SECOND PART

THE PITTSBURG DISPATCH.

Forty	Fourth	Annual	Report
Turty-	i vui ui	Annual	Report.

and the second se	
OFFICE OF THE PENNSYLVANIA RAILEOAD COMPANY, } PHILADELPHIA, March 2, 1891. }	18
The Board of Directors submit herewith their report for the year 1890:	18
MAIN LINE AND BEANCHES, PHILADELPHIA TO PITTSBURG.	10
Earnings	-
Net earnings. \$14,149,564 13 Aud interest from investments (in cash), also for use of equipment	TI
and from other items	1
Total \$19,515,294 97 Deduct reutals paid branch roads, interest on equipment, interest on bonded debt, State tax on dividends, and other items	I.
Net income Pennsylvania Railroad Division	E
PHILADELPHIA TO NEW YORK AND BRANCHES.	pe
Earnings	an
	100
Net earnings from operating	18
Total income	18 at
Net profit under the lease of United New Jersey Raffrond and Canal	-
Company's property	1.
Total	1
PHILADELPHIA AND EHIE RAILBOAD.	1
Earnings	
Net earnings	_
Loss on Philadelphia and Eric Railroad Division, including branches operated in connection therewith	Per
Balance	
From this balance of income for the year	Un Phi
ALLEGHENY VALLEY RAILROAD COMPANY.	
Payments on account of guaranty of principal and interest of bonds 118,005 02	All
EXTRAORDINARY REPAIRS.	
A mount expended in straightening and revising lines and grades, and for other purposes not properly chargeable to capital account 1,682,024 65 2,169,327 79	F Eri pen
Bulance	div
Amount transferred to credit of profit and loss for the year 1890	
Add amount to credit of profit and loss December 31, 1889	
Balance to credit of profit and loss December 31, 1890	
The foregoing statements show a net income of \$11,425,642 30. After deducting from his sum the amounts properly chargeable thereto, there is a balance for the year of \$9,256,- 114 51, out of which there was paid a dividend of 514 per cent, being an increase in the	Peni

Sole of, out of which there was paid a dividend of 512 per cent, being an increase in the amount of cash distributed to the shareholders of \$914,603, as compared with the year 1889. After desuncting the sum of \$1,064,704 05, representing the amounts properly chargeable to profit and loss during the year, there was a balance of \$1,949,787 46 carried to the credit of that account, making the aggregate at the end of the year, \$22,017,793 29. All the repairs made necessary by the flood of 1889 have been completed, and your

properties at such points are now in a much better condition than they were previous to that disaster, iron bridges having been replaced by stone structures, and the roadway otherwise improved. It may not be amiss to state in this connection that it was the conservative policy pursued in the management of your property, and the high standard of efficiency thus reached, that enabled your company to continue the payment of its regular divi-dends, notwithstanding the heavy losses that it directly sustained, and the serious intersuption to traffic arising therefrom.

The cost of the securities of other corporations now held by your company is \$113,-185,734 23, and the direct revenue received therefrom was \$4,439,403 85, which is in excess of the interest on your funded debt. The wisdom of continuing to make such investments is demonstrated, not only by this result, but by the continued increase of traffic that is thus secured to your Main Line.

The magnitude of the Pennsylvania system, and its growth during the 44 years since the organization of your company, are shown by the fact that that system is now composed of 120 corporations, which, with few exceptions, are in good funancial condition, and carning fair returns on the capital invested. These corporations represent 7,915 miles of rairoad and canal, with a share and bonded capital of over \$700,000,000, which, in 1890, carned more than \$133,000,000 gross, and moved over 137,000,000 tons of ireight and \$1000,000 company. Their relations are so closely interwork with the communities F4,000,000 passengers. Their relations are so closely interwoven with the communities through which they pass that their prosperity may safely be taken as an index of the

through which they pass that their prosperty may safety be taken as an index of the peneral condition of the large section of country which they serve. It will be seen, from the magnitude of these interests, how essential if is that a strong, conservative policy should be pursued in their management, and that any legislation which would change the relations which have so long existed between the transporting an commercial interests of the country should be most carefully considered before action is taken thereupon. There has been a very large increase in the amount of traffic moved, as compared with 1889, without a corresponding increase in the net revenue therefrom, a result attributable directly to the reduced rates prevailing during the year, as more fully appears by the statements hereinafter contained, and which would seem to show that the average rates receaved for transportation by railroad companies cannot be further reduced, if their proerties are to be thoroughly maintained and the public served in a satisfactory manner. In this connection the criticism has been made, that while there has been a very lar reduction in freight rates in the past decade, there has not been a corresponding reducti in passenger rates. Although the reduction in freight charges has been apparently mu greater than in passenger rates, yet the demands of the public for increased service, high speed, and the comforts of parlor, sleeping and dining cars have more than counterba anced this apparent difference, while the cost of these additional facilities, together will the expense attendant upon the interlocking and block systems and other appliances increased safety, has precluded the possibility of making greater reductions in the pa-senger rates, without rendering the entire traffic unprofitable. This is shown clearly b the fact that while the cost of moving freight per ton per mile on your Main Line has been reduced in the past 20 years from 9 8-10 to about 4 mills, the cost per passenger per mi has only been reduced from 19 4-10 to 16 mills. The New Jersey division shows an increased surplus of net revenue after meeting th The New Jerkey utvision snows an increased surplus of net revenue after meeting the obligations connected therewith. During the past year large expenditures have been made in the improvement of this property, notably in elevating its tracks in the city o Philadelphia to avoid street crossings at grade, in preparing for the fourth track throug Trenton, and in securing additional right of way at various points. The largest expendi-ture, however, has been in the work of elevating and rebuilding the tracks and passenge station in Jersey City, in the construction of train-sheds at that point, and of a new roun house and yard incilities convenient thereto. The principal portion of this work will completed during the current year. The Philadelphia and Eric Lailroad shows a large increase in its gross earnings; b

COMPARI EARNINGS AND EXPENSES OF AL	SONS WITH	The second se	URG AND ER	IE.
	GROSS EARNINGS.	EXPENSES.	RENTALS AND IN- TEREST ON EQUIP- MENT.	NET EARNINGS.
890		\$44,980,554 67 41,096,805 64	The second second second	a second in concerning and
Increase	\$4,687,814 72	\$3,883,749 03	\$378,874 45	\$425,191 24
he gross earnings per mile received from th 1889 were	e Main Line (358 miles) in	1890 were	
Showing an increase of				
The percentage of operating expenses t rie was 67.94 for 1890 and 66.81 for 1889, er cent. The aggregate coal and coke shipmen	showing an i ts over the	Pennsvlva	nia Railroa	90 of 1.13 d division
mounted to 20,158,877 tons, as against 17, ons, or 17.40 per cent. The total shipments of oil over the Pe				

90 amounted to 4,489,193 barrels, against 4,678,004 barrels in 1889, showing a decrease of 88,811 barrels The following table shows the revenue and cost per ton per mile on each division oper

teu by the company, as com	pared w	ith 1889						-		
	EAR PER MILE TRA	NINGS TON PER FROM NSPOR- ON OF	COS TRAN ING TOP FRI	EACH	A VE PROI	PER	LENG	тн о у).	Lines east of Pittsburg and Erie. Lines west of Pittsburg	NUMBER OF PASSENGERS 66,199,752 17,912,708
		1		1		1		1	Totais	84,112 460
	1890.	1889.	1890.	1889.	1890.	1889.	1890.	1889,	The aggregate amount of n	ew steel rails
		CENTS.	CENTS.	CENTS.	CENTS.	CENTS.	MILES.	MILES.	all lines awned, controlled or op 83,130 tons.	erated by you
ennsylvania Railroad Divi- sion	0.601	0,626	0,401	0.401	0.200	0.225	1440.52	1403.19	GENERAL REMARKS There has been paid to the man	2
nited Railroads of N. J. Di- vision	1.157	1.178	0.987	1.028	0.170	0.155	447.54	440.22	trust created October 9, 1878, to 31, 1890, the sum of \$4,065,694 with the income therefrom, of \$3	86, which,
biladelphia and Erie R. R. Division	0,516	0.556	0.346	0.352	0.170	0.204	546,66	546,66	has been invested in securities at par to \$7,125,050, yielding an 6.54 per cent for the year. The	interest of re was ap-
l lines east of Pittaburg and Erie:	0.655	0.686	0,463	0.478	0.192	0,213'	2434.72	2390.07	propriated to that trust for the y- sum of \$93,498 12. The assets of the Insurance Fu	ear 1890 the
From the above table it will rie was a reduction in the en- ness of 10-100 of a mill, an ofit from freight. The following table show, visions as compared with 18	arnings d a deci s the eas	per ton ease of	per mil 21-100	e of 31-1 of a m	00 of a mill per	nill, a r ton per	eduction mile in	the net	at the end of the year were \$2 being an increase over the previo \$239,949 51. There was contributed to the Relief Fund by your company a lines during the year \$69,838 01	525,391 01, ous year of Employes' ad affiliated for oper-
AVERAGE	EARN-	AVERA	GE CO	ST AVE	RAGE	PRO-			ating expenses, and in addition sum of \$16,673 for extra benefits	to members

	EACH	FROM PASSEN- ER MILE.	AVERAGE COST OF TRANSPORT- ING EACH PAS- SENGERPER MILE.		Constant of the	ER PAS. ER PER	I.WWGTH OPPOAT		
	1890.	1889,	1890.	3889.	1890.	1889.	1890.	1889.	
Pennsylvania Rail- road division	CENTS. 2.197	CENTS. 2,210	CENTS. 1.598	CENTS. 1.650	CENTS. 0,599	CENTS. 0.560	MILES, 1440.52	MILES. 1403.19	
N. J. division Philadelphia and Erie Railroad di-	1,919	1.920	1.372	1.872	0.547	0.548	447.54	440.22	
vision	2,405	2.438	1.830	1.876	0.575	0,562	546.66	546.66	
All lines east of Fittsburg and Erie	2.077	2.082	1.504	1.527	0.573	0.555	2484.72	2890.07	

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 17 8-10 miles, and in 1889

was 18 1-10 miles, a decrease of 3-10 of 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 an	GROSS EARNINGS. 1890.				NET EARNINGS. 1890.		
Totals Cempared with previous year	Dec.	\$7,889,283 15 213,936 44	Dec.	\$7,531,090 97 291,498 12	Inc.	\$308,142 18 77,561 68	

Total tons mined in 1890, 2,348,900.18. Decrease compared with previous year, 69,373.08 tons. The average receipts per ton at point of sale, aggrega

The assets on hand Decee mortgage land-grant bonds we	ember 31, 189	0, app	licable	to the	redemp	tion of the first
Cash in the hands of the trusteer Cash in the hands of cashier Bills and accounts receivable in Bills receivable and securities in					*******	22,079 17
Total						
SUMMARY OF LINES OWNI	D OR CONTR	OLLE	EAST .	AND	WEST OF	PITTSBURG.
			1890		1889.	INCREASE.
Gross earnings from traffic Gross expenses, excluding rentals	,interest,divide	nds,etc	\$133,521.6 92,003,3	22 56 64 77	8122,917,38 88,811,12	7 39 \$10,604.285 17 7 85 8,192,236 92
Showing net earnings			\$41,518,2	57 79	\$39,106,206	54 \$2,412,048 25
	FREIGHT	TRAF	FIC.			
		1890.		1	н	859.
	NUMBER OF TONS.	T	BER OF ONS MILE,		BER OF	NUMBER OF TONS ONE MILE.
Lines east of Pittsburg and Erie. Lines west of Pittsburg	92,884,362 44,582,628	8,52 4,13	. 691,739 . 799,228			7,621,926,314 3,653,238,746
Totals	137,416,985	12, 65	3,493,967	12	2,164,118	11,27,165,060
	PASSENGER	TRA	FFIC.			
	1890.			1889.		89.
	NUMBER OF PASSENGERS	PASS.	ER OF ENGERS MILE.		BER OF	NUMBER OF PASSENGERS ONE MILE.
Lines east of Pittsburg and Erie.	66,199,752	1.17	.828,701	61	857,729	1.110.971.446

Totals 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 Pittsburg was 83,130 tons.

ships will be avoided. The' consolidated line covers an aggregate of 1,516 miles, in-cluding leased roads; the issued share capi-tal amounts to \$43,820,650 24, and the fund-There has been paid to the managers of the trust created October 9, 1878, to December 31, 1890, the sum of \$4,065,694 86, which, ed debt to \$41,944,500. It is one of the most with the income therefrom, of \$3,138,755 44, with the income thereiron, of 50, 100, 100 m, has been invested in securities amounting at par to \$7, 125,050, yielding an interest of 6.54 per cent for the year. There was ap-propriated to that trust for the year 1890 the important portious of your system west of Pittsburg, as through it your main line has a direct connection with Cincinnati,

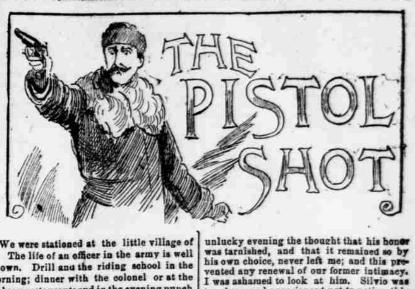
Louisville, St. Louis, and Chicago, and reaches the territory south and southwest of those cities under the most favorable conditions.

at the end of the year were \$2,525,391 01, The new bridge across the Ohio river near Pittsburg, referred to in the last annual report, was completed in the latter part of the year. It has fully realized the anticipaing an increase over the previous year of There was contributed to the Employes' Reliei Fund by your company and sfiliated lines during the year \$69,838 01 for opertions of your management in relieving the yards in Pittsburg, and facilitating the ating expenses, and in addition thereto the sum of \$16,673 for extra benefits to members

your eastern and western systems. Mr. John Whittaker, Assistant General Freight Agent of the Company, died sud-denly on the 30th of April, 1890, after a direct connection of twenty-three years with your service and for the years with of the fund whose disability had continued over 52 weeks, and who were, therefore, no longer entitled to regular benefits from the fund. The amount contributed by the em-ployes was \$440,103 83, and the receipts from interest were \$4,949 27, which, with the contributions by the companies, as stated above, \$86,511 01, made a total of \$531,564 11. This added to the balance on hand at the beginning of the year, \$149,-156 86, aggregating \$680,720 97. Of this amount there was paid to the families of employes in death benefits, and for sickness and accidents, the sum of \$466,294 11, for expenses \$69,838 01, leaving a balance of \$144,588 85. After deducting there from the amount of outstanding unadjusted claims, of the fund whose disability had continued direct connection of twenty-three years with your service, and for ten years prior hereto with lines allied to your interests. Mr. Whittaker's marked ability, sterling integ-rity, and unvarying courtesy in the perfor-mance 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 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, mount of outstanding unadjusted claims, here remained a net balance of \$22,104 89. after an association of nearly a quarter of a atter 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 Super-intendent of Motive Power of the Pernsyl-The number of persons receiving death ben-efits was 341, making an average in each case of \$560 23. There were 22,984 members of the fund at the close of the year. vania Railroad division, was appointed to fill the vacancy caused by Mr. Pettit's

The Employes' Saving Fund continues to show its value to your employes, in afford-ing them a safe depository for a portion of their earnings. The number of depositora resignation. Your board desire to place on record their earnings. The number of depositors has increased during the year from 2,130 to 2,590; the amount of deposits received dur-ing 1890 was \$344,152, and the balance at the close of the year was \$674,066 01. Of this amount, \$600,000 have been securely in-vested in 4 per cent bonds. During the past year there was expended upon the main line between New York and Pittsburg the sum of \$4,793,720 23, the principal items of which were as follows: Additional yard facilities at Harrisburg, Altoona and Wall's; freight car repair shops and transfer stations at the latter point; the elevation of the tracks and pasunder which the company rests toward a tried and faithful servant, who only ceased with his life to faithfully guard the trusts ing.



PAGES 9 TO 12

an end. The busy occupants of the capital have

no idea of the emotions so frequently ex-perienced by residents in the country and

We were stationed at the little village of The life of an officer in the army is well nown. Drill and the riding school in the orning; dinner with the colonel or at the obrew restaurant; and in the evening punch too sharp and experienced not to notice this

At Z. nobody kept open house, and there him, for I observed that once or twice he hinted at an explanation. But I wanted none; and Silvio gave me up. Thenceforth I only met him in the presence of other friends, and our confidential talks were at e another's uniforms. There was only one an among us who did not belong to the egiment. He was about 35, and, of course, we looked upon him as an old fellow. He had the advantage of experience, and his habitual gloom, stern features, and his sharp tongue gave him great influence over his juniors. He was surrounded by a certain mystery. His looks were Russian, but his name was foreign. He had served in the Hussars, and with credit. No one knew what had in-duced him to retire and settle in this out-of-the way little willage where he lived in the-way little village, where he lived in

in country towns; as, for instance, in await-ing the arrival of the post. On Thesdays, and Fridays the bureau of the regimental staff was crammed with officers. Some were expecting money, others letters or newspa-pers. The letters were mostly opened on the prove and the news freely informaged the spot, and the news freely interchanged, the office meanwhile presenting a most lively sppearance. Silvio's letters used to be addressed to our mingled poverty and extravagance. He al-ways went on foot, and wors a shabby black mingled poverty and extravagance. He al-ways went on foot, and wore a shabby black coat. But he was always ready to receive any been handed to him, I saw him break the



THE OFFICER SEIZED A BRASS CANDLESTICK.

of our officers; and, though his dinners, cooked by a retired soldier, never consisted of more than two or three dishes, champagne flowed at them like water. His income or seal and, with a look of great impatience, read the contents. His eyes sparkled. The other officers, each engaged with his own letters, did not notice anything. "Gentlemen," said Silvio," "circum-stances demand my immediate departure. I

how he got it no one knew; and no one ventured to ask. He had a few books on ventured to ass. He had a few books on military subjects and a few novels, which he willingly lent and never asked to have returned. But, on the other hand, he never returned the books he himself borrowed. The walls of his room were riddled meet at Silvio's. with bullets-a perfect honeycomb. A rich collection of pistols was the only thing fuxurious in his modestly furnished villa. I went to Silvio's at the appointed time, and found nearly the whole regiment with him. His things were already packed. Nothing remained but the bare shot-marked His skill as a shot was quite prodigious. If he had undertaken to shoot a pear off some walls. We sat down to table. The host was in excellent spirits, and his liveliness communicated itself to the rest of the comone's cap, not a man in our regiment would have hesitated to act as target. Our con-versation often turned on dueling. Silvio-so I will call him-never joined in it. When asked if he had ever rought, he an-swered curtly, "Yes." But he gave no parpany. Corks popped every moment. Bottles fizzed, and tumblers foamed incessantly, and we, with much warmth, wished our departing friend a pleasant journey and every happiness. The evening was far adticulars, and it was evident that he disliked such questions. We concluded that the memory of some unhappy victim of his terrible skill preyed heavily upon his convanced when we rose from the table. During the search for hats Silvio wished everybody good-by. Then, taking me by the hand as I was on the point of leaving, he science. None of us could ever have sus-pected him of cowardice. There are men said in a low voice: "I want to speak to you." whose look alone is enough to repel such a suspicion. I stopped behind. An unexpected incident fairly astonished The guests had gone, and we were left

The Philadelphia and Life Italifond shows a large increase in its gross earnings; but the exceptionally low rates realized upon its traffic prevented a corresponding increase in lis net revenue. The property is in a very satisfactory condition, and should the commer-cial prosperity of the country continue, more favorable results may be auticipated. The final payment of \$655,654 94, being the principal and accrued interest then due

the state of Pennsylvania, through the purchase of the Main Line, was made July 31, 1890. The entire payments made to the State on account of this purchase amount to \$15,-365,654 94 of which the principal was \$7,500,000, and the interest \$8,065,654 94. The contract made with the Commonwealth for the purchase of this property in 1857 has been with ully carried out by your company during a period of thirty-three years, and no dewill has at any time occurred either in the payment of interest or of any instalment the principal sum.

principal sum. Under the provisions of the consolidated mortgage of the company \$324,800 were set uppert on the first day of July last, out of the net income, as a sinking fund for the redemp-tion of the outstanding bonds secured by that mortgage. Only three of these bonds, aggre-gating 2000 sterling, could be purchased under the terms of the trust, and the balance of at was placed to the credit of the trustees for investment under the terms of the mortgage. e. The new in the sinking fund, for the redemption of the obligations of the various

companies forming the United New Jersey Railroad and Canal Company, securities of the par value of \$4,002,000, and a cash balance, uninvested by the trustees, of \$17,921 08, mak-

par value of \$4,002,000, and a cash balance, uninvested by the trustees, of \$17,921 08, mak-ing an aggregate of \$4,002,000, and a cash balance, uninvested by the trustees, of \$17,921 08, mak-The trustees of \$4,002,000, and a cash balance, uninvested by the trustees, of \$17,921 08, mak-The trustees of \$4,002,000, and a cash balance, uninvested by the trustees, of \$17,921 08, mak-The trustees of the sinking fund for the redemption of the trust certificates issued for the purchase of the shares of the capital stock of the Philadelphia, Wilmington and Balti-more Railroad Company were able to purchase only \$174,000 of these securities during the past year at the limit fixed in the trust agreement. The total amount of these certificates past year at the limit fixed in the trust agreement. The total amount of these certificates the purchase of the company were made in providing freight yards and other facilities at terenretiased and cancelled to December 31, 1890, is \$2,085,000, leaving outstanding, \$7,915,000.

There has seen expended for construction, equipment, and real estate as follows:-

	Pennsylvania Railroad and branches	8,656,576 59 1,054,844 15 82,299 49 5,717,907 69
1	There is a second	10,511,627 92 941,622 88
	Total amount expended on capital account in 1890	A Description of the Source
	*On account of these advances to branch and auxiliary lines there have been in securities of these companies, \$281,150 00. There were used on the Main Line, in construction and repairs, 29,364 tons of and 1.307 230 ties on the United Ballragis of New Journey division 5 of the Statement of New Journey din Statement of New Journey din Statement of New Journey division	steel rolls

and 1,307,359 thes; on the United Railroads of New Jersey division, 5,814 tons of steel, and 417,622 ties; on the Philadelphia and Erie Railroad Division, 5,479 tons of steel, and 320,-

411.022 thes; on the Philadeiphia and the Namoad Division, 0,815 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 Pittsburg and Erie, for the Main Line and other roads in your interest, on capital and repair account, 132 locomotives, 110 passingers cars, 23 baggage, express, and mail cars, 2,292 freight cars, 8 refrigerator cars, and 398 cabin and maintenance of way cars. The following statement shows the condition of the car trusts under which the equip

ment has been furnished for the lines of your company as hereinafter specified, no addi-tions having been made thereunder during the past year :--

a newstern cars praced on your tipes cast	01	rationurg.	Lurougn	cne	System of	Car	
Trusts, represent a cost of			11010-11-00		the second of	A.VIRE	100

The 16,50% cars west of Pittsburg.	\$14,380,365 5 998 005
3 706 cars Northern Central Railway Company \$1,827,200 00	
of cars Allegheny Valley Railroad Company	

20 cars New York, Philadelphia and Norfolk Bailroad Company	235,000 00 250,000 00	
		2 649 700

Total 45,997 cars. Total amount of certificates follows:	redeemed to December 31,	1890,
Amount paid in full payment of 15,	714 cars	\$8,557,000 pp

wittonne burn on seconne of	00,255 CBIS	8,700,000 00	
			17.057,000 00
and the local state of the second state of the second state of the			

58,389,000 00

Balance of certificates outstanding December 81, 1890.

companies for 1890, were \$3 06 73-100, as against \$3 32 2-10 in 1889 LINES WEST OF PITTSBURG.

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

	1890.	1890,
The total earnings of the Pennsylvania Company on lines operated di- rectly 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 Pittsburg, 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	\$ 4,688,894 57 4,015,237 06	
Net profit on Pittsburg, Cincinnati, Chicago and St. Louis Railway Company's lines		618,657 51
Net profit on lines west of Pittsburg for 1890 Net profit on lines west of Pittsburg for 1889		
Comparative increase on lines west of Pittsburg for 1890,		\$ 465 931 (-

direct obligations, or in which it is largely interested through ownership of securities, but 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 Cardondelet Railway; Cincinnati and Muskingum Valley Railway; and the Wavnesburg and Washington Railroad.

	1890	1890.
The aggregate gross earnings of these roads were	\$5,685,280 51 3,883,279 42	
Net earnings. Deduct rental, interest, etc. Profit.	\$1,802,001 09 1,728,157 94	\$76.84 3 15
Of this profit your company, under existing contracts, is entitled to Which, added to the profit shown in the above statement		\$56,310 54 1,700,615 92
Leaves a net profit on all lines west of Pittaburg for 1890 Profit on lines west of Pittaburg for 1889		\$1,756,932 46 1,280,363 21
Showing a comparative increase for 1890, compared with 1889, of		\$476,569 25

decrease as compared with the precedug year. Large expenditures were made in providing freight yards and other facilities at ter-minal 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 Pittsburg. Extensive additions were also made to the motive power and equipment, and to your holdings of real estate at the termini of the various divisions.

The amount expended during the year on capital account on the lines west of Pitts-

burg was \$3,627,888 52. burg was \$3,627,888 52. There were used in construction and repairs on the northwestern lines operated directly in your interest 11,833 tons, and on the southwestern lines 14,447 tons of new steel

rails.

There have been redeemed through the sinking fund \$1,657,000 of the issue of \$3,200. There have been redeemed through the sinking fund \$1,007,000 of the issue of \$3,200,-000 of the Pennsylvania Company's 6 per cent bonds, secured by Pittsburg, Ft. Wayne and Chicago Railway Company stock as collateral, leaving the amount outstanding \$1,543,000. A further issue was made of \$2,500,000 of its 414 per cent bonds for the pur-pose of providing for construction and other capital accounts on the lines west of Pitts-burg, making the amount now outstanding the full sum authorized under the mortgage. \$20,000,000. Of these bonds \$533,000 have been retired through the operations of the sink ing fund, leaving outstanding at this date \$19,467,000.

The report made by the trustees of the sinking funds of the first and second mortgages of the Pittsburg, Ft. Wavne and Ghicago Railway Company shows that the regular annual payment of \$104,100 was made thereto. They redeemed during the year \$70,000 of the first mortgage and \$81,500 of the second mortgage bonds, making the total amount redeemed to December 31, 1890 :

101 101	First mortgage bonds
ł	With a balance of cash in the hands of the trustees, uninvested, December 31, 1890 ;
A DESCRIPTION OF THE OWNER OWNER OF THE OWNER OWNER OF THE OWNER OWNE	On account of first 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 Pittsburg Railroad Com-pany, in addition to the amounts contributed directly to other sinking funds by the indi-vidual companies.

vidual companies. The earnings of the Grand Rapids and Indiana Railroad Company were more than sufficient to meet the interest on its enfire funded debt and the losses on its leased lines. The land department made sales of 10,948 acress of farm lands and 17,307 acres of pine lands for \$316,851 16, being an average price of \$11 21 per acre, and also disposed of 10,434 acress of worthless swamp lands for a nobulual consideration. The amount sold to the close of the year, after deducting canceled contracts and the swamp lands referred to, was 523,116 acres, and the aggregate price received there or was \$6,528,891 17, an average of \$13 05 per acre. No bonus could be purchased by the trustees during the year out of the proceeds of such land sales, and there are now outstanding \$3,934,000 of the guaranteed and \$505,000 of the unguaranteed drst mortgage land-grant bonds of the company.

point; the elevation of the tracks and pas-senger station at Jersey City. and the purchase of additional locomotives, passenger and freight cars and real estate.

The new locomotive shops at Altoona are now in use, but are not entirely uipped. They have been constructed pon the most approved plans, and are fur-shed with the best modern machinery and

The elevation of the tracks in Jersey City is been vigorously prosecuted during the ast year; this improvement will add realy to the comfart, convenience and ety, not only of the passenger travel, but to of the residents of Jersey City. There was also expended in the construc-on of branch and auxiliary lines the sum

\$5,717,907 69, of which amount \$941,-88 were reimbursed to your company in of this amount, \$3,142,323 24 were ex-

nded in the construction of the Trenton it-off, referred to in the last annual report, d which it is expected will be completed ring the present year. It is being built most substantial manner, on low gradi-s, with special reference to the cheap and editions movement of through traffic account of the topography of the country, d the cost of right of way, the line is ex-

that the company will be fully compensated by the economies that will be obtained in the movement of traffic. The other important items of expenditure were: The work upon the New York Bay Railroad, a line which is intended to reach a rapidly improving portion of Newark, and at the same time furnish an alternate line for your freight trains through that city; the construction of additional branches to the Southwest Pennsylvania Railway and the Southwest Pennsylvania Railway and the Western Pennsylvania Railroad; the providing of additional facilities on the Pennsylvania Schuylkill Valley Railroad, the Pniladelphia and Erie Railroad, and the Pittsburg, Virginia and Charleston Railway, and the construction of the Me-Keesport and Bessemer Railroad—a line intended to connect the Pittsburg, Virginia and Charleston Railway with the manuface.

and Charleston Railway with the manufac turing industries of McKeesport, and neces-sutating the building of a bridge over the

Monongahela river at that point. The amount expended for the above purposes on your lines east of Pittsburg and Erie was \$9,570,005 04, which is about the sum anticipated in the last report. It is confidently hoped that so large an outlay will not be required of your company dur-ing the present year; but at the same time your management are fully impressed with the necessity for liberal expenditures of capital in this direction, not only to provide the equipment, tracks, yards, etc., necessary o properly care for the existing traffic, but o further develop the territory and secure o your lines traffic naturally tributary

Railroad, referred to in the last annual reforming your southwestern system, to wit, the Pittsburg, Cincinnati and St. Louis

and Pittsburg Railroad, were merged into a company, under the name of the Pittsburg,

Your board desire to acknowledge the efficiency and fidelity with which the duties entrusted to the officers and employes have been discharged during the past year. By order of the board, G. B. ROBERTS, President.

A VILLAGE TORN UP.

COLORED COUNCILMEN CHOSEN AT ITS FIRST ELECTION.

Quarrel Among the Whites is Respor ble for the Trouble, and Now the Obnox. ious Councilmen May Be the Occasion of a Race War.

ATLANTA, March 2 .- The whites and blacks of Keysville are greatly stirred up, and serious trouble is apprehended. All the trouble is due to politics. Keysville is in the northwest corner of Burke county, 26 miles from Augusta, on the Augusta, Gibson and Sandersville Rail-But among us on this occasion was an officer who had but lately joined. While playing he absent-mindedly scored a point too much. Silvio took the chalk and corrected the score in his own fashion. The rected the score in his own fashion. The officer, supposing him to have made a mis-take, began to explain. Silvio went on dealing in silence. The officer, losing patience, took the brush and rubbed out what he thought was wrong. Silvio took the chalk and recorrected it. The officer, heated with wine and play, and irritated by.

letter that mapped out that part of town that the whites wanted incorporated, which the laughter of the company, thought him-self aggrieved, and, in a fit of passion, seized excluded the negro settlements. So Mr. Davis had Keysville incorporated in the charter for halt a mile in each direction a brass candlestick and threw it at Silvio. who only just managed to avoid the missile. Great was our confusion. Silvio got up, white with rage, and said, with sparkling from the academy, which included the negro settlement.

eyes-"Sir! have the goodness to withdraw, and you may thank God that this has happened in my own house." We could have no doubt as to the conse quences, and we already looked upon our new comrade as a dead man. He withdrew, saying that he was ready to give satisfactio for his offense in any way desired. The game went on for a few minutes. But feeling that our host was upset we gradually left off playing and dispersed, each to him own quarters. At the riding school, next day, we were already asking one another whether the young lieutenant was still alive when he appeared among us. We asked him the same question, and were told that he had not yet heard from Silvio. We were astonished. We went to Silvio's and found him in the court-hard popping bullet after bullet into an ace which he had gummed to the gate. He received us as usual, but made no allusion to what had happened on the so both negroes were elected.

This was done to mortify the incumbenta Ever since the negroes were elected the greatest dissatisfaction has prevailed, and trouble in the municipalities has been brewprevious evening. Three days passed, and the lieutenant was still alive. "Can it be possible," we asked one another in astonishment, "that Silvio will not fight?" ing. Both negro Councilmen several days ago received a letter from "Red Shirts" adago received a letter from the obstrate ad-vising them to send in their resignations at once, and if they refused to do so they would not be responsible for the terrible retribution that they would bring upon Silvio did not fight. He accepted a flimsy apology, and became reconciled to the man who had insulted him. This lowered him

themselves. Upon receipt of the letter from the "Red Shirts," Walker and Young, the negro Councilmen, addressed a letter to Mayor Daniel and Dr. Jones and T. J. Cook, the themselves. greatly in the opinion of the young men, who, practry in the opinion of the young men, who, placing bravery above all the other human virtues, and regarding it as an excuse for every imaginable vice, were ready to over-look anything sooner than a lack of courage. However, little by little all was forgotten, and Silvio regained his former influence. I and Pittsburg Railroad, were merged into a company, under the name of the Pittsburg, Cincinnati, Chicago and St. Louis Railway Company. It is believed that through such consoli-dation a stronger financial basis has been secured upon which the capital needed for the development of these properties can be obtained, and through such unification of the system any conflict of interests that might have arisen through diverse owneralone could not renew my friendship with him. Being naturally romantic I had surpassed the rest in my attachment to the man whose life was an enigms, and who seemed to me a hero of some mysterious story. He liked me; and with me alone did he drop his sarcastic tone and converse simply and most agreeably on many subjects. But after this

us. One afternoon about ten officers were dining with Silvio. They drank as usual; that is to say a great deal. After dinner we asked our host to make a pool. For a alone. Sitting down opposite one another, we lighted our pipes. Silvio was much agitated; no traces of his former gaiety remained. Deadly pale, with sparkling eyes and a thick smoke issuing long time he refused on the ground that he seldom played. At last he ordered cards to be brought in. With half a hundred gold from his mouth, he looked like a demon.

Several minutes passed before he broke "Perhaps we shall never meet again," he remarked that I care little for the opinions of others. But I like you, and should be sorry to leave you under a wrong impres-

He paused and began refilling his pipe. I

looked down and was silent. "You thought it odd," he continued, "that I did not require satisfaction from that drunken maniae. You will grant, how-ever, that being entitled to the choice of weapons I had his his more or less in my hands. I might attribute my tolerance



Here Is a Memento of Our DueL

to generosity, but I will not deceive you. If I could have chastised him without the least risk to myself, without the slightest danger to my own life, then I would on no account have forgiven him." I looked at Silvie with surprise. Such a

confession completely upset me. Silvio continued: "Precisely so; I had no right to endanger

my life. Six years ago I received a slap in

"Did you not fight him?" I inquired. "Did you not fight him?" I inquired. "Circumstances probably separated you?" "I did fight him," replied Silvio, "and here is a momento of our duel." He rose and took from a cardboard box a red can with a gold tassed and cold besid

red cap with a gold tassel and gold braid. "My disposition is well known to you. I have been accustomed to be first in everything. From my youth this has been my passion. In my time dissipation was the fashion, and I was the most dissipated man in the army. We used to boast of our drunkenness. I beat at drinking the celebrated Bourtson of whom Davidoff has sung in his poem Duets in our regiment were of daily oc-currence. I took part in all of them, either as second or as principal. My comrades

tionally expensive; but it is believed

The Columbia and Port Deposit Railroad, extending from Columbia on your Phila-delphia Division to Port Deposit, Md., hav-

ng been sold under foreclosure of its mortgage, March 4, 1890, a new corporation was organized May 29, 1890, under the name of the Columbia and Port Deposit Railway Company, by which that road is now operated. The Downingtown and Lancaster

port, was completed and opened for traffic in the early full. During the past year the principal lines

Railway, Cincinnati and Richmond Rail-road, Jeffersonville, Madison and Indian-apolis Railroad, and the Chicago, St. Louis and Pictures Pailand

be brought in. With half a hundred gold pieces on the table, we sat round him, and the game began. It was Silvio's habit not to speak when playing. He never disputed or explained. If an adversary made a mis-take, Silvio, without a word, chaiked it down against him. Knowing his way, we always let him have it.

road. Some of the residents of the village, thinking the prospects for developing the town good, commenced preparing for a boom. Last summer, while in Waynesboro E. J. Goodman and several other gentlemen of Keysville called on Representative Davis, from Burke county, and requested him to make application to the Legislature

for a charter to incorporate Keysville. In accordance with the request Mr. Davis secured a charter for Keysville, but lost the

On the first Tuesday in January an election for the first Mayor and members of the Council was ordered. The general under-standing was that Mr. Goodman, who had taken such an active part in having the town incorporated, should be elected Mayor. The night before the election the friends of Mr. night before the election the friends of Mr. Tom Daniel held a caucus and decided to run Mr. Daniel neld & caucus and decided to run Mr. Daniel on the quiet. The result of the election was that Daniel was elected Mayor, with E. J. Goodman, R. C. Clark, R. J. Cook and Dr. W. R. Jones, Councilmen. Goodman and Clark being disappointed at the way things turned out declined to save in the Council out, declined to serve in the Council, conse-quently an election was ordered to fill both vacancies on January 20. The negroes nomi-nated Elbert Walker and Joe Young, both colored, for Council. A majority of the whites refused to vote at the second election,