FORTY-FOURTH

ANNUAL REPORT. OFFICE OF THE PENNSYLVANIA RAILROAD COMPANY. Philadelphia, March 2d, 1891. The Board of Directors submit herewith their re-port for the year 1890. Main Line and Branches, Philadelphia to Pittsburg. 8,484,893 56 Net income Pennsylvania Railroad Division. \$11.030,401 41
Philadelphia to New York and Branches: Expenses \$18,938,897 18 Expenses 14,283,078 46 Net earnings from op-erating \$4,655,818 72 Add interest from investments and 479,157 82 \$5,134,976 55 Total income......
Deduct payments on a c c o u n t of dividends, interest on 4,738,091 16 equipment,&c..... Net profit under the lease of United New Jersey Railroad and Canal Company's \$396,885 39 Philadelphia and Erie
Railroad: Loss on Philadelphia and Erie Railroad Division, including branches operated inconnection there-\$3,014,441 51

1,064,704 05 \$1,949,737 46

Total \$10,511,627 92
On account of these advances there has been received from those companies, in cash 941,622 88

Total amount expended on capital account in 1890...... \$9,570,005 04

There were used on the Main Line, in construction and repairs, 29,364 tons of steel rails and 1,307,339 ties; on the United Railroads of New Jersey Division, 5814 tons of steel and 417,622 ties; on the Philadelphia and Erie Railroad Division, 5479 tons of steel and 320,531 ties, making a total of 40,657 tons of steel and 2,045,492 ties.

There were built at Altoona and your other shops east of Pittsburgh and Erie, for the Main Line and other roads in your interest, on capital and repair account, 132 locomotives, 110 passenger cars, 23 baggage, express and mail cars, 2202 freight cars, 8 refrigerator cars and 398 cabin and maintenance of way cars.

cars.

The following statement shows the condition of the Car Trusts under which equipment has been furnished for the lines of your Company as hereinafter specified, no additions having been made thereunder during the

The 27,246 cars placed on your lines east of Pittsturgh, through the sys-tem of Car Trusts, represent a cost

pany. 500 cars Philadelphia, Wilminston and Balti-more Bailroad Com-200,000 00 pany.... 500 cars Pennsylvania and North Western Railroad Company... 235,000 00 250,000 00 2,649,700 00

Total, 48,997 cars.
Total amount of certificates redeemed to December 31st, 1890, as follows:

Amount paid in full payment of 15,714 cars.

Amount paid on account of 33,283 cars....... 8,700,000 00 \$25,426,000 00

17,037,000 00 Balance of certificates outstanding December 31st, 1890...... \$8,389,000 00

Increase \$4,68	890 \$66,20 61,51	Gross I	COMPARISONS WITH 1889. EARNINGS AND EXPENSES OF ALL LINES EAST OF PITTSBUR
\$4,687,814 72	\$66,202,259 83 61,514,445 11	Gross Earnings.	CO CPENSES (
\$3,883,749 03	\$44,980,554 67 41,096,805 64	Expenses.	COMPARISONS WITH 1889. 28 OF ALL LINES EAST OF
\$378,874 45	\$10,421,046 18 10,042,171 73	Rentals and Interest on Equipment.	H 1889. AST OF PITTSBUI

Showing an increase of...... \$5,317 49

191 22 23

The percentage of operating expenses to earnings on all lines east of Pittsburgh and Erie was 67.94 for 1890 and 68.81 for 1889, showing an increase for the year 1890 of 1.13 per cent.

The aggregate coal and coke shipments over the Pennsylvania Railroad Division amounted to 20.158, 877 tons, as against 17.170.842 tons in 1889, an increase of 2.988,035 tons, or 17.40 per cent.

The total shipments of oil over the Pennsylvania Railroad Division during the year 1890 amounted to 4.489, 193 barrels, against 4.678,004 barrels, in 1889, showing a decrease of 188,811 barrels.

The following table shows the revenue and cost per ton per mile on each Division operated by the Company, as compared with 1889:—

	Average earn mas per tor per mill from trans portation of ireight.	werage earn- ings per ton per mile from trans- portation of freight.	Average of train ing eac of fre one mi	cost sport- h ton ight	Average profit per ton per mile.	aprofit on per	Length of road.	of roac
	1890.	1889.	1890. 1889.	1889.	1890.	1889.	1890.	1880,
Pennsylvania Bailroad Division	Cents. 0.601	Cents. 0.626	Cents. Cents. 0.401 0.401	Cents. 0.401	Cents, Cents, Cents, Cents, Cents, Cents, Miles, 0.601 0.626 0.401 0.401 0.200 0.225 1440.3	Cents. 0.225	Miles, 1440.52	Miles. 1403.1
United Bailroads of N. J. Division	1.157	1.178	0.987	1.023	1.178 0.987 1.023 0.170 0.155	0.155	447.54	410.5
Philadelphia and Evan R. R. Division	0.516	0.556 0.346 0.352	0.346	0.352	0.170 0.204	0.204	546,66	546,6
All lines east of Pitts- burgh and Erie.	0.655	0.686	0.463	0.473	0.192	0.213	0.655 0.686 0.463 0.473 0.182 0.213 2454.73 2300.0	100

From the above table it will appear that the result upon all lines east of Pittsburg and Frie was a reduction in the earnings per ton per mile of 31-100 of a mill, a reduction in expenses of 10-100 of a mill and a decrease of 21-100 of a mill per ton per mile in the net profit from freight.

3 | 8 | 18 | 5 |

*On account of these advances to branch and auxiliary lines there have been received in securities of those companies, \$281, 150.00.

The following table shows the earnings and cost per passenger per mile on each of the divisions, as compared with 1889: A | P 0 5

	Average from e senger p	verage earnings from each passenger per mile. 1890. 1889.	lia lia	verage cost of transporting each Average profit per Length of road. mile. 1890. 1889. 1890. 1889. 1890. 1889.	Average passen mile.	ger per	Length o	1889.
	1890.	1883.	1890.	1889.	1890.	1889.	1890.	
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Miles.	
ennsylvania Rallroad Division nited Railroads of N. J.	2.197	2.210	1.598	1 050	0.599	0.560	1440.52	1403.19
Railroad Division	2.405	2.438	1.830	1.876	0.575	0.562	546.66	
ll lines east of Pitts- burgh and Erie	2.077	2.082	1.504	1.527	0.573	0.555	2434.72	2390.07

It will be seen from the above that the result upon all lines east of Pittsburgh and Erie was a decrease in earnings per passenger per mile of 5-100 of a mill, a decrease of 23-100 of a mill in expenses and an increased profit of 18-100 of a mill.

The average distance traveled by each passenger in 1890 was 178-10 miles, and in 1889 was 18 1-10 miles, a decrease of 3-100 f a mile.

The following tables show the gross earnings, expenses and net earnings of the coal companies in which your Company is interested, for 1890, as compared with 1889, and also the amount of coal mined and sold and the price received for same at point of sale:—

	Gross earnings. 1890.	Expenses. 1890.	Net earnings. 1890.
Totals	\$7,839,233 15	\$7,531,090 97	\$308,149
ons year previ-	Dec. 213,936 44	Dec. 213,936 44 Dec. 291,498 12 Inc.	Inc. 77,561

The average receipts per ton at point of sale, aggregating the results of the four coal companies for 1890, were \$3.0673-100, as against \$3.322-10 in 1889. LINES WEST OF PITTSBURGH.

The following statement gives the result of the lines west of Pittsburgh operated by the Pennsylvania Company and the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company:

	1890.	1890.
The total earnings of the Pennsylvania Company on lines operated directly by it were	\$21,498,991 98 13,584,873 23	
Leaving net earnings From this deduct: Rental, interest and liabilities of all kinds chargeable thereto	\$7,914,118 75 6,832,160 34	
Net profit on Pennsylvania Company's lines. The total earnings of the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company on lines operated directly by it were. Expenses.	\$18,079,618 48 13,445,723 91	\$1,081,958 41
Leaving net earnings From this deduct: Rentals, interest and liabilities of all kinds chargeable thereto	\$4,633,894 57	
Net profit on Pitts- burgh, Cincinnati, Chicago and St. Louis Railway Com- pany's lines	4	618,65751
Net profit on lines west of Pittsburgh for 1890. Net profit on lines west of Pittsburgh for 1889.		\$1,700,615 92 1,234,684 85
Comparative in- crease on lines west of Pittsburgh for 1890		465,931.07

The other lines west of Pittsburgh, on account of which your Company has assumed direct obligations, or in which it is largely interested through ownership of securities, but which are operated through their own organizations, are, the St. Louis, Vandalia and Terre Haute Railroad; Grand Rapids and Indiana Railroad, and roads operated through its organization; East St. Louis and Carondelet Railway; Cincinnati and Muskingum Valley Railway; and the Waynesburg and Washington Railroad.

	1890.	1890.
The aggregate gross earnings of these roads were. Expenses	\$5,685,280 51 3,883,279 42	
Net earnings Deduct rental, interest, &c	\$1,802,001 09 1,723,157 94	
Profit		878,843 15
Of this profit your Company, under ex- isting contracts, is cutified to. Which, added to the profit shown in the above statement		\$56,316 54 1,700,615 99
Leaves a net profit on all lines west of Pittsburgh for 1890. Profit on lines west of Pittsburgh for 1889.	**************	\$1,756,932 46 1,280,363 21
Showing a compara- tive increase for 1890, compared with 1889, of		\$476,569.25

The western lines show an increase of 4,608,962 tons in their freight traffic, and 1,643,480 in the number of passengers carried, but the average freight rates show a slight decrease as compared with the preceding Year.

Large expenditures were made in providing freight yards and other facilities at terminal points; in the construction of second and third track and passing sidings; in the erection of viaducts and other structures, and in the completion of the connecting bridge over the Ohio River at Pittsburgh. Extensive additions

On account or second mortgage sinking fund...

The further amount of \$171,025.38 was added to the sinking funds provided for the redemption of the existing mortgages of the Cleveland and Pittsburgh Railroad Company, in addition to the amounts contributed directly to other sinking funds by the individual companies.

The earnings of the Grand Rapids and Indiana Railroad Company of the Grand Rapids and Indiana Railroad Companies.

Total.....\$2,752,780 05

\$10,001,28	\$122,917,337 39	\$133,521,622 56 \$122,917,337 39	Gross earnings from traffic Gross expenses, excluding rentals, interest, dividends, &c
8,192,23	83,811,127 85	92,003,364 77 83,811,127 85	
Increase.	1889.	1890.	

		1890.	1	1880.
	Number of Tons.	Number of Tons one Mile.	Number of Tons.	Number of Tons one Mile.
ines east of Pitts- burgh and Ere	92,884,362	8,521,694,739 4,131,796,228	82,240,457 39,923,661	7,621,926,314
als	137,416,985	137,416,985 12,653,463,967 122,164,118 11,274,165,060	122,164,118	11,274,165,060

1 1

	11	1890.	18	1880,
	Number of Passengers.	Number of Passengers One Mile.	Number of Passengers.	Number of Passengers One Mile.
nes east of Pittsburgh and Erie	66,199,752 17,912,708	1,171,328,701	01,857,729	1,110,971,446
Totals	84,112,460	1,599,534,345	78,126,957	1,516,098,344

The aggregate amount of new steel rails used in construction and repairs in 1890 on all lines owned, controlled, or operated by your Company east and west of Pittsburgh was 83, 130 tons.

There has been paid to the Manascers of the Trust created October 18th, 1878, to December 31st, 1886, he sum of \$4,025,023, 48t, which, with the income been proportion of \$4,128,755, 44t, has been invested in interest of t.64 per cent. for the year. There was appropriated to that Trust for the year. There was appropriated to that Trust for the year. There was appropriated to that Trust for the year. There was appropriated to that Trust for the year. There was appropriated to that Trust for the year. There was appropriated to that Trust for the year 1850 the sum of \$18.000 and the property of the pro

shittspatch of your management in renewing the yards in Pittsburgh, and facilitating the prompt movement of freight traffic between your eastern and western systems.

Mr. John Whittaker, Assistant General Freight Agent of the Company, died suddenly on the 36th of April, 1890, after a direct connection of twenty-three years with your service, and for ten years prior thereto with lines allied to your interests. Mr. Whittaker's marked ability, sterling interrity, and unvarying courtesy in the performance of his duties, make his loss one to be deeply regretted. Mr. Charles A. Chipley, formerly Division Freight Agent of the Main Line, was appointed June 1st to fill the vacancy thus created.

The Company also lost on the latter date the services of Mr. Robert E. Pettit, General Superintendent of the Main Line, who, after an association of nearly a quarter of a century with your system, resigned from the service to secure rest and recreation.

Mr. Frank L. Sheppard, formerly Superintendent of the Main Line, who, after an association of nearly a quarter of a century with your system, resigned from the service to secure rest and recreation.

Mr. Frank L. Sheppard, formerly Superintendent of the Menty of the Pennsylvania Railroad Division, was appointed to fill the vacancy caused by Mr. Pettit's resignation.

Your Board desire to place on record a minute of the death, on February Sth, 1891, of Mr. J. N. McCullough, First Vice-President of the Pennsylvania Company and of the Pittsburgh, Cincinnati, Chicago and St. Louis Italiway Company, who, for a third of a century, had been prominently and closely identified with the roads embraced in your western system. While not directly connected with the lines east of Pittsburgh, Mr. McCullough's unwearied labors on your behalf, and entire devotion to the interests confided to him, make it eminently fitting that the Board should acknowledge the deep obligations under which the Company rests toward a tried and faithful servant, who only ceased with his life to faithfully guard the

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