

PHILA. AND READING RAILROAD CO.

Annual Report of the Board of Managers—The Operations of the Road for the Year 1869—How an Extensive Railroad in Run—What It Costs, Etc.—Interesting Statistics—Election of a New Board of Managers.

At the annual meeting of the Board of Managers and stockholders of the Philadelphia and Reading Railroad Company, held at the office of the company yesterday at noon, the following annual report, which will well repay perusal, was presented and read, showing the workings of the company for the past year, and its present and prospective condition:

The managers submit the following report of the receipts and expenditures for the year ending November 30, 1869, with the treasurer's general balance-sheet, exhibiting the financial condition of the company at that date:

[Here follow the usual transportation and income accounts, which we omit, as they are given below in condensed form.]

Table with 2 columns: Description and Amount. Rows include Travel, Merchandise, Coal, Mail, Miscellaneous, Gross receipts, Gross expenses, Net profits, etc.

The receipts and expenses per passenger and per ton have been as follows:

Table with 2 columns: Description and Amount. Rows include Per passenger, Per ton, Per car, etc.

The result of the year's business, as condensed from transportation and income account, may be stated thus:

Table with 2 columns: Description and Amount. Rows include Receipts over cost of working the road, Balance of interest account, etc.

Next in value to the coal traffic, the iron interests of the Schuylkill Valley claim the attention and desire the protection of the Company, and the wisdom of the policy which for the past few years has been securing an unflinching supply of iron ore for consumption along the main line of the road will be fully justified by future results.

The Lehigh Valley branch, the East Pennsylvania Railroad, the Reading and Columbia Railroad and the Colerbrookdale Railroad drain regions containing inexhaustible supplies of iron ore; limestone of the best quality is found in great abundance along the line; in the rich agricultural valleys of Montgomery, Berks, Chester, Lebanon and Dauphin counties labor will at all times be found abundant as in any other portion of the State; anthracite coal of the very best description for smelting, puddling and heating purposes will always be as plentiful as in any other region; and it is believed that there is not at present in Pennsylvania any other locality possessing greater advantages for the manufacture of iron than the valley of the Schuylkill.

The rolling mill of the Company at Reading has turned out during the last year 17,037 tons of finished rails, of which amount but two and a half tons have been worn out and removed from the track. One of the 6971 tons of rails made at the Company's mill and laid in the year 1868, one hundred and eighty tons have up to this time been taken up and returned for re-rolling. While the rails thus manufactured have cost the Company an average of less than the current market price, the result in their wear, when subjected to the test of our large tonnage, proves the superiority of their construction.

During the last year two steam colliers of about 600 tons burthen each have been built for the Company, and are now engaged in transporting coal from Richmond to eastern ports. Two other steamers, two of 1000 tons burthen and two of 800 tons each are now under contract, and will be placed in the trade early in the present year.

A large amount of real estate has been bought during the year, principally situate at Richmond and on Willow street, in the city of Philadelphia.

During the year just closed rolling stock of the value of \$1,162,286 53 has been added to the property of the Company, as follows: 1034 eight-wheeled cars, built by the Company, \$666,736 07; 10 first-class engines, built by the Company, \$116,762 09; Work on one engine, built by the Company, \$4,151 65; 10 first-class engines, bought of M. Baird & Co., \$142,000 00; 152 cars, bought of East Pennsylvania Railroad Co., \$2,136 72; 14 first-class engines, bought of East Pennsylvania Railroad Co., \$140,500 00; Total, \$1,162,286 53.

company known as the Pickering Valley Railroad Company, and having located a road tributary to and intersecting our own, the managers have responded to a request for assistance by subscribing for 1200 shares of their capital stock, and agreeing to guarantee the bonds of the new company to a sufficient amount to construct twelve miles of the proposed railroad. This new road, when finished, will be leased by this Company. The Pine Grove and Lebanon Railroad, extending from Pine Grove to the Lebanon county line, has been completed and is now in operation, and the link which connects it with the borough of Lebanon will be finished and opened for business early in the present year.

Typical of May last a lease of the East Pennsylvania Railroad was made to this Company, for a term of nine hundred and ninety-nine years, at an annual rent of \$74,552, equal to six per cent, clear of taxes, upon the capital stock of the East Pennsylvania Railroad Company. The rolling stock, workshops, materials, real estate, and other property of the latter Company, were transferred to this Company, in consideration of its agreement to pay at maturity, in the year 1888, the bonded indebtedness of the East Pennsylvania Railroad Company, amounting to \$506,900, the value of property so transferred being amply sufficient to cover the amount of bonds thus guaranteed to be paid.

That portion of the Allentown Railroad lying between Port Clinton and Topton, and connecting the main line with the East Pennsylvania road, has been placed under contract. The Shamokin and Trevorton Railroad has been finished and is now in operation, and the extension of the Good Spring Railroad to Brookside, near the Dauphin county line, has also been completed. An extension of the Lorberry Creek Railroad, to develop the southern fork of the western portion of the Schuylkill coal field, is now being constructed.

The map annexed to the report of the chief engineer exhibits the extent, location and connections of all of these several roads, as well as of all other railroads now owned, leased or controlled by this Company, and the tabular statement accompanying the map shows that the aggregate lengths of all of these railroads, including sidings, amounts to 1142 miles of single track road.

As this system of railroads, projected some years ago, approaches completion, there is no reason to doubt the wisdom of the policy which suggested its construction. So far as the roads are located in the coal regions, it will be seen that the effect of their construction has been to render tributary to the main line almost the entire territory of the southern and middle coal fields, and if a supply of cars sufficient to carry away the product of the mines is hereafter maintained, and the inducement of moderate rates of transportation offered to the trade, the Company can rely with confidence upon the individual enterprise and energy of the coal operators as sufficient at all times to furnish a large and constantly increasing amount of tonnage.

The roads constructed and secured outside of the coal fields, are either important links in, or feeders of, the line of road extending from Harrisburg to Allentown, now owned or controlled by this Company, over which passes a very large amount of traffic between New York city and the west; or are designed as tributaries to the main line, especially valuable as contributing a large supply of iron ore for the use of the furnaces along the road.

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of the dividend fund. To reimburse this fund, and at the same time to provide means to prosecute the new work and to supply additional rolling stock during the years 1870 and 1871, the managers have negotiated, at par, without commissions, a loan of \$5,000,000 of seven per cent. coupon bonds, dated January 1, 1870, payable in twenty years, one-half convertible at the option of the holder into stock at par at any time after issue; and the other half convertible at par at any time after the 1st of January, 1872. Of this loan the sum of \$1,500,000 will be issued to replace that amount of the past year's earnings used for construction of new work; \$2,000,000 will be furnished and expended during the year 1870, and the remaining \$1,500,000 during the year 1871, for new rolling stock and for the completion of work now in progress or contemplated to be placed under construction; and hereafter the earnings of the Company can be appropriated to the payment of semi-annual cash dividends.

To any of the stockholders who may be disposed to complain of the increase of the capital stock of the Company during the last seven years, it will be a sufficient answer to say that the tonnage, gross receipts and net profits have increased in a far greater proportion than the increased capital and debt of the Company, and that the result of the expenditures upon which the increase of capital was based has been to secure perpetually a great and ever-increasing tonnage for the road.

A railroad company owning a properly constructed and well-equipped line of road, connecting two large cities, and relying for its business solely upon the traffic interchanged between the termini of its line, might reasonably expect to earn enough money annually not only to declare a fair dividend to its stockholders, but, in addition thereto, to enlarge its supply of rolling stock, so as to meet the wants of its increasing business without adding to its debt or capital stock; and such a result would properly be accepted by its stockholders as an evidence of prosperity and financial strength. But the issue of this Company, engaged in developing an area of territory embracing two distinct coal-fields—one of sixty miles and the other over thirty miles in length—where every valley required a new railroad, and where the increase of tonnage incident to the opening of the new laterals has been so great as to require at times an annual expenditure for additional rolling stock of over a million of dollars, it was necessary to resort to either of the following plans in order to accomplish the desired result:

First. To charge such high rates for tolls and transportation as would have enabled the Company to earn money enough, after payments of cash dividends, to supply the funds required for improvements.

Second. To increase the debt of the Company by loans made to finish the new work; or

Third. To increase the capital stock, either by stock dividends paid in lieu of earnings diverted to improvements, or by receiving additional subscriptions to stock, issued to furnish the necessary funds for new construction.

The first of these plans could not have been seriously thought of for a moment. Although excessive rates of charges might result in a temporary advantage, they would not only have proved in the end destructive to the Company, but would have been manifestly unjust to the public. Of the remaining two plans the latter was thought the wiser, and it was considered best to devote the earnings of the Company to the construction of new improvements and the building of new rolling stock, and to issue to the shareholders stock dividends in lieu of the money.

During the last seven years the capital of the Company has been increased by stock dividends, in all, \$12,369,670 77. From the above deduct the amount based upon the purchase of bonds by the sinking funds, \$1,685,811 71. Balance, \$10,683,859 06.

This sum of \$10,683,859 06 of aggregate stock dividends has, however, been issued as a representative of \$17,597,258 74 of actual net earnings invested in permanent improvements—the difference of \$6,913,398 68 having been, from time to time, charged to income account, so that the increased capital stock should represent the property upon which it was based at a gold standard of value; and in conformity to this conservative rule of the Company, as a five per cent. stock dividend was paid last July, and an issue of \$698,800 of the plain six per cent. bonds was made during the year, there has been charged to income account out of the net earnings of the past year the sum of \$669,105 78.

The managers regret to announce that the health of Mr. Charles E. Smith, the late president of the Company, became so seriously impaired that in April last he felt obliged to resign his position, in order to visit Europe, with the hope that a year's relaxation from the cares of business would effect a cure. During his absence, at his request and that of the managers, Mr. Franklin B. Gowen, who has been for several years one of the counsel of the Company, consented to accept the presidency, and was accordingly elected to that office by the Board upon the 28th of April last. By order of the Board of Managers, FRANKLIN B. GOWEN, President. Philadelphia, January 8, 1870.

RAILROAD LINES.

READING RAILROAD—GREAT TRUNK LINE. From Philadelphia to the interior of Pennsylvania, the Schuylkill, Susquehanna, Cumberland, and Wyoming valleys, the North, Northwest, and the Canada.

WINTER ARRANGEMENT. Of Passengers Trains, December 29, 1869. Leaving the Company's depot at Third and Callowhill streets, Philadelphia, at the following hours:—MORNING ACCOMMODATION. At 8:30 A. M. for Reading and all intermediate stations; and Allentown. Returning, leaves Reading at 9:30 P. M.; arrives in Philadelphia at 9:30 P. M.

At 8:45 A. M. for Reading, Lebanon, Harrisburg, Pottsville, Pottsville, Tamoga, Sunbury, Williamsport, Rochester, Niagara Falls, Buffalo, Wilkesbarre, Pittsburg, Chambersburg, Hagerstown, etc.

At 9:30 A. M. train connects at READING with the Pennsylvania Railroad for Allentown, and the 8:15 A. M. train connects with the Lebanon Valley train for Harrisburg, etc.; and PORT CLINTON, etc. Trains for Williamsport, Lock Haven, Elmira, and Schenectady with Northern Central, Cumberland Valley, and Schuylkill and Susquehanna trains for Northumberland, Williamsport, York, Chambersburg, Pottsville, etc.

At 11:30 A. M. train connects at READING with the Pennsylvania Railroad for Allentown, and the 11:15 A. M. train connects with the Lebanon Valley train for Harrisburg, etc.; and PORT CLINTON, etc. Trains for Williamsport, Lock Haven, Elmira, and Schenectady with Northern Central, Cumberland Valley, and Schuylkill and Susquehanna trains for Northumberland, Williamsport, York, Chambersburg, Pottsville, etc.

At 1:30 P. M. train connects at READING with the Pennsylvania Railroad for Allentown, and the 1:15 P. M. train connects with the Lebanon Valley train for Harrisburg, etc.; and PORT CLINTON, etc. Trains for Williamsport, Lock Haven, Elmira, and Schenectady with Northern Central, Cumberland Valley, and Schuylkill and Susquehanna trains for Northumberland, Williamsport, York, Chambersburg, Pottsville, etc.

At 3:30 P. M. train connects at READING with the Pennsylvania Railroad for Allentown, and the 3:15 P. M. train connects with the Lebanon Valley train for Harrisburg, etc.; and PORT CLINTON, etc. Trains for Williamsport, Lock Haven, Elmira, and Schenectady with Northern Central, Cumberland Valley, and Schuylkill and Susquehanna trains for Northumberland, Williamsport, York, Chambersburg, Pottsville, etc.

At 5:30 P. M. train connects at READING with the Pennsylvania Railroad for Allentown, and the 5:15 P. M. train connects with the Lebanon Valley train for Harrisburg, etc.; and PORT CLINTON, etc. Trains for Williamsport, Lock Haven, Elmira, and Schenectady with Northern Central, Cumberland Valley, and Schuylkill and Susquehanna trains for Northumberland, Williamsport, York, Chambersburg, Pottsville, etc.

At 7:30 P. M. train connects at READING with the Pennsylvania Railroad for Allentown, and the 7:15 P. M. train connects with the Lebanon Valley train for Harrisburg, etc.; and PORT CLINTON, etc. Trains for Williamsport, Lock Haven, Elmira, and Schenectady with Northern Central, Cumberland Valley, and Schuylkill and Susquehanna trains for Northumberland, Williamsport, York, Chambersburg, Pottsville, etc.

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RAILROAD LINES.

1869.—FOR NEW YORK—THRU CAMDEN AND TRENTON RAILROAD COMPANIES' LINES FROM PHILADELPHIA TO NEW YORK AND CAMDEN VIA PHILADELPHIA.

FROM WALNUT STREET WHARF. At 6:00 A. M., via Camden and Amboy Accom. At 6:30 A. M., via Camden and Jersey City. At 7:00 A. M., via Camden and Jersey City. At 7:30 A. M., via Camden and Jersey City.

FROM KENSINGTON DEPOT. At 7:30 A. M., via Camden and Jersey City. At 8:00 A. M., via Camden and Jersey City. At 8:30 A. M., via Camden and Jersey City.

FROM MARKET STREET DEPOT. At 7:30 A. M., via Camden and Jersey City. At 8:00 A. M., via Camden and Jersey City. At 8:30 A. M., via Camden and Jersey City.

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AUCTION SALES.

M. THOMAS & SONS, NOB. 189 AND 191 S. 4TH STREET. MARTIN BROTHERS, AUCTIONEERS. Sale of the Auction Rooms. HANDSOME WALNUT HOUSEHOLD FURNITURE.

THOMAS BIRCH & SON, AUCTIONEERS. Sale of No. 1011 Shippen street. HOUSEHOLD FURNITURE, GREAT AND VERY FINE CARPETS, MATRESSES, BED CLOTHING, ETC.

CONCERT HALL AUCTION ROOMS. Sale of No. 1011 Shippen street. HANDSOME WALNUT HOUSEHOLD FURNITURE, GREAT AND VERY FINE CARPETS, MATRESSES, BED CLOTHING, ETC.

BY B. SCOTT, JR., AUCTIONEER, NO. 1117 CHESTNUT STREET. CARD—Persons wishing to contribute to our sale of this week will please send in their paintings immediately, in order to have them in the catalogue. 1117.

BY BARRITT & CO. AUCTIONEERS. Sale of No. 283 MARKET STREET. BUNTING, DURBOROW & CO., AUCTIONEERS. Sale of No. 223 and 224 MARKET STREET.

C. D. McCLES & CO., AUCTIONEERS. Sale of No. 283 MARKET STREET. LIPPINCOTT, SON & CO., AUCTIONEERS. Sale of No. 283 MARKET STREET.

RAILROAD LINES. PENNSYLVANIA CENTRAL RAILROAD. AFTER 3 P. M. SUNDAY, NOVEMBER 14, 1869.

THE trains of the Pennsylvania Central Railroad leave the Depot at THIRTY-FIRST and MARKET streets, which is reached directly by the Market street cars, the last car connecting with each train leaving Front and Market streets thirty minutes before its departure. The Chestnut and Walnut street cars run within one square of the Depot.

Agents of the Union Transfer Company will call for and deliver baggage at the depot. Orders left at No. 201 Chestnut street, or No. 116 Market street, will receive attention.

PHILADELPHIA, WILMINGTON, AND BALTIMORE RAILROAD—TIME TABLE. Trains will leave Depot corner Broad street and Washing street avenue as follows:—Way Mail Train at 5:30 A. M. (Sundays excepted) for Baltimore, stopping at all regular stations.