# THE DAILY EVENING TELEGRAPH-PHILADELPHIA TUESDAY, FEBRUARY 21, 1871.

## PENNSYLVANIA RAILROAD COMPANY.

THE ANNUAL MEETING OF STOCK-HOLDERS AT CONCERT HALL.

The Report of the Board of Managers, Showing the Operations of the Great Corperation for the Year 1870.

This morning at 10 o'clock the twentyfourth annual meeting of the stockholders of the Pennsylvania Railroad Company was held in Concert Hall. The attendance was large, and the proceedings of the greatest interest.

Mr. John W. Derbyshire moved that the Mayor, Daniel M. Fox, take the chair. This was agreed to.

The Mayor then called the assemblage to order, and announced the first business in order as the reading of the annual report by the Secretary, Joseph Lesley.

OFFICE OF THE PENNSYLVANIA RAILROAD CO.,) PHILADELPHIA, Feb. 18, 1871. To the Shareholders of the Pennsylvania Railroad Company:--

Your directors have the pleasure to submit to you a very satisfactory report of the results of the business of the company for the past year. During that period the operations of the company have been very extensive, and have been attended with gratifying success. ------

THE EABNINGS	
Of your Main Line and Branches were: From Passengers	The ope Chics result lease the ye And the B The an bonds
Amount brought forward \$2,531,705-52	maint
EXPENSES.	etc., e
For conducting Transporta- tion	Showin The eat Railro 31, 18 the G Fort
Leaving net earnings for 1870 of	And ex perio
The total amount of revenues compared with last year is:-	Bal The int
1970	of the of ma tion,
Increase \$280,895.09	this p
The changes in the sources of revenue are shown below:	Giving
Increase in first-class passen-	twor
gers	The Railro lines, 1871. the in
Decrease in freights	edness

		successive descent of the second second
Increase as above	stated	\$280,895.09

The only item of income that shows a decrease is from freights, and this has occurred ander an increased tonnage of 401,060 tons, and is mainly accounted for by the reduction of freight charges-without any legitimate object-during the past summer and autumn, by the New York lines, to a point much below cost of transportation.

ing	DALL	TART Y
Leaving the net profits of the year 1876 upon all the operations of the Com-	8 M.A.D	0.012
From which deduct divi- dends declared in May and November (each 5		86,139,938 55
per cent.) with the taxes paid thereon Balance to debt of interest account and the amount allowed discount on sale	3,455,357-50	
of Bonds Due for the lease of the Harrisburg and Lancaster	1,799,161 33	
Railroad. Annual payment to the State of Pennsylvania on account of interest and principal due upon the purchase of her works	134,821 59	
between Pittsburg and Philadelphia	460,000-00	\$5,549,840.77

\$550,548.05

Leaving a balance of credit to profit and loss of .....

It will be noticed that this balance is the result of the business of the year, without bringing forward a similar surplus in 1869 amounting to \$463,533, and after charging to expense account the additional cost of substituting iron bridges on the main line of your road for those originally constructed of wood: the change of steel for iron rails; the cost of the straightening of the old Philadelphia and Columbia Railway purchased of the State, and the extension of the shops at Altoons: neither of which items of expenditures will add to the productive capacity of your railroad, but they may prevest serious interruptions to your traffic, and in time materially reduce the cost of operating the line.

1141U1		
The operations of the Pittsh Chicago Kallways continue results confidently anticip lease of the road was made the year 1870 were	to show the state of the state	he favorable ie time the lings during \$5,115,595.60 4,371,957.53
Balance	zation, an- nking fund,	\$3,745,603·07 2,630,024·42
Showing the surplus of the l The earnings of the Erie and Railroad from March 1 to 31, 1870-ten months-(oper the General Manager of the Fort Wayne and Chicage were. And expenses for the same period were.	Pi tsburg December rated under e Pittsburg.	
Balance. The interest on the bonds of the company, expenses of maintaining organiza- tion, etc., etc., during this period, amounted to.		
Showing a profit of		928,576 47
Giving a profit on the Leas	es of these	\$1,295,160.12
The net revenues o Railroad Company from lines, it is confidently 1871, yield an amount fu the interest upon the wh edness of the company- which may be expected to ally increase.	investmer expected, lly sufficie ole mortga -a source o continue	nts in other will, after nt to meet age iadebt- of income

It is not the intention of the directors that the mortgage indebtedness of the company shall be increased beyond the thirty-five mil-lions of dollars already authorized, as they consider that the other assets of the company, after exhausting this issue, will be ample to meet any enlargement of their works that may be required to comply with the public

your main line. Sensible of the prejudice against large corporations since the failure of the United States Bank, the policy of this company was first directed to the procuring of these connections by securing the organi-zation of the independent railway companies, and their construction by such pecuniary as sistance as was required to effect this neces sary object under contracts for the mutual interchange of business. This course it was confidently expected would meet the objects desired without involving this company in the direct management of distant enterprises.

CIRL IN ARABINATION TATIONAL PROPERTY AND A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A

It however soon became evident, after securing such feeders, that their success in diverting the traffic of the West from the channels it had become accustomed to follow stimulated the older rival interests to endeavor to overcome it by obtaining the control of such feeders with a view to embarrass our business and augment their own. The efforts proved nearly successful, and were only prevented by promptly meeting the exigency by securing the absolute control of these lines for this company. The board think that they would have been derelict in their duty if they had yielded to timid counsels and permitted this opportunity to secure their object to pass unimproved. This control was effected by the lease for nine hundred and ninety-nine years of the Columbus, Chicago and Indiana Cen-tral Railway, and of the Little Miami Rail-road, through the Pittsburg, Cincinnati and St. Louis Railway Company, which your company controls by the ownership of a large majority of its shares; and the direct lease of the Pittsburg, Fort Wayne and Chicago, and the Erie and Pittsburg Railways. Under the lease of the Pittsburg, Fort Wayne, and Chicago Railway this company became possessed also of one-half the shares of the Indianapolis and St. Louis Rail road Company (between Indianapolis and Terre Haute), which had a lease of the old line between Terre Haute, Alton, and St. Louis. The Pennsylvania Railroad Company had previously acquired a majority of the shares of the new line between Terre Haute and St. Louis via Vandalia, thus completing our connections with St. Louis.

Under the amended lease of the Columbus. Chicago, and Indiana Central Railway this company felt morally bound to assume its obligations to the Indianapolis and Vincennes Railroad Company, of which it is now nearly the sole shareholder. This enterprise is at present unprofitable, but will ere long prove a productive work, and when extended to Cairo, the grading of which is in a great measure finished, it will become a line of national importance.

It is not proposed nor is it desirable to manage these lines in a manner to divert traffic from its natural markets or channels, but solely with a view to secure to this company its fair share of the business of the West, which it was found impossible otherwise to obtain.

The result of the operations of all these lines for 1870 shows a small profit, which under judicious management must annually increase. Their net profits for 1871 it is confidently expected will be very satisfactory.

With a view to give greater simplicity and efficiency to the management of this large Western interest, and as far as practicable return to our former policy, a charter was obtained from the Commonwealth of Pennsylvania incorporating the "Pennsylvania Company," to which all the interests abovementioned of the Pennsylvania Railroad Company will be transferred on the first of March next, and \$8,000,000 of the preferred capital stock of the Pennsylvania Company received therefor, which amount covers fully all of our expenditures in this connection. The whole capital of the Pennsylvania Company will consist of \$8,000,000 of preferred and not exceeding \$4,000,000 of common stock. All the profits of the corporation during 1871 after meeting the obligations of the lines leased are to be used by the managers in perfecting and equipping the railroads transferred to it. After 1871 the preferred shares of this company will yield at least 6 per cent. on their par value. In addition to the interests of the company in the West to be transferred to the Ponnsylvania Company, it still holds twenty-two thousand shares (a large majority) of the stock of the Cleveland, Mt. Vernon, and Delaware Railroad Company—whose line is partly finished and the remainder in progress under the judicious supervision of its President, Judge Hurd, of Mt. Vernon, Ohio. This interest was received with the lease of the Pittsburg, Fort Wayne, and Chicago Railway, and promises to become a profitable investment; also one million and forty-nine thousand dollars of the bonds of the Newport and Cincinnati Railroad bridge, now being erected to connect the Little Miami Railway with the Kentucky system of rail-roads; four millions four hundred and fortysix thousand dollars of the General Mortgage Bonds of the Pittsburg, Cincinnati, and St. Louis Railway Company; one million seven hundred and sixty-six thousand dollars of the Second Mortgage Bonds of the Terre Haute, Vandalia, and St. Louis Railway Company; and eight hundred and seven thousand dollars of the First Mortgage bonds of the Cincinnati and Muskingum Valley Railroad Company-the line of which is built from Zanesville to Morrow, 132 miles, and is being extended from Zanesville 16 miles to Dresden, on the Pittsburg, Cincinnati, and St. Louis Railway. The interest upon all these bonds (amounting to \$8,068,000) will be duly met from the revenues of these works.

sand dollars of the bonds of the Columbus, Chicago, and Indiana Central Railway Company. These works, as a whole, now yield net revenues more than sufficient to meet the interest upon all of the obligations mentioned, while the operation of the sinking fund of the Pittsburg, Fort Wayne, and Chicago Railway Company, the terms of which have been faithfully complied with and the semi-annual amount due charged to running expenses, will pay off the whole of its mortgage indebtedness, amounting to \$13,563,000, before the bonds are due.

From this general review of the interests of the company in the West, it will be per-ceived that, while securing to the company and this city uninterrupted communication with the trade centres of that region on and east of the Mississippi river, the board has at the same time also invested the means required to secure that object, so that they will yield satisfactory direct returns to this company. The difficulties encountered by this com-

pany in securing harmonious railway connections with the West have also been met in its efforts to open communications with the capital of the Union with which the Northern Central Railway, and your road have formed the most direct route of travel to and from the North and Northwest.

The Northern Central Railway Company

fell for a time under the control of the presidents of the Baltimore and Ohio and the Philadelphia and Reading Railroad Companies, who represented interests adverse to those of this company, rendering the object we desired of no easy accomplishment. During the monetary panic in Baltimore, however, immediately after the election of President Lincoln, the interest of the first-named party and many other shareholders in the Northern Central Company was thrown upon the market and immediately taken up by this company. The remaining shares required to make a majority of the stock of the company were purchased in London. This arrangement secured to this company a satisfactory con-nection with Baltimore; but to reach Wash-ington the Baltimore and Ohio Railroad had still to be used. Every effort to obtain reasonable terms connecting our route with the national capital failed. Neither the sale of through tickets, the right to check through passenger baggage or to run through trains would be yielded, while the rates demanded upon freight passing over this line were quite prohibitory. These dis-advantages were submitted to until the Baltimore and Ohio Railroad Company determined to extend a branch of their line to Pittsburg, when further forbearance, it seemed, would be construed into weakness, and steps were at once taken under the auspices of the Northern Central Railway Company to build an independent line from Baltimore to the Potomac, at Washington. This road is new nearly ready for the rails, and will be imme-diately extended by a tunnel under Baltimore to the Northern Central Company's Depot, and thus open to the capital of the Union direct and uninterrupted communition with the North, Northwest and Northeast.

The products of the anthracite coal fields and the white pine lumber regions of Pennsylvania consumed in Washington and vicinity, that have heretofore been excluded from the Northern Central Railway by the exactions referred to, will, when this road is completed, furnish a large and increasing traffic to that line. To make this enterprise complete arrangements have been made to extend the road across the Potomac, through Alexancria, to a junction with the Richmond, Fredericksburg, and Potomac Railroad northeast of Fredericksburg, thus forming a direct and continuous line of railway between all important points in the Southern Atlantic States with those of the North and East.

nished to distribute them to points of consumption. But it soon became evident that this could not be depended upon, and that our cars must pass to New York to meet purchasers of their contents or the business of the company would become dwarfed to that of a second-class railroad-a fate which the interests of the shareholders would not permit. To remedy this difficulty, this company, at

an early period, offered to join the citizens or corporate authorities in establishing lines of steamers between this port and Liverpool, but without eliciting any favorable response until the present time, when the required stock subscription to such a line has been made. The success of the project now depends upon the purchase of one and a balf millions of the bonds of the steamship company guaranteed by this company. The board has agreed company. The to take a majority of the stock of this company not exceeding \$400,000, and make this guarantee, and now submit their action for your approval. In the success of this enterprise the board has the fullest confidence, and it may be stated that the delay that has occurred in the organization of the line is not without its compensating advantages, as it will enable the company to profit by the very great improvements that have been made within the last ten years in the construction of steamers and their machinery, which have rendered almost obsolete steamships built previous to that date.

Even with the sid of this line of steamships, the tonnage capacity of your railway will be far in advance of the ability of this city to market, and the surplus must continue, as beretofore, to seek New York and other cities. In the adjustment of rates of freights from and to the West, the differences due to the shorter distance to Philadelphia have always been maintained. This discrimination, however, depends altogether upon the action of your board for the time being; but arrangements may be made by the corporate authorities of Philadelphia by which these differences will be permanently adhered to. Your directors have had under considera-

tion for some months the propriety of leasing the railways and canals of the joint com-panies between Philadelphia and New York, but have not as yet come to a satisfactory conclusion in relation to this very important question. The principal object desired by this company is to secure ample facilities for the accommodation of the large traffic that we can send to Jersey City, and its prompt delivery at that point. These joint companies have been unable or unwilling to give us the facilities desired, and our business is consequently restricted in its development, and the terminal expenses unnecessarily increased. The effect of such a lease will not be detrimental to the interest of this city, as it is intended to maintain the discrimination in rates of treffic that has always existed in her favor, while its influence upon the prosperity of your company must be material if the lease is obtained upon satisfactory terms. The rate at present demanded is greater than the joint companies have derived from the net profits of their lines for some years.

Your Directors take much pleasure in ac-knowledging their indebtedness to the General Superintendent of the Pennsylvania Railroad, A. J. Cassatt, Esq., and his assistants, for the freedom from serious accidents on the road during the year, and for the very satisfactory reductions that have been made in the cost of operating the line, notwithstanding the increase of its tonnage. They also mention with commendation the success of the General Superintendent, W. A. Baldwin, Esq., of the Philadelphia and Erie Railroad, in the management of his line under the extremely low rates that it has been compelled to accept during the year. To the General Manager of our leased lines beyond Pittsburg, J. N. McCullough, Esq., we are especially indebted, for the very satisfactory profits that have been realized from the railways committed to his charge, under the low rates upon through freights that have prevailed during a larger portion of the last season.

come here as a citizen of the city of Philadelphia, that has subscribed five millions to the stock of this road? I tell him that she has been paid back amply. Does be come here as an owner of property? I tell him that this road has quadrupled that property in value and hus more than doubled the number of our citizens. Twenty four years ago this road was built between this city and Pittsburg. 950 miles in length; but since that time its influence has se-cured more than 3000 miles of road tributary to the city of Philadelphis. (Applause.) And these stock-holders are to-day favored with the knowledge that they have no debt upon their shoulders. And ia view of this fact Mr. Hulme had the impertinence to stand up here and say the "poor stockholders" should know who they were growing poorer! May heave shower upon my head such poverty as this. The resolutions of Mr. Hulme are simply resolutions of censure. come here as a citizen of the city of Philadelphia In closing Mr. Cuyler moved to lay the resolu-

In closing Mr. Cuyler moved to lay the resolutions of Mr. Hulme on the table.
Mr. J. W. Derhyshire Mr. Chairman, as the gentleman has no stock in this company, he is not privileged to offer the resolution.
Mayor Fox—As the gentleman (Mr. Hulme) stated, he had stock in a concern controlled by this company, I deem, he has a right here.
Mr. Hulme—I am ho orator, and therefore am unable to cope with my learned friend in buncombe.
But he asks, "Why am I here?" My right here is stronger than his own, for whereas I own stock, he is only a paid attorney by this road, and therefore I might well say he has no right to mingle in this affair or discussion. I have been for 10 years a director of this road. Then he impugns my figures, but I say that the figures of the report are false. I do not come to such a respectable meeting as this with my eyes blinded. Then he as a the they are the parasites of the company. But I ressert this.

that they are the parasites of the company. But I reassert this. Mr. John M. Kennedy said:—The matter of ex-press trains I do not propose to discuss, but I want to be understood as affirming my deliberate convic-tion that the occasion which induced the company originally to resort to them has continued and does exist to the present time, and that its results have been highly profitable to the interests of the public and to the company also; and I am not yet prepared to admit that the time has yet arrived when this company may advantageously abandon that policy, though that the time is coming when it will be necessary so to do I can readily perceive. If, as Mr. Hulme desired, a minutely detailed state-ment of the affairs of the company was prepared, he himself could not understand it. Do you think, general public—or say the Baltimore and Ohio Rail-road—to get an insight to the workings of this road?

general public—or say the Baltimore and Ohio Rall-road—to get an insight to the workings of this road? (Responses of "No!" "No!") Mr. Hulme—What are you airaid of ? The Mayor then put the motion to lay the reso-lutions offered by Mr. Hulme on the table, and this was almost unanimously agreed to. Mr. Joseph Jones offered this resolution ;— *Besolved*, That the transfer of the securities of the Pittsburg, Cincinnati and St. Louis Rallway, held oy this company, to the Pennsylvania Rallway held oy this company, to the Stockholders of the Pittsburg, Cincinnati and St. Louis Rallway Company have had an opportunity to express their sentiments in

Cincinnati and St. Louis Railway Company have had an opportunity to express their sentiments in relation to the said transfer. Mr. Cliff, of New York, a stockholder, asked in-formation on these points. He heard rumors that this road was the owner de facto of the Union Pacific Railroad. That it controlled the stock. That there was a combination to absorb all the lines which this control work of Pittburg. company now controls west of Pittaburg. And, further, that the Pennsylvania Railroad Company was to lease the Camden and Amboy Railroad Com-

pany. Thomas A. Scott, Vice-President of the company, arose to reply to these inquiries. First, he said, the Pennsylvania Railroad has no interest in the Union Pacific Railroad. Second, that the extensions of the Pennsylvania Railroad Company now are limited to Chicago, St. Louis, Louisville, Cincinnati, and, as leading from these centres, others forming con-nection with New Orleans, and lines to the Pacific coast is there any other incurs ? coast. Is there any other inquiry ? Mr. Cliff-Yes; regarding the Camden and Am-

Mr. Company. Mr. Scott-Oh! that is such a small matter that I overlooked it. Well, there are pending negotiations for the lease of that road which we think will be highly beneficial to this company. Mr. Hazlehurat's resolutions were then adopted

Mr. Hazlendrat's resolutions were then adopted without a dissenting voice. Mr. Jones' resolution, on motion of A. J. Derby-shire, was referred to the Board of Directors. A resolution of thanks to the Mayor for the able manner in which he fulfilled the post of chairman as passed. The meeting then adjourned.

JAY COOKE & CO.,

The gross revenues for 1870 are equal to \$48,971'25 per mile for the main line of railroad.

The whole number of passengers carried in 1869 was 4,229,363, and in 1870, 4,352,769, an increase of 123,406, or nearly 3 per cent. The average distance travelled by each passenger was 34 65-100 miles, being 43-100 of a mile greater than in 1869.

The number of tons of freight moved (including 376,650 tons of fuel and other materials transported for the company) was 5,804,051, embracing 2,550,389 tons of coal. It was last year 5,402,991 tons.

The average charge per net ton per mile upon freights, during the year, was 1 549-1000 cents, against 1 718-1000 cents last year, and 1 9-10 the year previous; and per passenger, 2 49-100 cents per mile, against 2 51-100 cents last year, or an average decrease in freight charges of 9 8-10 per cent., and in passenger charges of 8-10 of one per cent. per mile.

The actual cost of operating your railroad, including branch lines, in 1870, was 59 15-100 per cent. of its receipts.

The earnings of the Philadelphia and Erie Railroad in 1870 were:-

	freights
\$4	express matter 83,111-95
48	mails
44	miscelianeous sources 20,339-93

period were:-For Conducting Transporta-

For Maintenance of W	ay	867,912-25	2,577,723.42
Showing a balance of R. R.			\$566,816-29

The number of tons moved over this railroad during the year was 1,614,287 against 1,302,041 tons in 1869. The average charge made per ton per mile on freights was 1 290-1000 cents, which is within 304-1000 cents of the actual cost of its transportation. The road passes through a sparsely populated region and meets the direct competition of the Erie Railway, the rates upon which have not for many years been adjusted with a view to dividends to its shareholders.

The revenues of the lines operated by this company and the amounts paid for their working expenses, interest, and dividends are as follows:-

From the Pittsburg, Port Wayne, and	17,531,706·82 8,118,595·60
Chicago Railway From the Eric and Pittsburg Railway (ten months)	870,859-28
From the Philadelphia and Erie Rail- road	3,144,044.71
Amount brought forward	29,665,906°36 29,665,206°36
And the expenses of operating	these lines

And the expenses of	operating	these ii
were:-		
Pennsylvania Railroad Pittsburg, Fort Wayne, and Chicago Railway, inclu-	Construction of the	5
ding rent, etc. Erie and Pittsburg Fail way, including rent, etc.	7,052,011-94	5
(10 months). Philadelphia and Eric Hall road (including \$566,816 2	. 642,232-7 9	6
net earnings paid to tha company)	0 0	1
and Indiana Central Rail way Company, to meet it noating debt, etc., and o the operations of the leas	s n	
of the lines of said con pany for 1870, amount under an agreement an astrictment with the less	l-	

demand for transportation facilities.

The value of the existing Sinking Fund instituted for the payment of the second mortgage bonds will not only be sufficient to cancel the bonds issued under it when due, but a balance will be left which, if judiciously administered, will also pay off at maturity not only the first mortgage bonds, but also those of the general mortgage; while the lien of the State upon the Philadelphia and Columbia Railway is being paid off by the annual reductions of its principal, in accordance with the act of Legislature, to an extent which will extinguish it before its maturity.

From this summary the shareholders will notice that the interest upon the mortgage debt of the company, after 1871, may be provided from the interest upon instalments outside of your railroad, and that this debt may be all cancelled at maturity by the existing sinking fund, leaving the net earnings of your railroad, which the past year amounted to \$6,271,621.67 (after meeting the annual payment of \$460,000 to the State), for the stockholders.

The Treasurer's statement, annexed to this report, will exhibit the condition of the finances of the company at the close of the year. The discount allowed upon the large amount of general mortgage bonds sold in this country and Europe, to take up the company's debentures and meet its other obligations, has been met, as heretofore, by the net revenues of the company for 1870, instead of charging this item, as is usual with other companies, to the cost of the investment.

To meet the demands upon the treasury during 1871, to complete the works in progress that are deemed essential to protect the existing interests of the company, and pay the debentures amounting to \$1,109,224 falling due in July, the board propose to give to cach shareholder the privilege of subscribing for one share of stock for every six that may be standing in his name upon the books of the company on the 30th of April, at par. Under the terms of the general mortgage there can be issued only one million one hundred and ninety-two thousand dollars of these bonds in addition to those already sold, until the debentures due in July are cancelled, and further payments are made upon the State debt and prior mortgages upon its line, when an additional issue equal to such reduction and payments may be made. The net revenues of the company in 1870 were in excess of the amount required to meet dividends of 10 per cent. upon the proposed increase of capital, and there is no reason to expect less favorable results in the future. To enable the company to provide for this distribution of stock, the directors accepted the provisions of the General Act of the Assembly of Pennsylvania, approved December 29, 1869, authorizing the increase of the capital of all railway companies 50 per cent.

The directors, in their last annual report, referred to the motives which induced them to depart from their original policy in extending their direct control of railways west of Pittsburg. As this change has been the subject of much public comment, the board will be pardoned if they again briefly refer to it. In consequence of the failure of the mixed system of canals and railroads of the Commonwealth of Pennsylvania, and their connecting lines beyond Pittsburg, to attract a reasonable share of the traffic between the East and West, or successfully compete with the avenues built by New York, all the lines of railway that were first built in the West to reach the Atlantic market were directed towards Buffalo as the then best and cheapest route to the East, leaving to this company, if it entered the list of competitors for this distant traffic, to endeavor without delay to secure settlement with the res-see, to... 1,166,832-94 \$23,965,817-51 commercial centres of the West as feeders to in its interest railway connections with the

This company also holds a majority of the shares of the stock of the Chartiers Railway Company, whose line between Pittsburg and Washington is now approaching completion, and must soon become a profitable investment.

The liabilities of the Pennsylvania Railroad Company in the West, as guarantors, arise wholly under the leases that it has made or guaranteed, and extend to four millions of dollars of the first mortgage bonds of the Grand Rapids and Indiana Railroad Company -as required by the terms of the lease of the Pittsburg, Fort Wayne and Chicago Railway. The Grand Rapids and Indiana Railroad Company, besides its railway, holds lands pledged for the payment of these bonds valued at least at eight millions of dollars, and they cannot, therefore, reasonably become a charge upon this company, even if the railway should prove unproductive-an expectation which is not justified by the revenues of that portion of the line already built; to the bonds of the Indianapolis and Vincennes Railroad Company, amounting to three millions one hundred and fifty thousand dollars upon 114 miles of road, which will doubtless earn, after 1872, ample revenues to mest its interest and provide for the principal when due; to the interest upon thirty-six millions seven hundred and twenty-four thousand and fifty-two dollars of the bonds of the Pittsburg, Fort Wayne, and Chicago Railway Company and the Erie and Pittsburg Railroad Company; and to fifteen once enlisted in marketing the products brought to their doors, and the means fur-

On reaching the Richmond, Fredericksburg and Potomac Railway, however, we unexpectedly met the restrictive policy which has heretofore governed most of the seaboard railroads south of New York, a policy which belongs to the past and which we trust will soon be abandoned as inconsistent with the interests of the public and permanent interests of the shareholders of that company, and traffic be permitted to reach its destina tion and market whenever it will leave margin of profit to the transporter.

The privilege secured to the shareholders of the Harrisburg and Lancaster Railroad Company, under the lease of their railroad to this company, to convert their shares at par into the shares of the Pennsylvania Railroad Company, terminated on the twenty-ninth day of December last, leaving 7056 shares, equal to \$352,800 of the capital stock of that company, still in the hands of indi-viduals, upon which semi-annual dividends of three and a half per cent. have been guaranteed by this company.

The gradual alignment of the old Philadelphia and ColumbiaRailway is still in progress, and will be continued until the whole line is brought to the standard of modern railroads. That portion of the line between this city and Steamboat Station in Chester county, where the mest numerous and abrupt curvatures were laid, will be rebuilt and ready for use by the autumn of 1872. Grading upon this and other portions of the main line at points best suited for the purpose has been commenced for a third track to avoid the vexatious detentions that now occur in passing trains in the same direction, travelling at different rates of speed.

There has not been much progress made by the Allegheny Valley Railroad Company to-wards the extension of its railroad (known as the "Low Grade Railway") to the Philadel-phia and Erie Railroad at Driftwood, except its relocation under the direction of John A. Wilson, Esq., Chief Engineer. His survey demonstrates the entire practicability of continuing a maximum gradient of eighteen feet per mile on straight lines from Columbia, Lancaster county, to near the summit of the Allegheny Mountains, and thence reaching the tunnel under the mountain by a short exceptional gradient of only thirty-six feet per mile, in favor of the heavy grade. The descent from the mountain to the Allegheay river is accomplished with a maximum gradient of sixteen feet per mile. We here have a line crossing the rugged Allegheny Mountains at an extreme elevation of only 1440 feet above tide water, with lower gradients than are found necessary in passing the plains of the Mississippi Valley. Upon such a line, when completed, freights in large quantities may be moved at one cent per net ton per mile with a sufficient margin of profit to the transporter. This rate must draw to the line all the traffic south of the lakes which now seeks the New York Canal.

The main object in the organization of the Pennsylvania Railroad Company was to promote traffic between this city and the West. This object has been kept steadily in view, and is not inconsistent with the best interest of the shareholders. It was confidently expected on the completion of your railway that the enterprise and capital of the citizens of Philadelphia would have been at Respectfully submitted. By order of the board.

J. EDGAR THOMSON, President. The Business of the Meeting.

The Secretary read, in addition to the report of the managers, the Treasurer's statement, which enters into the details of the investments of the funds of the company, the receipts and expenses. Mr. Isaac Hazlehurst offered the following reso-

utions :--Resolved, That the report of the Board of Directors for the year 1870 be and it is hereby accepted by the stockholders, and that it be published in pamphlet form.

Resolved, That the act entitled "An act to autho-Resource, That the act entitled "An act to antho-rize corporations to increase their bonded obliga-tions and capital stock," approved the 29th day of December, A. D. 1869, be and it is hereby accepted by the stockhold vs of this company, and that the scceptance of the said act by the Board of Di-rectors, and their action thereunder, be and the compate hereby ratified and confirmed.

same is hereby ratified and confirmed. Resolved, That the action of the Board of Direc tors, in agreeing to subscribe for \$400,000 of the capital stock of the American Steamship Company of Philadelphia when organized, and in agreeing to endorse the bonds of said company to the extent of \$1,500,000, in pursuance of authority conferred by law, be and the same is hereby ratified and con firmed. Mr. John Hulme said that the stockholders had

just heard read a mass of figures which no one could understand or comprehend upon the simple hear-ing. He attended the last meeting when the report was read, and which was accepted by a simple reso-lution. Not one person arose to put an inquiry; not 

out a clean and comprehensive balance sheet of the liabilities of the company and of its assets; stating habilities of the company and of its assets; stating also all its guarantees, all of its purchases, all the cost and receipts of roads controlled by the Pennayl-vania Railroad Company, all of the bonds, mort-gages, etc., held against the company and those held in its favor, with a detailed statement of the salaries paid to the officers of the company, etc. etc. Mr. Hulme then went on to say that the stock-holders should not be content to listen to a lummad

holders should not be content to listen to a lumped statement of a mass of important figures hashing

read-A Member-Speak louder, Mr. Hulme! Mr. Hulme-I speak louder than the Secretary did when he read the report. The stockholders should have the opportunity of becoming familiar with the operations of the minor roads under the control of the Pennsylvania Railroad Company. He then went into quite a detailed statement, showing in seven very a production increase of capital stock a seven years a prodigious increase of capital stock, a great increase in its expenses, and a falling off in its great increase in its expenses, and a failing off in its receipts. He regarded the plan of farming out the privileges of the road to palace-car companies, and other outside organizations, as an oatrage. (Applause.) If these outside organi-(Applause.) If these outside organi-zations, which he characterized as the para-sites of railroad companies, increased, they would zations, which he characterized as the parasities of raincal companies, increased, they would scon control the organizations of which at first they only asked privileges. Be cautioned the stockholders that they should no longer remain in ignorance of the policy and operations of the President and Board of Directors of the Pennsylvania Central. They should not have implicit confidence in their agents, lest this company, like others run similarly, would find itself on the verge of bankraptey. He did not now own any stock of the road, having sold out from "lack of confidence."
Mr. Huime contended, as he had stated in one of his resolutions, that the report should be put in pamphlet form and distributed among the stockholders at least two weeks before the adjourned meeting to be held in June next.
Mr. Theodore Cuyler arose and declared that he could not remain allent after having heard the remarks of the gentleman (Mr. Huime) who had just taken his seat. We heard him state that he was hot a stockholder. Then why is he here? Does he led a stockholder.

PEILADELPHIA, NEW YORK and WASHINGTON.

JAY COOKE, MCCULLOCH 1& CO.,

LONDON.

BANKERS

Dealers in Government Securities.

AND

Special attention given to the Purchase and Sale of Bonds and Stocks on Commission, at the Board of Brokers in this and other cities.

INTEREST ALLOWED ON DEPOSITS. COLLECTIONS MADE ON ALL POINTS. GOLD AND SILVER BOUGHT AND SOLD.

In connection with our London House we are now prepared to transact a general

FOREIGN EXCHANGE BUSINESS,

Including Purchase and Sale of Sterling Bills, and the issue of Commercial Credits and Travellers' Circular Letters, available in any part of the world, and are thus enabled to receive GOLD ON DEPOSIT. and to allow four per cent. Interest in currency thereon.

Having direct telegraphic communication with both our New York and Washington Offices, we can offer superior facilities to our customers.

RELIABLE RAILROAD BONDS FOR INVEST-

Pamphlets and full information given at our office,

223mrp No. 114 S. THIRD Street, Philada.

# A LEGAL INVESTMENT

Having sold a large portion of the

Pennsylvania Railroad General Mort gage Bonds,

The undersigned offer the balance for a limited period at 95 and interest added in currency. These bonds are the cheapest investment for Trus-

tees, Executors, and Administrators.

For further particulars, inquire of

JAY COOKE & CO.,

E. W. CLARK & CO., W. H. NEWBOLD, SON & AERTSEN. C. & H. BORIE. (811m

THE STATIONERY HOUSE OF THE UNITED STATES.

## WM. H. HOSKINS, GENERAL JOB PRINTER.

Wedding Card Engraver, Copper-Plate Printes, Commercial Engraver, Copper-rate Wedding-Envelope Manufacturer, Fine Cut and Color Printer, Stationer, Wholesale and Retall, Commercial Envelope Manufacturer, Demotic Printer, Pamphlet Printer, Initial Stamping and Illuminating,

## No. 913 ARCH Street.

ADVANTAGE .- All the above branches done in the building under the immediate supervision of the proprietor. We therefore save the manufacturers' and jobbers' profit, which our customers get the and jobbers' profit, which our customers get the benefit of. 121 smw5p