and his loss is one to be deeply deplored. To fill the vacancy thus created, and under a revision of the organization taking effect November 26th, 1902, Mr. George V. Massey was appointed General Counsel, Mr. Francis I. Gowen General Solicitor, and Mr. Parker B. Prince and Mr. George Stuart Patterson Assistant General Solicitors.

Your Board have also to record the death of Mr. William Hasell Wilson and Mr. Enoch Lewis, who, although not directly connected with the Pennsylvania Railroad at the time of their death, had in the past performed long and faithful service in your behalf, and in more recent years had given your Company the benefit of their counsel and experience in the management of your subordinate lines. Mr. Wilson's connection with the Main Line began in January, 1856, and until 1884 he filled the most responsible positions in the Engineering Department; and after his retirement from active service was, until his death, an executive officer and Director in important roads forming part of your system. His active life had covered the entire growth of the railway transportation interest in this country, and stretching as it did over a period of more than four score and ten years, it was marked by the highest ability and integrity, and by exceptional usefulness to his profession, to the community in which he lived, and to the Company with which nearly fifty years of his active career had been associated.

Mr. Enoch Lewis entered your service in 1850, and after filling various offices in the Transportation Department became General Superintendent of the Pennsylvania Railroad April 1st, 1860.

He filled that position most acceptably until December 31st, 1865, and on May 1st, 1866, upon the organization of the Purchasing Department, took charge thereof and filled that position until December 1st, 1893. Since that date Mr. Lewis had been a Director in your affiliated lines, so that he had been actually connected with your interests for over half a century, and his record during that entire period was one of complete fidelity to the interests committed to his charge.

Mr. John C. Wilson having been retired under the operations of the Pension Department, May 1st, 1902, as Real Estate Agent, after a long and honorable service of over thirty-nine years with your Company, Mr. B. W. Carskaddon was appointed to that position, and on June 1st, 1902, Mr. Henry E. Tripler was appointed Assistant Real Estate Agent.

Mr. J. B. Hutchinson having, on account of the strain imposed upon his health by the onerous duties of his position as General Manager, requested to be relieved thereof, was on January 1st, 1903, appointed Assistant to the Second Vice-President. On the same date Mr. W. W. Atterbury was promoted to be General Manager and Mr. A. W. Gibbs General Superintendent of Motive Power. Mr. G. W. Creighton was also appointed General Superintendent of the Pennsylvania Railroad Division, vice Mr. John M. Wallis, relieved at his own request, and Mr. R. L. O'Donnel General Superintendent of the Buffalo and Allegheny Valley Division to succeed Mr. Creighton.

Mr. John S. Ruth was appointed Assistant Auditor of Coal Freight Receipts February 1st, 1902.

The General Balance-Sheet is hereto appended, together with a list of the securities owned by the Company and a statement of the income therefrom.

The Board desire to express their acknowledgments to the officers and employes for the efficiency and fidelity with which they have performed their duties during the past year.

By order of the Board,

A. J. CASSATT,
President.

THE PENNSYLVANIA RAILROAD COMPANY.

ASSETS.

GENERAL BALANCE-SHEET.

DECEMBER 31st, 1902.

		COMPARISON WITH DECEMBER 31st, 1901.	
		INCREASE.	DECREASE.
ROAD AND EQUIPMENT.			
Cost of road, including the cost of the Harrisburg, Portsmouth, Mt. Joy and Lancaster Railroad, represented by the guaranteed capital stock and bonds of that company (\$1,882,550),	\$78,017,477.50	\$21,338,719.41	
Real estate,	21,929,251.99	415,133.72	
Equipment,	\$47,775,054.59	3,178,012.00	
Equipment, covered by 4 per cent. Equipment Trust Gold Loan, Girard Trust Company, Trustee :—			
Account Penna. R. R. Co., . . \$1,390,000.00			
Account Penna. Co., 1,610,000.00			
	3,000,000.00		
	50,775,054.59	\$150,721,784.08	
Terminal property at Buffalo, Brooklyn, and other points,	1,285,473.59		\$48,875.98
SECURITIES—COST OF.			
Stocks of railroad and other corporations,	\$184,504,087.14	17,803,505.09	
Bonds of railroad and other corporations,	41,444,738.61	5,151,159.58	
	225,948,825.75		
Mortgages and ground-rents receivable,	130,810.00		2,500.00
Appraised value of securities not disposed of, received with the lease of United New Jersey Railroad and Canal,	3,283,462.25		
CURRENT ASSETS.			
Due from controlled companies, for advances for construction, and other purposes,	\$8,630,097.16	2,820,743.95	
Bills receivable,	227,894.44		278,418.83
Due from agents,	6,245,277.96	1,277,738.72	
Miscellaneous assets,	10,273,036.19	7,993,095.17	
Materials on hand,	5,421,729.49	867,288.84	
Cash :—			
Balances with London Joint Stock Bank Ltd., and others for payment of interest, \$1,473,480.68			175,154.75
In hands of Treasurer,	8,755,169.92		2,175,261.07
	10,228,650.60		
	41,026,685.84		
SINKING FUNDS.			
Pennsylvania Railroad Company Consolidated			
Mortgage Sinking Funds,	\$7,905,800.00		
Less bonds redeemed and cancelled, 1,918,980.00			
	\$5,986,820.00	373,100.00	
Sunbury, Hazleton and Wilkesbarre Railway Company First			
Mortgage Sinking Fund,	120,000.00	120,000.00	
Managers of Trust created October 9th, 1878,	5,146,319.49	109,673.45	
	11,253,139.49		
Insurance Fund,		10,000.00	
Total,		\$433,660,181.00	\$58,767,959.30

THE PENNSYLVANIA RAILROAD COMPANY.
GENERAL BALANCE-SHEET.
DECEMBER 31st, 1902.

LIABILITIES.

			COMPARISON WITH DECEMBER 31st, 1901.	
			INCREASE.	DECREASE.
Capital stock,	\$204,374,850.00		\$1,102,750.00	
Funded debt:—				
General mortgage sterling coupon bonds, 6 per cent., due July 1st, 1910,	\$13,488,820.00			
General mortgage dollar coupon bonds, 6 per cent., due July 1st, 1910,	2,000,000.00			
General mortgage dollar registered bonds, 6 per cent., due July 1st, 1910,	4,509,000.00			
	<u>\$19,997,820.00</u>			
Consolidated mortgage sterling coupon bonds, 6 per cent., due July 1st, 1905,	\$22,762,020.00			
Consolidated mortgage dollar coupon bonds, 6 per cent., due June 15th, 1905,	2,757,000.00			
Consolidated mortgage dollar registered bonds, 6 per cent., due June 15th, 1905,	1,961,000.00			
Consolidated mortgage dollar coupon bonds, 5 per cent., due September 1st, 1919,	1,500,000.00			
Consolidated mortgage dollar registered bonds, 5 per cent., due September 1st, 1919,	3,498,000.00			
Consolidated mortgage dollar coupon bonds, 4 per cent., due May 1st, 1943,	2,853,000.00			\$29,000.00
Consolidated mortgage sterling coupon and reg'd bonds, 3½ per cent., due July 1st, 1945,	4,850,000.00			
	<u>40,181,020.00</u>			
Navy Yard mort. reg. bonds, 3½ per ct., due January 1st, 1931,	9,900,000.00			1,000,000.00
Collateral trust loan coupon bonds, 4½ per ct., due June 1st, 1913,	2,728,000.00			
Equipment trust loan coupon bonds, 4 per ct., due Sept. 1st, 1914,	7,702,000.00			
P. W. & B. R. R. stock trust registered certificates, 4 per cent., due July 1st, 1921,	2,000,000.00			
First mortgage real estate coupon and registered bonds, 4 per cent., due May 1st, 1923,	50,000,000.00		50,000,000.00	
Ten-year gold convertible 3½ per cent. coupon bonds, due November 1st, 1912,	500,000.00		500,000.00	
Sunbury and Lewistown Railway Company first mortgage 4 per cent. coupon bonds, due July 1st, 1936,	1,000,000.00		1,000,000.00	
Sunbury, Hazleton and Wilkesbarre Railway Company first mortgage 5 per cent. coupon bonds, due May 1st, 1928,	1,350,000.00		1,350,000.00	
Sunbury, Hazleton and Wilkesbarre Railway Company second mortgage 6 per cent. coupon reg. bonds, due May 1st, 1938,	5,261,016.91			94,466.66
Mortgages and ground-rents payable,	<u>140,619,856.91</u>			
Guaranteed securities under lease Harrisburg, Portsmouth, Mt. Joy and Lancaster Railroad:—				
Capital stock,	\$1,182,550.00			
First mortgage 4 per cent. bonds,	700,000.00			
	<u>1,882,550.00</u>			
Appraised value of securities not disposed of, received with the lease of United New Jersey Railroad and Canal,	3,283,462.25			
Extraordinary Expenditure Fund,				\$5,000,000.00
CURRENT LIABILITIES.				
Pay rolls and vouchers,	\$14,501,615.05		\$3,628,184.71	
Net traffic balances due other roads,	1,928,496.53			\$217,453.19
Due controlled companies, other than traffic balances,	9,928,703.21			1,098,750.66
Due Employes' Saving Fund,	106,627.21			2,320.48
Due Relief Fund accounts,	371,901.72		23,815.70	
Due Insurance Fund,	87,418.15		14,827.07	
Interest accrued on Pennsylvania Railroad Company bonds,	1,952,296.87		323,306.68	
Interest on bonds matured and uncollected,	55,407.22		6,281.92	
Dividends uncollected by shareholders,	24,927.25			39,283.50
Miscellaneous liabilities,	15,283,308.09		7,133,624.45	
	<u>44,240,701.30</u>			
SINKING FUNDS.				
Sinking Funds Pennsylvania Railroad Company Consolidated Mortgage, contributions to December 31st, 1902,	\$7,905,800.00		\$402,100.00	
Sinking Fund Sunbury, Hazleton and Wilkesbarre Ry. Company first mortgage, contributions to December 31st, 1902,	120,000.00		120,000.00	
Fund for purchase of securities under Trust created October 9th, 1878,	5,275,748.12		129,428.63	
Pennsylvania Company, payments for leased equipment under Pennsylvania Railroad Company 4 per cent. Equipment Trust gold loan,	1,046,500.00		80,500.00	
Trustees' Sinking Funds Consolidated Mortgage, Pennsylvania Railroad Company,	168,487.59		2,666.08	
	<u>14,516,535.71</u>			
Balance to credit of Profit and Loss,	24,742,224.83		431,748.55	
Total,	\$433,660,181.00		\$58,767,959.30	

R. W. DOWNING,
Comptroller.

ROBT. W. SMITH,
Treasurer.

STOCKS OWNED BY THE PENNSYLVANIA RAILROAD COMPANY DECEMBER 31st, 1902.

NAME OF COMPANY.	SHARES.	TOTAL PAR.	NAME OF COMPANY.	SHARES	TOTAL PAR.
Allegheny Valley Ry. Co., preferred,	237,533 80p \$3.77	\$11,876,653.77	Brought forward,	188,917,401.85	
Allegheny Valley Ry. Co., common,	193,076	9,653,800.00	Pennsylvania Steel Car Trust, 3½ per cent. gold certificates, dated October 1, 1902,	2,875	2,875,000.00
Arcade Real Estate Co., instalment,	12,000	480,000.00	Pennsylvania Equipment Trust, 3½ per cent. gold certificates, dated June 1, 1901,	5	5,000.00
Bald Eagle Valley R. R. Co.,	14,125	706,250.00	Pennsylvania Rolling Stock Trust, 3½ per cent. gold certificates, dated April 1, 1899,	5	5,000.00
Baltimore and Ohio R. R. Co., preferred,	214,800	21,480,000.00	Pennsylvania Steel Co. of New Jersey, common,	686	68,600.00
Baltimore and Ohio R. R. Co., common,	302,933	30,293,300.00	Pennsylvania Steel Co. of New Jersey, 7 per cent. non-cumulative, preferred,	5,084	508,400.00
Barnegat R. R. Co.,	1,000	50,000.00	Pennsylvania and North Western R. R. Co.,	44,758	2,237,900.00
Baltimore, Chesapeake and Atlantic Ry. Co., 5 per cent. preferred, { 80p \$4.68	4,474	223,746.08	Pennsylvania, New Jersey and New York R. R. Co.,	1,000	100,000.00
Baltimore, Chesapeake and Atlantic Ry. Co., common,	5,000	250,000.00	Pennsylvania, New York and Long Island R. R. Co.,	100,000	10,000,000.00
Bedford and Bridgeport Ry. Co.,	12,000	600,000.00	Perth Amboy and Woodbridge R. R. Co.,	3,968	198,400.00
Belvidere Delaware R. R. Co.,	4,892	244,600.00	Philadelphia and Camden Ferry Co.,	12,083	604,150.00
Burlington and Mt. Holly Traction R. R. Co.,	250	25,000.00	Philadelphia and Delaware County R. R. Co.,	5,000	250,000.00
Cambria and Clearfield R. R. Co.,	26,011	1,300,550.00	Philadelphia and Beach Haven R. R. Co.,	4,000	200,000.00
Chesapeake and Ohio Ry. Co., common,	101,300	10,130,000.00	Philadelphia and Erie R. R. Co., common,	69,996	3,499,800.00
Columbia and Port Deposit Ry. Co.,	12,000	600,000.00	Philadelphia and Erie R. R. Co., preferred,	48,000	2,400,000.00
Connecting Ry. Co.,	72,273	3,613,650.00	Philadelphia and Long Branch R. R. Co.,	15,300	765,000.00
Cresson and Irvona R. R. Co.,	10,000	500,000.00	Philadelphia and Trenton R. R. Co.,	6	600.00
Cumberland Valley R. R. Co., common,	19,517	975,850.00	Philadelphia, Wilmington and Baltimore R. R. Co.,	160,000	8,000,000.00
Cumberland Valley R. R. Co., first preferred,	2,242	112,100.00	Philadelphia, Baltimore and Washington R. R. Co.,	162,294½	8,114,725.00
Cumberland Valley R. R. Co., second preferred,	2,502	125,100.00	Pittsburgh and Eastern Railroad Company,	3,950	197,500.00
Cumberland Valley and Martinsburg R. R. Co.,	2,000	200,000.00	Pittsburgh Provision Company,	2,995	299,500.00
Delaware and Schuylkill Market Co.,	2,500	250,000.00	Pittsburgh, Ft. Wayne and Chicago Ry. Co., guaranteed special,	15,083	1,508,300.00
Delaware River R. R. and Bridge Co.,	26,000	1,300,000.00	Pittsburgh, Ft. Wayne and Chicago Ry. Co., regular guaranteed,	250	25,000.00
Downingtown and Lancaster R. R. Co.,	8,113	405,650.00	Pittsburgh, Virginia and Charleston Ry. Co.,	67,641	3,382,050.00
Ebensburg and Black Lick R. R. Co.,	7,000	350,000.00	Pomeroy and Newark R. R. Co.,	10,000	500,000.00
Erie and Western Transportation Co.,	49,993	2,499,650.00	Richmond-Washington Co.,	4,450	445,000.00
Freehold and Jamesburg Agricultural R. R. Co.,	378	37,800.00	Ridgway and Clearfield R. R. Co.,	9,820	491,000.00
Girard Point Storage Co.,	20,000	2,000,000.00	River-Front R. R. Co.,	6,000	300,000.00
Harrisburg, Portsmouth, Mt. Joy and Lancaster R. R. Co.,	7	350.00	Rocky Hill R. R. and Transportation Co.,	5	250.00
Homer and Susquehanna R. R. Co., instalment,	2,100	10,500.00	Roxborough R. R. Co., instalment,	2,000	70,000.00
Johnsonburg R. R. Co.,	1,500	75,000.00	South Fork R. R. Co.,	8,400	420,000.00
Junction R. R. Co.,	1,533	76,650.00	South West Pennsylvania Ry. Co.,	21,145	1,057,250.00
Lancaster and Reading Narrow Gauge R. R. Co.,	7,000	350,000.00	Stewartstown R. R. Co. of Pennsylvania,	190	9,500.00
Lewisburg and Tyrone R. R. Co.,	22,209	1,110,450.00	Stuyvesant Real Estate Co.,	5,000	500,000.00
Long Island R. R. Co.,	135,958	6,797,900.00	Summit Branch Mining Co.,	500	25,000.00
Manor Real Estate and Trust Co.,	40,000	2,000,000.00	Susquehanna Coal Co.,	21,368	2,136,800.00
Merchants' Warehouse Co.,	1,100	110,000.00	Tipton R. R. Co.,	865	43,250.00
Millstone and New Brunswick R. R. Co.,	5	250.00	The President, Managers and Company for erecting a bridge over the river Delaware at or near Trenton,	1,000	100,000.00
Mineral Railroad and Mining Co., instalment,	16,667	100,002.00	Tyrone and Clearfield Ry. Co.,	20,000	1,000,000.00
Monongahela and Washington R. R. Co.,	10,890	544,500.00	United New Jersey Railroad and Canal Co.,	13,500	1,350,000.00
Monongahela R. R. Co.,	3,700	185,000.00	Vincetown Branch of the Burlington County R. R. Co.,	126	3,150.00
New York Connecting R. R. Co., preferred,	500	50,000.00	Washington, Alexandria and Mt. Vernon Ry. Co.,	4,000	200,000.00
New Jersey Warehouse and Guaranty Co.,	5,000	25,000.00	West Chester R. R. Co.,	3,300	165,000.00
New York Bay R. R. Co.,	10,000	500,000.00	West Jersey and Seashore R. R. Co., common,	33,859	1,692,950.00
Norfolk and Western Ry. Co., common,	203,300	20,330,000.00	West Jersey and Seashore R. R. Co., special guaranteed,	36	1,800.00
Norfolk and Western Ry. Co., adjustment preferred,	55,000	5,500,000.00	Western Pennsylvania R. R. Co.,	35,500	1,775,000.00
Northern Central Ry. Co.,	125,359	6,267,950.00	Western New York and Pennsylvania Ry. Co.,	388,053,780	19,402,686.50
Northumberland and Nanticoke R. R. Co., instalment,	11,600	58,000.00	York Haven and Rowenna R. R. Co., instalment,	2,000	10,000.00
Pennsylvania Annex,	5,000	250,000.00	York, Hanover and Frederick R. R. Co.,	8,000	400,000.00
Pennsylvania Canal Co.,	70,343	3,517,150.00	Sundry stocks,		78,239.61
Pennsylvania Co., common,	800,000	40,000,000.00			
Pennsylvania Car Trust, 3½ per cent. gold certificates, dated February 1, 1900,	65	65,000.00			
Pennsylvania Steel Car Trust, 3½ per cent. gold certificates, dated July 1, 1902,	710	710,000.00			
Carried forward,		\$188,917,401.85	Total,		\$266,339,202.96

The securities above named have been actually inspected and found correct.

ROBT. W. SMITH, *Treasurer.*

N. P. SHORTRIDGE, } *Trustees*
JNO. P. GREEN, } *Consolidated*
W. H. BARNES, } *Mortgage.*

R. W. DOWNING, *Comptroller.*

ALEXANDER M. FOX,
GEORGE WOOD,
LINCOLN GODFREY,
N. P. SHORTRIDGE, *Chairman,*
Finance Committee.

Committee
of
Board of Directors.

BONDS OWNED BY THE PENNSYLVANIA RAILROAD COMPANY DECEMBER 31st, 1902.

NAME OF COMPANY.	TOTAL PAR.	NAME OF COMPANY.	TOTAL PAR.
Allegheny Valley Ry. Co. general mortgage, 4 per cent. coupon registered gold, . . .	\$300,000.00	Brought forward, . . .	\$19,695,748.64
Baltimore and Potomac R. R. Co. consolidated mortgage, 5 per cent. registered coupon gold, Series "A," . . .	3,000,000.00	Pennsylvania Co. guaranteed 3½ per cent. coupon, gold trust certificates, Series "C," . . .	5,000,000.00
Bedford and Bridgeport Ry. Co. 5 per cent. certificate of indebtedness, . . .	1,700,000.00	Pennsylvania R. R. Co. 4 per cent. equipment trust gold coupon, registered, Series "A," . . .	14,000.00
Belvidere Delaware R. R. Co. consolidated mortgage, 4 per cent. registered, . . .	300,000.00	Pennsylvania Steel Co. and Maryland Steel Co. of Baltimore County, consolidated joint mortgage, 6 per cent. coupon, . . .	31,000.00
Belvidere Delaware R. R. Co. first mortgage, 6 per cent. coupon extended, . . .	1,000,000.00	Philadelphia and Delaware County R. R. Co. first mortgage, 5 per cent. registered gold, . . .	180,000.00
Cambria and Clearfield R. R. Co. first mortgage gold, 5 per cent. coupon registered, . . .	634,000.00	Philadelphia and Erie R. R. Co. general mortgage, 5 per cent. registered gold, . . .	263,000.00
Central Stock Yard and Transit Co. first mortgage, 5 per cent. registered, extended, . . .	300,000.00	Philadelphia and Erie R. R. Co. consolidated general mortgage, 6 per cent. coupon, gold, . . .	3,681,000.00
Chartiers Ry. Co. first mortgage, 3½ per cent. gold coupon, . . .	625,000.00	Philadelphia and Long Branch R. R. Co. first mortgage, 5 per cent. coupon, . . .	750,000.00
Cincinnati and Muskingum Valley R. R. Co. first mortgage, 4 per cent. coupon registered gold, . . .	754,000.00	Piedmont and Cumberland Ry. Co. first mortgage, 5 per cent. gold coupon, . . .	100,000.00
City of Philadelphia 3 per cent. serial loan, maturing December 31st, 1917, . . .	110,000.00	Pittsburgh, Virginia and Charleston Ry. Co. first mortgage, 4½ per cent. coupon gold, Series "A," . . .	3,431,000.00
Connecting Ry. Co. first mortgage, 6 per cent. coupon, Series "E," . . .	1,000.00	Pittsburgh, Virginia and Charleston Ry. Co., 4 per cent. certificate of indebtedness, . . .	3,270,000.00
Connecting Ry. Co. mortgage 3½ per cent. coupon registered, . . .	225,000.00	Pittsburgh, Wheeling and Kentucky R. R. Co. first mortgage, 7 per cent. registered, . . .	53,000.00
Columbia and Port Deposit Ry. Co. first mortgage, 4 per cent. coupon registered, . . .	200,000.00	Pittsburgh, Youngstown and Ashtabula R. R. Co. first consolidated mortgage, 5 per cent. coupon, . . .	25,000.00
Cresson Springs Co. 6 per cent. mortgage registered, . . .	100,000.00	Shamokin Valley and Pottsville R. R. Co. first mortgage, 3½ per cent. gold coupon, . . .	1,544,000.00
Cresson and Irvona R. R. Co. first mortgage, 4 per cent. coupon registered gold, . . .	500,000.00	South Fork R. R. Co. 4 per cent. certificate of indebtedness, . . .	600,000.00
Dayton Union Ry. Co. at Dayton, Ohio, mortgage, 4 per cent. registered coupon gold, . . .	48,000.00	South West Pennsylvania Ry. Co. first mortgage, 7 per cent. registered, . . .	600,000.00
Downingtown and Lancaster R. R. Co. first mortgage, 4 per cent. coupon, . . .	300,000.00	Steubenville and Indiana R. R. Co. first mortgage, 5 per cent. registered, extended, . . .	51,000.00
Ebensburg and Black Lick R. R. Co. first mortgage, 5 per cent. gold coupon, . . .	285,000.00	Sunbury, Hazleton and Wilkesbarre Ry. Co. second mortgage, 6 per cent. registered, . . .	498,000.00
Elmira and Williamsport R. R. Co. 5 per cent. income mortgage, . . .	3,500.00	Terre Haute and Indianapolis R. R. Co. first consolidated mortgage, 5 per cent. gold coupon registered, . . .	11,000.00
Grand Rapids and Indiana R. R. Co. first mortgage, 7 per cent. gold coupon, extended at 4½ per cent., . . .	278,000.00	Terre Haute and Indianapolis R. R. Co. second consol. mortgage, 5 per cent. coupon, at or near Trenton, first mortgage, 7 per cent. registered, . . .	2,000.00
Grand Rapids and Indiana Ry. Co. second mortgage, 4 per cent. gold coupon, . . .	3,687,000.00	Tyrone and Clearfield Ry. Co. first mortgage, 5 per cent. registered, . . .	1,000,000.00
Indianapolis and St. Louis Ry. Co. first mortgage gold, 6 per cent. coupon, . . .	500,000.00	Union and Logansport R. R. Co. first mortgage, 7 per cent. coupon registered sinking fund, . . .	75,000.00
Indianapolis and Vincennes R. R. Co., first mortgage, 7 per cent. coupon, . . .	1,000.00	United New Jersey Railroad and Canal Co. general mortgage, 6 per cent. registered gold, dated September 2d, 1878, . . .	116,000.00
International Navigation Co. of N. J. first mortgage, 5 per cent. coupon, . . .	340,000.00	Washington, Alexandria and Mt. Vernon Electric Ry. Co. first mortgage, 3 per cent. gold coupon, . . .	260,000.00
Jeffersonville, Madison and Indianapolis R. R. Co. first mortgage, sinking fund, 7 per cent. coupon, . . .	81,000.00	Washington Southern Ry. Co. first mortgage, 3½ per cent. coupon registered gold, . . .	1,000,000.00
Johnsonburg R. R. Co. first mortgage, 6 per cent. coupon, . . .	150,000.00	Western New York and Pennsylvania Ry. Co. general mortgage, 4 per cent. coupon registered gold, . . .	54,000.00
Lewisburg and Tyrone R. R. Co. 5 per cent. certificate of indebtedness, . . .	294,174.65	Western New York and Pennsylvania Ry. Co. income mortgage 5 per cent. coupon reg. . . .	9,134,000.00
Lisbon Coal Co. 5 per cent. mortgage, . . .	316,000.00	Western New York and Pennsylvania Ry. Co. income mortgage, bond scrip, . . .	513.38
Little Miami R. R. Co. mortgage, 3½ per cent. betterment, coupon registered, . . .	1,358,000.00	York, Hanover and Frederick R. R. Co., mortgage, 4 per cent. coupon, registered gold, . . .	150,000.00
Manor Real Estate and Trust Co. 3 per cent. certificate of indebtedness, . . .	1,200,000.00		
Maryland Steel Co. first mortgage, 5 per cent. registered, . . .	180,000.00		
New York and Long Branch R. R. Co. general mortgage, 5 per cent. gold, registered coupon, . . .	22,000.00		
New York and Long Branch R. R. Co. general mortgage, 4 per cent. gold, registered coupon, . . .	24,000.00		
New York Bay R. R. Co. 4 per cent. certificate of indebtedness, . . .	467,073.99		
Northern Central Ry. Co. consolidated general mortgage, 6 per cent. coupon gold, . . .	27,000.00		
Pennsylvania Canal Co. general mortgage, 6 per cent. coupon, . . .	384,000.00		
Pennsylvania Co. guaranteed 3½ per cent. gold loan of 1901, coupon, trust certificates, . . .	1,000.00		
Carried forward, . . .	\$19,695,748.64	Total, . . .	\$51,591,262.02

SUMMARY.

Par value of stocks, . . .	\$266,339,202.96
Par value of bonds, . . .	51,591,262.02
	<u>\$317,930,464.98</u>
Cost, as per general balance-sheet, . . .	\$225,948,825.75
Of the foregoing securities there are deposited under the Consolidated Mortgage and the Collateral Trust Loan :-	
Stocks of a par value of, . . .	\$67,373,650.00
Bonds of a par value of, . . .	16,877,000.00
Total, . . .	<u>\$84,250,650.00</u>

The securities above named have been actually inspected and found correct.

N. P. SHORTRIDGE, }
JNO. P. GREEN, } Trustees
W. H. BARNES, } Consolidated
Mortgage.

ALEXANDER M. FOX,
GEORGE WOOD,
LINCOLN GODFREY,
N. P. SHORTRIDGE, Chairman, }
Finance Committee.

Committee
of
Board of Directors.
ROBT. W. SMITH,
Treasurer.

R. W. DOWNING, Comptroller.

INCOME RECEIVED FROM SECURITIES OWNED BY THE PENNSYLVANIA RAILROAD COMPANY DURING THE YEAR 1902.

Allegheny Valley Ry. Co. general mortgage 4 per cent. coupon bonds,	\$2,000.00	Brought forward,	\$5,505,001.88
Bald Eagle Valley R. R. Co. stock,	70,625.00	Pennsylvania Rolling Stock Trust 3½ per cent. certificates,	560.00
Baltimore and Ohio R. R. Co. preferred stock,	859,200.00	Pennsylvania Rolling Stock Trust 4 per cent. certificates,	175.00
Baltimore and Ohio R. R. Co. common stock,	733,824.00	Pennsylvania Steel Co. of New Jersey 7 per cent. non-cumulative preferred stock,	2,060.00
Baltimore and Potomac R. R. Co. consolidated mortgage 5 per cent. registered coupon bonds,	150,000.00	Pennsylvania Steel Co. and Maryland Steel Co. of Baltimore County consolidated joint mortgage 6 per cent. coupon bonds,	35,588.00
Bedford and Bridgeport Ry. Co. 5 per cent. certificate of indebtedness,	85,000.00	Pennsylvania Schuylkill Valley R. R. Co. first mortgage 3½ per cent. registered bonds,	1,860.00
Belvidere Delaware R. R. Co. stock,	12,230.00	Perth Amboy and Woodbridge R. R. Co. stock,	58,333.33
Belvidere Delaware R. R. Co. first mortgage 6 per cent. extended bonds,	20,746.67	Philadelphia, Baltimore and Washington R. R. Co. stock,	19,840.00
Belvidere Delaware R. R. Co. consolidated mortgage 4 per cent. registered bonds,	12,000.00	Philadelphia and Camden Ferry Co. stock,	162,294.00
Cambria and Clearfield R. R. Co. first mortgage 5 per cent. coupon registered bonds,	31,700.00	Philadelphia and Erie R. R. Co. general mortgage 5 per cent. registered bonds,	60,415.00
Central Stock Yard and Transit Co. first mortgage 5 per cent. coupon registered bonds,	15,000.00	Philadelphia and Erie R. R. Co. consolidated general mortgage 6 per cent. coupon bonds,	13,150.00
Chartiers Ry. Co. first mortgage 3½ per cent. coupon bonds,	17,540.00	Philadelphia and Erie R. R. Co. common stock,	220,860.00
Chesapeake and Ohio Ry. Co. common stock,	101,300.00	Philadelphia and Erie R. R. Co. preferred stock,	139,992.00
Cincinnati and Muskingum Valley R. R. Co. first mortgage 4 per cent. coupon registered bonds,	30,160.00	Philadelphia and Trenton R. R. Co. stock,	168,000.00
City of Philadelphia 3 per cent. serial loan, due December 31st, 1917,	3,300.00	Philadelphia, Wilmington and Baltimore R. R. Co. stock,	60.00
Columbia and Port Deposit Ry. Co. first mortgage 4 per cent. coupon bonds,	8,000.00	Piedmont and Cumberland Ry. Co. first mortgage 5 per cent. coupon bonds,	357,744.50
Columbia and Port Deposit Ry. Co. stock,	30,000.00	Pittsburgh, Cin., Chicago and St. Louis Ry. Co. consol. mortg. 3½ per cent. coupon regist'd bonds,	5,000.00
Connecting Ry. Co. stock,	144,546.00	Pittsburgh and Eastern R. R. Co. stock,	280.00
Connecting Ry. Co. mortgage 3½ per cent. coupon registered bonds,	3,255.00	Pittsburgh, Fort Wayne and Chicago Ry. Co. guaranteed special stock,	6,912.50
Connecting Ry. Co. first mortgage 3½ per cent. bonds,	6,995.00	Pittsburgh, Fort Wayne and Chicago Ry. Co. regular guaranteed stock,	105,581.00
Cumberland Valley R. R. Co. preferred and common stock,	97,044.00	Pittsburgh, Virginia and Charleston Ry. Co. first mortgage 4½ per cent. gold coupon bonds,	1,750.00
Dayton Union Ry. Co. of Dayton, Ohio, 4 per cent. mortgage coupon registered bonds,	1,920.00	Pittsburgh, Virginia and Charleston Ry. Co. stock,	154,395.00
Delaware River R. R. and Bridge Co. stock,	52,000.00	Pittsburgh, Virginia and Charleston Ry. Co. 4 per cent. certificate of indebtedness,	236,743.50
Delaware and Schuylkill Market Co. stock,	10,000.00	Pittsburgh, Wheeling and Kentucky R. R. Co. first mortgage 7 per cent. registered bonds,	56,000.00
Ebensburg and Black Lick R. R. Co. first mortgage 5 per cent. gold coupon bonds,	6,250.00	Pittsburgh, Youngstown and Ashtabula R. R. Co. first cons. mortg. 5 per cent. coupon bonds,	4,130.00
Elmira and Williamsport R. R. Co. income mortgage 5 per cent. coupon bonds,	175.00	Richmond-Washington Co. stock,	1,250.00
Erie and Western Transportation Co. stock,	99,986.00	Ridgway and Clearfield R. R. Co. stock,	13,350.00
Grand Rapids and Indiana R. R. Co. first mortgage 4½ per cent. gold coupon bonds,	12,510.00	River-Front R. R. Co. stock,	29,460.00
Grand Rapids and Indiana R. R. Co. first mortgage extended 3½ per cent. bonds,	35.00	River-Front R. R. Co. 4 per cent. certificate of indebtedness,	15,000.00
Grand Rapids and Indiana Ry. Co. second mortgage 4 per cent. gold coupon bonds,	147,480.00	Rocky Hill R. R. and Trans. Co. stock,	3,360.00
Harrisburg, Portsmouth, Mt. Joy and Lancaster R. R. Co. stock,	26.25	Scalp Level R. R. Co. 4 per cent. certificate of indebtedness,	15.00
Indianapolis and St. Louis Ry. Co. first mortgage 6 per cent. coupon bonds,	30,000.00	Shamokin Valley and Pottsville R. R. Co. first mortgage 3½ per cent. coupon bonds,	6,920.00
Indianapolis and Vincennes R. R. Co. first mortgage 7 per cent. coupon bonds,	70.00	South Fork R. R. Co. first mortgage 3½ per cent. coupon bonds,	55,072.50
International Navigation Co. of New Jersey first mortgage 5 per cent. bonds,	17,000.00	South Fork R. R. Co. 4 per cent. certificate of indebtedness,	2,327.44
Jeffersonville, Madison and Indianapolis R. R. Co. first mortgage 7 per cent. coupon bonds,	7,980.00	South West Pennsylvania Ry. Co. first mortgage 7 per cent. registered bonds,	42,000.00
Jersey City and Bergen R. R. Co. first mortgage 7 per cent. coupon bonds,	8,365.00	South West Pennsylvania Ry. Co. stock,	105,725.00
Johnsonburg R. R. Co. first mortgage 6 per cent. coupon bonds,	9,000.00	Stewartstown R. R. Co. of Pennsylvania, stock,	190.00
Junction R. R. Co. stock,	4,599.00	Steubenville and Indiana R. R. Co. first mortgage 5 per cent. registered bonds,	2,550.00
Langdon, J. and Co., Incorporated, stock,	2,100.00	Sunbury, Hazleton and Wilkesbarre Ry. Co. second mortgage 6 per cent. registered bonds,	29,580.00
Lishon Coal Co. 5 per cent. mortgage bonds,	15,800.00	Sunbury, Hazleton and Wilkesbarre Ry. Co. second mortgage 6 per cent. coupon bonds,	300.00
Manor Real Estate and Trust Co. 3 per cent. certificate of indebtedness,	24,500.00	The President, Managers and Company for erecting a bridge over the river Delaware at or near Trenton, stock,	4,000.00
Maryland Steel Co. first mortgage 5 per cent. registered bonds,	9,000.00	The President, Managers and Company for erecting a bridge over the river Delaware at or near Trenton, first mortgage 7 per cent. bonds,	280.00
Merchants' Warehouse Co. stock,	7,700.00	Terre Haute and Indianapolis R. R. Co. first consolidated mortgage 5 per cent. bonds,	525.00
New York Bay R. R. Co. stock,	20,000.00	Terre Haute and Indianapolis R. R. Co. second consolidated mortgage 5 per cent. bonds,	100.00
New York Bay R. R. Co. certificate of indebtedness,	18,682.96	Tyrone and Clearfield Ry. Co. first mortgage 5 per cent. registered bonds,	50,000.00
New York and Long Branch R. R. Co. general mortgage 50-year 5 per cent. gold registered coupon bonds,	1,100.00	Tyrone and Clearfield Ry. Co. stock,	50,000.00
New York and Long Branch R. R. Co. general mortgage 50-year 4 per cent. gold registered coupon bonds,	960.00	United New Jersey R. R. and Canal Co. stock,	135,000.00
Norfolk and Western Ry. Co. adjustment preferred stock,	220,000.00	United New Jersey R. R. and Canal Co. general mortgage 6 per cent. registered gold bonds, dated September 2d, 1878,	6,960.00
Norfolk and Western Ry. Co. common stock,	508,250.00	Union and Logansport R. R. Co. first mortgage 7 per cent. coupon registered bonds,	3,535.00
Northern Central Ry. Co. stock,	501,436.00	Vincetown Branch of the Burlington County R. R. Co. stock,	189.00
Northern Central Ry. Co. consolidated general mortgage 6 per cent. coupon bonds,	1,620.00	Washington, Alexandria and Mt. Vernon Electric Ry. Co. 3 per cent. gold coupon bonds,	7,800.00
Pennsylvania Car Trust 3½ per cent. gold certificates,	10,228.75	West Chester R. R. Co. stock,	8,250.00
Pennsylvania Co. guaranteed 3½ per cent. trust certificates, Series "B,"	647.50	West Jersey and Seashore R. R. Co. common stock,	84,647.50
Pennsylvania Co. guaranteed 3½ per cent. gold loan of 1901 coupon trust certificates,	700.00	West Jersey and Seashore R. R. Co. special guaranteed stock,	88.50
Pennsylvania Co. common stock,	1,200,000.00	Western New York and Pennsylvania Ry. Co. gen'l mortg., 4 per cent. coupon reg'd bonds,	2,160.00
Pennsylvania Equipment Trust 3½ per cent. gold certificates,	175.00	Western Pennsylvania R. R. Co. stock,	106,500.00
Pennsylvania Steel Car Trust 3½ per cent. gold certificates,	31,193.75	Washington Southern Ry. Co. first mortgage 3½ per cent. bonds,	35,000.00
Pennsylvania and Northwestern R. R. Co. stock,	89,116.00	Total,	\$8,118,860.65
Carried forward,	\$5,505,001.88		

Examined and found correct.

R. W. DOWNING, *Comptroller.*

ROBT. W. SMITH, *Treasurer.*

REPORT OF THE MANAGERS OF THE PENNSYLVANIA RAILROAD COMPANY TRUST FUND.

DECEMBER 31st, 1902.

The Managers of the Trust created by The Pennsylvania Railroad Company October 9th, 1878, present the following report to the Board of Directors:—

RECEIPTS.

Cash received from The Pennsylvania Railroad Company, from the creation of the Trust to December 31st, 1901,	\$5,036,646.04
And during the year 1902, being the appropriation from earnings of 1901,	109,673.45
	<u>\$5,146,319.49</u>
Amount realized from securities matured and sold to December 31st, 1901,	116,782.00
Amount realized from securities redeemed during year ending December 31st, 1902,	1,000.00
Interest received upon deposits to December 31st, 1901,	\$5,014.18
And during the year ending December 31st, 1902,	134.87
	<u>5,149.05</u>
Interest received upon securities purchased to December 31st, 1901,	\$8,517,161.94
Interest received during the year ending December 31st, 1902, upon securities purchased,	532,478.26
	<u>9,049,640.20</u>
	<u>\$14,318,890.74</u>

DISBURSEMENTS.

Cash paid for securities purchased and held in the Trust, and for securities paid at maturity and delivered to The Pennsylvania Railroad Company, to December 31st, 1901,	\$13,658,514.39
Paid for securities purchased during the year ending December 31st, 1902,	643,567.95
	<u>\$14,302,082.34</u>
Expenses to December 31st, 1901,	\$15,200.52
And during the year ending December 31st, 1902,	450.00
	<u>15,650.52</u>
Cash Balance on deposit December 31st, 1902 :—	
With Pennsylvania Company for Insurances on Lives and Granting Annuities,	\$1,107.88
With Provident Life and Trust Company,	50.00
	<u>1,157.88</u>
	<u>\$14,318,890.74</u>

	PAR VALUE.	COSTING.
Amount of securities held in the Trust December 31st, 1901,	\$10,926,090.00	\$11,078,929.09
Securities purchased during 1902,	621,140.00	643,567.95
	<u>\$11,547,230.00</u>	<u>\$11,722,497.04</u>
Deduct securities matured during the year 1902,	1,000.00	1,000.00
Leaves the amount of securities held in the Trust December 31st, 1902,	<u>\$11,546,230.00</u>	<u>\$11,721,497.04</u>

LEWIS NEILSON,
Secretary of the Trust.

N. P. SHORTRIDGE,
A. J. CASSATT,
JNO. P. GREEN,
W. H. BARNES,
GEORGE WOOD, } *Managers
of the
Trust.*

NOTE.—The securities held in the Trust at date of December 31st, 1902, bear a rate of interest yielding a fraction over 4½ per cent.

The auditors appointed by the Board of Directors of The Pennsylvania Railroad Company to audit the accounts of the Managers of the Trust created October 9th, 1878, and make actual inspection of the securities held in and for the Trust, hereby certify that they have examined the accounts of the Managers of the Trust for the year ending December 31st, 1902, and find the same correct; that they also find that during the year ending December 31st, 1902, there have been purchased securities amounting, at par, to \$621,140, costing, as evidenced by the original bills of purchase exhibited to the auditors, \$643,567.95; that they have made actual inspection of the securities held in the Trust, at date of December 31st, 1902 (with the exception of the coupons purchased, which have been examined for each year by persons duly appointed for that purpose by the auditors for the time being), and find the total par value thereof to be \$11,546,230.

	PAR VALUE.	COST.
The securities held in the Trust December 31st, 1901, were shown by the audit of that date to be	\$10,926,090.00	
And to have cost		\$11,078,929.09
During the year ending December 31st, 1902, of the securities held in the Trust there were redeemed	1,000.00	
Costing		1,000.00
Leaving balance of par value,	\$10,925,090.00	
Costing		\$11,077,929.09
There were purchased during the year ending December 31st, 1902, as before stated, securities of a par value of	621,140.00	
Costing		643,567.95
Which, added to the balance above, gives par value of securities held in the Trust, December 31st, 1902,	\$11,546,230.00	
Costing		\$11,721,497.04

And they further find that the balance in the hands of the Managers of the Trust, at date of December 31st, 1902, was one thousand one hundred and fifty-seven dollars and eighty-eight cents (\$1,157.88).

Philadelphia, February 25th, 1903.

JOHN B. GEST, }
R. DALE BENSON, } *Auditors.*

REPORT OF THE SINKING FUNDS OF THE CONSOLIDATED MORTGAGE, JULY 1, 1873, OF THE PENNSYLVANIA RAILROAD COMPANY.

DECEMBER 31, 1902.

SINKING FUND.	FOR BONDS MATURING	ORIGINAL ISSUE.	REDEEMED AND CANCELLED.	OUTSTANDING.
No. 1,	{ June 15, 1905,	\$5,000,000.00	\$282,000.00	\$4,718,000.00
	{ July 1, 1905,	24,250,000.00	1,487,980.00	22,762,020.00
	{ Sept. 1, 1919,	5,000,000.00	2,000.00	4,998,000.00
No. 2,	{ May 1, 1943,	3,000,000.00	147,000.00	2,853,000.00
No. 3,	{ July 1, 1945,	4,850,000.00	. . . . .	4,850,000.00
		\$42,100,000.00	\$1,918,980.00	\$40,181,020.00

RECEIPTS.

	No. 1.	No. 2.	No. 3.	TOTAL.
From The Pennsylvania R. R. Co.—annual contributions from the creation of the Sinking Funds to December 31, 1902,	\$7,613,260.00	\$147,040.00	\$145,500.00	\$7,905,800.00
Interest on Bonds, Mortgages, and City Loans,	2,319,936.49	. . . . .	. . . . .	2,319,936.49
Profit on sale of Securities,	1,220.00	. . . . .	. . . . .	1,220.00
	\$9,934,416.49	\$147,040.00	\$145,500.00	\$10,226,956.49

DISBURSEMENTS.

For Pennsylvania R. R. Co. Consolidated Mortgage Bonds, redeemed and cancelled, as follows:				
MATURING				
Currency 6% Coupon June 15, 1905,	\$243,000.00	. . . . .	. . . . .	\$243,000.00
Currency 6% Registered June 15, 1905,	39,000.00	. . . . .	. . . . .	39,000.00
Sterling 6% Coupon July 1, 1905,	1,487,980.00	. . . . .	. . . . .	1,487,980.00
Currency 5% Registered Sept. 1, 1919,	2,000.00	. . . . .	. . . . .	2,000.00
Currency 4% Coupon Regd. May 1, 1943, . . . . .	. . . . .	\$147,000.00	. . . . .	147,000.00
	\$1,771,980.00	\$147,000.00	. . . . .	\$1,918,980.00
Expenses,	1,600.00	. . . . .	. . . . .	1,600.00
	\$1,773,580.00	\$147,000.00	. . . . .	\$1,920,580.00
<u>Amount of Fund, December 31st, 1902, \$8,306,376.49.</u>				
Invested in securities and cash as follows:				
Bonds and Mortgages secured by real estate,	7,161,604.90	. . . . .	\$145,500.00	7,307,104.90
Pennsylvania R. R. Co. Consolidated Mortgage 4% Coupon Bonds, issue of May 1, 1893, held uncanceled,	243,000.00	. . . . .	. . . . .	243,000.00
City of Philadelphia Loans:				
SERIES MATURING				
"H" 3% Dec. 31, 1912,	\$40,200.00	. . . . .	. . . . .
"I" 3% Dec. 31, 1913,	24,500.00	. . . . .	. . . . .
"E" 3½% Dec. 31, 1908,	102,990.00	. . . . .	. . . . .
"F" 3½% Dec. 31, 1909,	103,190.00	. . . . .	. . . . .
"L" 3½% Dec. 31, 1915,	73,255.00	. . . . .	. . . . .
"Q" 3½% Dec. 31, 1921,	42,264.00	. . . . .	. . . . .
"S" 3½% Dec. 31, 1923,	74,165.00	. . . . .	. . . . .
"T" 3½% Dec. 31, 1924,	21,220.00	. . . . .	. . . . .
	481,784.00	. . . . .	. . . . .	481,784.00
Columbia and Port Deposit Ry. Co. 4% Coupon Bonds,	106,000.00	. . . . .	. . . . .	106,000.00
Cash on deposit with The Pennsylvania R. R. Co.,	168,447.59	40.00	. . . . .	168,487.59
	\$9,934,416.49	\$147,040.00	\$145,500.00	\$10,226,956.49

The securities above named are all in my possession.

ROBT. W. SMITH,
Treasurer.

Examined and found correct.

R. W. DOWNING,
Comptroller.

A. J. CASSATT,
President.

ROBT. W. SMITH,
Treasurer.

N. P. SHORTRIDGE,
Chairman Finance Committee.

Trustees
of the
Sinking Funds.

STATEMENT OF THE INSURANCE FUND

FOR THE YEAR ENDING DECEMBER 31st, 1902.

ALL LINES EAST OF PITTSBURGH AND ERIE, EXCEPT NORTHERN CENTRAL RAILWAY COMPANY.

RECEIPTS.

Amounts received from securities matured,		\$77,000.00
Contributions to fund, chargeable to operating expenses,	\$631,582.18	
Interest from securities,	203,754.32	
		835,336.50
Balance December 31st, 1901,		31,513.57
		<u>\$943,850.07</u>

DISBURSEMENTS.

Balance December 31st, 1901,		\$14,546.38
Amount paid for fire, marine, and other insurance,	\$42,646.07	
Amount reimbursed operating department,	674,410.38	
		717,056.45
Sundry expenses,		13,247.24
Purchase of securities,		199,000.00
		<u>\$943,850.07</u>

ASSETS OF THE INSURANCE FUND:—

United States Government four per cent. bonds,	\$100,000.00	
City of Philadelphia three per cent. bonds,	250,000.00	
Philadelphia, Wilmington and Baltimore Railroad Company four per cent. bonds,	200,000.00	
Philadelphia and Erie Railroad Company four per cent. bonds,	450,000.00	
Erie and Pittsburgh Railroad Company three and one-half per cent. bonds,	100,000.00	
Pittsburgh, Youngstown and Ashtabula Railroad Company five per cent. bonds,	250,000.00	
Philadelphia and Baltimore Central Railroad Company four and one-half per cent. bonds,	275,000.00	
Pennsylvania Car Trust three and one-half per cent. certificates,	525,000.00	
Ridgway and Clearfield Railroad Company five per cent. bonds,	491,000.00	
Cambria and Clearfield Railroad Company five per cent. bonds,	100,000.00	
Pittsburgh, Cincinnati, Chicago and St. Louis Railway Co. four and one-half per cent. bonds,	150,000.00	
Pittsburgh, Cincinnati, Chicago and St. Louis Railway Co. three and one-half per cent. bonds,	100,000.00	
Northern Central Railway Company five per cent. bonds,	105,000.00	
Pennsylvania Company guaranteed three and one-half per cent. certificates,	675,000.00	
Columbia and Port Deposit Railway Company four per cent. bonds,	420,000.00	
Freehold and Jamesburg Agricultural Railroad Company six per cent. bonds,	180,150.00	
Sunbury, Hazleton and Wilkesbarre Railway Company five per cent. bonds,	98,000.00	
Allegheny Valley Railway Company four per cent. bonds,	60,000.00	
Ebensburg and Black Lick Railroad Company five per cent. bonds,	55,000.00	
Grand Rapids and Indiana Railroad Company three and one-half per cent. bonds,	350,000.00	
Pennsylvania Equipment Trust three and one-half per cent. certificates,	41,000.00	
Shamokin Valley and Pottsville Railroad Company three and one-half per cent. bonds,	25,000.00	
		\$5,000,150.00
Balance December 31st, 1901,		31,513.57
		<u>\$4,968,636.43</u>
Value of the Insurance Fund December 31st, 1901,	\$4,863,603.62	
Value of the Insurance Fund December 31st, 1902,	4,968,636.43	
		<u>\$105,032.81</u>
Increase, 1902,		

The securities above named are all in my possession.

ROBT. W. SMITH,

Treasurer.

Examined and found correct.

R. W. DOWNING,

Comptroller.

HUGH B. ELY,

Superintendent Insurance Department.

Approved:

N. P. SHORTRIDGE,

AMOS R. LITTLE,

GEORGE WOOD,

Insurance Committee.

STATEMENT OF THE PENNSYLVANIA RAILROAD VOLUNTARY RELIEF DEPARTMENT

FOR THE YEAR ENDING DECEMBER 31st, 1902.

RECEIPTS.

Cash balance, December 31st, 1901,	\$357,269.45	
Contributions by members,	1,061,103.01	
Interest,	14,189.64	
Deficiencies paid by companies,	70,865.06	
Operating expenses paid by companies,	164,446.29	
		<u>\$1,667,873.45</u>

DISBURSEMENTS.

Death benefits, accident,	\$159,967.06	
Death benefits, natural,	307,916.53	
Disablement benefits, accident,	226,189.55	
Disablement benefits, sickness,	426,667.50	
Operating expenses,	164,446.29	
		<u>1,285,186.93</u>
Balance to credit of the Fund on deposit with Treasurer of The Pennsylvania Railroad Company,		\$382,686.52

MEMBERSHIP.

Pennsylvania Railroad, December 31st, 1902,	58,769
Philadelphia, Baltimore and Washington Railroad, December 31st, 1902,	5,778
Northern Central Railway, December 31st, 1902,	4,138
West Jersey and Seashore Railroad, December 31st, 1902,	1,622
Total, December 31st, 1902,	<u>70,307</u>
Total, December 31st, 1901,	<u>59,670</u>
Increase,	<u>10,637</u>

RELIEF FUND SURPLUS ACCOUNT.

Amount to credit of this Fund, December 31st, 1902,	<u>\$751,256.25</u>
To meet this Surplus Fund balance, the Relief Fund has the following assets:—	
330,000 Columbia and Port Deposit Railway Company 4 per cent. mortgage coupon bonds,	} COST. <u>\$751,256.25</u>
159,000 Western New York and Pennsylvania Railway Company general mortgage four per cent. coupon gold bonds,	
247,000 Chesapeake and Ohio Railway Company general mortgage 4½ per cent. coupon registered gold bonds,	
<u>736,000</u>	

SPENCER MEADE,
Superintendent.

The securities above named are all in my possession.

ROBT. W. SMITH,
Treasurer.

Examined and found correct.

R. W. DOWNING,
Comptroller

STATEMENT OF THE PENNSYLVANIA RAILROAD EMPLOYEES' SAVING FUND
FOR THE YEAR ENDING DECEMBER 31st, 1902.

RECEIPTS.	
Balance on hand December 31st, 1901,	\$3,219,908.22
Deposits,	958,060.00
Interest on securities and cash balances,	100,310.66
Accrued interest on securities to December 31st, 1902,	21,520.83
From Pennsylvania Railroad Company, to cover operating expenses,	6,059.73
	\$4,305,859.44
DISBURSEMENTS.	
Withdrawals,	\$891,549.21
Operating expenses,	6,059.73
	897,608.94
Total amount of fund, December 31st, 1902,	\$3,408,250.50
Representing:	
Amount due depositors December 31st, 1901,	\$3,207,145.40
Received from depositors during 1902,	958,060.00
Withdrawals during 1902,	891,549.21
	66,510.79
Interest allowed depositors during 1902 at 3½ per cent.,	\$112,204.30
Extra interest allowed December 31st, at ½ per cent.,	15,256.48
	127,460.78
Amount due depositors December 31st, 1902,	3,401,116.97
Balance,	\$7,133.53

This Fund is invested in the following securities:—

City of Philadelphia 3½ per cent. serial loan certificate, Series "D," maturing Dec. 31st, 1907, \$100,000.00	\$100,000.00
City of Philadelphia 3½ per cent. serial loan certificate, Series "G," maturing Dec. 31st, 1910, 100,000.00	100,000.00
City of Philadelphia 3½ per cent. serial loan certificate, Series "R," maturing Dec. 31st, 1922, 100,000.00	100,000.00
City of Philadelphia 3 per cent. serial loan of June 17th, 1893, Series "J," maturing Dec. 31st, 1917, 200,000.00	200,000.00
Philadelphia and Erie Railroad Co. general mortgage 4 per cent. registered bonds, maturing July 1st, 1920,	300,000.00
Pennsylvania Railroad Co. 4 per cent. Equipment Trust coupon bonds, maturing Sept. 1st, 1914, 100,000.00	100,000.00
Philadelphia, Wilmington and Baltimore Railroad Co. 4 per cent. registered debenture bonds, maturing January 1st, 1926,	450,000.00
Columbia and Port Deposit Railway Co. 4 per cent. mortgage coupon bonds, maturing August 1st, 1940,	200,000.00
Belvidere Delaware Railroad Co. consolidated mortgage 4 per cent. registered bonds, maturing January 1st, 1933,	200,000.00
Camden and Burlington County Railroad Co. first mortgage 4 per cent. coupon bonds, maturing February 1st, 1927,	350,000.00
Grand Rapids and Indiana Railroad Co. first mortgage 3½ per cent. bonds, maturing July 1st, 1941,	300,000.00
Junction Railroad Co. general mortgage 3½ per cent. registered coupon bonds, maturing April 1st, 1930,	300,000.00
Pennsylvania Co. 3½ per cent. guaranteed trust certificates, Series "A," maturing Sept. 1st, 1937, 100,000.00	100,000.00
Pennsylvania Car Trust 3½ per cent. certificates, Series "C," maturing Nov. 1st, 1907,	100,000.00
Pennsylvania Car Trust 3½ per cent. certificates, Series "C," maturing Nov. 1st, 1908,	100,000.00
Connecting Railway Co. mortgage 3½ per cent. gold coupon bonds, maturing Mar. 15th, 1932, 300,000.00	300,000.00

Total par value of securities,	\$3,300,000.00
Cash on deposit with Treasurer of The Pennsylvania Railroad Co.,	106,627.21
Amount due by agents,	9,122.00
Accrued interest to December 31st, 1902,	21,520.83
	\$3,437,270.04
Less outstanding orders on Treasurer,	29,019.54
	\$3,408,250.50
Amount in the Saving Fund, December 31st, 1902,	\$3,408,250.50
Amount in the Saving Fund, December 31st, 1901,	3,219,908.22
Increase, 1902,	\$188,342.28

The number of depositors is 7,997, an increase of 942 as compared with the preceding year.

The securities above named are all in my possession.

ROBT. W. SMITH,
Treasurer.

Examined and found correct.

R. W. DOWNING,
Comptroller.

Approved:

JNO. P. GREEN,
First Vice-President.
ROBT. W. SMITH,
Treasurer.
N. P. SHORTTRIDGE,
Chairman Finance Committee.

Trustees
of the
Saving Fund.

A. J. COUNTY,
Superintendent.

PENNSYLVANIA COMPANY.

ASSETS.

GENERAL BALANCE-SHEET, DECEMBER 31st, 1902.

			COMPARISON WITH DECEMBER 31st, 1901.	
			INCREASE.	DECREASE.
Securities,	\$99,892,165.19		\$7,515,152.66	
Equipment,	X8,002,509.90		34,415.60	
Real estate,	⊕1,000,861.25		26,969.95	
Real estate in trust,	404,586.97		101,644.00	
Steubenville Extension R. R., Lease,	1,238,572.92			
		\$110,538,696.23		
CURRENT ASSETS.				
Due by leased roads for betterments,	\$3,341,689.37		1,569,628.23	
Due by other companies, in current account,	1,512,967.95		786,880.80	
Due by other companies for advances,	1,570,029.62		1,109,754.84	
Due by station agents and ticket receivers,	1,214,718.65		284,716.95	
Bills receivable,	366,842.00		67,746.72	
Material on hand,	2,124,098.63		621,926.17	
Miscellaneous assets,	3,046,015.04		602,540.86	
Cash in hands of Treasurer, \$1,427,760.85			481,225.22	
Cash on deposit with financial agents to pay interest on funded debt, 482,580.00			25,337.50	
	1,910,340.85			
		15,086,702.11		
SINKING FUNDS.				
For Pennsylvania Company first mortgage 4½ percent bonds,	\$940,745.00			
Less 533 bonds redeemed and cancelled,	533,000.00			
		407,745.00	23,985.00	
For Leased Roads :—				
First mortgage bonds, Pittsburgh, Fort Wayne and Chicago Railway Company,	\$1,468,401.69		26,999.11	
Second mortgage bonds, Pittsburgh, Fort Wayne and Chicago Railway Company,	1,447,020.60		28,895.37	
		2,915,422.29		
Total,		\$128,948,565.63	\$13,307,818.98	

X Includes \$4,860,711.12 heretofore shown as Union Line property.

⊕ Includes \$75,000 heretofore shown as Union Line property.

PENNSYLVANIA COMPANY.

GENERAL BALANCE-SHEET, DECEMBER 31st, 1902.

LIABILITIES.

			COMPARISON WITH DECEMBER 31st, 1901.	
			INCREASE.	DECREASE.
Capital stock,		\$40,000,000.00		
FUNDED DEBT.				
First mortgage 4½ per cent. bonds, due July 1st, 1921, issued,	\$20,000,000.00			
Less 533 bonds in Sinking Fund,	533,000.00	\$19,467,000.00		
Guaranteed 3½ per cent. Trust Certificates, Series "A," due September 1st, 1937,	\$5,000,000.00			
Less 100 certificates retired through Sinking Fund,	100,000.00	4,900,000.00		\$50,000.00
Guaranteed 3½ per cent. Trust Certificates, Series "B," due February 1st, 1941,	\$10,000,000.00			
Less 102 certificates retired through Sinking Fund,	102,000.00	9,898,000.00		102,000.00
Guaranteed 3½ per cent. Trust Certificates, Series "C," due December 1st, 1942,		5,000,000.00	5,000,000.00	
Three and one-half per cent. Gold Loan of 1901,	\$20,000,000.00			
Less 1307 certificates retired through Sink- ing Fund,	1,307,000.00	\$18,693,000.00	\$2,693,000.00	
Mortgages and ground rents payable,	60,000.00			
Total funded debt,		58,018,000.00		
Collateral loans,		3,000,000.00	3,000,000.00	
Extraordinary Expenditure Fund,		3,539,219.11	886,316.49	
CURRENT LIABILITIES.				
Due lessor companies for supplies,	\$831,831.58			
Due other companies, in current account,	3,145,572.47			1,381,082.59
Due for current expenditures in operating leased roads,	3,937,306.33		984,098.63	
Miscellaneous liabilities,	3,220,222.61			291,303.33
Interest due and unpaid on funded debt,	568,610.00		111,367.50	
Accrued interest on funded debt,	238,950.83			81,299.17
Total current liabilities,		11,942,493.82		
Contributions to Sinking Fund for First Mortgage 4½ per cent. bonds,		940,745.00	23,985.00	
Contributions to Sinking Fund for Guaranteed 3½ per cent. Trust Certificates,		198,960.00	148,960.00	
Contributions to Sinking Fund, 3½ per cent. Gold Loan of 1901,		1,556,333.34	1,334,000.00	
Fund for redemption of Third Mortgage Bonds of Pitts- burgh, Fort Wayne and Chicago Railway Company, due July 1st, 1912,		307,287.48	160,393.49	
Trustees Sinking Fund, 4½ per cent. bonds,		407,745.00	23,985.00	
Reserve Fund, leased roads,		2,915,422.29	55,894.48	
Balance to credit of Profit and Loss,		6,122,359.59	791,503.48	
Total,		\$128,948,565.63	\$13,307,818.98	

X Includes \$27,000 certificates drawn for Sinking Fund, on which interest has ceased, but which have not been presented for redemption.

J. W. RENNER,
Comptroller.

PITTSBURGH, CINCINNATI, CHICAGO AND ST. LOUIS RAILWAY COMPANY.

ASSETS.

GENERAL BALANCE-SHEET, DECEMBER 31st, 1902.

		COMPARISON WITH DECEMBER 31st, 1901.	
		INCREASE.	DECREASE.
COST OF ROAD, EQUIPMENT, &C.			
Construction, right of way, and real estate,	\$83,488,943.73	\$1,505,682.23	
Equipment,	8,801,545.05	500,000.00	
Amount of securities issued in readjustment of funded debt,	4,087,500.00		
Net amount of securities issued since October 1st, 1890, under the plan of reorganization of Columbus, Chicago and Indiana Central Railway Company,	429,248.24	15,550.38	
Total cost of road, &c.,	\$96,807,237.02	\$2,021,232.61	
SECURITIES.			
Securities of other companies,		1,175,448.30	\$1,236,250.00
CURRENT ASSETS.			
Due by other companies,	\$1,003,964.13		\$371,253.87
Due by Little Miami Railroad Company for betterments,	130,976.42	\$92,959.88	
Due on miscellaneous accounts,	2,967,173.43	1,341,663.73	
Due by station agents and ticket receivers,	639,062.74	128,244.60	
Bills receivable,	121,500.00	118,218.12	
Material on hand,	1,635,564.16	284,517.35	
Cash in hands of Treasurer,	\$920,728.31	328,494.56	
Cash deposited with financial agents for interest on bonds,	255,061.21		2,309.50
Cash remitted by agents, in transit,	1,175,789.52		
Cash in hands of trustee of Sinking Fund, Jeffersonville, Madison and Indianapolis Railroad Company, first mortgage bonds,	328,386.86	29,318.87	
	42,004.02		10,658.89
		8,044,421.28	\$1,939,194.85
SINKING FUNDS.			
Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company Consolidated Mortgage Bonds,	\$875,187.10		
Less bonds redeemed and cancelled,	875,000.00		
Securities in Fund for redemption of Dayton and Western Railroad Company bonds maturing January 1st, 1905,		187.10	\$27,669.11
		317,307.25	115,307.25
Total,		\$106,344,600.95	\$2,811,815.60

PITTSBURGH, CINCINNATI, CHICAGO AND ST. LOUIS RAILWAY COMPANY.

GENERAL BALANCE-SHEET, DECEMBER 31st, 1902.

LIABILITIES.

		COMPARISON WITH DECEMBER 31st, 1901.	
		INCREASE.	DECREASE.
CAPITAL STOCK.			
Common stock, P., C., C. & St. L. Ry. Co.	\$24,776,800.00	\$23,100.00	
Common stock, P., C. & St. L. Ry. Co., scrip.	734.14		\$173.28
Common stock, P., C. & St. L. Ry. Co.,	26,750.00		250.00
Common stock, S. & I. R. R. Co.,	80,771.66		300.00
Common stock, C., St. L. & P. R. R. Co.,	442,267.00		6,200.00
Common stock, J., M. & I. R. R. Co.,	5,000.00		
	\$25,332,322.80		
Preferred stock, P., C., C. & St. L. Ry. Co.,	\$22,698,200.00	800.00	
Preferred stock, P., C., C. & St. L. Ry. Co., scrip.	916.02		250.00
First preferred stock, S. & I. R. R. Co.,	750.00		
Preferred stock, C., St. L. & P. R. R. Co.,	6,052.62		
	22,705,918.64		
	\$48,038,241.44	\$16,726.72	
FUNDED DEBT.			
Con. Mtg. 4½ per ct. bonds, Series "A," P. C. C. & St. L. Ry. Co., due 1910	\$10,000,000.00		
Con. Mtg. 4½ per ct. bonds, Series "B," P. C. C. & St. L. Ry. Co., due 1912	8,786,000.00		
Con. Mtg. 4½ per ct. bonds, Series "C," P. C. C. & St. L. Ry. Co., due 1912	1,379,000.00		
Con. Mtg. 4 per ct. bonds, Series "D," P. C. C. & St. L. Ry. Co., due 1945,	\$5,120,000.00		
Less 137 bonds in Sinking Fund,	137,000.00		
	4,983,000.00		
Con. Mtg. 3½ per ct. bonds, Series "E," P. C. C. & St. L. Ry. Co., due 1949,	\$11,575,000.00		
Less 738 bonds in Sinking Fund,	738,000.00		
	10,837,000.00	\$1,583,000.00	
1st Con. Mtg. 7 per ct. coup. bonds, P. C. & St. L. Ry. Co., due 1900	3,000.00		
1st Mtg. (ext.) 5 per ct. reg. bonds, S. & I. R. R. Co., due 1914,	3,000,000.00		
Con. Mtg. 5 per ct. coup. bonds, C. St. L. & P. R. R. Co., due 1932,	1,217,000.00		\$35,000.00
Con. Mtg. 5 per ct. reg. bonds, C. St. L. & P. R. R. Co., due 1932,	289,000.00	35,000.00	
1st Mtg. 7 per ct. bonds, U. & L. R. R. Co., due 1905,	715,000.00		
1st Mtg. 7 per ct. bonds, C. & I. C. Ry. Co., due 1904,	2,335,000.00		105,000.00
2d Mtg. 7 per ct. bonds, C. & I. C. Ry. Co., due 1904,	686,000.00		14,000.00
1st Mtg. 7 per ct. bonds, J. M. & I. R. R. Co., due 1906, \$2,943,000.00			
Less 2212 bonds in Sinking Fund,	2,212,000.00		
	* 731,000.00		233,000.00
2d Mtg. 7 per ct. bonds, J. M. & I. R. R. Co., due 1910,	1,970,000.00		5,000.00
	46,931,000.00	\$1,226,000.00	
DEFERRED LIABILITIES.			
Real estate of Columbus and Xenia R. R. Co. at Columbus, O., sold to Union Depot Co.,	\$37,298.75		
Real estate of Dayton and Western R. R. Co. at Dayton, O., leased to Dayton Union Ry. Co.,	47,253.00		
	84,551.75		
CURRENT LIABILITIES.			
Accounts payable for current expenditures,	\$3,122,086.82	\$416,487.50	
Due other companies,	1,279,632.74	756,151.67	
Matured interest on bonds,	268,208.21		\$2,307.50
Accrued interest on bonds,	480,061.24	30,409.17	
Miscellaneous liabilities,	408,383.06		80,405.29
Unclaimed dividends,	1,242.00		707.00
	5,559,614.07	\$1,119,628.55	
SINKING FUNDS.			
Contributions to Sinking Fund, P. C. C. & St. L. Ry. Co. consolidated mortgage bonds,	\$875,187.10	\$389,330.89	
Sinking Fund for retirement of Dayton and Western R. R. Co. bonds maturing January 1st, 1905,	333,690.94	69,690.94	
	1,208,878.04	\$459,021.83	
Trustees' Sinking Fund consolidated mortgage bonds,	187.10		\$27,669.11
Dividend of 2 per ct. on preferred stock, payable Jan. 15th, 1903	453,964.00	14.00	
Dividend of 1½ per ct. on common stock, payable Feb. 16th, 1903	371,652.00	312.00	
Balance to credit of Profit and Loss,	3,696,512.55	17,781.61	
Total,	\$106,344,600.95	\$2,811,815.60	

* Includes 35 bonds drawn for sinking fund on which interest has ceased, but which have not yet been presented for redemption.

J. W. RENNER,
Comptroller.

APPENDIX.

INCOME ACCOUNTS.

ALL CORPORATIONS EAST AND WEST OF PITTSBURGH AND ERIE OWNED, OPERATED, OR CONTROLLED BY OR AFFILIATED IN INTEREST WITH
THE PENNSYLVANIA RAILROAD SYSTEM.
FOR THE YEAR ENDING DECEMBER 31ST, 1902.

MILEAGE	PENNSYLVANIA RAILROAD COMPANY. ALL LINES OPERATED DIRECTLY.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.	RENTAL RECEIVED BY SUBSIDIARY COMPANY.	OTHER INCOME.	GROSS INCOME.	INTEREST AND OTHER CHARGES, INCLUDING EXTRAORDINARY EXPENDITURE FUND.	NET INCOME.	DIVIDENDS.	SURPLUS OR DEFICIT.	INCREASE OR DECREASE.	PROFIT OR LOSS TO PROPRIETARY COMPANY.	INCREASE OR DECREASE, AS COMPARED WITH 1901.
923.16	Pennsylvania Railroad,	\$57,110,175.72	\$34,535,283.55	\$22,574,842.17	.....	\$12,612,496.70	\$35,046,187.73	\$22,232,753.12	\$12,813,434.61	\$12,262,491.00	\$550,943.61	I. \$550,943.61		
	Harrisburg, Portsmouth, Mt. Joy and Lancaster R. R., . . . . .	.....	.....	.....	\$128,186.24	6,329.66	134,515.90	45,143.14	89,372.76	88,691.25	681.51	D. 5,939.39		
	Including West Chester R. R., . . . . .	.....	.....	.....	12,964.90	.....	12,964.90	4,714.90	8,250.00	8,250.00	.....	.....
	River Front R. R., . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Trenton Cut-off R. R., . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Sang Hollow Extension W.P.R.R. Turtle Creek Valley R. R., . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37.58	Δ Schuylkill and Juniata R. R.,	1,070,600.06	763,542.08	307,057.98	307,057.98	.....	307,057.98	113,423.39	193,634.59	.....	193,634.59	I. 10,987.83		
26.70	Downingtown and Lancaster R. R.,	88,032.03	98,496.45	Excess, 10,464.42	.....	.....	10,464.42	15,935.49	26,399.91	.....	26,399.91	I. 15,151.41	L. \$10,464.42	I. \$10,464.42
15.21	Pomeroy and Newark R. R.,	44,493.87	59,693.46	Excess, 15,199.59	.....	.....	15,199.59	1,595.38	16,794.97	.....	16,794.97	I. 1,758.10	L. 15,199.59	I. 1,857.75
104.76	Lancaster and Reading Narrow Gauge R. R.,	52,175.81	39,641.97	12,533.84	12,533.84	.....	12,533.84	2,019.81	10,514.03	.....	10,514.03	I. 4,432.80		
307.01	⊕ Columbia and Port Deposit Ry.,	145,320.80	109,965.64	35,355.16	35,355.16	.....	35,355.16	36,558.71	1,203.55	20,833.34	22,036.89	I. 35,229.79		
49.17	⊕ York, Hanover and Frederick R. R.,	81,469.49	79,646.56	1,822.84	1,822.84	.....	1,822.84	5,139.59	3,316.75	.....	3,316.75	I. 4,344.17		
85.12	Bedford and Bridgeport Ry.,	387,727.87	278,060.49	109,667.38	109,667.38	.....	109,667.38	92,099.65	17,567.73	.....	17,567.73	D. 33,793.20		
92.63	Lewisburg and Tyrone R. R.,	160,340.03	158,886.74	1,453.29	1,453.29	.....	1,453.29	20,391.03	18,937.74	.....	18,937.74	I. 34,554.01		
141.64	Bald Eagle Valley R. R.,	817,911.92	528,551.13	289,360.79	328,091.74	14,647.73	342,739.49	46,286.22	296,453.27	140,625.00	155,828.27	I. 75,832.99	L. 38,730.95	I. 24,391.99
4.44	Tyrone and Clearfield Ry.,	802,059.63	602,806.12	199,253.51	118,140.72	.....	118,140.72	58,140.72	60,000.00	50,000.00	10,000.00	.....	P. 81,112.79	I. 33,193.71
78.64	Tipton R. R., . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
29.51	⊕ Pennsylvania and North Western R. R.,	718,750.10	471,238.73	247,511.37	247,511.37	2,244.99	249,756.36	138,650.11	111,106.25	89,866.00	21,240.25	I. 21,240.25		
104.76	Cresson and Irvona R. R.,	129,386.62	85,955.11	43,431.51	43,431.51	.....	43,431.51	33,933.07	9,498.44	.....	9,498.44	I. 5,892.40		
20.88	Cambria and Clearfield R. R.,	623,192.55	482,012.04	141,180.51	141,180.51	.....	141,180.51	141,180.51	.....	.....	.....	D. 2,787.03		
44.94	Ebensburg and Black Lick R. R.,	82,091.63	62,672.73	19,418.90	19,418.90	.....	19,418.90	10,673.76	8,745.14	.....	8,745.14	I. 2,833.10		
121.45	South Fork R. R.,	398,420.81	301,111.17	97,109.64	97,109.64	.....	97,109.64	18,590.01	78,519.63	.....	78,519.63	I. 46,877.78		
121.45	Western Pennsylvania R. R.,	2,417,475.15	1,816,097.90	571,377.25	301,668.01	.....	301,668.01	195,168.01	106,500.00	106,500.00	.....	.....	P. 269,709.24	D. 116,608.71
124.64	South West Pennsylvania Ry.,	2,047,514.54	1,518,518.59	528,995.95	528,995.95	2,926.91	531,892.86	370,995.17	160,897.69	149,990.00	10,907.69	I. 34,244.04		
6.04	Masontown and New Salem R. R.,	30,830.47	47,349.76	Excess, 16,469.29	12,071.44	.....	.....	.....	.....	.....	.....	.....	L. 28,540.73	I. 16,901.79
85.59	Pittsburgh, Virginia and Charleston Ry.,	3,650,290.27	2,521,449.13	1,128,841.14	1,128,841.14	6,614.16	1,135,455.30	871,387.30	264,068.00	264,068.00	.....	.....
14.60	Monongahela and Washington R. R.,	77,703.42	50,295.73	27,407.69	27,407.69	.....	27,407.69	3,328.89	24,078.80	.....	24,078.80	I. 27,684.34		
307.01	Philadelphia and Erie R. R.,	6,423,192.32	4,278,940.57	2,144,251.75	2,144,251.75	36,350.74	2,180,602.49	1,845,435.90	335,166.59	319,400.00	15,766.59	D. 160,402.01		
27.23	Ridgway and Clearfield R. R.,	184,943.96	91,932.97	93,010.99	57,933.95	.....	57,933.95	28,473.95	29,460.00	29,460.00	.....	.....	P. 35,077.04	I. 8,761.71
19.69	Johnsburg R. R.,	42,739.07	33,824.24	8,914.83	8,914.83	.....	8,914.83	13,372.60	4,457.77	.....	4,457.77	I. 10,532.95		
218.89	United New Jersey R. R. and Canal Co. (including Philadelphia and Trenton, River Front, Connecting, and New York Bay R. R.'s, and Trenton Delaware Bridge Co.,) Canal	23,910,979.49	16,560,752.70	7,349,326.79	3,954,625.82	253,543.19	4,208,169.01	1,830,585.82	2,377,583.19	2,124,040.00	.....	.....	P. 3,597,542.86	I. 1,029,897.48
66.00	Pennsylvania Annex,	112,863.40	115,291.87	Excess, 2,428.47	.....	.....	2,428.47	691.42	3,122.89	.....	3,122.89	I. 5,340.98	L. 2,428.47	I. 2,428.47
6.40	Perth Amboy and Woodbridge R. R.,	201,644.94	138,447.88	63,197.06	63,197.06	.....	63,197.06	9,556.82	53,640.24	22,840.00	30,800.24	I. 12,508.77		
6.64	Millstone and New Brunswick R. R.,	6,826.86	19,020.06	Excess, 12,193.20	.....	.....	12,193.20	1,142.76	13,335.96	.....	13,335.96	I. 4,959.71	L. 12,193.20	I. 4,760.02
6.54	Rocky Hill R. R. and Transportation Co.,	20,577.02	15,312.49	5,264.53	1,222.00	.....	1,222.00	100.00	1,122.00	1,122.00	.....	.....	P. 4,042.53	I. 11,336.25
82.11	Belvidere Delaware R. R.,	1,121,127.30	919,433.36	201,693.94	201,693.94	.....	201,693.94	183,650.20	18,043.74	.....	18,043.74	D. 112,156.04		
10.27	Delaware River R. R. and Bridge,	231,126.73	83,716.07	147,410.66	147,410.66	.....	147,410.66	61,071.95	86,338.71	52,000.00	34,338.71	I. 7,391.42		
27.54	Freehold and Jamesburg Agricultural R. R.,	184,263.55	150,137.14	34,076.41	34,076.41	.....	34,076.41	42,687.87	8,611.46	.....	8,611.46	I. 1,274.19		
10.84	Columbus, Kinkora and Springfield R. R.,	22,966.34	21,819.30	1,147.04	1,147.04	.....	1,147.04	.....	.....	.....	.....	.....
49.07	Philadelphia and Long Branch R. R.,	121,430.43	149,585.21	Excess, 28,154.78	.....	.....	28,154.78	45,756.92	73,911.70	.....	73,911.70	D. 4,515.97	L. 28,154.78	D. 5,047.48
12.09	Philadelphia and Beach Haven R. R.,	8,625.82	18,777.03	Excess, 10,171.21	.....	.....	10,171.21	1,163.92	11,335.13	.....	11,335.13	D. 2,180.09	L. 10,171.21	D. 2,165.17
29.61	Camden and Burlington County R. R.,	298,212.14	245,322.06	52,890.08	37,415.50	.....	37,415.50	14,123.00	23,292.50	22,915.50	377.00	D. 50	P. 15,474.58	I. 9,823.70
2.84	Vincetown Branch R. R.,	3,913.71	5,544.43	Excess, 1,630.77	900.00	.....	900.00	.....	900.00	.....	.....	.....	L. 2,530.77	I. 1,644.57
5.95	Mt. Holly, Lumberton and Medford R. R.,	4,931.94	12,294.14	Excess, 7,359.20	2,903.00	.....	2,903.00	20.00	2,883.00	2,703.00	180.00	I. 20.00	L. 10,262.20	I. 2,949.48
260.51	Allegheny Valley Ry.,	4,193,084.98	2,875,804.77	1,317,280.21	1,317,280.21	91.38	1,317,371.59	1,152,492.81	164,878.78	.....	164,878.78	I. 164,878.78		
548.77	Western New York and Pennsylvania Ry.,	4,300,967.97	4,288,991.99	11,975.98	.....	.....	.....	.....	.....	.....	.....	.....
67.32	Western New York and Pennsylvania Ry., (operated by the Pennsylvania Co.),	282,955.38	264,835.61	18,119.77	30,095.75	.....	30,095.75	1,121,317.96	1,091,222.21	.....	1,091,222.21	I. 850,588.78		
3,705.70	Total,	\$112,663,330.13	\$75,051,071.17	\$37,612,258.96	\$11,605,948.17	.....	.....	.....	.....	.....	.....	.....	\$13,844,282.72	

⊕ Excess of Operating Expenses over Gross Earnings. ⊕ Dividends guaranteed by Proprietary Company. ⊕ These totals do not include the figures of New Castle Branch of the Western New York and Pennsylvania Ry., operated by the Pennsylvania Co. * The net profit from operation of the various subsidiary lines is included in the amount shown on this statement as "Other Income" of the Pennsylvania Railroad. ⊕ From January 1st to May 31st, 1902. Δ From January 1st to March 31st, 1902. ♀ From March 1st to December 31st, 1902.

INCOME ACCOUNTS—(Continued.)

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Fifty-sixth Annual Report, The Pennsylvania Railroad Company.

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MILEAGE	COMPANIES EAST OF PITTSBURGH AND ERIE OPERATED UNDER THEIR OWN ORGANIZATIONS AND SUBSIDIARY LINES.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.	RENTAL RECEIVED BY SUBSIDIARY COMPANY.	OTHER INCOME.	GROSS INCOME.	INTEREST AND OTHER CHARGES, INCLUDING EXTRAORDINARY EXPENDITURE FUND.	NET INCOME.	DIVIDENDS.	SURPLUS OR DEFICIT.	INCREASE OR DECREASE.	PROFIT OR LOSS TO PROPRIETARY COMPANY.	INCREASE OR DECREASE AS COMPARED WITH 1901.
125.01	Philadelphia, Wilmington and Baltimore R. R. For the year ending October 31st, 1902.	\$6,365,412.97	\$4,084,151.77	\$2,281,261.20		\$566,489.97	\$2,798,346.52	\$2,443,766.02	\$354,580.50	\$354,580.50				
	Including													
	Junction R. R.,				\$49,404.65		49,404.65	34,404.65	15,000.00	15,000.00				
	South Chester R. R.,													
	Elkton and Middletown R. R. of Cecil County, Md.,													
96.38	⊕ Baltimore and Potomac R. R.,	2,615,261.66	1,751,943.52	863,321.14	863,321.14	23,323.63	886,644.77	886,644.77				D. \$150,000.00		
42.68	× Columbia and Port Deposit Ry.,	156,630.45	96,301.28	60,349.17	60,349.17		60,349.17	35,947.43	24,401.74	20,833.34	S. \$3,568.40	D. 11,462.43		
80.35	Philadelphia and Baltimore Central R. R. (including Chester Creek R. R.),	963,717.55	791,722.85	176,994.70	176,994.70	22,741.97	199,736.67	173,578.30	26,158.37		S. 26,158.37	L. 38,269.70		
11.89	Philadelphia and Delaware County R. R.,	27,209.30	24,914.53	2,294.77	2,294.77		2,294.77	9,792.73	7,497.96		D. 7,497.96	D. 3,012.15		
247.73	Delaware R. R.,	1,834,758.25	1,270,067.19	564,691.06	564,691.06	24,576.97	589,268.03	377,382.38	211,885.65	179,230.50	S. 32,655.15	D. 17,418.04		
97.53	Delaware, Maryland and Virginia R. R.,	263,181.00	222,394.55	40,786.45	40,786.45		40,786.45	48,717.96	7,931.51		D. 7,931.51	D. 11,644.17		
701.57	Total,	\$12,231,194.18	\$8,241,495.69	\$3,989,698.49	\$1,757,841.94									
329.52	West Jersey and Seashore R. R.,	\$3,801,317.84	\$2,812,083.51	\$989,234.30		\$23,190.14	\$1,012,424.44	\$758,581.94	\$253,842.50	\$253,842.50				
1.00	Cooper's Point and Philadelphia Ferry,	58,104.00	56,146.73	1,957.27	1,957.27		1,957.27	200.00	1,757.27		S. \$1,757.27	D. \$242.65		
1.00	Kensington and New Jersey Ferry,	34,377.02	23,177.69	11,199.33	11,199.33		11,199.33	45.23	11,154.10	5,661.00	S. 5,493.10	L. 934.12		
331.52	Total,	\$3,893,798.86	\$2,891,407.96	\$1,002,390.90	\$13,156.60									
148.43	Northern Central Ry.,	\$5,631,412.46	\$3,819,071.64	\$1,812,340.82		★ \$607,060.60	\$2,419,421.42	\$1,372,874.51	\$1,046,546.91	\$916,980.00	S. \$129,566.91	L. \$129,566.91		
12.88	Δ York Branch (Pennsylvania R. R.),	119,197.51	48,348.14	70,744.37	70,744.37		70,744.37							
55.65	Δ York, Hanover and Frederick R. R.,	119,552.06	117,849.93	1,702.13	1,702.13		1,702.13	9,336.83	7,634.70		D. 7,634.70	L. 16,051.41		
19.29	Lykens Valley R. R.,	48,683.25	61,394.19	⊖ Excess, 12,710.94	34,999.92								L. \$47,710.86	L. \$47,710.86
38.42	Shamokin Valley and Pottsville R. R.,	455,161.89	313,715.02	141,446.87	143,199.97	325.50	143,525.47	91,032.97	52,492.50	52,167.00	S. 325.50	L. 47.75	L. 1,753.10	L. 126,927.54
75.50	Elmira and Williamsport R. R.,	1,254,538.90	1,005,261.78	249,277.12	168,340.34	271.56	168,611.90	108,593.37	60,018.63	60,000.00	S. 18.63	L. 51	P. 80,936.78	L. 82,927.27
99.61	Elmira and Lake Ontario R. R.,	828,244.12	739,454.29	88,789.83	88,789.83		88,789.83	68,089.04	20,700.79		S. 20,700.79	L. 61,809.45		
449.78	Total,	\$8,456,685.19	\$6,105,094.99	\$2,351,590.20	\$507,776.56								★ P \$31,472.87	
82.20	Cumberland Valley R. R.,	\$1,066,129.74	\$712,342.16	\$353,787.58		\$18,375.05	\$372,162.63	★ \$156,379.65	\$215,782.98	\$142,228.00	S. \$73,554.98	L. \$66,808.58		
33.65	Cumberland Valley and Martinsburg R. R.,	86,364.04	95,398.02	⊖ Excess, 9,033.98			9,033.98	3,138.98	12,172.96		D. 12,172.96	L. 18,882.65	L. \$2,172.96	L. \$12,172.96
18.20	Cumberland Valley and Waynesboro R. R.,	52,517.87	43,052.40	9,465.47	9,465.47		9,465.47	883.56	8,581.91		S. 8,581.91	L. 2,104.20		
21.40	Southern Pennsylvania Ry. and Mining Co.,	32,952.14	32,204.49	747.65	747.65	247.25	994.90	681.00	313.90		S. 313.90	D. 2,903.95		
7.70	Dillsburg and Mechanicsburg R. R.,	18,536.87	13,176.51	5,360.36	5,360.36	120.00	5,480.36	6,240.76	760.40		D. 760.40	S. 3,953.16		
163.15	Total,	\$1,256,500.66	\$896,173.58	\$360,327.08	\$15,573.48								★ L \$12,172.96	
395.98	♣ Long Island R. R.,	\$5,893,607.24	\$4,111,550.94	\$1,772,056.30		\$332,687.57	\$2,104,743.87	\$2,104,743.87						
87.66	♣ Baltimore, Chesapeake and Atlantic Ry.,	777,805.61	575,133.52	202,672.09		3,676.67	206,348.76	186,372.71	\$19,976.05		S. \$19,976.05	D. \$1,467.54		
1.00	Philadelphia and Camden Ferry,	480,326.31	245,428.09	234,898.22		4,573.28	239,471.50	23,208.52	216,262.98	\$143,200.00	S. 73,062.98	L. 73,062.98		
	Pennsylvania Canal Co.,	6,515.81	19,548.53	⊖ Excess, 13,032.72		2,074.08	10,958.64	119,162.25	130,120.89		D. 130,120.89	D. 3,083.29		
484.64	Total,	\$7,148,254.97	\$4,951,661.08	\$2,196,593.89										
	Coal Companies:—													
	Lykens Valley Coal Co.,	\$467,279.05	\$577,325.10	⊖ Ex. \$110,046.05		\$1,270.00	\$108,776.05	\$49.41	\$108,825.46		D. \$108,825.46	L. \$15,342.98		
	Mineral R. R. and Mining Co.,	1,687,858.78	1,755,242.21	⊖ Ex. 67,383.43			67,383.43	250.00	67,633.43		D. 67,633.43	L. 203,629.87		
	Bumk Branch Mining Co.,	393,505.80	451,690.21	⊖ Ex. 53,184.41			53,184.41	108,825.46	162,009.87		D. 162,009.87	D. 212,022.40		
	Buquehanna Coal Co.,	2,664,333.88	2,600,152.05	64,181.83		19,829.85	84,011.68	124,813.78	40,832.10		D. 40,832.10	D. 73,545.23		
	Total,	\$5,217,977.51	\$5,384,409.57	⊖ Ex. \$166,432.06										
	Honor Real Estate and Trust Co.,	\$236,252.24	\$26,359.25	\$209,892.99		\$4,312.93	\$214,205.92	\$131,330.83	\$82,875.09		S. \$82,875.09	D. \$1,478.12		

⊖ Excess of Operating Expenses over Gross Earnings. † Dividends guaranteed by Proprietary Company. ★ The net profit from the operation of the various subsidiary lines is included in the amount shown on this statement as "Other Income" of the respective Proprietary Companies, and any net loss from such operation is included in the amount shown as "Interest and Other Charges, &c." of such Proprietary Company. ⊕ Includes mileage and operations of the Rosslyn Branch Wash. So. Ry. × From June 1st to October 31st, 1902. Δ From June 1st to December 31st, 1902. ♣ From September 1st, 1901, to August 31st, 1902. ♠ From July 1st, 1901, to June 30th, 1902.

INCOME ACCOUNTS (Continued).

MILEAGE.	COMPANIES WEST OF PITTSBURGH OPERATED UNDER THEIR OWN ORGANIZATIONS AND SUBSIDIARY LINES.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.	RENTAL RECEIVED BY SUBSIDIARY COMPANY.	OTHER INCOME.	GROSS INCOME.	INTEREST AND OTHER CHARGES, INCLUDING EXTRAORDINARY EXPENDITURE FUND.	NET INCOME.	DIVIDENDS.	SURPLUS OR DEFICIT.	INCREASE OR DECREASE.	PROFIT OR LOSS TO PROPRIETARY COMPANY.	INCREASE OR DECREASE AS COMPARED WITH 1901.
...	Pennsylvania Company.													
469.89	Proprietary Department,	\$507,265.37	\$194,915.41	\$312,349.96	...	\$7,942,799.00	\$8,255,148.96	\$6,099,123.95	\$2,156,025.01	\$1,200,000.00	S. \$956,025.01	D. \$727,902.39	P. \$781,049.43	D. \$50,181.46
.55	Pittsburgh, Ft. Wayne and Chicago Railway, . .	17,449,596.85	13,120,373.37	4,329,223.48	\$3,548,174.05	...	3,548,174.05	560,303.80	2,987,870.25	2,987,870.25	S. ...	...	...	...
2.96	Rochester, Beaver Falls and Western Railway, .	1,406.63	1,201.54	205.09	205.09	...	205.09	...	205.09	...	S. 205.09	D. 49.29	...	...
12.23	Marginal Railroad, Beaver Falls, Pa.,	6,979.63	3,826.94	3,152.69	...	...	3,152.69	...	3,152.69	...	...	...	P. 3,152.69	I. 1,077.69
14.98	Massillon and Cleveland Railroad,	49,686.74	26,632.42	23,054.32	20,000.00	...	20,000.00	4,000.00	16,000.00	16,000.00	...	...	P. 3,054.32	I. 11,309.37
125.09	New Castle and Beaver Valley Railroad,	446,100.44	171,658.72	274,441.72	178,440.18	...	178,440.18	120,572.71	57,867.47	84,000.00	D. 26,132.53	I. 54,027.10	P. 66,001.54	I. 22,401.58
101.21	Pittsburgh, Youngstown and Ashtabula R. R., .	2,713,130.35	1,800,804.48	912,325.87	912,325.87	20,082.37	932,408.24	861,163.29	71,244.95	212,044.00	D. 140,799.05	I. 590,494.79	...	...
81.12	Erie and Pittsburgh Railroad,	1,626,751.70	1,050,109.28	576,642.42	322,500.58	...	322,500.58	182,500.58	140,000.00	140,000.00	...	...	P. 254,141.84	D. 53,356.20
201.74	New Castle Branch—Western New York and Pennsylvania Railway,	282,955.38	266,070.92	16,884.46	16,884.46	...	16,884.46	...	16,884.46	...	S. 16,884.46	I. 19,497.96	P. 1,504,680.39	I. 765,373.01
15.27	Cleveland and Pittsburgh Railroad,	6,834,410.69	4,097,619.33	2,736,791.36	1,232,110.97	...	1,232,110.97	445,133.63	786,977.34	786,977.34	D. 786,977.34	...	P. 4,785.43	I. 27,807.97
236.23	Pittsburgh, Ohio Valley and Cincinnati R. R., .	22,765.55	17,980.12	4,785.43	...	...	4,785.43	14,500.00	9,714.57	...	D. 9,714.57	D. 27,807.97	...	...
.71	Toledo, Walhonding Valley and Ohio Railroad, .	1,490,598.05	1,227,454.31	263,143.74	263,143.74	729.40	263,873.14	157,509.37	106,363.77	105,000.00	S. 1,363.77	D. 4,888.62	...	...
103.13	Rolling Mill Railroad, Toledo, Ohio,	1,401.00	671.60	729.40	729.40	...	729.40	...	729.40	...	...	...	...	...
21.31	Cleveland and Marietta Railway,	696,051.35	562,634.59	133,416.76	133,416.76	1,700.00	135,116.76	101,682.97	33,433.79	...	S. 33,433.79	D. 1,088.12	...	D. 2,606.04
133.23	South Chicago and Southern Railroad,	126,334.60	79,775.84	46,558.76	46,558.76	...	46,558.76	6,322.94	40,235.82	...	S. 40,235.82	I. 356.55	...	D. 2,606.04
1,519.65	Indianapolis and Vincennes Railroad,	770,214.06	686,700.27	83,513.79	83,513.79	...	83,513.79	201,563.75	118,049.96	...	D. 118,049.96	I. 73,294.57	L. 118,049.96	I. 73,294.57
1,103.97	Total,	\$33,025,648.39	\$23,308,429.14	\$9,717,219.25	\$6,758,003.65	...	...	...	...	...	...	...	P. 2,528,815.68	...
3.53	Pitts., Cin., Chicago and St. Louis Railway, . .	\$22,610,557.03	\$16,904,869.90	\$5,705,687.13	...	\$71,042.93	\$5,776,730.06	\$3,987,427.52	\$1,789,302.54	\$1,651,222.50	S. \$138,080.04	D. \$233,469.80	...	...
23.48	Ohio Connecting Railway,	211,310.25	30,504.69	180,805.56	\$180,805.56	...	180,805.56	54,783.28	126,022.28	41,950.00	S. 84,072.28	I. 13,695.50	...	...
28.04	Chartiers Railway,	634,255.61	437,654.61	196,601.00	196,601.00	11,166.03	207,767.03	68,357.62	139,409.41	45,171.00	S. 94,238.41	I. 33,921.43	...	...
194.49	Pittsburgh, Wheeling and Kentucky Railroad, .	386,602.27	267,116.97	130,485.30	130,485.30	...	130,485.30	33,470.21	97,015.09	60,150.00	S. 36,865.09	D. 3,686.65	...	...
2.35	Little Miami Railroad,	2,769,813.70	2,313,589.93	456,223.77	656,626.56	108,333.93	764,960.49	369,512.49	395,448.00	395,448.00	...	...	L. \$92,068.86	I. \$159,220.18
1,415.86	Englewood Connecting Railway,	21,818.68	17,716.12	4,102.56	4,102.56	...	4,102.56	...	4,102.56	5,952.00	D. 1,849.44	I. 1,911.76	...	...
430.21	Total,	\$26,634,357.54	\$19,960,452.22	\$6,673,905.32	\$1,168,620.98	...	...	...	...	...	...	...	L. \$92,068.86	...
40.68	Grand Rapids and Indiana Railway,	\$3,196,738.18	\$2,414,358.23	\$782,379.95	...	\$1,562.50	\$783,942.45	\$533,291.03	\$250,651.42	\$173,730.00	S. \$76,921.42	I. \$54,969.98	...	...
26.00	Muskegon, Grand Rapids and Indiana R. R., . .	164,491.34	121,389.74	43,101.60	\$43,101.60	...	43,101.60	38,100.00	5,001.60	...	S. 5,001.60	D. 14,502.31	...	...
85.60	Traverse City Railroad,	59,031.23	51,322.58	7,708.65	7,708.65	...	7,708.65	7,500.00	208.65	...	S. 208.65	I. 455.49	...	...
582.49	Cincinnati, Richmond and Ft. Wayne R. R., . .	594,514.81	470,348.83	124,165.98	124,165.98	...	124,165.98	126,000.00	1,834.02	...	D. 1,834.02	I. 6,839.34	...	...
148.45	Total,	\$4,014,775.56	\$3,057,419.38	\$957,356.18	\$174,976.23	...	...	...	...	...	...	...	...	...
28.15	Independent Companies.													
19.19	Cincinnati and Lexington Valley Railroad,	\$645,256.61	\$521,882.31	\$123,374.30	...	...	\$123,374.30	\$93,287.11	\$30,087.19	\$40,000.00	D. \$9,912.81	I. \$5,067.35	...	...
196.97	Waynesburg and Washington Railroad,	142,891.56	102,520.46	40,371.10	...	\$1,744.07	42,115.17	13,000.00	29,115.17	12,033.00	S. 17,082.17	I. 2,933.70	...	...
45.71	Pittsburgh, Chartiers and Troughgheny Railway, . .	343,316.04	208,659.83	134,656.15	...	...	134,656.15	42,243.43	92,412.72	...	S. 92,412.72	I. 92,408.56	...	...
158.30	Cleveland, Akron and Columbus Railway,	1,417,574.12	1,010,238.93	407,335.19	...	3,934.92	411,270.11	282,345.08	128,925.03	80,000.00	S. 48,925.03	I. 44,448.71	...	...
13.25	Δ Cincinnati, Lebanon and Northern Railway,	244,732.07	199,510.14	45,221.93	...	...	45,221.93	28,919.62	16,302.31	...	S. 16,302.31	D. 2,504.17	...	...
182.26	St. Louis, Vandalia and Terre Haute Railroad,	2,253,620.46	1,680,584.32	573,036.14	\$676,086.14	13,067.20	689,153.34	250,966.64	438,186.70	...	S. 438,186.70	I. 89,061.45	L. \$103,050.00	I. \$237,631.25
247.70	East St. Louis and Carondelet Railway,	26,768.19	19,249.82	7,518.37	...	52,272.27	59,790.64	6,307.35	53,483.29	50,400.00	S. 3,083.29	D. 37,281.84	...	...
73	Terre Haute and Logansport Railway,	1,093,745.66	909,785.14	183,960.52	...	...	183,960.52	167,387.67	16,572.85	...	S. 16,572.85	D. 40,311.03	...	...
8.45	Toledo, Peoria and Western Railway,	1,164,174.61	937,463.45	226,711.16	...	...	226,711.16	225,671.45	1,039.71	...	S. 1,039.71	D. 842.11	...	...
9.65	Newport and Cincinnati Bridge Company,	154,710.18	47,536.54	107,173.64	...	...	107,173.64	63,859.10	43,314.54	45,000.00	D. 1,685.46	I. 1,035.81	...	...
93.03	Lebanonville Bridge Company,	306,252.31	151,860.98	154,391.33	...	...	154,391.33	...	154,391.33	...	S. 154,391.33	I. 44,001.04	...	...
2,145.84	Wheeling Terminal Railway,	183,191.77	67,927.12	115,264.65	...	...	115,264.65	102,174.00	13,090.65	...	S. 13,090.65	I. 6,767.05	...	...
123.22	Logansport and Toledo Railway,	192,023.04	217,973.65	\$202,256.62	\$202,256.62	...	25,950.61	62,197.23	88,147.84	...	D. 88,147.84	I. 88,147.84	...	...
150.54	Total,	\$8,168,256.62	\$6,025,192.75	\$2,093,063.87	\$676,086.14	...	...	...	...	...	...	...	L. \$128,353.84	I. \$58,960.40
283.76	Operated by V. T. Malott, Receiver.													
283.76	Terre Haute and Indiana R. R.,	\$1,798,740.66	\$1,162,694.83	\$636,045.83	...	\$22,217.65	\$658,263.48	\$253,353.84	\$404,909.64	...	S. \$404,909.64	D. \$209,120.64	...	...
283.76	Terre Haute & Peoria R. R.,	558,321.72	39,142.68	\$167,496.52	...	9,835.93	177,332.45	155,376.53	21,955.95	...	S. 21,955.95	I. 18,760.65	L. \$128,353.84	I. \$58,960.40
283.76	Total,	\$2,357,062.38	\$1,181,873.87	\$675,188.51	\$167,496.52	...	...	...	...	...	...	...	L. \$128,353.84	...
	Walhonding Coal Company,	\$19,603.55	\$2,663.58	\$16,939.97	...	...	\$16,939.97	\$4,320.52	\$12,619.45	\$7,875.00	S. \$4,744.45	D. \$2,699.34	...	...

* Excess of Operating Expenses over Gross Earnings.

† Dividends guaranteed by Proprietary Company.

© The net profit from the operation of the various subsidiary lines is included in the amount shown in this statement as "Interest and other charges" of the Proprietary or Lessee Company.

"Other income" of the Proprietary Company, and any net loss from such operation is included in the amount shown as "Interest and other charges" of the Proprietary or Lessee Company. † Includes operations of Middletown and Cincinnati Railroad from June 1 to December 31, 1902. ‡ Includes rental from Chicago and St. Louis Railway Company and 2-7 to Terre Haute and Indianapolis Railroad Company.

March 1 to December 31, 1902, paid by Terminal Railroad Association of St. Louis.

PENNSYLVANIA RAILROAD DIVISION.
LINES OWNED.

		MILES DEC. 31st, 1908.	INCREASE OR DECREASE AS COM- PARED WITH 1907
Filbert Street Extension,	Broad St. St'n, Philadelphia, Pa., to West Philadelphia, Pa., . . . . .	.97	
Philadelphia and Columbia Railroad,	West Philadelphia, Pa., to Columbia, Pa.,	79.79	
Pennsylvania Railroad,	Harrisburg, Pa., to Pittsburgh, Pa.,	248.25	
Delaware Extension,	in city of Philadelphia, Pa.,	7.84	
Girard Point Branch,	" " "	2.06	
Swanson Street Branch,	" " "	1.22	
Schuylkill River Branch,	" " "	3.19	
Fifty-second Street Branch, . . . . .	" " " . . . . .	.14	
Pennsylvania Railroad,	West Philadelphia to Pottsville, Pa., and branches,	111.84	I. 111.84
Trenton Branch,	Glenloch, Pa., to near Morrisville, Pa.,	44.96	I. 15.02
Frazer Branch,	Frazer, Pa., to Junction with West Chester R. R.,	1.60	
Lancaster Cut-off,	Conestoga Junction to Dillerville Junction, Pa.,	2.42	
Pennsylvania Railroad,	in Columbia, Pa., . . . . .	.53	I. .53
York Branch,	Columbia, Pa., to York, Pa.,	*	D. 12.85
Tyrone Branch,	Tyrone, Pa., to Vail, Pa.,	3.15	
Hollidaysburg Branch,	Altoona, Pa., to Morrison's Cove Junction, Pa., and branches to Portage Iron Works, and Newry, Pa.,	10.90	
Morrison's Cove Branch,	Morrison's Cove Junction, Pa., to Henrietta, Pa.,	18.90	
Martinsburg Branch,	Martinsburg Junction, Pa., to Martinsburg, Pa., . . . . .	.70	
Bloomfield Branch,	Roaring Spring, Pa., to Ore Hill, Pa.,	3.00	
Petersburg Branch,	Morrison's Cove Junction, Pa., to Petersburg Junction, Pa.,	31.61	
Canoe Creek Branch,	Junction Petersburg Branch to Moores Mill, Junction Canoe Creek Branch to Terminus,	2.62	
Crissman Branch,	Junction Canoe Creek Branch to Terminus,	1.24	
Clapper Branch,	Springfield Junction, Pa., to Oremine, Pa., . . . . .	.76	
Springfield Branch,	Clover Creek Junction, Pa., to terminus,	8.20	
Clover Creek Branch,	Lilly, Pa., to coal mines,	2.38	
Lilly Branch,	Ben's Creek, Pa., to coal mines,	2.12	
Ben's Creek Branch,	near Portage, Pa., to coal tipples,	1.61	
Martin's Branch,	near Ben's Creek, Pa., to near Summerhill, Pa.,	3.63	D. .60
Wilmore Branch,	Sonman, Pa., to terminus, . . . . .	.77	
Sonman Branch,	Summerhill, Pa., to South Fork, Pa.,	2.03	
Summerhill Branch,	{ Bradenville Junction to Coal Works, { Ligonier Junction to Coal Works,	2.89	I. 2.89
Bradenville Branch,	Jeannette, Pa., to terminus, . . . . .	.90	I. .90
Brush Creek Branch,	near Conemaugh, Pa., to Johnstown, Pa., . . . . .	.54	
Johnstown Branch,	Blairsville Intersection, Pa., to Indiana, Pa., and branches,	1.60	
Indiana Branch,	Donohoe, Pa., to New Alexandria and Salem Coal Works, Jeannette, Pa., to terminus,	20.19	
Alexandria Branch,	Manor, Pa., to Claridge, Pa.,	8.12	
Bull Run Branch,	Irwin, Pa., to Gratztown, Pa., . . . . .	.72	
Manor Branch,	Stewart, Pa., to Export, Pa.,	4.30	
Youghiogheny Branch,	Saunders, Pa., to terminus,	10.19	D. 10.86
Turtle Creek Branch,	Stewart, Pa., to Carnegie's Union R. R., . . . . .	.	D. 3.87
Lyons Run Branch,	near East Pittsburgh, Pa., to Thomson, Pa.,	5.90	
East Pittsburgh Branch,		1.32	
Port Perry Branch,			
Total lines owned,		655.10	I. 102.97
LINES OPERATED UNDER CONTRACT.			
Trenton Cut-off Railroad,	Bucks County Line, Pa., to Junction Trenton Cut-off at Dela- ware Division Canal, Pa., . . . . .	.85	D. 15.02
River-Front Railroad,	In city of Philadelphia, Pa., . . . . .	.85	D. 111.84
Schuylkill and Juniata R. R. (P. R. R. Div. portion),	West Philadelphia, Pa., to Pottsville, Pa., and branches,	5.22	
West Chester Railroad,	near Morstein, Pa., to West Chester, Pa.,	37.58	
Downingtown and Lancaster Railroad,	Downingtown, Pa., to Conestoga Junction, Pa.,	26.70	
Pomeroy and Newark Railroad,	Pomeroy, Pa., to near Newark, Del.,	15.21	
Lancaster and Reading Narrow Gauge R.R.,	Lancaster, Pa., to Quarryville, Pa.,	*†	D. 43.21
Columbia and Port Deposit Railway,	Columbia, Pa., to Perryville, Md.,	*	D. 55.65
York, Hanover and Frederick Railroad,	York, Pa., to Frederick, Md.,	52.64	
Harrisburg, Portsmouth, Mt. Joy and Lancaster } Railroad, }	{ Dillerville, Pa., to Harrisburg, Pa., { Columbia, Pa., to Branch Intersection, Pa., }	49.17	
Bedford and Bridgeport Railway,	Mount Dallas, Pa., to Pennsylvania and Maryland State Line and branch,	27.28	
Lewisburg and Tyrone R. R. (P. R. R. Div. portion),	Tyrone, Pa., to Fairbrook, Pa., and branches,	83.18	
Bald Eagle Valley Railroad (P. R. R. Div. portion),	Vail, Pa., to Lock Haven, Pa., and branches,	141.64	I. 2.48
Tyrone and Clearfield Railway,	Vail, Pa., to Grampian, Pa., and branches,	4.44	
Tipton Railroad,	Tipton, Pa., to Coal Mines, Pa.,	78.64	I. 78.64
Pennsylvania and North Western Railroad,	Bellwood to near Horatio, Pa., and branches,	29.51	D. .03
Cresson and Irvonia Railroad,	Cresson, Pa., to Irvonia, Pa., and branches,	104.76	I. 2.10
Cambria and Clearfield Railroad,	Cresson Junction, Pa., to Hoover's Mill Branch Junction, Pa., and branches,	20.88	
Ebensburg and Black Lick Railroad,	Ebensburg, Pa., to Dilltown, Pa., and branches,	44.94	I. 8.68
South Fork Railroad,	South Fork, Pa., to Ashtola, Pa., and branches,	121.45	I. .43
Western Pennsylvania Railroad,	Bolivar, Pa., to Allegheny City, Pa., and branches,	16.53	I. .04
Sang Hollow Ext-n-sion, Western Pennsylvania R. R.,	near Sheridan to Bolivar, Pa.,	124.64	D. .91
South West Pennsylvania Railway,	near Greensburg, Pa., to Fairchance, Pa., and branches,	6.04	
Masontown and New Salem Railroad,	Moser Run Junction, Pa., to Buffington, Pa.,	14.73	I. 14.73
Turtle Creek Valley Railroad,	Stewart, Pa., to Export, Pa., and branch,	85.59	I. 1.31
Pittsburgh, Virginia and Charleston Railway,	Pittsburgh, South Side, Pa., to W. Brownsville, Pa., and branches,	14.60	I. 3.54
Monongahela and Washington Railroad,	near Monongahela City, Pa., to Ellsworth Shaft No. 4,		
Total lines operated,		1106.31	D. 115.31
Grand total Pennsylvania R. R. Division,		1761.32	D. 12.32

* Operated since June 1st, 1907, by Northern Central Railway Company.

† Operated since June 1st, 1902, by Philadelphia, Baltimore and Washington Railroad Company.

UNITED RAILROADS OF NEW JERSEY DIVISION.

LINES OPERATED UNDER CONTRACT.

	MILES. DEC. 31st, 1902.	INCREASE OR DECREASE AS COM- PARED WITH 1901
United New Jersey Railroad and Canal Company:—		
Railroads and Ferries:		
Trenton, N. J., to Jersey City, N. J.,	56.54	
Hudson River Ferries,	1.00	
Camden, N. J., to South Amboy, N. J.,	61.22	
Branch, Bergen Hill, N. J., to Harsimus Cove, N. J.,	1.55	
Branch, Harrison, N. J., to Market Street, Newark, N. J.,	1.47	
Branch, Metuchen, N. J., to Bonhampton, N. J.,	1.89	
★ Branch, Monmouth Junction, N. J., to Kingston, N. J.,	4.16	
Branch, Monmouth Junction, N. J., to Jamesburg, N. J.,	5.59	
Branch, Princeton Junction, N. J., to Princeton, N. J.,	3.11	
⊙ Branch, Millham Junction, N. J., to Coalport, in Trenton, N. J.,	1.11	
Branch, Trenton, N. J., to Bordentown, N. J.,	6.10	
Branch, Florence, N. J., to Wood's Iron Works, N. J.,	2.17	
	145.91	
Pennsylvania Annex, Jersey City to Brooklyn,	1.00	
New York Bay Railroad, near Waverly, N. J., to Crossing of Central Railroad of New Jersey, and branches,	10.92	I. 1.48
Perth Amboy and Woodbridge Railroad, Rahway, N. J., to Perth Amboy, N. J.,	6.40	
Millstone and New Brunswick Railroad, . Millstone Junction, N. J., to East Millstone, N. J.,	6.64	
Rocky Hill Railroad and Transportation Co. Kingston, N. J., to Rocky Hill, N. J.,	2.38	
Belvidere Delaware Railroad, Trenton, N. J., to Manunka Chunk, N. J., and branches,	81.00	
Trenton Delaware Bridge, Morrisville, Pa., to Trenton, N. J., . . . . .	.19	
Philadelphia and Trenton Railroad, . . . Frankford, Philadelphia, Pa., to Morrisville, Pa., and branch,	26.50	
Pennsylvania Railroad, Junction P. & T. R. R. at Morrisville, Pa., to Delaware Division Canal, . . . . .	.68	
River-Front Railroad, in city of Philadelphia, Pa.,	3.77	
	Holmesburg Junction to Bustleton, Pa.,	4.16
	Tioga Street, Kensington, to east of Tacony, Pa.,	5.13
	near Erie Avenue to Frankford Street, Philadelphia, Pa.,	1.78
	Frankford to Mantua Junction, West Philadelphia, Pa.,	6.75
	near North Penn Junction to Oxford Road, Philadelphia, Pa.,	3.55
Connecting Railway,	near North Penn Junction to Cambria Street, Philadel- phia, Pa., . . . . .	.78
	Germantown Junction to Chestnut Hill, Pa.,	6.75
	near Queen Lane Station to Midvale Steel Works, . . . . .	.85
	near Allen Lane Station to near Fort Washington, Pa.,	6.27
	in city of Philadelphia, Pa., . . . . .	.17
Delaware River Railroad and Bridge, . . Philadelphia, Pa. (Frankford Junction), to Pensauken, N. J., and branches,	10.27	
Freehold and Jamesburg Agricultural Rail- road, Jamesburg, N. J., to Sea Girt, N. J.,	27.54	
Columbus, Kinkora and Springfield Rail- road, Kinkora, N. J., to New Lisbon, N. J.,	10.84	
Camden and Burlington County Railroad, Camden, N. J., to Pemberton, N. J., and branch,	29.61	
Mount Holly, Lumberton and Medford Railroad, Mount Holly, N. J., to Medford, N. J.,	5.95	
Vincentown Branch Railroad, Ewansville, N. J., to Vincentown, N. J.,	2.84	
Philadelphia and Long Branch Railroad, . Birmingham, N. J., to Bay Head Junction, N. J., and branches,	49.07	
Philadelphia and Beach Haven Railroad, . Manahawken, N. J., to Beach Haven, N. J.,	12.09	
Total railroads and ferries,	469.79	
Delaware and Raritan Canal (U. N. J. R. R. & C. Co.), Bordentown, N. J., to New Brunswick, N. J., with feeder from Raven Rock, N. J., to Trenton, N. J.,	66.00	
Grand total United Railroads of New Jersey Division,	535.79	I. 1.48

★ Included in the operations of the Rocky Hill Railroad and Transportation Co.

⊙ Included in the operations of the Belvidere Delaware Railroad.

PHILADELPHIA AND ERIE RAILROAD DIVISION.

LINES OPERATED UNDER CONTRACT.

	MILES DEC. 31st, 1902.	INCREASE OR DECREASE AS COM- PARED WITH 1901.
Philadelphia and Erie Railroad, Sunbury, Pa., to Erie, Pa.,	287.56	
	MILES.	
Tangascootac Branch, near Queen's Run to Terminus,	5.81	I. 2.21
Williamsport and Linden Branch, Allen's (Williamsport, Pa.) to Nisbet, Pa.,	7.39	
Williamsport Lumber Branch, near Newberry, Pa., to Williamsport, Pa.,	1.93	
Canal Branch, in city of Williamsport,	4.32	
	19.45	
Pennsylvania Railroad,	{ Sunbury, Pa., to Tomhicken, Pa.,	43.44
	{ Catawissa, Pa., to Wilkesbarre, Pa., and branch,	48.43
	{ Rock Glen Junction, Pa., to Nescopeck, Pa.,	11.96
	{ Pottsville, Pa., to New Boston, Pa., and branches,	18.38
	{ Lewistown, Pa., to Milroy, Pa.,	11.14
	{ Lewistown Junc., Pa., to Selinsgrove Junc., Pa.,	44.74
Lewisburg and Tyrone Railroad (P. & E. R. R. Division portion), Montandon, Pa., to near Lemont, Pa.,	57.84	
Bald Eagle Valley Railroad (P. & E. R. R. Division portion), near Lemont, Pa., to Bellefonte, Pa.,	9.45	
Susquehanna and Clearfield Railroad, Keating, Pa., to Karthaus, Pa., and branch,		D. 24.89
Ridgway and Clearfield Railroad, Ridgway, Pa., to Falls Creek, Pa.,	27.23	
Johnsonburg Railroad, Johnsonburg, Pa., to Clermont, Pa.,	19.69	
Total Philadelphia and Erie Railroad Division,	599.31	D. 22.68

BUFFALO AND ALLEGHENY VALLEY DIVISION.

LINES OPERATED UNDER CONTRACT.

	MILES. DEC. 31st. 1902.	INCREASE OR DECREASE AS COM- PARED WITH 1901.
	MILES.	
Allegheny Valley Railway, { (River Division), Oil City to Pittsburgh, Pa., and branches,	140.61	
{ (Low Grade Division), Red Bank, Pa., to Driftwood, Pa., and branch,	119.90	
Western New York and Pennsylvania Railway:		260.51
Buffalo, N. Y., to Emporium, Pa.,	118.42	
Buffalo, N. Y., to Oil City, Pa., and branches,	153.66	
Oil City, Pa., to Irvineton, Pa.,	50.19	
Warren, Pa., to Olean, N. Y.,	60.05	
		382.32
Union Terminal Railroad, in Buffalo, N. Y.,		2.30
McKean and Buffalo Railroad, Larabee, Pa., to Clermont, Pa.,		22.31
Genesee Valley Canal Railroad, Rochester, N. Y., to Hinsdale, N. Y.,		98.54
Genesee Valley Terminal Railroad, near Rochester to Lincoln Park, N. Y.,		2.46
Rochester, New York and Pennsylvania Railroad, Nunda Junction, N. Y., to Swains, N. Y.,		12.00
Kinzua Railway, Kinzua, Pa., to Kinzua Junction, Pa.,		14.04
Bradford Railway, Kinzua Junction, Pa., to Terminus,		2.51
Kinzua Valley Railroad, Morrison Junction, Pa., to West Line, Pa.,		10.00
Olean, Bradford and Warren Railroad, . . Bradford, Pa., to Tarport, Pa.,		2.29
Total Buffalo and Allegheny Valley Division,		809.28

SUMMARY.

Pennsylvania Railroad Division,	1761.32	D. 12.34
United Railroads of New Jersey Division:	MILES.	
Railroad and ferries,	469.79	
Canal,	66.00	
	<hr/> 535.79	I. 1.48
Philadelphia and Erie Railroad Division,	599.31	D. 22.68
Buffalo and Allegheny Valley Division,	809.28	
	<hr/> 3705.70	D. 33.54

EARNINGS, EXPENSES, NET EARNINGS, AND RENTALS FROM 1850 TO 1902 INCLUSIVE.
ALL LINES OPERATED DIRECTLY.

YEAR.	MILES.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.	RENTALS PAID.	NET EARNINGS TO PENNA. R. R. CO.
*1850, . . .	No record.	\$339,452.51	\$172,244.28	\$167,208.23	.....	\$167,208.23
1851, . . .	"	1,039,565.49	706,640.19	332,925.30	.....	332,925.30
1852, . . .	"	1,943,827.81	1,326,801.94	617,025.87	.....	617,025.87
1853, . . .	"	2,774,889.37	1,673,681.29	1,101,208.08	.....	1,101,208.08
1854, . . .	"	3,512,295.13	2,049,918.53	1,462,376.60	.....	1,462,376.60
1855, . . .	"	4,270,015.56	2,440,738.02	1,829,277.54	.....	1,829,277.54
1856, . . .	"	4,720,193.71	2,814,567.98	1,905,625.73	.....	1,905,625.73
1857, . . .	"	4,855,669.76	3,000,742.90	1,854,926.86	.....	1,854,926.86
1858, . . .	"	5,185,330.68	3,021,885.04	2,163,445.64	.....	2,163,445.64
1859, . . .	367.	5,362,355.21	3,130,738.15	2,231,617.06	.....	2,231,617.06
1860, . . .	367.	5,932,701.48	3,636,299.08	2,296,402.40	.....	2,296,402.40
1861, . . .	438.	7,300,000.95	3,653,062.76	3,646,938.19	\$128,847.96	3,518,090.23
1862, . . .	645.	10,729,978.57	5,652,412.47	5,077,566.10	260,163.37	4,817,402.73
1863, . . .	716.	12,628,071.31	7,087,651.46	5,540,419.85	380,723.30	5,159,696.55
1864, . . .	797.	15,890,205.64	11,461,741.49	4,428,464.15	540,881.35	3,887,582.80
1865, . . .	856.	19,533,310.28	14,913,969.41	4,619,340.87	848,778.46	3,770,562.41
1866, . . .	887.	19,124,934.63	14,726,484.53	4,398,450.10	1,019,412.25	3,379,037.85
1867, . . .	890.	18,673,916.30	13,941,538.39	4,732,377.91	962,147.80	3,770,230.11
1868, . . .	896.	20,037,747.67	13,697,035.73	6,340,711.94	1,186,647.34	5,154,064.60
1869, . . .	915.	20,513,517.02	14,321,479.55	6,192,037.47	1,341,280.48	4,850,756.99
1870, . . .	927.	20,675,751.53	13,591,878.62	7,083,872.91	947,073.13	6,136,799.78
1871, . . .	1,028.	22,262,100.58	14,266,696.68	7,995,403.90	1,202,040.33	6,793,363.57
1872, . . .	\$,530.	36,448,503.36	24,112,901.01	12,335,602.35	4,746,166.08	7,589,436.27
1873, . . .	1,574.	39,983,138.91	26,237,850.05	13,745,288.86	5,117,926.18	8,627,362.68
1874, . . .	1,599.	37,386,427.27	22,357,349.59	15,029,077.68	6,230,864.26	8,798,213.42
1875, . . .	1,631.	34,464,104.38	21,094,461.31	13,369,643.07	6,201,728.53	7,167,914.54
1876, . . .	1,690.	36,891,060.99	22,081,229.34	14,809,831.65	6,308,828.92	8,501,002.73
1877, . . .	1,782.	31,117,146.18	19,028,467.24	12,088,678.94	6,351,242.12	5,737,436.82
1878, . . .	1,782.	31,636,734.58	18,468,993.71	13,167,740.87	5,994,433.17	7,173,307.70
1879, . . .	1,872.	34,620,279.17	20,382,740.15	14,237,539.02	6,245,113.16	7,992,425.86
1880, . . .	1,875.61	41,260,072.49	24,625,047.57	16,635,024.92	7,029,072.53	9,605,952.39
1881, . . .	1,956.	44,124,182.83	26,709,809.93	17,414,372.90	7,116,391.18	10,297,981.72
1882, . . .	2,047.06	49,079,833.62	30,647,405.45	18,432,428.17	7,906,169.52	10,526,258.65
1883, . . .	2,102.16	51,083,252.10	31,747,150.44	19,336,101.66	8,417,123.32	10,918,978.34
1884, . . .	2,267.81	48,566,917.84	30,527,016.02	18,039,901.82	8,592,606.66	9,447,295.16
1885, . . .	2,316.41	45,615,033.55	29,479,764.84	16,135,268.71	8,530,931.69	7,604,337.02
1886, . . .	2,387.77	50,379,077.00	32,619,594.61	17,759,482.39	8,935,245.73	8,824,236.66
1887, . . .	2,412.34	55,671,313.13	37,086,584.80	18,584,728.33	9,136,177.95	9,448,550.38
1888, . . .	2,435.72	58,172,077.66	39,331,153.14	18,840,924.52	9,608,649.23	9,232,275.29
1889, . . .	2,456.07	61,514,445.11	41,096,805.64	20,417,639.47	10,042,171.73	10,375,467.74
1890, . . .	2,500.72	66,202,259.83	44,980,554.67	21,221,705.16	10,421,046.18	10,800,658.98
1891, . . .	2,573.46	67,426,840.81	45,947,444.62	21,479,396.19	10,482,132.76	10,997,263.43
1892, . . .	2,657.57	68,841,844.76	48,819,361.30	20,022,483.46	10,228,271.91	9,794,211.55
1893, . . .	2,723.75	66,375,223.83	46,996,017.28	19,379,206.55	9,971,695.64	9,407,510.91
1894, . . .	2,737.07	58,704,284.58	40,363,746.57	18,340,538.01	8,956,440.95	9,384,097.06
1895, . . .	2,741.42	64,627,178.72	44,510,656.31	20,116,522.41	8,896,061.39	11,220,461.02
1896, . . .	2,787.46	62,096,502.66	43,459,326.91	18,637,175.75	8,824,163.09	9,813,012.66
1897, . . .	2,813.35	64,223,113.15	43,257,626.59	20,965,486.56	9,718,430.42	11,247,056.14
1898, . . .	2,821.71	65,603,737.95	44,510,015.85	21,093,722.10	10,315,771.90	10,777,950.20
1899, . . .	2,847.44	72,922,984.95	50,344,633.64	22,578,351.31	11,320,448.82	11,257,902.49
1900, . . .	3,715.94	88,539,827.21	58,099,206.02	30,440,621.19	12,224,520.34	18,216,100.85
1901, . . .	3,739.24	101,329,795.22	65,259,543.08	36,070,252.14	14,643,144.34	21,427,107.80
1902, . . .	3,705.70	112,663,330.13	75,051,071.17	37,612,258.96	11,605,948.17	26,006,310.79

* From September 1st, 1849, to December 31st, 1850.

TONNAGE, MILEAGE, EARNINGS, EXPENSES, AND AVERAGES ON FREIGHT BUSINESS
FROM 1864 TO 1902 INCLUSIVE.

ALL LINES OPERATED DIRECTLY.

YEAR.	TONS.	TONS ONE MILE.	EARNINGS.	AVERAGE EARNINGS PER TON PER MILE.	EXPENSES.	AVERAGE EXPENSES PER TON PER MILE.	AVERAGE NET EARNINGS PER TON PER MILE.
				CENTS.		CENTS.	CENTS.
1864,	3,189,259	436,591,940	\$10,907,036.77	2.498	\$8,336,168.69	1.909	0.589
1865,	3,090,681	452,183,478	12,277,490.68	2.715	10,610,867.32	2.347	0.368
1866,	4,001,455	579,839,073	13,453,592.72	2.320	10,625,075.12	1.832	0.488
1867,	4,501,232	646,231,881	13,464,201.69	2.083	9,974,596.36	1.544	0.539
1868,	5,518,729	806,376,652	14,983,779.28	1.858	9,712,567.62	1.204	0.654
1869,	6,294,066	927,714,156	15,439,739.81	1.664	10,602,820.27	1.143	0.521
1870,	7,041,688	1,014,652,970	15,252,314.99	1.503	9,971,625.98	0.983	0.520
1871,	8,404,334	1,244,328,216	16,852,662.82	1.354	10,777,144.98	0.866	0.488
1872,	13,246,456	1,629,613,645	23,797,237.02	1.460	16,181,517.88	0.993	0.467
1873,	15,647,509	1,870,537,537	26,987,820.76	1.443	18,286,725.39	0.978	0.465
1874,	15,604,922	1,916,591,690	24,715,418.15	1.290	15,554,659.70	0.812	0.478
1875,	15,772,722	2,026,190,425	22,807,660.00	1.126	14,362,136.16	0.709	0.417
1876,	17,064,953	2,221,739,198	21,132,560.23	0.951	14,657,083.29	0.660	0.291
1877,	16,382,268	2,086,659,438	21,149,389.38	1.014	12,834,226.82	0.615	0.399
1878,	17,597,447	2,368,330,428	21,961,447.75	0.927	12,752,696.07	0.538	0.389
1879,	22,867,162	2,974,925,881	24,500,960.21	0.824	14,287,532.62	0.480	0.344
1880,	26,051,091	3,239,482,799	29,750,291.99	0.918	17,490,054.88	0.540	0.378
1881,	30,895,376	3,631,829,468	31,128,521.00	0.857	18,773,389.24	0.517	0.340
1882,	34,181,016	3,911,845,087	34,205,596.31	0.874	21,685,852.22	0.554	0.320
1883,	35,684,662	4,059,970,201	35,764,506.82	0.881	22,807,493.84	0.562	0.319
1884,	36,632,571	4,134,657,237	33,242,301.60	0.804	21,399,835.67	0.518	0.286
1885,	39,481,385	4,446,470,651	30,895,747.98	0.695	20,435,253.72	0.460	0.235
1886,	42,833,499	4,584,355,908	34,623,877.39	0.755	22,566,369.73	0.492	0.263
1887,	50,033,297	5,214,900,569	38,080,823.85	0.730	25,912,845.49	0.497	0.233
1888,	55,708,046	5,796,816,928	40,175,773.83	0.693	27,944,386.20	0.482	0.211
1889,	58,373,489	6,170,513,980	42,302,176.16	0.686	29,182,838.01	0.473	0.213
1890,	66,648,730	6,994,332,633	45,783,597.23	0.655	32,404,558.91	0.463	0.192
1891,	66,500,209	7,081,702,979	46,650,184.10	0.659	32,363,057.68	0.457	0.202
1892,	71,120,736	7,582,760,849	47,460,452.77	0.626	34,479,972.67	0.455	0.171
1893,	69,129,790	7,426,109,131	45,606,999.25	0.614	33,211,201.34	0.447	0.167
1894,	63,972,269	6,902,828,482	40,412,551.20	0.585	28,630,373.98	0.415	0.170
1895,	77,598,378	8,152,343,461	45,922,018.18	0.563	32,338,868.22	0.397	0.166
1896,	72,322,609	7,707,883,205	43,500,713.27	0.564	31,521,301.55	0.409	0.155
1897,	78,927,656	8,535,158,008	45,770,174.10	0.536	31,498,826.46	0.369	0.167
1898,	84,220,747	9,214,565,495	45,939,773.48	0.499	32,744,026.12	0.355	0.144
1899,	100,054,226	10,875,076,597	51,395,733.16	0.473	37,376,428.13	0.344	0.129
1900,	108,847,515	11,922,671,210	64,390,452.51	0.540	43,395,536.62	0.364	0.176
1901,	121,699,340	12,696,352,464	73,899,939.16	0.582	48,391,006.19	0.381	0.201
1902,	133,433,845	14,024,198,051	82,249,169.41	0.586	56,648,712.67	0.404	0.182

PASSENGERS, MILEAGE, EARNINGS, EXPENSES, AND AVERAGES ON PASSENGER BUSINESS
FROM 1864 TO 1902 INCLUSIVE.

ALL LINES OPERATED DIRECTLY.

YEAR.	PASSENGERS.	PASSENGERS ONE MILE.	EARNINGS.	AVERAGE EARNINGS PER PASSENGER PER MILE.	EXPENSES.	AVERAGE EXPENSES PER PASSENGER PER MILE.	AVERAGE NET EARNINGS PER PASSENGER PER MILE.
				CENTS.		CENTS.	CENTS.
1864.	2,952,696	163,094,736	\$4,357,880.64	2.672	\$3,125,572.80	1.916	0.756
1865.	3,611,086	232,019,815	6,376,079.14	2.748	4,303,071.37	1.855	0.893
1866.	3,368,983	162,395,880	4,681,191.66	2.883	4,101,409.41	2.526	0.357
1867.	3,983,028	147,540,084	4,256,343.52	2.885	3,966,942.03	2.689	0.196
1868.	4,376,498	156,632,079	4,241,585.82	2.708	3,984,468.11	2.544	0.164
1869.	4,880,401	169,772,834	4,304,101.45	2.535	3,718,659.28	2.190	0.345
1870.	5,014,924	169,972,984	4,364,481.43	2.568	3,611,554.05	2.125	0.443
1871.	5,384,869	172,678,024	4,483,535.42	2.596	3,504,276.14	2.029	0.567
1872.	13,967,690	361,676,659	9,637,166.69	2.665	6,915,345.64	1.912	0.753
1873.	15,057,153	372,048,475	9,887,634.75	2.658	7,613,540.51	2.046	0.612
1874.	15,020,063	364,532,316	9,488,968.56	2.603	6,251,057.94	1.715	0.888
1875.	14,456,864	344,234,876	8,857,619.67	2.573	6,191,289.39	1.799	0.774
1876.	18,363,366	623,208,759	12,817,473.64	2.057	6,572,572.70	1.055	1.002
1877.	13,007,832	298,752,730	6,940,498.97	2.323	5,326,087.97	1.783	0.540
1878.	12,792,305	292,725,524	6,759,426.43	2.309	5,013,723.42	1.713	0.596
1879.	13,602,401	314,260,989	7,085,949.36	2.255	5,370,228.17	1.709	0.546
1880.	16,575,042	382,787,186	8,504,387.22	2.222	6,407,692.10	1.674	0.548
1881.	18,985,409	446,316,555	9,602,768.67	2.152	7,207,500.69	1.615	0.537
1882.	21,837,992	496,202,927	11,160,816.55	2.249	8,252,581.22	1.663	0.586
1883.	23,081,858	505,180,481	11,605,253.42	2.297	8,215,365.70	1.626	0.671
1884.	25,164,131	512,873,485	11,582,198.17	2.258	8,314,586.21	1.621	0.637
1885.	27,642,018	568,664,914	11,087,445.00	1.950	8,337,776.94	1.466	0.484
1886.	31,090,271	576,906,276	12,194,830.84	2.114	9,292,592.61	1.611	0.503
1887.	35,785,769	657,362,557	13,968,909.51	2.125	10,363,715.40	1.577	0.548
1888.	38,168,374	681,684,854	14,259,507.77	2.092	10,517,506.83	1.543	0.549
1889.	40,189,893	727,312,735	15,140,342.75	2.082	11,106,425.34	1.527	0.555
1890.	43,810,382	778,818,917	16,177,150.55	2.077	11,710,227.29	1.504	0.573
1891.	44,810,727	795,098,618	16,331,444.85	2.054	12,725,352.33	1.600	0.454
1892.	46,648,572	843,819,609	16,709,533.94	1.980	13,332,046.93	1.580	0.400
1893.	44,135,320	813,652,864	16,264,101.22	1.999	12,884,347.53	1.584	0.415
1894.	38,596,160	693,010,056	13,703,799.46	1.977	10,961,541.83	1.582	0.395
1895.	37,452,437	712,072,950	13,909,506.33	1.953	11,331,489.73	1.591	0.362
1896.	36,170,220	699,799,213	13,744,556.70	1.964	11,070,381.51	1.582	0.382
1897.	34,997,524	693,279,336	13,506,671.28	1.948	10,729,968.01	1.548	0.400
1898.	35,962,566	745,962,679	14,410,746.46	1.932	10,688,916.33	1.433	0.499
1899.	38,029,922	823,304,623	16,010,831.80	1.945	11,753,978.58	1.428	0.517
1900.	41,922,569	918,198,602	18,181,081.77	1.980	13,453,457.86	1.465	0.515
1901.	46,698,595	1,050,463,693	20,928,395.37	1.992	15,563,611.29	1.482	0.510
1902.	50,287,009	1,165,609,033	23,421,170.86	2.009	16,984,215.63	1.457	0.552

FREIGHT TRAFFIC STATISTICS.

ALL LINES OPERATED DIRECTLY.

	PENNSYLVANIA R. R. DIVISION.	UNITED RRS. OF NEW JERSEY DIVISION.	PHILA. AND ERIE R. R. DIVISION.	BUFFALO AND ALLEGHENY VALLEY DIVISION.	TOTAL.	COMPARISON WITH 1901.	
						INCREASE.	DECREASE.
Miles of road,	1,761.32	467.79	599.31	809.28	3,637.70	. . . . .	33.54
Freight earnings (rail), . . .	\$53,623,876.31	\$14,670,251.29	\$7,647,690.38	\$6,307,351.43	\$82,249,169.41	\$3,349,230.25	
Per cent. of total earnings, . .	78.53	55.89	82.24	74.26	73.22	0.09	
Number of tons carried, . . .	77,505,061	24,499,420	18,635,807	12,793,557	133,433,845	11,734,505	
Number of tons carried one mile.	10,091,984.493	1,409,601,524	1,476,143,135	1,046,468,899	14,024,198,051	1,327,845,587	
Average miles each ton was carried,	130.21	57.54	79.21	81.80	105.10	0.77	
Number of tons carried per mile of road,	44,004	52,373	31,095	15,809	36,681	3,532	
Number of tons carried one mile per mile of road, . . .	5,729,785	3,013,321	2,463,071	1,293,086	3,855,238	396,910	
Freight earnings per mile of road,	\$30,445.28	\$31,360.76	\$12,760.83	\$7,793.78	\$22,610.21	\$2,480.79	
Freight expenses per mile of road,	\$19,770.22	\$24,618.88	\$8,461.00	\$6,474.64	\$15,572.67	\$2,391.56	
Net earnings from freight per mile of road,	\$10,675.06	\$6,741.88	\$4,299.83	\$1,319.14	\$7,037.54	\$89.23	
Average earnings per ton (cents),	69.2	59.9	41.0	49.3	61.6	0.9	
Average earnings per ton per mile (cents),	0.531	1.041	0.518	0.603	0.586	0.004	
Average cost per ton per mile (cents),	0.345	0.817	0.344	0.501	0.404	0.023	
Average number of tons in loaded car,	23.15	22.34	19.62	20.65	22.44	1.61	
Average train load, tons, . . .	542	494	527	375	518	29	
Average number loaded cars in train,	23.41	22.11	26.84	18.17	23.09	. . . . .	0.40
Average number empty cars in train,	14.12	10.59	10.79	9.98	12.98	. . . . .	0.12
Revenue freight train mileage,	18,618,947	2,854,012	2,803,246	2,789,312	27,065,517	1,122,428	
Revenue freight train mileage per mile of road,	10,571	6,101	4,677	3,447	7,440	373	
Freight earnings per revenue freight train mile (cents), . .	288.0	514.0	272.8	226.1	303.9	19.0	
Freight expenses per revenue freight train mile (cents), . .	187.0	403.5	180.9	187.8	209.3	22.8	

PASSENGER TRAFFIC STATISTICS.
ALL LINES OPERATED DIRECTLY.

	PENNSYLVANIA R. R. DIVISION.	UNITED RDS. OF NEW JERSEY DIVISION.	PHILA. AND ERIE R. R. DIVISION.	BUFFALO AND ALLEGHENY VALLEY DIVISION	TOTAL.	COMPARISON WITH 1901	
						INCREASE.	DECREASE.
Miles of road,	1,761.32	467.79	599.31	809.28	3,637.70	. . . . .	33.54
Passenger earnings (rail), . .	\$11,573,596.06	\$3,586,402.72	\$1,391,489.12	\$1,869,682.96	\$23,421,170.86	\$2,492,775.49	
Per cent. of total earnings, . .	16.94	32.71	14.96	22.01	20.85	0.14	
Number of passengers carried,	24,605,597	19,542,934	2,563,282	3,575,196	50,287,009	3,588,414	
Number of passengers carried one mile,	560,544,368	456,254,479	61,287,454	87,522,732	1,165,609,033	115,145,340	
Average miles each passenger was carried,	22.78	23.35	23.91	24.48	23.18	0.69	
Number of passengers carried per mile of road,	13,970	41,777	4,277	4,418	13,824	1,104	
Number of passengers carried one mile per mile of road, .	3.8,252	975,340	102,263	108,149	320,425	34,292	
Passenger earnings per mile of road,	\$6,570.98	\$18,355.25	\$2,321.82	\$2,310.30	\$6,438.46	\$737.83	
Passenger expenses per mile of road,	\$4,577.76	\$12,624.60	\$1,819.85	\$2,378.66	\$4,668.94	\$429.61	
Net earnings from passengers per mile of road,	\$1,993.22	\$5,730.65	\$501.97	Loss \$68.36	\$1,769.52	\$308.22	
Average earnings from each passenger (cents),	47.0	43.9	54.3	52.3	46.6	1.8	
Average earnings per passen- ger per mile (cents),	2.065	1.882	2.270	2.136	2.009	0.017	
Average cost per passenger per mile (cents),	1.438	1.294	1.780	2.199	1.457	. . . . .	0.025
Average number of passengers per train,	57	74	37	38	58	4	
Passenger train mileage, . . .	9,865,056	6,203,991	1,646,193	2,324,494	20,039,734	602,880	
Passenger train mileage per mile of road,	5,601	13,262	2,747	2,872	5,509	2.15	
Passenger earnings per train mile (cents),	117.3	138.4	84.5	80.4	116.9	9.2	
Passenger expenses per train mile (cents),	81.7	95.2	66.2	82.8	84.7	4.6	
Passenger train earnings, . .	\$14,369,127.79	\$10,224,091.65	\$1,600,621.53	\$2,108,446.06	\$28,302,287.03	\$2,933,236.04	
Passenger train earnings per mile of road,	\$8,158.16	\$21,856.16	\$2,670.77	\$2,605.34	\$7,780.27	\$870.06	
Passenger train earnings per train mile (cents),	145.6	164.8	97.2	90.7	141.2	10.7	

TOTAL REVENUE PER MILE OF ROAD.

	PENNSYLVANIA R. R. DIVISION.	UNITED RDS. OF NEW JERSEY DIVISION.	PHILA. AND ERIE R. R. DIVISION.	BUFFALO AND ALLEGHENY VALLEY DIVISION	TOTAL.	COMPARISON WITH 1901.	
						INCREASE.	DECREASE.
Gross earnings per mile of road,	\$38,770.39	\$53,899.95	\$15,517.14	\$10,495.81	\$30,594.76	\$3,340.07	
Operating expenses per mile of road,	24,347.98	37,243.48	10,280.85	8,853.30	20,241.62	2,821.18	
Net earnings per mile of road,	14,422.41	16,656.47	5,236.29	1,642.51	10,353.14	518.89	

CLASSIFICATION OF FREIGHT TRAFFIC.

ALL LINES OPERATED DIRECTLY.

	P. R. R. Div.	U. R. R. OF N. J. Div., excluding D. & R. Canal.	P. & E. R. R. Div.	B. & A. V. Div.	TOTAL 1902.	COMPARISON WITH 1901.	
						INCREASE.	DECREASE.
PRODUCTS OF AGRICULTURE.	TONS.	TONS.	TONS.	TONS.	TONS.	TONS.	TONS.
Grain,	996,030	340,877	319,936	149,556	1,806,399	759,969	
Flour,	532,127	240,452	307,722	42,612	1,122,913	40,612	
Other mill products,	371,161	123,741	127,711	55,184	677,799	5,139	
Hay,	213,636	83,356	76,649	32,485	406,126	32,063	
Tobacco,	67,418	32,779	12,038	2,142	114,377	12,168	
Cotton,	50,044	49,704	5,680	540	105,968		19,414
Fruits and vegetables,	540,877	374,701	166,327	166,858	1,248,763	222,184	
Other articles,	165,082	133,331	151,213	52,432	502,058	30,609	
PRODUCTS OF ANIMALS.							
Live stock,	443,828	143,468	37,587	21,618	616,531	30,688	
Dressed meats,	134,792	65,755	12,515	8,860	221,922	21,650	
Other packing-house products,	105,690	40,743	19,470	12,408	178,311	56,849	
Poultry, game, and fish,	64,636	47,663	12,184	1,955	126,443	10,127	
Wool,	16,758	13,036	4,437	1,111	35,342	1,351	
Hides and leather,	109,966	95,371	76,303	45,140	326,780	13,815	
Other articles,	253,500	320,039	79,501	55,257	708,297	22,322	
PRODUCTS OF MINES.							
Anthracite coal,	2,845,375	2,217,415	2,600,992	191,939	7,855,721	8,393,855	
Bituminous coal,	27,236,682	9,978,581	6,652,789	3,613,217	47,481,269	10,046,572	
Coke,	11,640,931	324,746	735,109	621,109	13,321,895	1,880,266	
Ores,	3,503,041	441,634	1,014,299	769,066	5,728,040	868,227	
Stone, sand, and like articles,	6,386,640	1,357,151	504,842	715,343	8,963,976	1,577,169	
Other articles,	390,631	198,860	162,166	157,545	909,202	285,061	
PRODUCTS OF FORESTS.							
Lumber,	3,207,650	1,222,897	1,686,827	1,156,882	7,274,256	1,784,537	
Other articles,	332,102	87,424	307,170	405,076	1,131,772	143,586	
MANUFACTURES.							
Petroleum and other oils,	562,003	260,708	262,889	620,805	1,706,405	183,222	
Sugar,	287,352	107,463	87,961	13,157	495,933	28,995	
Naval stores,	35,090	9,895	6,339	4,400	55,724	19,902	
Iron—pig and bloom,	1,606,072	296,084	233,934	362,532	2,498,622	227,910	
Iron and steel rails,	672,967	156,198	92,302	47,976	969,443	38,796	
Castings and machinery,	2,239,872	729,662	428,067	338,981	3,736,582	458,013	
Bar and sheet metal,	3,615,973	697,961	407,462	1,107,920	5,819,316	805,310	
Cement, brick, and lime,	2,211,526	641,906	419,049	495,594	3,768,075	507,052	
Agricultural implements,	69,997	32,830	14,154	3,150	120,131	59,223	
Wagons, carriages, tools, &c.,	93,566	34,342	16,768	44,377	189,053	68,800	
Wines, liquors, and beers,	159,172	83,216	32,212	22,025	296,625	11,141	
Household goods and furniture,	85,448	38,039	17,962	13,847	155,296	22,420	
Other articles,	3,577,317	2,033,396	1,043,690	754,210	7,408,613	909,828	
Merchandise,	797,489	540,313	190,247	106,803	1,634,852	884,303	
Miscellaneous,	1,892,618	903,678	309,304	579,415	3,685,015	788,181	
Total,	77,505,061	24,499,420	18,635,807	12,793,557	133,433,845	11,734,505	

PENNSYLVANIA RAILROAD DIVISION.

EXPENSES IN DETAIL.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
MAINTENANCE OF WAY AND STRUCTURES.			
Engineering and superintendence,	\$222,908.14	\$40,983.26	
Roadway, repairs of,	869,190.68	156,893.10	
Ballast,	185,724.25		\$24,947.47
Rail fastenings,	268,062.07	28,822.31	
Frogs and switches,	315,797.90	26,707.60	
Interlocking plants and signals, repairs of,	259,160.82		33,103.09
Roadway tools, repairs of,	93,183.82	11,279.01	
Track repairing,	1,763,850.47	142,561.19	
Rails,	783,970.08	142,602.25	
Cross-ties,	940,828.50	39,804.68	
Bridges and culverts, repairs of,	414,124.09	76,822.48	
Fences, road crossings, and signs, repairs of,	55,015.64	1,962.37	
Overhead crossings,	54,354.03	651.10	
Stations, repairs of and furniture for,	396,474.17		30,751.79
Engine-houses and shops, repairs of,	391,746.62		22,004.09
Fuel and water stations, repairs of,	281,599.48	51,032.29	
Dwelling, power, signal, tool, and watch houses, repairs of,	128,312.03	1,453.60	
General office, repairs and furniture for,	68,679.18		3,025.30
Docks, dredging and cleaning,	28,265.05	7,239.96	
Wharves and landings, repairs of,	51,096.68	5,428.55	
Telegraph, repairs of,	169,777.95	5,445.27	
Stationery and printing,	21,679.51	5,062.09	
Insurance,	16,193.58	1,981.60	
Incidentals,	4,830.00	1,305.34	
Total,	\$7,784,824.74	\$679,216.31	
MAINTENANCE OF EQUIPMENT.			
Superintendence,	\$277,397.69	\$32,448.41	
Locomotives, repairs of,	3,579,330.93	596,862.35	
Cars, repairs of, passenger,	953,858.24	90,358.28	
Cars, repairs of, freight,	6,075,782.53	1,059,578.55	
Cars, repairs of, work,	129,649.79	50,575.29	
Barges, car-floats, and canal-boats, repairs of,	7,579.50	4,281.32	
Steamboats and tug-boats, repairs of,	1,796.39	612.65	
Tools and machinery, repairs of,	306,664.73	36,391.12	
Stationery and printing,	34,649.40	5,874.26	
Shops, heating and lighting,	72,392.58	6,641.20	
Watchmen,	58,823.22	2,904.51	
Insurance,	69,566.44	7,146.29	
Incidentals,	54,644.53	10,044.31	
Total,	\$11,622,135.97	\$1,903,718.54	

PENNSYLVANIA RAILROAD DIVISION.

EXPENSES IN DETAIL.—CONTINUED.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
CONDUCTING TRANSPORTATION.			
Superintendence,	\$202,623.09	\$24,329.38	
Clerks, attendants, and office expenses,	491,035.47	67,469.23	
Enginemen and firemen,	3,784,258.34	927,739.33	
Roundhousemen,	784,036.30	123,328.23	
Locomotives, fuel for,	3,603,980.47	395,594.31	
Fuel stations, expenses of,	165,906.63	33,216.57	
Locomotives, water supply for,	226,325.77	25,202.84	
Locomotives, stores for,	137,110.43	33,612.06	
Locomotives, other supplies for,	198,114.24	48,417.06	
Conductors, baggagemen, and brakemen,	3,645,558.99	816,930.39	
Cars, heating and lighting,	132,937.31	13,206.41	
Cars, cleaning,	194,315.31	24,230.69	
Cars, lubricating,	166,213.60	25,050.22	
Other train supplies and expenses,	207,150.67	38,240.94	
Yardmen,	2,177,624.81	600,239.83	
Switch-tenders and signalmen,	416,699.12	80,136.61	
Watchmen,	182,458.53	4,488.46	
Telegraph expenses,	742,694.42	95,040.27	
Station agents and clerks,	1,093,651.46	105,313.36	
Station labor,	1,037,441.28	129,337.16	
Stations, heating and lighting,	143,693.59	13,252.89	
Signals and interlocking plants, expenses of operation and supplies,	72,886.34	7,311.38	
Stations, other supplies and expenses of,	155,440.53	14,657.42	
Car mileage, balance,	306,417.92	22,059.18	
Loss and damage,	161,616.49	54,238.67	
Injuries to persons,	53,517.27	17,517.33	
Wrecks, clearing,	281,041.58	102,696.47	
Advertising,	206,437.97	19,725.58	
Foreign agencies,	213,381.31	14,106.52	
Stock yards and elevators,	3,044.85	74.61	
Rents for tracks, yards, and terminals,	94,411.50	11,246.55	
Rents of buildings and other property,	160,231.70	105,473.27	
Stationery and printing,	281,397.89	14,298.34	
Yard and street lighting,	23,142.82	714.33	
Insurance,	137,242.20		\$935.46
Incidentals,	83,854.42	13,481.96	
Total,	\$21,967,894.62	\$4,021,062.39	
GENERAL EXPENSES.			
Salaries of general officers,	\$285,177.47	\$5,193.52	
Clerks,	554,316.19	32,697.53	
Attendants,	89,110.19	8,557.12	
Heat and light,	8,003.27	1,564.44	
Office expenses and supplies,	170,092.02	18,794.92	
Relief department, expenses of,	139,787.92	1,525.15	
Law expenses,	76,968.79	21,638.20	
Stationery and printing, general office,	102,714.54	22,833.97	
Advertising,	19,298.11	283.43	
Incidentals,	64,259.97	53,120.15	
Total,	\$1,509,728.47	\$166,208.43	
SUMMARY.			
Maintenance of way and structures,	\$7,784,824.74	\$679,216.31	
Maintenance of equipment,	11,622,135.97	1,903,718.54	
Conducting transportation,	21,967,894.62	4,021,062.39	
General expenses,	1,509,728.47	166,208.43	
Total,	\$42,884,583.80	\$6,770,205.67	

UNITED RAILROADS OF NEW JERSEY DIVISION.

(Excluding Delaware and Raritan Canal.)

EXPENSES IN DETAIL.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
MAINTENANCE OF WAY AND STRUCTURES.			
Engineering and superintendence,	\$89,535.21	\$10,106.71	
Roadway, repairs of,	320,091.37	62,759.02	
Ballast,	39,874.65		\$4,668.24
Rail fastenings,	68,935.54	3,700.13	
Frogs and switches,	72,511.12		13,533.33
Interlocking plants and signals, repairs of,	127,574.35	37,480.84	
Roadway tools, repairs of,	34,669.74		3,315.44
Track repairing,	586,201.15		9,168.94
Rails,	171,511.77	10,543.81	
Cross-ties,	289,499.27		8,352.30
Bridges and culverts, repairs of,	200,655.02	10,683.69	
Fences, road crossings, and signs, repairs of,	39,417.03		5,000.13
Overhead crossings,	11,472.72		13,217.92
Stations, repairs of and furniture for,	460,950.42		199.78
Engine-houses and shops, repairs of,	107,958.66	15,818.11	
Fuel and water stations, repairs of,	51,953.83	5,921.46	
Dwelling, power, signal, tool, and watch houses, repairs of,	40,159.94		2,660.05
General office, repairs and furniture for,	18.12		4.80
Docks, dredging and cleaning,	9,027.73		1,690.26
Wharves and landings, repairs of,	189,950.59	91,254.33	
Telegraph, repairs of,	44,780.81		3,500.56
Stationery and printing,	9,157.12	2,243.24	
Trolley poles and wires, repairs of,			1,424.25
Insurance,	11,208.83		119.79
Incidentals,	5,694.09	2,290.51	
Total,	\$2,982,809.08	\$185,946.06	
MAINTENANCE OF EQUIPMENT.			
Superintendence,	\$116,886.74	\$10,610.64	
Locomotives, repairs of,	808,227.00	93,413.45	
Cars, repairs of, passenger,	506,789.28	50,949.55	
Cars, repairs of, freight,	798,413.66	125,839.87	
Cars, repairs of, work,	32,390.01	12,250.78	
Barges, car-floats, and canal-boats, repairs of,	197,031.13	93,410.56	
Steamboats and tug-boats, repairs of,	210,261.24		\$73,618.19
Tools and machinery, repairs of,	62,586.05	1,693.73	
Stationery and printing,	12,738.02	627.45	
Shops, heating and lighting,	20,629.50		420.39
Watchmen,	22,490.34	410.07	
Electrical plant and equipment, repairs of,	80.20		1,957.48
Insurance,	29,253.91	897.51	
Incidentals,	12,698.93	2,541.83	
Total,	\$2,830,476.01	\$316,619.38	

UNITED RAILROADS OF NEW JERSEY DIVISION.

EXPENSES IN DETAIL.—CONTINUED.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
CONDUCTING TRANSPORTATION.			
Superintendence,	\$66,594.44	\$3,781.05	
Clerks, attendants, and office expenses,	185,673.40	8,844.77	
Enginemen and firemen,	1,029,154.07	112,947.00	
Roundhousemen,	224,496.04	13,472.92	
Locomotives, fuel for,	1,523,178.16	62,091.75	
Fuel stations, expenses of,	61,642.75		\$3,991.84
Locomotives, water supply for,	102,486.03	16,703.69	
Locomotives, stores for,	39,521.63	6,752.37	
Locomotives, other supplies for,	29,391.35	5,751.97	
Conductors, baggagemen, and brakemen,	877,534.08	109,976.81	
Cars, heating and lighting,	72,219.11	8,760.95	
Cars, cleaning,	109,448.47	14,286.04	
Cars, lubricating,	30,292.60	3,429.23	
Other train supplies and expenses,	76,721.85	11,515.01	
Yardmen,	1,013,053.10	173,253.42	
Switch-tenders and signalmen,	116,758.95	6,022.35	
Watchmen,	235,233.66		9,422.42
Telegraph expenses,	351,741.53	28,611.95	
Station agents and clerks,	974,343.14	42,144.20	
Station labor,	1,948,536.13	212,707.21	
Stations, heating and lighting,	152,024.72	12,321.03	
Signals and interlocking plants, expenses of operation and supplies,	58,207.11	2,424.31	
Stations, other supplies and expenses of,	167,711.40	35,072.05	
Switching charges, balance,	2,052.75	257.50	
Car mileage, balance,	175,354.41	1,502.12	
Loss and damage,	83,637.87	28,350.98	
Injuries to persons,	23,187.26	6,288.86	
Wrecks, clearing,	34,228.18	9,748.88	
Barges, car-floats, and canal-boats, charters,	159,879.76		6,885.30
Barges, car-floats, and canal-boats, incidentals,	43,246.37	3,612.55	
Barges, car-floats, and canal-boats, superintendence and manning,	160,352.86	5,534.29	
Elevation and 'longshore labor,	204,502.03	7,771.96	
Steamboats and tug-boats, charters,	55,571.24	724.44	
Steamboats and tug-boats, fuel for,	376,845.75	12,822.91	
Steamboats and tug-boats, incidentals,	83,136.29	7,147.17	
Steamboats and tug-boats, superintendence and manning,	488,482.57	22,487.37	
Advertising,	122,970.33	13,575.26	
Foreign agencies,	119,340.27	2,834.57	
Stock yards and elevators,	20,413.09		10,560.65
Rents for tracks, yards, and terminals,	59,986.11		25,692.46
Rents of buildings and other property,	376,729.61	12,478.75	
Stationery and printing,	170,180.31	18,633.57	
Motormen and conductors,			3,538.47
Power-houses, expenses of operation,			5,568.49
Yard and street lighting,	9,302.61	523.20	
Insurance,	92,916.24	1,234.35	
Incidentals,	34,256.69	4,521.03	
Total,	\$12,342,536.32	\$985,261.21	
GENERAL EXPENSES.			
Clerks,	\$202,737.31		\$3,567.10
Heat and light,	146.89	\$23.19	
Office expenses and supplies,	7,030.56	1,738.43	
Relief department, expenses of,	34,082.12	2,158.61	
Law expenses,	23,640.49		3,289.12
Stationery and printing, general office,	30,609.09		311.26
Advertising,	158.93		47.86
Incidentals,	1,276.99		2,607.44
Total,	\$299,682.38		\$5,902.55
SUMMARY.			
Maintenance of way and structures,	\$2,982,809.08	\$185,946.06	
Maintenance of equipment,	2,830,476.01	316,619.38	
Conducting transportation,	12,342,536.32	985,260.21	
General expenses,	299,682.38		\$5,902.55
Total,	\$18,455,503.79	\$1,481,923.10	

UNITED RAILROADS OF NEW JERSEY DIVISION.
DELAWARE AND RARITAN CANAL.
EXPENSES IN DETAIL.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
MAINTENANCE OF CANAL.			
Aqueducts,	\$484.18	\$367.51	
Boats and flats, repairs of,	741.91		\$1,288.06
Bridges,	11,708.83		7,054.09
Canal bed and banks,	13,095.97	1,417.13	
Clerks,	610.00	10.00	
Culverts,	305.38		953.78
Dams,	11,034.63	10,748.83	
Dredging and dredge repairs,	11,522.67	2,959.94	
Fencing,	529.69		45.55
Ferries, expenses of,	24.27		80.20
Horses and horse-keep,	2,761.55	705.28	
Houses and repair shops,	4,711.69	1,765.27	
Incidentals,	150.18		43.52
Locks and lock engines,	14,971.26	6,880.39	
Office expenses, and furniture for,	341.93	22.21	
Slope and vertical walls,	6,485.95	1,544.45	
Stationery and printing,	323.29		109.10
Superintendence and engineering,	1,825.73	25.73	
Taxes on real estate,	1,648.52		17.02
Telegraph, repairs of,	251.04	251.04	
Tools and tool repairs,	2,613.14	587.31	
Waste weirs and sluices,	2,564.31	230.02	
Watchmen,	2,087.95	305.07	
Wharves,	2,809.70	1,307.91	
Total,	\$93,603.77	\$19,536.77	
CANAL OPERATION.			
Barges,	\$31,183.59	\$2,364.17	
Bridge-tenders,	12,711.26	219.00	
Collectors and weighmasters,	8,202.80		\$281.78
Clerks,	3,771.23		28.71
Ferries, labor at,	100.50		394.50
Fuel and light,	1,354.26		166.46
Incidentals,	955.36		31.05
Legal expenses and damages,	2,286.90		30.35
Lock-keepers and lock engineers,	16,324.20		139.70
Office expenses, and furniture for,	190.92		114.86
Stationery and printing,	408.06		114.31
Superintendents,	1,940.00	20.00	
Tax—State,	3,389.00		
Telegraph expenses,	1,069.68	16.32	
Wrecking and policing,	754.62	379.84	
Total,	\$84,642.38	\$1,697.61	

UNITED RAILROADS OF NEW JERSEY DIVISION.

DELAWARE AND RARITAN CANAL.

EXPENSES IN DETAIL.—CONTINUED.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
STEAM-TOWING ACCOUNT.			
Tugs, cordage for,	\$10,346.13	\$3,953.77	
Tugs, charter of,	9,471.49	7,277.49	
Tugs, damage by,	11,270.36	1,624.01	
Tugs, incidentals for,	2,262.88		\$662.49
Tugs, fuel for,	51,304.46	1,345.30	
Tugs, manning of,	63,043.94	10,525.98	
Tugs, repairs of,	34,442.82	5,993.06	
Tugs, oil, waste, and tallow for,	2,260.22	545.09	
Tugs, superintendence of,	6,468.23		601.91
Tugs, supplies for,	3,898.53	427.45	
Tugs, tools and furniture for,	2,112.98	358.34	
Tugs, wharfage and port expenses of,	9,639.57	1,098.26	
Total,	\$206,521.61	\$31,884.35	
SUMMARY.			
Maintenance of canal,	\$93,603.77	\$19,536.77	
Canal operation,	84,642.38	1,697.61	
Steam-towing account,	206,521.61	31,884.35	
Total,	\$384,767.76	\$53,118.73	

PHILADELPHIA AND ERIE RAILROAD DIVISION.

EXPENSES IN DETAIL.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
MAINTENANCE OF WAY AND STRUCTURES.			
Engineering and superintendence,	\$50,679.12	\$6,639.18	
Roadway, repairs of,	171,329.83	38,936.29	
Ballast,	18,892.06		\$15,232.69
Rail fastenings,	33,045.30		6,820.71
Frogs and switches,	30,412.37		4,379.25
Interlocking plants and signals, repairs of,	9,610.21		1,454.52
Roadway tools, repairs of,	12,079.62	1,404.13	
Track repairing,	287,645.33	11,258.09	
Rails,	132,434.58		21,353.94
Cross-ties,	164,432.31		35,773.12
Bridges and culverts, repairs of,	135,462.12		2,814.13
Fences, road crossings, and signs, repairs of,	18,649.49		768.61
Overhead crossings,	1,674.17	1,177.74	
Stations, repairs of and furniture for,	64,158.92	4,186.03	
Engine-houses and shops, repairs of,	25,471.58		13,605.86
Fuel and water stations, repairs of,	18,354.46	4,864.57	
Dwelling, power, signal, tool, and watch houses, repairs of,	24,644.96	2,458.65	
General office, repairs and furniture for,	3.87		3.27
Docks, dredging and cleaning,			509.44
Wharves and landings, repairs of,	159.49	11.05	
Telegraph, repairs of,	24,471.36		324.55
Stationery and printing,	3,893.01	786.57	
Insurance,	2,818.66	25.04	
Incidentals,	147.30		56.07
Total,	\$1,230,470.12		\$31,218.82
MAINTENANCE OF EQUIPMENT.			
Superintendence,	\$66,520.81	\$3,615.92	
Locomotives, repairs of,	390,409.86	71,695.96	
Cars, repairs of, passenger,	117,732.91	11,764.36	
Cars, repairs of, freight,	904,208.87	49,116.74	
Cars, repairs of, work,	18,395.35		\$14,631.77
Tools and machinery, repairs of,	51,651.11	5,377.78	
Stationery and printing,	6,805.62	55.40	
Shops, heating and lighting,	11,368.26	711.10	
Watchmen,	8,597.47	673.11	
Insurance,	11,010.64	1,882.74	
Incidentals,	10,853.07	1,792.92	
Total,	\$1,597,553.97	\$132,054.26	

PHILADELPHIA AND ERIE RAILROAD DIVISION.

EXPENSES IN DETAIL.—CONTINUED.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
CONDUCTING TRANSPORTATION.			
Superintendence,	\$37,030.62	\$1,338.32	
Clerks, attendants, and office expenses,	84,690.05	7,684.02	
Enginemen and firemen,	463,837.24	30,520.86	
Roundhousemen,	88,631.62	5,151.20	
Locomotives, fuel for,	538,142.98		\$4,819.48
Fuel stations, expenses of,	32,716.74	1,844.08	
Locomotives, water supply for,	21,958.89	92.46	
Locomotives, stores for,	14,754.67	1,877.35	
Locomotives, other supplies for,	21,553.68	740.67	
Conductors, baggagemen, and brakemen,	442,114.97	27,737.33	
Cars, heating and lighting,	15,891.25	1,907.84	
Cars, cleaning,	25,315.48	3,145.40	
Cars, lubricating,	24,385.78	318.68	
Other train supplies and expenses,	16,596.62	674.95	
Yardmen,	254,415.05	25,805.79	
Switch-tenders and signalmen,	29,884.90	4,976.77	
Watchmen,	31,838.48	2,273.35	
Telegraph expenses,	175,136.78	18,464.13	
Station agents and clerks,	168,011.08	13,140.92	
Station labor,	119,591.88	15,645.58	
Stations, heating and lighting,	19,249.99	3,695.43	
Signals and interlocking plants, expenses of operation and supplies,	4,850.91	1,304.41	
Stations, other supplies and expenses of,	22,543.19	4,643.25	
Switching charges, balance,	5,010.00	5,010.00	
Car mileage, balance,	314,278.96		46,117.67
Loss and damage,	39,720.84	20,715.97	
Injuries to persons,	6,770.87	597.40	
Wrecks, clearing,	17,056.63	634.92	
Advertising,	14,699.69		3,319.80
Foreign agencies,	13,568.68	606.06	
Commissions,	564.84		43.57
Rents for tracks, yards, and terminals,	49,559.54		574.80
Rents of buildings and other property,	6,918.09		1,019.75
Stationery and printing,	53,122.00		1,027.52
Yard and street lighting,	1,371.70	205.10	
Insurance,	22,558.80	237.09	
Incidentals,	10,926.20	173.83	
Total,	\$3,209,204.59	\$144,510.48	
GENERAL EXPENSES.			
Salaries of general officers,	\$9,306.76	\$52.84	
Clerks,	77,386.05		\$234.12
Office expenses and supplies,	1,569.05	411.24	
Relief Department, expenses of,	23,025.70		1,123.68
Law expenses,	5,851.87	32.02	
Stationery and printing, general office,	6,666.16	1,457.11	
Advertising,	7.20		3.25
Incidentals,	281.69	9.63	
Total,	\$124,185.38	\$601.79	
SUMMARY.			
Maintenance of way and structures,	\$1,230,470.12		\$31,218.82
Maintenance of equipment,	1,597,558.97	\$132,054.26	
Conducting transportation,	3,209,204.59	144,510.48	
General expenses,	124,185.38	601.79	
Total,	\$6,161,419.06	\$245,947.71	

BUFFALO AND ALLEGHENY VALLEY DIVISION.

EXPENSES IN DETAIL.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
MAINTENANCE OF WAY AND STRUCTURES.			
Engineering and superintendence,	\$63,332.75	\$11,435.31	
Roadway, repairs of,	220,805.23	62,740.88	
Ballast,	55,215.46	26,689.39	
Rail fastenings,	75,371.57	35,947.14	
Frogs and switches,	47,913.41	15,311.28	
Interlocking plants and signals, repairs of,	11,671.87		\$396.27
Roadway tools, repairs of,	15,452.50	1,824.48	
Track repairing,	439,234.97	83,268.64	
Rails,	268,930.10	93,682.06	
Cross-ties,	243,929.05	35,260.83	
Bridges and culverts, repairs of,	205,682.72	9,328.45	
Fences, road crossings, and signs, repairs of,	26,425.62	3,983.02	
Overhead crossings,	15,329.88		483.77
Stations, repairs of and furniture for,	60,431.38		14,328.50
Engine houses and shops, repairs of,	97,565.30	50,132.91	
Fuel and water stations, repairs of,	34,698.41	10,310.96	
Dwelling, power, signal, tool, and watch houses, repairs of,	16,940.85	5,458.12	
General Office, repairs and furniture for, . . . . .	.41		3.38
Docks, dredging and cleaning,	2,062.30	19.89	
Wharves and landings, repairs of,	5,202.03		3,337.66
Telegraph, repairs of,	15,416.21	2,398.96	
Stationery and printing,	3,862.54	694.81	
Insurance,	2,784.08		389.69
Incidentals,	5,087.93	4,005.64	
Total,	\$1,933,346.57	\$433,553.50	
MAINTENANCE OF EQUIPMENT.			
Superintendence,	\$69,254.66	\$7,263.21	
Locomotives, repairs of,	645,134.02	248,146.76	
Cars, repairs of passenger,	169,061.59		\$4,765.41
Cars, repairs of freight,	670,428.17	57,891.09	
Cars, repairs of work,	36,093.15		13,108.32
Tools and machinery, repairs of,	71,656.81	19,344.55	
Stationery and printing,	8,565.76	991.28	
Shops, heating and lighting,	10,971.22	3,418.03	
Watchmen,	4,242.08		860.12
Insurance,	15,880.87	1,440.14	
Incidentals,	11,097.60	2,694.59	
Total,	\$1,712,385.93	\$322,455.80	

BUFFALO AND ALLEGHENY VALLEY DIVISION.

EXPENSES IN DETAIL.—CONTINUED.

ACCOUNTS.	1902.	COMPARISON WITH 1901.	
		INCREASE.	DECREASE.
CONDUCTING TRANSPORTATION.			
Superintendence,	\$44,049.50		\$442.18
Clerks, attendants, and office expenses,	105,038.76	\$13,835.52	
Enginemen and firemen,	512,672.22	52,698.70	
Roundhousemen,	110,614.51	14,994.27	
Locomotives, fuel for,	601,485.37	76,108.16	
Fuel stations, expenses of,	35,160.19	2,035.80	
Locomotives, water supply for,	32,964.06	6,449.76	
Locomotives, stores for,	26,620.42	5,197.15	
Locomotives, other supplies for,	23,175.03	5,324.70	
Conductors, baggagemen, and brakemen,	474,794.39	43,230.56	
Cars, heating and lighting,	22,262.10		34.06
Cars, cleaning,	34,486.39		17.91
Cars, lubricating,	19,914.48	1,633.35	
Other train supplies and expenses,	24,896.10	1,465.80	
Yardmen,	353,863.98	88,315.07	
Switch tenders and signalmen,	41,031.46	10,758.32	
Watchmen,	43,393.41	8,978.41	
Telegraph expenses,	150,017.79	25,402.15	
Station agents and clerks,	209,431.28	16,376.25	
Station labor,	154,335.96	23,890.64	
Stations, heating and lighting,	19,800.60	4,857.81	
Signals and interlocking plants, expenses of operation and supplies,	5,223.11	6.65	
Stations, other supplies and expenses of,	22,960.00	10,864.04	
Car mileage, balance,	68,861.62	33,285.14	
Loss and damage,	31,480.48	1,343.86	
Injuries to persons,	11,054.18		807.29
Wrecks, clearing,	30,974.84	13,407.40	
Advertising,	29,356.04	7,080.13	
Foreign agencies,	21,078.87		492.94
Commissions,	193.00	193.00	
Rents for tracks, yards, and terminals,	12,979.59	1,160.21	
Rents of buildings and other property,	23,972.55		6,165.26
Stationery and printing,	63,503.17		10,106.75
Yard and street lighting,	1,850.78	692.92	
Insurance,	20,130.59	156.00	
Incidentals,	26,255.24	9,096.53	
Total,	\$3,409,882.06	\$460,771.91	
GENERAL EXPENSES.			
Salaries of general officers,	\$9,548.00	\$350.00	
Clerks,	64,527.47	20,767.63	
Office expenses and supplies,	3,310.20		\$292.72
Relief department, expenses of,	8,460.89	2,743.47	
Law expenses,	16,591.11		1,466.68
Stationery and printing, general office,	6,196.39	1,058.32	
Advertising,	60.78		60.47
Incidentals,	487.36	452.12	
Total,	\$109,182.20	\$23,551.67	
SUMMARY.			
Maintenance of way and structures,	\$1,933,346.57	\$433,553.50	
Maintenance of equipment,	1,712,385.93	322,455.80	
Conducting transportation,	3,409,882.06	460,771.91	
General expenses,	109,182.20	23,551.67	
Total,	\$7,164,796.76	\$1,240,332.88	

EQUIPMENT OWNED BY THE PENNSYLVANIA RAILROAD COMPANY.
DECEMBER 31st, 1902.

	AVAILABLE FOR SERVICE DEC. 31st, 1901.	ACQUIRED AS ADDITIONS TO EQUIPMENT DURING 1902.	DESTROYED OR TRANSFERRED TO OTHER CLASSES DURING 1902.	BUILT TO FILL VACANCIES OR TRANSFERRED FROM OTHER CLASSES DURING 1902.	TOTAL INCREASE OR DECREASE.	AVAILABLE FOR SERVICE DEC. 31st, 1902.	CAPACITY, 1902.	CAPACITY, 1901.	VALUATION AS CARRIED ON GENERAL LEDGER DEC. 31st, 1902.	VALUATION AS CARRIED ON GENERAL LEDGER DEC. 31st, 1901.
LOCOMOTIVES.										
							Tractive Power—Pounds.			
Passenger,	509	22	28	14	I. 8	517	8,548,660	8,049,500		
Freight,	1,264	172	72	74	I. 174	1,438	40,811,764	32,914,348		
Shifting,	243	3	10	22	I. 15	258	4,808,600	4,473,060		
Total,	2,016	197	110	110	I. 197	2,213	54,169,024	45,436,908	\$17,912,582.35	\$15,199,570.35
PASSENGER CAR EQUIPMENT.										
							Seating Cap'y—Passengers			
Passenger,	1,093		110	108	D. 2	1,091	68,606	67,310		
Passenger—second class,	67					67				
Parlor,	6					6	201	201		
Dining,	20		4	4		20	678	654		
Passenger-baggage,	217		4	8	I. 4	221	8,700	8,422		
Passenger-baggage-mail,	13					13	306	306		
Baggage-mail,	60			1	I. 1	61				
Baggage,	103		3	1	D. 2	101				
Express,	11		10		D. 10	1				
Baggage-express,	161	50	3	12	I. 59	220				
Refrigerator-express,	16					16				
Postal-letter,	36	5	4	4	I. 5	41				
Postal-paper,	12	2	1	1	I. 2	14				
Postal-storage,	13	1			I. 1	14				
Dynamometer,	1					1				
Passenger (elec. motor) B. & Mt. H. T. R. R.,	3		3		D. 3			150		
Total,	1,832	58	142	139	I. 55	1,887	78,491	77,043	\$6,398,583.65	\$6,398,583.65
FREIGHT CAR EQUIPMENT.										
							Tons			
Box,	11,731	4,000	655	480	I. 3,825	15,556	485,020	356,600		
Refrigerator,	752		13	13		752	18,675	18,525		
Stock,	1,929		112	98	D. 14	1,915	48,785	48,305		
Gondolas,	32,618	2,169	2,066	2,077	I. 2,180	34,798	1,039,330	914,645		
Four-wheel cabin,	906	105	218	218	I. 105	1,011				
Box (Empire Line),	4,193	500	190	365	I. 675	4,865	150,245	124,865		
Refrigerator (Empire Line),	60					60	1,500	1,500		
Flat,				33	I. 33	33	18,260			
Tank,	614		30		D. 30	584	bbls. 54,040	bbls. 56,660		
Total,	52,800	6,774	3,284	3,284	I. 6,774	59,574	tons 1,761,815 bbls. 54,040	tons 1,464,410 bbls. 56,660	\$19,431,890.91	\$18,966,890.91
MAINTENANCE OF WAY EQUIPMENT										
Cabin,	40	3	10	23	I. 16	56				
Tool and block,	107	3	6	15	I. 12	119				
Snow plows,	3					3				
Snow sweepers,	1					1				
Derrick,	74		4	6	I. 2	76				
Stone and wood and flat cars,	1,123		19	19		1,123				
Hand-cars,	808	13	31	32	I. 14	822				
Hand trucks,	1,088	17	31	31	I. 17	1,105				
Test weight,	4					4				
Total,	3,218	36	101	126	I. 61	3,309			\$177,425.55	\$177,425.55
FLOATING EQUIPMENT.										
Steam ferry-boats,	14					14				
Tug boats,	32		1	2	I. 1	33				
Steam lighters,	3					3				
Barges,	91					91				
Flat scows,	30					30				
Dump scows,	4					4				
Car floats,	68	4	4	7	I. 7	75				
Canal barges,	22					22				
Dredgers,	3					3				
Total,	267	4	5	9	I. 8	275			\$2,236,353.25	\$2,236,353.25
Grand total,	60,163	7,069	3,642	3,668	I. 7,095	67,258			\$46,156,835.71	\$42,978,823.71
Tools and machinery in shops,									1,618,218.88	1,618,218.88
Total valuation of equipment as per general ledger,									\$47,775,054.59	\$44,597,042.59

NOTE.—This statement embraces only the equipment absolutely owned by the Company, and therefore does not include 35,653 freight cars, with a capacity of 1,536,755 tons, leased under various Car Trusts and under the Equipment Trust Gold Loan, which, if added to the above, would make a total of 95,227 freight cars, of a total capacity of 3,298,570 tons.

EQUIPMENT LEASED UNDER CAR TRUSTS,

DECEMBER 31st, 1902.

	DATE AT WHICH CARS WILL BECOME PROPERTY OF P. R. R.	NUMBER.	CAPACITY. TONS.
PENNSYLVANIA ROLLING STOCK TRUST.			
Series "E" steel hopper gondola,	October 1st, 1908,	1,000	50,000
Series "E" and "F" box,	October 1st, 1908,	2,000	80,160
Series "F" and "G" long gondola,	October 1st, 1908,	1,946	77,900
Series "H" and "I" box,	April 1st, 1909, . .	2,000	80,140
Series "I" and "K" hopper gondola,	April 1st, 1909, . .	1,910	76,500
PENNSYLVANIA CAR TRUST.			
Series "A" steel hopper gondola,	November 1st, 1909,	500	25,000
Series "A" and "C" long gondola,	November 1st, 1909,	1,284	51,380
Series "A," "B," and "C" box,	November 1st, 1909,	430	17,220
Series "F," "G," "H," "I," and "K" box,	February 1st, 1910,	4,000	160,330
Series "K" steel hopper gondola,	February 1st, 1910,	500	25,000
Series "K" long gondola,	February 1st, 1910,	325	13,000
PENNSYLVANIA EQUIPMENT TRUST.			
Series "A" and "B" box,	December 1st, 1910,	563	22,560
Series "B" long gondola,	December 1st, 1910,	1,000	40,060
Series "C," "D," and "E" steel hopper gondola,	June 1st, 1911, . .	2,000	100,000
Series "E" steel flat cars,	June 1st, 1911, . .	500	40,000
Series "E" and "F" box,	June 1st, 1911, . .	437	17,500
Series "F" steel underframe box,	June 1st, 1911, . .	675	33,750
Series "G" steel underframe box,	March 1st, 1912, . .	926	46,300
Series "H" steel underframe box,	March 1st, 1912, . .	399	19,950
Series "H" steel hopper gondola,	March 1st, 1912, . .	490	24,500
Series "I" steel hopper gondola,	March 1st, 1912, . .	862	43,100
Series "K" steel hopper gondola,	March 1st, 1912, . .	921	46,050
PENNSYLVANIA STEEL CAR TRUST.			
Series "A" steel hopper gondola,	July 1st, 1912, . .	292	14,600
Series "B" steel hopper gondola,	July 1st, 1912, . .	435	21,750
Series "C" steel underframe box,	July 1st, 1912, . .	866	43,300
Series "D" steel underframe box,	July 1st, 1912, . .	866	43,300
Series "E" steel underframe box,	July 1st, 1912, . .	268	13,400
Series "G" steel underframe long gondola,	July 1st, 1912, . .	343	17,150
Series "H" steel underframe long gondola,	October 1st, 1912, .	869	43,450
Series "I" steel underframe long gondola,	October 1st, 1912, .	871	36,350
Series "K" steel underframe long gondola,	October 1st, 1912, .	376	18,800
PENNSYLVANIA STEEL EQUIPMENT TRUST.			
Series "A" steel underframe long gondola,	December 1st, 1912,	255	12,750
Series "B" steel underframe long gondola,	December 1st, 1912,	85	4,250
Series "C" steel underframe long gondola,	December 1st, 1912,	85	4,250
Series "D" steel underframe long gondola,	December 1st, 1912,	76	3,800
Total,		30,355	1,367,550

EQUIPMENT LEASED UNDER EQUIPMENT TRUST GOLD LOAN,
DECEMBER 31ST, 1902.

KIND OF CARS.	BUILT UNDER ORIGINAL PRO- VISIONS OF TRUST.	BUILT UNDER PROVISIONS OF SINKING FUND FROM CREA- TION OF TRUST TO DECEMBER 31ST, 1901.	BUILT UNDER PROVISIONS OF SINKING FUND DURING 1902.	TOTAL, DECEMBER 31ST, 1902.	CAPACITY, TONS.
<u>ASSIGNED TO PENNSYLVANIA R. R.</u>					
Refrigerator,		303	57	360	9,610
Hopper-bottom gondolas,	2,500			2,500	77,145
Long gondola cars,	500	1,452	104	2,056	70,820
Box cars,		382		382	11,630
Total,	3,000	2,137	161	5,298	169,205
<u>ASSIGNED TO PENNSYLVANIA CO.</u>					
Box cars,	2,000			2,000	60,550
Long gondolas,	1,000			1,000	30,430
Total,	3,000			3,000	90,980
Aggregate,	6,000	2,137	161	8,298	260,185

COMPARISON OF THE CONDITION OF THE MOTIVE POWER EQUIPMENT.

CONDITION.	P. R. R. DIVISION.		U. R. R. OF N. J. DIVISION.		P. AND E. R. R. DIVISION.		B. & A. V. DIVISION.		TOTAL.	
	DEC. 31, 1902.	DEC. 31, 1901.	DEC. 31, 1902.	DEC. 31, 1901.	DEC. 31, 1902.	DEC. 31, 1901.	DEC. 31, 1902.	DEC. 31, 1901.	DEC. 31, 1902.	DEC. 31, 1901.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
In service in good working order,	82 $\frac{3}{8}$	81 $\frac{1}{8}$	77 $\frac{1}{8}$	79 $\frac{3}{8}$	80 $\frac{3}{8}$	78 $\frac{3}{8}$	66 $\frac{3}{8}$	69 $\frac{3}{8}$	79 $\frac{3}{8}$	79 $\frac{3}{8}$
In service requiring repairs,	8 $\frac{1}{8}$	11 $\frac{7}{8}$	9	7 $\frac{1}{8}$	12 $\frac{1}{8}$	12	12 $\frac{1}{8}$	10 $\frac{1}{8}$	9 $\frac{1}{8}$	10 $\frac{1}{8}$
In shop under repairs,	4 $\frac{1}{8}$	3 $\frac{1}{8}$	11 $\frac{1}{8}$	9 $\frac{1}{8}$	4 $\frac{1}{8}$	3 $\frac{1}{8}$	11 $\frac{1}{8}$	8 $\frac{1}{8}$	6 $\frac{1}{8}$	5 $\frac{1}{8}$
In shop awaiting repairs,	1 $\frac{1}{8}$	1	..	..	1 $\frac{1}{8}$	1 $\frac{1}{8}$	6 $\frac{1}{8}$	5 $\frac{1}{8}$	1 $\frac{1}{8}$	1 $\frac{1}{8}$
Leased,	2 $\frac{1}{8}$	2 $\frac{1}{8}$	1 $\frac{1}{8}$	2 $\frac{1}{8}$	0 $\frac{1}{8}$	0 $\frac{1}{8}$	0 $\frac{1}{8}$	..	1 $\frac{1}{8}$	2
Condemned, . . . . .	..	..	1	0 $\frac{1}{8}$	..	..	2 $\frac{1}{8}$	1 $\frac{1}{8}$	0 $\frac{1}{8}$	0 $\frac{1}{8}$
Loaned temporarily to P. R. R. Division, . . . . .	..	..	..	..	..	1 $\frac{1}{8}$	..	..	..	0 $\frac{1}{8}$
Loaned temporarily to U. R. R. of N. J. Division, . . . . .	..	..	..	..	..	..	4 $\frac{1}{8}$	..	..	..
Loaned temporarily to P. & E. R. R. Division,	0 $\frac{3}{8}$	..	..	..	..	..	..	..	0 $\frac{1}{8}$	..
Loaned temporarily to B. & A. V. Division,	0 $\frac{1}{8}$	..	..	..	0 $\frac{1}{8}$	2 $\frac{1}{8}$	..	..	0 $\frac{1}{8}$	..

⊕ Includes Pennsylvania Railroad assigned locomotives.

MILEAGE OF LOCOMOTIVES.

	PASSENGER.	FREIGHT.	WORK.	TOTALS.
Pennsylvania Railroad Division, 1902,	11,108,048	34,386,865	3,040,256	48,535,169
Pennsylvania Railroad Division, 1901,	10,621,445	30,218,606	2,588,331	43,428,382
Increase,	486,603	4,168,259	451,925	5,106,787
United Railroads of New Jersey Division, 1902,	7,065,757	7,220,885	536,930	14,823,572
United Railroads of New Jersey Division, 1901,	6,799,999	6,788,972	601,266	14,190,237
Increase,	265,758	431,913	..	633,335
Decrease, . . . . .	..	..	64,336	..
Philadelphia and Erie Railroad Division, 1902,	1,719,713	4,862,379	302,625	6,884,717
Philadelphia and Erie Railroad Division, 1901,	1,661,887	5,031,253	247,107	6,940,247
Increase,	57,826	..	55,518	..
Decrease, . . . . .	..	168,874	..	55,530
Buffalo and Allegheny Valley Division, 1902,	2,488,661	4,965,138	450,819	7,904,618
Buffalo and Allegheny Valley Division, 1901,	2,577,716	4,551,410	305,885	7,435,011
Increase, . . . . .	..	413,728	144,934	469,607
Decrease,	89,055	..	..	..
Total, 1902,	22,382,179	51,435,267	4,330,630	78,148,076
Total, 1901,	21,661,047	46,590,241	3,742,589	71,993,877
Increase,	721,132	4,845,026	588,041	6,154,199

COST PER 100 MILES RUN OF LOCOMOTIVES FOR REPAIRS, FUEL, STORES, AND ROUNDHOUSEMEN.

	REPAIRS.	FUEL.	STORES.	ROUNDHOUSEMEN.	TOTALS.
Pennsylvania Railroad Div., 1902,	\$7.37	\$7.92	\$0.30	\$1.62	\$17.21
Pennsylvania Railroad Div., 1901,	6.87	7.86	0.25	1.52	16.50
Increase,	\$0.50	\$0.06	\$0.05	\$0.10	\$0.71
United Railroads of N. J. Div., 1902,	\$5.45	\$10.66	\$0.28	\$1.51	\$17.90
United Railroads of N. J. Div., 1901,	5.04	10.75	0.24	1.49	17.52
Increase,	\$0.41	..	\$0.04	\$0.02	\$0.38
Decrease, . . . . .	..	\$0.09	..	..	..
Philada. and Erie Railroad Div., 1902,	\$5.67	\$8.18	\$0.22	\$1.29	\$15.36
Philada. and Erie Railroad Div., 1901,	4.59	8.12	0.19	1.20	14.10
Increase,	\$1.08	\$0.06	\$0.03	\$0.09	\$1.26
Buffalo and Allegheny Valley Div., 1902,	\$8.16	\$8.07	\$0.36	\$1.40	\$17.99
Buffalo and Allegheny Valley Div., 1901,	5.34	7.37	0.30	1.29	14.30
Increase,	\$2.82	\$0.70	\$0.06	\$0.11	\$3.69
Total, 1902,	\$6.94	\$8.49	\$0.30	\$1.55	\$17.28
Total, 1901,	6.13	8.41	0.25	1.46	16.25
Increase,	\$0.81	\$0.08	\$0.05	\$0.09	\$1.03

PASSENGER EQUIPMENT MILEAGE.

ALL LINES OPERATED DIRECTLY.

	P. R. R. Div.	U. R. R. OF N. J. Div.	P. & E. R. R. Div.	B. & A. V. Div.	TOTAL.		COMPARISON WITH 1901.		PER CENT.
					1902.	1901.	INCREASE.	DECREASE.	
Passenger, Coach, . .	22,524,745	15,261,573	3,326,081	4,983,400	46,095,799	43,814,528	2,281,271	. . . . .	5.21
Passenger, Combined,	3,822,266	3,104,361	739,855	680,528	8,347,010	8,436,268	. . . . .	89,258	1.06
Passenger, 2d-class, .	733,653	249,410	18,360	305,144	1,306,567	1,312,604	. . . . .	6,037	0.46
Dining,	642,563	702,594	38,777	34,496	1,418,430	1,219,435	198,995	. . . . .	16.32
Parlor,	4,193	77,206	. . . . .	. . . . .	81,399	80,495	904	. . . . .	1.12
Burlington & Mt. Holly Traction Electric, .	. . . . .	462	. . . . .	. . . . .	462	73,022	. . . . .	72,560	99.37
Street(W. J. & S. R. R.),	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	535	. . . . .	535	
Pullman,	11,198,511	6,938,460	980,510	989,369	20,106,850	18,591,583	1,515,267	. . . . .	8.15
Postal,	3,813,821	1,283,270	29,264	. . . . .	5,126,355	4,784,428	341,927	. . . . .	7.15
Postal-Storage, . . .	933,366	219,171	. . . . .	. . . . .	1,152,537	899,846	252,691	. . . . .	28.08
Baggage-Express, . .	13,334,589	4,540,339	1,687,410	2,086,409	21,648,747	21,256,569	392,178	. . . . .	1.84
Total,	57,007,707	32,376,846	6,820,257	9,079,346	105,284,156	100,469,313	4,814,843	. . . . .	4.79

FREIGHT EQUIPMENT MILEAGE.

ALL LINES OPERATED DIRECTLY.

	P. R. R. Div.	U. R. R. OF N. J. Div.	P. & E. Div.	B. & A. V. Div.	TOTAL		COMPARISON WITH 1901.		PER CENT.
					1902.	1901.	INCREASE.	DECREASE.	
Loaded—eastward,	310,043,239	43,797,581	46,233,250	14,476,001	414,550,071	397,878,802	16,671,269	. . . . .	4.19
Empty—eastward, .	35,243,311	3,644,822	7,833,628	23,327,165	70,048,926	72,059,435	. . . . .	2,010,509	2.79
Total—eastward,	345,286,550	47,442,403	54,066,878	37,803,166	484,598,997	469,938,237	14,660,760	. . . . .	3.12
Loaded—westward,	125,886,232	19,297,300	28,993,210	36,209,066	210,385,808	211,595,721	. . . . .	1,209,913	0.57
Empty—westward, .	227,714,955	26,568,529	22,417,780	4,507,307	281,208,571	267,827,438	13,381,133	. . . . .	5.00
Total—westward,	353,601,187	45,865,829	51,410,990	40,716,373	491,594,379	479,423,159	12,171,220	. . . . .	2.54
Loaded—total, . .	435,929,471	63,094,881	75,226,460	50,685,067	624,935,879	609,474,523	15,461,356	. . . . .	2.54
Empty—total, . . .	262,958,266	30,213,351	30,251,408	27,834,472	351,257,497	339,886,873	11,370,624	. . . . .	3.35
Grand total, . .	698,887,737	93,308,232	105,477,868	78,519,539	976,193,376	949,361,396	26,831,980	. . . . .	2.83

TRACK MILEAGE.

DECEMBER 31ST, 1902.

	FIRST TRACK.	SECOND TRACK.	THIRD TRACK.	FOURTH TRACK.	COMPANY'S SIDINGS.	TOTAL.
Pennsylvania Railroad Division,	1,775.63	649.47	329.33	253.01	1,339.09	4,346.53
United Railroads of New Jersey Division,	475.52	164.18	88.37	86.38	511.55	1,326.00
Philadelphia and Erie Railroad Division,	602.89	128.59	. . . . .	. . . . .	330.99	1,062.47
Buffalo and Allegheny Valley Division,	809.28	38.22	. . . . .	. . . . .	389.45	1,236.95
Total, 1902,	3,663.32	980.46	417.70	339.39	2,571.08	7,971.95
Total, 1901,	3,672.29	906.77	396.48	318.17	2,375.06	7,668.77
Increase, . . . . .	. . . . .	73.69	21.22	21.22	196.02	303.18
Decrease,	8.97					

STEEL RAILS AND TIES USED FOR RENEWALS.

	RAILS—TONS.	CROSS-TIES.
Pennsylvania Railroad Division,	45,633	1,325,228
United Railroads of New Jersey Division,	7,490	299,748
Philadelphia and Erie Railroad Division,	9,343	248,513
Buffalo and Allegheny Valley Division,	14,036	338,843
Philadelphia, Wilmington and Baltimore Railroad Company,	7,685	411,343
Northern Central Railway Company,	6,457	177,085
West Jersey and Seashore Railroad Company,	6,394	185,965
Cumberland Valley Railroad Company,	1,126	54,846
Pennsylvania Company,	21,451	667,560
Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company,	21,152	614,108
Grand Rapids and Indiana Railway Company,	3,490	205,574
Total,	144,257	4,528,813

