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1925

THE PENNSYLVANIA RAILROAD COMPANY
SEVENTY-NINTH ANNUAL REPORT

FOR THE YEAR 1925

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

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1925

THE PENNSYLVANIA RAILROAD COMPANY

SEVENTY-NINTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

TO THE STOCKHOLDERS

FOR THE YEAR 1925

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Presented and adopted at the Annual Meeting of the Stockholders,
13th April, 1926.



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DIRECTORS
 . OF
 THE PENNSYLVANIA RAILROAD COMPANY
 ELECTED BY THE STOCKHOLDERS

	TERM EXPIRES		TERM EXPIRES
EFFINGHAM B. MORRIS,	1930	HOWARD HEINZ,	1929
CHAS. E. INGERSOLL,	1928	EDGAR C. FELTON,	1928
SAMUEL REA,	1928	A. W. THOMPSON,	1930
BAYARD HENRY,	1929	JAY COOKE,	1930
GEORGE H. McFADDEN,	1929	W. W. ATTERBURY,	1927
LEVI L. RUE,	1930	CHARLES DAY,	1927
PERCIVAL ROBERTS, JR., 1927			

ADDITIONAL MEMBERS OF THE BOARD SELECTED BY THE ABOVE-NAMED DIRECTORS
 TO ACT AS VICE-PRESIDENTS:

A. J. COUNTY, ELISHA LEE, J. L. EYSMANS, M. C. KENNEDY.

OFFICERS

THE PENNSYLVANIA RAILROAD COMPANY

PRESIDENT,.....	W. W. ATTERBURY
VICE-PRESIDENT IN CHARGE OF OPERATION,.....	ELISHA LEE
VICE-PRESIDENT IN CHARGE OF TRAFFIC,	J. L. EYSMANS
VICE-PRESIDENT IN CHARGE OF THE TREASURY AND ACCOUNTING DEPARTMENTS AND CORPORATE WORK,	A. J. COUNTY
VICE-PRESIDENT IN CHARGE OF PURCHASES, STORES AND INSURANCE,.....	M. C. KENNEDY
VICE-PRESIDENT AND GENERAL COUNSEL,.....	C. B. HEISERMAN
VICE-PRESIDENT IN CHARGE OF REAL ESTATE, VALUATION AND TAXATION,.....	T. W. HULME
VICE-PRESIDENT IN CHARGE OF PERSONNEL,.....	G. L. PECK
VICE-PRESIDENT, EASTERN REGION,	C. S. KRICK
VICE-PRESIDENT AND GENERAL MANAGER, CENTRAL REGION,.....	E. T. WHITER
VICE-PRESIDENT AND GENERAL MANAGER, NORTHWESTERN REGION,.....	T. B. HAMILTON
SECRETARY,.....	LEWIS NEILSON
TREASURER,.....	H. H. LEE
GENERAL TRAFFIC MANAGER,.....	C. B. SUDBOROUGH
COMPTROLLER,.....	E. A. STOCKTON
GENERAL PURCHASING AGENT,.....	SAMUEL PORCHER
SUPERINTENDENT, INSURANCE DEPARTMENT,.....	R. H. NEWBERN
STORES MANAGER,.....	C. D. YOUNG
CHIEF OF TRANSPORTATION,.....	C. M. SHEAFFER
CHIEF OF MOTIVE POWER,.....	J. T. WALLIS
CHIEF ENGINEER,.....	A. C. SHAND
SUPERINTENDENT, RELIEF AND PENSION DEPARTMENTS,	E. B. HUNT

1925

SEVENTY-NINTH ANNUAL REPORT.

THE PENNSYLVANIA RAILROAD COMPANY.

(Incorporated April 13, 1846, in the State of Pennsylvania.)

GENERAL OFFICE, BROAD STREET STATION, PHILADELPHIA, MARCH 24TH, 1926.

To the Stockholders of The Pennsylvania Railroad Company:

The Board of Directors herewith submit their report for the year 1925, with such statements and statistics respecting your Company and other corporations in the Pennsylvania Railroad System, as will give a clear understanding of their results.

The year 1925 was one of your Company's most successful years. Business and financial conditions affecting the railroads were generally satisfactory. Co-operation between shippers, railroads and employes, and improvements and additions to railroad property and equipment, resulted in greater efficiency in handling a larger volume of business. Prompt and dependable transportation service, and an adequate car supply enabled the country to carry on its business with smaller inventories and working capital. The railroads were also benefited by a more sympathetic and helpful public attitude and by comparative freedom from unwise legislation and labor disputes.

INCOME STATEMENT FOR 1925.

The results for the year 1925, compared with 1924, as set forth in the Income Statement published in this report, show considerable improvement, and may be briefly summarized as follows:

	YEAR ENDING DECEMBER 31, 1925	INCREASE COMPARED WITH 1924
Railway Operating Revenues.....	\$672,136,962.08	\$26,837,785.86
Railway Operating Expenses, including taxes, hire of equipment, etc.....	572,028,954.52	5,529,691.21
Net Railway Operating Income.....	100,108,007.56	21,308,094.65
Non-operating income, chiefly dividends and interest from securities owned.....	37,281,490.01	6,272,568.79
Gross Income.....	137,389,497.57	27,580,663.44
Fixed Charges—chiefly interest on the Company's debt, and rentals paid for leased roads.....	75,169,173.31	3,495,016.17
Net Income, equal to 12.46% on Capital Stock, out of which are paid Sinking Funds, Dividends, etc.....	\$62,220,324.26	\$24,085,647.27

EARNINGS AND EXPENSES.

Freight and express revenues increased, while the passenger revenue decreased principally because of the continued increase in the use of private automobiles and motor buses. The effect upon the revenues of the long continued anthracite coal strike in Pennsylvania, which began September 1st, 1925, and terminated February 12th, 1926, was offset by a greater volume of bituminous coal traffic, but the temporary cessation of mining in the anthracite field, the resulting losses to mine owners, employes, and business interests, the increased fuel costs and privation suffered by the public, were harmful to the State as well as the railroads. The entire Country is so closely knit together, and capital and labor are so dependent upon each other and their continuous co-operation is so essential to the general welfare, that no large enterprise can be injuriously affected without imposing a hardship upon the public at large.

Operating Expenses increased due to greater volume of traffic and larger outlays on account of roadway, structures and equipment. The decrease in Transportation Expenses, notwithstanding a 4% increase in traffic, was brought about by increased operating efficiency, decreased costs for fuel, and a reduction in loss and damage charges. Taxes increased, due chiefly to increased Federal income taxes, larger gross earnings and higher valuations on property. Your Company was able to effect a decrease of 29% in Hire of Equipment charges, by decreased use of foreign cars on its lines, and increased use of its cars by connecting roads. As the result of larger traffic and greater operating efficiency, the Net Railway Operating Income amounted to \$100,108,007., an increase of \$21,308,094., or 27%. This Net Railway Operating Income was equal to 4.66% on the Road and Equipment Investment, which is still far short of the 5¾% fixed by the Interstate Commerce Commission under the provisions of the Transportation Act as a fair rate of return to the carriers.

INCOME—VARIOUS SOURCES.

Under "Non-Operating Income," the increase in "Dividend Income" is due to larger holdings of stocks of leased and affiliated Companies and to higher returns received thereon. This income was further augmented by dividends upon the shares received in payment of the special dividend of 10% paid by the Pennsylvania Company at the end of 1924.

The increase in "Income from Unfunded Securities and Accounts" is attributable in large measure to interest on larger amounts due by affiliated Companies, principally the Pennsylvania Tunnel and Terminal Railroad, which was able to pay interest on its debt out of the rents received for the use of its railroad. Under "Deductions from Gross Income," the increase in "Rent for Leased Roads" is due chiefly to larger amounts paid roads operated on a fixed rental basis on account of increases in their outstanding stocks and bonds issued in 1924 and 1925. These rents were further increased by a change in the rental basis of the agreement for operating the railroad and appurtenances of the Pennsylvania Tunnel and Terminal Railroad Company, the entire capital stock and indebtedness of which is owned by your Company. The decrease in "Interest on Funded Debt" was effected by final payment and cancellation of the 6% Collateral Note issued to the Government in connection with the settlement covering the Federal Control period, referred to in previous annual reports, and to the payment of maturing securities, notably Equipment Trust Certificates, which are reflected in the General Balance Sheet. This decrease was offset, however, to a large extent by increased interest on issues during 1924 of Equipment Trust Certificates and of \$50,000,000. 40-Year 5% Secured Gold Bonds, as explained in the annual report for that year. It is a satisfaction to record that the Company was able to meet its maturing obligations, and provide for its capital expenditures without the issue of further bonds or stock, and to carry forward a fair balance of cash and other liquid working capital into 1926.

NET INCOME, DIVIDENDS, ETC.

The Net Income for the year was \$62,220,324.26, an increase of \$24,085,647.27 or 63% compared with 1924, against which were charged Appropriations to the Sinking and other Reserve Funds, and the usual dividends of 6% upon the capital stock. Against the remaining balance were charged uncollectible construction expenditures and advances amounting to \$2,447,629.91 for subsidiary leased

and branch lines. After meeting all charges the remaining surplus of \$25,892,985.26 was transferred to the credit of Profit and Loss Account. That account was credited with \$6,159,937.60, representing profits on sales of securities and real estate and adjustments of accounts, and was charged with the net book loss sustained for the Federal Control and Guaranty Periods, leaving a credit to Profit and Loss of \$88,391,547.51, an increase of \$23,636,946.94 over 1924.

GOVERNMENT SETTLEMENT.

Final settlement with the United States Government for the Guaranty Period (the six months succeeding Federal Control, March 1st to August 31st, 1920), was concluded during the year. The net book loss sustained for the Federal Control and Guaranty Periods, \$8,415,976., was charged to Profit and Loss Account, and the accounts with the Government are now closed. It by no means represents the total losses caused by the War, but under the contract interpretations and the settlement basis established by the Government, the Company's claims against it were not allowed to the extent of the foregoing amount, even though they were stated on a reasonable basis.

GENERAL BALANCE SHEET.

The General Balance Sheet, the Income Statements of the transportation corporations affiliated with your Company, and the usual statements of the Sinking and other Funds, are included in this report.

The principal changes in the General Balance Sheet, compared with 1924, are explained as follows:

ROAD AND EQUIPMENT.

This report contains a summary of the Road and Equipment expenditures during the year. The Investment in Road shows a net increase of \$7,509,229. and the Investment in Equipment a net increase of \$15,819,600.

The principal items of capital expenditures for additions to, and betterments of, property, roadway, structures and equipment were as follows:

To begin construction of a new office building in West Philadelphia.

New produce yard to replace facilities required for the Philadelphia Terminal Improvements, Philadelphia.

Continuation of work of elevation of tracks, South Philadelphia.

Additional yard facilities at Lancaster, Pa.

Additional shop facilities and office quarters at Altoona, Pa.

Continuation of work on improvements to bridges and construction of additional tracks between Sunbury and Northumberland, Pa.

Reconstruction of overhead bridge at Journal Square, Jersey City, N. J.

Improved passenger station facilities and additional yard and track facilities at Trenton, N. J.

Reconstruction of bridge at Hays, Pa.

Further work on construction of additional tracks between Derry and Donohoe, Pa.

Construction of new freight station and other expenditures in connection with terminal improvements at Pittsburgh, Pa., as explained in the 1924 annual report, including the opening of new streets and the improvement of those now existing, which will not only be a distinct advantage to that City in relieving traffic congestion and encouraging new building construction, but will aid in carrying out your Pittsburgh improvement program.

Extension of and additional tracks in classification yard at Shire Oaks, Pa.

Improved station facilities at various points.

During the year the following new equipment was placed in service:

- 7,284 box cars of 100,000 pounds capacity.
- 6 poling cars.
- 5 ten-wheel passenger locomotives for suburban service.
- 50 eight-wheel shifting locomotives.
- 1 electric locomotive.
- 28 baggage-express cars.
- 10 passenger-baggage cars.
- 4 gas motor rail cars, together with 1 trailer for use with gas motor cars.
- 1 gas-electric motor rail car.
- 5 covered barges.
- 4 harbor floats.
- 2 grain barges.
- 6 150-ton wrecking derricks.

In addition to the above, 8 locomotive cranes and 26 automobiles and automobile trucks were purchased and placed in service.

The net increase in Investment in Road and Equipment on lines owned and leased, as carried on the General Balance Sheet, was:

Road.....	\$7,509,228.99	
Equipment.....	15,819,599.54	
General Expenditures.....	321,732.42	
	<hr/>	
Total, Lines Owned.....		\$23,650,560.95
Improvements on Leased Railway Property:		
Road.....	\$600,958.47	
Equipment.....Decrease	206,985.05	
General Expenditures.....	25,675.71	
	<hr/>	
Total, Leased Lines.....		419,649.13
		<hr/>
Grand Total.....		\$24,070,210.08

CHANGES IN OTHER ASSETS.

Under "Investments in Affiliated Companies," the decreases in "Stocks" and "Bonds" are due to the sale of securities of certain leased and affiliated Companies, while the increase in "Notes" is due largely to accounting adjustments. The decrease in "Advances" is due to settlements by affiliated Companies. Under "Other Investments," the decrease in "Stocks" is caused by sales and adjustment in book values of stocks owned by your Company. The sales of Stocks above referred to include 18,600 shares of Southern Pacific Company; the balance of the holdings of Pacific Oil Company stock; and the shares of Arcade Real Estate Company, Philadelphia, of which this Company was the chief owner. The increases in "Bonds" and "Notes" represent chiefly the purchase during the year of United States Government securities for temporary employment of funds awaiting use in the improvement of the property. The increase in "Advances" is due chiefly to construction advances made to the Cleveland and Pittsburgh Railroad Company, one of your leased lines, which will be repaid. Under "Current Assets," the decrease in "Demand Loans and Deposits" reflects their withdrawal for investment in securities of affiliated Companies, while the decrease in "Special Deposits" is due to their withdrawal for Capital Account expenditures, for which they are now held as "Time Drafts and Deposits." The increase in "Loans and Bills Receivable" represents increased amounts due by affiliated Companies. The further large reduction in the stock of materials and supplies on hand means that your Company, like other railroads and industries, has found in better transportation and production methods a way to carry on its operations with a much smaller

inventory. The settlement with the United States Government for the Guaranty Period, as referred to elsewhere in this report, enabled the Company to close out its accounts covering that period and the Federal Control Period and explains the decreases in "Other Unadjusted Debits" and "Other Unadjusted Credits," the items covering both periods having been carried in those accounts pending final settlement.

CHANGES IN "FUNDED DEBT" AND OTHER LIABILITIES.

The funded debt was reduced by retirements, through the Sinking and Other Funds, of Consolidated Mortgage 3½% Bonds; Sunbury, Hazleton and Wilkes-Barre Railway Company First Mortgage 5% Bonds; Pennsylvania Company Guaranteed 3½% and 4% Trust Certificates, and Girard Point Storage Company First Mortgage 3½% Bonds, and by the payment of \$16,874,000. 6% Collateral Note and \$7,063,900. Equipment Trust Obligations. The increase in "Mortgages and Ground Rents Payable" represents a mortgage given in connection with purchase of additional property. The decrease in "Miscellaneous Accounts Payable" is due to withdrawals by affiliated Companies to reduce their indebtedness for construction and other purposes. The increase in "Tax Liability" is caused by increased taxes as previously explained, and unsettled taxes for the year 1924. The increases in Accrued Depreciation are the results of normal transactions during the year in meeting depreciation on Road and Equipment.

FINANCIAL REQUIREMENTS FOR 1926.

If sound business and financial conditions continue, and no unforeseen emergencies arise, the Company's cash and current assets should be sufficient to meet its necessities in 1926 without new financing, beyond the issuance of some equipment trust certificates and small amounts of securities by branch and leased roads to recoup it for advances made to them.

EQUIPMENT PROGRAM FOR 1926.

Expenditures for new all-steel equipment in your Company's program for 1926 are under consideration. The program provides for 300 locomotives, 15 electric locomotives; 2000 automobile box cars; 100 cabin cars; 74 passenger coaches; 125 baggage-express cars; 7 passenger-baggage cars; 8 cafe cars; 20 electric cars; 4 car floats; and 1 mooring scow. In addition to the foregoing, 100 locomotive tenders, 6 electric road locomotives, 2 electric shifting locomotives and 24 dining cars have already been ordered.

PHILADELPHIA TERMINAL IMPROVEMENTS.

Reference has been made in previous annual reports to the necessity for the reconstruction of the passenger terminals and tracks to properly accommodate the through and local passenger service in and adjacent to the City of Philadelphia, the elimination of the present Filbert Street elevated railroad structure east of the Schuylkill River, which has been further emphasized by the necessity for the expansion and development of the central section of the City of Philadelphia, and for General Office accommodations in that City for official and clerical forces, the lack of which have been apparent for several years. The plans covering these improvements were described in the 1924 annual report, and during the year the necessary enabling ordinances, prepared in collaboration with the Mayor and the Council of the City, were passed, and an agreement entered into covering the proposed improvement program. In addition to the proposed changes in railroad facilities and improvements, the plans contemplate the creation of a new central avenue, 90 feet in width, to be called "Pennsylvania Boulevard," on the location of the present Filbert Street, extending from City Hall to the main Passenger Station on the west bank of the Schuylkill River. An initial appropriation has been made by the City in connection with its participation in the cost of carrying out these improvements.

The General Office accommodations in Philadelphia have been inadequate for some years; about two-thirds of the forces are located apart from the main building, some in buildings owned by the Company and some in leased quarters, in different parts of the City. It was not until the plan for general improvements in Philadelphia was fully developed that the location for a new office building could be determined upon. A considerable number of the forces occupy buildings on Filbert Street, which must be removed to clear the way for the construction of the proposed Pennsylvania Boulevard and the subway. In the Autumn of 1925, therefore, the construction of a modern fire-proof office building, at the junction of 32d Street, Market Street and Lancaster Avenue was commenced. This will not only afford a means of concentrating the forces, but will effect a large saving in rentals, and greater efficiency and economy in carrying on work.

It will, of course, take several years to complete the contemplated improvements. The plans embrace the electrification of additional local lines radiating from Philadelphia in order to handle the suburban traffic through the proposed subway terminating in an underground station between Fifteenth and Seventeenth Streets, north of the present Filbert Street elevated structure. The electrification of the lines between Philadelphia and Wilmington and between Philadelphia and West Chester, via Media, has been authorized, the work of placing the signal and telegraph lines underground between Philadelphia and Wilmington having already been started.

The total cost of the improvements under the plan agreed to with the City is estimated at approximately \$60,000,000., of which the City will pay its fair proportion for street and other municipal improvements, which will develop and improve the central section of the City and that part lying west of the Schuylkill River.

The Company will be able to release considerable property in the heart of the business section of Philadelphia, which can be sold for commercial purposes, and thus reimburse itself for a large part of the cost of the improvements. The removal of the elevated structure, the construction of a subway, and the freeing of this property for commercial development should encourage business, and enhance values to an extent which should bring financial returns to the City that will more than justify its participation in the cost of the improvements.

CINCINNATI TERMINALS.

Negotiations are under way jointly with other railroads for the improvement of terminals in Cincinnati, Ohio. Similar improvements in other cities will be undertaken when and as the earnings of the Company and financial and business conditions justify proceeding with the work. These terminals are reservoirs for the collection and distribution of traffic, without which no railroad can prosper although the expense is generally very burdensome. Such improvements also require broad co-operation from the local authorities, without which they cannot be undertaken, and they are of paramount importance in advancing the interests of municipalities and their citizens. Adequate transportation facilities permit the rendition of a high standard of service, which in turn produces comfort and prosperity to the users, but the restricted net returns of the railroads prevent them from raising promptly the necessary capital in adequate sums and on reasonable terms for such necessary improvements.

CHICAGO UNION STATION.

The new station of the Chicago Union Station Company, which also includes an Office Building, was formally opened and dedicated to public use on July 23d, 1925. This station was designed and constructed to furnish the maximum of convenience to the traveling public, and expeditiously handle the large volume of passenger traffic going to and coming from a great commercial center like Chicago, and to and from the many connecting railroads entering that City. A seven-story Mail Building, which has been leased to the United States Government, was built adjoining the Station and is connected with it by a tunnel under the concourse. Other important work carried out in connection with the construction of the Station includes the relocation of the freight facilities of your Company, the Chicago, Burlington and Quincy Railroad and Chicago and

Alton Railroad Companies, the relocation and rebuilding of approach and Station tracks on concrete foundations; the installation of an interlocking signal system; the extending and widening of twelve streets which are carried across the Station layout on concrete viaducts, and the widening and grading of Canal Street for nine city blocks.

The cost of this work has been financed through the issuance and sale of First Mortgage Bonds of the Chicago Union Station Company and advances made by the four owning Companies. The Capital Stock of the Station Company is owned one-half by your Company and its leased line, the Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company, and one-half by the Chicago, Burlington and Quincy Railroad Company and the Chicago, Milwaukee and St. Paul Railway Company. These four Companies also guarantee the principal and interest of these Bonds, the rentals from the use of the Station being more than sufficient to pay the fixed charges of the Station Company. The Chicago and Alton Railroad Company also uses the Station as a tenant.

LEASED AND AFFILIATED COMPANIES.

ROAD AND EQUIPMENT IMPROVEMENTS.

The expenditures for Road and Equipment during 1925 on lines operated under lease or contract, have been charged against the respective Companies. The most important expenditures were:

New York Bay Railroad: Completion of work in connection with construction of additional facilities at Greenville Yard, N. J., which will relieve congestion and effect operating economies through quicker train and float movement.

New York, Philadelphia and Norfolk Railroad: On account of Little Creek Extension.

Philadelphia, Baltimore and Washington Railroad: Changes in telegraph and telephone facilities incident to electrification of line between Philadelphia and Wilmington, Del.; continuation of work on elevation of tracks on Sixtieth Street Branch, in Philadelphia, Pa.; additional tracks and engine-house facilities at Thurlow, Pa., and continuation of work of eliminating grade crossings at Edge Moor, Del.

Pennsylvania Tunnel and Terminal Railroad: Facilities for handling express business at Long Island City; improvements to power plant and installation of new generator and electrical apparatus at Long Island City; construction of additional mail handling facilities at Pennsylvania Station, New York, and installation of new rotary converter and switching equipment in the Station Service Plant. Additional facilities are required on this railroad, as 49,000,000 passengers per annum are being handled at Pennsylvania Station for the using Companies.

Cleveland and Pittsburgh Railroad: Continuation of track elevation work in Cleveland, Ohio, and track connections at Yellow Creek, Ohio.

Ohio Connecting Railway: Improved locomotive facilities at Scully, Pa.

Pittsburgh, Cincinnati, Chicago and St. Louis Railroad: Reconstruction of bridge over the Ohio River at Steubenville, Ohio; track elevation and street grading at Chicago, Ill., and installation of telephone equipment on the Logansport Division. The double-tracking of large sections of this railroad is under way to take care of the expanding traffic to and from the Southwest.

In connection with the work of double-tracking the Pittsburgh, Cincinnati, Chicago and St. Louis Railroad, it is desirable to change the location of the existing main track so as to improve the alignment and grade between Collinsville and St. Jacob, Ill., a distance of 9.2 miles. In the absence of an enabling law in the State of Illinois, it was impossible to proceed with this improvement under the charter powers of that Company, and the St. Louis Connecting Railroad Company was incorporated for the purpose, and made application to the Interstate Commerce Commission for authority to construct the new line.

Pittsburgh, Ft. Wayne and Chicago Railway: Continuation of work on reconstruction of new line through New Brighton, Pa., including a new bridge over the Beaver River; Low Grade line between Canton and Bayard, Ohio; extension of yard and sidings west of Orrville, Ohio; scrap handling plant at Conway, Pa.; continuation of work on reconstruction of viaduct and elevation of tracks, and installation of signal and interlocking system in Chicago, Ill.

Pittsburgh, Youngstown and Ashtabula Railway: Additional work on construction of industrial yard and tracks between Niles and Warren, Ohio; extension of ore-handling facilities at Ashtabula Harbor, Ohio, and additional tracks and yard at Haselton, Ohio.

Little Miami Railroad: Rearrangement of tracks, extension of platforms and construction of coach yard and interlocking plant at Cincinnati, Ohio.

Pennsylvania, Ohio and Detroit Railroad: Continuation of the work of rebuilding dock, installing car-unloading machine, and additional yard facilities at Sandusky, Ohio, to increase and expedite handling of coal through that Port; additional yard and enginehouse facilities at Toledo, Ohio, and construction of second main track and sidings between Highland and Cromers, Ohio.

The Interstate Commerce Commission, on December 10th, 1925, approved the application to issue stock of The Pennsylvania, Ohio and Detroit Railroad Company in exchange for stocks of its constituent Companies, all of which are owned by, and are operated in connection with, your System, namely, The Cincinnati, Lebanon and Northern Railway Company, The Cleveland, Akron and Cincinnati Railway Company, The Toledo, Columbus and Ohio River Railroad Company, The Manufacturers Railway Company, and Pennsylvania-Detroit Railroad Company. To conform to the policy in operating similar subsidiary companies in the System, a lease of The Pennsylvania, Ohio and Detroit Railroad is desirable so as to further simplify operation, administration and accounting, and to take the place of the existing leases. Therefore, the lease will be submitted for your consideration and action at the Annual Meeting, pursuant to notice already given, and an application for approval thereof will be made to the Interstate Commerce Commission.

Several years ago the Company planned to construct a 60-mile connecting link north of Pittsburgh between Red Bank, Pa., and a point near Enon, Pa., on your Fort Wayne road, to relieve the Pittsburgh terminals of part of the through east and westbound train movements. As the Western Allegheny Railroad occupies a large part of the proposed route between those points, your Company purchased its Capital Stock, amounting at par to \$1,511,100. That road will be improved and ultimately used to expedite and increase the movement of through traffic, and thus greatly relieve the Pittsburgh Gateway.

RELATIONS WITH EMPLOYES.

Evidence of increasing co-operation and a growing understanding of their mutual interests as between the management and employes is reflected in the improvement in your Company's operations during the past year. The Company values highly the results already realized through the operation of the Pennsylvania plan of employe representation. The essential aim of this plan was to promote the welfare of the employes, to assure them adequate representation in discussing with the management questions of wages and working conditions, and eventually to develop relations of such confidence that the management might be able to mobilize effectively the results, not merely of the effort but of the observation, experience and wisdom of all employes in the improvement of every phase of the Company's operations.

It is evident that the growth of mutual confidence already achieved reflects an increasing realization by both officers and employes that their interests are the same and that their common welfare can be best served by co-operative effort. The management of the Pennsylvania Railroad believes in its employes, and its experience justifies the statement that when a spirit of understanding is established, the representatives of the employes can be expected to deal just as fairly with the Company as the employes are justified in expecting it to deal with them. Joint handling of labor questions through reviewing committees representing with equal power both management and men has thus come to be fundamental to the Pennsylvania Railroad policy, and is every day becoming more firmly established as a sound method of insuring industrial peace and producing the best results for all.

It is gratifying that recognition has now been given in a Bill pending before Congress to the desirability of just such methods of handling labor questions throughout the Country. The proposed legislation, known as the Watson-Parker Bill, would repeal existing railroad labor legislation as expressed in the Transportation Act, and substitute for it a method of dealing with labor questions which holds promise of far more satisfactory results than anything which has yet been realized.

The pending Bill provides for the creation on each railroad, or groups of railroads, of Boards of Adjustment similar to the joint reviewing committees on the Pennsylvania Railroad. If these local Adjustment Boards are unable to settle differences, the services may be invoked of a permanent Mediation Board, consisting of five commissioners appointed by the President of the United States. This Board would seek to settle the dispute through the exercise of its good offices or effect an agreement to arbitrate the controversy. The decision of such arbitrators would be final, would be filed with the United States District Court, and, unless successfully impeached, would become a judgment of the Court. It is also provided, in the event that the local Boards of Adjustment fail to agree, that mediation and conciliation also prove unavailing, that arbitration is unacceptable to both parties and that, as a consequence, a substantial interruption to interstate commerce is threatened, the President of the United States shall have the right to create a Board to investigate and report to the public within thirty days the facts respecting the dispute. During the Board's investigation and for thirty days after its report is filed, no change shall be made, unless by agreement of the parties to the controversy, in the conditions out of which the dispute arose.

This Bill has been presented to Congress with the approval of an overwhelming number of the principal railroad executives of the Country, and with the approval of the representatives of the employees. The Bill has been well described as providing "machinery for the arrangement of peace; not a manual of war." The whole purpose of the legislation is to encourage and provide for the settlement of disputes by mutual consent and in the interest of all parties. Above all things the Bill represents expressed recognition on the part of both railroad management and railroad employees that uninterrupted transportation is of paramount importance to the public, and that both management and employees have a primary duty to compose their differences fairly, without inconvenience to the public or undue burden on the public.

The public interest is thoroughly protected in the Bill, for in the event of any dispute going to arbitration, the arbitrators may be regarded as representing the public, and, in case arbitration should be declined, the report of the fact-finding commission appointed by the President will bring the full force of public opinion to bear in the direction of settling the dispute on its real merits. The proposed Bill takes away from the Interstate Commerce Commission none of its present power to review proposals for increased freight rates or to take any other measures for the protection of the public interest against burdensome charges or conditions of any kind. The Bill, in brief, protects the public interest in every practicable way.

If the proposed legislation is passed, it will not require any modification of the Employee Representation Plan of your Company, because the intent of the Watson-Parker Bill is that disputed questions shall, as far as possible, be settled in conference between representatives designated respectively by the carriers and the employees. That is the basis of the Pennsylvania Railroad Employee Representation Plan. In view, therefore, of the present dissatisfaction with the labor provisions of the Transportation Act, and the promise the proposed legislation gives of placing the whole matter upon a new and better basis, your management has joined heartily with its own employees and with the managements and the representatives of employees of other railroads in urging adoption of the proposed measure.

The statement of the Employees' Relief Department shows a membership of 193,700 officers and employees, and \$5,087,000. distributed in 1925 to the members in payment of death, sickness, accident and disablement benefits, and for superannuation allowances; and that the Companies in the System contributed over \$900,000 to pay its operating expenses. Since 1886, when the Relief Department was established, over \$85,000,000. provided through contributions from the officers and employees and income from assets of the Relief Fund have been disbursed in benefits, while over \$15,400,000. have been contributed by the Companies in the System to meet operating expenses of the Fund.

The statement of the Pension Department shows that pensions are being paid to 8,333 officers and employees retired from active service, of whom 851 have reached the age of 80 years or more, the average age of the pensioners being 72 years and 5 months. The oldest employee receiving pension allowance during the year attained the age of 97 years. This Department has been in operation since 1899, and the Companies in the System have disbursed over \$41,000,000. in pensions, and also paid all operating expenses of the Department.

The Employees' Provident and Loan Association, established in 1923, is managed by the officers and employees for their own benefit, and shows a remarkable increase in growth. The membership has increased from 39,663 members at the end of 1924 to 67,224 on December 31st, 1925. Of this number, 52,177 have saving fund accounts, with \$5,866,462. of total deposits. 13,871 officers and employees have purchased 62,317 shares of stock of The Pennsylvania Railroad Company, as well as other securities in the System, and 1,231 have purchased additional pension allowances to supplement those paid by the Company. A number of the members of the Association also availed themselves of the privilege of purchasing their homes through building loans made to them aggregating \$1,680,361.46, and emergency loans have been granted in the sum of \$67,443.52.

Various groups of officers and employees also operate for their own benefit several other co-operative associations, among which may be mentioned the Mutual Beneficial Association, which has 16,695 members, and has been in operation since 1914. In addition to death and disability benefits, it has been the means of interesting 5,204 officers and employees in the purchase of 26,921 shares of capital stock of The Pennsylvania Railroad Company.

HEROIC SERVICE MEDALS.

Heroic Service Medals are awarded to employees who perform unusual acts of heroism in connection with their regular duties, or while on the Company's property.

Announcement of the decision to award the medals was made July 1, 1923, and the first awards, twenty-seven in number, were made May 28th, 1924.

On February 10th, 1926, the second award of Heroic Service Medals was made to employees. The presentations, twenty-four in number, were made by the President of the Company in the presence of the Board of Directors and a number of executive officers. Those to whom medals were awarded were:

Lester C. Bush, tug deckhand, New York Division; Marvin L. Atkinson, station agent, Camden Terminal Division; Dana Finley, tug fireman, New York Division; H. J. Herbert, tug captain, New York Division; Austin Joseph Grealis, gateman, New York Division; G. W. Steward, telegraph operator, Atlantic Division; Victor H. Ziegler, signalman, New York Division; John Peter Schlessman, crossing watchman, Philadelphia Division; James P. Smith, brakeman, Philadelphia Terminal Division; Joseph Webb, crossing watchman, Atlantic Division; J. F. O'Leary, patrolman, Camden Terminal Division; C. DeMooy, tug headlineman, New York Division; D. A. Shelley, car inspector, Philadelphia Division; James F. Kelty, formerly clerk, Trenton Division; now a member of the city police force of Trenton; Guiseppe Pavese, crossing watchman, Atlantic Division; Herman Johnson, car inspector, Allegheny Division; H. W. Cribbs, road patrolman, Allegheny Division; A. P. Connor, station agent, Allegheny Division; Grover C. McLaughlin, extra freight conductor, Allegheny Division; Russell H. Darr, ticket clerk, Buffalo Division; Fred Price, freight brakeman, Eastern Division; Ted Theodore Simmons, freight brakeman, Panhandle Division; A. R. Swift, station agent, St. Louis Division; G. R. Brobeck, formerly piece-work inspector, Columbus Division.

Messrs. John Peter Schlessman and James P. Smith unfortunately lost their lives in the performance of the heroic acts for which the medals were presented. The awards in both of these cases were made to their widows.

GENERAL RAILROAD SITUATION.

Record-breaking traffic was handled by the railroads of the Country in 1923 and 1925, while 1924 may be considered as a normal year. Measured in ton miles the 1925 performance exceeded the record year of 1923, while the cars loaded with freight in 1925 averaged nearly 1,000,000 a week, or slightly in excess of the year 1923, and 5.5% greater than 1924. When it is realized that it was not until 1920 that the Class I roads of the Country first handled as many as 1,000,000 loaded freight cars in any week, some idea may be had of the magnitude of the freight service that is being rendered by them. The year 1925 was notable also as the culmination of a remarkable three-year

period, in which the railroads successfully emerged from the destructive influences of the War and were able to meet the unprecedented demands for transportation service. These three years marked the end of a period during which the Class I roads of the Country spent an average of \$900,000,000. per annum to improve and increase their equipment and facilities. These expenditures, together with the hearty co-operation of the shippers in avoiding peaks in production and inventories, and in more promptly loading and unloading cars, contributed largely to the improved operating performance. The net results were that, notwithstanding the decreasing average of ton-mile revenue, the railroads in 1925 enjoyed the best year since 1916, earning a Net Railway Operating Income of 4.83% on their Property Investment. The encouraging feature of railroad progress is the better understanding by the public and the legislative and regulatory authorities of the problems of companies performing a public service, and a more general realization that encroachment on fair returns and restriction of management are against the public interest.

The railroads have by no means reached the limit of their ability to furnish the best and cheapest transportation, but their progress is retarded through unnecessary restriction of their net returns. The railroads as a whole are in better physical condition than at any time since the War as the result of carrying out a continued maintenance and improvement program, but they cannot make adequate capital expenditures on their properties when their earnings do not produce the very moderate return of 5¾%. Their Net Railway Operating Income in an active traffic year like 1925 was only slightly higher than the year 1916, notwithstanding the expenditure of over Five Billion Dollars since then for additions and betterments to the railroad properties. The average return on the Road and Equipment Investment earned in the last five years was about 4% per annum, or a total slightly exceeding 20% instead of the aggregate figure of 28¾%, based on the fair return of 5¾% per annum. This means that they have, during this five year period, served the Country for about one and one-half years without any return whatever on their Investment in Road and Equipment.

The railroads in determining their improvement policy must act not on the results of one year alone, but from the broader standpoint of their costs and net returns over a period of years. They must consider the future outlook and the possibility of raising funds through the sale of capital stock and their ability to earn sufficient to pay reasonable dividends on such new stock. They cannot rely solely upon the issue of equipment trust certificates, bonds or guaranteed securities to provide all the funds essential for capital purposes. It is difficult to get the fact appreciated that the payment of the return on the invested capital is one of the smallest drains on the earnings. For instance, on the Pennsylvania Railroad it required only 12 cents out of each dollar of revenue to meet its fixed charges and dividends, while items like wages required about 47 cents, and materials and supplies about 24 cents.

RAILROAD CONSOLIDATION.

Congress has taken up the general question of railroad consolidation, and a Bill is now being considered to relieve the Interstate Commerce Commission of the duty of adopting and publishing a complete plan of consolidation for all the railroads in the Country. This would be a constructive step, because the effect of the present law has been to prevent consolidations from being actively consummated until the Commission shall have promulgated such a plan.

In the pending legislation it is hoped that, if the right to recapture one-half of any surplus earning on the railroad property investment in excess of 6% per annum is retained as the policy of Congress, it will be based not on one year's results, but on a five-year period so as to average the good years with the results of the poor years.

MOTOR COMPETITION.

Your Company, like all other railroads, has in recent years felt the serious inroads upon its traffic, and particularly in passenger business, arising out of the general use of public bus lines and motor trucks and private automobiles. The management appreciates the great value of these new instruments of transportation and their utility for many purposes, which cannot be best or more economically realized through ordinary railroad service. Your Company has, therefore, deemed it wise to reduce or abandon service on certain of its branch lines having rather light traffic, and to substitute

therefor a gasoline motor rail service, which should fully meet the transportation requirements and prove more economical. It may become desirable in other cases to substitute motors on the high-ways for ordinary rail service, and in order to be in a position to utilize this form of service where it can be done in the interest of both public convenience and economical operation, your Company has applied for a charter for a Company through which such operations may be conducted in those Counties of the State of Pennsylvania now reached by your rail lines. It is not the purpose of the Company to enter the general business of transportation by motor bus or truck, but to engage in such service in so far as it may be necessary to protect existing traffic, or to provide further convenience in handling present business.

ORGANIZATION CHANGES.

On October 1st, 1925, Mr. Samuel Rea, who had been President of your Company and of its principal affiliated Companies since January 1st, 1913, having, after 54 years' service, reached the age of 70 years, was retired under the Company's age limit regulations. Mr. Rea was the first President to attain that age in active service. The Board feel assured that the stockholders fully share their high appreciation of Mr. Rea's long and distinguished services, and the minute of the Board giving expression to that appreciation, printed in this report, will be submitted for adoption by the stockholders at the annual meeting. It is a source of gratification to the Board that Mr. Rea has consented to remain as a Director of the Company, which will thus continue to receive the benefit of his ripe experience and sound judgment.

To fill the vacancy caused by Mr. Rea's retirement, Mr. W. W. Atterbury, Vice-President, was elected President, effective October 1st, 1925.

On May 1st, 1925, Mr. Henry Tatnall, Vice-President in Charge of Finance, having reached the age of 70 years, was retired under the Company's age limit regulations, after 21 years of active service, having been appointed Sixth Vice-President and Treasurer on June 1st, 1904, after a long experience in banking. His administration of the finances of the Company was marked by great ability, and the Board and his other associates hope that he will long enjoy a well-earned relaxation from the exacting duties and responsibilities inseparable from such an important position. To fill the vacancy caused by Mr. Tatnall's retirement, the duties of Mr. A. J. County, Vice-President, were extended so as to give him the supervision of the Treasury as well as the Accounting Department.

On August 1st, 1925, Mr. George D. Dixon, for many years Vice-President in Charge of Traffic, was, at his own request, relieved and appointed Assistant to the President, in which capacity the Company will continue to receive the benefit of his long experience and advice. To fill the vacancy, Mr. J. L. Eysmans, General Traffic Manager, was appointed Vice-President in Charge of Traffic.

The Board record, with feelings of the deepest regret, the death on February 17th, 1926, of Mr. George Wood, senior Director of your Company. His term of service started with his election as a Director on March 24th, 1891, but his connection with the affiliated Companies in the System dates from 1873 when he was elected a Director of the West Jersey Railroad Company, and later he served as President of the West Jersey and Atlantic Railroad Company, which, with other Companies, were merged to form the present West Jersey and Seashore Railroad Company.

Mr. Wood gave unsparingly of his time and attention in the discharge of his duties as a Director, and for many years served as Chairman of the Finance Committee. His broad knowledge and extensive financial and business experience were of inestimable value to your Company, and its affiliated corporations. His unselfish devotion to duty, and his kind and considerate manner have left a lasting impression on all those with whom he came in contact. In his death the Board mourn the loss of a valued counsellor and a highly esteemed friend and associate.

The following officers were retired under the Pension Regulations after many years of faithful service: W. F. McPhail, General Baggage Agent; R. R. Reed, R. W. Morrison and R. B. Thompson, Assistant Treasurers, and J. J. Lyons, Assistant Auditor of Disbursements.

The Board record, with deep regret, the deaths of the following officers who had faithfully and efficiently served your Company and its affiliated lines for many years: Alan H. Strong, General Solicitor; J. S. Donaldson, Assistant Comptroller; H. C. Clevenger, Coal Traffic Manager, Pittsburgh; A. M. Parker, General Superintendent, Eastern Pennsylvania Division; and R. L. Franklin, Freight Claim Agent.

The Northwestern and Southwestern Regions were consolidated to form the Western Region, and Mr. T. B. Hamilton, Vice-President and General Manager at Chicago, was appointed Vice-President and General Manager of that Region, Mr. Benj. McKeen, Vice-President of the former Southwestern Region, becoming Resident Vice-President at St. Louis.

As the result of organization amendments and to fill vacancies, the following appointments were also made:

M. W. Clement, Assistant Vice-President in Charge of Operation; I. W. Geer, Assistant General Manager, Western Region; F. G. Grimshaw, Works Manager; A. C. Davis, Assistant Works Manager, Altoona, Pa.; J. M. Henry, Assistant Chief of Motive Power-Locomotives; R. G. Bennett, General Superintendent of Motive Power, Eastern Region; G. B. Fravel, Assistant General Superintendent of Motive Power, Western Region; J. D. Fitzgerald, Assistant to General Superintendent of Transportation, Western Region; H. H. Garrigues, General Superintendent, Eastern Pennsylvania Division; G. W. Snyder, 2d, Assistant Chief Engineer-Maintenance; F. J. Stimson, Assistant Chief Engineer, Maintenance of Way, Western Region; W. M. Post, Assistant Chief Signal Engineer; C. B. Sudborough, General Traffic Manager; J. B. Large, Assistant General Traffic Manager; C. T. Mackenson, Jr., Freight Traffic Manager, Philadelphia; James T. Carbine, Coal Traffic Manager, Pittsburgh; J. E. Weller, Traffic Manager, Chicago; F. X. Quinn, General Freight Agent, New York City; H. C. Oliver, General Freight Agent, Pittsburgh; A. J. Ball, General Freight Agent, Philadelphia; S. T. Stackpole, Assistant General Freight Agent, Detroit; W. McL. Pomeroy, Assistant General Freight Agent, Pittsburgh; C. H. Lippincott, Coal Freight Agent, Philadelphia; S. A. Latimer, Coal Freight Agent, Pittsburgh; H. J. Freeman, Freight Claim Agent; A. A. Brown, General Baggage Agent; E. S. Neilson, General Foreign Freight Agent, Philadelphia; F. J. Fell, Jr., Deputy Comptroller; George J. Adams, Chief of Corporate Work; F. C. Sweeton, Assistant Real Estate Agent; Albert Ward and W. Meade Fletcher, Assistant General Solicitors; and E. H. Brown, Assistant Secretary.

EIGHTIETH ANNIVERSARY OF THE PENNSYLVANIA RAILROAD COMPANY.

The date of the next Annual Meeting on April 13th, 1926, is the Eightieth Anniversary of the incorporation of The Pennsylvania Railroad Company. Parts of the System, however, are much older than the parent Company. Notwithstanding many financial and business vicissitudes in that long period, the Company has endeavored to discharge its duty to the public. It has encouraged the development of the territory, and industries served by its lines and connections, and safeguarded the interests of the stock and bondholders, and the welfare of its employees. Since its incorporation the Company has paid cash dividends amounting to \$783,042,707., upon its capital stock or an average of 6.2% per annum, and in addition has paid stock dividends, representing cash expended for additions and betterments, and issued valuable stock rights. The value of the property and the average and regular returns received by the stockholders place its securities in the first rank of reliable investments. It also pursued the sound financial policy of devoting several hundred millions of dollars of its income to provide betterments and improvements to its railroad and equipment, instead of issuing stock or bonds to procure all the funds therefor. The result of this policy is that while the total investment in your System amounts to almost two and a half billion dollars, the outstanding securities in the hands of the public amount at par to slightly over one and a half billion dollars.

It is also interesting to recall in these times when the 150th Anniversary of the Declaration of American Independence will be celebrated and the Centennial of American Railroads is being commemorated, that your Company has, as part of its Main Line between Philadelphia and the Susquehanna River at Columbia, a railroad which was incorporated in 1823, or 103 years ago, as "The Pennsylvania Railroad." This charter is the oldest under which any railroad promotion work was ever done on the American Continent, and was amended in 1826, 100 years ago. After surveys and estimates had been completed, and the first American locomotive had been built for this railroad

by John Stevens and given a trial trip on his estate at Hoboken, New Jersey, the State of Pennsylvania, in 1828, undertook the construction of the railroad as planned under the preceding Acts, because private capital could not at that time be secured for such a novel enterprise. This Pennsylvania Railroad was opened for transportation service on April 16th, 1834, as a part of the State's main line of Public Works, and was acquired by your Company by purchase in 1857. It was among the first standard railroad projects in the United States to be constructed and operated as a common carrier. Engaged in its surveys and construction, were John Edgar Thomson and William Hasell Wilson. Mr. Thomson was later employed to survey and locate the present Pennsylvania Railroad between Harrisburg and Pittsburgh and became Chief Engineer and later President of the Company, while Mr. Wilson also was engaged in its engineering work and became its Chief Engineer of Construction, and acted as President of some branch roads in the Pennsylvania System. The railroad was extended from Columbia to Harrisburg in the period 1832-1838, under another organization known as the Harrisburg, Portsmouth, Mt. Joy and Lancaster Railroad, being a part of our present main line, and the President of that Company was James Buchanan, who was afterwards President of the United States.

From such humble origin, when the first trains were hauled by horses, the railroads embraced in the Pennsylvania Railroad System now constitute "The Broadway" of America's transportation system, as it is the largest carrier of railroad traffic in the United States. It reaches from the Atlantic Ocean to the Mississippi River, and from the Great Lakes to the Potomac and Ohio Rivers, directly connecting with most of the important railroads of the Country, and serving a territory of 13 States and the District of Columbia, in which about one-half the population of the Country resides.

This Company's System has become one of the greatest contributors to our National prosperity, not only because of its transportation service, which works for the public day and night every day in the year irrespective of weather conditions, but also through the purchase of materials and supplies and improvement work, which aggregated over \$225,000,000. in 1925; the payment of \$35,000,000. in Taxes, and the employment on its lines of about 214,000 persons, to whom close to \$375,000,000. were paid in wages last year.

The public service performed by the Pennsylvania Railroad System in 1925 was equivalent to moving one ton of freight a distance of 45 billion miles and to moving one passenger a distance of almost 6½ billion miles.

The Operating Ratio in 1921 was 87.56%; 1922, 82.35%; 1923, 81.77%; 1924, 80.16%, and 1925, 78.32%, thus reflecting steady improvement in operating efficiency since the close of Federal Control. 15,292,000 tons of coal were consumed by locomotives, which was an increase of only 241,000 tons compared with 1924, notwithstanding a large increase in traffic. There were 5,506,700 cross-ties and 203,600 tons of new steel rail laid in 1925 or 822,000 cross-ties and 45,700 tons of rail more than in 1924.

For the benefit of this large organization the Relief and Pension Departments, and other welfare agencies established many years ago, are operated to ameliorate the vicissitudes of sickness, accident, death and old age. By regular work, good wages, and the encouragement of thrift the Company aims to promote the welfare of its officers and employees.

The stockholders of your Company number 140,578, and checks in payment of dividends and interest go to residents in every State of the Union and nearly all foreign Countries.

This recital of the Company's progress emphasizes the responsibility of the stockholders, officers and employes to uphold the Company's reputation, and your Directors request them to recommend the use of its facilities for all available traffic.

The Board take pleasure in expressing their appreciation of the continued efficiency and co-operation displayed by a loyal staff of officers and employes in the discharge of their duties during the year.

By Order of the Board.

W. W. ATTERBURY,
President.

MINUTE ADOPTED AT A MEETING OF THE BOARD OF DIRECTORS OF THE
PENNSYLVANIA RAILROAD COMPANY, HELD SEPTEMBER 30TH, 1925.

"I hereby certify that this is a true and correct copy from the Minutes of a Meeting of the Board of Directors of the Pennsylvania Railroad Company, at the General Office of the Company in the City of Philadelphia, on the 30th of September, 1925, the Board having adjourned its Stated Meeting upon the 23rd instant until this day, which under the regulations of the Company marks the termination of the Presidency of Samuel Rea, who attained the age of seventy years on the 21st instant.

"Fifty-four years ago Samuel Rea began his career as a rodman doing the bidding of the engineers constructing a part of what has become one of the great railroad systems of the world; today he commits to other hands the leadership of its forces and the responsibility of shaping its destinies, which have been his for the past thirteen years.

"Born in the State of Pennsylvania seventy years ago, his career of accomplishment has been within its borders, and in the development of its resources and transportation facilities.

"To tell the story of his life and achievements, interwoven as they are with the growth of the Pennsylvania Railroad System and the advancement of the science of railroad management, is the province of the biographer and the historian.

"It is for us to record, upon this day, our personal and official testimony to his skill and fidelity in the great trust in his keeping; his unrelenting devotion to the interests of the great property and its owners; the ample justification of the confidence reposed in him, and the regrets inseparable from the termination of his leadership,—a leadership so executed in harmony with, and consideration for, his associates as to inspire and assure their lasting regard and affection.

"In the life of this Company, each administration has been confronted, from time to time, with difficult problems growing out of the development of the country and the rise and fall of the tide of National prosperity, but his,—exceeded in length by only two of his eight predecessors,—has virtually been beset by difficulties throughout. Beginning when the country was emerging from a period of financial depression, which had necessitated a policy of restricted expenditure upon the property, the greatest upheaval in history, fittingly known as the world War, shortly ensued, with its extraordinary demands upon many of the resources of this Country,—upon none more than transportation.

"Realizing the importance of meeting these demands, the railroad presidents organized a 'War Board' to provide more effective transportation service through closer co-operation, and upon this Mr. Rea rendered signal service.

"When, by proclamation of the President of the United States, the operation of the railroads was assumed by the Federal Administration, upon him devolved the duty and burden of protecting the interests of the stockholders and securing from the Government adequate compensation for the use of the property and for its preservation and maintenance.

"When Federal Control ended, he was confronted with the problem of re-establishing the equilibrium and standard of the service and of restoring its earning power in the face of high costs and wages on the one hand, and demoralized traffic arrangements and disorganized forces on the other.

"Lastly came the intricate and still unsolved problem of consolidating the railroads of the country into what have been termed 'Major Systems', to the proper solution of which he has given the same cautious thought and skillful attention which has characterized his care of this Company's interests throughout his years of service.

"Mr. Rea has lived to a greater age than any of his predecessors, and today reaches the time appointed by the Company for relief from the cares and exactions of daily routine, and receives the reward of freedom.

"An eminent engineer and honored by the profession, an authority in the art of accounting, clear of vision and sound in judgment in the realm of finance, Samuel Rea holds a place as pre-eminent in the science of railroad management as in the affections not merely of those who have been closely associated with him, but as well of the army of which he has been the distinguished commander.

"It is the good fortune of the Company, as well as a source of gratification to his fellow directors, that he remains a member of this Board. Released from the exactions of the Presidency, may he enjoy many years of health and happiness, and may his usefulness to the Company long continue."

ATTEST:

LEWIS NEILSON,

Secretary.

INCOME STATEMENT OF THE PENNSYLVANIA RAILROAD COMPANY.

FOR THE YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH THE YEAR 1924.

	1925	INCREASE.	DECREASE.
MILEAGE (including 67 miles of canals and ferries).....	10,582.34	7.34	
OPERATING INCOME:			
RAILWAY OPERATING REVENUES..			
Freight.....	\$465,013,723.60	\$24,446,413.22	
Passenger.....	144,969,903.21		\$2,553,942.09
Mail.....	11,635,168.74		16,473.21
Express.....	16,847,549.50	2,690,244.63	
All other transportation.....	13,604,635.47	887,391.21	
Incidental.....	19,149,262.32	421,716.83	
Joint facility.....	916,659.24	962,435.27	
Total.....	\$672,136,962.08	\$26,837,785.86	
RAILWAY OPERATING EXPENSES..			
Maintenance of way and structures.....	\$85,003,416.96	\$10,977,886.82	
Maintenance of equipment.....	162,033,562.30	3,148,811.68	
Traffic.....	8,175,440.28	329,119.42	
Transportation.....	245,226,467.56		\$5,137,916.61
Miscellaneous operations.....	8,734,358.97		674,885.57
General.....	18,203,607.88	981,286.83	
Transportation for investment— <i>Credit</i>	237,507.20		64,371.32
Total.....	\$527,139,346.75	\$9,688,673.89	
NET REVENUE FROM RAILWAY OPERATIONS.....	\$144,997,615.33	\$17,149,111.97	
RAILWAY TAX ACCRUALS.....	\$31,700,788.98	\$1,242,818.71	
UNCOLLECTIBLE RAILWAY REVENUES.....	279,862.84	66,916.15	
RAILWAY OPERATING INCOME.....	31,980,651.82	\$1,309,734.86	
HIRE OF EQUIPMENT—DEBIT BALANCE.....	\$12,723,961.34		\$5,310,387.08
JOINT FACILITY RENTS—DEBIT BALANCE.....	184,994.61		158,330.46
NET RAILWAY OPERATING INCOME.....	12,908,955.95		\$5,468,717.54
NON-OPERATING INCOME.....	\$100,108,007.56	\$21,308,094.65	
Income from lease of road.....	\$6,463.58	\$573.11	
Miscellaneous rent income.....	2,684,428.53	43,420.18	
Miscellaneous non-operating physical property.....	46,535.85		\$22,049.82
Separately operated properties—profit.....	132,437.00	16,754.86	
Dividend income.....	21,804,027.55	1,347,670.15	
Income from funded securities.....	2,335,474.74	126,946.35	
Income from unfunded securities and accounts.....	7,415,582.02	4,428,500.62	
Income from sinking and other reserve funds.....	2,850,618.48	357,852.27	
Release of premiums on funded debt.....	3,921.25		
Miscellaneous income.....	2,001.01		27,098.93
Total non-operating income.....	37,281,490.01	\$6,272,568.79	
GROSS INCOME.....	\$137,389,497.57	\$27,580,663.44	
DEDUCTIONS FROM GROSS INCOME.....			
Rent for leased roads.....	\$44,385,948.62	\$6,094,822.24	
Operating deficits of branch roads borne by the Pennsylvania Railroad Company.....	154,858.47		\$320,141.38
Miscellaneous rents.....	1,210,819.55		32,006.83
Miscellaneous tax accruals.....	115,092.32		3,277.17
Interest on funded debt.....	28,261,040.52		2,266,915.24
Interest on unfunded debt.....	742,410.91	26,523.13	
Miscellaneous income charges.....	299,002.92		3,988.58
Total deductions from gross income.....	75,169,173.31	\$3,495,016.17	
NET INCOME.....	\$62,220,324.26	\$24,085,647.27	
DISPOSITION OF NET INCOME:			
Income applied to sinking and other reserve funds.....	\$3,929,305.09	\$509,839.03	
Dividend appropriations of income (Six per cent.).....	29,950,404.00		
Construction expenditures during current year on leased and branch roads directly operated, borne by the Pennsylvania Railroad Company.....	160,785.89		\$291,585.51
Balance.....	34,040,494.98	\$218,253.52	
ADD:	\$28,179,829.28	\$23,867,393.75	
Special dividend on stock of Pennsylvania Company.....			\$8,000,000.00
LESS:			
Construction expenditures and advances to leased lines and affiliated companies, borne by Pennsylvania Railroad Company.....	2,286,844.02	\$1,024,189.02	
Balance transferred to credit of Profit and Loss.....	\$25,892,985.26	\$14,843,204.73	

PROFIT AND LOSS STATEMENT.

Amount to credit of Profit and Loss, December 31st, 1924.....	\$64,754,600.57
ADD:	
Balance of income for the year.....	\$25,892,985.26
Net credits from sales of securities and property, and adjustment of accounts.....	6,159,937.60
	32,052,922.86
	\$96,807,523.43
DEDUCT:	
Settlement with United States Government for Federal Control and Guaranty Periods.....	8,415,975.92
Amount to credit of Profit and Loss, December 31st, 1925.....	\$88,391,547.51

GENERAL BALANCE SHEET OF THE PENNSYLVANIA RAILROAD COMPANY.
ASSETS. DECEMBER 31ST, 1925.

		COMPARISON WITH DECEMBER 31ST, 1924	
		INCREASE	DECREASE
INVESTMENTS:			
Investment in Road and Equipment:			
Road.....	\$488,158,594.67	\$7,509,228.99	
Equipment.....	447,592,922.13	15,819,599.54	
General expenditures.....	1,109,026.91	321,732.42	
		\$936,860,543.71	\$23,650,560.95
Improvements on Leased Railway Property:			
Leased lines road.....	\$52,413,904.69	\$600,958.47	
Leased lines equipment.....	21,493,173.05		\$206,985.05
Leased lines general expenditures.....	222,696.74	25,675.71	
		74,129,774.48	\$419,649.13
Sinking Funds.....	\$984,576.14		
Less—Pennsylvania R. R. Co. obligations. ...	882,400.00	102,176.14	\$25,497.35
Deposits in lieu of mortgaged property sold.....		80,984.35	14,119.72
Miscellaneous physical property.....		972,949.34	\$93,557.43
Investments in Affiliated Companies:			
Stocks.....	\$271,047,361.84		\$5,877,572.43
Bonds.....	21,022,932.50		2,182,521.85
Notes.....	65,412,388.17	\$6,136,006.05	
Advances.....	83,320,353.18		5,810,772.55
		440,803,035.69	\$7,734,860.78
Investment in securities issued, assumed or otherwise carried as a liability.....		211,799.83	\$197,786.08
Other Investments:			
Stocks.....	\$62,025,550.23		\$3,460,186.07
Bonds (Including U. S. Liberty Bonds).....	11,675,271.94	\$5,105,601.60	
Notes (Including U. S. Treasury Notes).....	43,183,950.64	24,985,187.34	
Advances.....	8,129,845.05	1,944,080.54	
Miscellaneous.....	11.00		
		125,014,628.86	\$28,574,683.41
CURRENT ASSETS:			
Cash.....	\$34,749,108.13	\$9,219,714.31	
Demand loans and deposits.....			\$4,060,000.00
Time drafts and deposits.....	30,813,963.15	21,791,074.34	
Special deposits.....	7,829,047.53		27,007,435.24
Loans and bills receivable.....	5,227,831.97	3,066,506.66	
Traffic and car service balances receivable.....	11,241,496.03	2,643,692.36	
Net balance receivable from agents and conductors.....	9,866,352.22		1,691,758.77
Miscellaneous accounts receivable.....	15,000,345.99	316,063.46	
Material and supplies.....	45,397,878.08		14,865,568.05
Interest and dividends receivable.....	2,065,308.50	180,593.69	
Other current assets.....	1,514,411.57		757,999.06
		163,705,743.17	
DEFERRED ASSETS:			
Working fund advances.....	\$220,332.75	4,551.32	
Insurance Fund.....	22,113,782.68		748,172.61
Managers of Trust created October 9, 1878.....	40,599,576.54	2,310,311.35	
Other reserve funds.....	891,933.82	566,276.27	
Other deferred assets.....	143,292.55	46,997.94	
		63,968,918.34	
UNADJUSTED DEBITS:			
Rents and insurance premiums paid in advance.....	\$118,487.87	118,487.87	
Other unadjusted debits.....	12,581,522.09		40,677,382.59
		12,700,009.96	
Securities issued or assumed held in Treasury (unpledged).....	\$92,300.00		
Securities issued or assumed held in Treasury (pledged).....	110,000,000.00		
Total.....		\$1,818,550,563.87	\$4,490,168.32

GENERAL BALANCE SHEET OF THE PENNSYLVANIA RAILROAD COMPANY.

DECEMBER 31st, 1925.

LIABILITIES.

STOCK:				COMPARISON WITH DECEMBER 31st, 1924	
				INCREASE	DECREASE
Capital Stock (Par value \$50. per share).....	\$499,265,700.00				
Less—Held by Pennsylvania R. R. Co.....	\$88,650.00				
Held for acquisition of stock of acquired and affiliated companies.....	3,650.00				
	92,300.00				
Premium realized on capital stock from January 1st, 1909.....		\$499,173,400.00			
Plants in aid of construction.....		7,254,247.63			
		52,650.41			
MORTGAGE, BONDED AND SECURED DEBT:					
FUNDED DEBT OF THE PENNSYLVANIA RAILROAD COMPANY.					
Consolidated mortgage dollar bonds, 4% due May 1st, 1943.....	\$2,317,000.00				
Consolidated mortgage sterling and dollar bonds, 3½%, due July 1st, 1945....	2,502,210.00				
Consolidated mortgage sterling and dollar bonds, 4%, due May 1st, 1948.....	39,837,100.00				
Consolidated mortgage gold bonds, 4½%, due August 1st, 1960.....	49,000,000.00	\$93,656,310.00			
General mortgage gold bonds, 4½%, Series "A," due June 1st, 1965.....	\$125,000,000.00				
General mortgage gold bonds, 5%, Series "B," due December 1st, 1968.....	50,000,000.00				
General mortgage gold bonds, 6%, Series "C," due April 1st, 1970.....	110,000,000.00				
	\$285,000,000.00				
Less—Held by Pennsylvania R. R. Co. (pledged with Trustee).....	110,000,000.00				
	175,000,000.00				
Collateral Note, 6%, maturing March 1st, 1930.....					
Ten-Year 7% secured gold bonds, due April 1st, 1930.....	50,000,000.00				
Fifteen-year 6½% secured gold bonds, maturing February 1st, 1936.....	60,000,000.00				
Forty-year 5% secured gold bonds, maturing November 1st, 1964.....	50,000,000.00				
		428,656,310.00			
FUNDED DEBT OF ACQUIRED COMPANIES ASSUMED BY THE PENNSYLVANIA R. R. CO.					
Allegheny Valley Ry. Co., general mtg. 4% gold bonds, due March 1st, 1942.....	\$20,000,000.00				
Lambria and Clearfield Ry. Co., general mtg. 4% coupon regd. bonds, due February 1st, 1955...	2,000,000.00				
Lambria and Clearfield R. R. Co., first mtg. 5% coupon regd. bonds, due January 1st, 1941.....	534,000.00				
Clearfield and Jefferson Ry. Co., first mtg. 6% bonds, due January 1st, 1927.....	1,000,000.00				
Farrisburg, Portsmouth, Mt. Joy and Lancaster R. R. Co., first mtg. 4% bonds, extended, due July 1st, 1943.....	700,000.00				
Hollidaysburg, Bedford and Cumberland R. R. Co., first mtg. 4% coupon gold bonds, due July 1st, 1951.....	1,073,000.00				
Union R. R. Co., general mortgage 3½% bonds, due April 1st, 1930.....	725,000.00				
Pennsylvania and North Western R. R. Co., general mortgage 5% bonds, due January 1st, 1930...	1,021,000.00				
Pittsburgh, Virginia and Charleston Ry. Co., first mortgage 4% bonds, due November 1st, 1943..	6,000,000.00				
Sunbury and Lewistown Ry. Co., first mortgage 4% bonds, due July 1st, 1936.....	500,000.00				
Sunbury, Hazleton and Wilkes-Barre Ry. Co., first mortgage 5% bonds, due May 1st, 1928.....	\$1,000,000.00				
Less—Held in Sinking Fund.....	882,400.00				
	117,600.00				
Sunbury, Hazleton and Wilkes-Barre Ry. Co., second mortgage 6% bonds, due May 1st, 1938...	1,349,500.00				
Susquehanna, Bloomsburg and Berwick R. R. Co., first mtg. 5% coupon regd. gold bonds, due October 1st, 1952.....	700,000.00				
Western Pennsylvania R. R. Co., consolidated mortgage 4% bonds, due June 1st, 1928.....	4,000,000.00				
		39,720,100.00			
FUNDED DEBT ASSUMED:					
Pennsylvania Company, Guaranteed Trust 3½% Certificates:					
Series "A," due September 1, 1937.....	\$3,502,000.00				
Series "B," due February 1, 1941.....	7,232,000.00				
Series "C," due December 1, 1942.....	3,000,000.00				
Series "D," due December 1, 1944.....	7,543,000.00				
	\$21,877,000.00				
Pennsylvania Company, Guaranteed Trust 4% Certificates, Series "E," due May 1st, 1952.....	8,913,000.00				
		30,790,000.00			
GUARANTEED STOCK TRUST CERTIFICATES:					
New York, Philadelphia and Norfolk R. R., 4% Stock Trust Certificates, due June 1st, 1948.....		7,478,250.00			
Equipment trust obligations.....		86,497,125.50			
Girard Point Storage Company, first mortgage 3½% registered bonds, due April 1st, 1940.....		1,718,000.00			
Mortgages and ground rents payable.....		3,246,587.91	\$3,000,000.00		
CURRENT LIABILITIES:					
Loans and bills payable.....	\$782,810.44				
Traffic and car service balances payable.....	8,420,396.67				
Audited accounts and wages payable.....	32,199,287.34				
Miscellaneous accounts payable.....	25,218,016.57				
Interest matured unpaid.....	539,318.74				
Dividends matured unpaid.....	184,592.25				
Funded debt matured unpaid.....	67,571.20				
Unmatured interest accrued.....	7,031,325.93				
Unmatured rents accrued.....	7,751,675.45				
Other current liabilities.....	852,270.74				
		83,047,265.33			
DEFERRED LIABILITIES:					
Other deferred liabilities.....		2,116,594.30	209,258.58		
UNADJUSTED CREDITS:					
Tax liability.....	\$30,247,881.94			4,955,100.15	
Premium on funded debt.....	135,609.83				3,921.25
Accrued depreciation—road.....	4,536,318.50			515,712.45	
Accrued depreciation—equipment.....	153,823,940.69			9,612,728.04	
Reserve for injuries to persons.....	7,578,026.32				172,050.25
Reserve for loss and damage—freight.....	6,363,949.42				1,445,154.51
Other unadjusted credits.....	64,322,234.27				21,788,123.73
		267,007,960.97			
CORPORATE SURPLUS:					
Additions to property through income and surplus.....	\$212,223,345.79			67,528.14	
Funded debt retired through income and surplus.....	4,101,086.60			443,676.17	
Sinking fund reserves.....	984,576.14			70,497.35	
Miscellaneous fund reserves.....	48,603,914.78			3,216,740.46	
Appropriated surplus not specifically invested:					
Dividend payable February 28, 1926.....	7,487,601.00				
Total appropriated surplus.....		273,400,524.31			
Profit and Loss—balance.....		88,391,547.51	23,636,946.94		
Total.....		\$1,818,550,563.87			\$4,490,168.32

E. A. STOCKTON,
Comptroller.

INCREASES IN "INVESTMENT IN ROAD AND EQUIPMENT"
AND "IMPROVEMENTS ON LEASED RAILWAY PROPERTY"

DURING YEAR 1925

PENNSYLVANIA RAILROAD COMPANY

(As shown by General Balance Sheet)

ROAD:		
Engineering.....	\$80,376.31	
Land for transportation purposes.....	3,693,654.92	
Grading.....	394,312.97	
Bridges, trestles and culverts.....	400,123.62	
Elevated structures.....	3,735.43	
Ties.....	12,438.16	
Rails.....	491,261.07	
Other track material.....	329,539.11	
Ballast.....	48,963.21	
Track laying and surfacing.....	111,631.54	
Right-of-way fences.....	790.36	
Crossings and signs.....	486,589.99	
Station and office buildings.....	1,955,337.53	
Roadway buildings.....	42,858.92	
Water stations.....	69,180.97	
Fuel stations.....	12,778.61	
Shops and enginehouses.....	355,766.43	
Grain elevators.....	43.76	
Wharves and docks.....	Cr. 2,398.01	
Coal and ore wharves.....	940.58	
Telegraph and telephone lines.....	Cr. 6,539.44	
Signals and interlockers.....	111,822.99	
Power plant buildings.....	Cr. 3,111.40	
Power substation buildings.....	176.15	
Power transmission systems.....	20,003.66	
Power distribution systems.....	33,574.19	
Power line poles and fixtures.....	11,558.16	
Miscellaneous structures.....	31,783.28	
Paving.....	7,878.71	
Roadway machines.....	95,392.34	
Roadway small tools.....	26,575.90	
Assessments for public improvements.....	147,392.33	
Other expenditures—Road.....	Cr. 4,188.23	
Shop machinery.....	38,038.46	
Power plant machinery.....	79,506.63	
Power substation apparatus.....	7,816.83	
Miscellaneous.....	Cr. 75,418.58	
Total Road.....	\$8,110,187.46	
EQUIPMENT.....	15,612,614.49	
GENERAL EXPENDITURES:		
Interest during construction.....	347,408.13	
Total Increase.....	\$24,070,210.08	

RETURN ON THE INVESTMENT IN ROAD AND EQUIPMENT.
PENNSYLVANIA RAILROAD COMPANY AND LINES DIRECTLY OPERATED.

YEAR ENDED DECEMBER 31ST.	INVESTMENT IN ROAD AND EQUIPMENT.	NET RAILWAY OPERATING INCOME.	NET RAILWAY OPERATING INCOME PER CENT OF INVESTMENT IN ROAD AND EQUIPMENT.
1910	\$1,432,621,193	\$73,094,112	5.10
1911	1,464,339,100	70,114,256	4.79
1912	1,497,922,992	76,742,480	5.12
1913	1,567,750,758	64,469,233	4.11
1914	1,593,380,454	57,990,595	3.64
1915	1,620,990,604	79,532,705	4.91
1916	1,678,654,692	97,025,399	5.78
1917	1,748,098,169	72,869,101	4.17
1918	1,824,962,707	* 23,411,569	* 1.28
1919	1,937,609,317	* 7,862,716	* 0.41
1920	1,955,917,435	Def. 60,148,959	...
1921	1,965,817,010	37,037,344	1.88
1922	1,975,081,422	73,411,398	3.72
1923	2,052,362,136	83,545,404	4.07
1924	2,108,385,309	78,799,913	3.74
1925	2,147,439,758	100,108,008	4.66

* Based on result of Federal operations and taxes and expenses of the corporations.

Investment in Road and Equipment above stated does not include material and supplies or other working capital.

STOCKS OWNED BY THE PENNSYLVANIA RAILROAD COMPANY DECEMBER 31st, 1925.

NAME OF COMPANY.	SHARES.	TOTAL PAR.	NAME OF COMPANY.	SHARES.	TOTAL PAR.
Arcade Real Estate Co., preferred.....	9,000	\$450,000.00	Brought forward.....		\$121,585,066.80
Baltimore and Virginia Steamboat Co., common.....	1,800	90,000.00	Northern Central Ry. Co.....	261,161	13,058,050.00
Baltimore and Virginia Steamboat Co., preferred.....	1,121	56,050.00	Pennsylvania and Atlantic Railroad Co.....	22,157	1,107,850.00
Baltimore, Chesapeake and Atlantic Ry. Co., common.....	5,000	250,000.00	Pennsylvania Company.....	1,600,000	80,000,000.00
Baltimore, Chesapeake and Atlantic Ry. Co., 5 per cent. preferred.....	8,652	432,606.80	Pennsylvania, Ohio and Detroit R. R. Co.....	50,093	5,009,300.00
Belvidere Delaware R. R. Co.....	4,892	244,600.00	Pennsylvania Tunnel and Terminal R. R. Co.....	250,000	25,000,000.00
Chambersburg and Gettysburg Electric Railway Co.....	4,428	221,400.00	Pennsylvania Terminal Real Estate Co.....	30,000	3,000,000.00
Cherry Tree and Dixonville R. R. Co.....	5,000	250,000.00	Perth Amboy and Woodbridge R. R. Co.....	3,968	198,400.00
Chicago Union Station Company.....	7,000	700,000.00	Philadelphia and Beach Haven R. R. Co.....	4,000	200,000.00
Cleveland and Pittsburgh R. R. Co., special guaranteed betterment.....	150,000	7,500,000.00	Philadelphia and Camden Ferry Co.....	17,929	896,450.00
Connecting Ry. Co.....	76,507	3,825,350.00	Philadelphia and Trenton R. R. Co.....	6	600.00
Connecting Terminal Railroad Co.....	400	20,000.00	Philadelphia, Baltimore and Washington R. R. Co. (The)....	596,738 7/8	29,836,943.75
Cumberland Valley and Martinsburg R. R. Co.....	7,000	700,000.00	Pittsburgh, Cincinnati, Chicago and St. Louis R. R. Co.....	100,000	10,000,000.00
Delaware River R. R. and Bridge Co.....	26,000	1,300,000.00	Pittsburgh, Ft. Wayne and Chicago Railway Co., guar. spl....	321,000	32,100,000.00
Duquesne Warehouse Co.....	2,000	100,000.00	Pittsburgh, Ft. Wayne and Chicago Railway Co., common....	379,549	37,954,900.00
Enola Realty Company.....	3,000	150,000.00	Pittsburgh Joint Stock Yards Co.....	15,000	1,500,000.00
Enola Sewerage Co.....	500	25,000.00	Richmond-Washington Co.....	4,450	445,000.00
Fort Wayne Union Railway Co.....	200	20,000.00	Rocky Hill R. R. and Transportation Co.....	5	250.00
Freehold and Jamesburg Agricultural R. R. Co.....	378	37,800.00	Roxborough R. R. Co., instalment receipts.....	2,000	70,000.00
Frontier Electric Railway Co.....	125	12,500.00	Southern Pacific Co.....	28,938	2,893,800.00
Fruit Growers Express Co.....	6,609	660,900.00	Stewartstown R. R. Co. of Pennsylvania.....	190	9,500.00
Johnsonburg R. R. Co.....	3,000	150,000.00	Stuyvesant Real Estate Co.....	5,000	500,000.00
Lehigh and Hudson River Railway Co.....	2,094	209,400.00	Susquehanna Coal Co.....	21,368	2,136,800.00
Long Island R. R. Co.....	681,496	34,074,800.00	Terminal Warehouse Co. of Baltimore City.....	507	50,700.00
Lykens Valley R. R. and Coal Co.....	573	11,460.00	Tipton R. R. Co.....	865	43,250.00
Manor Real Estate and Trust Co.....	40,000	2,000,000.00	Toledo Terminal Railroad Co.....	3,872	387,200.00
Merchants' Warehouse Co.....	1,245	124,500.00	United New Jersey Railroad and Canal Co.....	13,500	1,350,000.00
Monongahela Railway Co.....	50,000	2,500,000.00	Western Allegheny Railroad Co.....	12,000	600,000.00
New York Connecting R. R. Co.....	15,000	1,500,000.00	West Jersey and Seashore R. R. Co., common.....	134,958	6,747,900.00
New York, New Haven and Hartford R. R. Co.....	53,125	5,312,500.00	West Jersey and Seashore R. R. Co., special guaranteed....	907	45,350.00
New York, Philadelphia and Norfolk R. R. Co.....	50,000	2,500,000.00	Western New York and Pennsylvania Ry. Co.....	388,780 1/8	19,439,001.50
Norfolk and Western Ry. Co., adjustment preferred.....	114,580	11,458,000.00	Wilkes-Barre Connecting R. R. Co.....	1,826	91,300.00
Norfolk and Western Ry. Co., common.....	446,982	44,698,200.00	York, Hanover and Frederick Railway Company.....	10,500	525,000.00
Carried forward.....		\$121,585,066.80	Sundry Water Companies.....		8,220,150.00
			Miscellaneous stocks.....		2,164,357.50
			Stocks held under lease of United New Jersey Railroad and Canal Co.....		6,415,000.00
			Total.....		\$413,582,119.55

\$51,379,750 par value of the foregoing stocks are deposited under the Consolidated Mortgage.

\$2,500,000 par value N. Y. P. & N. R. R. Co. stock is pledged for the payment of the outstanding stock trust certificates issued by Fidelity Trust Company, Philadelphia, Pa.

FUNDED DEBT OWNED BY THE PENNSYLVANIA RAILROAD COMPANY DECEMBER 31st, 1925.

NAME OF COMPANY.	TOTAL PAR.	NAME OF COMPANY.	TOTAL PAR.
Baltimore & Virginia Steamboat Company 4 per cent. temporary.....	\$850,000.00	Brought forward.....	\$132,915,917.59
Chambersburg and Gettysburg Electric Ry. Co. first mortgage 5 per cent. coupon.....	225,000.00	United States Government fourth Liberty Loan 15-20 year 4¼ per cent. gold.....	3,439,100.00
Chicago, Peoria and St. Louis R. R. Co. general and refunding mortgage 4½ per cent. coupon, certificate of deposit of Bankers' Trust Co., N. Y., depositary.....	1,000.00	United States Treasury 3¾ per cent. certificates of indebtedness, due December 15, 1926.....	8,011,000.00
Connecting Terminal Railroad Co. first mortgage 5 per cent. registered...	500,000.00	United States Treasury 3 per cent. certificates of indebtedness, due June 15, 1926.....	300,000.00
Erie & Pittsburgh R. R. Co. 3½ per cent. registered.....	183,944.75	United States of America 4 per cent. treasury coupon.....	2,724,000.00
Great Lakes Transit Corporation, purchase money mortgage 5 per cent. Anchor Line coupon.....	483,000.00	United States of America 3¼ per cent. treasury certificates.....	7,450,000.00
Johnsonburg R. R. Co. first mortgage 6 per cent. coupon.....	150,000.00	United States Treasury 4¾ per cent. coupon gold notes, due March 15, 1927.....	5,950,000.00
Long Island R. R. Co. twenty year 5 per cent. debenture, gold.....	271,000.00	United States Treasury 4¼ per cent. coupon gold notes, due September 15, 1926.....	13,500,000.00
Manor Real Estate and Trust Co. 3½ per cent. certificates of indebtedness.	378,250.00	United States Treasury 4¾ per cent. coupon gold notes, due March 15, 1926	7,548,000.00
Monongahela Railway Co. first and refunding mortgage 4½ per cent. coupon, series "A".....	500,000.00	Western New York and Pennsylvania Ry. Co. general mortgage 4 per cent. coupon, registered gold.....	19,000.00
New York City 4¼ per cent. registered corporate stock.....	14,000.00	Western New York and Pennsylvania Ry. Co. general mortgage bond scrip.	18.75
New York, New Haven and Hartford R. R. Co. fifteen year secured 6 per cent.....	700,000.00	Western New York and Pennsylvania Ry. Co. income mortgage 5 per cent. coupon, registered.....	9,508,000.00
New York, Philadelphia and Norfolk R. R. 4 per cent. stock trust certificates—fractional receipts.....	250.00	Western New York and Pennsylvania Ry. Co. income mortgage 5 per cent. bond scrip.....	1,016.56
Northern Cambria Water Co. first mortgage 6 per cent. coupon.....	15,000.00	Wilkes-Barre Connecting R. R. Co. first and improvement mortgage 5 per cent. gold, series "A".....	1,093,000.00
Northern Central Railway Co. second general mortgage 5 per cent., series "A".....	818,000.00	York, Hanover and Frederick R. R. Co. first mortgage 4 per cent. coupon registered gold.....	150,000.00
Northern Central Railway Co. second general mortgage 5 per cent., series "B".....	415,000.00	Sundry bonds.....	823,650.94
Pennsylvania and Newark R. R. Co. 4 per cent. certificates of indebtedness.	289,722.84	Real estate mortgages.....	3,314,029.23
Pennsylvania R. R. Co. general mortgage 6 per cent. bonds, series "C"....	110,000,000.00		
Pennsylvania R. R. Co. equipment trust 6 per cent. certificates.....	211,000.00		
Philadelphia, Baltimore and Washington R. R. Co. general mortgage 6 per cent., series "A".....	11,000,000.00		
Philadelphia, Wilmington & Baltimore R. R. Co. 4 per cent. debenture, registered.....	804,000.00		
Susquehanna Collieries Co. first mortgage 5 per cent. registered.....	2,041,000.00		
United States Government second Liberty Loan 10-25 year 4¼ per cent. gold converted.....	3,065,750.00		
Carried forward.....	\$132,915,917.59		

SUMMARY.

Par value of stocks (does not include stocks without par value).....	\$413,582,119.55
Par value of bonds.....	193,432,703.84
Par value of real estate mortgages.....	3,314,029.23
Par value of notes.....	85,854,412.78
	\$696,183,265.40
Carried on the books at.....	\$584,671,566.15

NOTES:

Pennsylvania Tunnel and Terminal R. R. Co.....	83,600,576.95
Sundry notes.....	2,253,835.83
Total.....	\$282,601,145.85

H. H. LEE,
Treasurer.

The stocks, bonds and other securities owned by the Pennsylvania Railroad Company, recited in the foregoing statements, and those held by the Insurance Fund, the Relief Department, and the Consolidated Mortgage and other Sinking Funds, as shown by the respective statements, which hereafter appear in this report, have been actually inspected, or where pledged as collateral, verified by certificates, and found correct.

JAY COOKE,
Acting for Chairman, Finance Committee.
CHAS. E. INGERSOLL,
SAMUEL REA,
E. C. FELTON,
Committee appointed by authority of Board of Directors.

E. A. STOCKTON,
Comptroller.

INCOME RECEIVED FROM SECURITIES
OWNED BY THE PENNSYLVANIA RAILROAD COMPANY DURING THE YEAR 1925.

Belvidere Delaware R. R. Co. stock.....	\$14,676.00	Brought forward.....	\$14,938,025.16
Cherry Tree and Dixonville R. R. Co. stock.....	10,000.00	Pittsburgh, Ft. Wayne and Chicago Ry. Co. guaranteed special stock....	2,289,000.00
Cleveland & Pittsburgh R. R. Co. special guaranteed betterment stock...	300,000.00	Pittsburgh, Ft. Wayne and Chicago Ry. Co. common stock.....	2,794,995.78
Connecting Railway Co. stock.....	153,014.00	Pittsburgh Joint Stock Yards Co. stock.....	60,000.00
Cumberland Valley and Martinsburg R. R. Co. stock.....	42,000.00	Richmond-Washington Co. stock.....	35,600.00
Delaware River R. R. and Bridge Co. stock.....	78,000.00	Rocky Hill R. R. and Transportation Co. stock.....	15.00
Enola Realty Co. stock.....	52,500.00	Southern Pacific Company stock.....	264,528.00
Enola Sewerage Co. stock.....	1,500.00	Stewartstown R. R. Co. of Pennsylvania stock.....	570.00
Erie and Pittsburgh Railroad Co. 3½ per cent. debenture bonds.....	22,713.83	Susquehanna Coal Company stock.....	427,360.00
Fruit Growers Express Co. stock.....	66,090.00	Susquehanna Collieries Co. first mortgage 5 per cent. registered bonds...	114,730.56
Great Lakes Transit Corporation first mortgage 5 per cent. coupon bonds.	24,150.00	Terminal Warehouse Co. of Baltimore City stock.....	4,056.00
Lehigh and Hudson River Ry. Co. stock.....	20,940.00	United New Jersey R. R. and Canal Co. stock.....	135,000.00
Lykens Valley R. R. and Coal Co. stock.....	458.40	United Refractories Co. first mortgage 6 per cent. coupon registered gold bonds.....	42.00
Merchants Warehouse Co. stock.....	12,450.00	United States Government 2nd Liberty Loan 4¼ per cent. converted bonds	59,165.51
Monongahela Ry. Co. first and refunding mortgage 4½ per cent. coupon bonds, series "A".....	103,250.00	United States Government 4th Liberty Loan 4¼ per cent. bonds.....	149,562.17
Monongahela Railway Co. common stock.....	100,000.00	United States of America 4 per cent. treasury coupon bonds.....	86,562.67
New York Bay R. R. Co. stock.....	240,000.00	United States Treasury 4¼ per cent. coupon gold notes.....	387,055.55
New York City 4¼ per cent. registered corporate stock.....	595.00	United States Treasury 4¾ per cent. coupon gold notes.....	209,347.87
New York, New Haven and Hartford R. R. Co. fifteen year secured 6 per cent. coupon registered bonds.....	31,500.00	United States Treasury 4¾ per cent. coupon gold notes.....	214,071.22
New York, Philadelphia and Norfolk R. R. Co. stock.....	300,000.00	West Jersey and Seashore R. R. Co. common stock.....	337,395.00
New York, Philadelphia and Norfolk R. R. stock trust certificates.....	10.00	West Jersey and Seashore R. R. Co. special guaranteed stock.....	2,721.00
Norfolk and Western Ry. Co. adjustment preferred stock.....	452,800.00	Western New York and Pennsylvania Ry. Co. general mortgage 4 per cent. coupon registered bonds.....	794.00
Norfolk and Western Ry. Co. common stock.....	3,656,731.00	Wilkes-Barre Connecting R. R. Co. first and improvement mortgage 5 per cent. bonds.....	54,650.00
Northern Cambria Water Co. first mortgage 6 per cent. coupon bonds...	900.00	Wilkes-Barre Connecting R. R. Co. stock.....	4,565.00
Northern Central Ry. Co. stock.....	1,044,644.00	Dividends on sundry water companies' stocks.....	474,848.50
Northern Central Ry. Co. second general mortgage 5 per cent. bonds "A".....	14,201.29	Dividends and interest on sundry stocks and bonds.....	99,789.08
Northern Central Ry. Co. second general mortgage 5 per cent. bonds "B".....	6,454.42	Real estate mortgages.....	167,127.82
Pennsylvania Company stock.....	4,800,000.00		
Pennsylvania-Detroit R. R. Co. stock.....	249,965.00		
Pennsylvania R. R. equipment trust 6 per cent. certificates.....	1,492.17		
Perth Amboy and Woodbridge R. R. Co. stock.....	11,904.00		
Philadelphia, Baltimore and Washington R. R. Co. general mortgage 6 per cent. bonds "A".....	660,000.00		
Philadelphia, Baltimore and Washington R. R. Co. (The) stock.....	1,790,214.00		
Philadelphia and Camden Ferry Co. stock.....	268,935.00		
Philadelphia and Trenton R. R. Co. stock.....	60.00		
Philadelphia, Wilmington and Baltimore R. R. Co. 4 per cent. debenture registered bonds.....	5,877.05		
Pittsburgh, Cincinnati, Chicago and St. Louis R. R. Co. stock.....	400,000.00		
Carried forward.....	\$14,938,025.16	Total.....	\$23,311,577.89

Examined and found correct.

E. A. STOCKTON,
Comptroller.

H. H. LEE,
Treasurer.

[1925]

Seventy-ninth Annual Report, The Pennsylvania Railroad Company.

**SECURITIES OF COMPANIES HAVING A RETURN FIXED UNDER LEASES OR CONTRACTS
WITH, OR GUARANTIES BY, THE PENNSYLVANIA RAILROAD COMPANY.**

DECEMBER 31st, 1925.

COMPANY.	DESIGNATION OF SECURITIES.	MATURING.	PRINCIPAL OF STOCK OR BONDS	RATE PER YEAR OF DIVIDEND OR INTEREST.	YEARLY DIVIDEND OR INTEREST.
Belvidere Delaware R. R. Co.....	Consolidated Mortgage Registered Bonds.....	Feb. 1, 1927	\$600,000.00	4 per cent.	\$24,000.00
	Consolidated Mortgage Coupon Bonds.....	Jan. 1, 1943	848,000.00	3½ "	29,680.00
Camden & Burlington County Ry. Co....	Capital Stock.....	.....	\$492,575.00	6 per cent.	\$29,554.50
	Camden & Burlington County R. Co. First Mortgage Coupon Bonds.....	Feb. 1, 1927	350,000.00	4 "	14,000.00
Cherry Tree & Dixonville R. R. Co.....	Capital Stock.....	.....	\$500,000.00	4 per cent.	a \$20,000.00
	First Mortgage Bonds.....	Aug 1, 1966	1,210,000.00	4½ "	a 54,450.00
Chicago Union Station Co.....	Guaranteed Gold Bonds.....	Dec. 1, 1944	\$7,000,000.00	5 per cent.	b \$350,000.00
	First Mortgage Bonds { " B..	July 1, 1963	30,850,000.00	4½ "	b 1,388,250.00
	" " C..	July 1, 1963	13,150,000.00	5 "	b 657,500.00
	" " C..	July 1, 1963	16,000,000.00	6½ "	b 1,040,000.00
Cincinnati, Lebanon & Northern Ry. Co..	Capital Stock.....	.....	\$2,100,000.00	4 per cent.	\$84,000.00
	First Consolidated Mortgage Bonds.....	Nov. 1, 1942	1,234,000.00	4 "	49,360.00
	Dayton, Lebanon & Cincinnati R. R. and Terminal Co. First Mortgage Gold Bonds.....	Mar. 1, 1934	300,000.00	6 "	18,000.00
Cleveland, Akron & Cincinnati Ry. Co..	Capital Stock.....	.....	\$9,300,000.00	4 per cent.	\$372,000.00
	Cleveland, Akron & Columbus Ry. Co. General Mortgage Bonds.....	Mar. 1, 1927	1,800,000.00	5 "	90,000.00
	Cleveland, Akron & Columbus Ry. Co. New First Consolidated Mortgage Bonds.....	Aug. 1, 1940	1,385,000.00	4 "	55,400.00
	Cincinnati & Muskingum Valley R. R. Co. First Mortgage Bonds	Aug. 1, 1948	1,536,000.00	4 "	61,440.00
Cleveland and Pittsburgh R. R. Co.....	Capital Stock:	.....	\$11,242,538.29	7 per cent.	\$786,977.68
	Guaranteed.....	.....	27,822,250.00	4 "	1,112,890.00
	Guaranteed Betterment.....	.....	2,720,000.00	4½ "	188,415.00
	General Mortgage { " B.....	Jan. 1, 1942	1,409,000.00	3½ "	141,330.00
	" " C.....	Oct. 1, 1942	349,000.00		
	" " D.....	Nov. 1, 1948	2,480,000.00		
	" " D.....	Aug. 1, 1950	1,182,000.00		
Columbus and Xenia R. R. Co.....	Capital Stock.....	.....	\$1,786,200.00	8 per cent.	\$142,896.00
Connecting Ry. Co.....	Capital Stock.....	.....	\$4,116,650.00	4 per cent.	\$164,666.00
	First Mortgage Bonds.....	Mar. 15, 1951	7,000,000.00	4 "	280,000.00
			1,545,000.00	5 "	77,250.00
Cumberland Valley & Martinsburg R. R. Co.....	Capital Stock.....	.....	\$700,000.00	6 per cent.	\$42,000.00
Delaware R. R. Co.....	Capital Stock.....	.....	\$5,078,275.00	8 per cent.	\$406,262.00
	General Mortgage Bonds.....	July 1, 1932	317,000.00	4½ "	14,265.00
Delaware River R. R. and Bridge Co....	Capital Stock.....	.....	\$1,300,000.00	6 per cent.	\$78,000.00
	First Mortgage Coupon Bonds...	Aug. 1, 1936	1,117,000.00	4 "	44,680.00
Elmira & Williamsport R. R. Co.....	Preferred Stock.....	.....	\$500,000.00	7 per cent.	\$35,000.00
	Common Stock.....	.....	500,000.00	5 "	25,000.00
	First Mortgage Bonds.....	Jan. 1, 1950	963,000.00	4 "	38,520.00
	Income Bonds.....	Oct. 1, 1862	570,000.00	5 "	28,500.00
Englewood Connecting Ry. Co.....	Capital Stock.....	.....	\$250,000.00	4 per cent.	\$10,000.00
Erie and Pittsburgh R. R. Co.....	Capital Stock:	.....	\$2,000,000.00	7 per cent.	\$345,320.50
	Guaranteed.....	.....	2,933,150.00	3½ "	118,900.00
	Guaranteed Betterment.....	July 1, 1940	3,540,000.00	3½ "	28,597.50
	General Mortgage Bonds.....	July 1, 1940	818,514.45		
	Debenture Bonds.....	.....		
Grand Rapids & Indiana Ry. Co.....	Capital Stock.....	.....	\$5,791,700.00	4 per cent.	\$231,668.00
	Second Mortgage Bonds.....	Oct. 1, 1936	5,000,000.00	4 "	200,000.00
	Grand Rapids & Indiana R. R. Co.: First Mortgage Bonds.....	July 1, 1941	4,455,000.00	4½ "	200,475.00
	Muskegon Division First Mort- gage Bonds.....	July 1, 1926	918,000.00	3½ "	32,130.00
	Traverse City R. R. Co. First Mortgage Bonds.....	Jan. 1, 1933	177,000.00	5 "	8,850.00
			135,000.00	3 "	4,050.00
Indianapolis & Frankfort R. R. Co.....	Capital Stock.....	.....	\$4,060,000.00	4 per cent.	\$198,400.00
Indianapolis Union Ry. Co.....	General & Refunding Series A...	Jan. 1, 1965	\$4,000,000.00	5 per cent.	c \$200,000.00
	Mortgage Bonds { " B...	Jan. 1, 1965	4,000,000.00	5 "	c 200,000.00

a Jointly with New York Central R. R. Co.

b Jointly with C. B. & Q. R. R. Co., C. M. & St. Paul Ry. Co., and P. C. C. & St. L. R. R. Co.

c Jointly with C. C. C. & St. L. Ry. Co. and P. C. C. & St. L. R. R. Co.

**SECURITIES OF COMPANIES HAVING A RETURN FIXED UNDER LEASES OR CONTRACTS
WITH, OR GUARANTIES BY, THE PENNSYLVANIA RAILROAD COMPANY.—(Continued.)**

DECEMBER 31st, 1925.

COMPANY.	DESIGNATION OF SECURITIES.	MATURING.	PRINCIPAL OF STOCK OR BONDS	RATE PER YEAR OF DIVIDEND OR INTEREST.	YEARLY DIVIDEND OR INTEREST.
Little Miami R. R. Co.....	Capital Stock:				
	Guaranteed.....		\$4,943,100.00	8 per cent.	\$395,448.00
	Guaranteed Betterment.....		4,908,300.00	4 "	196,332.00
	General Mortgage Bonds, Series A.	Nov. 1, 1962	1,070,000.00	4 "	42,800.00
Long Island R. R. Co.....	Refunding Mortgage Bonds.....	Mar. 1, 1949	\$26,394,000.00	4 per cent.	\$1,055,760.00
Louisville Bridge & Terminal Ry. Co.....	Capital Stock.....		\$2,259,600.00	4 per cent.	\$90,384.00
Lykens Valley R. R. and Coal Co.....	Capital Stock.....		\$600,000.00	4 per cent.	\$24,000.00
Massillon and Cleveland R. R. Co.....	Capital Stock.....		\$200,000.00	.....	* \$20,000.00
Monongahela Ry. Co.....	Monongahela R. R. Co. First Mortgage Bonds.....	Oct. 1, 1942	\$1,048,000.00	3½ per cent.	d \$36,680.00
New York & Long Branch R. R. Co.....	Capital Stock.....		\$2,000,000.00	7 per cent.	e \$140,000.00
	General Mortgage Bonds.....	Sept. 1, 1941	2,308,000.00	4 "	e 92,320.00
	General Mortgage Bonds.....	Sept. 1, 1941	192,000.00	5 "	e 9,600.00
New York Bay R. R. Co.....	Capital Stock.....		\$6,000,000.00	4 per cent.	\$240,000.00
	First Mortgage Bonds.....	Jan. 1, 1948	5,201,000.00	4 "	208,040.00
The New York Connecting R. R. Co.....	First Mortgage Bonds.....	Aug. 1, 1953	\$24,000,000.00	4½ per cent.	f \$1,080,000.00
	Demand Note.....		1,500,000.00	6 "	f 90,000.00
New York, Philadelphia & Norfolk R. R. Co.....	Capital Stock.....		\$2,500,000.00	12 per cent.	\$300,000.00
	First Mortgage Coupon Bonds....	Jan. 1, 1939	2,600,000.00	4 "	104,000.00
	Income Mortgage Registered Bonds.....	Jan. 1, 1939	1,000,000.00	4 "	40,000.00
Northern Central Ry. Co.....	Capital Stock.....		\$27,079,600.00	8 per cent.	\$2,166,368.00
	Second General Mortgage Coupon Bonds, Series A.....	Jan. 1, 1926	2,443,000.00	5 "	122,150.00
	Second General Mortgage Coupon Bonds, Series B.....	Jan. 1, 1926	1,000,000.00	5 "	50,000.00
	General and Refunding Mortgage Bonds.....	Mar. 1, 1974	8,300,000.00	5 "	415,000.00
Ohio Connecting Ry. Co.....	Capital Stock.....		\$2,000,000.00	4 per cent.	\$80,000.00
	First Mortgage Bonds....	Sept. 1, 1943	1,777,000.00	4 "	71,080.00
Pennsylvania Company....	Gold Loan of 1906.....	April 1, 1931	\$20,000,000.00	4 per cent.	\$800,000.00
Pennsylvania-Detroit R. R. Co.....	Capital Stock.....		\$5,000,000.00	5 per cent.	\$250,000.00
Perth Amboy & Woodbridge R. R. Co...	Capital Stock.....		\$228,400.00	6 per cent.	\$13,704.00
Philadelphia & Trenton R. R. Co.....	Capital Stock.....		\$494,100.00	10 per cent.	\$49,410.00
The Philadelphia, Baltimore & Washington R. R. Co.....	Capital Stock.....		\$29,836,950.00	6 per cent.	\$1,790,217.00
	General Mortgage Bonds, Series A.	April 1, 1960	11,000,000.00	6 "	660,000.00
	General Mortgage Bonds, Series B.	Feb. 1, 1974	10,000,000.00	5 "	500,000.00
	Phila., Balto. & Wash. R. R. Co. First Mortgage Bonds.....	Nov. 1, 1943	16,070,000.00	4 "	642,800.00
	Phila., Wilm. & Balto. R. R. Co. Debenture Registered Bonds...	Jan. 1, 1926	930,000.00	4 "	37,200.00
	Debenture Registered Bonds...	Oct. 1, 1932	1,000,000.00	4 "	40,000.00
	Columbia & Port Deposit Ry. Co. First Mortgage Coupon Bonds..	Aug. 1, 1940	1,500,000.00	4 "	60,000.00
	Chester Creek R. R. Co. First Mortgage Registered Bonds....	Jan. 1, 1933	185,000.00	6 "	11,100.00
	Phila., & Balto. Central R. R. Co. First Mortgage Coupon Bonds..	Nov. 1, 1951	2,200,000.00	4 "	88,000.00

* Rental \$20,000 per annum.

d Jointly with Pittsburgh & Lake Erie R. R. Co.

e Jointly with C. R. R. of N. J.

f Jointly with N. Y. N. H. & H. R. R. Co.

**SECURITIES OF COMPANIES HAVING A RETURN FIXED UNDER LEASES OR CONTRACTS
WITH, OR GUARANTIES BY, THE PENNSYLVANIA RAILROAD COMPANY.—(Concluded.)**

DECEMBER 31st, 1925.

COMPANY.	DESIGNATION OF SECURITIES.	MATURING.	PRINCIPAL OF STOCK OR BONDS	RATE PER YEAR OF DIVIDEND OR INTEREST.	YEARLY DIVIDEND OR INTEREST.
Pittsburgh, Chartiers & Youghiogeny Ry. Co.....	General Mortgage Bonds.....	April 1, 1932	\$19,000.00	4 per cent.	\$760.00
	Capital Stock.....		\$84,717,400.00	4 per cent.	\$3,388,696.00
	Pittsburgh, Cincinnati, Chicago & St. Louis Ry. Co. Consolidated Mortgage Bonds:				
	Series A.....	Oct. 1, 1940	9,508,000.00	4½ "	427,860.00
	" B.....	April 1, 1942	8,220,000.00	4½ "	369,900.00
	" C.....	Nov. 1, 1942	1,335,000.00	4½ "	60,075.00
	" D.....	Nov. 1, 1945	3,163,000.00	4 "	126,520.00
	" E.....	Aug. 1, 1949	1,142,000.00	3½ "	39,970.00
	" F.....	Dec. 1, 1953	7,015,000.00	4 "	280,600.00
	" G.....	Nov. 1, 1957	7,078,000.00	4 "	283,120.00
	" H.....	Feb. 1, 1960	2,124,000.00	4 "	84,960.00
	" I.....	Aug. 1, 1963	6,197,000.00	4½ "	278,865.00
	" J.....	May 1, 1964	3,400,000.00	4½ "	153,000.00
Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co.....	Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co. General Mortgage Bonds, Series A.....	June 1, 1970	20,000,000.00	5 "	1,000,000.00
	Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co. General Mortgage Bonds, Series B....	April 1, 1975	26,000,000.00	5 "	1,300,000.00
	Chartiers Railway Co. First Mort- gage Bonds.....	Oct. 1, 1931	625,000.00	3½ "	21,875.00
	Chicago, St. Louis & Pittsburgh R. R. Co. Consolidated Mort- gage Bonds.....	Oct. 1, 1932	1,375,000.00	5 "	68,750.00
	Vandalia R. R. Co. Consolidated Mortgage Bonds, Series A.....	Feb. 1, 1955	9,429,000.00	4 "	377,160.00
	" B.....	Nov. 1, 1957	5,744,000.00	4 "	229,760.00
Pittsburgh, Fort Wayne and Chicago Ry. Co.....	Capital Stock:				
	Preferred.....		\$17,747,200.00	7 per cent.	\$7,456,896.00
	Common.....		49,090,300.00		
	Guaranteed.....		1,967,085.71		
	Guaranteed Special.....		37,722,500.00		
Pittsburgh, Ohio Valley & Cincinnati R. R. Co.....	Capital Stock.....		\$300,000.00	4 per cent.	\$12,000.00
	First Mortgage Bonds.....	Oct. 1, 1920	290,000.00	5 "	14,500.00
	Capital Stock:				
	Preferred.....		\$9,089,000.00	7 per cent.	\$783,230.00
	Common.....		2,100,000.00		
Pittsburgh, Youngstown and Ashtabula Ry. Co.....	First General Mortgage Bonds, Series A.....	June 1, 1948	4,346,000.00	4 "	173,840.00
	First General Mortgage Bonds, Series B.....	Feb. 1, 1962	4,995,000.00	5 "	249,750.00
	" C.....	June 1, 1974	1,479,000.00	5 "	73,950.00
	First Consolidated Mortgage Bonds Pittsburgh, Youngstown & Ash- tabula R. R. Co.....	Nov. 1, 1927	1,485,000.00	5 "	74,250.00
Richmond-Washington Co.....	Collateral Trust Mortgage Bonds..	June 1, 1943	\$10,000,000.00	4 per cent.	^f \$400,000.00
Rocky Hill R. R. & Transportation Co. . .	Capital Stock.....		\$18,700.00	6 per cent.	\$1,122.00
Shamokin Valley and Pottsville R. R. Co..	Capital Stock.....		\$869,450.00	6 per cent.	\$52,167.00
South Chicago & Southern R. R. Co.....	Capital Stock.....		\$842,500.00	4 per cent.	\$33,700.00
Terre Haute & Peoria R. R. Co.....	First Mortgage Bonds.....	Sept. 1, 1942	\$2,230,000.00	5 per cent.	\$111,500.00
	Capital Stock.....		\$12,000,000.00	4 per cent.	\$480,000.00
Toledo, Columbus & Ohio River R. R. Co.	Toledo, Walhonding Valley & Ohio R. R. Co. First Mortgage Bonds, Series A.....	July 1, 1931	1,489,000.00	4½ "	67,005.00
	" B.....	July 1, 1933	950,000.00	4½ "	42,750.00
	" C.....	Sept. 1, 1942	936,000.00	4 "	37,440.00
	Cleveland & Marietta Ry. Co. First Mortgage Bonds.....	May 1, 1935	1,109,000.00	4½ "	49,905.00
Union R. R. Co. of Baltimore.....	Capital Stock.....		\$2,100,000.00	8 per cent.	\$168,000.00
	Capital Stock.....		\$21,240,400.00	10 per cent.	\$2,124,040.00
	General Mortgage Registered Bonds.....	Feb. 1, 1973	1,824,000.00	4½ "	82,080.00
United New Jersey R. R. and Canal Co..	General Mortgage Registered and Coupon Bonds.....	Sept. 1, 1929	6,020,000.00	4 "	240,800.00
	General Mortgage Registered and Coupon Bonds.....	Mar. 1, 1944	5,646,000.00	4 "	225,840.00
	General Mortgage Registered and Coupon Bonds.....	Sept. 1, 1948	841,000.00	4 "	33,640.00
	General Mortgage Registered and Coupon Bonds.....	Mar. 1, 1951	5,669,000.00	3½ "	198,415.00
Wheeling Terminal Ry. Co.....	Capital Stock.....		\$2,000,000.00	4 per cent.	\$80,000.00
	First Mortgage Bonds.....	Aug. 1, 1940	1,383,000.00	4 "	55,320.00
Wilkes-Barre Connecting R. R. Co.....	First and Improvement Mortgage Bonds.....	May 1, 1947	\$2,170,000.00	5 per cent.	^g \$108,500.00

^f Jointly with Atlantic Coast Line R. R. Co., Southern Ry. Co., Chesapeake & Ohio Ry. Co., Seaboard Air Line Ry. Co. and Baltimore & Ohio R. R. Co.

^g Jointly with The Delaware & Hudson Co.

MILEAGE OPERATED.

LINES OWNED—PENNSYLVANIA RAILROAD COMPANY.		MILES DEC. 31st, 1925.	COMPARISON WITH 1924 INCREASE OR DECREASE
Broad Street Station, Philadelphia, Pa., to Pittsburgh, Pa., with extensions and branches.....		2,174.95	I. 1.01
Sunbury, Pa., to Erie, Pa., with extensions and branches.....		632.99	I. 0.15
Kiskiminetas Junction, Pa., to Oil City, Pa., and Red Bank, Pa., to Driftwood, Pa., with extensions and branches.....		226.33	I. 0.94
Total Lines Owned.....		3,034.27	I. 2.10
LINES OPERATED UNDER CONTRACT.			
Belvidere Delaware Railroad.....	Trenton, N. J., to Manunka Chunk, N. J., and branches....	80.35	
Bradford Railroad.....	Bradford, Pa.....	0.66	I. .01
Camden and Burlington County Railway.....	Pavonia, N. J., to Pemberton, N. J., and branches.....	31.28	D. 7.12
Cincinnati, Lebanon and Northern Railway.....	Cincinnati, O., to Dayton, O., and branches.....	76.17	
Cincinnati, Richmond and Fort Wayne Railroad.....	Adams, Ind., to Richmond, Ind.....	85.67	D. .09
Cleveland, Akron and Cincinnati Railway.....	Hudson, O., to Columbus, O., and Trinway, O., to Morrow, O., and branches.....	335.21	
Cleveland and Pittsburgh Railroad.....	Rochester, Pa., to Cleveland, O., and branches.....	204.75	
Connecting Railway.....	North Philadelphia, Pa., to Chestnut Hill, Pa., and branches.....	35.74	
Cumberland Valley and Martinsburg Railroad.....	Powell's Bend (State Line), to Winchester, Va.....	33.73	
Delaware Railroad.....	Shellpot Crossing, Del., to Delmar, Del., and branches.....	245.22	
Delaware, Maryland and Virginia Railroad.....	Harrington, Del., to Rehoboth, Del., and Georgetown, Del., to Franklin City, Va.....	97.64	
Delaware River Railroad and Bridge Co.....	Philadelphia, Pa. (Frankford Junction), to Haddonfield, N. J., and branches.....	9.52	
Elmira and Lake Ontario Railroad.....	Chemung Junction, N. Y., to Canandaigua, N. Y., and branches.....	99.91	
Elmira and Williamsport Railroad.....	Williamsport, Pa., to Elmira, N. Y.....	73.49	
Englewood Connecting Railway.....	Chicago, Ill.....	2.34	
Erie and Pittsburgh Railroad.....	New Castle, Pa., to Girard Junction, Pa., and branch.....	82.99	
Freehold and Jamesburg Agricultural Railroad.....	Jamesburg Junction, N. J., to Sea Girt, N. J.....	27.32	
Grand Rapids and Indiana Railway.....	Fort Wayne, Ind., to Mackinaw City, Mich., and branches.....	476.69	
Harrison and East Newark Connecting Railroad.....	Harrison, N. J.....	.21	
Indianapolis and Frankfort Railroad.....	Ben Davis, Ind., to Frankfort, Ind.....	40.94	
Jamestown, Westfield and Northwestern Railroad.....	Mayville, N. Y., to Chautauqua, N. Y.....	19.62	D. 2.64
Johnsonburg Railroad.....	Johnsonburg, Pa., to Clermont, Pa.....	195.41	
Little Miami Railroad.....	Columbus, O., to Cincinnati, O., and branches.....	4.15	
Louisville Bridge and Terminal Railway.....	Clarksville, Ind., to Louisville, Ky.....	20.43	
Lykens Valley Railroad and Coal Company's Railroad.....	Millersburg, Pa., to near Williamstown, Pa.....	12.16	
Massillon and Cleveland Railroad.....	Massillon Junction, O., to Clinton, O.....	12.94	
New York Bay Railroad.....	Waverly, N. J., to Greenville, N. J., and branches.....	122.28	
New York, Philadelphia and Norfolk Railroad.....	Delmar, Del., to Cape Charles, Va., and branches.....	142.13	
Northern Central Railway.....	Dauphin, Pa., to Sunbury, Pa., and Baltimore, Md., to Marysville, Pa., and branch.....	9.11	
Ohio Connecting Railway.....	Pittsburgh, Pa.....	29.01	
Pennsylvania-Detroit Railroad.....	Carleton, Mich., to Ecorse Jct., Mich., and branches.....	13.68	
Pennsylvania Tunnel and Terminal Railroad.....	Manhattan Transfer Station, N. J., to Woodside Avenue, Long Island City, N. Y., and branches.....	6.33	
Perth Amboy and Woodbridge Railroad.....	Near Rahway, N. J., to Perth Amboy, N. J.....	416.29	I. .25
Philadelphia, Baltimore and Washington Railroad..	Philadelphia, Pa., to Washington, D. C., and branches.....	30.66	
Philadelphia and Trenton Railroad.....	Kensington, Philadelphia, Pa., to New Jersey and Pennsyl- vania State Line in Delaware River at Trenton, N. J.....	1,874.79	D. .91
Pittsburgh, Cincinnati, Chicago and St. Louis Railroad.....	Pittsburgh, Pa., to East St. Louis, Ill., and branches.....	471.33	I. .10
Pittsburgh, Fort Wayne and Chicago Railway.....	Pittsburgh, Pa., to Chicago, Ill., and branches.....	18.03	
Pittsburgh, Ohio Valley and Cincinnati Railroad....	Bellaire, O., to Powhatan, O.....	140.47	
Pittsburgh, Youngstown and Ashtabula Railway....	Kenwood, Pa., to Ashtabula Harbor, O., and branches.....	2.39	
Rocky Hill Railroad and Transportation Co.....	Kingston, N. J., to Rocky Hill, N. J.....	40.93	I. .07
Shamokin Valley and Pottsville Railroad.....	Sunbury, Pa., to Mt. Carmel, Pa., and branches.....	22.92	I. .06
South Chicago and Southern Railroad.....	Colehour Junction, Ill., to Bernice, Ill., and branches.....	22.00	I. .16
Southern Pennsylvania Railway and Mining Com- pany.....	South Penn Junction, Pa., to Richmond, Pa., and branch..	145.07	
Terre Haute and Peoria Railroad.....	Farrington, Ill., to Hervey City, Ill.; Hervey City, Ill., to Decatur Junction, Ill.; and Maroa, Ill., to Farmdale, Ill.	3.55	
Tipton Railroad.....	Tipton, Pa., to terminus.....	349.64	I. 4.50
Toledo, Columbus and Ohio River Railroad.....	Columbus, O., to Sandusky, O., and branches.....	7.84	
Union Railroad Company of Baltimore.....	Baltimore, Md.....	166.56	
United New Jersey Railroad and Canal Company..	New Jersey and Pennsylvania State Line in Delaware River at Trenton, N. J., to Jersey City, N. J.; Camden to South Amboy, N. J., and branches.....	563.26	
Western New York and Pennsylvania Railway.....	Buffalo, N. Y., to Emporium, Pa., and Oil City, Pa., and branches.....	9.77	
Wheeling Terminal Railway.....	Martins Ferry, O., to Benwood, W. Va., and branches.....	61.15	
York, Hanover and Frederick Railway.....	York, Pa., to Frederick, Md., and branch.....	2.28	
Youngstown and Ravenna Railroad.....	Ravenna Junction to M. V. W. Ry. Junction, Ravenna, O., and Boanna, O., to Niles Junction, O.....		
Total Lines Operated Under Contract.....		6,976.01	D. 5.61

MILEAGE OPERATED.—(Continued.)

LINES USED UNDER TRACKAGE RIGHTS.		MILES DEC. 31ST, 1925.	COMPARISON WITH 1924. INCREASE OR DECREASE.
Ann Arbor Railroad.....	Toledo, O.....	4.33	
	Johnstown, Pa.....	1.07	
	Warwick, O.....	.74	
Baltimore and Ohio Railroad.....	Pleasant City, O., to Mines of Cambridge Coal Company....	4.32	D. .12
	Niles Junction, O., to Ravenna Junction, O.....	22.98	
	Old River Junction, O., to New River, O.....	1.65	
Baltimore and Ohio Chicago Terminal Railroad....	Chicago, Ill.....	.38	D. 3.10
Belt Railway of Chicago.....	Chicago, Ill.....	10.13	I. 6.87
Bethlehem Steel Company.....	Johnstown, Pa.....		D. 1.09
Buffalo Creek Railroad.....	Buffalo, N. Y.....	3.98	
Buffalo, Rochester and Pittsburgh Railway.....	Gates, N. Y.....	.33	I. .03
	Riverside Junction, N. Y., to Bradford, Pa.....	9.00	D. .08
Cambria and Indiana Railway.....	Manver, Pa., to Yard Limit.....	1.14	
Catonsville Short Line Railroad.....	Loudon Park, Md., to Catonsville, Md.....	3.74	
Central Railroad of New Jersey.....	Woodbridge, N. J., to north end of Raritan Bay Bridge....	1.80	I. .14
	Newark, N. J.....	.31	
Cherry Tree and Dixonville Railroad.....	Cherry Tree, Pa., to Idamar, Pa., and branches.....	39.07	
Chester and Delaware River Railroad.....	Marcus Hook, Pa.....	.33	D. .47
Chicago, Burlington and Quincy Railway.....	Chicago, Ill.....		
Chicago and Eastern Illinois Railroad.....	Terre Haute, Ind., to Otter Creek Junction, Ind.....	6.00	
Chicago Junction Railway.....	Chicago, Ill.....	4.00	
Chicago and Western Indiana Railroad.....	Chicago, Ill.....	.03	I. .03
Chicago, Rock Island & Pacific Railway.....	Chicago, Ill.....	0.48	I. 0.48
Chicago Union Station Company.....	Chicago, Ill.....	1.42	I. 1.42
Cincinnati, Indianapolis & Western Railroad.....	Indianapolis, Ind.....	.01	
Cleveland, Cincinnati, Chicago and St. Louis Ry....	Sandusky, O.....	1.41	
	Columbus, O.....	1.02	
Cumberland and Pennsylvania Railroad.....	State Line, Pa.....	.46	
Delaware, Lackawanna and Western Railroad.....	Manunka Chunk, N. J., to Stroudsburg, Pa.....	17.75	
	Buffalo, N. Y.....	11.18	
Erie Railroad.....	Erie Junction, N. Y., to Chemung Junction, N. Y.....	5.28	
	Oil City, Pa.....	.19	
Fort Street Union Depot Company.....	Backus Line, Detroit, Mich., to Fort St. Union Depot Co....	1.23	
Grand Trunk Railway.....	Buffalo, N. Y., to Bridgeburg, Ont.....	.90	
Huntingdon and Broad Top Mountain Railroad....	Mt. Dallas, Pa.....	.84	
	Huntingdon, Pa.....	1.81	
Illinois Central Railroad.....	Decatur Junction, Ill., to Maroa, Ill.....	15.44	
Indiana Harbor Belt Railroad.....	State Line to East Chicago, Ill.....	7.02	I. 7.02
Indianapolis Union Railway.....	Indianapolis, Ind.....	7.55	
Johnstown and Stony Creek Railroad.....	Johnstown, Pa.....	.96	
Kishacoquillas Valley Railway.....	Reedsville, Pa.....	.23	
Lake Erie and Eastern Railroad.....	Struthers, O., to Girard, O.....	8.31	
	Gum Run, Pa., and Tomhicken, Pa., to New Boston, Jct., Pa.	26.07	D. .82
Lehigh Valley Railroad.....	Wilkes-Barre, Pa.....	.19	
	Buffalo, N. Y.....	1.77	
Louisville and Nashville Railroad.....	Louisville, Ky.....	.64	
Michigan Central Railroad.....	Bridgeburg, Ont., to End Victoria Yard, Ont.....	1.20	
	Mackinaw City, Mich.....	.81	I. .81
Monongahela Railway.....	Brownsville, Pa.....	1.00	
National Docks Railway.....	Waldo Avenue, Jersey City, N. J., to Communipaw, N. J....	2.26	I. .49
	Erie, Pa.....	.33	
New York Central Railroad.....	Buffalo, N. Y.....	.97	
	Girard Junction, Pa., to Erie, Pa.....	16.50	
	Stoneboro, Pa., to Oil City, Pa.....	28.78	
New York and Long Branch Railroad.....	North End Raritan Bay Bridge to Bay Head, N. J.....	37.79	D. .24
Norfolk and Western Railway.....	Columbus, O.....	1.70	
Northern Coal and Iron Co.'s Railroad.....	Buttonwood, Pa., to Wilkes-Barre, Pa.....	1.60	
Patapsco and Back River Railroad.....	Pennwood Park, Md.....	2.17	
Peoria and Pekin Union Railway.....	Illinois River Bridge to Peoria, Ill.....	.17	
	Alexis Junction, Toledo, O., to Carleton, Mich.....	25.37	
	Grand Rapids, Mich., to Comstock Park, Mich.....	4.64	D. .49
Pere Marquette Railway.....	Grand Rapids, Mich.....	.47	I. .47
	Muskegon, Mich.....	.37	
	Delray Jct., Mich., to junction with West Belt Br.—P.-D. R.R.	4.39	
	Junction Ave., Detroit, Mich., to Oak, Mich.....	8.47	
Pere Marquette Railway and Wabash Railway....	Delray, Mich., to Backus Line, Detroit, Mich.....	3.33	
Philadelphia and Reading Railway.....	Frackville, Pa., to Wetherill Junction, Pa.....	3.00	
Stewartstown Railroad.....	New Freedom, Pa.....	.23	
St. Charles Air Line.....	Chicago, Ill.....	.96	I. .96
St. Louis Merchants Bridge Terminal Railway....	Willows, Ill., to St. Louis, Mo.....	11.00	
Terminal Railroad Association of St. Louis.....	St. Louis, Mo.....	3.67	
Toledo, Peoria and Western Railway.....	Farmdale, Ill., to Illinois River Bridge.....	5.05	
Toledo Terminal Railroad.....	Gould, O., to Walbridge, O.....	8.02	
Toledo Terminal Railroad and Ann Arbor Railroad.	Gould, O., to Hallett, O.....	10.71	
Tylerdale Connecting Railroad.....	Tylerdale, Pa.....	.26	
Union Depot Company (of Columbus, O.).....	Columbus, O.....	.26	
	Butler, Ind., to Gould, O.....	70.83	
Wabash Railway.....	Ecorse, Mich., to Delray, Mich.....	1.08	
	Delray Jct., Mich., to Junction Ave., Detroit, Mich.....	2.53	
	Delray Jct., Mich., to Carbon Tracks, Detroit, Mich.....	.28	
Washington Terminal.....	Florida Avenue, Washington, D. C., to South Portal First Street Tunnel.....	1.60	
Western Maryland Railway.....	State Line, Pa., to Cumberland, Md.....	6.35	
	Cumberland, Md.....	1.57	D. 1.46
West Jersey and Seashore Railroad.....	Wright Avenue to Cooper's Point, Camden, N. J.....		
Wheeling and Lake Erie Railroad.....	Rayland, O.....	2.73	
Wilkes-Barre Connecting Railroad.....	Wilkes-Barre, Pa., to Dorrancetown, Pa.....	2.41	
	Plains, Pa., to Hudson, Pa.....	1.64	
Wilkes-Barre and Eastern Railroad.....	Dorrancetown, Pa., to Plains, Pa.....	1.01	
Total Lines Used Under Trackage Rights.....		505.06	I. 10.85

MILEAGE OPERATED—(Concluded.)

SUMMARY.
MILES OF LINE.

	1925.	COMPARISON WITH 1924. INCREASE OR DECREASE.	
Owned line operated.....	3,034.27	I	2.10
Line operated under contract.....	6,976.01	D	5.61
Line used under trackage rights.....	505.06	I	10.85
Total.....	10,515.34	I	7.34

MILEAGE OF ALL TRACKS.

First track.....	10,515.34	I	7.34
Second track.....	3,940.15	I	10.78
Third track.....	892.97	I	2.26
Fourth track.....	680.89	I	0.83
Company's sidings.....	9,722.60	I	# 77.81
Total.....	25,751.95	I	99.02

The Pennsylvania Railroad also operates the Delaware and Raritan Canal, 66 miles, and the Hudson River Ferries, 1.00 mile.

OWNED LINES OPERATED BY OTHER COMPANIES.

	OPERATED BY	MILES.
Winfield Branch.....Winfield Junction, Pa., to Winfield, Pa..	Winfield Railroad Company	8.46
Shamrock Branch.....New Salem, Pa., to Shamrock Coke Works.....	Monongahela Railway Company....	1.37

Due largely to inclusion in present report of sidings used under trackage rights, which were omitted from reports of prior years.

THE PENNSYLVANIA RAILROAD COMPANY.

CLASSIFICATION OF FREIGHT TRAFFIC.

ALL LINES DIRECTLY OPERATED.

YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH YEAR 1924.

COMMODITY.		1925		INCREASE.	DECREASE.
		TONS	PER CENT. OF TOTAL.		
PRODUCTS OF AGRICULTURE.	Wheat.....	1,401,824	0.61		151,109
	Corn.....	815,578	0.36		298,802
	Oats.....	535,247	0.23		49,344
	Other grain.....	228,284	0.10		135,214
	Flour and meal.....	1,176,243	0.51		88,692
	Other mill products.....	1,139,947	0.49	93,613	
	Hay, straw, and alfalfa.....	667,245	0.29		62,823
	Tobacco.....	80,424	0.04		20,470
	Cotton.....	109,860	0.05		2,827
	Cotton seed and products, except oil.....	57,299	0.03	13,607	
	Citrus fruits.....	372,175	0.16	36,719	
	Other fresh fruits.....	1,094,633	0.48		35,210
	Potatoes.....	1,052,009	0.46		75,307
	Other fresh vegetables.....	1,046,687	0.46	77,010	
	Dried fruits and vegetables.....	147,851	0.06		15,556
	Other products of agriculture.....	416,183	0.18		45,986
	Total.....	10,332,489	4.51		760,391
ANIMALS AND PRODUCTS	Horses and mules.....	20,506	0.01		5,237
	Cattle and calves.....	602,382	0.26		23,401
	Sheep and goats.....	67,021	0.03		4,477
	Hogs.....	319,604	0.14		50,974
	Fresh meats.....	400,312	0.17	27,187	
	Other packing-house products.....	161,436	0.07		23,157
	Poultry.....	50,145	0.02	3,379	
	Eggs.....	63,820	0.03		1,066
	Butter and cheese.....	69,195	0.03	4,308	
	Wool.....	35,260	0.02		11,488
	Hides and leather.....	249,200	0.11		18,532
	Other animals and products.....	289,833	0.13		29,953
	Total.....	2,328,804	1.02		133,411
PRODUCTS OF MINES.	Anthracite coal.....	9,141,927	4.00		2,476,057
	Bituminous coal.....	90,017,160	39.33	9,841,838	
	Coke.....	7,151,514	3.13		366,375
	Iron ore.....	11,206,979	4.90	4,100,528	
	Other ores and concentrates.....	1,058,959	0.46	264,146	
	Base bullion and matte.....	31,484	0.01	6,653	
	Clay, gravel, sand, and stone.....	20,391,606	8.91	538,522	
	Crude petroleum.....	54,907	0.02		6,678
	Asphaltum.....	418,225	0.18	3,050	
	Salt.....	526,197	0.23		34,863
	Other products of mines.....	444,347	0.19	68,517	
	Total.....	140,443,395	61.36	11,939,281	
PRODUCTS OF FORESTS.	Logs, posts, poles, and cord wood.....	1,014,029	0.45	28,688	
	Ties.....	236,013	0.10	63,865	
	Pulp wood.....	370,084	0.16	2,659	
	Lumber, timber, box shooks, staves, and headings.....	7,377,080	3.22		1,043,379
	Other products of forests.....	471,745	0.21		19,295
	Total.....	9,468,951	4.14		967,462
MANUFACTURES AND MISCELLANEOUS.	Refined petroleum and its products.....	5,478,508	2.39	753,249	
	Vegetable oils.....	139,981	0.06	6,095	
	Sugar, sirup, glucose, and molasses.....	710,299	0.31	11,877	
	Boats, and vessel supplies.....	6,949			561
	Iron, pig and bloom.....	4,400,909	1.92	539,876	
	Rails and fastenings.....	409,627	0.18	38,682	
	Bar and sheet iron, structural iron, and iron pipe.....	8,355,131	3.65	447,422	
	Other metals, pig, bar, and sheet.....	2,331,052	1.02	257,649	
	Castings, machinery, and boilers.....	1,583,256	0.69	134,480	
	Cement.....	2,882,436	1.26	168,706	
	Brick and artificial stone.....	5,567,796	2.43	370,868	
	Lime and plaster.....	1,416,076	0.62	75,563	
	Sewer pipe and drain tile.....	701,010	0.31	88,499	
	Agricultural implements and vehicles other than automobiles.....	399,101	0.18	27,794	
	Automobiles and autotrucks.....	790,067	0.35	46,262	
	Household goods and second-hand furniture.....	37,080	0.02		8,248
	Furniture (new).....	213,055	0.09	33,613	
	Beverages.....	95,477	0.04	7,797	
	Ice.....	244,039	0.11	33,503	
	Fertilizers (all kinds).....	940,054	0.41	55,276	
	Paper, printed matter, and books.....	622,046	0.27	137,227	
	Chemicals and explosives.....	2,033,721	0.89	189,222	
	Textiles.....	124,641	0.05		4,535
	Canned goods (all canned food products).....	911,515	0.40	107,475	
	Other manufactures and miscellaneous.....	18,637,926	8.14	280,385	
	Total.....	59,937,752	25.79	3,798,176	
	Grand Total, Carload Traffic.....	221,611,391	96.82	13,876,193	
	All L. C. L. freight.....	7,277,974	3.18	377,045	
	Grand Total, Carload and L. C. L. Traffic.....	228,889,365	100.00	14,253,238	

EQUIPMENT OF THE PENNSYLVANIA RAILROAD COMPANY.—DECEMBER 31st, 1925.

KIND OF EQUIPMENT.	AVAILABLE FOR SERVICE DEC. 31ST, 1924.	ACQUIRED DURING 1925.	DESTROYED OR TRANSFERRED TO OTHER CLASSES DURING 1925.	BUILT TO FILL VACANCIES OR TRANSFERRED FROM OTHER CLASSES DURING 1925.	TOTAL INCREASE OR DECREASE.	AVAILABLE FOR SERVICE DEC. 31ST, 1925.	CAPACITY OF EQUIPMENT AVAILABLE FOR SERVICE.		VALUATION AS PER GENERAL LEDGER.	
							DEC. 31ST, 1925.	COMPARISON WITH 1924. INCREASE OR DECREASE.	DEC. 31ST, 1925.	COMPARISON WITH 1924. INCREASE OR DECREASE.
LOCOMOTIVES.										
Passenger—electric.....	34	1			I. 1	35	Tractive Power—(Pounds)			
Passenger—steam.....	914	5	50		D. 45	869	2,349,000	I. 82,500		
Freight—electric.....	2					2	29,504,195	D. 991,184		
Freight—steam.....	3,209		119		D. 119	3,090	240,000			
Shifting—electric.....	1					1	172,126,571	D. 4,346,840		
Shifting—steam.....	521	50	6		I. 44	565	38,400			
Total.....	4,681	56	175		D. 119	4,562	19,820,724	I. 3,695,794		
							224,138,890	D. 1,559,730	\$135,225,397	D. \$703,202
PASSENGER CAR EQUIPMENT.										
Passenger—wooden.....	127					127	Seating Capacity—(Persons)			
Passenger—steel.....	1,435					1,435	8,069	I. 11		
Passenger—steel—electric.....	177					177	116,266	I. 22		
Passenger—steel—cage.....	2					2	11,064	D. 255		
Dining—steel.....	140		1		D. 1	139	120			
Passenger—baggage—wooden.....	27		1		D. 1	26	4,662	I. 102		
Passenger—baggage—steel.....	257	10			I. 10	267	1,062	D. 42		
Passenger—baggage—wooden—electric.....	2					2	12,438	I. 505		
Passenger—baggage—steel—electric.....	9					9	80			
Passenger—baggage—mail—steel.....	9					9	468	D. 10		
Baggage—mail—steel.....	135					135	264			
Baggage—mail—steel—electric.....	2					2				
Baggage—express—wooden.....	342		11		D. 11	331				
Baggage—express—steel and steel underframe.....	1,003	28	772	834	I. 90	1,093				
Baggage—express—steel—electric.....	2					2				
Refrigerator—express—wooden.....	27		1		D. 1	26				
Refrigerator—express—steel and steel underframe.....	587		2		D. 2	585				
Postal—steel.....	91					91				
Horse and carriage—wooden.....	17					17				
Horse and carriage—steel.....	20					20				
Gasoline motor—steel.....	7	5			I. 5	12	546	I. 277		
Gasoline motor—trailer.....		1	1							
Total.....	4,418	44	780	834	I. 89	4,507	155,039	I. 610	\$41,108,300	I. \$1,818,098
FREIGHT EQUIPMENT CARS.										
Box—wooden.....	1,713		1,284		D. 1,284	429	Tons.			
Box—steel and steel underframe.....	60,390	7,284	884	772	I. 7,172	67,562	16,800	D. 50,400		
Refrigerator—wooden.....	20		10		D. 10	10	3,377,320	I. 358,680		
Stock—steel underframe.....	1,171					1,171	260	D. 260		
Gondola—wooden.....	280		184		D. 184	96	58,550	D. 7,310		
Gondola—steel and steel underframe.....	100,927		74		D. 74	100,853	3,875	I. 9,335		
Flat—wooden.....	2		2		D. 2	2	5,733,980	D. 100		
Flat—steel.....	2,443		41		D. 41	2,402		D. 600		
Cabin—wooden.....	417		18		D. 18	399	124,020			
Cabin—steel and steel underframe.....	1,372		2		D. 2	1,370				
Tank.....	363		16		D. 16	347	Bbbs. 32,480	D. 1,420		
Poling and car droppers and freight transfer.....	89	6	4		I. 2	91				
Total.....	169,187	7,290	2,519	772	I. 5,543	174,730	9,314,805	I. 309,345	\$256,932,322	I. \$13,786,560
							Bbbs. 32,480	D. 1,420		
WORK EQUIPMENT.										
Cabin.....	479		89	85	D. 4	475				
Tool and block.....	297		34	24	D. 10	287				
Tool and block—steel and steel underframe.....	66			10	I. 10	76				
Pile driver.....	3					3				
Snow flanger.....	62		3	2	D. 1	61				
Snow plows.....	14					14				
Snow sweepers.....	4					4				
Derricks.....	113	14	3	1	I. 12	125				
Stone and wooden flats—wooden.....	247		57	2	D. 55	192				
Stone and wooden flats—steel underframe.....	544		5	58	I. 53	597				
Test weight.....	19					19				
Clearance.....	2					2				
Water tank.....	24		3	9	I. 6	30				
Grading and spreader cars.....	14			2	I. 2	16				
Calcium distributing cars.....	3					3				
Dynamometer.....	1					1				
Miscellaneous service cars.....	550		185	18	D. 167	383				
Signal instruction.....	4					4				
Steam shovel.....	4		1		D. 1	3				
Rail loader.....	50		5	4	D. 1	49				
Shop workmen's car—wooden.....	130		7	5	D. 2	128				
Air brake instruction.....	3					3				
Inspection.....	12					12				
Supply cars—wooden.....	87		26	17	D. 9	78				
Supply cars—steel.....	30		1	6	I. 5	35				
Business—wooden.....	15					15				
Business—steel.....	7					7				
Pick-up cars.....	31		5	2	D. 3	28				
Pay cars—wooden.....	1		1		D. 1					
Laboratory test cars.....	1					1				
Valuation cars.....	1					1				
Emergency cars.....	42		3		D. 3	39				
Ballast unloader.....	2		1		D. 1	1				
Ditcher.....	4		2	8	I. 6	10				
Dump box cars.....	2		1		D. 1	1				
Dump cars.....	87			2	I. 2	89				
Experimental sweeper.....	1		1			1				
Ballast cleaning machine.....	1					1				
Flat and dump scows.....	22			3	I. 3	25				
Floats and row boats.....	12		3		D. 3	9				
Dredges.....	2					2				
Pile driver.....	2					2				
Motor boats.....	1					1				
Tug boats.....				1	I. 1	1				
Total.....	2,096	14	436	260	D. 162	2,834			\$5,172,520	I. \$405,070
FLOATING EQUIPMENT.										
Perry boats.....	8					8				
Tug boats.....	35		4		D. 4	31				
Steam lighters.....	6					6				
Grain and other barges.....	169	7	2		I. 5	174				
Mooring scows.....	1					1				
Car floats.....	87	4	5		D. 1	86				
Canal barges.....	11		1		D. 1	10				
Grain elevators.....	2					2				
Total.....	319	11	12		D. 1	318			\$8,847,935	I. \$489,456
MISCELLANEOUS EQUIPMENT.										
									\$306,449	I. \$23,618
Total valuation of equipment.....										\$447,592,923 I. \$15,819,600

NOTE.—This statement includes 31,017 freight cars available for service with a capacity of 1,618,450 tons, 477 locomotives with a tractive power of 42,839,604 pounds, 250 passenger cars with a seating capacity of 18,260 persons, and 830 baggage-express cars available for service under Equipment Trusts.

REPORT OF THE MANAGERS OF THE PENNSYLVANIA RAILROAD COMPANY
TRUST FUND FOR THE YEAR ENDED DECEMBER 31st, 1925.

RECEIPTS.

Balance, December 31st, 1924.....		\$30,692.21
Cash received from The Pennsylvania Railroad Company.....	\$688,393.98	
Realized from securities sold, matured, redeemed and exchanged.....	7,557,968.64	
Interest received on deposits.....	48,925.66	
Interest received from securities purchased.....	1,501,086.90	
		9,796,375.18
Total.....		\$9,827,067.39

DISBURSEMENTS.

Cash paid for securities purchased and held in the Trust, and for securities paid at maturity and delivered to The Pennsylvania Railroad Company.....	\$9,812,737.35	
Expenses.....	2,914.71	
Total.....		\$9,815,652.06
Balance on deposit with Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia.....		11,415.33
Total.....		\$9,827,067.39

SECURITIES HELD IN THE TRUST.

	PAR VALUE.	COST.
Amount of securities held in the Trust, December 31st, 1924.....	\$37,603,870.00	\$38,258,572.98
Securities purchased during 1925.....	8,525,000.00	9,812,737.35
Credit to Profit and Loss from sale of securities.....		74,819.52
	\$46,128,870.00	\$48,146,129.85
Deduct:—		
Securities sold and redeemed during 1925.....	7,647,160.00	7,557,968.64
Amount of securities held in the Trust, December 31st, 1925.....	\$38,481,710.00	\$40,588,161.21

LEWIS NEILSON,
Secretary of the Trust.

EFFINGHAM B. MORRIS, }
GEO. H. MCFADDEN, } *Managers*
W. W. ATTERBURY, } *of the*
A. J. COUNTY, } *Trust.*

The undersigned, Auditors appointed by the Board of Directors of The Pennsylvania Railroad Company, hereby certify that they have examined the accounts of the Managers of the Trust for the year 1925, as shown above, and find the same correct, and that they have verified by inspection the securities, and find them to represent the total stated.

WM. NEWBOLD ELY, }
WM. P. GEST, } *Auditors.*

**THE PENNSYLVANIA RAILROAD COMPANY.
CONSOLIDATED MORTGAGE SINKING FUNDS.**

DECEMBER 31st, 1925.

SINKING FUNDS.	FOR BONDS MATURING.	ORIGINAL ISSUE.	REDEEMED AND CANCELLED.	OUTSTANDING.
No. 2.....	May 1st, 1943.....	\$3,000,000.00	\$683,000.00	\$2,317,000.00
No. 3.....	July 1st, 1945.....	4,850,000.00	2,347,790.00	2,502,210.00
Totals.....		\$7,850,000.00	\$3,030,790.00	\$4,819,210.00

RECEIPTS.

	No. 2.	No. 3.	TOTALS.
From Pennsylvania R. R. Co.—annual contribution from the creation of the Funds to December 31st, 1925.....	\$737,480.00	\$1,028,124.14	\$1,765,604.14
From Penna. R.R. Co.—contribution account of interest on mortgages and bonds held in the sinking funds.....		32,699.92	32,699.92
From interest on investments.....	5,867.89	142,590.05	148,457.94
Total Receipts.....	\$743,347.89	\$1,203,414.11	\$1,946,762.00

DISBURSEMENTS.

For Pennsylvania R. R. Co. Consolidated Mortgage Bonds, redeemed and cancelled,..	\$664,234.64	\$1,202,707.82	\$1,866,942.46
For expenses,	14.39	101.75	116.14
For interest accrued on mortgage purchased.....	140.00		140.00
For interest accrued on bonds purchased.....	461.76		461.76
Total Disbursements.....	\$664,850.79	\$1,202,809.57	\$1,867,660.36
Balance, being amount of Funds December 31st, 1925.....	\$78,497.10	\$604.54	\$79,101.64
Invested in securities, as follows:			
For Penna. R. R. Co. Consolidated Mortgage 4% Coupon Sterling Bonds (1948),..	\$4,333.00		\$4,333.00
For Penna. R. R. Co., Consolidated Mortgage 3½% Sterling Coupon Registered Bonds (1945),.....	28,527.83		28,527.83
For mortgage secured by real estate and bond.....	10,000.00		10,000.00
For cash on deposit with Penna. R. R. Co.,.....	35,636.27	\$604.54	36,240.81
Total amount of securities and cash.....	\$78,497.10	\$604.54	\$79,101.64

The securities named above
are in my possession.

H. H. LEE,
Treasurer.

W. W. ATTERBURY,
President.

H. H. LEE,
Treasurer.

*Trustees of the Consolidated
Mortgage Sinking Funds.*

Examined and found correct.

E. A. STOCKTON,
Comptroller.

EFFINGHAM B. MORRIS,
*Chairman Finance
Committee.*

OTHER SINKING FUNDS.

FUND.	TOTAL AMOUNT OF BONDS AND CERTIFICATES ISSUED.	REDEEMED TO JANUARY 1, 1925.	BONDS AND CERTIFICATES OUTSTANDING JANUARY 1, 1925.	REDEEMED DURING THE YEAR THROUGH CONTRIBUTIONS AND ACCRETIONS.	AMOUNT OF BONDS AND CERTIFICATES OUTSTANDING DECEMBER 31, 1925	BALANCE OF CONTRIBUTIONS, 1925.
First Mortgage Sunbury, Hazleton & Wilkes-Barre Ry. Co.,.....	\$1,000,000.00	* \$837,400.00	\$1,000,000.00	*\$45,000.00	\$1,000,000.00	
First Mortgage Girard Point Storage Company,.....	2,394,000.00	652,000.00	1,742,000.00	24,000.00	1,718,000.00	\$320.30
Pennsylvania Company Guaranteed Trust Certificates:						
Series A	5,000,000.00	1,440,000.00	3,560,000.00	58,000.00	3,502,000.00	
" B	10,000,000.00	2,649,000.00	7,351,000.00	119,000.00	7,232,000.00	
" C	5,000,000.00	1,340,000.00	3,660,000.00	60,000.00	3,600,000.00	
" D	10,000,000.00	2,336,000.00	7,664,000.00	121,000.00	7,543,000.00	
" E	10,000,000.00	971,000.00	9,029,000.00	116,000.00	8,913,000.00	

* These bonds have been purchased or drawn by the Trustees of Sinking Fund, but are kept alive and the interest collected thereon applied, together with the company's contribution, to the further purchase of bonds.

STATEMENT OF THE INSURANCE FUND

FOR THE YEAR ENDED DECEMBER 31, 1925.

Cash on hand, December 31, 1924..... \$4,334,661.59

RECEIPTS.

Contributions to fund:

Fire.....	\$958,603.75
Marine.....	391,490.95
Injuries to passengers and others.....	2,361,098.09
Injuries to employes.....	3,608,261.83
Loss and damage—freight.....	3,563,162.26
Miscellaneous.....	58,859.74

\$10,941,476.62

Recovered from insurance companies for losses..... 748,129.87

From securities matured or sold..... 1,913,784.24

From interest on securities..... 954,040.57

14,557,431.30

\$18,892,092.89

DISBURSEMENTS.

For payments on account of losses:

Fire.....	\$989,540.42
Marine.....	326,778.19
Injuries to passengers and others.....	2,483,450.75
Injuries to employes.....	3,886,302.52
Loss and damage—freight.....	4,996,753.18
Miscellaneous.....	3,613.78

\$12,686,438.84

For payment account of re-insurance..... 565,619.07

Expenses of operation of Insurance Department..... 172,022.87

For purchase of securities..... 2,286,569.63

15,710,650.41

Cash on hand, December 31, 1925..... \$3,181,442.48

ASSETS.

Securities owned.....	\$18,932,340.20
Cash on hand December 31, 1925.....	3,181,442.48
Insurance premiums unearned.....	210,387.30
Due by insurance companies for losses...	222,310.97

\$22,546,480.95

LIABILITIES.

Estimated unsettled losses:

Fire.....	\$1,148,395.67
Marine.....	359,124.00
Injuries to passengers and others.....	2,522,658.78
Injuries to employes.....	5,399,240.54
Loss and damage—freight.....	6,751,619.76
Balance.....	6,365,442.20

\$22,546,480.95

LIST OF SECURITIES OWNED.

	Par value
Allegheny Valley Railway Co. general mortgage four per cent. gold coupon reg. bonds.....	\$802,000.00
Baltimore and Ohio Railroad Co. first mortgage four per cent. gold coupon bonds.....	350,000.00
Baltimore and Ohio Railroad Co., Pittsburgh, Lake Erie and West Virginia System refunding mortgage four per cent. bonds.....	155,000.00
Belvidere Delaware Railroad Co., consolidated mortgage four per cent. registered bonds.....	282,000.00
Buffalo, Rochester and Pittsburgh Ry. Co., consolidated mortgage four and one-half per cent. coupon registered bonds....	50,000.00
Cambria and Clearfield Ry. Co. general mortgage four per cent. coupon reg. gold bonds guaranteed.....	551,000.00
Central Pacific Ry. Co. first refunding mortgage four per cent. coupon reg. gold bonds.....	150,000.00
Cherry Tree and Dixonville Railroad Co., first mortgage four and one-half per cent. registered bonds, Series "A".....	605,000.00
Chesapeake and Ohio Ry. Co., first consolidated mortgage five per cent. coupon registered gold bonds.....	20,000.00
Chicago Union Station Co. first mortgage four and one-half per cent. coupon registered gold bonds.....	160,000.00
Cleveland and Pittsburgh Railroad Co., Special Guaranteed Betterment Stock.....	2,428,850.00
Connecting Railway Co. first mortgage four per cent. registered gold coupon bonds.....	120,000.00
Corporate Stock of the City of New York four and one-quarter per cent.....	556,000.00
Dayton, Lebanon and Cincinnati Railroad and Terminal Co., first mortgage six per cent. coupon registered gold bonds....	260,000.00
Fort Wayne Union Ry. Co., general mortgage six per cent. coupon registered gold bonds, Series "A".....	34,000.00
Freehold and Jamesburg Agricultural Railroad Co. four per cent. registered debentures.....	297,000.00
Grand Rapids and Indiana R. R. Co. first mortgage four and one-half per cent. gold coupon bonds.....	150,000.00
Illinois Central Railroad Co. and Chicago, St. Louis and New Orleans R. R. Co. joint first refunding mortgage five per cent. coupon registered gold bonds, Series "A".....	250,000.00
International Mercantile Marine Co., first mortgage and collateral trust sinking fund six per cent. coupon registered bonds..	174,000.00
Lehigh Valley R. R. Co. General Consolidated Mortgage four and one-half per cent. coupon registered gold bonds.....	175,000.00
Long Island R. R. Co. 20-year five per cent. debenture gold bonds.....	422,250.00
Long Island R. R. Co. refunding mortgage four per cent. coupon gold bonds.....	7,500.00
Monongahela Railroad Co., first mortgage three and one-half per cent. coupon registered gold bonds.....	486,000.00
New York Bay Railroad Co. first mortgage four per cent. gold coupon bonds.....	1,295,000.00
New York, Philadelphia & Norfolk R. R. four per cent. stock trust certificates.....	206,000.00
New York and Long Branch R. R. Co. general mortgage four per cent. coupon bonds.....	3,000.00
Norfolk Terminal Railway Co. first mortgage four per cent. gold coupon bonds.....	50,000.00
Norfolk and Western Railway Co. common stock.....	937,000.00
Norfolk and Western Ry. Co., Pocahontas Coal and Coke Co., Joint Pocahontas Coal Lands Purchase Money, first mortgage four per cent. coupon registered gold bonds.....	68,000.00
Pennsylvania Co. gold loan four per cent. coupon registered trust certificates.....	9,000.00
Pennsylvania Co. guaranteed trust registered three and one-half per cent. certificates, Series "A".....	126,000.00
Pennsylvania Co. guaranteed trust cpn. regd. three and one-half per cent. certificates, Series "B".....	51,000.00
Pennsylvania R. R. Co. consolidated mortgage four per cent. coupon bonds.....	6,000.00
Pennsylvania R. R. Co. general mortgage four and one-half per cent. coupon reg. gold bonds, Series "A".....	879,000.00
Pennsylvania R. R. Co. 40-year five per cent. secured gold bonds.....	730,000.00
Philadelphia and Baltimore Central R. R. Co. first mortgage four per cent. gold coupon bonds.....	286,000.00
Philadelphia and Reading Coal and Iron Co., refunding mortgage five per cent. sinking fund gold bonds.....	66,700.00
Pittsburgh, Cincinnati, Chicago and St. Louis Ry. Co. consolidated mortgage four and one-half per cent. coupon registered bonds, Series "C".....	150,000.00
Pittsburgh, Cincinnati, Chicago and St. Louis Ry. Co. consolidated mortgage three and one-half per cent. coupon registered gold bonds, Series "E".....	8,000.00
Pittsburgh, Cincinnati, Chicago and St. Louis R. R. Co. general mortgage five per cent. coupon registered bonds.....	805,500.00
Pittsburgh, Fort Wayne and Chicago Ry. Co., common stock guaranteed.....	1,600,000.00
Pittsburgh, Shenango and Lake Erie R. R. Co. first mortgage five per cent. coupon registered gold bonds.....	33,000.00
Pittsburgh, Youngstown and Ashtabula Railway Company, preferred stock.....	100,000.00
Pittsburgh, Youngstown & Ashtabula R. R. Co. first consolidated mortgage five per cent. coupon bonds.....	250,000.00
Reading Company general and refunding mortgage four and one-half per cent. gold bonds "A".....	300,000.00
Real Estate mortgage, four per cent. payable by United New Jersey Railroad and Canal Co.....	65,000.00
Sunbury, Hazleton and Wilkes-Barre Ry. Co. first mortgage five per cent. coupon bonds.....	9,500.00
United New Jersey R. R. and Canal Co. general mortgage four per cent. coupon registered bonds.....	800,000.00
United States First Liberty Loan three and one-half per cent. coupon bonds.....	154,850.00
United States Second Liberty Loan four and one-quarter per cent. converted coupon bonds.....	1,975,050.00
United States Fourth Liberty Loan four and one-quarter per cent. coupon bonds.....	126,350.00
United States Treasury four and one-quarter per cent. coupon gold certificates.....	1,600.00
Total par value.....	\$19,577,150.00

The securities named above are in my possession.

H. H. LEE, Treasurer.

Examined and found correct:

E. A. STOCKTON, Comptroller.

R. H. NEWBERN,
Superintendent, Insurance Department.

STATEMENT OF THE VOLUNTARY RELIEF DEPARTMENT

FOR THE YEAR ENDED DECEMBER 31ST, 1925.

RECEIPTS.

Contributions by members.....	\$4,603,585.13
Interest.....	299,520.64
Operating expenses contributed by the companies.....	936,891.36
Profit on investments maturing.....	50.00
Donations.....	136.89
	<u>\$5,840,184.02</u>

DISBURSEMENTS.

Death benefits, accident.....	\$172,471.75
Death benefits, sickness.....	1,417,292.18
Disablement benefits, accident.....	838,411.35
Disablement benefits, sickness.....	2,059,436.47
Superannuation allowances.....	599,911.34
Loss on investments sold.....	1,403.00
Operating expenses.....	936,891.36
	<u>6,025,817.45</u>
Excess of disbursements over receipts.....	<u>\$185,633.43</u>

PAR.	SECURITIES.	ASSETS.
\$98,000.	Allegheny Valley Railway Company general mortgage four per cent. bonds.....	
90,000.	Baltimore and Ohio four and one-half per cent. equipment trust certificates.....	
81,000.	Beech Creek Railroad Company four per cent. first mortgage bonds.....	
7,000.	Big Four Railway five per cent. equipment trust certificates of 1915.....	
42,000.	Cambria and Clearfield Railway Company general mortgage four per cent. coupon bonds.	
218,000.	Chesapeake and Ohio Railway Company general mortgage four and one-half per cent. coupon registered gold bonds.....	
25,000.	Chesapeake and Ohio Railway four and one-half per cent. equipment trust certificates....	
291,000.	Columbia and Port Deposit Railway Company four per cent. first mortgage coupon bonds	
498,000.	Connecting Railway Company first mortgage four per cent. coupon gold bonds.....	
75,000.	Erie Railroad four and one-half per cent. equipment trust gold certificates.....	
2,000.	Harrisburg Railways Company first mortgage five per cent. gold bonds.....	
200,000.	Lake Shore and Michigan Southern Railway Company four per cent. twenty-five year gold bonds.....	
50,000.	Lehigh Coal and Navigation Company four and one-half per cent. consolidated mortgage sinking fund gold bonds.....	
100,000.	Lehigh Valley Railroad Company four and one-half per cent. general consolidated mortgage gold bonds.....	
538,000.	Long Island Railroad Company refunding mortgage four per cent. coupon gold bonds....	
25,000.	Michigan Central Railroad five per cent. equipment trust gold certificates of 1915.....	
100,000.	New York Central and Hudson River Railroad Company four per cent. thirty year gold debenture bonds.....	
100,000.	New York, Chicago and St. Louis Railroad Company four per cent. first mortgage gold bonds.....	
2,000.	New York, Philadelphia and Norfolk Railroad four per cent. stock trust certificates.....	
172,000.	Norfolk and Western Railway Company divisional first lien and general mortgage four per cent. coupon registered gold bonds.....	
154,000.	Pennsylvania Railroad Company general mortgage four and one-half per cent. coupon registered gold bonds.....	
77,000.	Philadelphia and Reading Coal and Iron Company refunding mortgage five per cent. sinking fund gold bonds.....	
154,000.	Reading Company general and refunding mortgage four and one-half per cent. gold bonds.	
50,000.	Toledo and Ohio Central Railway four and one-half per cent. equipment trust certificates of 1917.....	
1,852,000.	United States of America Second Liberty Loan four and one-quarter per cent. converted bonds.....	
58,000.	United States of America Third Liberty Loan four and one-quarter per cent. bonds.....	
100,000.	United States of America Fourth Liberty Loan four and one-quarter per cent. gold bonds	
208,000.	Western New York and Pennsylvania Railway Company general mortgage four per cent. coupon gold bonds.....	

\$5,367,000.	
Cost of above securities.....	\$5,239,775.49
Cash on deposit.....	1,489,579.00
	<u>\$6,729,354.49</u>

LIABILITIES.

Disablement benefit orders outstanding.....	\$45,025.65
Death benefits accrued and unpaid.....	226,975.43
Unexpended balance.....	6,457,353.41
	<u>\$6,729,354.49</u>

MEMBERSHIP.

Total, December 31st, 1925.....	193,727
Total, December 31st, 1924.....	198,249
Decrease.....	<u>4,522</u>

The cash and securities named above are all in my possession.

H. H. LEE,

Treasurer.

E. B. HUNT,

Superintendent.

Examined and found correct.

E. A. STOCKTON,

Comptroller.

Audited and found correct.

FREDERICK H. STALLMAN,

J. L. HEYWOOD,

JOHN A. GORMAN,

Representatives of Employees.

STATEMENT OF PENNSYLVANIA RAILROAD SYSTEM PENSION DEPARTMENT

FOR THE YEAR ENDED DECEMBER 31ST, 1925.

DISBURSEMENTS.

Pension allowances were paid to retired employes as follows:—

	1925	COMPARISON WITH 1924. INCREASE OR DECREASE.
Pennsylvania Railroad.....	\$4,591,389.43	I. \$542,399.74
West Jersey and Seashore Railroad.....	79,169.06	I. 13,234.41
Philadelphia and Camden Ferry.....	8,124.69	I. 630.89
Long Island Railroad.....	79,101.03	I. 9,945.15
Waynesburg and Washington Railroad.....	116.51	I. 18.03
Ohio River and Western Railway.....	4,095.90	I. 1,744.85
	<u>\$4,761,996.62</u>	<u>I. \$567,973.07</u>
Operating Expenses.....	57,196.87	D. 228.78
	<u>\$4,819,193.49</u>	<u>I. \$567,744.29</u>

PENSIONERS.

	NUMBER OF PENSIONERS JANUARY 1st, 1925.			RETIRED DURING 1925.			DIED DURING 1925.			NUMBER OF PENSIONERS DECEMBER 31st, 1925.			COMPARISON WITH DECEMBER 31st, 1924. INCREASE OR DECREASE.
	Over 70 Yrs. of Age.	65-69 Yrs. of Age inc.	Both.	Over 70 Yrs. of Age.	65-69 Yrs. of Age inc.	Both.	Over 70 Yrs. of Age.	65-69 Yrs. of Age inc.	Both.	Over 70 Yrs. of Age.	65-69 Yrs. of Age inc.	Both.	
Pennsylvania Railroad...	5,776	1,889	7,665	294	808	1,102	576	144	720	5,494	2,553	8,047	I. 382
West Jersey and Sea- shore Railroad.....	74	21	95	7	11	18	8	.....	8	73	32	105	I. 10
Philadelphia and Cam- den Ferry.....	15	2	17	1	.....	1	3	.....	3	13	2	15	D. 2
Long Island Railroad....	122	27	149	10	14	24	10	5	15	122	36	158	I. 9
Ohio River and Western Railway.....	6	2	8	.....	2	2	1	1	2	5	3	8	.....
Total.....	5,993	1,941	7,934	312	835	1,147	598	150	748	5,707	2,626	8,333	I. 399

Average age of pensioners who were between ages of 65-69, inc., as of December 31st, 1925.....67 yrs., 1 mo.

Average age of pensioners who were 70 years of age and over, as of December 31st, 1925.....75 yrs., .. mos.

Average age of all pensioners as of December 31st, 1925.....72 yrs., 5 mos.

The oldest employe receiving pension allowance during the year attained the age of 97 years.

Of the 835 employes retired from active service under the physical disqualification clause, 806 were relieved at their own request and upon the recommendation of their employing officers, and the balance (29), were relieved upon the recommendation of their employing officers alone.

Examined and found correct with respect to appropriations and allowances approved for payment.

E. A. STOCKTON,
Comptroller.

G. L. PECK,
Chairman.

E. A. STOCKTON,
Secretary.

PENNSYLVANIA RAILROAD REGIONAL SYSTEM
(Regional System has Operating Revenues equal to 95 per cent of entire System)

OPERATIONS and STATISTICS

YEAR ENDED DECEMBER 31st, 1925

(EMBRACING ALL THE TRANSPORTATION COMPANIES,
KNOWN AS THE PENNSYLVANIA RAILROAD
SYSTEM, EXCEPT THE LONG ISLAND RAILROAD,
BALTIMORE, CHESAPEAKE AND ATLANTIC
RAILWAY, BALTIMORE AND EASTERN
RAILROAD, AND BALTIMORE & VIR-
GINIA STEAMBOAT COMPANIES.)

PENNSYLVANIA RAILROAD REGIONAL SYSTEM.

OPERATING REVENUES IN DETAIL.

YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH YEAR 1924.

ACCOUNTS	EASTERN REGION		CENTRAL REGION		WESTERN REGION		TOTAL	
	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE
Miles of Road Operated.....	4,229.25	D. 4.65	3,350.62	D. 3.28	3,528.26	I. 17.65	11,108.13	I. 9.72
Merchandise.....	\$142,083,241	I. \$8,217,212	\$108,242,963	I. \$8,719,060	\$72,208,977	I. \$5,796,310	\$322,535,181	I. \$22,732,582
Anthracite Coal.....	14,304,507	D. 4,126,208	1,165,752	D. 458,398	139,959	D. 84,122	15,610,218	D. 4,668,728
Bituminous Coal.....	47,560,981	D. 499,262	42,719,698	D. 1,671,671	21,879,596	I. 6,506,873	112,160,275	I. 4,335,940
Coke.....	3,791,809	I. 1,059,772	8,213,537	D. 791,612	394,530	D. 295,478	12,399,876	D. 27,318
Iron Ore.....	220,796	D. 113,983	8,351,625	I. 2,748,294	45,894	I. 18,846	8,618,315	I. 2,653,157
Total Freight.....	\$207,961,334	I. \$4,537,531	\$168,693,575	I. \$8,545,673	\$94,668,956	I. \$11,942,429	\$471,323,865	I. \$25,025,633
Passenger.....	96,848,904	I. 553,534	35,854,465	D. 1,930,289	21,340,790	D. 1,157,384	154,044,159	D. 2,534,139
Excess Baggage.....	543,745	I. 5,983	216,790	D. 27,125	128,927	D. 38,972	889,462	D. 60,114
Mail.....	4,694,986	D. 11,512	3,250,861	D. 5,003	3,791,506	D. 6,378	11,737,353	D. 22,893
Express.....	8,046,846	I. 1,317,380	5,022,250	I. 792,768	3,952,672	I. 614,017	17,021,768	I. 2,724,165
Other Passenger Train.....	1,030,966	D. 9,188	408,159	D. 10,580	249,221	D. 31,694	1,688,346	D. 51,462
Milk.....	2,650,050	I. 219,059	808,539	I. 2,397	408,485	I. 45,804	3,867,074	I. 267,260
Switching.....	457,868	I. 24,761	2,075,989	I. 269,376	2,844,911	I. 331,753	5,378,768	I. 625,890
Special Service Train.....	55,697	D. 22,545	61,673	I. 5,656	26,008	D. 32,933	143,378	D. 49,822
Other Freight Train.....	1,588	D. 450	1,741	I. 513	3,077	I. 479	6,406	I. 542
Water Transfers—Freight.....	146,395	I. 15,647	.....	.....	.....	.....	146,395	I. 15,647
Water Transfers—Passenger.....	240,038	D. 8,164	.....	.....	.....	.....	240,038	D. 8,164
Water Transfers—Vehicle and Live Stock	1,376,707	I. 122,574	.....	.....	.....	.....	1,376,707	I. 122,574
Water Transfers—Other.....	328,881	I. 4,124	.....	.....	.....	.....	328,881	I. 4,124
Water Line—Special Service.....	9,040	I. 9,040	.....	.....	.....	.....	9,040	I. 9,040
Dining and Buffet.....	2,743,188	I. 265,020	865,848	I. 54,997	1,067,542	D. 16,437	4,676,578	I. 303,580
Hotel and Restaurant.....	777,615	D. 1,398,588	129,747	D. 181,177	64,283	D. 15,734	971,645	D. 1,595,499
Station, Train and Boat Privileges.....	1,325,697	I. 216,529	311,641	I. 33,436	63,357	D. 30,411	1,700,695	I. 219,554
Parcel Room.....	386,168	I. 14,110	77,445	D. 7,030	13,372	D. 55,506	476,985	D. 48,426
Storage—Freight.....	221,785	D. 7,409	203,671	D. 51,648	36,245	D. 2,340	461,701	D. 61,397
Storage—Baggage.....	112,440	I. 4,813	22,107	D. 2,528	7,667	D. 17,622	142,214	D. 15,337
Demurrage.....	1,057,810	D. 15,664	807,594	D. 25,129	581,273	D. 22,873	2,446,677	D. 63,666
Telegraph and Telephone.....	119,607	I. 11,913	51,306	I. 4,467	86,883	I. 5,913	257,796	I. 22,293
Grain Elevator.....	741,172	I. 221,551	.....	D. 72,532	.....	.....	741,172	I. 149,019
Stockyard.....	.....	.....	3,659	D. 894	3,639	D. 914	7,298	D. 1,808
Power.....	2,969,311	I. 598,800	83,931	D. 529	4,418	D. 1,312	3,057,660	I. 596,959
Rents of Buildings and Other Property..	621,978	I. 57,802	145,970	D. 1,515	209,020	I. 70,697	976,968	I. 126,984
Miscellaneous.....	1,088,545	D. 17,403	2,216,728	I. 646,655	199,572	I. 24,179	3,504,845	I. 653,431
Joint Facility—Credit.....	606,580	I. 437,067	20,997	D. 6,651	407,140	I. 144,556	1,034,717	I. 574,972
Joint Facility—Debit.....	56,687	D. 314,176	1,570	D. 140	42,330	D. 67,939	100,587	D. 382,255
Total.....	\$337,108,254	I. \$7,460,491	\$221,333,116	I. \$8,033,448	\$130,116,634	I. \$11,817,256	\$688,558,004	I. \$27,311,195

PENNSYLVANIA RAILROAD REGIONAL SYSTEM
OPERATING EXPENSES IN DETAIL, YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH YEAR 1924.

ACCOUNTS	EASTERN REGION		CENTRAL REGION		WESTERN REGION		TOTAL	
	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE
MAINTENANCE OF WAY AND STRUCTURES								
Superintendence.....	\$2,248,617	I. \$31,211	\$1,767,218	D. \$18,347	\$1,207,806	D. \$40,181	\$5,223,641	D. \$27,317
Roadway Maintenance.....	3,427,355	D. 221,156	2,443,010	D. 389,874	1,180,269	I. 171,420	7,050,634	D. 439,610
Tunnels and Subways.....	146,307	D. 37,965	311,617	I. 253,379	20	I. 1,053	457,944	I. 216,467
Tunnels and Subways—Depreciation.....	178						178	
Bridges, Trestles and Culverts.....	2,070,775	I. 702,543	1,758,688	I. 1,024,001	909,712	I. 242,944	4,739,175	I. 1,969,488
Bridges, Trestles and Culverts—Depreciation.....	8,485	D. 8,485	22,050		15,750		46,285	D. 8,485
Elevated Structures.....	120,024	I. 68,874	4,512	I. 1,599			124,536	I. 70,473
Ties.....	4,309,510	D. 165,794	4,155,303	I. 414,946	3,594,633	I. 1,209,716	12,059,446	I. 1,458,868
Rails.....	1,861,431	I. 294,799	1,835,800	I. 383,238	826,419	I. 461,691	4,523,650	I. 1,139,728
Other Track Material.....	2,029,902	I. 194,224	2,029,581	I. 70,655	1,168,834	I. 222,574	5,228,317	I. 487,453
Ballast.....	716,950	I. 200,410	587,845	I. 108,895	258,849	I. 133,745	1,563,644	I. 443,050
Track Laying and Surfacing.....	8,361,873	I. 414,924	6,853,312	I. 445,767	4,146,376	I. 901,605	19,361,561	I. 1,762,296
Right-of-Way Fences.....	37,840	D. 138	45,814	D. 322	85,029	I. 11,575	168,683	I. 11,115
Right-of-Way Fences—Depreciation.....	31						31	
Snow and Sand Fences and Snowsheds.....	7,432	I. 708	4,005	D. 3,159	1,650	I. 1,327	13,087	D. 1,124
Crossings and Signs.....	836,457	I. 100,080	392,952	I. 3,104	365,816	D. 73,484	1,595,225	I. 29,700
Crossings and Signs—Depreciation.....	1,968						1,968	
Station and Office Buildings.....	2,338,528	I. 177,110	942,739	I. 150,399	713,002	I. 216,084	3,994,269	I. 543,593
Roadway Buildings.....	117,126	I. 28,632	124,871	I. 59,350	48,144	I. 19,988	290,141	I. 107,970
Water Stations.....	443,579	D. 6,969	440,838	I. 43,716	224,494	I. 62,174	1,108,911	I. 98,921
Fuel Stations.....	250,614	I. 80,158	149,667	D. 103,572	107,993	I. 14,481	508,274	D. 8,933
Shops and Enginehouses.....	1,584,083	I. 362,378	1,306,855	I. 292,538	854,917	I. 269,371	3,745,855	I. 923,987
Shops and Enginehouses—Depreciation.....	62,626	I. 60,084	66,050	I. 66,050	10,303	I. 10,303	138,979	I. 137,337
Grain Elevators.....	48,972	I. 3,668		D. 4,623		D. 124	48,972	D. 1,079
Wharves and Docks.....	1,041,422	I. 159,362	29,895	I. 20,668	1,508	D. 18,466	1,072,825	I. 161,564
Wharves and Docks—Depreciation.....	260						260	
Coal and Ore Wharves.....	100,372	I. 59,250	494,180	I. 190,269	38,132	I. 27,645	632,684	I. 277,164
Coal and Ore Wharves—Depreciation.....			94,150		245	I. 21	94,395	I. 21
Telegraph and Telephone Lines.....	1,143,920	D. 45,855	635,222	I. 20,288	605,755	I. 145,649	2,384,897	I. 120,082
Signals and Interlockers.....	3,133,402	I. 269,138	1,778,099	I. 348,626	783,011	I. 101,838	5,694,512	I. 719,602
Signals and Interlockers—Depreciation.....	5,355						5,355	
Power Plant Dams, Canals and Pipe Lines.....		D. 417						D. 417
Power Plant Buildings.....	131,883	I. 35,847	24,770	I. 8,873	25,351	I. 16,209	182,004	I. 60,929
Power Plant Buildings—Depreciation.....	46,777	I. 2,789	7,993	I. 7,993	1,247	I. 1,247	56,017	I. 12,029
Power Substation Buildings.....	8,592	I. 3,073	134	I. 124	Cr. 25	D. 38	8,701	I. 3,159
Power Substation Buildings—Depreciation.....	10,727	I. 2,199					10,727	I. 2,199
Power Transmission Systems.....	62,741	I. 13,865	Cr. 817	D. 10,531	7,003	I. 7,003	68,927	I. 10,337
Power Transmission Systems—Depreciation.....	21,444	I. 1,351					21,444	I. 1,351
Power Distribution Systems.....	564,573	I. 57,294	133,318	I. 22,115	33,412	I. 23,392	731,303	I. 102,801
Power Distribution Systems—Depreciation.....	113,260	I. 70					113,260	I. 70
Power Line Poles and Fixtures.....	52,570	D. 35,633	7,443	D. 1,463	5,914	I. 1,223	65,927	D. 35,873
Power Line Poles and Fixtures—Depreciation.....	45,127	I. 2,801					45,127	I. 2,801
Underground Conduits.....	15	D. 71					15	D. 71
Underground Conduits—Depreciation.....	7,504						7,504	
Miscellaneous Structures.....	125,859	I. 30,273	6,104	I. 5,603	1,596	I. 1,392	133,559	I. 37,268
Paving.....	62,062	I. 41,260	292	D. 647	6,788	D. 52,388	69,142	D. 11,775
Roadway Machines.....	118,910	I. 17,859	84,727	D. 11,215	89,646	I. 27,098	293,283	I. 33,742
Small Tools and Supplies.....	453,467	I. 16,442	225,421	I. 9,805	167,170	I. 37,649	846,058	I. 63,896
Removing Snow, Ice and Sand.....	1,052,325	I. 514,973	374,660	D. 3,564	114,230	D. 101,270	1,541,215	I. 410,139
Assessments for Public Improvements.....	13,637	I. 2,892	24,516	I. 14,594	19,353	I. 8,350	57,506	I. 25,836
Injuries to Persons.....	224,248	D. 40,990	306,387	I. 8,229	101,733	D. 42,306	632,368	D. 75,067
Insurance.....	178,178	I. 11,591	75,041	D. 10,547	40,387	D. 10,922	293,606	D. 9,878
Stationery and Printing.....	48,144	I. 5,105	20,193	D. 2,438	14,293	D. 175	82,630	I. 2,492
Other Expenses.....	94,748	I. 56,196	118,171	D. 52,175	53,718	D. 4,603	266,637	D. 582
Maintaining Joint Tracks, Yards and Other Facilities—Dr.....	1,291,419	I. 162,775	653,594	I. 122,844	552,132	I. 97,488	2,497,145	I. 383,107
Maintaining Joint Tracks, Yards and Other Facilities—Cr.....	1,073,224	I. 75,047	630,626	I. 101,478	508,121	D. 65,652	2,211,071	I. 110,873
Philadelphia and Camden Ferry Company.....	218,082	I. 32,071					218,082	I. 32,071
Total.....	\$40,328,462	I. \$3,580,659	\$29,705,594	I. \$3,383,413	\$17,874,494	I. \$4,167,950	\$87,908,550	I. \$11,132,022

[1925]

Seventy-ninth Annual Report, The Pennsylvania Railroad Company.

PENNSYLVANIA RAILROAD REGIONAL SYSTEM

OPERATING EXPENSES IN DETAIL, YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH YEAR 1924.—(Continued.)

ACCOUNTS.	EASTERN REGION		CENTRAL REGION		WESTERN REGION		TOTAL	
	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE
MAINTENANCE OF EQUIPMENT.								
Superintendence.....	\$3,047,701	I. \$362,598	\$2,205,253	I. \$259,897	\$1,298,967	D. \$18,514	\$6,551,921	I. \$603,981
Shop Machinery.....	2,520,399	I. 1,000,838	2,607,421	I. 1,559,978	1,790,480	I. 728,723	6,918,300	I. 3,349,539
Shop Machinery—Depreciation.....	119,823	I. 119,584	129,432	I. 129,432	20,189	I. 20,189	269,444	I. 269,205
Power Plant Machinery.....	1,019,961	I. 87,380	423,479	I. 90,235	187,476	I. 69,972	1,630,916	I. 247,587
Power Plant Machinery—Depreciation.....	188,015	D. 45,580	29,722	I. 29,722	4,636	I. 4,636	222,373	D. 11,222
Power Substation Apparatus.....	48,069	D. 18,704	2	D. 534	.....	D. 310	48,071	D. 19,548
Power Substation Apparatus—Depreciation.....	59,201	I. 6,428	.....	.....	.....	.....	59,201	I. 6,428
Steam Locomotives—Repairs.....	25,123,858	D. 221,041	27,841,146	D. 1,331,299	11,872,608	D. 869,298	64,837,612	D. 2,421,038
Steam Locomotives—Depreciation.....	2,583,273	I. 24,152	3,544,399	D. 125,747	1,132,815	I. 4,499	7,260,487	D. 97,096
Steam Locomotives—Retirements.....	5,842	I. 2,405	39,656	D. 2,677	29,677	I. 2,034	75,175	I. 1,762
Other Locomotives—Repairs.....	359,918	I. 239,537	.....	.....	.....	.....	359,918	I. 239,537
Other Locomotives—Depreciation.....	81,519	I. 17,147	.....	.....	.....	.....	81,519	I. 17,147
Other Locomotives—Retirements.....	.....	D. 1,012	.....	.....	.....	.....	.....	D. 1,012
Freight Train Cars—Repairs.....	20,239,106	D. 124,744	15,461,484	I. 247,811	11,100,392	I. 474,755	46,800,982	I. 597,822
Freight Train Cars—Depreciation.....	3,921,930	I. 352,709	2,986,256	I. 326,961	2,150,733	I. 286,700	9,058,919	I. 966,370
Freight Train Cars—Retirements.....	Cr. 51,762	D. 5,235	Cr. 39,580	D. 5,140	Cr. 28,404	D. 5,290	Cr. 119,845	D. 15,665
Passenger Train Cars—Repairs.....	5,878,827	D. 225,027	2,725,253	D. 189,172	1,942,512	D. 111,200	10,546,592	D. 525,399
Passenger Train Cars—Depreciation.....	780,177	D. 53,214	357,003	D. 10,420	254,916	D. 4,981	1,392,096	D. 68,615
Passenger Train Cars—Retirements.....	4,504	I. 5,003	2,026	I. 3,961	1,427	I. 3,333	7,957	I. 12,297
Motor Equipment of Cars—Repairs.....	346,885	I. 7,722	.....	.....	.....	.....	346,885	I. 7,722
Motor Equipment of Cars—Depreciation.....	115,987	D. 15,769	.....	.....	.....	.....	115,987	D. 15,769
Motor Equipment of Cars—Retirements.....	274	I. 1,764	.....	.....	.....	.....	274	I. 1,764
Floating Equipment—Repairs.....	1,324,571	D. 161,456	.....	.....	.....	.....	1,324,571	D. 161,456
Floating Equipment—Depreciation.....	262,723	D. 5,043	.....	.....	.....	.....	262,723	D. 5,043
Floating Equipment—Retirements.....	29,364	I. 19,734	.....	.....	.....	.....	29,364	I. 19,734
Work Equipment—Repairs.....	1,308,599	I. 20,655	1,156,369	I. 5,122	412,211	I. 107,919	2,877,179	I. 133,696
Work Equipment—Depreciation.....	185,020	I. 15,174	201,374	I. 10,681	61,194	I. 9,178	447,588	I. 35,033
Work Equipment—Retirements.....	24,537	I. 6,887	32,890	D. 17,004	15,641	D. 5,883	73,068	D. 16,000
Miscellaneous Equipment—Repairs.....	75,609	I. 4,341	22,109	I. 11,061	10,396	I. 3,527	108,114	I. 18,929
Miscellaneous Equipment—Depreciation.....	34,840	I. 26,436	12,176	I. 12,176	8,367	I. 8,367	55,383	I. 46,979
Miscellaneous Equipment—Retirements.....	19,383	I. 10,983	5,143	I. 3,478	2,153	I. 271	26,670	I. 14,732
Injuries to Persons.....	292,470	D. 118,678	573,618	D. 77,376	231,808	D. 157,470	1,097,896	D. 353,524
Insurance.....	348,329	D. 19,109	75,073	I. 22,820	39,031	I. 7,705	462,433	I. 11,416
Stationery and Printing.....	212,489	I. 35,034	144,235	I. 16,096	75,531	I. 12,446	432,255	I. 63,576
Other Expenses.....	268,581	I. 19,573	225,184	I. 22,088	199,135	I. 2,384	692,900	I. 44,045
Maintaining Joint Equipment at Terminals—Dr... Philadelphia and Camden Ferry Company.....	434,363 278,283	I. 81,191 19,552	253,526 244,999	I. 22,775 27,833	120,413 104,191	D. 25,259 I. 19,773	808,302 627,473	I. 78,707 I. 67,158
Total.....	\$71,076,309	I. \$1,489,542	\$60,769,641	I. \$987,092	\$32,830,023	I. \$528,660	\$164,675,973	I. \$3,005,294

PENNSYLVANIA RAILROAD REGIONAL SYSTEM
OPERATING EXPENSES IN DETAIL, YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH YEAR 1924.—(Continued.)

ACCOUNTS	EASTERN REGION		CENTRAL REGION		WESTERN REGION		TOTAL	
	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE
TRANSPORTATION.								
Superintendence.....	\$5,000.587	D. \$62,935	\$3,529.433	D. \$64,275	\$2,106.450	I. \$3,009	\$10,636.470	D. \$124,201
Dispatching Trains.....	3,134.439	D. 144.161	2,132.093	I. 213,282	2,059,281	D. 108,054	7,325,813	D. 38,933
Station Employees.....	21,026,730	D. 163,652	9,591,348	D. 237,342	7,326,669	D. 931,869	37,944,747	D. 1,332,863
Weighing, Inspection and Demurrage Bureaus....	136,507	I. 11,501	86,650	D. 5,523	52,769	D. 2,066	275,926	I. 3,912
Coal and Ore Wharves.....	766,886	I. 54,751	982,534	I. 278,727	7	I. 7	1,749,427	I. 333,485
Station Supplies and Expenses.....	1,957,903	I. 19,622	624,436	D. 23,292	440,557	D. 54,428	3,022,866	D. 58,098
Yardmasters and Yard Clerks.....	3,926,543	D. 24,660	2,895,425	D. 118,794	1,774,852	I. 79,389	8,596,820	D. 64,065
Yard Conductors and Brakemen.....	10,301,458	I. 78,236	6,792,330	I. 82,504	4,778,037	I. 214,628	21,871,825	I. 375,368
Yard Switch and Signal Tenders.....	1,379,042	D. 33,067	700,217	D. 32,573	390,713	D. 82,030	2,469,972	D. 147,670
Yard Enginemen.....	5,314,233	I. 18,991	4,008,283	I. 108,136	2,604,778	I. 111,536	11,927,294	I. 238,663
Yard Motormen.....	192,745	I. 25,154					192,745	I. 25,154
Fuel for Yard Locomotives.....	2,165,772	D. 383,414	2,295,276	D. 397,907	1,628,780	D. 128,818	6,089,828	D. 910,139
Yard Switching Power Produced.....	37,013	D. 22,373	2,215	I. 129			39,228	D. 22,244
Yard Switching Power Purchased.....	183,464	I. 173,803					183,464	I. 173,803
Water for Yard Locomotives.....	173,858	D. 237	238,260	D. 7,292	162,689	I. 22,737	574,807	I. 15,208
Lubricants for Yard Locomotives.....	52,571	I. 5,825	67,304	I. 8,219	41,844	I. 9,177	161,719	I. 23,221
Other Supplies for Yard Locomotives.....	84,837	D. 1,259	101,423	D. 6,892	41,064	D. 1,328	227,324	D. 9,479
Enginehouse Expenses—Yard.....	1,044,405	D. 27,625	840,085	D. 62,535	977,724	I. 59,444	2,862,214	D. 30,716
Yard Supplies and Expenses.....	560,682	D. 34,027	255,272	D. 211	96,849	I. 2,208	912,803	D. 31,940
Train Enginemen.....	10,949,537	I. 411,236	10,221,949	D. 264,243	4,673,863	D. 94,747	25,845,349	I. 52,246
Train Motormen.....	394,530	I. 32,939					394,530	I. 32,939
Fuel for Train Locomotives.....	9,536,542	D. 1,793,152	9,471,705	D. 1,638,945	5,291,634	D. 802,018	24,299,881	D. 4,234,115
Train Power Produced.....	215,265	D. 70,458					215,265	D. 70,458
Train Power Purchased.....	1,248,087	I. 542,835					1,248,087	I. 542,835
Water for Train Locomotives.....	896,540	I. 9,097	1,013,091	D. 38,758	537,426	I. 25,852	2,447,057	D. 3,209
Lubricants for Train Locomotives.....	293,758	I. 30,813	279,182	I. 33,505	158,100	I. 16,089	731,040	I. 80,407
Other Supplies for Train Locomotives.....	403,330	I. 2,824	419,701	D. 28,089	164,117	I. 2,583	987,148	D. 22,682
Enginehouse Expenses—Train.....	3,570,462	D. 125,227	3,492,851	D. 248,745	1,709,264	I. 20,957	8,772,577	D. 353,015
Trainmen.....	12,739,581	I. 39,647	10,218,396	D. 653,798	5,334,904	D. 198,808	28,292,881	D. 812,959
Train Supplies and Expenses.....	5,044,212	I. 39,064	3,020,573	I. 53,612	2,070,570	I. 104,393	10,135,355	I. 197,969
Signal and Interlocker Operation.....	2,034,231	D. 26,088	1,535,484	D. 344,055	712,632	I. 94,722	4,282,347	D. 275,421
Crossing Protection.....	1,623,875	D. 15,480	1,001,948	D. 29,380	1,240,081	I. 15,020	3,865,904	D. 29,840
Drawbridge Operation.....	266,727	D. 21,743	794	D. 1,188	42,660	I. 969	310,181	D. 21,962
Telegraph and Telephone Operation.....	998,426	D. 16,328	690,766	D. 236,458	474,530	D. 23,563	2,163,722	D. 276,349
Operating Floating Equipment.....	4,536,207	D. 217,972					4,536,207	D. 217,972
Stationery and Printing.....	847,130	D. 12,428	493,599	D. 15,736	297,284	I. 2,335	1,638,013	D. 25,829
Other Expenses.....	830,906	I. 192,652	259,365	I. 37,233	132,455	I. 27,094	1,222,726	I. 256,979
Insurance.....	191,828	I. 21,734	72,549	D. 14,839	34,845	D. 17,544	299,222	D. 10,649
Clearing Wrecks.....	673,657	I. 16,054	687,622	D. 39,727	371,475	D. 11,593	1,732,754	D. 35,266
Damage to Property.....	146,016	D. 139,504	135,355	I. 13,291	56,406	D. 7,464	337,777	D. 133,677
Damage to Live Stock on Right-of-Way.....	37,288	I. 1,704	32,755	I. 3,639	24,393	D. 2,141	94,436	I. 3,202
Loss and Damage—Freight.....	1,814,890	D. 530,488	1,473,349	D. 512,388	603,371	D. 180,277	3,891,610	D. 1,223,153
Loss and Damage—Baggage.....	46,231	I. 7,925	22,395	I. 2,376	11,341	I. 6,881	79,967	I. 17,182
Injuries to Persons.....	1,836,277	I. 63,279	1,801,020	I. 384,702	335,828	D. 302,301	3,973,125	I. 145,680
Operating Joint Yards and Terminals—Debit.....	2,890,291	I. 622,261	1,246,725	I. 154,057	1,398,564	I. 248,099	5,535,580	I. 1,024,417
Operating Joint Yards and Terminals—Credit.....	841,907	D. 1,073,871	738,311	I. 52,924	673,131	D. 726,804	2,254,139	D. 1,747,751
Operating Joint Tracks and Facilities—Debit.....	499,683	I. 96,198	316,691	I. 6,821	488,268	I. 31,412	1,304,642	I. 134,431
Operating Joint Tracks and Facilities—Credit.....	304,664	I. 62,634	416,793	D. 14,894	838,100	I. 111,553	1,649,557	I. 159,293
Philadelphia and Camden Ferry Company.....	612,066	D. 9,791					612,066	D. 9,791
Total.....	\$121,380,677	D. \$345,187	\$81,895,345	D. \$3,680,782	\$49,135,053	D. \$1,235,167	\$252,411,075	D. \$5,261,136

PENNSYLVANIA RAILROAD REGIONAL SYSTEM
OPERATING EXPENSES IN DETAIL, YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH YEAR 1924.—(Concluded.)

ACCOUNTS	EASTERN REGION		CENTRAL REGION		WESTERN REGION		TOTAL	
	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE	1925	INCREASE OR DECREASE
TRAFFIC								
Superintendence.....	\$1,838,902	I. \$335,695	\$1,160,626	I. \$136,122	\$803,819	D. \$325,715	\$3,803,347	I. \$146,102
Outside Agencies.....	1,215,935	D. 66,756	589,930	I. 204,808	433,166	D. 149,118	2,239,031	D. 11,066
Advertising.....	515,150	I. 105,027	184,458	I. 64,062	125,511	I. 617	825,110	I. 169,706
Traffic Associations.....	111,155	I. 15,513	90,248	I. 7,910	59,359	I. 10,206	260,762	I. 33,629
Industrial and Immigration Bureaus.....	31,765	I. 4,831	20,565	I. 14,038	14,055	D. 1,750	66,385	I. 17,119
Insurance.....	1,459	I. 314	665	I. 386	698	I. 327	2,822	I. 1,027
Stationery and Printing.....	591,393	I. 25,376	405,369	I. 13,190	216,817	D. 17,098	1,213,579	I. 21,468
Other Expenses.....	956	D. 5,330	389	D. 4,082	333	D. 4,896	1,678	D. 14,308
Total.....	\$4,306,715	I. \$414,670	\$2,452,250	I. \$436,434	\$1,653,758	D. \$487,427	\$8,412,723	I. \$363,677
MISCELLANEOUS OPERATIONS								
Dining and Buffet Service.....	\$3,368,270	I. \$126,717	\$1,020,878	I. \$93,133	\$1,237,655	I. \$29,324	\$5,626,803	I. \$549,174
Hotels and Restaurants.....	732,132	D. 1,221,964	113,616	D. 149,659	69,829	D. 27,756	915,577	D. 1,399,379
Grain Elevators.....	458,261	I. 66,140	.....	D. 34,902	.....	.....	458,261	I. 31,238
Stockyards.....	.....	.....	10,084	D. 2,359	10,114	D. 2,915	20,198	D. 5,274
Producing Power Sold.....	1,565,183	I. 88,531	65,892	I. 9,335	818	D. 216	1,631,893	I. 97,650
Other Miscellaneous Operations.....	91,362	D. 6,230	.....	.....	.....	.....	91,362	D. 6,230
Total.....	\$6,215,208	D. \$646,806	\$1,210,470	D. \$84,452	\$1,318,416	D. \$1,563	\$8,744,094	D. \$732,821
GENERAL								
Salaries and Expenses of General Officers.....	\$413,658	I. \$36,278	\$279,801	I. \$23,904	\$183,591	I. \$6,761	\$877,050	I. \$66,943
Salaries and Expenses of Clerks and Attendants.....	4,356,205	D. 36,974	2,854,067	D. 50,088	1,659,514	I. 42,803	8,869,786	D. 44,259
General Office Supplies and Expenses.....	313,392	I. 35,016	202,387	I. 10,025	128,803	D. 55	644,582	I. 44,986
Law Expenses.....	486,085	D. 7,932	321,414	I. 11,757	183,551	I. 9,037	991,050	I. 28,726
Insurance.....	6,957	I. 1,428	4,196	D. 120	2,222	D. 625	13,375	D. 2,173
Relief Department Expenses.....	482,293	D. 15,281	272,646	D. 14,841	165,295	D. 3,997	920,234	D. 34,119
Pensions.....	2,611,287	I. 382,070	1,322,051	I. 340,068	790,041	I. 25,231	4,723,379	I. 847,369
Stationery and Printing.....	194,326	D. 6,554	130,376	I. 3,754	77,973	I. 5,092	402,675	I. 2,292
Valuation Expenses.....	85,482	D. 7,903	83,803	I. 9,058	82,422	I. 24,958	251,797	I. 26,113
Other Expenses.....	353,051	I. 18,495	216,972	I. 16,048	149,474	I. 2,348	719,494	I. 37,791
General Joint Facilities—Debit.....	83,465	I. 13,857	14,354	I. 739	65,344	I. 11,018	163,163	I. 25,614
General Joint Facilities—Credit.....	8,077	I. 3,257	35	I. 35	1,219	D. 206	9,331	I. 3,086
Philadelphia and Camden Ferry Company.....	36,670	D. 15,800	.....	.....	.....	.....	36,670	D. 15,800
Total.....	\$9,414,794	I. \$406,451	\$5,702,032	I. \$351,169	\$3,487,008	I. \$222,777	\$18,603,834	I. \$980,397
RECAPITULATION								
Maintenance of Way and Structures.....	\$40,328,462	I. \$3,580,659	\$29,705,594	I. \$3,383,413	\$17,874,494	I. \$4,167,950	\$87,908,550	I. \$11,132,022
Maintenance of Equipment.....	71,076,309	I. 1,489,542	60,769,641	I. 987,092	32,870,023	I. 528,660	164,675,973	I. 3,005,294
Traffic.....	4,306,715	I. 414,670	2,452,250	I. 436,434	1,653,758	D. 487,427	8,412,723	I. 363,677
Transportation.....	121,380,677	D. 345,187	81,895,345	D. 3,680,782	49,135,053	D. 1,235,167	252,411,075	D. 5,261,136
Miscellaneous Operations.....	6,215,208	D. 646,806	1,210,470	D. 84,452	1,318,416	D. 1,563	8,744,094	D. 732,821
General.....	9,414,794	I. 406,451	5,702,032	I. 351,169	3,487,008	I. 222,777	18,603,834	I. 980,397
Transportation for Investment—Credit.....	52,329	D. 58,173	93,494	I. 3,783	94,338	D. 7,340	240,161	D. 61,732
Total.....	\$252,669,836	I. \$4,957,504	\$181,641,838	I. \$1,389,091	\$106,204,414	I. \$3,202,570	\$540,516,088	I. \$9,549,165

PENNSYLVANIA RAILROAD REGIONAL SYSTEM

OPERATING RATIO.

	1925.	COMPARISON WITH 1924.	
		INCREASE OR DECREASE.	
Percentage of Operating Expenses and Taxes to Operating Revenue:			
Maintenance of way and structures.....	12.8	I.	1.2
Maintenance of equipment.....	23.9	D.	0.5
Traffic.....	1.2		
Transportation.....	36.7	D.	2.3
General.....	2.7		
Miscellaneous.....	1.2	D.	0.2
Total Operating Expenses (excluding taxes).....	78.5	D.	1.8
Taxes.....	4.8		
Total operating expenses (including taxes).....	83.3	D.	1.8

REVENUE FREIGHT STATISTICS.

	1925.	COMPARISON WITH 1924.	PERCENTAGE OF INCREASE OR DECREASE.
		INCREASE OR DECREASE.	
Tonnage.....	229,509,596	I. 14,041,790	6.5
Tonnage Mileage.....	45,025,731,078	I. 3,270,691,104	7.8
Freight Train Mileage.....	55,910,402	I. 2,387,358	4.5
Average Revenue per ton per mile (cents).....	1.045	D. 0.022	2.1
Average Revenue per freight train mile.....	\$8.52	I. \$0.10	1.2

REVENUE PASSENGER STATISTICS.

	1925.	COMPARISON WITH 1924.	PERCENTAGE OF INCREASE OR DECREASE.
		INCREASE OR DECREASE.	
Passengers.....	140,184,622	D. 4,667,467	3.2
Passenger Mileage.....	4,860,581,036	D. 79,755,712	1.6
Passenger Train Mileage.....	64,797,679	I. 380,485	0.6
Average Revenue per passenger per mile (cents).....	3.149	.....	.....
Average Revenue per passenger train mile.....	\$2.91	D. \$0.01	0.3

PENNSYLVANIA RAILROAD REGIONAL SYSTEM

FREIGHT TRAFFIC AND OPERATING STATISTICS (RAIL).
YEAR ENDED DECEMBER 31ST, 1925, COMPARED WITH THE YEAR 1924.

	EASTERN REGION.		CENTRAL REGION.		WESTERN REGION.		TOTAL.	
	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.
Mileage operated (freight service).....	4,199.81	I. 3.93	3,330.86	D. 23.54	3,356.58	D. 45.81	10,887.25	D. 65.42
Freight revenue.....	\$207,064,802	I. \$4,476,779	\$168,693,575	I. \$8,545,073	\$94,668,956	I. \$11,942,429	\$470,427,333	I. \$24,964,881
Per cent. of total operating revenues.....	61.8	D. 0.1	76.2	I. 1.1	72.8	I. 2.9	68.5	I. 0.9
Gross ton miles (excluding locomotives and tenders).....	43,539,543,000	I. 2,242,094,000	36,164,162,000	I. 2,742,376,000	23,540,998,000	I. 2,824,729,000	103,244,703,000	I. 7,809,199,000
Tons carried (revenue freight).....	108,275,284	I. 596,720	129,252,850	I. 9,032,850	.....	.....	229,509,596	I. 14,041,790
Tons carried (non-revenue freight).....	11,259,187	I. 90,371	17,660,717	I. 274,938	0	.....	27,957,236	I. 724,849
Total number of tons carried.....	119,534,471	I. 687,091	146,913,567	I. 9,307,788	.....	.....	257,466,832	I. 14,766,639
Tons carried one mile (revenue freight).....	18,934,166,843	I. 829,141,609	16,417,845,991	I. 1,118,140,776	9,673,718,244	I. 1,323,408,710	45,025,731,078	I. 3,270,691,104
Tons carried one mile (non-revenue freight).....	1,539,264,157	D. 120,604,609	1,663,385,009	I. 75,402,224	856,531,756	D. 5,151,719	4,059,180,922	D. 50,354,104
Total number of tons carried one mile.....	20,473,431,000	I. 708,537,000	18,081,231,000	I. 1,193,543,000	10,530,250,000	I. 1,318,257,000	49,084,912,000	I. 3,220,337,000
Train hours.....	2,093,434	I. 55,013	2,016,350	D. 50,823	1,129,406	D. 23,148	5,239,190	D. 18,958
AVERAGES—PER MILE OF ROAD.								
Freight revenue.....	\$49,303	I. \$1,020	\$50,646	I. \$2,903	\$28,204	I. \$3,890	\$43,209	I. \$2,537
Tons carried (revenue freight).....	25,781	I. 118	38,805	I. 2,966	.....	.....	21,080	I. 1,407
Tons carried (non-revenue freight).....	2,681	I. 20	5,302	I. 119	.....	.....	2,568	I. 82
Total number of tons carried.....	28,462	I. 138	44,107	I. 3,085	.....	.....	23,648	I. 1,489
Tons carried one mile (revenue freight).....	4,508,339	I. 193,386	4,929,011	I. 367,926	2,882,016	I. 427,768	4,135,639	I. 323,323
Tons carried one mile (non-revenue freight).....	366,508	D. 29,087	499,386	I. 25,983	255,180	I. 1,022	372,838	D. 2,371
Total number of tons carried one mile.....	4,874,847	I. 164,299	5,428,397	I. 393,909	3,137,196	I. 429,690	4,508,477	I. 320,952
Freight train miles.....	5,371	I. 175	5,795	I. 230	4,186	I. 349	5,135	I. 248
AVERAGES—PER TRAIN MILE.								
Freight train revenue.....	\$9.21	D. \$0.11	\$8.85	I. \$0.17	\$6.95	I. \$0.41	\$8.52	I. \$0.10
Gross tons per train.....	1,931	I. 35	1,875	I. 83	1,677	I. 88	1,848	I. 63
Revenue tons per train.....	840	I. 9	851	I. 31	689	I. 48	806	I. 25
Total tons per train.....	908	I. 1	937	I. 32	750	I. 43	879	I. 21
Loaded cars per train.....	29.7	I. 0.4	27.5	I. 1.0	26.6	I. 0.9	28.2	I. 0.8
Empty cars per train.....	17.5	I. 0.9	14.4	I. 0.9	14.9	I. 0.6	15.7	I. 0.7
Total cars per train (including caboose).....	48.2	I. 1.3	42.9	I. 1.9	42.5	I. 1.5	44.9	I. 1.5
MISCELLANEOUS AVERAGES.								
Revenue per ton.....	\$1.91	I. \$0.03	\$1.31	D. \$0.02	.....	.....	\$2.05	D. \$0.02
Revenue per ton mile (cents).....	1.094	D. 0.025	1.028	D. 0.019	0.979	D. 0.012	1.045	D. 0.022
Revenue tons per loaded car.....	28.3	D. 0.1	30.9	D. 0.1	25.9	I. 1.0	28.6	I. 0.1
Total tons per loaded car.....	30.5	D. 0.5	34.1	D. 0.1	28.2	I. 0.7	31.2	D. 0.1
Miles each revenue ton was carried.....	174.9	I. 6.8	127.0	D. 0.3	.....	.....	196.2	I. 2.4
Per cent loaded of total car miles.....	63.0	D. 0.8	65.7	D. 0.5	64.1	D. 0.2	64.2	D. 0.5
Train speed (train miles per train hour).....	10.8	I. 0.1	9.6	I. 0.6	12.4	I. 1.1	10.7	I. 0.5
Gross ton miles per train hour.....	20,798	I. 538	17,935	I. 1,767	20,844	I. 2,870	19,706	I. 1,556
Net ton miles per train hour.....	9,780	I. 84	8,967	I. 798	9,324	I. 1,331	9,369	I. 646
Net ton miles per car day.....	453	D. 3	452	I. 42	437	I. 67	449	I. 30
Car miles per car day.....	23.6	I. 0.5	20.2	I. 2.1	24.2	I. 3.3	22.5	I. 1.8
Pounds of coal per 1000 gross ton miles.....	113	D. 5	162	D. 10	130	D. 14	134	D. 9
Miles per locomotive day.....	60.3	I. 3.3	39.6	I. 3.3	78.8	I. 10.3	52.7	I. 4.4
Number of cars loaded on line.....	2,028,898	I. 84,638	2,383,292	I. 159,369	961,873	I. 33,814	5,374,063	I. 277,821
Number of cars received from connections.....	.....	.....	.....	.....	.....	.....	3,117,960	I. 247,859
Total number of loaded cars handled.....	.....	.....	.....	.....	.....	.....	8,492,023	I. 525,680

† Includes stored and unserviceable cars.
 ‡ Includes stored and unserviceable locomotives.
 □ The Western Region was formed by the consolidation of the Northwestern and Southwestern Regions on June 1, 1925, and therefore tonnage without duplication, and the averages dependent thereon, cannot be stated for either year.

PENNSYLVANIA RAILROAD REGIONAL SYSTEM

PASSENGER TRAFFIC AND OPERATING STATISTICS (RAIL).

YEAR ENDED DECEMBER 31ST, 1925, COMPARED WITH THE YEAR 1924.

	EASTERN REGION.		CENTRAL REGION.		WESTERN REGION.		TOTAL.	
	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.
Mileage operated (passenger service).....	3,719.83	D. 16.05	2,027.85	D. 136.31	3,317.21	D. 31.06	9,064.89	D. 183.42
Passenger revenue.....	\$95,858,601	I. \$577,925	\$35,854,465	D. \$1,930,289	\$21,340,790	D. \$1,157,385	\$153,053,856	D. \$2,509,749
Per cent. of total operating revenues.....	28.6	D. 0.5	16.2	D. 1.5	16.4	D. 2.6	22.3	D. 1.3
Passenger train revenue.....	\$112,818,829	I. \$2,102,879	\$45,561,064	D. \$1,177,833	\$29,871,601	D. \$574,606	\$188,251,494	I. \$350,440
Per cent. of total operating revenues.....	33.7	D. 0.1	20.6	D. 1.3	23.0	D. 2.7	27.4	D. 1.1
Number of passengers carried.....	96,171,598	D. 352,504	38,497,717	D. 3,299,056	⊕	.....	140,184,622	D. 4,667,467
Number of passengers carried one mile.....	3,154,324,664	I. 18,520,313	1,119,610,563	D. 64,070,719	586,645,809	D. 34,205,306	4,860,581,036	D. 79,755,712
AVERAGES—PER MILE OF ROAD.								
Passenger revenue.....	\$25,770	I. \$266	\$12,246	D. \$85	\$6,433	D. \$286	\$15,359	I. \$30
Passenger train revenue.....	\$30,329	I. \$693	\$15,561	I. \$308	\$9,005	D. \$88	\$18,891	I. \$375
Passenger train miles.....	9,398	I. 214	5,959	I. 242	3,736	D. 23	6,503	I. 155
Passengers carried.....	25,854	I. 17	13,149	D. 492	.....	.....	14,068	D. 206
Passengers carried one mile.....	847,975	I. 8,600	382,400	D. 3,899	176,849	D. 8,575	487,771	I. 957
AVERAGES—PER TRAIN MILE.								
Passenger revenue.....	\$2.74	D. \$0.04	\$2.06	D. \$0.10	\$1.72	D. \$0.07	\$2.36	D. \$0.06
Passenger train revenue.....	\$3.23	.....	\$2.61	D. \$0.06	\$2.41	D. \$0.01	\$2.91	D. \$0.01
Number of passenger carrying cars.....	4.9	I. 0.1	4.3	.....	4.3	I. 0.1	4.6	I. 0.1
Number of passenger train cars.....	7.0	I. 0.2	6.6	I. 0.1	7.2	I. 0.3	6.9	I. 0.2
Number of passengers.....	90	D. 1	64	D. 4	47	D. 2	75	D. 2
MISCELLANEOUS AVERAGES.								
Revenue per passenger (cents).....	99.7	I. 1.0	93.1	I. 2.7	.....	.....	109.2	I. 1.8
Revenue per passenger mile (cents).....	3.039	I. 0.001	3.202	I. 0.010	3.638	I. 0.014	3.149	.....
Passengers per car mile.....	19	.....	15	D. 1	11	D. 1	16	D. 1
Miles each passenger was carried.....	32.8	I. 0.3	29.1	I. 0.8	.....	.....	34.7	I. 0.6
† Miles per locomotive day.....	114.5	I. 3.3	106.9	I. 2.8	149.0	I. 16.1	117.6	I. 4.8
Pounds of coal per locomotive mile.....	105	D. 1	135	D. 3	107	D. 8	114	D. 3
Pounds of coal per passenger train car mile.....	14.6	D. 0.6	22.1	D. 0.8	15.9	D. 1.8	16.8	D. 0.9
TOTAL REVENUES AND EXPENSES PER MILE OF ROAD.								
Total operating revenues.....	\$79,197	I. \$1,839	\$66,057	I. \$2,460	\$36,878	I. \$3,180	\$61,792	I. \$2,403
Total operating expenses.....	\$59,470	I. \$1,251	\$54,211	I. \$467	\$30,101	I. \$761	\$48,555	I. \$823
Net operating revenue.....	\$19,727	I. \$588	\$11,846	I. \$1,993	\$6,777	I. \$2,419	\$13,237	I. \$1,580

† Includes stored and unserviceable locomotives.

⊕ The Western Region was formed by the consolidation of the Northwestern and Southwestern Regions on June 1, 1925, and therefore the number of passengers carried, without duplication, and the averages dependent thereon, cannot be stated for either year.

PENNSYLVANIA RAILROAD REGIONAL SYSTEM

TRAIN, LOCOMOTIVE AND CAR MILEAGE STATISTICS, YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH YEAR 1924.

CLASSIFICATION.	EASTERN REGION.		CENTRAL REGION.		WESTERN REGION.		TOTAL.	
	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.	1925.	INCREASE OR DECREASE.
TRAIN—MILES.								
Freight—ordinary.....	22,018,814	I. 735,965	18,796,910	I. 606,504	13,382,230	I. 572,853	54,197,954	I. 1,915,322
Freight—light.....	407,834	I. 31,829	390,474	I. 4,617	123,541	I. 39,109	921,849	I. 75,555
Freight—total.....	22,426,648	I. 767,794	19,187,384	I. 611,121	13,505,771	I. 611,962	55,119,803	I. 1,990,877
Passenger.....	34,839,171	I. 658,440	17,341,705	D. 94,575	11,851,218	D. 572,656	64,032,094	D. 8,791
Mixed.....	117,482	D. 8,888	99,622	I. 21,072	533,356	I. 393,747	750,460	I. 405,931
Special.....	15,938	D. 5,162	19,304	I. 2,998	20,022	D. 23,941	55,264	D. 26,105
TOTAL TRANSPORTATION SERVICE.....	57,399,239	I. 1,412,184	36,648,015	I. 540,616	25,910,367	I. 409,112	119,957,621	I. 2,361,912
Work Service.....	1,715,983	I. 212,737	1,577,762	D. 57,948	570,324	I. 119,771	3,864,069	I. 274,560
LOCOMOTIVE—MILES.								
Freight—principal.....	22,426,648	I. 767,794	19,187,384	I. 611,121	13,505,771	I. 611,962	55,119,803	I. 1,990,877
Freight—helper.....	1,389,991	D. 2,485	2,887,144	I. 182,781	312,577	I. 76,604	4,589,712	I. 256,900
Freight—light.....	1,633,967	I. 211,667	2,484,601	I. 184,720	433,636	I. 25,590	4,552,204	I. 421,977
Freight—total.....	25,450,606	I. 976,976	24,559,129	I. 978,622	14,251,984	I. 714,156	64,261,719	I. 2,669,754
Passenger—principal.....	31,846,549	I. 530,663	17,341,705	D. 94,575	11,851,218	D. 572,656	61,039,472	D. 136,568
Passenger—helper.....	129,475	I. 48,310	707,142	I. 151,223	553,014	I. 107,308	1,389,631	I. 306,841
Passenger—light.....	1,744,475	D. 6,691	690,495	D. 20,317	278,649	D. 47,807	2,713,619	D. 74,815
Passenger—total.....	33,720,499	I. 572,282	18,739,342	I. 36,331	12,682,881	D. 513,155	65,142,722	I. 95,458
Mixed train—principal.....	117,482	D. 8,888	99,622	I. 21,072	533,356	I. 393,747	750,460	I. 405,931
Mixed train—light.....	2,615	D. 639	1,477	I. 441	13,897	I. 8,479	17,989	I. 8,281
Mixed train—total.....	120,097	D. 9,527	101,099	I. 21,513	547,253	I. 402,226	768,449	I. 414,212
Special—principal.....	15,938	D. 5,162	19,304	I. 2,998	20,022	D. 23,941	55,264	D. 26,105
Special—helper.....	431	D. 272	835	I. 321	87	I. 12	1,353	I. 61
Special—light.....	2,363	D. 1,425	1,098	D. 652	964	D. 155	4,425	D. 2,232
Special—total.....	18,732	D. 6,859	21,237	I. 2,667	21,073	D. 24,084	61,042	D. 28,276
Train switching.....	2,809,860	I. 200,194	3,708,578	D. 83,447	874,134	I. 44,293	7,392,572	I. 161,040
Yard switching—freight.....	16,804,977	I. 270,287	13,375,486	I. 279,945	8,757,741	I. 252,594	38,938,204	I. 802,826
Yard switching—passenger.....	2,497,663	I. 76,347	1,215,361	D. 95,356	638,278	I. 20,640	4,351,302	I. 1,631
Yard switching—total.....	19,302,640	I. 346,634	14,590,847	I. 184,589	9,396,019	I. 273,234	43,289,506	I. 804,457
TOTAL TRANSPORTATION SERVICE.....	81,422,434	I. 2,079,700	61,720,232	I. 1,140,275	37,773,344	I. 896,670	180,916,010	I. 4,116,645
Work service.....	3,397,485	I. 185,215	2,111,792	D. 37,065	851,688	I. 170,861	6,360,965	I. 319,011
CAR—MILES.								
Freight train—loaded.....	669,777,226	I. 32,771,470	530,429,738	I. 36,979,276	371,624,146	I. 37,321,859	1,571,831,110	I. 107,072,605
Freight train—empty.....	393,560,032	I. 32,572,512	277,002,389	I. 25,165,398	208,940,948	I. 23,310,728	879,503,369	I. 81,048,638
SUM OF LOADED AND EMPTY.....	1,063,337,258	I. 65,343,982	807,432,127	I. 62,144,674	580,565,094	I. 60,632,587	2,451,334,479	I. 188,121,243
Freight train—caboose.....	22,998,280	I. 165,666	19,453,032	I. 491,404	13,747,702	I. 619,163	56,199,014	I. 1,276,233
Freight train—exclusive work equipment.....	95,775	D. 104,524	149,390	D. 137,280	235,041	D. 2,201	480,206	D. 244,005
Freight train—total.....	1,086,431,313	I. 65,405,124	827,034,549	I. 62,498,798	594,547,837	I. 61,249,549	2,508,013,699	I. 189,153,471
Passenger train—passenger.....	97,393,342	I. 246,929	40,437,783	D. 1,643,019	19,844,892	D. 2,298,610	157,676,017	D. 3,694,700
Passenger train—sleeping, parlor and observation.....	72,011,826	I. 6,280,204	35,171,806	I. 1,948,770	32,173,103	I. 1,359,875	139,356,735	I. 9,588,849
Passenger train—dining.....	8,005,840	I. 756,812	2,879,812	I. 294,046	3,820,117	I. 97,602	1,148,460	I. 1,148,460
Passenger train—other.....	66,273,502	I. 3,274,140	36,526,447	I. 1,394,135	31,611,277	I. 1,621,962	134,411,226	I. 6,290,237
Passenger train—total.....	243,684,510	I. 10,558,094	115,015,848	I. 1,993,932	87,449,389	I. 780,829	446,149,747	I. 13,332,855
Mixed train—freight—loaded.....	291,145	I. 14,406	178,486	I. 71,388	1,671,569	I. 640,200	2,141,200	I. 725,994
Mixed train—freight—empty.....	172,055	I. 4,361	86,587	I. 38,771	309,601	D. 30,450	568,243	I. 12,682
Mixed train—caboose.....	86	I. 50	37,412	I. 22,304	74,613	I. 37,555	112,111	I. 59,969
Mixed train—exclusive work equipment.....	258	I. 105	64	I. 4	4,610	D. 28	4,932	I. 81
Mixed train—passenger.....	157,038	D. 11,249	100,191	I. 20,456	773,364	I. 630,689	1,031,193	I. 639,896
Mixed train—Sleeping, parlor and observation.....	6	D. 34	156	I. 156	31,681	I. 25,265	31,843	I. 25,387
Mixed train—dining.....					3,679	I. 3,679	3,679	I. 3,679
Mixed train—other passenger train.....	54,574	I. 18,971	37,431	I. 196	781,421	I. 646,175	873,426	I. 665,342
Mixed train—total.....	675,762	I. 26,610	440,327	I. 153,335	3,650,538	I. 1,953,085	4,766,627	I. 2,133,030
Special train—freight—loaded.....	221,078	D. 35,960	240,006	I. 83,326	98,420	D. 9,468	559,504	I. 37,898
Special train—freight—empty.....	2,483	I. 1,514	2,606	I. 2,555	96	D. 296	5,185	I. 3,773
Special train—caboose.....	15,289	D. 4,522	17,180	I. 3,876	15,619	D. 15,664	48,088	D. 16,310
Special train—passenger.....	69,092	D. 17,561	77,213	I. 19,477	62,637	D. 55,447	209,752	D. 53,531
Special train—total.....	308,752	D. 56,529	337,005	I. 109,234	176,772	D. 80,875	822,520	D. 28,170
TOTAL TRANSPORTATION SERVICE.....	1,331,100,337	I. 75,933,299	942,827,729	I. 64,755,299	685,824,536	I. 63,902,588	2,959,752,602	I. 204,591,186
Work service.....	3,079,880	I. 1,621,764	2,660,201	I. 851,466	907,532	I. 340,208	6,647,613	I. 2,813,438

PENNSYLVANIA RAILROAD REGIONAL SYSTEM.

COST PER ONE HUNDRED MILES RUN BY LOCOMOTIVES FOR REPAIRS, DEPRECIATION
AND RETIREMENTS, FUEL, LUBRICANTS AND ENGINEHOUSE EXPENSES.

EASTERN REGION.

	REPAIRS, DEPRECIATION AND RETIREMENTS.	FUEL.	LUBRICANTS.	ENGINEHOUSE EXPENSES.	TOTAL.
Year 1925.....	\$34.65	\$14.63	\$0.43	\$5.77	\$55.48
Year 1924.....	35.17	17.49	0.39	6.01	59.06
Increase.....	.....	.....	\$0.04	.....	.....
Decrease.....	\$0.52	\$2.86	.....	\$0.24	\$3.58

CENTRAL REGION.

Year 1925.....	\$50.92	\$19.07	\$0.56	\$7.02	\$77.57
Year 1924.....	54.28	22.79	0.50	7.67	85.24
Increase.....	.....	.....	\$0.06	.....	.....
Decrease.....	\$3.36	\$3.72	.....	\$0.65	\$7.67

WESTERN REGION.

Year 1925.....	\$34.51	\$18.32	\$0.53	\$7.11	\$60.47
Year 1924.....	37.69	21.29	0.47	7.17	66.62
Increase.....	.....	.....	\$0.06	.....	.....
Decrease.....	\$3.18	\$2.97	.....	\$0.06	\$6.15

TOTAL SYSTEM.

Year 1925.....	\$40.21	\$16.93	\$0.50	\$6.48	\$64.12
Year 1924.....	42.25	20.10	0.45	6.80	69.60
Increase.....	.....	.....	\$0.05	.....	.....
Decrease.....	\$2.04	\$3.17	.....	\$0.32	\$5.48

PENNSYLVANIA RAILROAD REGIONAL SYSTEM

CONDITION OF EQUIPMENT, DECEMBER 31st, 1925 AND 1924.

LOCOMOTIVES.	PER CENT.	
	1925	1924
In service in good working order.....	88.5	85.7
Stored in good working order.....	4.4	3.1
In shop under repairs.....	2.6	3.0
Stored awaiting repairs.....	4.5	7.7
Leased		0.1
Condemned—awaiting disposition.....		0.4

PASSENGER CAR EQUIPMENT.		
In serviceable condition.....	94.5	94.6
In shop under repairs.....	2.9	2.7
Replaced cars available for service.....	2.6	2.7

FREIGHT CAR EQUIPMENT.		
In serviceable condition.....	90.6	89.1
In shops under repairs.....	1.3	1.6
At shops awaiting repairs.....	8.1	9.3

PENNSYLVANIA RAILROAD SYSTEM
(EMBRACING ALL ITS TRANSPORTATION COMPANIES)

RESULTS AND STATISTICS

YEAR ENDED DECEMBER 31st, 1925

PENNSYLVANIA RAILROAD SYSTEM.

COMBINED OPERATING RESULTS OF ALL TRANSPORTATION COMPANIES

FOR THE YEAR ENDED DECEMBER 31st, 1925, COMPARED WITH THE YEAR 1924.

		1925	Increase	Decrease
Mileage operated (including 70 miles canals and ferries).....		11,697.66	10.03	
OPERATING INCOME:				
RAILWAY OPERATING REVENUES.....	Freight.....	\$483,456,737	\$25,313,480	
	Passenger.....	178,823,687		\$539,754
	Mail.....	11,902,335		27,420
	Express.....	17,696,528	2,790,468	
	All other transportation.....	14,798,106	815,557	
	Incidental.....	20,485,952	354,598	
	Joint facility	515,184	258,351	
Total.....		\$727,678,529	\$28,965,280	
RAILWAY OPERATING EXPENSES.....	Maintenance of way and structures....	\$93,600,256	\$12,189,007	
	Maintenance of equipment.....	171,388,538	3,492,279	
	Traffic.....	8,740,003	394,625	
	Transportation.....	268,027,374		\$6,549,262
	Miscellaneous operations.....	8,895,432		741,034
	General.....	19,550,247	1,037,230	
	Transportation for Investment— <i>Credit</i>	257,678		51,073
Total.....		569,944,172	\$9,874,818	
NET REVENUE FROM RAILWAY OPERATIONS.....		\$157,734,357	\$19,090,462	
RAILWAY TAX ACCRUALS.....		\$35,278,242	\$1,944,879	
UNCOLLECTIBLE RAILWAY REVENUES.....		306,813	65,035	
		35,585,055	\$2,009,914	
RAILWAY OPERATING INCOME.....		\$122,149,302	\$17,080,548	
HIRE OF EQUIPMENT—DR. BALANCE.....		\$13,679,327		\$5,228,892
JOINT FACILITY RENTS—DR. BALANCE.....		677,560		1,420,459
		14,356,887		\$6,649,351
NET RAILWAY OPERATING INCOME.....		\$107,792,415	\$23,729,899	

PENNSYLVANIA RAILROAD SYSTEM

YEAR 1925—BY MONTHS.

OPERATING REVENUES, OPERATING EXPENSES AND NET REVENUE FROM RAILWAY OPERATIONS.

REVENUE TONS AND PASSENGERS CARRIED ONE MILE.

	TOTAL RAILWAY OPERATING REVENUES.	TOTAL RAILWAY OPERATING EXPENSES.	NET REVENUE FROM RAILWAY OPERATIONS	NUMBER OF TONS CARRIED ONE MILE—REV- ENUE FREIGHT.	NUMBER OF REVENUE PASSEN- GERS CARRIED ONE MILE.
January.....	\$56,837,817	\$48,664,493	\$8,173,324	3,549,991,671	506,254,660
February.....	53,330,326	45,417,113	7,913,213	3,400,488,166	451,998,291
March.....	56,442,328	47,737,249	8,705,079	3,521,425,234	473,963,771
April.....	56,977,137	45,898,549	11,078,588	3,325,303,217	508,074,938
May.....	59,372,976	46,395,416	12,977,560	3,725,602,091	522,324,923
June.....	60,008,049	45,485,029	14,523,020	3,660,256,495	559,861,539
July.....	63,296,960	46,083,219	17,213,741	3,808,170,275	629,567,516
August.....	66,062,535	46,804,105	19,258,430	4,079,141,688	681,698,357
September.....	65,762,953	47,904,071	17,858,882	3,910,177,718	600,056,304
October.....	66,706,293	50,240,923	16,465,370	4,195,514,042	519,898,420
November.....	61,198,510	48,680,183	12,518,327	4,172,819,156	480,520,866
December.....	61,682,645	50,633,822	11,048,823	3,844,242,765	505,482,812
Total, year 1925.....	\$727,678,529	\$569,944,172	\$157,734,357	45,193,132,518	6,439,702,397
Total, year 1924.....	698,713,249	560,069,354	138,643,895	41,920,099,245	6,386,432,558
Increase.....	\$28,965,280	\$9,874,818	\$19,090,462	3,273,033,273	53,269,839

INCOME STATEMENTS.

TRANSPORTATION CORPORATIONS OWNED, OR CONTROLLED BY, OR AFFILIATED IN INTEREST WITH, THE PENNSYLVANIA RAILROAD SYSTEM.

FOR THE YEAR ENDED DECEMBER 31ST, 1935.

MILEAGE.	OPERATING COMPANIES.	NET RAILWAY OPERATING INCOME.	OTHER INCOME.	GROSS INCOME.	DEDUCTIONS FROM GROSS INCOME INCLUDING SINKING FUND AND OTHER APPROPRIATIONS.	NET INCOME.	DIVIDEND.	BALANCE TRANSFERRED TO PROFIT AND LOSS.
10,582.34	Pennsylvania Railroad Company.....	\$100,108,007.56	\$37,281,490.01	\$137,389,497.57	\$81,546,108.31	\$55,843,389.26	\$29,950,404.00	Cr. \$25,892,985.26
38.17	Baltimore & Eastern Railroad Co.....	Def. 47,216.88	1,241.50	Def. 45,975.38	454.99	Def. 46,430.37		Dr. 46,430.37
.....	Baltimore & Virginia Steamboat Company.....	Def. 70,261.88	9,643.12	Def. 60,618.76	57,326.41	Def. 117,945.17		Dr. 117,945.17
130.76	Baltimore, Chesapeake and Atlantic Railway Company.....	Def. 84,813.99	17,822.70	Def. 66,991.29	195,791.88	Def. 262,783.17		Dr. 262,783.17
0.31	Connecting Terminal Railroad Company.....	Def. 79,542.85	85,506.73	5,963.88	25,000.00	Def. 19,036.12		Dr. 19,036.12
397.10	Long Island Railroad Company.....	6,576,870.26	629,518.12	7,206,388.38	3,366,742.08	3,839,646.30		Cr. 3,839,646.30
3.02	Manufacturers Railway Company.....	Def. 84,533.78	11,208.63	Def. 73,325.15		Def. 73,325.15		Dr. 73,325.15
110.47	Ohio River and Western Railway Company.....	Def. 214,492.10	809.20	Def. 213,682.90	35,563.56	Def. 249,246.46		Dr. 249,246.46
59.97	Pennsylvania and Atlantic Railroad Company.....	Def. 231,591.94	7,723.81	Def. 223,868.13	91.62	Def. 223,959.75		Dr. 223,959.75
12.11	Philadelphia and Beach Haven Railroad Company.....	Def. 27,071.81	108.60	Def. 26,963.21		Def. 26,963.21		Dr. 26,963.21
1.00	Philadelphia and Camden Ferry Company.....	779,643.51	115,989.04	895,632.55	22,807.13	872,825.42	*393,750.00	Cr. 479,075.42
3.14	Rosslyn Connecting Railroad Company.....	2,908.28	1,943.24	4,851.52		4,851.52		Cr. 4,851.52
28.19	Waynesburg and Washington Railroad Company.....	Def. 13,793.52	10,681.27	Def. 3,112.25	230.36	Def. 3,342.61	\$12,033.00	Dr. 3,342.61
380.97	West Jersey and Seashore Railroad Company.....	1,178,305.07	322,288.48	1,500,593.55	381,822.55	1,118,771.00	637,243.75	Cr. 481,527.25
* 11,697.66	Total.....	\$107,792,415.93	\$38,495,974.45	\$146,288,390.38	\$85,631,938.89	\$60,656,451.49	\$30,993,430.75	Cr. \$29,675,053.74

Cr. signifies Credit.

Dr. signifies Debit.

Def. signifies Deficit.

* Charged to Profit and Loss.

* An additional dividend of 10%, amounting to \$196,875.00, was paid out of surplus.

* Includes 70 miles of canals and ferries, but excludes 49.89 miles of system incorporate trackage rights.

NOTE.—Included in the mileage shown above are lines under trackage rights possessed by the following: Pennsylvania Railroad, 505.06 miles; West Jersey and Seashore Railroad, 37.94 miles; Baltimore, Chesapeake and Atlantic Railway, 42.99 miles; Long Island Railroad, 3.82 miles; Rosslyn Connecting Railroad, 0.43 mile.

INCOME STATEMENTS.—BRANCH ROADS.

MILEAGE.	COMPANIES WHOSE PROPERTIES ARE UNDER LEASES OR OPERATING AGREEMENTS.	RENTAL DUE RESPECTIVE COMPANIES.	OTHER INCOME.	GROSS INCOME.	DEDUCTIONS FROM GROSS INCOME INCLUDING SINKING FUND APPROPRIATIONS.	NET INCOME.	DIVIDENDS.	BALANCE TRANSFERRED TO PROFIT AND LOSS.
80.35	Belvidere Delaware Railroad Co.....	\$547,429.85	\$12,126.40	\$559,556.25	\$107,619.73	\$451,936.52	\$75,180.00	Cr. \$376,756.52
0.66	Bradford Railroad Co.....							
31.28	Camden & Burlington County Railway Co.....	44,254.50		44,254.50	14,617.17	29,637.33	29,554.50	Cr. 82.83
76.17	Cincinnati, Lebanon & Northern Railway Co.....	152,077.28		152,077.28	68,077.28	84,000.00	84,000.00	
85.67	Cincinnati, Richmond & Fort Wayne Railroad Co.....	309,660.36		309,660.36	90,000.00	219,660.36		Cr. 219,660.36
335.21	Cleveland, Akron & Cincinnati Railway Co.....	580,163.70		580,163.70	208,163.70	372,000.00	372,000.00	
204.75	Cleveland & Pittsburgh Railroad Co.....	2,239,861.52	4,184.03	2,244,045.55	344,177.87	1,899,867.68	1,899,815.50	Cr. 52.18
54.78	Columbus & Xenia Railroad Co.....	145,396.00	11,404.87	156,800.87	2,354.20	154,446.67	153,613.20	Cr. 833.47
35.74	Connecting Railway Co.....	521,916.00		521,916.00	357,250.00	164,666.00	164,666.00	
1.00	Coopers Point & Philadelphia Ferry Co.....	26,980.53		26,980.53	4,000.00	22,980.53		Cr. 22,980.53
33.73	Cumberland Valley & Martinsburg Railroad Co.....	42,000.00		42,000.00		42,000.00	42,000.00	
97.64	Delaware, Maryland & Virginia Railroad Co.....	11,550.00		11,550.00				
245.22	Delaware Railroad Co.....	423,551.50	45,746.33	469,297.83	57,517.03	411,780.80	406,262.00	Cr. 5,518.80
9.52	Delaware River Railroad & Bridge Co.....	123,145.02		123,145.02	45,145.02	78,000.00	78,000.00	
99.91	Elmira & Lake Ontario Railroad Co.....	155,767.40		155,767.40	25,000.00	130,767.40		Cr. 130,767.40
73.49	Elmira & Williamsport Railroad Co.....	130,020.00	86.64	130,106.64	70,184.01	59,922.63	59,742.50	Cr. 180.13
2.34	Englewood Connecting Railway Co.....	10,001.13		10,001.13	1.13	10,000.00	10,000.00	
82.99	Erie & Pittsburgh Railroad Co.....	517,549.31	3,054.60	520,603.91	176,004.12	344,599.79	345,320.50	Dr. 720.71
27.32	Freehold & Jamesburg Agricultural Railroad Co.....	Def. 13,600.84		Def. 13,600.84	15,280.00	Def. 28,880.84		Dr. 28,880.84
0.37	Glendale & East River Railroad Co.....	1.00		1.00				Cr. 1.00
476.69	Grand Rapids & Indiana Railway Co.....	745,966.58		745,966.58	514,298.58	231,668.00	231,668.00	
0.21	Harrison & East Newark Connecting Railroad Co.....							
40.94	Indianapolis & Frankfort Railroad Co.....	198,403.10		198,403.10	3.10	198,400.00	198,400.00	
19.62	Johnsonburg Railroad Co.....	Def. 25,072.27	630.45	Def. 25,072.27	12,000.00	Def. 37,072.27		Dr. 37,072.27
1.00	Kensington & New Jersey Ferry Co.....	2,334.05	4,024.00	6,358.05	869.03	5,489.02		Cr. 5,489.02
140.63	Little Miami Railroad Co.....	804,458.08	12,179.62	816,637.70	196,585.92	620,051.78	612,331.20	Cr. 7,720.58
4.15	Louisville Bridge & Terminal Railway Co.....	90,384.00		90,384.00		90,384.00	90,384.00	
20.43	Lykens Valley Railroad and Coal Company.....	24,076.81		24,076.81	76.81	24,000.00	23,964.80	Cr. 35.20
12.16	Massillon & Cleveland Railroad Co.....	20,000.00	969.72	20,969.72	1,147.12	19,822.60	16,000.00	Cr. 3,822.60
12.94	New York Bay Railroad Co.....	448,061.00		448,061.00	208,061.00	240,000.00	240,000.00	
.....	New York, Brooklyn & Manhattan Beach Railway Co.....	44,083.34	1,556.48	45,639.82	35,958.34	9,681.48	8,125.00	Cr. 1,556.48
122.28	New York, Philadelphia & Norfolk Railroad Co.....	460,738.98	82,359.99	543,098.97	243,098.97	300,000.00	300,000.00	
142.13	Northern Central Railway Co.....	2,916,764.01		2,916,764.01	746,808.66	2,169,955.35	2,166,172.00	Cr. 3,693.35
9.11	Ohio Connecting Railway Co.....	151,747.82		151,747.82	71,747.82	80,000.00	80,000.00	
29.01	Pennsylvania-Detroit Railroad Co.....	803,078.01		803,078.01	553,078.01	250,000.00	250,000.00	
13.68	Pennsylvania Tunnel & Terminal Railroad Co.....	4,411,692.02	28,935.70	4,440,627.72	3,550,361.38	890,266.34		Cr. 890,266.34
6.33	Perth Amboy & Woodbridge Railroad Co.....	13,728.64		13,728.64	24.64	13,704.00	13,704.00	
30.66	Philadelphia & Trenton Railroad Co.....	49,734.00		49,734.00	324.00	49,410.00	49,410.00	
416.29	Philadelphia, Baltimore & Washington Railroad Co.....	3,849,380.16	1,384.63	3,849,764.79	2,058,163.16	1,791,601.63	1,790,217.00	Cr. 1,384.63
1,874.79	Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co.....	8,844,579.74		8,844,579.74	5,455,889.74	3,388,690.00	3,388,690.00	
471.33	Pittsburgh, Fort Wayne & Chicago Railway Co.....	7,479,218.36	543.61	7,479,218.36	21,778.75	7,457,439.61	7,456,806.00	Cr. 543.61
18.03	Pittsburgh, Ohio Valley & Cincinnati Railroad Co.....	26,502.09		26,502.09	14,502.09	12,000.00	12,000.00	
140.47	Pittsburgh, Youngstown & Ashtabula Railway Co.....	1,356,757.27		1,356,757.27	573,426.94	783,330.33	783,230.00	Cr. 100.33
2.39	Rocky Hill Railroad & Transportation Co.....	1,147.00		1,147.00	25.00	1,122.00	1,122.00	
40.93	Shamokin Valley & Pottsville Railroad Co.....	52,167.00	2,454.14	54,621.14	5.63	54,615.51	52,167.00	Cr. 2,448.51
22.92	South Chicago & Southern Railroad Co.....	33,701.13		33,701.13	1.13	33,700.00	33,700.00	
22.00	Southern Pennsylvania Railway & Mining Co.....	23,782.78		23,782.78		23,782.78		Cr. 23,782.78
145.07	Terre Haute & Peoria Railroad Co.....	337,230.79		337,230.79	280,535.12	56,695.67	55,122.00	Cr. 56,695.67
3.55	Tipton Railroad Co.....							
349.64	Toledo, Columbus & Ohio River Railroad Co.....	678,729.25		678,729.25	198,729.25	480,000.00	480,000.00	
7.84	Union Railroad Company of Baltimore.....	168,378.81		168,378.81	378.81	168,000.00	168,000.00	
166.56	United New Jersey Railroad & Canal Co.....	2,967,201.96	2,779.32	2,969,981.28	844,061.74	2,125,919.54	2,124,040.00	Cr. 979.54
563.26	Western New York & Pennsylvania Railway Co.....	1,357,091.93	487.80	1,357,579.73	2,068,666.10	Def. 711,086.37		Dr. 711,086.37
9.77	Wheeling Terminal Railway Co.....	135,958.64		135,958.64	55,958.64	80,000.00	80,000.00	
61.15	York, Hanover & Frederick Railway Co.....	175,707.79		175,707.79	6,000.00	169,707.79		Cr. 169,707.79
2.28	Youngstown & Ravenna Railroad Co.....	18,420.13		18,420.13	1,939.55	16,480.58	16,000.00	Cr. 480.58

Cr. signifies Credit.

Dr. signifies Debit.

Def. signifies Deficit.

⊙ Charged to Profit and Loss.

* An additional dividend of \$40,000 paid out of surplus.

Ⓐ Entire income included in accounts of Pennsylvania Railroad Company.

Ⓑ Entire income included in accounts of Western New York and Pennsylvania Railway Company

c Merged with Long Island Railroad Company June 1, 1925.

[1925]

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INCREASES IN INVESTMENT IN ROAD AND EQUIPMENT DURING 1925.

PENNSYLVANIA RAILROAD COMPANY

AND

LEASED AND AFFILIATED LINES

(AS PER BALANCE SHEETS OF THE RESPECTIVE COMPANIES.)

Pennsylvania Railroad Company.....	\$24,070,210
Baltimore & Eastern Railroad Company.....	21,967
Baltimore & Virginia Steamboat Company.....	250
Baltimore, Chesapeake & Atlantic Railway Company.....D.	6,459
Barnegat Railroad Company.....D.	3,810
Bradford Railroad Company.....	338
Belvidere Delaware Railroad Company.....	125,804
Camden & Burlington County Railway Company.....D.	32,163
Canton & East Liverpool Railway Company.....D.	15
Canton & East Liverpool Railroad Company.....	75
Cincinnati, Lebanon and Northern Railway Company.....	220,690
Cincinnati, Richmond & Fort Wayne Railroad Company.....	14,298
Cleveland and Pittsburgh Railroad Company.....	1,588,616
Cleveland, Akron and Cincinnati Railway Company.....	88,663
Connecting Railway Company.....	104,042
Connecting Terminal Railroad Company.....D.	1,018
Cumberland Valley & Martinsburg Railroad Company.....	21,055
Delaware, Maryland & Virginia Railroad Company.....	44,830
Delaware Railroad Company.....	171,364
Delaware River Railroad & Bridge Company.....	5,746
Elmira & Lake Ontario Railroad Company.....	41,714
Englewood Connecting Railway Company.....	8,286
Erie & Pittsburgh Railroad Company.....	126,642
Freehold & Jamesburg Agricultural Railroad Company.....	73,460
Grand Rapids and Indiana Railway Company.....D.	146,220
Harrison & East Newark Connecting Railroad Company.....	2,663
Indianapolis & Frankfort Railroad Company.....	18,551
Johnsonburg Railroad Company.....	219
Kensington and New Jersey Ferry Company.....D.	22
Long Island Railroad Company.....	7,716,200
Louisville Bridge and Terminal Railway Company.....	1,842
Lykens Valley Railroad & Coal Company.....	5,236
Manufacturer's Railway Company.....	5,034
Massillon & Little Beaver Railroad Company (Penna.).....	11
New Cumberland and Pittsburgh Railway Company.....	5,817
New York Bay Railroad Company.....	615,447
New York, Philadelphia & Norfolk Railroad Company.....	75,259
Northern Central Railway Company.....	757,971
Ohio Connecting Railway Company.....	130,470
Ohio River and Western Railway Company.....D.	4,404
Pennsylvania & Atlantic Railroad Company.....D.	33,463
Pennsylvania & Newark Railroad Company.....	26,212
Pennsylvania-Detroit Railroad Company.....	80,986
Pennsylvania Company.....D.	16,471
Pennsylvania Tunnel & Terminal Railroad Company.....	712,790
Perth Amboy & Woodbridge Railroad Company.....	2,787
Philadelphia & Beach Haven Railroad Company.....	1,643
Philadelphia & Camden Ferry Company.....	3,853
Philadelphia & Trenton Railroad Company.....	30,000
Philadelphia, Baltimore & Washington Railroad Company.....	296,883
Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company.....	1,839,310
Pittsburgh, Ft. Wayne & Chicago Railway Company.....	4,924,103
Pittsburgh, Ohio Valley & Cincinnati Railroad Company.....	50,738
Pittsburgh, Youngstown & Ashtabula Railway Company.....	521,932
Roslyn Connecting Railroad Company.....	1,404
South Chicago and Southern Railroad Company.....	72,508
Southern Pennsylvania Railway & Mining Company.....	8,341
Terre Haute and Peoria Railroad Company.....	45,486
Toledo, Columbus and Ohio River Railroad Company.....	1,905,442
Union Railroad Company of Baltimore.....	18,047
United New Jersey Railroad and Canal Company.....D.	49,000
Waynesburg & Washington Railroad Company.....	5,277
West Jersey & Seashore Railroad Company.....	631,341
Western New York & Pennsylvania Railway Company.....	290,410
Wheeling & Eastern Railroad Company.....	20
Wheeling Coal Railroad Company of West Virginia.....	512
Wheeling Coal Railroad Company of Pennsylvania.....	641
Wheeling Terminal Railway Company.....	19,234
York, Hanover & Frederick Railway Company.....	6,358
Youngstown & Ravenna Railroad Company.....	897
Total.....	\$47,266,880

D. Signifies Decrease.

PENNSYLVANIA RAILROAD SYSTEM.

RETURN ON THE INVESTMENT IN ROAD AND EQUIPMENT.

YEAR ENDED DECEMBER 31ST.	INVESTMENT IN ROAD AND EQUIPMENT.	NET RAILWAY OPERATING INCOME.	NET RAILWAY OPERATING INCOME PER CENT. OF INVESTMENT IN ROAD AND EQUIPMENT.
1910	\$1,533,111,360	\$77,026,497	5.02
1911	1,568,863,769	73,903,253	4.71
1912	1,606,721,857	80,992,247	5.04
1913	1,681,779,771	67,803,989	4.03
1914	1,710,368,222	61,921,854	3.62
1915	1,739,081,326	83,746,135	4.82
1916	1,799,055,282	102,202,072	5.68
1917	1,872,315,915	77,750,406	4.15
1918	1,952,017,162	× 26,983,353	× 1.38
1919	2,069,968,807	× 9,943,665	× 0.48
1920	2,092,052,738	Def. × 62,852,232	.....
1921	2,102,421,811	40,842,192	1.94
1922	2,112,565,888	79,859,730	3.78
1923	2,196,947,406	88,066,460	4.01
1924	2,258,292,092	84,062,516	3.72
1925	2,302,802,826	107,792,415	4.68

× Based on result of Federal operation and taxes and expenses of the corporations.

Investment in Road and Equipment above stated does not include material and supplies or working capital.

EQUIPMENT OF THE PENNSYLVANIA RAILROAD SYSTEM.—DECEMBER 31st, 1925.

KIND OF EQUIPMENT.	AVAILABLE FOR SERVICE DEC. 31st, 1924.	ACQUIRED DURING 1925.	DESTROYED OR TRANSFERRED TO OTHER CLASSES DURING 1925.	BUILT TO FILL VACANCIES OR TRANSFERRED FROM OTHER CLASSES DURING 1925.	TOTAL INCREASE OR DECREASE.	AVAILABLE FOR SERVICE DEC. 31st, 1925.	CAPACITY OF EQUIPMENT AVAILABLE FOR SERVICE.	
							DEC. 31st, 1925.	COMPARISON WITH 1924. INCREASE OR DECREASE.
LOCOMOTIVES.							(Tractive Power—Pounds)	
Passenger—electric.....	34	1			I. 1	35	2,349,000	I. 82,500
Passenger—steam.....	1,676	10	127		D. 117	1,559	50,010,075	D. 2,804,352
Freight—electric.....	3					3	300,267	
Freight—steam.....	4,948	1	207		D. 206	4,742	254,710,243	D. 7,237,674
Shifting—electric.....	2					2	41,803	
Shifting—steam.....	984	50	28		I. 22	1,006	33,979,364	I. 3,104,967
Total.....	7,647	62	362		D. 300	7,347	341,399,752	D. 6,854,559
PASSENGER CAR EQUIPMENT.							(Seating Capacity—Persons)	
Passenger—wooden.....	1,320		132		D. 132	1,188	76,202	D. 8,583
Passenger—wooden—electric.....	78		1		D. 1	77	4,406	D. 55
Passenger—steel.....	2,063					2,063	167,584	I. 24
Passenger—steel—electric.....	766	40			I. 40	806	54,223	I. 2,865
Passenger—steel—cafe.....	2					2	120	
Parlor—steel.....	25		1		D. 1	24	965	D. 37
Dining—steel.....	140		1		D. 1	139	4,662	I. 102
Passenger—baggage—wooden.....	161		3		D. 3	158	6,671	D. 136
Passenger—baggage—steel.....	403	10			I. 10	413	18,872	I. 529
Passenger—baggage—wooden—electric.....	4					4	156	
Passenger—baggage—steel—electric.....	60					60	3,097	I. 94
Passenger—baggage—mail—steel.....	14					14	384	
Passenger—baggage—mail—steel—electric.....	3					3	96	
Baggage—wooden.....	1		1		D. 1			
Baggage—wooden—electric.....	5					5		
Baggage—steel—electric.....	12					12		
Baggage—mail—wooden.....	11					11		
Baggage—mail—steel.....	225					225		
Baggage—mail—wooden—electric.....	3					3		
Baggage—mail—steel—electric.....	2					2		
Baggage—express—wooden.....	818		36		D. 36	782		
Baggage—express—steel and steel underframe.....	1,198	28	807	834	I. 55	1,253		
Baggage—express—wooden—electric.....	8					8		
Baggage—express—steel—electric.....	2					2		
Refrigerator—express—wooden.....	27		1		D. 1	26		
Refrigerator—express—steel and steel underframe.....	611		2		D. 2	609		
Postal—steel.....	164					164		
Horse—express—wooden.....	35		1		D. 1	34		
Horse—express—steel.....	20					20		
Gasoline motor—steel.....	9	5			I. 5	14	625	I. 318
Gasoline motor trailer.....		1	1					
Total.....	8,190	84	987	834	D. 69	8,121	338,063	D. 4,879
FREIGHT CAR EQUIPMENT.							Tons	
Box—wooden.....	2,304		1,573		D. 1,573	731	24,572	D. 58,813
Box—steel and steel underframe.....	84,365	7,284	903	807	I. 7,188	91,553	4,571,250	I. 359,480
Refrigerator—wooden.....	27		14		D. 14	13	320	D. 350
Stock—wooden.....	63		37		D. 37	26	738	D. 1,092
Stock—steel underframe.....	3,351			1	I. 1	3,352	167,600	I. 50
Gondola—wooden.....	740		353		D. 353	387	12,473	D. 10,857
Gondola—steel and steel underframe.....	167,234		100		D. 100	167,134	9,518,605	I. 12,540
Flat—wooden.....	64		19		D. 19	45	942	D. 301
Flat—steel.....	4,304		102		D. 102	4,202	210,290	D. 2,510
Cabin—wooden.....	738		42	1	D. 41	697		
Cabin—steel and steel underframe.....	2,718	15	4	3	I. 14	2,732		
Tank.....	368		16		D. 16	352	349 32,640 1 4,180 2 100	Bbls. D. 1,420 Gals. Tons.
Poling and car droppers and freight transfer.....	91	6	5	2	I. 3	94		
Total.....	266,367	7,305	3,168	814	I. 4,951	271,318	14,506,890 32,640 4,180	Tons 1,298,147 Bbls. D. 1,420 Gals.

EQUIPMENT OF THE PENNSYLVANIA RAILROAD SYSTEM—DECEMBER 31st, 1925.—(Continued.)

KIND OF EQUIPMENT.	AVAILABLE FOR SERVICE DEC. 31st, 1924.	ACQUIRED DURING 1925.	DESTROYED OR TRANSFERRED TO OTHER CLASSES DURING 1925.	BUILT TO FILL VACANCIES OR TRANSFERRED FROM OTHER CLASSES DURING 1925.	TOTAL INCREASE OR DECREASE.	AVAILABLE FOR SERVICE DEC. 31st, 1925.	DEC. 31st, 1925.	COMPARISON WITH 1924. INCREASE
WORK EQUIPMENT.								
Cabin.....	1,153		235	98	D. 137	1,016		
Tool and block—wooden.....	627		122	40	D. 82	545		
Tool and block—steel and steel underframe.....	114		1	15	I. 14	128		
Pile drivers.....	14					14		
Snow flangers.....	87		3	2	D. 1	86		
Snow plows.....	37					37		
Snow sweepers.....	6					6		
Laboratory test.....	1					1		
Dynamometer.....	1					1		
Test weight.....	25					25		
Clearance.....	3					3		
Signal instruction.....	5					5		
Air-brake instruction.....	6					6		
Valuation.....	1					1		
Inspection.....	16					16		
Business—wooden.....	32			1	I. 1	33		
Business—steel.....	7					7		
Pay—wooden.....	1		1		D. 1			
Supply cars—wooden.....	147		43	18	D. 25	122		
Supply cars—steel.....	43		2	6	I. 4	47		
Shop workmen—wooden.....	180		18	7	D. 11	169		
Emergency cars.....	54		3		D. 3	51		
Calcium distributing cars.....	8			1	I. 1	9		
Miscellaneous service cars.....	750	1	243	23	D. 219	531		
Stone and wood—ballast—flat—wooden.....	342		72	2	D. 70	272		
Stone and wood—ballast—flat—steel and steel underframe.....	627		7	59	I. 52	679		
Dump box cars.....	2		1		D. 1	1		
Dump cars.....	201		27	2	D. 25	176		
Dump cars—yard.....	12					12		
Dump cars—hand cradle.....	2					2		
Water tank.....	47		7	21	I. 14	61		
Pick-up cars.....	33		5	2	D. 3	30		
Grading and spreader cars.....	35		4	3	D. 1	34		
Derricks.....	193	14	5	1	I. 10	203		
Steam shovel.....	16		2		D. 2	14		
Ballast unloader.....	3		2		D. 2	1		
Ditcher.....	9		3	9	I. 6	15		
Rail loader.....	65		6	6		65		
Ballast cleaning machine.....	1					1		
Sand digger.....	1					1		
Experimental sweeper.....	1		1	1		1		
FLOATING WORK EQUIPMENT.								
Flat scows.....	23			3	I. 3	26		
Floats.....	5					5		
Row boats.....	12		3		D. 3	9		
Dredges.....	2					2		
Pile drivers.....	4					4		
Motor boats.....	1					1		
Tug boats.....				1	I. 1	1		
Derrick scows.....	1					1		
Total.....	4,956	15	816	321	D. 480	4,476		
FLOATING EQUIPMENT.								
Ferry boats.....	23		3		D. 3	20		
Passenger and freight steamboats.....	20	1	1			20		
Tug boats.....	50		4		D. 4	46		
Steam and harbor lighters.....	10					10		
Grain and other barges.....	176	7	2		I. 5	181		
Canal barges.....	11		1		D. 1	10		
Car floats.....	110	4	5		D. 1	109		
Motor and gasoline boats.....	4					4		
Grain elevators.....	2					2		
Coal scows.....	2					2		
Mooring scows.....	1					1		
Total.....	409	12	16		D. 4	405		
Total valuation of equipment as per General Ledgers.....							\$685,409.405	\$12,826.033

EQUIPMENT TRUSTS.

	TOTAL OUTSTANDING DECEMBER 31st, 1925.	DATE OF MATURITY OF FINAL PAYMENT.
Pennsylvania Railroad Equipment Trust Certificates of 1920, delivered to the United States Railroad Administration in payment for allocated equipment.....	\$38,942,000.00	January 15th, 1935.
Pennsylvania Railroad General Equipment Trust, Series "A," issue of 1923.....	27,300,000.00	March 1st, 1938.
Pennsylvania Railroad General Equipment Trust, Series "B," issue of 1924.....	18,760,000.00	April 1st, 1939.
Pennsylvania Railroad General Equipment Trust, Series "C," issue of 1924.....	14,700,000.00	October 1st, 1939.
Total.....	\$99,702,000.00	

AMOUNT OF PRINCIPAL MATURING EACH YEAR.

1926.....	\$8,384,000.00	1930.....	\$8,384,000.00	1934.....	\$8,384,000.00	1937.....	\$4,490,000.00
1927.....	8,384,000.00	1931.....	8,384,000.00	1935.....	8,386,000.00	1938.....	4,490,000.00
1928.....	8,384,000.00	1932.....	8,384,000.00	1936.....	4,490,000.00	1939.....	2,390,000.00
1929.....	8,384,000.00	1933.....	8,384,000.00				

THE TOTAL AMOUNT OF CERTIFICATES ISSUED UNDER ALL SERIES OF THE ABOVE EQUIPMENT TRUSTS WAS..... \$125,702,000.00

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

	APPLIED TO REDEMPTION OF CERTIFICATES.	APPLIED TO PAYMENT OF INTEREST.	TOTAL PAYMENTS.
By The Pennsylvania Railroad Company.....	\$7,063,900.85	\$4,719,194.55	\$11,783,095.40
By New York, Philadelphia and Norfolk Railroad Company.....	27,334.60	17,230.26	44,564.86
By The Northern Central Railway Company.....	53,197.17	33,545.59	86,742.76
By Western New York and Pennsylvania Railway Company.....	4,737.58	2,984.10	7,721.68
By The Long Island Railroad Company.....	314,933.57	198,416.53	513,350.10
By West Jersey and Seashore Railroad Company.....	1,905.51	1,203.15	3,108.66
By The Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Company,	809,181.10	509,979.28	1,319,160.38
By Grand Rapids and Indiana Railway Company.....	108,809.62	68,536.54	177,346.16
Total.....	\$8,384,000.00	\$5,551,090.00	\$13,935,090.00

Total payments made on account of the principal of existing Equipment Trusts to December 31st, 1925..... 26,060,000.00

Amount of Equipment Trust Certificates outstanding December 31st, 1925..... \$99,702,000.00

ISSUED AGAINST EQUIPMENT AS FOLLOWS:

	LOCOMOTIVES.	CARS.	BALANCE OF COST
The Pennsylvania Railroad Company.....	536	34,053	\$86,497,125.50
New York, Philadelphia and Norfolk Railroad Company.....		144	273,503.69
The Northern Central Railway Company.....		280	532,494.57
Western New York and Pennsylvania Railway Company.....		25	47,366.09
The Long Island Railroad Company.....		1,700	3,149,475.45
West Jersey and Seashore Railroad Company.....		10	19,099.85
The Pittsburgh, Cincinnati, Chicago and St. Louis Railroad Company.....	99	2,000	8,095,063.85
Grand Rapids and Indiana Railway Company.....	5	488	1,087,871.00
Total.....	640	38,700	\$99,702,000.00

PENNSYLVANIA RAILROAD SYSTEM.

MILEAGE OF ALL TRACKS OPERATED, DECEMBER 31st, 1925.

	FIRST TRACK.	SECOND TRACK.	THIRD TRACK.	FOURTH TRACK.	SIDINGS.	TOTAL ALL TRACKS.
Pennsylvania Railroad Company.....	10,515.34	3,940.15	892.97	680.89	9,722.60	25,751.95
Baltimore, Chesapeake and Atlantic Railway Company..... (a)	87.77	.....	.....	.....	18.39	106.16
Baltimore & Eastern Railroad Company.....	38.17	.....	.....	.....	4.38	42.55
Connecting Terminal Railroad Company.....	.31	.....	.....	.....	2.60	2.91
Long Island Railroad Company..... (b)	393.28	167.84	36.39	23.91	327.71	949.13
Manufacturers Railway Company.....	3.02	.53	.....	.....	2.50	6.05
Ohio River and Western Railway Company.....	110.47	.....	.....	.....	12.82	123.29
Philadelphia and Beach Haven Railroad Company.....	12.11	.....	.....	.....	2.20	14.31
Pennsylvania and Atlantic Railroad Company.....	59.97	.....	.....	.....	11.86	71.83
Roslyn Connecting Railroad Company.....	3.14	.19	.....	.....	1.48	4.81
Waynesburg and Washington Railroad Company.....	28.19	.18	.....	.....	5.16	33.53
West Jersey and Seashore Railroad Company..... (c)	375.89	177.58	7.35	.....	138.36	699.18
Total.....	11,627.66	4,286.47	936.71	704.80	10,250.06	27,805.70
Above table includes lines used under trackage right agreements (except intercorporate rights), the first track mileage of which amounts to 540.35 miles.						
Trackage Rights over system roads excluded, as follows:—						
(a) { over Baltimore & Eastern Railroad	30.54	.....	.....	.....	.....	30.54
" Pennsylvania Railroad.....	12.45	.....	.....	.....	.....	12.45
(b) " Pennsylvania Tunnel and Terminal Railroad....	3.82	3.82	.....	.....	.....	7.64
(c) " United New Jersey R. R. & C. Co.'s R. R.....	3.08	3.08	.48	.....	11.64	18.28

PENNSYLVANIA RAILROAD SYSTEM.

STEEL RAILS AND TIES USED FOR RENEWALS AND COAL CONSUMED BY LOCOMOTIVES.

	TONS OF NEW STEEL RAILS.		NUMBER OF CROSS TIES.		TONS OF COAL CONSUMED BY LOCOMOTIVES	
	1925	Comparison with 1924 Increase or Decrease.	1925	Comparison with 1924 Increase or Decrease.	1925	Comparison with 1924 Increase or Decrease.
Pennsylvania R. R. Co.....	183,344	I. 38,225	5,113,408	I. 805,869	14,786,688	I. 264,994
Baltimore, Chesapeake & Atlantic Ry. Co.....	5	I. 5	18,239	D. 6,120	11,740	D. 9
Baltimore & Eastern R. R. Co.....			9,449	I. 528	1,347	D. 817
Connecting Terminal R. R. Co.....			501	I. 14	#	
Long Island R. R. Co.....	12,886	I. 813	209,361	I. 34,361	281,746	D. 22,979
Manufacturers' Ry. Co.....		D. 1	571	I. 516	#	
Ohio River & Western Ry. Co.....			37,551	I. 923	8,328	D. 1,729
Pennsylvania & Atlantic R. R. Co.....			8,388	D. 4,176	10,013	D. 1,854
Philadelphia & Beach Haven R. R. Co....			1,925	D. 1,995	1,480	I. 10
Rosslyn Connecting R. R. Co.....			716	I. 606	#	
Waynesburg & Washington R. R. Co....			4,536	D. 468	5,188	D. 66
West Jersey & Seashore R. R. Co.....	7,437	I. 6,705	102,087	D. 8,228	185,383	I. 3,850
Total.....	203,672	I. 45,747	5,506,732	I. 821,830	15,291,913	I. 241,400

Included in Pennsylvania Railroad Company.

PENNSYLVANIA RAILROAD SYSTEM
(EMBRACING ALL THE TRANSPORTATION COMPANIES)

The following statement gives some interesting information respecting the System on December 31st, 1925, and a comparison with the year 1915:—

The transportation companies in the Pennsylvania Railroad System owned, leased, controlled, or operated under contract, are located in the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Kentucky, Ohio, Illinois, Indiana, Michigan, Missouri and the District of Columbia.

	YEARS ENDED DECEMBER 31		Per Cent. Increase over 1915.
	1925.	1915.	
Miles of First Main Track Operated (including 70 miles of canals and ferries)	11,698	11,638	0.5
Miles of all Tracks Operated.....	27,806	26,088	6.6
Gross Investment in Road and Equipment.....	\$2,302,802,826	\$1,739,081,326	32.4
Other Investments (book value).....	181,929,340	172,494,863	5.5
Total Investment.....	2,484,732,166	1,911,576,189	30.0
Total Capital Stock (par value).....	\$1,098,944,168	\$1,028,646,855	6.8
Total Funded Debt (par value).....	1,003,679,855	722,107,059	39.0
Total Capital Obligations.....	2,102,624,023	1,750,753,914	20.1
Total Capital Stock owned by Companies in System.....	502,403,309	400,162,214	25.5
Total Funded Debt owned by Companies in System.....	70,195,149	62,940,053	11.5
Total Capital Obligations owned by Companies in System.....	572,598,458	463,102,267	23.6
Total Capital Stock held by Public.....	596,540,859	628,484,641	D. 5.1
Total Funded Debt held by Public.....	933,484,706	659,167,006	41.6
Total Capital Obligations held by Public.....	1,530,025,565	1,287,651,647	18.8
Ratio of Capital Stock to Total Capital Obligations held by Public.....	38.99	48.81	D. 20.1
Number of Locomotives owned.....	7,347	7,281	0.9
Total Tractive Power (pounds).....	341,390,752	255,463,865	33.6
Number of Freight Cars owned.....	271,318	274,211	D. 1.1
Total Capacity (tons).....	14,506,890	13,226,863	9.7
Number of Passenger Train Cars owned.....	8,121	6,662	21.9
Total Seating Capacity (persons).....	338,063	316,779	6.7
Average Number of Employees.....	213,947	199,306	7.3
Total Compensation.....	\$373,875,686	\$178,187,563	109.8
Operating Revenues.....	\$727,678,529	\$372,242,879	95.5
Operating Expenses (including taxes, equipment and joint facility rents, etc.)	619,886,114	288,496,744	114.9
Net Railway Operating Income.....	107,792,415	83,746,135	28.7
Per Cent. Return on Investment in Road and Equipment.....	4.68	4.82	D. 2.9
Revenue Ton Miles.....	45,193,132,518	38,844,007,470	16.3
Average Revenue per Ton per Mile (cents).....	1.065	0.646	64.9
Average Train Load—Tons (revenue freight).....	800	642	24.6
Average Car Load—Tons (revenue freight).....	28.6	25.4	12.6
Passenger Miles.....	6,439,702,397	4,332,564,208	48.6
Average Revenue per Passenger per Mile (cents).....	2.754	1.917	43.7

D—Signifies Decrease.

THE PENNSYLVANIA RAILROAD COMPANY

Number of Stockholders.....	141,725	93,768	51.1
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**PENNSYLVANIA RAILROAD SYSTEM COMPARED WITH ALL CLASS I RAILROADS
IN UNITED STATES**

YEAR 1924

Relationship of the Pennsylvania Railroad System (embracing all transportation companies) to all Class I railroads in the United States:

	PER CENT.
Miles of Road.....	4.91
Miles of Track.....	7.09
Investment in Road and Equipment.....	10.44
Revenue Ton Miles.....	10.79
Passenger Miles.....	17.70
Total Number of Employees.....	12.32
Total Operating Revenues.....	11.67
Total Passenger Equipment Cars.....	14.87
Total Freight Equipment Cars.....	11.29
Total Locomotives.....	11.55
Total Tractive Power of Locomotives.....	13.17

ALL COMPANIES IN THE SYSTEM.

DECEMBER 31, 1925.

The Pennsylvania Railroad System consists of over 600 constituent transportation corporations, gradually reduced through acquisition, merger, or otherwise to the number indicated below.

Railroad operating companies.....	11
Lines operated under lease or contract.....	51
Ferry operating companies.....	3
Total transportation companies in the Pennsylvania Railroad System.....	65
Electric railway companies.....	2
Warehouse companies.....	3
Water supply companies.....	14
Real estate companies.....	8
Miscellaneous companies.....	11
Total active companies.....	103
Inactive companies whose organizations must be maintained:	
Railroad companies.....	16
Electric railway companies.....	1
Warehouse companies.....	1
Water supply companies.....	3
Miscellaneous companies.....	3
Total inactive companies.....	24
Total companies.....	127

In addition to the above, there are Companies Jointly Owned and used with other railroad systems:

Active:

Individual operating companies.....	15
Roads under lease or contract.....	2
Bridge companies.....	1
Terminal companies.....	9
Miscellaneous companies.....	5
Total.....	32

Inactive:

Railroad companies.....	4
Electric railway companies.....	2
Total.....	6

Total companies embraced in System including those jointly owned with other railroad systems..... 165

