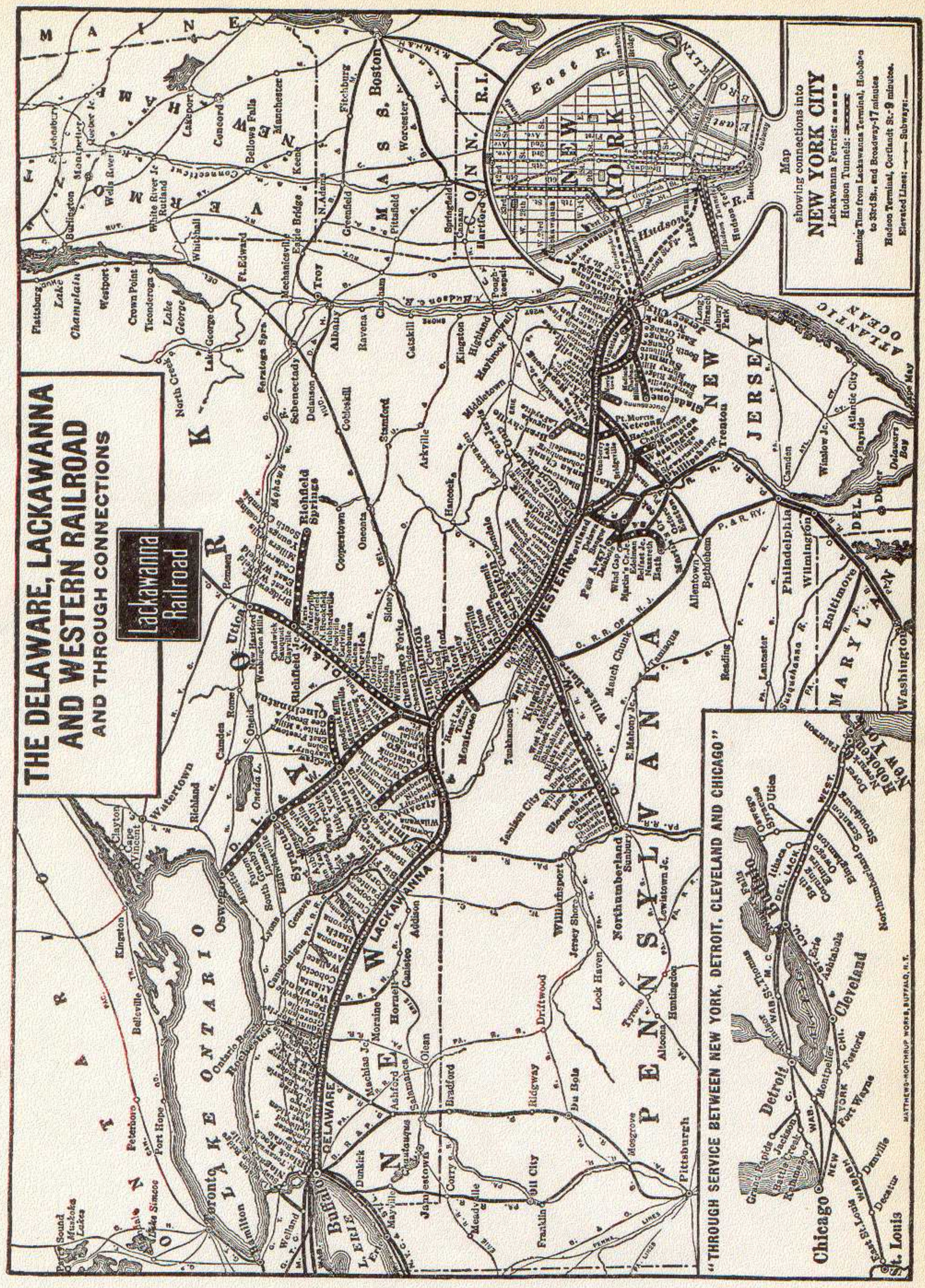


THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD AND THROUGH CONNECTIONS

Lackawanna Railroad

Map showing connections into **NEW YORK CITY**
 Lackawanna Ferries: -----
 Hudson Tunnels: -x-x-x-x-
 Running Time from Lackawanna Terminal, Hoboken to 33rd St., and Broadway-17 minutes.
 Hudson Terminal, Cortlandt St.-9 minutes.
 Elevated Lines: - - - - - Subways: - - - - -

"THROUGH SERVICE BETWEEN NEW YORK, DETROIT, CLEVELAND AND CHICAGO"



MATTHEWS-NORTHROP WORKS, BUFFALO, N. Y.

DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

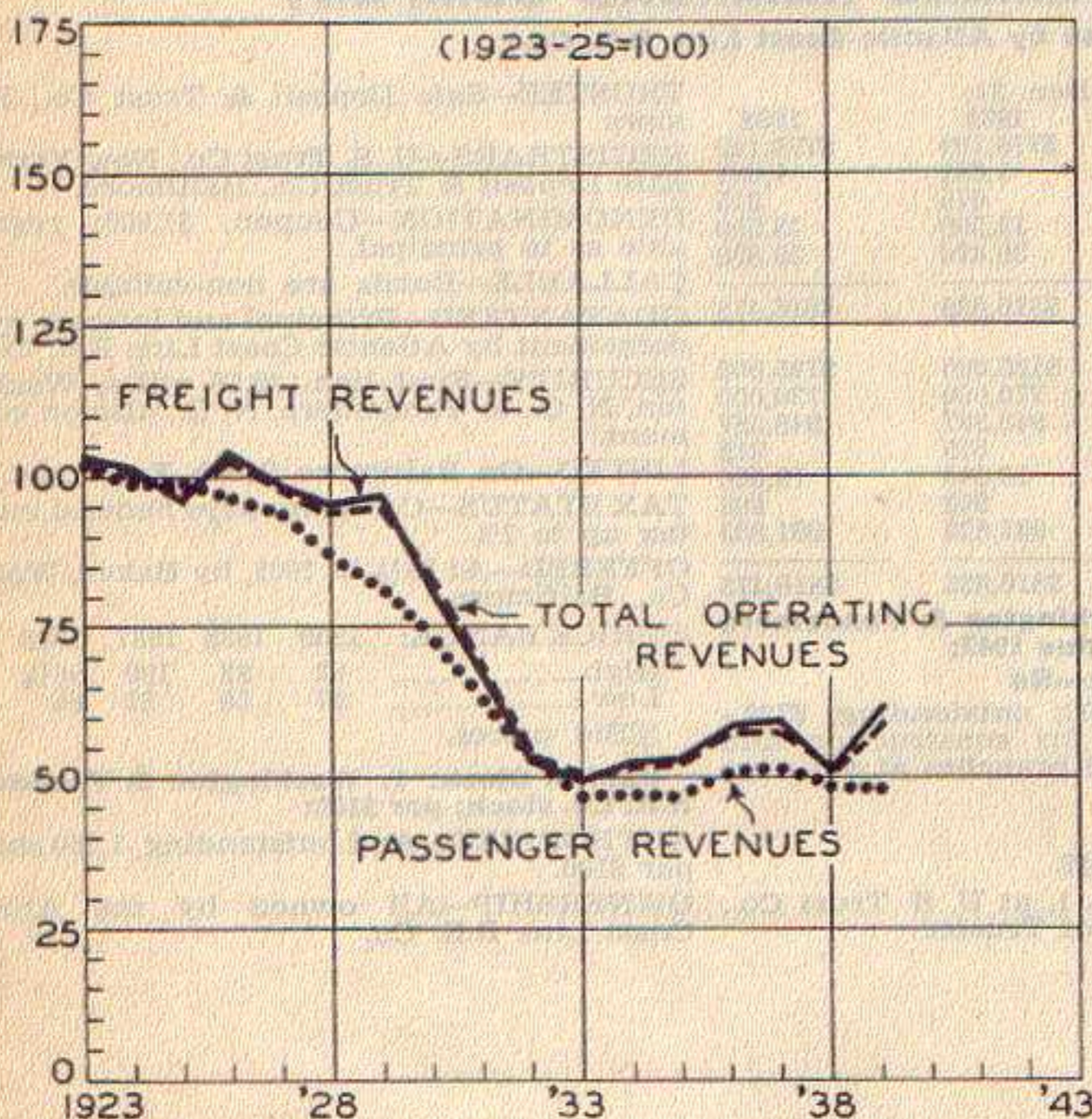
Income Account Trends: The charts on this page show graphically the important items in D. L. & W.'s income accounts each year since 1922. Each line, with the exception of "Fixed Charges" is expressed as an index, with 1923-25 equalling 100. Representing index numbers, the lines show the percentage relationships year by year, compared with 1923-25. But since the lines do not represent actual figures

their dollar relationships to each other are not to be seen in these charts. For these relationships (for example the relative importance of freight and passenger revenue) reference must be made to the income accounts themselves.

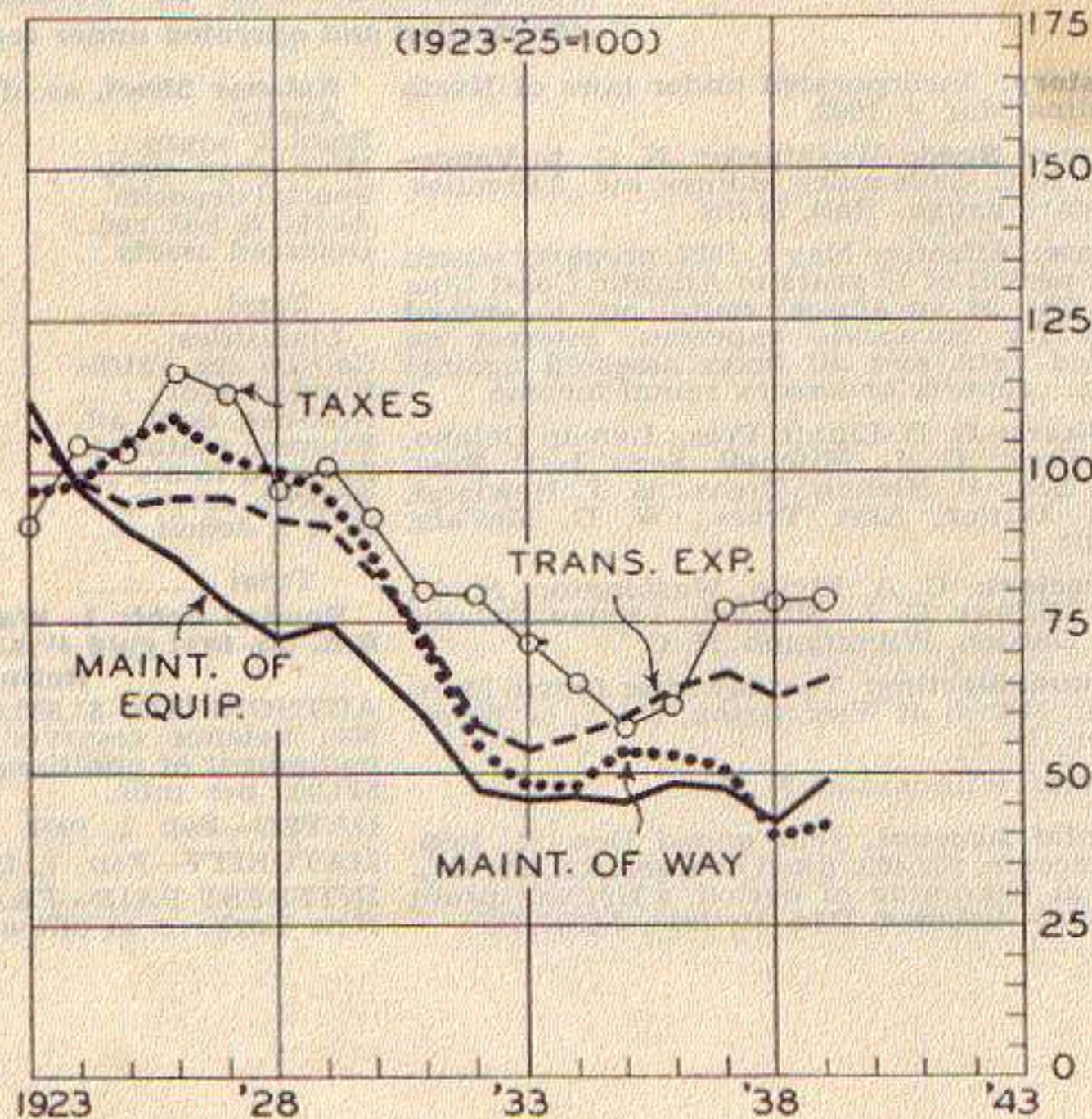
The lines representing fixed charges are, however, constructed so as to bear a true relationship to "Net Railway Operating Income"

and "Balance for Fixed Charges." For example, when the "Balance for Fixed Charges" line was over the "Fixed Charges" line, fixed charges were in fact earned, and when it was under, they were not earned. The first of the two bottom charts shows how fixed charges would have been covered out of railway operations alone, the second how they were, in fact, covered after including "Other Income," etc.

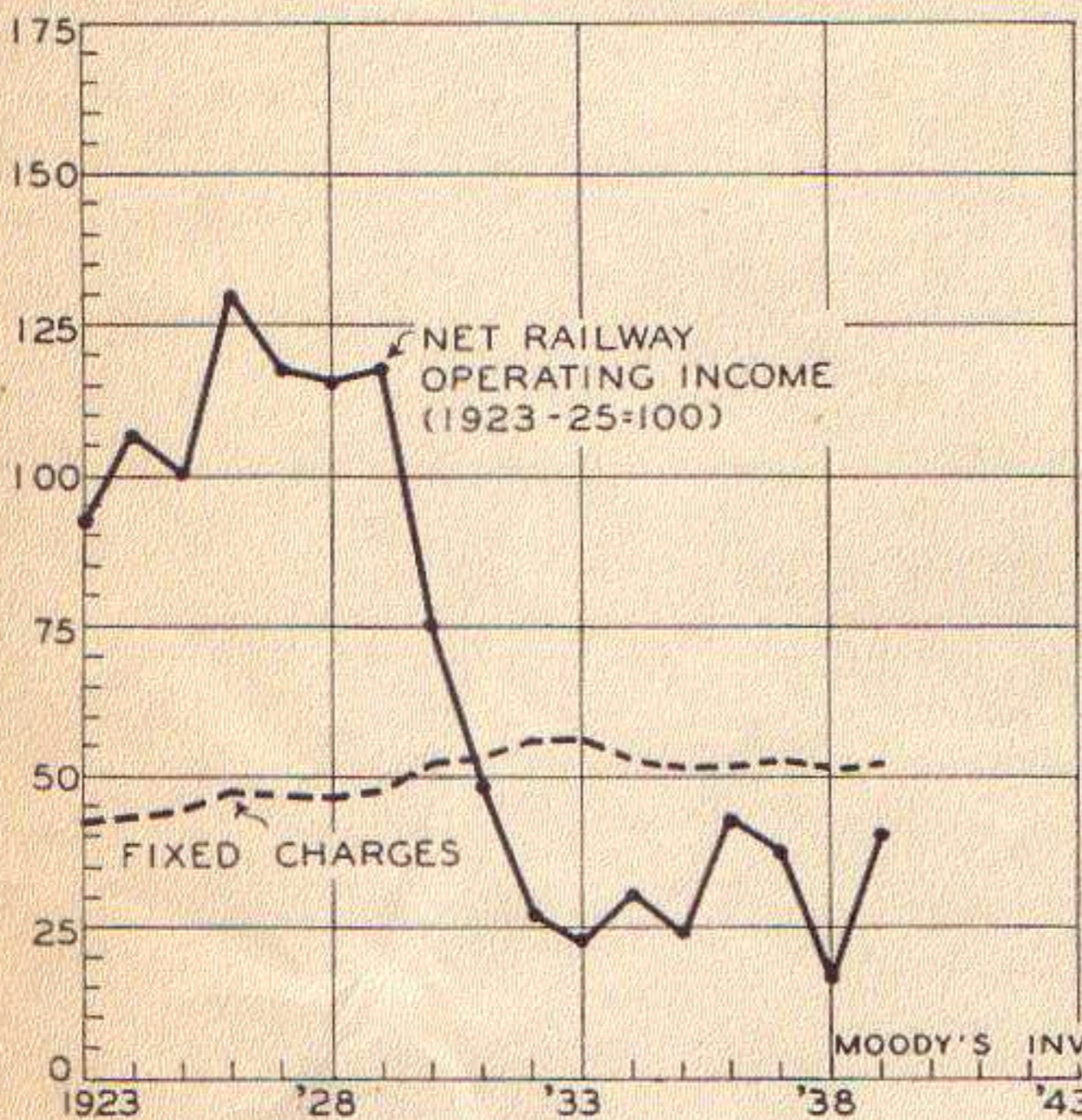
OPERATING REVENUES



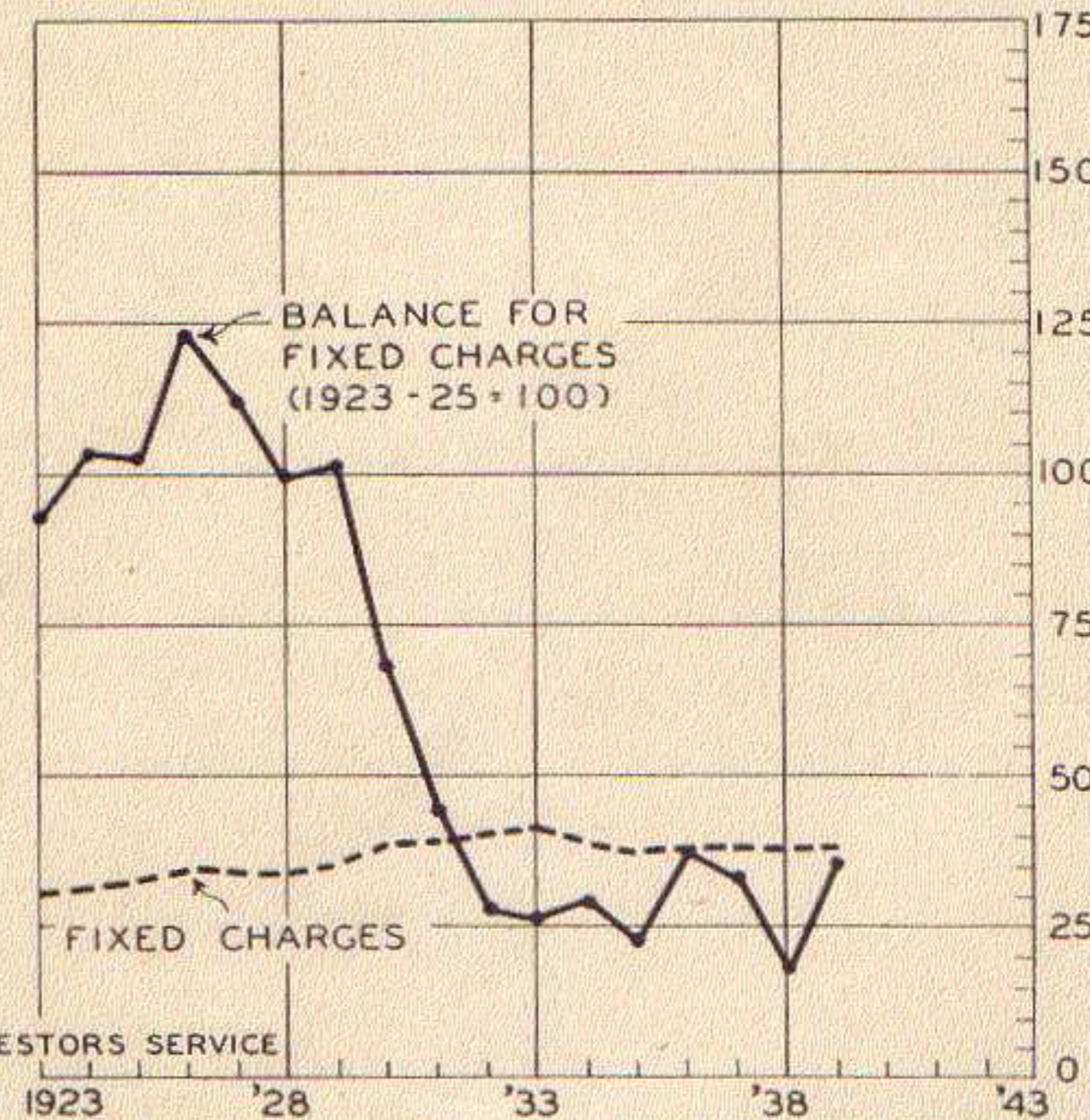
OPERATING EXPENSES



FIXED CHARGES RELATED TO NET RAILWAY OPERATING INCOME ONLY



FIXED CHARGES RELATED TO BALANCE FOR FIXED CHARGES



MOODY'S INVESTORS SERVICE

DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

Tonnage and Revenues from Principal Commodities Carried Compared with U. S. Production of Those Commodities: The charts below show graphically the trends in D. L. & W.'s traffic and revenues since 1922. In each chart there is also given a line representing United States production of the commodity represented. In the case of total freight the comparison is with total industrial production (Federal Reserve Board Index—1923-25) and in the case of passenger traffic the comparison

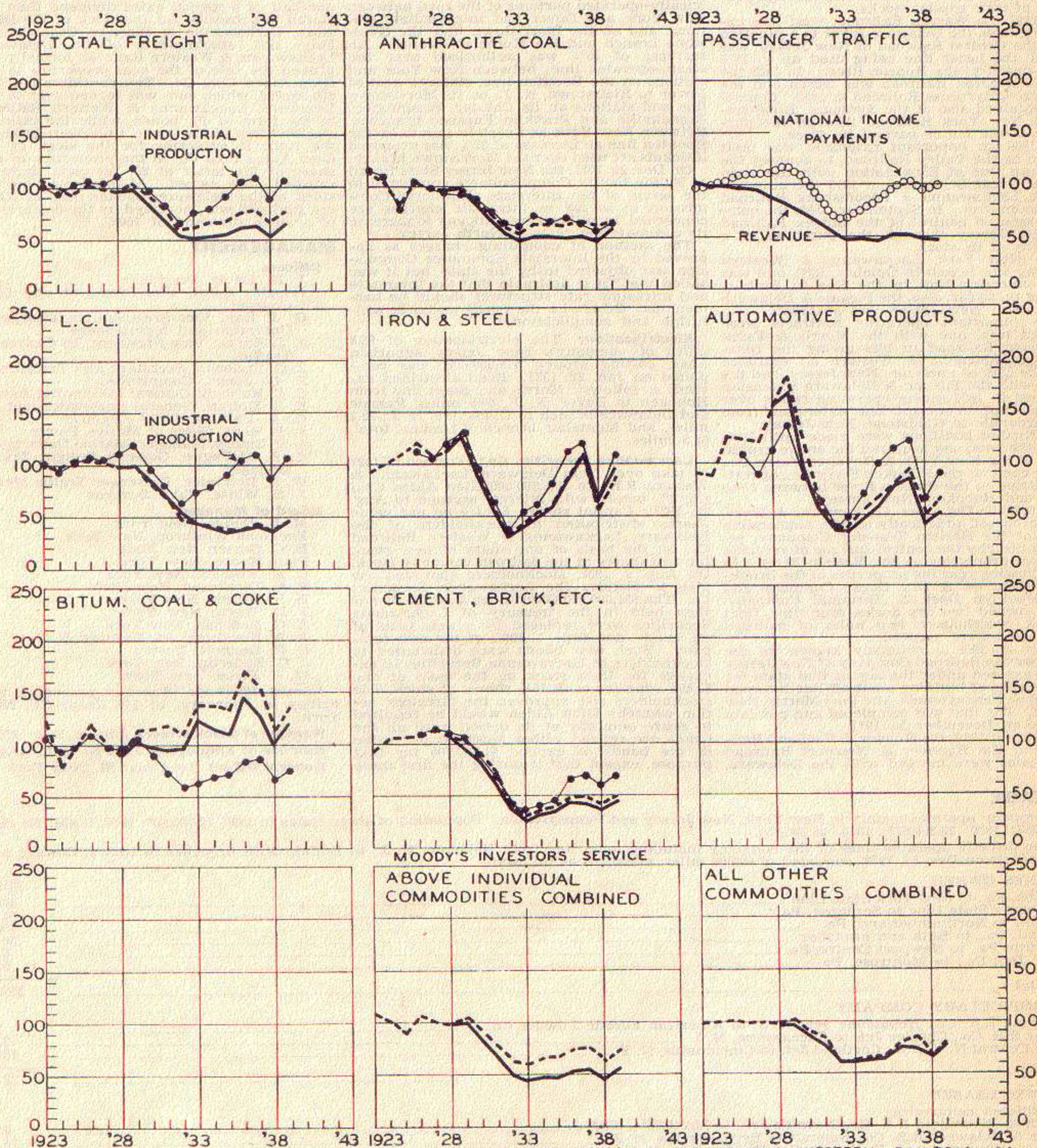
is with total national income payments (National Industrial Conference Board). Each line represents an index, with 1923-25 equalling 100. In the individual commodity revenue lines figures are available beginning only in 1928. In order that the trend of these revenues might be compared with the respective production and tonnage figures, the index of tonnage for 1928 was used as the base for computing the revenue index numbers. The source of freight tonnage and revenue figures

is the annual "Freight Commodity Statistics" of the ICC.

The individual commodity charts are given in the approximate order of their contribution to total operating revenues.

These charts will be found useful in making various comparisons such as: (1) Production of an individual commodity and general industrial production; (2) tons carried of an individual commodity and production of that commodity; (3) revenue and production; (4) revenue and tons carried.

—●— PRODUCTION — FREIGHT REVENUE --- FREIGHT TONNAGE
(1923-25 = 100)



DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY

HISTORY

Corporate History: The Delaware, Lackawanna & Western Railroad Company was incorporated by special act of the Legislature of Pennsylvania, approved April 7, 1832, as the Ligetts Gap Railroad. The road was actually chartered March 18, 1849, and by special act the name was changed on April 14, 1851, to that of the Lackawanna & Western Railroad Company. On Mar. 11, 1853, the Lackawanna & Western was consolidated with the Delaware & Cobbs Gap Railroad (chartered December 4, 1850), and the consolidated roads took the name of the Delaware, Lackawanna & Western Railroad Company. The company's line from Scranton to Great Bend was opened for traffic October 20, 1851, and from Scranton to the Delaware River, May 27, 1856. Since that time the company has taken over many important subsidiaries by lease and through purchase of their capital stocks.

In 1857 the Warren Railroad, west line extending from the Delaware River to a junction with the Central Railroad of New Jersey, was leased, the latter line being used up to 1875 as an outlet to the Hudson River. In 1868 the Morris & Essex Railroad was leased and the Oswego & Syracuse Railroad in 1869. Control was obtained also of the Syracuse, Binghamton & New York Railroad through the purchase of the major part of its stock.

In 1869 an important extension was built known as the Valley Railroad, to connect the Syracuse line at Binghamton with the main line at Great Bend, and in 1873 the property of the Lackawanna & Bloomsburg Railroad was taken over. In September, 1881, the company secured control of the Sussex Railroad of New Jersey through the purchase of a majority of its stock.

The New York, Lackawanna & Western Railway was leased in October, 1882, and was the connecting link in the line to Buffalo. During that year, also, the Passaic & Delaware Railroad of New Jersey was absorbed.

Two important operating contracts were entered into, one with the Morris & Essex Extension Railroad in 1889 giving the Delaware, Lackawanna & Western an entrance into the City of Paterson, New Jersey, and the other with the Passaic & Delaware Extension Railroad in 1890 giving operating rights over a small but important line extending from Bernardsville to Gladstone, New Jersey.

No further additions were made until 1903, when the company acquired the entire capital stock of the New York & Hoboken Ferry Co., which controls the Hoboken Ferry Co., operating ferries on the Hudson River between New York and Hoboken, New Jersey.

In 1905, the Delaware, Lackawanna & Western purchased practically all the outstanding stock of the Harlem Transfer Company, securing thereby the control and use of valuable terminal properties on the Harlem River. In the following year the properties of the Brooklyn Warehouse & Dry Docks Company and the Brooklyn Dock & Terminal Company, which owned two dry docks, four slips, float bridges, warehouses, two miles of railroad track, etc., were secured.

Early in 1908 a company known as the Lackawanna Railroad Company of New Jersey was organized under the law of that state for the purpose of building a cut-off line between Slateford, Pennsylvania, and Port Morris, New Jersey. The line was completed and put into service on December 24, 1911.

On July 1, 1909, the Bangor & Portland Railway and the Hanover & Newport Railroad Companies were merged with the Delaware,

Lackawanna & Western Railroad. The Bangor & Portland Railroad Company was a consolidation, July 1, 1899, of a company of that name with the Nazareth & Lehigh Railway Company.

In 1928 the company absorbed Lackawanna & Montrose Railroad, a subsidiary incorporated in Pennsylvania Sept. 30, 1889, to own and operate 9.93 miles of railroad between Montrose and Alford, Pa., with .99 mile of sidings. Stocks were exchanged on a share for share basis.

Fare Increase Granted: On Dec. 24, 1931, the Interstate Commerce Commission authorized the company to increase commutation fares between New York City and stations in New Jersey. The increase, which amounted to from 15 to 25% became effective Jan. 1, 1932. The 25% increase applied to the 60-trip monthly commutation fares over the electrically-operated portions of the road between New York and Dover and intermediate stations, and on the Morristown line, the Gladstone branch and the Montclair branch. An increase of 15% was authorized over the steam-operated lines between New York and stations on the Boonton line, stations west of Dover to Blairstown, N. J., on its Morristown line and stations on its Chester, Washington, Branchville and Franklin Furnace branches. Between New York and certain points on the Boonton line an increase of 25% was proposed if tickets are used over the Morristown branch.

On Dec. 20, 1931, the New Jersey State Board of Public Utility Commissioners concurred in the action of the Interstate Commerce Commission in so far as intrastate charges are concerned, in authorizing company to increase its commutation rates in North Jersey.

The method of computing charges as approved by the Interstate Commerce Commission was objected to by the state, but it was added that "it is desirable that the interstate and intrastate rate structures should be harmonious. Otherwise the result would be confusion and complication."

Electrification: The electrification of 66.8 miles of company's New Jersey suburban lines, costing around \$18,000,000, was completed on Jan. 22, 1931. Road electrified extends as follows: Morris and Essex line from Hoboken to Dover, N. J., 40.5 miles; Passaic and Delaware branch to Gladstone, N. J., 22.2 miles, and Montclair branch, 4.1 miles; total, 66.8 miles.

Lackawanna Securities Co.: Formed in 1927 to take over from Delaware, Lackawanna & Western R.R. Co. \$58,500,000 Glen Alden Coal Co. 4% bonds, with interest accrued to Aug. 25, 1927. Capital stock: 844,411 no par value shares; distributed to stockholders of the Delaware, Lackawanna & Western Railroad Co. on the basis of one share of new stock for two shares of the railroad company stock. On Aug. 2, 1932, stockholders approved the plan to dissolve the Lackawanna Securities Co. The \$51,900,000 Glen Alden Coal Co. bonds then held in the treasury of Lackawanna Securities were replaced by a new issue of 4% bonds, due Sept. 1, 1965, of the coal company. Such new bonds were distributed to stockholders of Lackawanna Securities in exchange for their stock on the basis of one \$1,000 bond for each 16½ shares of stock. The stockholders also approved the directors' action whereby Glen Alden would be required to retire annually at its option until all the bonds are retired, either \$2,000,000 par value of the bonds or expend \$1,500,000 for that purpose, except that if during the first three

years the company declares no dividends it would be required to retire only \$1,500,000 par value of the bonds.

Coal Properties: The company formerly owned in fee simple extensive coal lands in Lackawanna and Luzerne Counties, Pa., estimated to contain 400,000,000 tons of unmined anthracite coal. Formerly coal produced was directly distributed by the company but in compliance with a decision by the United States Supreme Court, a distributing concern, the Delaware, Lackawanna & Western Coal Co., was formed in 1909. The latter, under the terms of a contract with the Delaware, Lackawanna & Western Railroad Co., purchased all coal produced at 65% of the New York market price and assumed all transportation charges from the mines. The stockholders of the Delaware, Lackawanna & Western Railroad in July, 1909, were given the right to use one-half of a special extra dividend then declared to subscribe for the stock of the Delaware, Lackawanna & Western Coal Co. In July, 1921, stockholders of the Delaware, Lackawanna & Western Railroad formally approved the sale of the coal properties to the Glen Alden Coal Co. The consideration was \$60,000,000, which sum was turned over to the Delaware, Lackawanna & Western Railroad in the form of 4% bonds, while the railroad stockholders at the same time were granted the right to subscribe for the stock of the Glen Alden Coal Co. in the proportion of one share of the latter at \$5, for each share of railroad stock owned. At the same time the stock of the Delaware, Lackawanna & Western Railroad was increased by the declaration of a stock dividend of 100%.

MANAGEMENT

Officers

J. M. Davis, President
 Douglas Swift, Vice-President and Gen. Counsel
 G. J. Ray, Vice-President, in Charge of Operation and Maintenance
 J. J. Byrne, Vice-President, in Charge of Traffic
 J. G. Enderlin, Secretary and Treasurer
 P. D. Jonas, Comptroller
 C. C. Hubbell, General Purchasing Agent
 E. B. Moffatt, General Superintendent
 G. A. Phillips, Chief Engineer
 E. E. Root, Chief of Motive Power
 J. M. Emery, Manager, Marine Department
 C. F. McTague, General Freight Traffic Manager
 W. H. Dominick, Passenger Traffic Mgr.
 J. N. White, Chief Surgeon

Board of Managers

M. H. Dodge, New York
 Beekman Winthrop, New York
 R. C. Gasser, New York
 Paul Moore, New York
 C. M. Woolley, New York
 R. E. Tomlinson, New York
 H. S. Sturgis, New York
 J. M. Davis, New York
 A. G. Hoffman, New York
 A. A. Houghton, Jr., Corning, N. Y.
 C. P. Dennett, Boston
 J. G. Enderlin, New York
 W. F. Place, New York

Annual Meeting: Tuesday preceding last Friday in February, at 140 Cedar St., New York.

Number of Stockholders, July 10, 1940: 9,757.

Number of Employees, June 30, 1940: 15,466.

General Office: 140 Cedar St., New York.

MILEAGE

Company operates mainly in New York, New Jersey and Pennsylvania. Population of these states in 1890, 12,700,800; 1900, 15,454,708; 1910, 19,315,557; 1920, 22,259,677; 1930, 26,260,750.

The directly operated lines of the company including main line from Hoboken, N. J., to Buffalo with branches to Ithaca, Oswego and other points on Dec. 31, 1939, consisted of 995.06 miles; classified as follows:

Lines	Miles
LINES OWNED	
Scranton, Pa., to New York State Line	46.96
New Jersey State Line to Scranton, Pa.	64.27
Scranton to Northumberland, Pa.	79.64
Portland, Pa., to Bath and branches	36.05
Plymouth, Pa., to Newport Centre, Pa.	6.81
Alford Jct., Pa., to Montrose, Pa.	9.93
Total	243.66
PROPRIETARY COMPANY	
Hopatcong R.R. Co., Hopatcong Jct., N. J. to American Forcite Powder Co.	4.48
Chester R.R. Co., Chester Jct. to Succasunna, N. J.	3.74
Erie & Central N. Y. R.R., Cortland Jct. to Cincinnatus, N. Y.	18.31
Total	22.53
LINES LEASED	
Affiliated companies:	
Newark & Bloomfield R.R. Co., Newark Jct., to Montclair, N. J.	4.20
Passaic & Delaware R.R. Co., Summit to Bernardsville, N. J.	14.11
Syracuse, Binghamton & N. Y. R.R. Co., Binghamton, N. Y., to Syracuse, N. Y.	80.95
Sussex R.R. Co., Netcong to Branchville, N. J.	21.39
Independent companies:	
Morris & Essex R.R. Co., Hudson River to Phillipsburg, N. J.	125.79
Morris & Essex Extension R.R. Co., Paterson Jct., to Paterson, N. J.	1.92
Passaic & Delaware Extension R. R. Co., Bernardsville to Gladstone, N. J.	7.41
Warren R.R. Co., Hampton, N. J., to Delaware River	18.82

LINES LEASED (cont'd)

	Miles
Lackawanna R.R. Co. of New Jersey, Hopatcong, Jct., N. J., to Delaware River	27.44
New York, Lackawanna & Western Ry. Co., Binghamton to Buffalo, N. Y.	214.44
Oswego & Syracuse R.R. Co., Syracuse to Oswego, N. Y.	34.98
Cayuga & Susquehanna R.R. Co., Susquehanna River to Ithaca, N. Y.	34.24
Valley Railroad Co., Penna. State Line to Binghamton, N. Y.	11.10
Utica, Chenango & Susquehanna Valley Ry. Co., Greene to Utica and Richfield Springs, N. Y.	97.39
Greene Railroad Co., Chenango Forks to Greene, N. Y.	8.10
Total	702.28

TRACKAGE RIGHTS

New York, Ontario & Western Ry. [Mines to Jct. with D. L. & W. In City of Utica]	7.98
New York Central R.R. Co. in city of Utica	.21
New York, Susquehanna & Western R.R. Mines to Jct. with D. L. & W.	.06
Pennsylvania R.R., Northumberland to Sunbury, Pa.	5.51
Central R.R. of N. J. (Lake Jct. to Scrub Oaks Mine, N. J.)	1.90
Lehigh & New England R.R. (Augusta to Sussex, N. J.)	.83
Total	26.59

SECOND TRACK—Owned, 134.81 miles; leased, 392.49 miles; total, 527.30 miles. Third track, owned, 67.44 miles; leased, 45.67 miles; total, 113.11. Fourth track, owned, 16.54 miles; leased, 29.12 miles; total, 45.66 miles. Sidings, etc., 946.19 miles.

MILEAGE BY STATES—New Jersey, 236.23; Pennsylvania, 265.43; New York, 493.40; total, 995.06.

PHYSICAL FACTORS Mileage, Equipment and Operation

Years Ended Dec. 31	Average Miles Operated	Extra Main Track	Locomotives	Passenger Cars	Freight and Company cars	Freight to all Traffic	Aver. Haul Miles	Revenue Freight Density	Average Revenue Freight Train Load (Tons)	Train Mile Earnings	Average Rate per Passenger per Mile (Cents)	Average Rate per Ton per Mile (Cents)
1930	998	711	642	1,000	25,580	73%	149.78	3,828,481	718	\$6.25	1.74	1.33
1931	998	711	615	876	24,472	71	141.71	3,183,955	679	5.57	1.61	1.32
1932	998	711	574	844	23,238	70	145.40	2,486,832	642	4.83	1.61	1.30
1933	998	711	561	822	21,919	72	145.70	2,502,154	637	4.70	1.51	1.25
1934	993	701	577	823	21,921	73	141.89	2,682,764	634	4.78	1.53	1.22
1935	992	700	529	816	21,466	74	141.39	2,647,227	657	4.91	1.53	1.26
1936	987	700	501	813	20,682	74	144.74	3,131,089	696	5.19	1.51	1.20
1937	986	698	469	813	19,645	74	147.01	3,299,335	723	5.19	1.50	1.15
1938	986	689	460	804	18,144	72	146.51	2,721,539	712	5.01	1.56	1.20
1939	990	674	455	805	17,064	76	152.56	3,273,572	773	5.48	1.57	1.18
10-Year Aver.	993	701	538	843	21,413	73%	145.67	2,975,695	687	5.19	1.57	1.24

Yard track, sidings, etc., Dec. 31, 1939, 946.19 miles. Caboose in service, 206. Weight of rails, 60 to 141 lbs. Standard gauge. Marine Equipment: Steamboats and tugboats, 38; barges, car floats and canal boats, 200; other floating equipment, 5.

Additional Freight and Passenger Statistics

Year	Revenue Train Miles		Total	Train Mile Earnings		Ton Miles	Passengers Carried	Passenger Miles	Aver. Miles per Passenger
	Freight	Passenger		Freight	Passenger				
1933	3,917,797	5,308,518	9,226,315	\$7.96	\$1.33	2,497,525,358	20,240,588	428,415,662	21.17
1934	4,201,181	5,133,658	9,334,839	7.75	1.80	2,662,321,663	20,506,176	429,765,249	20.96
1935	3,996,522	5,117,281	9,113,803	8.24	1.75	2,625,652,130	20,309,692	423,783,439	20.87
1936	4,427,210	5,160,264	9,587,474	8.36	1.36	3,083,998,222	21,307,721	464,569,825	21.87
1937	4,489,358	5,185,410	9,674,768	8.31	1.36	3,243,578,291	21,401,094	471,774,360	22.04
1938	3,763,199	5,056,448	8,819,647	8.51	1.32	2,676,524,365	20,509,324	431,664,139	21.04
1939	4,188,618	5,011,378	9,199,996	9.15	1.33	3,239,690,679	20,337,138	424,827,452	20.89

Includes mail, express and milk train miles: 1937, 358,258; 1936, 365,117; 1935, 360,910; 1934, 356,992; 1933, 420,183.

Rolling Stock Owned, Dec. 31, 1939

Year Purchased	Locomotives		Freight Cars		Passenger Cars		Work Cars		Total
					Dining	Other	Ballast	Other	
1924 and prior	335	11,723							
1925-29	67	4,365			15	790	108	548	18,530
1930-34	46	526							
1935-39	7	0							
Total	455	16,614	15	790	108	548	18,530		

Includes 206 caboose cars.

FREIGHT TRAFFIC—Tonnage, Carloadings and Revenues

Tonnage—Comparative Statistics

Tonnage—Originating and Received from Connections							
Years Ended Dec. 31	Originating on Road and % of Total	From Connecting Lines and % of Total	Total	Years Ended Dec. 31	Originating on Road and % of Total	From Connecting Lines and % of Total	Total
1930	15,142,303 59%	10,370,634 41%	25,512,937	1935	10,027,388 54%	8,542,292 46%	18,569,680
1931	12,652,702 56	9,773,803 44	22,426,505	1936	10,688,594 50	10,619,127 50	21,307,721
1932	9,385,964 55	7,685,215 45	17,071,179	1937	11,422,320 52	10,641,937 48	22,064,257
1933	9,101,582 53	8,039,628 47	17,141,210	1938	9,815,905 54	8,457,788 46	18,273,693
1934	10,338,380 55	8,424,553 45	18,762,933	1939	11,225,333 53	10,010,855 47	21,236,188

Revenue Freight Tonnage Classified

Originating on Road:	Products of Agriculture		Animals & Products		Products of Mines		Products of Forests		Mfrs. & Misc.		All L.C.L. Freight		Total All Freight Tonnage
	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total		
1930	640,448 4.2	60,199 0.4	10,947,747 72.3	106,196 0.7	2,946,405 19.5	441,308 2.9	15,142,303						
1931	592,792 4.7	51,773 0.4	9,123,443 72.1	103,837 0.8	2,413,703 19.1	367,154 2.9	12,652,702						
1932	468,704 5.0	39,507 0.4	6,886,123 73.4	74,481 0.8	1,671,440 17.8	245,709 2.6	9,385,964						
1933	462,894 5.1	38,245 0.4	6,604,907 72.6	51,479 0.6	1,723,993 18.9	220,064 2.4	9,101,082						
1934	390,140 3.8	40,373 0.4	7,583,110 73.3	65,669 0.6	2,048,276 19.8	210,812 2.0	10,338,380						
1935	360,254 3.6	29,220 0.3	7,295,020 72.8	67,321 0.7	2,090,822 20.9	184,751 1.8	10,027,388						
1936	405,149 3.8	33,601 0.3	7,369,876 69.0	81,213 0.8	2,611,983 24.4	186,772 1.7	10,688,594						
1937	384,104 3.4	40,826 0.4	7,935,516 69.5	75,051 0.7	2,766,626 24.2	220,197 1.9	11,422,320						
1938	361,255 3.7	34,218 0.3	7,113,428 72.5	52,611 0.5	2,061,835 21.0	192,558 2.0	9,815,905						
1939	626,670 5.6	42,313 0.4	7,818,709 69.7	79,089 0.7	2,439,571 21.7	218,981 1.9	11,225,333						
Received from Connections:													
1930	833,822 8.5	489,976 4.7	4,174,001 40.2	377,768 3.6	4,013,809 38.7	431,258 4.2	10,370,634						
1931	772,217 7.9	563,657 5.8	4,759,342 48.7	273,035 2.8	3,041,634 31.1	363,918 3.7	9,773,803						
1932	666,312 8.7	510,352 6.6	3,989,967 51.9	193,475 2.5	2,064,310 26.9	260,799 3.4	7,685,215						
1933	531,820 6.7	546,663 6.8	4,391,877 54.6	197,734 2.5	2,127,883 26.5	243,651 3.0	8,039,628						
1934	543,427 6.4	530,157 6.3	4,442,183 52.7	174,141 2.1	2,517,716 29.9	217,229 2.6	8,424,553						
1935	555,765 6.5	448,485 5.3	4,318,098 50.5	206,661 2.4	2,800,386 32.8	212,897 2.5	8,542,292						
1936	643,862 6.1	472,249 4.4	5,656,834 53.3	271,232 2.6	3,371,120 31.7	203,830 1.9	10,619,127						
1937	639,384 6.0	460,022 4.3	5,337,463 50.2	295,885 2.8	3,676,065 34.5	233,118 2.2	10,641,937						
1938	764,344 9.0	489,243 5.8	4,041,725 47.8	221,071 2.6	2,746,045 32.5	195,360 2.3	8,457,788						
1939	745,776 7.5	514,338 5.1	4,920,439 49.2	263,995 2.6	3,327,511 32.2	238,795 2.3	10,010,855						

Revenue Freight Tonnage Classified (cont'd)

Total Tonnage Carried:	Products of Agriculture	% of Total	Animals & Products	% of Total	Products of Mines	% of Total	Products of Forests	% of Total	Mfrs. & Misc.	% of Total	All L.C.L. Freight	% of Total	Total All Freight Tonnage
1930	1,524,270	6.0	550,175	2.2	15,121,748	59.3	483,964	1.9	6,960,214	27.3	872,566	3.4	25,512,937
1931	1,365,009	6.1	615,430	2.7	13,882,785	61.9	376,872	1.7	5,455,337	24.3	731,072	3.3	22,426,505
1932	1,135,016	6.6	549,859	3.2	10,876,090	63.7	267,956	1.6	3,735,750	21.9	506,508	3.0	17,071,179
1933	994,714	5.8	584,908	3.4	10,996,784	64.2	249,213	1.5	3,851,876	22.5	463,715	2.7	17,141,210
1934	933,267	5.0	570,530	3.0	12,025,293	64.1	239,810	1.3	4,565,992	24.3	428,041	2.3	18,762,933
1935	916,019	4.9	477,705	2.6	11,613,118	62.5	273,982	1.5	4,891,208	26.3	397,648	2.1	18,569,680
1936	1,049,011	4.9	505,850	2.4	13,026,710	61.1	352,445	1.7	5,983,103	28.1	390,602	1.8	21,307,721
1937	1,023,488	4.6	500,848	2.3	13,272,979	60.2	370,936	1.7	6,442,691	29.2	453,315	2.1	22,064,257
1938	1,125,599	6.2	523,461	2.9	11,155,153	61.0	273,682	1.5	4,807,880	26.3	387,918	2.1	18,273,693
1939	1,372,446	6.5	556,651	2.6	12,739,148	60.0	343,084	1.6	5,767,082	27.1	457,777	2.2	21,236,188

Tonnage of Principal Commodities Originating and Received from Connections

Commodity:	Originating on Road				Received from Connections			
	1939	1938	1937	1936	1939	1938	1937	1936
Wheat flour	144,299	38,816	95,020	104,355	227,771	15,730	202,344	197,714
Fresh meats	2,047	4,850	4,162	3,144	194,109	177,220	151,762	142,263
Hard coal	5,947,350	5,618,801	5,640,855	5,336,018	1,146,968	1,002,797	1,261,912	1,234,591
Soft coal	124	48	91	91	2,010,586	2,479,122	3,386,160	3,762,994
Lumber, shingles & laths	9,311	7,149	12,970	11,544	200,303	168,187	226,120	211,204
Petrol. oils, refined, etc.	104,994	139,525	175,855	209,278	115,600	121,624	173,610	169,829
Iron and steel, 5th class	100,173	70,111	124,899	103,992	408,349	253,257	524,695	401,667
Cement, natural or Portland	708,712	548,800	648,938	665,825	280,753	272,943	288,810	263,938
Automobiles (passenger)	614	913	2,134	435	59,651	40,932	126,197	107,754
Automobiles, trucks, etc.	24,781	17,148	18,018	11,190	91,934	74,862	108,295	98,466
Butter	2,185	1,310	2,922	695	56,783	57,757	54,622	62,977
Bananas	34,500	41,314	43,089	46,628	3,716	4,033	3,825	6,387
Canned food products	30,858	30,925	31,529	35,300	105,569	97,457	100,303	104,663

Total Tonnage of Principal Commodities

Commodity:	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Wheat flour	372,070	1.7	54,546	0.3	297,364	1.3	302,069	1.4	257,706	1.4	253,135	1.3
Fresh meats	196,156	0.9	182,070	1.0	155,924	0.7	145,407	0.7	131,335	0.7	165,043	0.9
Hard coal	7,094,318	33.4	6,621,598	36.2	6,902,767	31.3	6,570,609	30.8	6,657,513	35.9	6,744,437	35.9
Soft coal	2,910,710	13.7	2,479,122	13.6	3,386,208	15.3	3,763,085	17.7	2,926,016	15.8	3,024,540	16.1
Lumber, shingles & laths	209,614	1.0	175,336	1.0	239,090	1.1	222,748	1.0	164,994	0.9	131,069	0.7
Petroleum oils, refin., etc.	220,594	1.0	261,149	1.4	349,465	1.6	379,107	1.8	411,329	2.2	421,530	2.2
Iron and steel, 5th class	508,522	2.4	323,368	1.8	649,594	2.9	505,659	2.4	323,563	1.7	291,141	1.6
Cement, nat. or Portland	989,465	4.7	821,743	4.5	937,748	4.3	929,763	4.4	749,729	4.0	743,457	4.0
Automobiles (passenger)	60,265	0.3	41,845	0.2	128,331	0.6	108,189	0.5	73,725	0.4	62,923	0.3
Automobiles, trucks, etc.	116,715	0.5	92,010	0.5	126,313	0.6	109,656	0.5	111,570	0.6	107,595	0.6
Butter	58,968	0.3	59,067	0.3	57,544	0.3	63,672	0.3	60,320	0.3	67,473	0.4
Bananas	38,216	0.2	45,347	0.2	46,914	0.2	53,015	0.2	48,795	0.3	49,383	0.3
Canned food products	136,427	0.6	128,382	0.7	131,832	0.6	139,963	0.7	129,363	0.7	128,911	0.7

Carloadings—Comparative Statistics

Originating on Road:	Products of Agriculture	% of Total	Animals & Products	% of Total	Products of Mines	% of Total	Products of Forests	% of Total	Mfrs. & Misc.	% of Total	Total Carload.
	1930	31,552	8.7	4,134	1.1	218,753	60.1	4,858	1.3	104,755	28.8
1931	28,248	9.3	3,642	1.2	182,397	59.8	4,331	1.4	86,319	28.3	304,937
1932	22,032	9.6	2,741	1.2	139,286	60.9	2,488	1.1	62,098	27.2	228,645
1933	20,630	9.2	2,398	1.1	129,252	57.8	1,696	0.8	69,656	31.1	223,632
1934	19,764	7.7	2,632	1.0	148,389	57.9	2,276	0.9	83,412	32.5	256,473
1935	18,071	7.0	1,787	0.7	143,344	55.5	2,324	0.9	92,577	35.9	258,103
1936	19,126	6.7	1,971	0.7	145,257	51.0	2,815	1.0	115,475	40.6	284,644
1937	17,780	6.0	2,514	0.8	154,356	51.7	2,777	0.9	121,035	40.6	298,462
1938	17,114	6.7	2,101	0.8	140,702	54.7	1,880	0.7	95,402	37.1	257,199
1939	22,919	7.9	2,423	0.8	154,435	53.0	2,694	0.9	109,082	37.4	291,553
Received from Connections:											
1930	41,347	11.4	38,308	10.6	87,507	24.2	15,219	4.2	179,608	49.6	361,989
1931	36,160	11.0	43,473	13.3	99,164	30.3	11,734	3.6	136,941	41.8	327,472
1932	30,767	12.3	39,656	15.8	77,932	31.1	8,350	3.3	93,571	37.4	250,276
1933	24,817	9.5	42,885	16.4	87,945	33.5	8,318	3.2	98,317	37.5	262,282
1934	24,958	9.0	42,505	15.3	87,888	31.5	7,276	2.6	115,954	41.6	278,581
1935	24,701	8.5	36,058	12.4	86,460	29.7	8,494	2.9	135,055	46.4	290,768
1936	28,148	8.0	37,736	10.8	110,347	31.5	10,424	3.0	163,951	46.8	350,606
1937	27,593	7.8	36,620	10.3	105,282	29.7	11,516	3.2	173,740	49.0	354,751
1938	32,000	11.0	39,345	13.5	80,479	27.6	8,879	3.0	130,539	44.8	291,242
1939	31,565	9.5	40,307	12.1	96,408	28.9	10,666	3.2	154,267	46.3	333,213
Total:											
1930	72,899	10.0	42,442	5.8	306,260	42.2	20,077	2.8	284,363	39.2	726,041
1931	64,408	10.2	47,115	7.5	281,561	44.5	16,065	2.5	223,260	35.3	632,409
1932	52,799	11.0	42,397	8.9	217,218	45.4	10,838	2.3	155,669	32.5	478,921
1933	45,447	9.4	45,283	9.3	217,197	44.7	10,014	2.1	167,973	34.6	485,914
1934	44,722	8.4	45,137	8.4	236,277	44.2	9,552	1.8	199,366	37.3	535,054
1935	42,772	7.8	37,845	6.9	229,804	41.9	10,818	2.0	227,632	41.5	548,871
1936	47,274	7.4	39,707	6.3	255,604	40.2	13,239	2.1	279,426	44.0	635,250
1937	45,373	6.9	39,134	6.0	259,638	36.7	14,293	2.2	294,775	45.1	653,213
1938	49,114	9.0	41,446	7.6	221,181	40.3	10,759	2.0	225,941	41.2	548,441
1939	54,484	8.9	42,730	6.8	250,843	40.1	13,360	2.1	263,349	42.1	624,766

Carloadings of Principal Commodities Originating and Received from Connections

Commodity:	Originating on Road				Received from Connections			
	1939	1938	1937	1936	1939	1938	1937	1936
Wheat flour	5,399	843	3,613	3,954	8,232	429	7,564	7,458
Fresh meats	168	405	329	233	16,612	15,341	13,375	12,582
Hard coal	118,947	111,921	114,468	106,740	24,122	20,791	26,030	25,897
Soft coal	2	1	1	2	54,162	46,987	63,932	69,744
Lumber, shingles & laths	353	271	560	446	7,651	6,431	8,358	7,762
Petrol. oils, refined, etc.	3,411	4,557	5,709	6,857	4,020	4,205	5,959	5,889
Iron and steel, 5th class	4,007	2,837	4,701	3,844	13,322	8,751	16,603	13,091
Cement, nat. or Portland	20,637	16,464	19,491	19,372	8,372	7,931	7,768	7,824
Automobiles (passenger)	98	150	312	71	8,585	5,913	16,998	16,097
Automobiles, trucks, etc.	1,634	1,119	1,263	642	5,093	4,667	6,810	6,448
Butter	188	120	237	63	4,370	4,558	4,285	5,088
Bananas	3,236	3,879	4,027	4,351	350	381	354	599
Canned food products	1,462	1,470	1,527	1,616	4,731	4,403	4,478	4,648

Total Carloadings of Principal Commodities

Commodity:	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Wheat flour	13,631	2.2	1,272	0.2	11,177	1.7	11,412	1.8	9,818	1.8	9,828	1.8
Fresh meats	16,780	2.7	15,746	2.9	13,704	2.1	12,815	2.0	11,428	2.1	13,972	2.6
Hard coal	143,069	22.8	132,712	24.2	140,498	21.5	132,637	20.9	135,425	24.7	136,186	25.5
Soft coal	54,164	8.7	46,987	8.6	63,933	9.8	69,746	11.0	55,380	10.1	55,897	10.4
Lumber, shingles & laths	8,004	1.3	6,702	1.2	8,913	1.4	8,208	1.3	6,550	1.2	5,314	1.0
Petrol. oils, refined, etc.	7,431	1.2	8,762	1.6	11,668	1.8	12,746	2.0	13,984	2.5	14,487	2.7
Iron and steel, 5th class	17,329	2.8	11,588	2.1	21,304	3.3	16,935	2.7	11,283	2.1	10,427	1.9
Cement, nat. or Portland	29,009	4.6	24,395	4.4	28,259	4.3	27,196	4.3	20,598	3.8	20,816	3.9
Automobiles (passenger)	8,683	1.4	6,063	1.1	17,310	2.6	16,168	2.5	11,867	2.2	9,469	1.8
Automobiles, trucks, etc.	6,727	1.1	5,786	1.1	8,073	1.2	7,090	1.1	6,891	1.3	7,117	1.3
Butter	4,558	0.7	4,678	0.9	4,522	0.7	5,151	0.				

Freight Revenues—Comparative Statistics

Revenue Received from Total Freight Carried (000's omitted)

Year	Products of						Mfrs. and Misc.	All L.C.L. Freight	Total Freight		
	Agriculture	%	Animals	%	Mines	%				Forests	%
1930	\$4,351	8.3	\$3,138	6.0	\$20,898	39.7	\$17,335	32.9	\$5,916	11.2	\$52,661
1931	3,798	8.7	3,225	7.4	17,370	40.0	13,168	30.3	4,991	11.5	43,461
1932	3,061	8.6	2,936	8.3	15,574	43.9	619	1.7	3,716	10.5	35,476
1933	2,676	8.3	2,939	9.1	12,717	39.5	534	1.7	3,220	10.0	32,204
1934	2,499	7.4	2,828	8.4	13,333	39.7	576	1.7	2,751	8.2	33,567
1935	2,293	6.8	2,194	6.5	13,073	38.5	595	1.8	2,507	7.4	33,951
1936	2,579	6.7	2,237	5.8	13,920	36.3	742	1.9	2,586	6.7	38,347
1937	2,363	6.1	2,179	5.6	13,990	35.9	735	1.9	2,843	7.3	38,994
1938	2,612	7.8	2,385	7.1	12,355	36.7	576	1.7	2,594	7.7	33,623
1939	3,052	7.5	2,554	6.3	15,131	37.4	800	2.0	3,150	7.8	40,481

Includes \$2,126,522 Forwarder Traffic, comprising 40,787 carloads and 385,092 tons.

Revenue Received from Principal Commodities

Commodity	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Wheat flour	\$748,648	1.8	\$641,627	1.9	\$538,495	1.4	\$560,371	1.5	\$455,059	1.3	\$508,493	1.5
Fresh meats	1,008,354	2.5	939,543	2.8	800,016	2.1	741,202	1.9	675,019	2.0	858,070	2.5
Anthracite coal	11,936,452	29.5	9,741,750	29.0	10,660,428	27.3	10,419,507	27.2	10,469,122	30.8	10,555,767	31.4
Bituminous coal	1,798,674	4.4	1,449,012	4.3	1,809,865	4.6	2,085,908	5.4	1,588,955	4.7	1,612,857	4.8
Lumber, shingles, & laths	330,388	0.8	262,732	0.8	345,822	0.9	320,939	0.8	248,863	0.7	202,485	0.6
Petrol, oils, refined, etc.	320,937	0.8	369,133	1.1	484,403	1.2	602,532	1.6	707,122	2.1	798,795	2.4
Iron and steel, 5th class	1,481,162	3.7	948,669	2.8	1,763,775	4.5	1,408,764	3.7	844,275	2.5	737,837	2.2
Cement, nat. or Portland	1,294,358	3.2	1,115,393	3.3	1,215,599	3.1	1,262,185	3.3	1,069,813	3.2	941,685	2.8
Automobiles (passenger)	624,487	1.5	437,339	1.3	1,194,552	3.1	1,190,211	3.1	838,563	2.5	631,462	1.9
Automobiles, trucks, etc.	442,432	1.1	397,470	1.2	589,532	1.5	503,455	1.3	404,645	1.2	334,050	1.0
Butter	265,032	0.6	267,528	0.8	245,381	0.6	293,481	0.8	312,846	0.9	408,461	1.2
Bananas	359,670	0.9	403,526	1.2	388,328	1.0	447,724	1.2	320,104	0.9	417,320	1.2
Canned food products	388,577	1.0	363,476	1.1	362,011	0.9	370,980	1.0	349,933	1.0	352,592	1.1

ANALYSIS OF MAINTENANCE EXPENDITURES

Maintenance of Way and Structures

Year	Maintenance of Way & Structures			Man-hours of Section Men per Equated Track Mile	Average Wages per Hour of Section Men	Roadway Maintenance & Track Laying & Surfacing per Equated Track Mile	Cross Ties Replaced per Equated Track Mile
	Per Equated Track Mile	% of Railway Operating Revenues	% of Railway Operating Expense				
1930	\$3,264	9.7	12.9	2,822	\$0.455	\$1,184	96
1931	2,733	9.7	12.3	2,369	0.456	1,020	90
1932	2,089	9.3	11.7	1,933	0.420	716	77
1933	1,829	8.7	10.9	1,500	0.418	601	63
1934	1,822	8.4	10.5	1,625	0.421	618	129
1935	2,090	9.5	11.5	1,880	0.445	791	109
1936	2,070	8.4	10.7	2,091	0.444	764	151
1937	1,986	8.0	10.2	1,971	0.465	1,271	78
1938	1,548	7.0	8.6	1,452	0.502	992	68
1939	1,676	6.6	8.6	1,545	0.492	1,044	41

Year	Cross Ties Replaced per Equated Track Mile Treated	Cross Ties Replaced per Equated Track Mile Untreated	Average Cost per Cross Tie Treated Untreated	Rail Replacement (No. of Miles of Track)	New Rail Laid in Replacement (No. of Miles of Track)	New Rail Laid, Lbs. per Yard (Average Section)	Average Cost per Ton of Rail
							③
1930	96	---	\$1.89	138	71	124	\$35.84
1931	90	---	1.86	107	58	122	35.87
1932	76	1	1.69	74	41	128	35.27
1933	59	4	1.36	76	45	123	33.12
1934	109	20	1.18	81	62	131	33.15
1935	104	5	1.40	92	40	131	37.71
1936	141	9	1.28	92	51	131	37.87
1937	70	---	1.46	110	58	131	37.72
1938	68	---	1.67	28	9	131	42.72
1939	41	---	1.62	87	31	131	41.19

① Running track only.

② Way and yard switching track.

③ Above item for 1935 and subsequent years covers cost of new rail only; for previous years, cost of all rail laid.

Maintenance of Equipment

Year	Ratio of Equipment Maintenance to Operating Expenses	Cost of Repairs					
		Per Steam Locomotive		Per Freight Train		Per Passenger Train	
		Freight	Passenger	Car Owned or Leased per Day	Car Owned or Leased per Day	Freight	Passenger
1935	23.4%	\$5,533	\$8,626	\$194	\$2.27	\$255	\$213
1936	23.7	6,869	10,273	.219	2.30	.272	.234
1937	23.1	6,968	11,391	.230	2.44	.256	.238
1938	22.7	6,371	10,592	.195	2.42	.269	.229
1939	24.4	7,667	12,096	.303	2.73	.281	.256

Year	Unserviceable Equipment—Locomotives		Per Cent. of Class Totals		Serviceable Locomotives Stored	Employees	
	Freight	Passenger	All Freight Cars	Passenger Cars		Hours of Boiler-makers & Machinists per 1,000 Locomotive Miles	Hours of Carmen per 1,000 Freight & Passenger Train Car Miles
	1935	35.0	29.5	12.7		①	46
1936	38.6	26.5	17.2	6.5	5	119.1	6.73
1937	35.8	29.9	14.5	4.9	24	115.7	6.63
1938	39.2	25.0	17.0	5.5	21	118.0	6.43
1939	36.8	23.3	12.6	5.3	14	129.6	6.96

① Not available.

Employees and Payroll

Year	Average Number:	Executive	Professional & Clerical	Maintenance of Way	Maintenance of Equipment	Transportation	Total
							Total
1934	115	2,508	2,152	4,062	6,610	15,447	
1935	119	2,418	2,120	3,846	6,076	14,579	
1936	122	2,436	2,329	3,870	6,300	15,057	
1937	128	2,463	2,295	3,637	6,423	14,946	
1938	128	2,320	1,770	3,305	5,849	13,372	
1939	125	2,391	2,038	3,590	6,147	14,291	

Year	Total Payroll:
1934	\$729,177
1935	808,580
1936	823,092
1937	875,922
1938	876,501
1939	848,729

Year	Professional & Clerical	Maintenance of Way	Maintenance of Equipment	Transportation	Total
1934	\$4,035,507	\$2,196,408	\$5,302,058	\$10,025,534	\$22,288,684
1935	4,271,202	2,588,884	5,325,513	10,611,958	23,606,137
1936	4,367,906	2,841,987	5,783,774	11,385,693	25,202,452
1937	4,525,903	2,985,595	5,883,379	11,884,596	26,155,395
1938	4,509,169	2,363,688	5,410,223	11,357,394	24,516,975
1939	4,566,090	2,525,170	6,152,570	11,978,383	26,071,942

INCOME FACTORS

Earnings and Their Distribution, Per Mile of Road Operated

(Based on reports to Interstate Commerce Commission)

Years Ended Dec. 31	-Oper. Revenues- Freight	Revenues- Total	—Operating Expenses—			Railway Tax Accruals	Railway Operating Income	Net Railway Operat. Income	Other Income	Gross Income	Rentals, etc.	Interest Charges etc.	Net Income	Times Rentals, Interest etc., Earned
			Maint. of Way	Maint. of Equip.	Total									
1925	\$60,884	\$85,081	\$8,476	\$17,561	\$63,470	\$6,960	\$14,651	\$15,192	\$6,217	\$21,409	\$6,692	\$183	\$14,534	3.11
1926	66,026	89,974	8,694	16,558	63,199	7,782	18,993	19,586	5,725	25,311	7,131	77	18,103	3.51
1927	62,299	85,541	8,192	14,784	60,791	7,545	17,205	17,574	5,400	22,974	7,078	30	15,866	3.23
1928	59,949	81,461	7,986	13,851	58,208	6,429	16,824	17,188	3,077	20,265	7,034	49	13,182	2.86
1929	60,607	81,907	7,672	14,309	57,836	6,660	17,411	17,544	3,065	20,609	7,129	113	13,367	2.85
1930	50,888	69,800	6,802	12,906	52,718	6,097	10,985	11,182	2,747	13,929	7,728	106	6,095	1.78
1931	41,925	58,792	5,694	11,301	46,233	5,249	7,310	7,256	1,932	9,188	7,750	345	1,093	1.14
1932	32,412	46,541	4,347	9,056	37,130	5,232	4,179	4,020	1,984	6,004	7,765	786	2,547	0.70
1933	31,223	43,426	3,790	8,791	34,847	4,734	3,845	3,487	2,120	5,607	7,769	838	3,000	0.65
1934	32,798	44,907	3,755	8,822	35,757	4,337	4,813	4,536	1,532	6,068	7,660	394	1,987	0.75
10-Year Aver.	\$49,901	\$68,743	\$6,541	\$12,794	\$51,019	\$6,102	\$11,622	\$11,756	\$3,380	\$15,136	\$7,374	\$292	\$7,470	1.97

Years Ended Dec. 31	-Oper. Revenues- Freight	Revenues- Total	—Operating Expenses—			Railway Tax Accruals	Railway Operating Income	Net Railway Operat. Income	Other Income	Gross Income	Balance for Charges	Interest Charges etc.	Net Income	Times Rentals, Interest etc., Earned
			Maint. of Way	Maint. of Equip.	Total									
1934	\$32,798	\$44,907	\$3,755	\$8,822	\$35,757	\$4,337	\$4,813	\$4,536	\$1,532	\$6,068	\$6,007	\$7,993	\$1,986	0.75
1935	33,210	45,083	4,298	8,735	37,267	3,850	3,966	3,617	1,158	4,775	4,703	7,659	2,956	0.61
1936	37,477	50,383	4,250	9,395	39,701	4,070	6,612	6,446	1,294	7,740	6,768	7,813	1,135	0.98
1937	37,835	50,887	4,064	9,187	39,837	5,133	5,917	5,709	1,302	7,011	6,944	7,894	1,950	0.88
1938	32,480	44,816	3,149	8,294	36,534	5,197	3,085	2,545	1,306	3,851	3,780	7,791	4,011	0.49
1939	38,723	50,964	3,352	9,488	38,924	5,193	6,847	6,090	1,363	7,453	7,376	7,890	1,514	0.93
6-Year Aver.	\$35,420	\$47,840	\$3,811	\$8,987	\$38,003	\$4,630	\$5,207	\$4,824	\$1,326	\$6,150	\$6,081	\$7,840	\$1,759	0.77

□ Deficit.

Note: Due to change in ICC form of accounts in 1935, certain items (miscellaneous rents, miscellaneous taxes and miscellaneous charges) formerly included in fixed charges are now classified as miscellaneous deductions before arriving at balance for fixed charges. Tabulation above for years 1925 to 1934 is on the old basis, following which is a tabulation for 1934 and subsequent years, giving effect to the new classification. Rents for leased roads per mile of road operated included in fixed charges were \$7,660 in 1934, \$7,571 in 1935, \$7,607 in 1936, \$7,686 in 1937, \$7,558 in 1938 and \$7,574 in 1939.

SEASONAL TRENDS—Revenues and Operating Income

Passenger Revenues (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$895	\$809	\$771	\$801	\$828	\$888	\$964	\$965	\$890	\$783	\$725	\$796	\$10,115
1931	773	713	688	705	724	719	811	801	754	684	632	707	8,710
1932	704	633	674	609	612	620	652	604	591	553	537	618	7,407
1933	538	495	494	499	503	563	604	573	563	524	520	607	6,483
1934	531	506	549	517	530	591	592	571	538	535	512	585	6,558
1935	555	507	514	521	507	548	559	563	543	520	528	620	6,485
1936	581	586	554	550	552	583	611	612	589	560	578	642	6,998
1937	585	525	587	557	573	599	648	617	608	576	571	634	7,082
1938	612	499	502	551	549	545	622	580	557	539	540	636	6,731
1939	570	500	519	528	551	587	620	549	566	550	508	601	6,649
10-yr. Av.	634	577	585	584	593	624	668	644	620	582	565	645	7,321
% of Total	8.66	7.88	7.99	7.98	8.10	8.52	9.12	8.80	8.47	7.95	7.72	8.81	100.00

Freight Revenues (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$4,374	\$4,136	\$4,068	\$4,274	\$4,514	\$4,098	\$4,209	\$4,286	\$4,039	\$4,879	\$3,878	\$4,032	\$50,786
1931	3,607	3,527	3,624	4,021	3,802	3,687	3,274	3,282	3,295	3,841	2,983	2,899	41,841
1932	2,548	2,777	3,204	3,240	2,542	2,299	2,349	2,435	2,756	3,037	2,664	2,499	32,348
1933	2,231	2,273	2,492	2,189	2,466	2,884	2,848	2,831	2,956	2,781	2,674	2,536	31,161
1934	2,612	2,663	3,160	2,892	3,098	2,865	2,370	2,549	2,529	2,786	2,518	2,527	32,568
1935	2,819	2,671	2,738	2,955	3,071	2,813	2,223	2,388	2,793	2,959	2,712	2,802	32,945
1936	2,914	3,366	2,665	3,249	3,102	3,053	2,962	2,854	2,958	3,389	3,195	3,281	36,990
1937	3,058	2,768	3,532	3,959	3,522	3,183	2,816	2,661	2,765	3,326	2,929	2,786	37,305
1938	2,545	2,244	2,837	2,563	2,788	2,740	2,310	2,409	2,625	3,042	3,018	2,904	32,025
1939	3,092	2,726	3,158	3,387	3,293	2,820	2,658	2,789	3,648	3,963	3,529	3,273	38,336
10-yr. Av.	2,980	2,915	3,148	3,273	3,220	3,044	2,802	2,848	3,036	3,400	3,010	2,954	36,630
% of Total	8.54	7.96	8.59	8.94	8.79	8.31	7.65	7.78	8.29	9.28	8.22	8.05	100.00

Operating Revenues (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$5,963	\$5,565	\$5,588	\$5,848	\$6,182	\$5,769	\$5,894	\$5,936	\$5,650	\$6,413	\$5,295	\$5,558	\$69,661
1931	5,021	4,834	5,017	5,433	5,245	5,118	4,774	4,773	4,718	5,187	4,257	4,298	\$68,675
1932	3,880	3,947	4,463	4,432	3,739	3,496	3,528	3,573	3,875	4,134	3,710	3,670	46,448
1933	3,241	3,192	3,460	3,170	3,481	3,958	3,914	3,883	4,010	3,775	3,651	3,604	43,339
1934	3,573	3,576	4,178	3,875	4,136	3,954	3,391	3,585	3,514	3,784	3,462	3,564	44,593
1935	3,767	3,531	3,685	3,942	4,055	3,826	3,183	3,390	3,802	3,951	3,682	3,894	44,708
1936	3,924	4,342	3,668	4,264	4,127	4,124	4,055	3,951	4,072	4,481	4,258	4,462	49,728
1937	4,094	3,717	4,617	5,014	4,562	4,318	3,949	3,735	3,878	4,411	3,960	3,922	50,175
1938	3,562	3,128	3,776	3,599	3,776	3,759	3,351	3,439	3,663	4,096	4,016	4,024	44,188
1939	4,088	3,595	4,111	4,365	4,297	3,877	3,712	3,800	4,715	5,012	4,522	4,360	50,454
10-yr. Av.	4,111	3,943	4,256	4,394	4,360	4,220	3,975	4,007	4,190	4,524	4,081	4,136	50,197
% of Total	8.19	7.86	8.48	8.75	8.69	8.41	7.92	7.98	8.35	9.01	8.13	8.23	100.00

Net Railway Operating Income (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$630	\$805	\$588	\$919	\$1,109	\$973	\$1,081	\$1,190	\$952	\$1,380	\$749	\$783	\$11,160
1931	510	547	649	882	635	716	530	460	522	896	351	543	7,241
1932	251	479	652	616	1	61	99	187	481	594	278	435	4,012
1933	d 54	d 63	55	2	254	673	634	555	558	233	348	285	3,480
1934	105	273	807	581	637	570	30	228	300	458	273	243	4,504
1935	316	205	309	613	575	299	d 517	d 342	542	564	430	593	3,588
1936	255	584	89	730	504	482	344	294	572	873	824	812	6,363
1937	438	283	802	1,093	679	584	274	6	339	670	265	196	5,629
1938	96	5	368	198	220	216	d 170	4	254	566	427	324	2,510
1939	492	101	347	564	637	266	109	150	938	1,174	711	540	6,029
10-yr. Av.	304	322	467	620	525	471	241	273	546	741	466	475	5,451
% of Total	5.58	5.91	8.57	11.37	9.63	8.64	4.42	5.01	10.01	13.59	8.55	8.72	100.00

COMMENT ON OPERATIONS AND FINANCES

LOCATION: Delaware, Lackawanna & Western Railroad Company's main line extends from its western terminus in Buffalo, N. Y. through the states of New York, Pennsylvania and New Jersey to its eastern terminus at Hoboken and Jersey City, N. J. and New York City, N. Y., all of which mileage is double tracked. Over branch mileage the company reaches Utica, N. Y. and Oswego, N. Y. on Lake Ontario. Other branch lines tap the anthracite coal fields of the state of Pennsylvania. The system embraces about 244 miles of owned main line and about 968 miles of operated main line, the difference of 724 miles representing controlled and leased properties. In addition, the system has trackage rights over about 27 miles of road. Altogether the system, including trackage rights, totals about 995 miles.

TRAFFIC: Due to location of substantial mileage in the northern Pennsylvania anthracite coal fields the Delaware, Lackawanna & Western is one of the important anthracite coal carriers. More than 80 per cent. of the anthracite coal handled is originated on the company's lines, largely by the formerly controlled Glen Alden Coal Company. The importance of anthracite coal is indicated by the fact that in 1939 it represented about 33 per cent. of total freight tonnage and revenues derived from transportation of anthracite coal amounted to about 30 per cent. of total freight revenues. Bituminous coal, practically all received from connections is also now handled in fairly large amount. Although no single item of freight in the manufactures and miscellaneous classification is as large as anthracite coal, the total manufactures and miscellaneous tonnage is highly important, particularly in that it carries a relatively high rate. Important items in the manufactures and miscellaneous classifications are petroleum oil, refined and other gasoline, iron and steel, cement, passenger automobiles, auto trucks and auto supplies.

The Lackawanna has a large interest in the transportation of passengers, mostly on a commutation basis, which explains the low average rate per passenger mile, even lower than those of other large railroad companies handling a large commutation business in the New York district. This is in part explained by the fact that such railroads as Pennsylvania, New York Central and New York, New Haven & Hartford have a longer average haul on the total business handled. Loss of passenger business for the Lackawanna in the past decade was at a considerably lower rate than for most other large railroad companies, attributable in part to the relative stability of the commutation business between New York City and the various suburban residential sections of northern New Jersey.

LONG TERM TRENDS: Total freight tonnage handled in 1939 was 21,236,000 which compares with a low of 17,071,000 tons in 1932 and 29,575,000 tons in 1923. Bituminous coal tonnage in 1939 was larger than in 1923, but anthracite coal tonnage of 7,094,000 in 1939 compares with 12,068,000 in 1923. Other freight items which showed large declines in the past 15 years include iron and steel, building materials and less than carload freight, the

latter being subject to severe competition from trucks. Anthracite coal was subject to competition from other fuels (oil and gas) for heating purposes and to truck competition. The trends of important traffic items are shown graphically on page 221.

Long term traffic and earning trends of Delaware, Lackawanna & Western over the past 15 years were similar to the trends of railroads operating in the Great Lakes region and Class I railroads as a whole. Revenues of Delaware, Lackawanna & Western reached a low in 1933, and recovered moderately in subsequent years as shown in the accompanying tabulation. It is to be noted, however, that in relation to United States industrial production as measured by the Federal Reserve Board Index, 1939 operating results were less favorable than those of 1933.

In the company's annual report there are published certain income and expense items for 1922 and subsequent years. These show that 1939 gross revenues of \$50,454,000 were \$35,745,000 below average revenues for the years 1923-4-5. They show in the latter three years the Lackawanna had equipment rents and uncollectible revenue credit of \$692,190 and that in 1939 these took the form of a debit of \$750,242, a net change of \$1,442,000. Additional income declined from \$5,436,000 to \$1,181,000 and guaranteed rental increased from \$5,466,000 to \$6,624,000. The net change in equipment rents and uncollectible revenues alone is the equivalent of about 18.5 per cent. of 1939 fixed charges.

The large decline in operating revenues over a period of years and an increase of about 20 per cent. in fixed charges together with other changes in income and expense items has made necessary a progressively higher level of general business activity as measured by the Federal Reserve Business Index to enable Lackawanna to show its fixed charges earned. The last year in which the company showed fixed charges earned in full was 1931.

INCOME FACTORS: In the eight years 1932-1939 inclusive, the Delaware, Lackawanna & Western Railroad had a deficit after fixed charges of about \$15,970,000. Its charges for depreciation and retirements during this period were in even larger amount—about \$20,610,000. The deficit after charges would have been larger than total charges for depreciation and retirement, however, had total taxes assessed by the state of New Jersey been accrued in the income account (only about 75 per cent. of assessed taxes was accrued). Inasmuch as Delaware, Lackawanna & Western Railroad had relatively few equipment trust certificates outstanding on which to meet maturing instalments of principal and no bond maturities and as capital improvements were not large, cash position was not greatly affected by the annual deficits. At the end of 1932 the company reported a working capital deficit in excess of \$10,000,000 whereas at the end of 1939 working capital was about \$823,000. The great change in working capital from that at the end of 1932 reflects in part the sale in 1934 of \$13,639,000 principal amount of New York, Lackawanna & Western First & Refunding Mortgage 4s, 1973 previously held in Lacka-

wanna's treasury. Funds from the sale of these bonds together with about \$520,000 cash were used to liquidate bank loans.

From the standpoint of gross revenues the year 1939 was the best since 1931, the last year in which the company reported fixed charges earned in full. Had non-operating income in 1939 been as large as that for the year 1931 the company would have reported fixed charges earned with a balance in 1939 instead of the deficit of about \$509,000. The large decline in non-operating income over the past 15 years—from \$5,644,000 in 1926 to \$1,305,000 in 1939—reflects in part the transference of \$58,500,000 principal amount of Glen Alden Coal Company 4% bonds to the Lackawanna Securities Company, all of the stock of which was distributed to Lackawanna stockholders. Non-operating income also declined because of the sale to the public of Morris & Essex bonds in 1930 and New York, Lackawanna & Western bonds in 1934.

An important feature of the company's income account is the practical absence of charges for interest on funded debt, which in 1939 were only \$220,000. This is completely offset, however, by the large rents for leased property which were \$7,498,000.

CAPITALIZATION: Capital stock did not increase in any recent year and funded debt increased only slightly, resulting from sale of equipment trust certificates. However, capitalized rentals are large, reflecting the fact that total mileage owned is but a small part of total mileage operated by the Delaware, Lackawanna & Western system. The sale of additional Morris & Essex Railroad bonds to defray the cost of electrification and the construction of a new freight terminal and warehouse in Jersey City, N. J. increased rents for leased roads over those in the middle 'twenties. The electrification of about 67 miles of road, costing about \$18,000,000 and completed in January, 1931 may have resulted in greater operating efficiency but this is not clearly indicated as revenues were declining sharply and wages are now at higher levels than in 1931.

Through the year 1930 the stock was held in high regard, in part because of the large per share earnings and the long record of dividend payments, which dated back to incorporation in 1854, also because of the splendid condition of the property and its strategic location. Thereafter, however, because of the great decline in earnings which necessitated first, a reduction of dividend payments and later their discontinuance, the stock entered the speculative class.

Any consideration of securities of the Lackawanna and securities of subsidiary companies operated under lease should give weight to the fact that fixed charges, represented almost entirely by rents for leased roads, were not fully earned in any year subsequent to 1931; also to the importance of anthracite traffic and passenger traffic which have been following unfavorable long term trends. A factor with respect to Lackawanna's financial position is its indicated borrowing capacity, represented by its treasury bonds of subsidiary companies and about 240 miles of road in Pennsylvania which is unmortgaged.

Comparison of Operating Revenues—Delaware, Lackawanna & Western, Great Lakes Region Railroads and Class I Railroads with U. S. Industrial Production

	Delaware, Lackawanna & Western	Great Lakes Region	Class I Roads	Industrial Production (Fed. Res. Bd.)	—Ratio of Oper. Rev. to U. S. Indus. Production—		
					Del., Lack. & Western to Indus. Prod.	Great Lakes Region to Indus. Prod.	Class I Roads to Indus. Prod.
	1923-25=100				1923-25=100		
1923	102%	106%	103%	101%	101%	105%	102%
1924	101	96	97	95	106	101	102
1925	97	98	100	104	93	94	96
1926	103	102	104	108	95	94	96
1927	98	97	100	106	92	92	94
1928	94	97	100	111	85	87	90
1929	95	101	103	119	80	85	87
1930	81	83	86	96	84	86	90
1931	68	66	69	31	84	81	85
1932	54	51	51	64	84	80	80
1933	50	50	51	76	66	66	67
1934	52	52	54	79	66	66	68
1935	52	54	56	90	58	60	62
1936	58	63	66	105	55	60	63
1937	58	63	68	110	53	57	62
1938	51	52	58	86	59	60	67
1939	59	60	65	105	56	57	62

Note: Federal Reserve Board index based on 1923-25 production. See Blue Insert for new index figures based on 1935-39 production.

RAILROAD BONDS CLASSIFIED BY RATINGS

A chronological list of railroad bonds in the Manual, classified according to Moody's Ratings, will be found in the blue insert in the center of the Manual. This tabulation affords the user a convenient record of all railroad rated bonds in one place, setting forth at the same time a grouping of rated bonds classified according to the rating. It will be found convenient and useful for comparative purposes.

INCOME ACCOUNTS

Comparative Statement of Income and Profit and Loss, Years Ended Dec. 31

(As reported to Interstate Commerce Commission)

	1939	1938	1937	1936	1935	1934	1933
Operating Revenues:							
Freight	\$38,336,144	\$32,025,303	\$37,305,165	\$36,989,662	\$32,944,758	\$32,567,939	\$31,160,921
Passenger	6,649,041	6,730,876	7,081,660	6,997,709	6,484,862	6,557,815	6,482,867
All other	5,469,258	5,432,302	5,788,179	5,740,745	5,292,613	5,466,776	5,695,491
Railway operating revenues	50,454,438	44,188,481	50,175,004	49,728,116	44,722,233	44,592,530	43,339,279
Operating Expenses:							
Maintenance of way and structure	3,318,597	3,104,567	4,007,178	4,194,757	4,263,212	3,728,663	3,782,238
Maintenance of Equipment:							
Maintenance	6,961,989	5,707,101	6,545,564	6,610,288	5,896,670	6,203,045	6,132,608
Depreciation	2,429,423	2,464,203	2,507,474	2,655,514	2,696,701	2,517,368	2,606,686
Retirements	1,369	6,864	5,709	7,564	72,119	40,063	34,302
Total	9,392,781	8,178,168	9,058,747	9,273,366	8,665,490	8,760,476	8,773,596
Traffic	1,336,231	1,366,098	1,390,890	1,379,607	1,374,968	1,286,217	1,291,449
Transportation	22,762,395	21,815,464	22,971,684	22,167,490	20,551,917	19,649,050	18,771,948
Miscellaneous and general	1,725,003	1,558,613	1,851,312	2,169,321	2,112,912	2,082,385	2,157,896
Railway operating expenses	38,535,007	36,022,910	39,279,811	39,184,541	36,968,499	35,506,791	34,777,127
Net railway operating revenues	11,919,431	8,165,571	10,895,193	10,543,575	7,753,734	9,085,739	8,562,152
Operating ratio	76.38%	81.52%	78.29%	78.80%	82.66%	79.62%	80.24%
Railway tax accruals	5,140,501	5,124,180	5,061,295	4,016,990	3,805,004	4,292,970	4,715,876
Uncollectible railway revenues					13,839	13,109	9,234
Railway operating income	6,778,930	3,041,391	5,833,898	6,526,585	3,934,890	4,779,660	3,837,042
Hire of equipment—cr	128,056	117,338	126,960	106,743	89,542	105,790	92,421
Joint facility rents—cr	115,580	122,946	153,412	162,244	155,519	158,743	147,796
Hire of equipment—dr	243,636	240,284	280,372	268,987	245,061	264,533	240,217
Joint facility rents—dr	966,955	744,987	467,236	414,041	574,572	517,883	582,378
	26,923	27,067	18,132	19,013	17,771	22,131	14,581
Net equip. and joint facility rents	d 750,242	d 531,770	dr 204,996	dr 164,067	dr 347,282	dr 275,481	dr 356,742
Net railway operating income	6,028,688	2,509,621	5,628,902	6,362,518	3,587,608	4,504,179	3,480,300
Other Income:							
Income from lease of road	32,223	34,377	33,583	26,331	2,215	332	332
Dividend income	572,322	552,600	531,959	484,856	476,776	557,419	533,333
All other non-operating income	745,308	700,989	718,781	766,381	670,069	963,775	1,581,783
Total non-operating income	1,349,853	1,287,966	1,284,323	1,277,568	1,149,060	1,521,525	2,115,448
Gross income	7,378,541	3,797,587	6,913,225	7,640,086	4,736,668	6,025,705	5,595,748
Miscellaneous Income Deductions:							
Miscellaneous rents	34	26	32	33	185	989	
Miscellaneous tax accruals	59,168	54,181	52,684	53,987	54,321	49,170	
Miscellaneous charges	16,674	16,510	13,937	7,632	16,494	10,746	
Balance for fixed charges	7,302,665	3,726,870	6,846,572	7,578,434	4,665,668	5,964,800	5,595,748
Rents for leased roads, etc.	7,498,492	7,452,330	7,578,695	7,507,628	7,510,040	7,606,227	7,708,875
Miscellaneous tax accruals							44,220
Interest on funded debt	220,440	162,360	171,293	175,592	33,289	900	900
Interest on unfunded debt	92,718	67,134	33,356	28,061	54,644	330,286	733,079
Miscellaneous charges							102,536
Total fixed charges	7,811,650	7,681,824	7,783,344	7,711,281	7,597,973	7,937,413	8,589,610
Times charges earned	0.93	0.49	0.88	0.98	0.61	0.75	0.65
Net income	d 508,985	d 3,954,954	d 936,772	d 132,847	d 2,932,305	d 1,972,614	d 2,993,862
Balance to profit and loss	d 508,985	d 3,954,954	d 936,772	d 132,847	d 2,932,305	d 1,972,614	d 2,993,862
Balance at beginning of period	48,428,442	53,223,865	54,502,559	54,865,390	58,192,122	58,538,797	61,976,978
Add: Credits to profit and loss	154,673	123,808	88,553	381,155	345,166	3,837,470	90,721
Deduct: Debits to profit and loss	949,803	964,277	430,475	611,140	739,593	2,211,531	535,040
Profit and loss—balance	\$47,124,328	\$48,428,442	\$53,223,865	\$54,502,559	\$54,865,390	\$58,192,122	\$58,538,797

Notes: A: Due to change in ICC form of accounts in 1933, certain items (miscellaneous rents, miscellaneous taxes and miscellaneous charges) formerly included in fixed charges are now classified as miscellaneous deductions before arriving at balance for fixed charges. Income accounts above for 1934 and subsequent years are shown on the new basis, and for 1933 on the old basis.

B: For earnings per share of stock, refer to company's statement.

Comparative Statement of Income and Profit and Loss, Years Ended Dec. 31

(As reported by company)

	1939	1938	1937	1936	1935	1934	1933
Operating Revenues:							
Anthracite coal	\$11,696,783	\$9,741,750	\$10,660,226	\$10,419,506	\$10,469,122	\$10,555,766	\$9,847,086
Merchandise freight	26,639,362	22,283,553	26,644,939	26,570,157	22,475,635	22,012,173	21,313,834
Passenger	6,649,041	6,730,876	7,081,660	6,997,709	6,484,862	6,557,815	6,482,867
Mail	875,815	864,802	870,090	854,390	796,954	879,690	958,266
Express	534,779	406,426	533,679	605,517	516,466	526,307	452,655
Milk	789,073	898,401	965,825	983,674	1,058,624	1,178,640	1,464,409
Other revenue from transport	2,096,905	2,048,585	2,162,339	2,092,963	1,963,317	1,910,846	1,810,885
Incidental	1,172,681	1,214,089	1,256,246	1,204,201	957,251	971,293	1,009,276
Total operating revenue	\$50,454,438	\$44,188,481	\$50,175,004	\$49,728,116	\$44,722,233	\$44,592,530	\$43,339,279
Operating Expenses:							
Maintenance of way and structure	3,318,597	3,104,567	4,007,178	4,194,758	4,263,212	3,728,663	3,782,238
Maintenance of Equipment:							
Maintenance	6,961,989	5,707,101	6,545,564	6,610,288	5,896,669	6,203,045	6,132,608
Depreciation	2,429,423	2,464,203	2,507,474	2,655,514	2,696,701	2,517,368	2,606,686
Retirements	1,369	6,864	5,709	7,564	72,119	40,063	34,302
Total	9,392,781	8,178,168	9,058,747	9,273,366	8,665,490	8,760,476	8,773,596
Traffic	1,336,231	1,366,098	1,390,890	1,379,607	1,374,968	1,286,217	1,291,449
Transportation	22,762,395	21,815,464	22,971,684	22,167,490	20,551,917	19,649,050	18,771,948
Miscellaneous operations	279,165	269,217	291,299	265,612	214,549	252,670	347,599
General	1,548,105	1,418,460	1,691,188	2,020,183	1,979,335	1,842,332	1,816,138
Transportation for investment	cr 102,267	cr 129,064	cr 131,175	cr 116,474	cr 80,972	cr 12,617	cr 5,841
Total operating expenses	38,535,007	36,022,910	39,279,811	39,184,541	36,968,499	35,506,791	34,777,127
Net revenue from operations	11,919,431	8,165,571	10,895,192	10,543,575	7,753,734	9,085,739	8,562,152
Railway tax accruals	5,140,501	5,124,180	5,061,295	4,016,990	3,805,005	4,292,970	4,715,876
Uncollectible revenues					13,839	13,109	9,234
Total operating income	6,778,930	3,041,391	5,833,897	6,526,585	3,934,890	4,779,660	3,837,042
Hire of equipment—net	dr 838,899	dr 627,648	dr 340,276	dr 307,298	dr 485,030	dr 412,092	dr 489,957
Joint facility rents—net	88,657	95,878	135,280	143,231	137,748	136,612	133,215
Net equip. and joint facility rents	dr 750,242	dr 531,770	dr 204,996	dr 164,067	dr 347,282	dr 275,480	dr 356,742
Net railway operating income	6,028,688	2,509,621	5,628,901	6,362,518	3,587,608	4,504,180	3,480,300

INCOME ACCOUNTS (cont'd)

	1939	1938	1937	1936	1935	1934	1933
Other Income:							
Income from lease of road	32,223	34,377	33,583	26,331	2,215	332	332
Miscellaneous rent income	203,701	192,254	206,922	208,231	247,093	253,307	259,413
Dividend income	572,322	552,600	531,959	484,857	476,776	557,418	533,334
Income from funded securities	285,716	291,862	331,217	276,458	277,203	571,474	958,841
Income from unfunded securities and accounts	70,557	20,554	6,447	3,607	6,231	7,393	218,129
Miscellaneous income	185,334	196,318	174,195	284,473	85,037	81,442	101,178
Total other income	1,349,853	1,287,966	1,284,323	1,283,955	1,094,554	1,471,366	2,071,228
Gross income	7,378,541	3,797,587	6,913,225	7,646,473	4,682,162	5,975,546	5,551,528
Income Deductions:							
Rents for leased roads	7,083,255	7,083,271	7,083,866	7,085,031	7,086,465	7,133,867	7,227,496
Rents for New York piers	415,237	369,059	494,829	422,597	423,575	472,360	481,379
Interest on funded debt	220,440	162,360	171,293	175,592	33,289	900	900
Interest on unfunded debt	92,717	67,134	33,356	28,061	54,644	330,286	733,079
Miscellaneous income charges	75,876	70,717	66,653	68,039	16,494	10,746	102,536
Total deductions	7,887,526	7,752,540	7,849,997	7,779,321	7,614,467	7,948,159	8,545,390
Times charges earned	0.93	0.49	0.88	0.98	0.61	0.75	0.65
Net income	d 508,985	d 3,954,954	d 936,772	d 132,847	d 2,932,305	d 1,972,613	d 2,993,862
Balance at beginning of year	48,428,443	53,223,865	54,502,559	54,865,390	58,192,122	58,538,797	61,976,978
Add: Credits to profit and loss	154,672	123,808	87,999	380,767	339,610	3,835,465	-----
Deduct: Debits to profit and loss	949,803	964,277	429,920	610,751	734,037	2,209,527	444,319
Profit and loss—balance	\$47,124,328	\$48,428,443	\$53,223,865	\$54,502,559	\$54,865,390	\$58,192,122	\$58,538,797
Earned per share	d \$0.30	d \$2.34	d \$0.55	d \$0.08	d \$1.74	d \$1.17	d \$1.77
Number of shares	1,688,824	1,688,824	1,688,824	1,688,824	1,688,824	1,688,824	1,688,824

①Deducted from revenues.

②Includes \$415,142 Federal income taxes.

CAPITALIZATION FACTORS—Securities and Earning Power, Per Mile of Road Operated

Yrs. End. Dec. 31	Stock Out-standing and standing and Per Cent. of Whole		Bonds Out-standing and standing and Per Cent. of Whole		Rentals Capitalized at 5% and % of Whole		Total Capitali-zation		Gross Income on Capi-talization								
	31	Whole	31	Whole	31	Whole	31	Whole	31	Whole							
1930	\$84,610	36%	\$44	---	\$153,577	64%	\$238,231	5.8%	1935	\$85,193	35%	\$154,705	2%	\$151,412	63%	\$241,310	2.0%
1931	84,610	35	44	---	153,980	65	238,634	3.8	1936	85,625	35	14,516	2	152,130	63	242,171	3.2
1932	84,610	35	15	---	154,314	65	238,939	2.5	1937	85,712	35	14,125	2	153,726	63	243,563	2.9
1933	84,610	35	15	---	154,486	65	239,111	2.3	1938	85,712	35	15,758	2	151,163	63	242,638	1.6
1934	85,108	35	4,097	2	153,197	63	242,402	2.5	1939	85,365	35	5,340	2	151,485	63	242,190	3.1

①Includes equipment trusts.

Note: Based on reports to Interstate Commerce Commission.

BALANCE SHEETS

Comparative Balance Sheet, as of Dec. 31

(As reported to Interstate Commerce Commission)

	1939	1938	1937	1936	1935	1934	1933
ASSETS:							
Investments:							
Road	\$54,224,505	\$54,152,628	\$54,194,806	\$53,296,801	\$53,119,042	\$54,712,528	\$54,773,407
Equipment	79,864,988	81,120,069	82,411,108	83,955,786	85,050,705	86,087,384	66,638,747
General expenditures	1,503,671	1,503,671	1,503,214	1,498,735	1,498,735	-----	-----
Impr. on leased railway property	15,486,813	15,696,107	15,650,632	15,706,304	15,792,693	15,877,206	16,251,028
Investments in affiliated companies	21,338,078	21,311,019	21,230,370	21,089,072	21,357,608	21,343,134	21,040,735
Other investments	30,468,123	29,998,994	29,577,598	28,521,512	27,978,109	27,529,075	40,074,156
Miscellaneous physical property	2,378,380	2,449,149	2,448,999	2,448,999	2,457,934	2,274,260	2,281,176
Current Assets:							
Cash	3,590,391	3,046,831	2,348,011	3,915,478	2,704,693	3,131,389	4,012,062
Time drafts and deposits	-----	-----	-----	-----	-----	-----	50,000
Special deposits	-----	-----	-----	649,327	-----	144,828	-----
Loans and bills receivable	849	-----	-----	-----	22,300	25,477	17,456
Accounts and bal. receivable, etc.	2,513,481	2,324,473	2,374,528	2,569,178	2,211,278	2,663,713	2,840,026
Materials and supplies	1,873,969	1,818,666	2,251,167	1,694,149	1,915,910	2,060,175	1,828,073
Other current assets	7,901	4,945	8,126	9,678	10,016	19,692	-----
Deferred assets	329,443	331,209	293,553	230,608	235,979	205,828	206,590
Unadjusted debits	795,852	792,679	983,409	984,703	946,841	966,336	699,308
Total assets	\$214,376,444	\$214,550,440	\$215,275,521	\$216,570,330	\$215,301,843	\$217,041,025	\$210,712,764
LIABILITIES:							
Capital stock	\$84,441,200	\$84,441,200	\$84,441,200	\$84,441,200	\$84,441,200	\$84,441,200	\$84,441,200
Premium on capital stock	70,720	70,720	70,720	70,720	70,720	70,720	70,720
Funded debt	5,287,000	5,677,000	4,067,000	4,457,000	4,667,000	4,068,000	15,000
Non-neg. debt to affiliated companies	1,002,228	922,897	314,247	279,459	326,884	343,725	1,841,420
Government grants in aid of construction	234,867	216,535	23,750	-----	-----	-----	-----
Current and Accrued Liabilities:							
Loans and bills payable	950,000	950,000	-----	-----	680,736	1,100,000	13,000,000
Accounts and wages payable	3,899,409	3,264,109	3,880,014	3,614,631	3,111,517	3,337,559	3,393,211
Miscellaneous accounts payable	220,639	281,962	351,681	825,338	20,398	184,179	4,504
Interest matured	-----	-----	-----	-----	450	450	450
Dividends	11,490	18,859	26,510	34,030	45,092	45,770	46,383
Accrued items	1,866,282	1,848,937	1,827,854	1,828,414	1,816,121	1,784,796	1,688,800
Other current liabilities	215,257	171,162	154,095	176,512	170,867	141,459	139,600
Deferred liabilities	14,240,581	13,377,596	12,893,914	12,859,395	13,003,012	13,147,703	50
Unadjusted Credits:							
Tax liability	2,957,318	3,452,235	3,247,271	3,669,564	3,336,847	2,402,263	1,557,747
Insurance and casualty reserve	982,537	998,498	995,547	954,719	852,546	815,184	802,591
Accrued depreciation—equipment	42,636,065	41,558,892	40,847,289	39,940,965	38,870,144	38,804,613	37,875,764
Other adjusted credits	1,563,202	2,094,176	2,069,659	2,052,524	2,125,602	1,159,824	230,024
Corporate Surplus:							
Appropriated surplus	6,673,326	6,777,219	6,840,905	6,863,300	6,897,317	7,001,459	7,066,503
Profit and loss—balance	47,124,328	48,428,443	53,223,865	54,502,559	54,865,390	58,192,122	58,538,797
Total liabilities	\$214,376,444	\$214,550,440	\$215,275,521	\$216,570,330	\$215,301,843	\$217,041,025	\$210,712,764
Current assets	\$7,986,591	\$7,194,915	\$6,981,832	\$8,837,809	\$6,864,197	\$8,045,274	\$8,747,617
Current and accrued liabilities	7,163,077	6,535,029	6,240,154	6,478,925	5,845,181	6,594,214	18,272,949
Net current assets	\$823,514	\$659,886	\$741,678	\$2,358,884	\$1,019,016	\$1,451,060	d \$9,525,332
Property Account Analysis							
INVESTMENT IN ROAD & EQUIP.							
Road	\$273,272	\$586,497	\$961,279	\$282,919	\$155,201	\$319,289	\$400,222
Equipment	1,173,979	735,800	513,582	1,079,039	2,108,610	21,765,675	458,177
Total	1,447,251	1,322,794	1,479,340	1,361,958	2,264,393	22,085,042	859,780
CREDITS FOR PROPERTY RETIRED							
Road	410,685	583,200	118,946	191,549	334,914	647,279	135,999
Equipment	2,429,060	2,026,839	2,058,260	2,173,958	3,145,289	2,422,918	1,914,891
Total	2,839,749	2,610,079	2,177,206	2,365,507	3,480,386	3,071,105	2,050,890
NET CHANGE	cr 1,392,498	cr 1,287,285	cr 697,866	cr 1,003,549	cr 1,215,943	19,013,937	cr 1,191,110

①Includes \$16,069,431 equipment transferred during year from books of leased lines.

Classification of Securities Owned, as of Dec. 31, 1939

Class No.	Issuing Company:	Par Value Held			Total par value	Total book value	Dividends or Interest	
		Pledged	Unpledged	In sink. funds, ins. funds, and dep. accts.			Rate %	Amount credited to income
A1	Newark & Bloomfield R.R.		\$1,576,950		\$1,576,950	\$1,872,295	6	\$94,617
A1	Passaic & Delaware R.R.		109,700		109,700	109,684	5	5,485
A1	Syracuse, Bingh. & N. Y. R.R.		2,201,900		2,201,900	2,954,789	12	264,228
A1	Harlem Transfer Co.		200,000		200,000	487,500	27½	55,000
A1	Sussex R.R.		1,568,950		1,568,950	493,368	2	31,379
A1	Railway Express Agency, Inc.		14 shs.		14 shs.	1,400		
	Total class A1		\$5,657,500		\$5,657,500	\$5,919,036		\$450,709
A2	Hopatcong R.R.		\$10,000		\$10,000	\$5,000		
A2	Erie & Central N. Y. R.R.		250,000		250,000	69,000		
A2	Chester R.R.		100,500		100,500	100		
	Total class A2		\$360,500		\$360,500	\$74,100		
A3	New York & Hoboken Ferry Co.		33,000 shs.		33,000 shs.	\$3,000,000		
A3	Lawroy Land Co.		\$10,000		\$10,000	10,000		
A3	Hudson Realty Co.		1,000		1,000	1,000		
A3	Hotel Advertising Co., Inc.		500		500	500		
A3	Keystone Mining Co.		300,000		300,000	351,313		
A3	Frontier Elec. Ry. Co.		12,500		12,500	12,500		
A3	Shelocta Coal Co.		100,000		100,000	100,000		
A3	Nokomis Water Co.		7,930		7,930	25,000	1¼	\$99
A3	Lackawanna Terminal Warehse., Inc.		3 shs.		3 shs.	1,000		
	Total class A3		\$431,930		\$431,930	\$3,501,313		\$99
A4	Syracuse & Baldwinsville Ry.		\$81,700		\$81,700			
	Total class A4		\$81,700		\$81,700			
	Total class A		\$6,531,630		\$6,531,630	\$9,494,449		\$450,808
B1	Harlem Transfer Co. no matur. date		\$200,000		\$200,000	\$200,000	4½	\$9,000
B1	Hoboken Ferry Co. 1st mtge. 5/1/46		285,000		285,000	263,200	5	14,094
	Total class B1		\$485,000		\$485,000	\$463,200		\$23,094
B2	N. Y. & N. J. Ferry Co. 1st cons. mtge. due 1/1/46		\$801,000		\$801,000	\$788,161	5	\$39,804
	Total class B2		\$801,000		\$801,000	\$788,161		\$39,804
B3	N. Y. & Hoboken Ferry Co. gen. mtge. due 5/1/46		\$2,318,000		\$2,318,000	\$2,140,370	5	\$114,121
	Total class B3		\$2,318,000		\$2,318,000	\$2,140,370		\$114,121
	Total class B		\$3,604,000		\$3,604,000	\$3,391,731		\$177,019
C1	Sussex Railroad, due 6/20/22		\$27,003		\$27,003	\$27,003		
C1	Passaic & Del. R.R., due 6/20/22		19,722		19,722	19,722		
C1	Syr., Bingh. & N. Y. R.R., due 1/4/41	\$1,462,517			1,462,517	1,462,517		
	Total class C1	\$1,462,517	\$46,725		\$1,509,242	\$1,509,242		
C2	Erie & Central N. Y. R.R., due 6/20/22		\$1,889		\$1,889	\$1,889		
	Total class C2		\$1,889		\$1,889	\$1,889		
C3	N. Y. & Hob. Ferry Co., due 6/20/22		\$1,275,232		\$1,275,232	\$1,275,232		
C3	Hudson Realty Co., due 7/20/31		2,120,932		2,120,932	2,120,932		
C3	Lawroy Land Co., due 7/20/31		94,088		94,088	94,088		
C3	Frontier Elec. Ry. Co., due 6/20/22		234,098		234,098	234,098		
	Total class C3		\$3,724,350		\$3,724,350	\$3,724,350		
	Total class C	\$1,462,517	\$3,772,964		\$5,235,481	\$5,235,481		
D1	Sussex Railroad					\$28,215		
D1	Passaic & Delaware R.R.					647,069		
D1	Hoboken Ferry Co.					949,907		
D1	Railway Express Agency, Inc.					204,922	6	\$11,927
	Total class D1					\$1,830,113		\$11,927
D2	Erie & Central N. Y. R.R.					\$50,471		
D2	Hopatcong R.R.					1,313		
	Total class D2					\$51,784		
D3	Lawroy Land Co.					\$57,337		
D3	Shelocta Coal Co.					853,809	1	\$8,512
D3	Railroad Credit Corp.					321,018		312
D3	Lackawanna Term. Whse., Inc.					102,356	5	5,118
	Total class D3					\$1,334,520		\$13,942
	Total class D					\$3,216,417		\$25,869
	Grand total	\$1,462,517	\$13,908,594		\$15,371,111	\$21,338,078		\$653,696

①Frontier Electric Ry. Co. is jointly owned by Pennsylvania R.R. and D., L. & W. R.R. Co., each company owning 50% of the stock.
 ②Nokomis Water Co. is owned jointly by Glen Alden Coal Co., and D., L. & W. R.R. Co., each company owning 50% of the stock.
 ③Pledged as security for note issued to First National Bank, New York in amount of \$950,000.

Investments in Non-Affiliated Companies

A1	Greene R.R.		\$500		\$500	\$553	6	\$30
A1	Warren R.R.		186,100		186,100	193,163	7	13,027
A1	Valley R.R.		8,300		8,300	7,281	5	415
A1	N. Y. Lackawanna & West. Ry.		70,500		70,500	70,511	5	3,525
A1	Oswego & Syracuse R.R.		210,700		210,700	283,271	9	18,963
A1	Utica, Chenango & Susq. Val. Ry.		296,100		296,100	270,256	6	17,766
A1	Morris & Essex R.R.		65,050		65,050	63,397	7¾	5,041
A1	Morris & Essex Extension R.R.		91,700		91,700	76,782	4	3,668
A1	Lackawanna R.R. Co. of N. J.		168,200		168,200	168,000	4	6,728
A1	Passaic & Del. Extens. R.R.		9,500		9,500	5,230	4	332
A1	Cayuga & Susquehanna R.R.		54,480		54,480	65,634	8	3,814
A1	Lehigh & Hudson River Ry.	①\$964,100			964,100	931,307	5	48,205
	Total class A1	\$964,100	\$1,161,130		\$2,125,230	\$2,135,385		\$121,514

Investments in Non-Affiliated Companies (cont'd)

Class No.	Issuing Company:	Par Value Held			Total par value	Total book value	Dividends or Interest	
		Pledged	Unpledged	In sink funds, ins. funds, and dep. accts.			Rate %	Amount credited to income
A3	Orange Valley Bank		\$190		\$190			
A3	United Shipyards, Inc.		1,151		1,151			
	Total class A3		\$1,341		\$1,341			
	Total class A	\$964,100	\$1,162,471		\$2,126,571	\$2,159,024		\$121,514
B1	Greene R.R. 1st ref. mtge. bds. of 1974 series A, due 9/1/74		\$207,000		\$207,000	\$207,000	5	\$10,350
B1	Oswego & Syr. R.R. 1st ref. mtge. of 1974 series A, due 9/1/74		1,193,000		1,193,000	1,193,000	5	59,650
B1	Valley R.R. 1st ref. mtge. of 1974 series A, due 9/1/74		443,000		443,000	443,000	5	22,150
B1	Morris & Essex R.R. constr. mtge. bds. series C, due 11/1/75	①\$7,000,000	3,000,000		10,000,000	10,000,000		
	Total class B1	\$7,000,000	\$4,843,000		\$11,843,000	\$11,843,000		\$92,150
B3	J. J. Durkin purch. money mtge., due 8/1/32		\$2,981		\$2,981	\$2,981	5	157
B3	Ella M. Cogan r. e. mtge, due 4/1/35		4,000		4,000	4,000	5	200
B3	J. & A. Kulych purch. money mtge., due 4/17/36		2,445		2,445	2,445	5	122
B3	St. Ry. Adv. Co. debts. due 2/1/43		16,020		16,020	16,020	4	681
B3	Warren Dye Works, Inc. purch. money mtge. due 12/1/41		5,500		5,500	5,500	5	275
B3	New York City bonds, 1959			10,000	10,000	10,000	4	400
B3	New York City bonds, 1977			131,000	131,000	138,639	4 1/4	5,567
B3	New York City bonds, 1978			33,000	33,000	26,854	4 1/4	1,402
B3	New York City bonds, 1960			3,000	3,000	3,020	4 1/4	128
B3	A. & A. Lipstein, purch. money mtge., due 2/8/47		9,000		9,000	9,000	4	360
B3	N. Y. World's Fair debts., due 1/1/41		49,225		49,225	49,225	4	2,035
B3	R. J. & M. B. Sim, purch. money mtge., due 7/9/41		1,300		1,300	1,300	5	65
B3	Manor Sussex Rlty. Corp. mtge., due 10/25/40		25,500		25,500	25,500	3 1/2	892
	Total class B3		\$115,971	\$177,000	\$292,971	\$294,484		\$12,284
	Total class B	\$7,000,000	\$4,958,971	\$177,000	\$12,135,971	\$12,137,484		\$104,434
C1	Utica, Chen. & Susq. Val. Ry., due 6/20/32		\$40,164		\$40,164	\$40,164		
C1	Lacka R.R. Co. of N. J., due 6/20/22		543,310		543,310	543,310		
C1	Passaic & Del. Extens. R.R. due 6/20/22		5		5	5		
C1	Warren R.R., due June 20, 1922		157		157	157		
	Total class C1		\$583,636		\$583,636	\$583,636		
	Total class C		\$583,636		\$583,636	\$583,636		
D1	Valley R.R.					\$2,097,770		
D1	N. Y., Lacka. & Western Ry.					7,363,458		
D1	Oswego & Syracuse R.R.					97,301		
D1	Utica Chen. & Susq. Val. Ry.					443,457		
D1	Morris & Essex R.R.					5,201,401		
D1	Lackawanna R.R. Co. of N. J.					11,606		
D1	Passaic & Del. Extens. R.R.					187,760		
D1	Greene R.R.					68,549		
D1	Warren R.R.					280,182		
	Total class D					\$15,751,484		
E3	Cleveland Athletic Assn. cdfs.					100		
E3	N. Y. Produce Exchange cdfs.					2,475		
E3	Phila. Commerce Exch. cdfs.					180		
E3	N. Y. Mercantile Exch. cdfs.					238		
E3	Hackettstown Nat'l. Bk. cdfs. of partic.					102		
E3	Salt Springs Nat'l. Bk. cdfs. of partic.					2,544		
E3	First Nat'l. Bk. of Bangor, Pa.					9,369		
	Total class E3					\$15,008		
	Grand total	\$7,964,100	\$6,705,078	\$177,000	\$14,846,178	\$30,646,636		\$225,948

① Pledged as security for note issued to RFC in amount of \$2,000,000.
 ② Pledged as security for note issued to RFC in amount of \$2,000,000.

Securities and Intangibles Owned or Controlled Through Non-Reporting Subsidiaries

Class No.	Issuing Company	Annual Rate %	Par Value	Actual Cost	Book Value	Income accrued to subs.	Reference naming subsidiary (a)
A2	Hoboken Ferry Co. cap. stock		\$100,000	\$3,863,800	\$6,600,000		
	(a) New York & Hoboken Ferry Co.						
	(A) Stocks:						
	(1) Carrier corporations—active.						
	(2) Carrier corporations—inactive.						
	(3) Non-carrier corporations—active.						
	(4) Non-carrier corporations—inactive.						
	(B) Bonds (including U. S. Government Bonds):						
	(C) Notes:						
	(D) Advances:						
	(E) Miscellaneous securities:						

The sub-classification of classes (B), (C), (D) and (E) is the same as that provided for (A).

Bonds and Stocks of Leased Lines Outstanding, as of Dec. 31, 1939

The amount of stocks and bonds of leased lines on which the D., L. & W. R.R. Co. provides interest and dividends as rental, and also the amount of such stocks and bonds owned by the D., L. & W. R.R. Co., as of Dec. 31, 1939, follow:

Company	Security	Amount Issued	Owned by D., L. & W.	Rate	Total Annual Charge
Morris & Essex R.R.	Capital stock	\$15,000,000	\$65,050	7 3/4 %	\$1,162,500
Morris & Essex R.R.	Refunding mortgage bonds	35,000,000		3 1/2 %	1,225,000
Morris & Essex R.R.	Const. mortgage A	10,000,000		5 %	500,000
Morris & Essex R.R.	Const. mortgage B	15,000,000		4 1/2 %	675,000
Morris & Essex Extension R.R.	Capital stock	221,000	91,700	4 %	8,840
Newark & Bloomfield R.R.	Capital stock	1,600,000	1,576,950	6 %	96,000
Passaic & Delaware R.R.	Capital stock	111,050	109,700	5 %	5,552
Passaic & Delaware Extension R.R.	Capital stock	100,000	9,500	4 %	4,000
Sussex R.R. Co.	Capital stock	1,638,600	1,568,950	2 %	32,772
Warren R.R.	Capital stock	1,800,000	186,100	7 %	126,000
Warren R.R.	Refunding mortgage bonds	1,394,000		3 1/2 %	48,790
Lackawanna R.R. Co. of N. J.	Capital stock	10,750,000	168,200	4 %	430,000
Valley R.R.	Capital stock	750,000	8,300	5 %	37,500
Valley R.R.	Refunding mortgage bonds	443,000	443,000	5 %	22,150
Cayuga & Susquehanna R.R.	Capital stock	589,110	54,480		54,600

Company	Security	Amount Issued	Owned by D., L. & W.	Rate	Total Annual Charge
N. Y., Lackawanna & Western Ry.	Capital stock	10,000,000	70,500	5%	500,000
N. Y., Lackawanna & Western Ry.	1st & refunding series A	13,639,000	-----	4%	545,560
N. Y., Lackawanna & Western Ry.	1st & refunding series B	10,000,000	-----	4½%	450,000
Utica, Chenango & Susq. Valley Ry.	Capital stock	4,000,000	296,100	6%	240,000
Greene R.R. Co.	Capital stock	200,000	500	6%	12,000
Greene R.R. Co.	1st & refunding mortgage	207,000	207,000	5%	10,350
Syracuse, Binghamton & N. Y. R.R.	Capital stock	2,500,000	2,201,900	12%	300,000
Oswego & Syracuse R.R.	Capital stock	1,320,400	210,700	9%	118,836
Oswego & Syracuse R.R.	1st & refunding mortgage	1,193,000	1,193,000	5%	59,650
Hoboken Ferry Co.	N. Y. & Hoboken Ferry Co. general mortgage	8,078,000	{2,318,000}	5%	404,730
Hoboken Ferry Co.	First mortgage		{1,086,000}		
Total		\$145,534,160	\$11,865,630		\$7,083,255

In addition, \$13,425 charged for amortization of discount and expenses on New York, Lackawanna & Western Ry. Co. refunding bonds, series A and B.

Equipment Trust Records and Ratings

Name of Issue:	Interest Payable	Maturity	Original Issue	Outstanding	Cost of Equipment	Paid in Cash	Security	Rating
1. Del., Lack. & West. eq. 4s, A	A&O	1940-49	\$3,619,000	\$2,547,000	\$3,624,805	---	Text	Baa
2. Del., Lack. & West. eq. 4s, B	J&D	1940-44	1,033,000	545,000	2,726,126	---	Text	Baa
3. Del., Lack. & West. eq. 2½s, C	F&A	1940-50	3,100,000	3,100,000	3,100,000	---	---	---

1. Delaware, Lackawanna & Western R.R. Co. equipment 4s A, due serially to 1949:

Rating—Baa

AUTHORIZED—\$3,619,000; outstanding, Apr. 2, 1940, \$2,547,000.

DATED—Apr. 1, 1936.

MATURITY—Due \$134,000 each A&O 1, from Oct. 1, 1940 to Apr. 1, 1949, incl., and \$135,000 Oct. 1, 1949.

INTEREST PAID—A&O 1, at office of Trustee.

TRUSTEE AND REGISTRAR—United States Trust Co., New York.

DENOMINATION—Coupon, \$1,000; fully registered, \$10,000 and \$50,000.

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Delaware, Lackawanna & Western R.R. Co.

SECURITY—Issued under Philadelphia plan and secured on 20 Pocono type 4-3-4 steam locomotives with tenders for passenger and freight service, 4 oil-electric locomotives and 500 50-ton capacity coal hopper cars. This new equipment, costing \$3,624,805, was purchased in 1934-1935.

TAX STATUS—Interest is payable without deduction for Pennsylvania tax (unlimited); no provision is made for assumption or refund of Federal taxes (principal and interest being payable without deduction for any tax or other governmental charge [other than Federal income taxes] which the company or the Trustee may be required to retain therefrom under any present or future law of the United States of America or of any state, county, or other lawful taxing authority therein).

OFFERED—In Mar., 1936, by Brown Brothers Harriman & Co., Inc., Blyth & Co., Inc., J. & W.

Seligman & Co., Laurence Marks & Co., and Freeman & Co., New York, at prices to yield from 0.375% to 3.20% according to maturity.

2. Delaware, Lackawanna & Western R.R. Co. equipment 4s B, due serially to 1944:

Rating—Baa

AUTHORIZED—\$1,033,000; outstanding, June 2, 1940, \$545,000.

DATED—Dec. 1, 1935.

MATURITY—Due \$61,000 each J&D 1, from Dec. 1, 1940 to June 1, 1944, incl., and \$57,000 Dec. 1, 1944.

INTEREST PAID—J&D 1, at office of Trustee.

TRUSTEE AND REGISTRAR—United States Trust Co., New York.

DENOMINATION—Coupon, \$1,000; fully registered, \$10,000 and \$50,000.

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Delaware, Lackawanna & Western R.R. Co.

SECURITY—Issued under Philadelphia plan and secured on following reconstructed equipment: 20 switching locomotives, 100 all-steel automobile cars (50 equipped with Evans Auto-Loaders) and 883 all-steel box cars. This reconstructed equipment had a book value on Jan. 1, 1936 of \$2,726,126. Expenditures for reconstruction of equipment amounted to \$14,971 per locomotive and \$746 per freight car.

LEGAL—For savings banks in Washington.

TAX STATUS—Interest (dividends) payable without deduction for Pennsylvania tax (unlimited). Company does not pay or refund Federal income tax or taxes of other states.

AWARDED—Mar. 26, 1936 to Marine Midland Trust Co., New York, at 105.625.

3. Delaware, Lackawanna & Western R.R. Co. equipment 2½s, C, due serially to 1950:

AUTHORIZED—\$3,100,000; outstanding \$3,100,000.

DATED—Feb. 1, 1940.

MATURITY—Due \$155,000 each F&A 1 from Aug. 1, 1940 to Feb. 1, 1950, incl.

INTEREST PAYABLE—F&A 1 at office of trustee.

TRUSTEE—United States Trust Co., New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal.

GUARANTEED—Unconditionally as to principal and interest by Delaware, Lackawanna & Western R.R. Co.

SECURITY—Issued under Philadelphia plan and secured on 500 50-ton all-steel box cars, 500 50-ton all-steel hopper cars and 100 70-ton all-steel gondola cars. Total estimated cost of these cars, \$3,100,000.

ISSUED—To the RFC in Jan., 1940.

Other Indebtedness: During 1938 company obtained a temporary bank loan of \$1,000,000 secured by a note of Syracuse, Binghamton & New York R.R. Co. in amount of \$1,462,516. This bank loan was outstanding at Dec. 31, 1939, in the amount of \$950,000.

In Nov., 1938 company also obtained a \$2,000,000 five-year RFC loan bearing 4% interest per annum. Company may make prepayments on 30 days' written notice after the first year as follows: at 102 the second year; at 101 the third year and at 100½ thereafter. RFC loan is secured by \$7,000,000 Morris & Essex R.R. Co. construction 4½s, series C, due Nov. 1, 1975 and \$964,100 of Lehigh & Hudson River capital stock.

Proceeds of both loans were used to pay taxes and provide necessary working capital.

Guaranties and Suretyships, Dec. 31, 1939

Names of all Parties Principally and Primarily Liable	Description of Agreement or Obligation	Amount of Contingent Liability	Sole or Joint
D., L. & W. R.R. Co. and Morris & Essex R.R. Co.	Guaranty of payment of principal and interest thereon of the following obligations of Morris & Essex R.R. Co.: 1st & ref. 3½s of 2000 Const. 5s, A, of 1955 Const. 4½s, B, of 1955	\$35,000,000 10,000,000 15,000,000	Joint Joint Joint
D., L. & W. R.R. Co. and Warren R.R.	Guaranty of payment of principal and interest thereon of 1st & refunding 3½s of 2000 of Warren R.R.	\$1,394,000	Joint
D., L. & W. R.R. Co. and N. Y., L. & W. Ry.	Guaranty of payment of principal and interest thereon of the following obligations of New York, Lackawanna & Western Railway: 1st & ref. 4s, series A, of 1973 1st & ref. 4½s, series B, of 1973	\$13,639,000 10,000,000	Joint Joint

CAPITAL STOCK DESCRIPTION

1. Delaware, Lackawanna & Western Railroad Co. stock; par \$50:

AUTHORIZED—1,748,150 shares; outstanding, Dec. 31, 1939, 1,688,824 shares; par \$50. In treasury, 59,326 shares. Issue increased in 1909 from 524,000 to 605,540 shares, by a 15% stock dividend. In 1913 issue was increased to 845,540 shares by subscription of stockholders at par (increased from 845,540 shares in Aug., 1921, to 1,691,080 shares by payment of 100% stock dividend). As of Dec. 31, 1939, New York Central owned 157,825 shares.

DIVIDEND RECORD (in \$)—

1854-55	\$3.00	1856	\$1.50	1857-61	-----
1862	5.00	1863	10.00	1864	\$7.50
1865	2.50	1866-70	5.00	1871	-----
1872	5.00	1873	2.50	1874	6.25
1875	5.00	1876	3.75	1877-79	-----
1880	0.75	1881	3.12½	1882-84	4.00
1885	3.87½	1886-1903	3.50	1904	8.50
1905	9.62½	1906-08	10.00	1909	42.50

1910--- 10.00 1911--- 27.50 1912-20 10.00
1921--- 7.50

(After 100% stock dividend):

1921--- 1.50 1922--- 8.50 1923-24 6.00
1925-30 7.00 1931--- 4.00 1932-39 Nil
1940--- Nil

1 Including \$12.50 to be used for subscribing to D., L. & W. Coal Co. stock at par.

2 To Aug. 2, 1940.

3 Also in 1927 distributed one share of Lackawanna Securities Co. stock for each two shares of D. L. & W. held.

Notes: (a) In addition to above cash dividends, the following distributions of stocks have been made: 1856, 3% in Warren R.R. stock; 1857, 3% in Warren R.R. stock; 1860, 24% in D., L. & W. stock; 1861, 6% in Warren R.R. stock; 1863, 10% in D., L. & W. R.R. stock; 1864, 70% in D., L. & W. R.R. stock; 1866, 10% in D., L. & W. R.R. stock; 1870, 6% in Morris & Essex R.R. stock; 1909, 15% in D., L. & W. R.R. stock; 1911, 35% in Lackawanna R.R.

stock; in 1913, subscription rights at par for \$12,000,000 D., L. & W. R.R. stock; Aug. 20, 1921, 100% in D., L. & W. R.R. stock.

(b) In June, 1921, stockholders were given right to subscribe to 846,000 no par shares of Glen Alden Coal Co. at \$5 per share payable on or before Aug. 20, 1921 on a basis of one share of Glen Alden Coal Co. for each share of Delaware, Lackawanna & Western R.R. Co. stock held.

TRANSFER AGENT—C. L. Nicholl, 140 Cedar Street, New York.

REGISTRAR—City Bank Farmers Trust Co., New York.

LISTED—On New York Stock Exchange.

PRICE RANGE: 1940 1939 1938 1937 1936
High----- 5½ 8½ 8¾ 24½ 23½
Low----- 2½ 3½ 4 5 14½

1 To Aug. 2.

Note: 462,400 shares traded in on N. Y. S. E. in 1939.

CAYUGA & SUSQUEHANNA RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New York, April 18, 1843, as a reorganization of the Ithaca & Owego R.R. Co. Chartered Jan. 28, 1828, and opened April 1, 1834.

Lease: Leased in perpetuity April 21, 1855, from Jan. 1, 1855, to the Delaware, Lackawanna & Western R.R. Co. at a rental of \$54,600 per annum and taxes.

Line of Road: Susquehanna River, near Owego, to Ithaca, N. Y., 34.24 miles. Sidings, etc., 7.13 miles. Standard gauge.

Officers: Beekman Winthrop, Pres.; Buell Hollister, Vice-Pres.; Buell Hollister, Sec. & Treas., New York.

Directors: Edgar Palmer, Buell Hollister, Jr., Buell Hollister, Geo. W. Burleigh, Beekman Winthrop, Percy R. Pyne, 2nd, Robert Winthrop, New York; R. B. Taylor, Buffalo.

Annual Meeting: First Tuesday in June.

No. of Stockholders, Dec. 31, 1939: 271.

Office: 60 Wall St., New York.

Income Account, years ended Dec. 31:

	1939	1938
Rental income	\$54,600	\$54,600
Income deduct.	10,119	8,010
Net income	44,481	46,590
Dividends	44,183	46,590
Balance	298	Nil

Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.	\$515,577	\$515,577
Current assets	27,938	30,585
Other def. assets	79,542	79,542
Total	\$623,057	\$625,704

Liabilities:

Capital stk. (\$30)	\$589,110	\$589,110
Current liabil.	20,619	23,564
Profit & loss	13,328	13,030
Total	\$623,057	\$625,704

Capital Stock: 1. Cayuga & Susquehanna Railroad Co. stock; par \$30:

AUTHORIZED—50,000 shares; outstanding, 19,603 shares; par \$30.

OWNERSHIP—D. L. & W. R.R. Co. owns 1,816 shares.

TRANSFER AGENT AND REGISTRAR—At company's office, 60 Wall St., New York.

DIVIDENDS—At rate of 9% per annum, subject to pro rata deduction for Federal taxes, provided for under lease by Delaware, Lackawanna & Western R.R. Co. Payments semi-annually J&J 1, to stock of record J&D 20. Paid regularly to 1917, with exception of 1904, when 9½% was paid:

1918	\$2.55	1919-28	\$2.40	1929	\$2.55
1930-39	2.40	1940	2.10		

To July 3, 1940.

ERIE & CENTRAL NEW YORK RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New York, May 22, 1902, as a reorganization of the Erie and Central New York Ry. Co., the property of which was sold under foreclosure on March 29, 1902.

Lease: Operated at cost under lease dated July 1, 1913, in perpetuity, to the Delaware, Lackawanna & Western R.R. Co. Lessee owns entire capital stock.

Line of Road: Cortland to Cincinnatus, N. Y., 18.31 miles. Sidings, etc., 1.49 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.

Directors: C. F. McTague, J. M. Davis, J. G. Enderlin, A. J. McMahon, G. J. Ray, Douglas Swift, J. J. Byrne, P. D. Jonas, C. C. Hubbell, New York.

Annual Meeting: In January.

General Office: 140 Cedar St., New York.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$250,000; liabilities, \$50,471; non-negotiable debt to affiliated companies, \$1,889; total, \$302,360; representing cost of road and equipment.

Capital Stock: Erie & Central New York Railroad Co. stock; par \$100:

AUTHORIZED—2,500 shares; outstanding, 2,500 shares; par \$100.

OWNERSHIP—All owned by the Delaware, Lackawanna & Western R.R. Co.

GREENE RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New York, Oct. 14, 1869. Road opened in 1871.

Lease: Leased to the Delaware, Lackawanna & Western R.R. Co. April 26, 1870, in perpetuity at a rental of 6% per annum on capital stock and interest on bonds.

Line of Road: Chenango Forks to Greene, N. Y., 8.10 miles. Sidings, etc., 0.95 mile. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, Douglas Swift, J. G. Enderlin, R. O. Collins, C. C. Hubbell, J. L. Homer, A. J. McMahon, E. E. Root, L. C. Amos, J. J. Byrne, C. F. McTague, P. D. Jonas, G. J. Ray, New York.

Annual Meeting: Second Tuesday in October.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$22,350, interest charges, \$10,350; dividends, \$12,000.

Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.	\$475,549	\$467,171
Current assets	3,450	3,450
Total	\$478,999	\$470,627

Liabilities:

Capital stk. (\$100)	\$200,000	\$200,000
Funded debt	207,000	207,000
Current liabil.	3,450	3,450
Deferred liabil.	68,549	60,171
Total	\$478,999	\$470,621

Bonded Debt: 1. Greene Railroad Co. first and refunding gold 5s, due 1974:

AUTHORIZED—\$300,000; outstanding, \$207,000.

DATED—Sept. 1, 1924.

MATURITY—Sept. 1, 1974.

INTEREST PAID—M&S 1 at company's office.

TRUSTEE—City Bank Farmers Trust Co., New York.

SECURITY—First lien on entire property of company.

GUARANTEED—Principal and interest by Delaware, Lackawanna & Western R.R. Co.

ISSUED—In 1924 to The D. L. & W. R.R. to refund certain obligations. All owned by Delaware, Lackawanna & Western R.R. Co.

Capital Stock: 1. Greene Railroad Co. stock; par \$100:

AUTHORIZED — 2,000 shares; outstanding, 2,000 shares; par \$100.

The Delaware, Lackawanna & Western R.R. Co. owns 5 shares of the stock.

DIVIDENDS—6% per annum provided for under lease by The Delaware, Lackawanna & Western R.R. Co., and paid J&D 19, to stock of record about J&D 14.

HARLEM TRANSFER COMPANY

(Controlled by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated in New York March 10, 1898.

Property: Owns a terminal at 135th Street and the Harlem River, N. Y., including 1.22 miles of yard track and sidings.

Lease: The terminal is leased to Delaware, Lackawanna & Western R.R.

Equipment: One locomotive, 1 steamboat, 2 car floats.

Officers: J. M. Davis, Pres.; G. J. Ray, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; W. S. Dunlop, Asst. Treas.; P. D. Jonas, Compt.

Directors: J. J. Byrne, G. A. Phillips, Douglas Swift, J. G. Enderlin, J. M. Emery, J. M. Davis, G. J. Ray, P. D. Jonas.

Annual Meeting: 2nd Thursday in March.

No. of Employees, Dec. 31, 1939: 9.

Office: 140 Cedar St., New York.

Income Account, years ended Dec. 31:

	1939	1938
Oper. revenues	\$147,845	\$136,767
Oper. expenses	80,393	75,217
Net rev. fr. oper.	67,452	61,550

	1939	1938
Operating ratio	54.37%	54.99%
Ry. tax. accr., etc.	25,289	25,243
Total oper. inc.	42,163	36,307
Non-oper. income	31,700	31,624
Gross income	73,863	67,931
Fixed charges	9,000	9,000
Other deductions	2	2
Dividends	55,000	40,000
Net income	9,861	18,929

Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.	\$740,726	\$740,496
Misc. phys. prop.	61,073	61,073
Other investments	525	525
Cash	19,888	15,294
Accts. & bal. rec.	74,324	72,986
Deferred assets	2,173	2,173
Unadjusted debits	1,543	1,844
Total	\$900,252	\$894,391

Liabilities:

Capital stock	\$200,000	\$200,000
Funded debt	200,000	200,000
Current liabil.	79,450	93,107

	1939	1938
Liabilities (cont'd)		
Accrued deprec.	133,719	125,013
Oth. unadj. cred.	15,900	14,949
Approp. surplus	78	78
P. & l.—balance	271,105	261,244
Total	\$900,252	\$894,391

Bonded Debt: 1. Harlem Transfer Co. first gold 4½s:

AUTHORIZED—\$300,000; outstanding, \$200,000.

DATED—June 24, 1903.

MATURITY—No due date.

INTEREST PAID—J&D 24, at 140 Cedar Street.

OWNERSHIP—Entire issue owned by the Delaware, Lackawanna & Western R.R. Co.

Capital Stock: 1. Harlem Transfer Co. stock; par \$100:

AUTHORIZED — 2,000 shares; outstanding, 2,000 shares; par \$100.

OWNERSHIP—All owned by Delaware, Lackawanna & Western R.R. Co.

DIVIDENDS—\$27.50 paid in 1939; other years not reported.

RECEIVERSHIPS AND DEFAULTS

The status of companies in the Manual with respect to receivership and bankruptcy proceedings is covered as a special feature in the blue insert section in the center of the Manual. Companies in process of reorganization are included, as well as a record of bonds and notes in default as to interest, principal or sinking fund.

Page references are given to the statements in the Manual where full details are shown.

THE LACKAWANNA RAILROAD COMPANY OF NEW JERSEY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated in New Jersey, Feb. 7, 1908, to build road from junction with the Morris & Essex R.R. near Lake Hopatcong in New Jersey to the middle of Delaware River, near Columbia. Road opened Dec. 24, 1911. Stock issued in 1911 to D., L. & W. R.R. stockholders as a special stock dividend.

Lease: Leased to the D., L. & W. R.R. in perpetuity, from Jan. 1, 1912 at annual rental of 4% on capital stock.

Line of Road: Junction with Morris & Essex, near Lake Hopatcong, to Delaware River, 27.44 miles; second track, 27.44 miles; third track, 1.00 miles; fourth track, 0.26 miles, sidings, 6.20 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: C. C. Hubbell, J. M. Davis, Douglas Swift, J. G. Enderlin, G. J. Ray, J. J. Byrne, New York, N. Y.; R. B. Taylor, Buffalo.

Annual Meeting: Second Wednesday in May.

No. of Stockholders, Dec. 31, 1939: 1,561.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$430,000; dividends, \$430,000.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$10,750,000; deferred liabilities, \$554,916; total, \$11,304,916 representing cost of road and equipment.

Capital Stock: Lackawanna R.R. Co. of New Jersey stock; par \$100:

AUTHORIZED—110,000 shares; outstanding, 107,500 shares; par \$100.

OWNERSHIP—Owned by D., L. & W. R.R., 1,682 shares.

DIVIDENDS—4% per annum are provided for by the D., L. & W. R.R. under terms of lease and paid quarterly, Jan. 1, etc., to stock of record about Dec. 8, etc. In 1911 stockholders of D., L. & W. R.R. Co. received pro rata, as a 35% stock dividend, stock of The Lackawanna R.R. Co. of N. J., held in the D., L. & W. R.R. treasury for moneys advanced for construction.

LISTED—Unlisted trading on New York Curb Exchange.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	43½	51¼	49	78½	78
Low	39½	38	38	45	74½

□ To Aug. 2.

Note: Sales on N. Y. C. E. in 1939, 770 shares.

MORRIS & ESSEX RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated Jan. 29, 1835, in New Jersey; road opened to Hackettstown, 53.0 miles, in Jan., 1854; to Phillipsburg in 1866. Tunnel completed in 1876.

Lease: Leased Dec. 10, 1868, in perpetuity to the Delaware, Lackawanna & Western R.R. Co., the lessee assuming all liabilities and agreeing to pay 7¾% per annum (increased from 7% in 1917) on the capital stock and interest on the bonds.

Line of Road: Hudson River at Hoboken to Phillipsburg, N. J., 125.79 miles; second track, 100.84 miles; third track, 44.67 miles; fourth track, 28.86 miles; sidings, 238.88 miles. Leased, 9.86 miles of first track, 4.20 miles of second track, 16.74 miles of sidings, etc. Total leased, 30.80 miles. Standard gauge.

Dividend Litigation: Suit was instituted in April, 1915, by certain stockholders of the Morris & Essex R.R. Co. for an accounting and payment of 1% extra in dividends for the years 1905 to 1914 and thereafter. At the time when the Delaware, Lackawanna & Western R.R. Co. leased the Morris & Essex R.R. in 1868, dividends at the rate of 7% per annum were guaranteed on the stock and 1% extra in the event that 30% of the gross earnings proved sufficient to pay all fixed charges and 10% on the stock. By virtue of a modification of the lease between the two companies, effected by agreement dated June 27, 1917, the Delaware, Lackawanna & Western R.R. Co. agreed to pay in addition to the 7% per annum formerly paid, ¾% on July 1, 1917, and ¾% on each Jan. 1 thereafter during the continuance of the lease between the two companies and any renewals thereof.

The Delaware, Lackawanna & Western R.R. Co. further agreed, in May, 1917, that it would not capitalize by issuing bonds against the improvements which it had made upon the Morris & Essex R.R. from 1899 to May, 1917, amounting to about \$11,000,000; it further agreed to credit to construction account an item of \$400,000 which had been in dispute.

Officers: J. M. Davis, Pres.; Douglas Swift, G. J. Ray, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, J. K. Mickle, R. L. Hamill, B. L. Winchell, Reeve Schley, G. B. St. George, Calvin Truesdale, P. Revington Pyne, Robert Winthrop, J. A. Jackson, J. C. Klinck, New York; R. B. Taylor, Buffalo, N. Y.; O. H. Hammond, Jersey City, N. J.

Annual Meeting: Last Wednesday in June, at Hoboken, N. J.

No. of Stockholders, Dec. 31, 1939: 4,822.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$3,667,340; fixed charges, \$2,504,840; dividends, \$1,162,500.

Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.	\$82,456,806	\$82,433,555
Other investments	1,102,669	1,105,468
Misc. phys. prop.	573,224	583,186
Rents receivable	331,854	324,777
□ Deferred assets	5,372,853	5,372,853
Total	\$89,837,406	\$89,819,839
Liabilities:		
Capital stk. (\$50)	\$15,000,000	\$15,000,000
Funded debt	70,000,000	70,000,000
Dividends	657	657
Int. mat. unpaid	33,937	26,860
Interest accrued	297,917	297,917
□ Other def. liab.	5,213,547	5,203,057
P. & I. deficit	708,652	708,652
Total	\$89,837,406	\$89,819,839

□ Investment in equipment transferred to the books of the D., L. & W. R.R. Co. and held as an open account for lessor for additions and betterments.

Bonded Debt: 1. Morris & Essex R.R. first refunding gold 3½s, due 2000:

Rating—Ba

AUTHORIZED—\$35,000,000; outstanding, \$35,000,000.

DATED—Dec. 1, 1900.

MATURITY—Dec. 1, 2000.

INTEREST PAID—J&D 1, at D., L. & W. office, 140 Cedar St., New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal only or fully registerable.

TRUSTEE—City Bank Farmers Trust Co., New York.

REGISTRAR—Company's office, 140 Cedar St., N. Y. C.

CALLABLE—Not subject to call.

SINKING FUND—None provided.

GUARANTEED—Principal and interest by Delaware, Lackawanna & Western R.R. by endorsement.

SECURITY—First lien on entire properties, wharfs, water rights, etc., at Hoboken, N. J.; on line extending from Hoboken via Morris-town and Denville to Phillipsburg, N. J.; also branch from point near Hoboken via Paterson to Denville. Total, 126 miles.

UNDERLIE—\$35,000,000 Morris & Essex R.R. construction 5s and 4½s (Nos. 2, 3 and 4).

LEGAL—For savings banks in Connecticut; legal for trust funds in New Jersey.

LISTED—On New York Stock Exchange.

TAX STATUS—Tax exempt in New Jersey Company pays Federal income tax up to 2%.

OFFERED—(\$2,800,000) at 84 in Sept., 1913; (\$5,000,000) at 83¼ in Jan., 1915; (\$2,500,000) at 85¼ in May, 1915; (\$1,488,000) at 87¼ in Feb., 1916, and (\$9,871,000) at 85 in Oct., 1927, by J. P. Morgan & Co., New York.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	47¼	56½	71½	97¼	97½
Low	34¾	36	47	70	90

□ To Aug. 2.

Note: \$1,760,000 traded in on N. Y. S. E. in 1939.

2. Morris & Essex R.R. construction gold 5s, series A, due 1955:

Rating—B

AUTHORIZED—All series, \$35,000,000; series A, \$10,000,000; outstanding, series A, \$10,000,000.

DATED—Nov. 2, 1925.

MATURITY—Nov. 1, 1955.

INTEREST PAID—M&N 1, at office of Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York (bearing interest from Nov. 1, 1929).

TRUSTEE—City Bank Farmers Trust Co., New York.

REGISTRAR—Company's office, 140 Cedar St., N. Y. C.

DENOMINATION—Coupon, \$1,000; registerable as to principal; registered, \$1,000 and authorized multiples thereof. C & R interchangeable.

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Delaware, Lackawanna & Western R.R. Co. by endorsement.

SECURITY—Issued under same mortgage and equally secured with series B and C (Nos. 3 and 4) by a direct lien on entire property of the company, subject only to the prior lien of \$35,000,000 total authorized and now outstanding first refunding gold 3½s due Dec. 1, 2000 (No. 1). Company's owned lines comprise 126 miles of road between Hoboken and Phillipsburg, N. J.

PURPOSE—Same as No. 4, below.

LISTED—On New York Stock Exchange.

TAX STATUS—Company pays Federal income tax up to 2%.

OFFERED—(\$10,000,000) in Feb. 1930 at 103½ by J. P. Morgan & Co., New York.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	44½	54	62	102	101¾
Low	27	30½	34¾	59	90

□ To Aug. 2.

Note: \$1,340,000 traded in on N. Y. S. E. in 1939.

3. Morris & Essex R.R. construction gold 4½s, series B, due 1955:

Rating—B

AUTHORIZED—All series, \$35,000,000; series B, \$15,000,000; outstanding, series B, \$15,000,000.

DATED—Nov. 1, 1928.

MATURITY—Nov. 1, 1955.

INTEREST PAID—M&N 1, at office of Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York (bearing interest from Nov. 1, 1929).

TRUSTEE—City Bank Farmers Trust Co., New York.

REGISTRAR—Company's office, 140 Cedar St., N. Y. C.

DENOMINATION—Coupon, \$1,000; registerable as to principal; registered, \$1,000 and authorized multiples thereof. C & R interchangeable.

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Delaware, Lackawanna & Western R.R. Co., by endorsement.

SECURITY—See description of series A above (No. 2).

PURPOSE—Same as No. 4, below.

LISTED—On New York Stock Exchange.

TAX STATUS—Company pays Federal income tax up to 2%.

OFFERED—(\$15,000,000) in Feb., 1930, at 96½ by J. P. Morgan & Co., New York.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	39	49	55½	97	96¼
Low	24¾	29	34½	47¾	84

□ To Aug. 2.

Note: \$2,334,000 traded in on N. Y. S. E. in 1939.

4. Morris & Essex R.R. construction gold 4½s, series C, due 1975:

AUTHORIZED—All series, \$35,000,000; series C, \$10,000,000; outstanding, series C, \$10,000,000.

OWNERSHIP—All owned by Delaware, Lackawanna & Western R.R. Co.

DATED—Nov. 1, 1930.

MATURITY—Nov. 1, 1975.

INTEREST PAID—M&N 1, at office of Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York.

TRUSTEE—City Bank Farmers Trust Co., New York.

REGISTRAR—Company's office, 140 Cedar St., N. Y. C.

DENOMINATION—Coupon, \$1,000; registerable as to principal; interchangeable.

CALLABLE—On any interest date after Nov. 1, 1955, at 105 and interest.

GUARANTEED—As to principal and interest by Delaware, Lackawanna & Western R.R. Co.

SECURITY—Secured equally with series A and B (Nos. 2 and 3). See series A, No. 2.

PURPOSE—Issued for additions and betterments on Morris & Essex R.R. by Delaware, Lackawanna & Western R.R. Co.

TAX STATUS—Company pays Federal income tax up to 2%.

Capital Stock: Morris & Essex R.R. stock par \$50:

AUTHORIZED—And outstanding, 300,000 shares (\$15,000,000); par \$50.

DIVIDENDS—Dividends of 7¾% per annum are provided for by Delaware, Lackawanna

& Western R.R. Co., under terms of lease and paid 4¼% on Jan. 1 and 3½% on July 1, to stock of record about D&J 7, at 140 Cedar St., New York. Dividends were paid at rate of 7% per annum under terms of lease from 1868 until 1917, when rate was increased to 7¾%. **OWNERSHIP**—Delaware, Lackawanna & Western R.R. Co. owns 1,301 shares.

TRANSFER AGENT—Stock transferred at D. L. & W. R.R. Co., New York.
REGISTRAR—City Bank Farmers Trust Co., New York.
LISTED—On New York Stock Exchange.

PRICE RANGE: 1940 1939 1938 1937 1936
High..... 30¾ 37¼ 40½ 66½ 71
Low..... 21½ 22½ 25 36½ 60½
To Aug. 2.
Note: 15,100 shares traded in on N. Y. S. E. in 1939.

CHESTER RAILROAD COMPANY

(Operated by Delaware, Lackawanna & Western R.R. under lease from Morris & Essex R.R. Co.)

History: Incorporated under the laws of New Jersey, Apr. 2, 1867. Road opened in 1872.
Lease: Leased May 15, 1868, in perpetuity at a rental of interest on bonds. Included in lease of Morris & Essex R.R. to the Delaware, Lackawanna & Western R.R., which owns a majority of the capital stock. Bonds retired in August, 1912.
Line of Road: Chester Junction to Succasunna, N. J., 3.74 miles. Sidings, etc., .92 mile. Standard gauge.

Officers: J. F. Talmage, Pres.; J. M. Davis, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.
Directors: J. M. Davis, Douglas Swift, J. F. Talmage, J. G. Enderlin, P. D. Jonas, J. J. Byrne, G. J. Ray, C. C. Hubbell, New York; E. B. Moffatt, Scranton, Pa.
Annual Meeting: Last Wednesday in June.
General Office: 140 Cedar Street, New York.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$100,534; representing road and equipment, \$87,566; miscellaneous physical properties, \$822; deferred liabilities, \$12,146; total, \$100,534.
Capital Stock: Chester Railroad Co. stock; par \$50:
AUTHORIZED—6,000 shares; outstanding, 2,010.68 shares; par \$50.
OWNERSHIP—Delaware, Lackawanna & Western R.R. owns 2,010 shares of the stock.

MORRIS & ESSEX EXTENSION RAILROAD COMPANY

(Operated by Delaware, Lackawanna & Western R.R. under lease from Morris & Essex R.R. Co.)

History: Incorporated under the laws of New Jersey, May 4, 1889. Road opened in Sept., 1889.
Operating Agreement: Operated by the Delaware, Lackawanna & Western R.R. Co. under agreement with the Morris & Essex R.R. Co., dated May 6, 1889, in perpetuity, at a rental of 4% on capital stock.
Line of Road: Junction with Morris & Essex R.R. to Paterson, N. J., 1.92 miles. Sidings, etc., 8.47 miles. Standard gauge.
Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, Douglas Swift, G. J. Ray, W. H. Dominick, J. G. Enderlin, G. W. Wildey, J. J. Byrne, New York.
Annual Meeting: In June.
No. of Stockholders, Dec. 31, 1939: 51.
General Office: 140 Cedar St., New York.
Income Account, years ended Dec. 31, 1939: Rental income, \$8,840; dividends, \$8,840.
General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$221,000; deferred liabilities, \$112,855; total, \$333,855; representing cost of road and equipment.
Capital Stock: 1. Morris & Essex Extension R.R. Co. stock; par \$100:
AUTHORIZED—2,500 shares; outstanding, 2,210 shares; par \$100.

OWNERSHIP—Delaware, Lackawanna & Western R.R. owns 917 shares.
DIVIDENDS—Of 4% per annum paid M&N 1, etc., to stock of record about A&O 24, at 140 Cedar St., New York. Dividends are provided for under terms of lease by the Delaware, Lackawanna & Western R.R. Co., under agreement with the Morris & Essex R.R.
TRANSFER AGENT—Stock transferred at office of the Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York.
REGISTRAR—City Bank Farmers Trust Co., New York.
PRICE RANGE: 1939 1938 1937
High..... 36 38 66
Low..... 30 28½ 36¼

NEWARK & BLOOMFIELD RAILROAD COMPANY

(Operated by Delaware, Lackawanna & Western R.R. under lease from Morris & Essex R.R. Co.)

History: Incorporated under the laws of New Jersey, March 26, 1852. Road opened July 1, 1856.
Lease: Leased from April 1, 1868, for 99 years, at a rental of 6% per annum on capital stock. Included in lease of Morris & Essex R.R. Co. to the Delaware, Lackawanna & Western R.R. Co., which owns \$1,576,950 of the \$1,600,000 capital stock.
Line of Road: Newark Junction to Montclair, N. J., 4.20 miles; second track, 4.20 miles; sidings, 7.35 miles. Standard gauge.
Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, Douglas Swift, G. J. Ray, J. G. Enderlin, C. F. McTague, W. H. Dominick, J. J. Byrne, New York.
Annual Meeting: Last Wednesday in June at Hoboken, N. J.
No. of Stockholders, Dec. 31, 1939: 22.
General Office: 140 Cedar Street, New York.
Income Account, year ended Dec. 31, 1939: Rental income, \$96,000; dividends, \$96,000.
Balance Sheet, as of Dec. 31, 1939: Capital stock, \$1,600,000; premium on capital stock, \$299,230; deferred liabilities, \$989,814; total, \$2,889,044; representing cost of road and equipment.

Capital Stock: 1. Newark & Bloomfield R.R. Co. stock; par \$50:
AUTHORIZED—And outstanding, 32,000 shares (increased from 2,077 shares in 1914); par \$50.
OWNERSHIP—Delaware, Lackawanna & Western R.R. owns 31,539 shares of the capital stock.
DIVIDENDS—Of 6% per annum, provided under lease to the Morris & Essex R.R. and paid A&O 1 to stock of record about M&S 22.
TRANSFER AGENT—Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York.
REGISTRAR—City Bank Farmers Trust Co., New York.

NEW YORK & HOBOKEN FERRY CO.

(Controlled by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New Jersey, Nov. 7, 1898 as a holding company and acquired the \$100,000 outstanding capital stock (authorized \$3,300,000; par \$100) of the Hoboken Ferry Co., which merged the New York & New Jersey Ferry Co., Nov. 30, 1896. The Hoboken Ferry Co. owns the Barclay Street, Christopher Street and West 23d Street (New York) ferries to Hoboken, N. J., and valuable wharf and dock properties, which are leased since Jan. 1, 1905 to Delaware, Lackawanna and Western R.R. Co. Rental provides for payment of annual interest on bonds.
Rental Agreement: Under agreement dated Dec. 30, 1909, between New York & Hoboken Ferry Co., Hoboken Ferry Co., and the Delaware, Lackawanna & Western R.R. Co., the latter company is obligated to pay for the use of the ferries an annual rental, which in 1939 amounted to \$404,730. This rental was disposed of by the New York & Hoboken Ferry Co., as follows: \$165,000 paid to bondholders of New York & Hoboken Ferry Co., \$238,900 paid to bondholders of Hoboken Ferry Co., and \$830 New Jersey franchise tax. Agreement expired in 1929, but no new agreement made, properties being operated under old agreement.
Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; P. D. Jonas, Compt.; G. W. Wildey, Asst. Sec. & Asst. Treas.; R. O. Collins, Asst. Compt., New York.
Directors: P. D. Jonas, J. G. Enderlin, J. M. Davis, Douglas Swift, G. J. Ray, J. J. Byrne, New York; J. M. Emery, Hoboken, N. J.
Office: 140 Cedar Street, New York, and Hoboken, N. J.
Income Account (Hoboken Ferry Co.), year ended Dec. 31, 1939: Rental income, \$404,730; deed charges, \$238,900; other deductions, \$165,000; net income, nil.

Balance Sheet, as of Dec. 31 (New York & Hoboken Ferry Co.):
Assets: 1939 1938
Inv. in affil. cos... \$7,875,233 \$7,875,233
Rent receivable... 75,283 74,008
Total \$7,950,516 \$7,949,241
Liabilities:
Capital stock .. \$3,300,000 \$3,300,000
Funded debt 3,300,000 3,300,000
Non-neg. debt ... 1,275,233 1,275,232
Interest matur. .. 75,283 74,008
Total \$7,950,516 \$7,949,241
\$33,000 no par shares.
Balance Sheet, as of Dec. 31 (Hoboken Ferry Co.):
Assets: 1939 1938
Road & equip..... \$7,212,190 \$7,194,565
Improv. — leased prop. 198,967 198,967
Rents receivable.. 33,983 33,083
Total \$7,445,140 \$7,426,615
Liabilities:
Capital stock \$100,000 \$100,000
Funded debt 4,778,000 4,778,000
Non-neg. debt ... 2,225,139 2,207,514
Interest accrued.. 33,983 33,083
Profit & loss..... 308,018 308,018
Total \$7,445,140 \$7,426,615
Bonded Debt: 1. New York & New Jersey Ferry Co. second (now consolidated) gold 5s, due 1946:
OUTSTANDING—\$1,000,000, of which \$801,000 owned by Delaware, Lackawanna & Western R.R. Co.
DATED—1895.
MATURITY—Jan. 1, 1946.

INTEREST PAID—J&J 1, at 140 Cedar Street, New York.
TRUSTEE—Kings County Trust Co., Brooklyn, N. Y.
CALLABLE—On any interest date on six weeks' notice at option of company at 110.
SECURITY—Mortgage on shore property at 14th Street, Hoboken, and 3 ferry boats and also on franchise to operate a ferry between 14th Street, Hoboken, and 23rd Street, New York.
REGISTRAR—Delaware, Lackawanna & Western R.R. Co.
UNDERLIE—\$3,360,000 N. Y. & Hoboken Ferry Co. gen. 5s of 1946 (No. 3).
PURPOSE—Of outstanding second 5s, \$600,000 issued in exchange for like amount of New York & New Jersey Ferry Co. 1st 4½s of 1946.
TAX STATUS—Company does not pay Federal income tax.
2. Hoboken Ferry Co. first consolidated gold 5s, due 1946:
AUTHORIZED—\$4,500,000; outstanding, \$3,778,000, of which \$285,000 owned by Delaware, Lackawanna & Western R.R. Co.
DATED—May 1, 1896.
MATURITY—May 1, 1946.
INTEREST PAID—M&N 1, at D., L. & W. office, 140 Cedar Street, New York.
DENOMINATION—Coupon, \$1,000; registerable as to principal.
TRUSTEE—Chemical Bank & Trust Co., New York.
CALLABLE—At 110 on six weeks' notice.
SECURITY—First mortgage on all the property, rights, privileges and franchises of the Hoboken Ferry Co., including the leases of the

Christopher and Barclay Street ferries and all the wharriage and crantage of the property 142 to 146 West Street, New York.

UNDERLIE—\$3,300,000 N. Y. & Hoboken Ferry Co. gen. 5s of 1946 (No. 3).

REGISTRAR—Delaware, Lackawanna & Western R.R. Co.

TAX STATUS—Company does not pay Federal income tax.

PRICE RANGE:

	1939	1938	1937	1936	1935
High	51½	63	95	93	90
Low	38	31	62	85	82

3. New York & Hoboken Ferry Co. general gold 5s, due 1946:

AUTHORIZED—\$4,000,000; outstanding, \$3,300,000, of which Delaware, Lackawanna & Western R.R. Co. owns \$2,318,000.

NEW YORK, LACKAWANNA & WESTERN RAILWAY COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated Aug. 24, 1880 in New York. Road opened in Sept., 1882.

Lease: Leased to The Delaware, Lackawanna & Western R.R. Co. Oct. 2, 1882, in perpetuity, at an annual rental of 5% on capital stock and interest on bonds, the lessee assuming all outstanding liabilities, including principal of bonds, and receiving all assets.

Line of Road: Binghamton to International Bridge, 207.17 miles; Cayuga extension, 0.5 miles; Buffalo City Branch, 6.77 miles; total, 214.44 miles; second track, 213.23 miles; sidings, 213.72 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, W. S. Jenney, J. J. Byrne, E. H. Will, Douglas Swift, J. G. Enderlin, G. J. Ray, New York; Halsey Sayles, Elmira, N. Y.; L. L. Babcock, D. E. Knowlton, L. G. Harriman, Buffalo, N. Y.; Dwight K. Yerxa, Minneapolis, Minn.; C. S. Weston, Scranton, Pa.

Annual Meeting: Tuesday before last Friday in Feb., at New York.

No. of Stockholders, Dec. 31, 1939: 1,599.

General Office: 140 Cedar St., New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$1,508,985; fixed charges, \$995,560; other deductions, \$13,425; total, \$1,008,985. Net income, \$500,000; dividends, \$500,000.

Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.	\$35,300,915	\$34,889,185
Misc. phys. prop.	100,061	100,061
Current assets	170,067	167,870
Unadj. debits	447,497	460,922
Deferred assets	5,601,482	5,601,482
Total	\$41,620,022	\$41,219,520
Liabilities:		
Capital stk. (\$100)	\$10,000,000	\$10,000,000
Funded debt	23,639,000	23,639,000
Current liab.	170,067	167,870
Unadj. credits	447,497	460,922
Deferred liab.	7,363,458	6,951,728
Total	\$41,620,022	\$41,219,520

DATED—Dec. 1, 1898.

MATURITY—May 1, 1946.

INTEREST PAID—J&D 1, at 140 Cedar Street, New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal.

TRUSTEE—Chemical Bank & Trust Co., New York.

CALLABLE—At 110 on six weeks' notice.

ADDITIONAL BONDS—Reserved for improvements, etc.

SECURITY—Secured by pledge of \$100,000 capital stock of Hoboken Ferry Co. and by mortgage on entire property of that company, subject to \$1,000,000 N. Y. & N. J. Ferry Co. consolidated 5s of 1946 (No. 1), and \$3,778,000 Hoboken Ferry Co. 1st cons. 5s of 1946 (No. 2).

Investment in equipment transferred to the books of the D. L. & W. R.R. lessee.

Open account with D. L. & W. R.R. Co. for additions and betterments.

Bonded Debt: 1. New York, Lackawanna & Western Ry. first and refunding guaranteed gold 4s, series A and 4½s, series B, due 1973:

Rating—Baa

AUTHORIZED—\$30,000,000; outstanding, \$13,639,000 series A 4s, and \$10,000,000 series B 4½s. The series A 4s were changed from 5s in May, 1934.

DATED—Series A, May 1, 1922; series B, May 1, 1923.

MATURITY—May 1, 1973.

INTEREST PAID—M&N 1, at D. L. & W. office, 140 Cedar St., New York.

TRUSTEE—City Bank Farmers Trust Co., New York.

REGISTRAR—Company's office.

DENOMINATION—Coupon, \$1,000; registerable as to principal; C. & R. interchangeable.

CALLABLE—Not subject to call.

SINKING FUND—No provision for sinking fund.

GUARANTEED—As to principal and interest by endorsement by the Delaware, Lackawanna & Western R.R.

SECURITY—First lien on the main line of the Lackawanna System from Binghamton to Buffalo, comprising 208 miles of road, all of which is double tracked and covering one-half the entire system.

PURPOSE—Issued to retire maturing indebtedness.

ADDITIONAL BONDS—May be issued for extensions, additions and betterments or for other corporate purposes.

LEGAL—For savings banks in Connecticut and legal for trust funds in New Jersey.

LISTED—On New York Stock Exchange.

TAX STATUS—Payment of principal and interest made without deduction for any taxes, assessments or governmental charges except estate, succession and inheritance taxes and

REGISTRAR—Delaware, Lackawanna & Western R.R. Co.

TAX STATUS—Company does not pay Federal income tax.

PRICE RANGE:

	1939	1938	1937	1936	1935
High	47	45	80	80	85
Low	29	25	50	75	73

Capital Stock: 1. New York & Hoboken Ferry Co. stock; no par:

AUTHORIZED—40,000 shares; outstanding, 33,000 shares; no par.

OWNERSHIP—All owned by Delaware, Lackawanna & Western R.R.

DIVIDENDS—Paid as follows: Dec., 1899, \$1; 1900, \$4.50; 1901 to 1904, incl., \$5 per annum; none thereafter.

state income taxes and except Federal income taxes exceeding in the aggregate 2% per annum which the company may be required or permitted to pay thereon or deduct therefrom by any present or future law of the United States of America or any state, county or municipality thereof or other taxing authority, the company hereby agreeing to pay such tax or taxes.

OFFERED—(\$10,000,000, series B 4½s) at 96¼, in Mar., 1923, by J. P. Morgan & Co., New York and (\$13,639,000 series A 4s) at 93 in June, 1934.

PRICE RANGE:

4½s, 1973:	1940	1939	1938	1937	1936
High	64	68	93	109½	111
Low	50	54	64	94½	103

4s, 1973:

	1940	1939	1938	1937	1936
High	60	63	80	105½	104½
Low	43½	48¾	60	82	94½

To Aug. 2.

Note: \$37,000 4½s and \$291,000 4s traded in on N. Y. S. E. in 1939.

Capital Stock: 1. New York, Lackawanna & Western Railway Co. Stock; par \$100:

AUTHORIZED—And outstanding, 100,000 shares; par \$100.

OWNERSHIP—Delaware, Lackawanna & Western R.R. Co. owns 705 shares of the stock.

DIVIDENDS of 5% per annum provided for under terms of lease by the Delaware, Lackawanna & Western R.R. Co., payable quarterly, Jan. 1, etc., to stock of record about Dec. 14, etc.

TRANSFER AGENT—Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York.

REGISTRAR—City Bank Farmers Trust Co., New York.

LISTED—On New York Stock Exchange.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	56	62	63½	97	99½
Low	45	47	54	54¼	90

To Aug. 2.

Note: 1,820 shares traded in on N. Y. S. E. in 1939.

OSWEGO & SYRACUSE RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New York, April 29, 1839. Charter amended May 14, 1845. Road opened May 14, 1848.

Lease: Leased to the Delaware, Lackawanna & Western R.R. from Feb. 13, 1869, in perpetuity at a rental of 9% on capital stock and interest on bonds.

Line of Road: Syracuse to Oswego, N. Y., 34.98 miles. Sidings, etc., 29.24 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: G. W. Wildey, J. M. Davis, W. S. Jenney, J. G. Enderlin, J. J. Byrne, C. C. Hubbell, Douglas Swift, P. D. Jonas, G. J. Ray, New York; E. B. Moffatt, J. H. Lance, E. E. Root, Scranton, Pa.; G. A. Phillips, Hoboken, N. J.

Annual Meeting: First Wednesday in Dec., at New York.

No. of Stockholders, Dec. 31, 1939: 444.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$178,486; fixed charges, \$59,650. Net income, \$118,836; dividends, \$118,836.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$1,320,400; bonded debt, \$1,193,000; current liabilities, \$19,883; deferred liabilities, \$97,302; deficit \$28,664; total, \$2,601,921. Contra: Road and equipment, \$1,981,958; miscellaneous physical property, \$77,651; current assets, \$19,883; other deferred assets, \$522,429; total, \$2,601,921.

Bonded Debt: 1. Oswego & Syracuse R.R. first and refunding 5s, due 1974:

AUTHORIZED—\$2,000,000; outstanding, \$1,193,000.

OWNERSHIP—All owned by D. L. & W. R.R. Co.

DATED—Mar. 1, 1924.

MATURITY—Mar. 1, 1974.

INTEREST PAID—M&S 1, at D. L. & W. R.R. office, 140 Cedar St., New York.

TRUSTEE—City Bank Farmers Trust Co., New York.

DENOMINATION—Coupon, \$1,000. Guaranteed as to principal and interest by D. L. & W. R.R. Co.

SECURED—By first lien on entire property.

Capital Stock: 1. Oswego & Syracuse Railroad Co. stock; par \$50:

OUTSTANDING—26,408 shares; par \$50. Owned by The Delaware, Lackawanna & Western R.R. Co., 4,214 shares.

DIVIDENDS—Of 9% per annum provided for under terms of lease and paid F&A 20 to stock of record about F&A 7, by The Delaware, Lackawanna & Western R.R. Co., at 140 Cedar St., New York.

TRANSFER AGENT—Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York.

REGISTRAR—City Bank Farmers Trust Co., New York.

PENNSYLVANIA TAX STATUS OF STOCKS AND BONDS

A discussion of the liability of Pennsylvania residents for personal property taxes on their holdings of stocks and bonds will be found in the blue insert pages in the center of this Manual. This section also includes a list of bonds containing provisions for assumption or refund of Pennsylvania taxes by the issuer, as well as a list of stocks exempt from Pennsylvania personal property taxes.

PASSAIC & DELAWARE RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New Jersey, Oct. 22, 1878, as successor to the New Jersey West Line R.R. Co.

Lease: Leased to The Delaware, Lackawanna & Western R.R. Co., Nov. 1, 1882, in perpetuity, at a rental of 5% on capital stock. The lessee owns \$109,700 of the \$111,050 outstanding capital stock.

Line of Road: Summit to Bernardsville, N. J., 14.11 miles. Sidings, etc., 4.63 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, Douglas Swift, C. C. Hubbell, J. J. Byrne, A. J. McMahon, J. G. Enderlin, P. D. Jonas, G. J. Ray, New York; G. A. Phillips, Hoboken, N. J.

Annual Meeting: Last Wednesday in June.
No. of Stockholders, Dec. 31, 1939: 19.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$5,553; dividends, \$5,553.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$111,050; non-negotiable debt to affiliated companies, \$666,791; total, \$777,841; representing cost of road and equipment.

Capital Stock: Passaic & Delaware Railroad Co. stock; par \$50:

AUTHORIZED—20,000 shares; outstanding, 2,221 shares; par \$50.

OWNERSHIP—The Delaware, Lackawanna & Western R.R. Co. owns 2,194 shares.

DIVIDENDS—5% per annum paid under terms of lease, F&A 1, to stock of record about J&J 24, at office of The Delaware, Lackawanna & Western R.R. Co., 140 Cedar Street, New York.

TRANSFER AGENT—Stock transferred at office of The Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York.

REGISTRAR—City Bank Farmers Trust Co., New York.

PASSAIC & DELAWARE EXTENSION RAILROAD COMPANY

(Operated under lease by the Passaic & Delaware R.R. Co.)

History: Incorporated under the laws of New Jersey, Apr. 17, 1890. Road opened in Sept., 1890.

Lease: Leased to the Passaic & Delaware R.R. Co., agreement dated May 1, 1890, in perpetuity, at a rental of 4% per annum on capital stock. The Passaic & Delaware R.R. Co. is operated under lease by The Delaware, Lackawanna & Western R.R. Co.

Line of Road: Junction with Passaic and Delaware R.R. at Bernardsville to Gladstone, N. J., 7.41 miles. Sidings, etc., 2.20 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.;

G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt., New York.

Directors: J. M. Davis, Douglas Swift, G. J. Ray, P. D. Jonas, J. G. Enderlin, J. J. Byrne, New York; G. A. Phillips, Hoboken, N. J.

Annual Meeting: Last Wednesday in June.
No. of Stockholders, Dec. 31, 1939: 19.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$4,000; dividends, \$4,000.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$100,000; deferred liabilities, \$187,764; total, \$287,764; representing cost of road and equipment.

Capital Stock: Passaic & Delaware Extension Railroad Co. stock; par \$100:

AUTHORIZED—And outstanding, \$100,000; par \$100.

Delaware, Lackawanna & Western R.R. Co. owns 95 shares.

DIVIDENDS—4% per annum paid M&N 1, to stock of record about A&O 24, at office of The Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York, under agreement with Passaic & Delaware R.R.

TRANSFER AGENT—Stock transferred at office of The Delaware, Lackawanna & Western R.R. Co., 140 Cedar Street, New York.

REGISTRAR—City Bank Farmers Trust Co., New York.

SUSSEX RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Chartered under special act of the Legislature of New Jersey, approved Mar. 9, 1848 as the Sussex Mine R.R. Co., and duly organized Jan. 9, 1850. Present title adopted, Feb. 5, 1853. Has a perpetual charter.

Line of Road: Morris & Essex Junc., near Stanhope to Branchville, N. J., 21.39 miles. Sidings, 5.42 miles.

Lease: Leased to the D. L. & W. R.R. Co. from March 1, 1924, for the full term of the corporate existence of the Sussex R.R. Co. at a rental of 2% per annum on the stock, lessee to pay all bonds, debts and liabilities which may accrue during the continuance of the lease.

Control: Controlled by the Delaware, Lackawanna & Western R.R. through ownership of over 95% of the outstanding stock.

Officers: G. J. Ray, Pres.; J. M. Davis, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W.

Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, Douglas Swift, J. G. Enderlin, G. W. Wildey, W. H. Dominick, A. J. McMahon, C. Ledyard Blair, G. J. Ray, Wm. G. Wrightson, C. F. McTague, J. J. Byrne, New York.

Annual Meeting: In June.
No. of Stockholders, Dec. 31, 1939: 49.

Office: 140 Cedar St., New York.

Income Account, years ended Dec. 31, 1939: Rental income, \$32,772; dividends, \$32,772.

Balance Sheet, as of Dec. 31:

Assets:	1939	1938
Road and equip.	\$1,644,200	\$1,643,872
Deferred assets	45,835	45,835

Total \$1,690,035 \$1,689,707

Liabilities:

	1939	1938
Capital stock	\$1,638,600	\$1,638,600
Non-negot. debt	55,218	54,890
Approp. surplus	70,288	71,095
P. & I. deficit	74,071	74,878

Total \$1,690,035 \$1,689,707

Capital Stock: 1. Sussex Railroad stock; par \$50:

AUTHORIZED — And Outstanding, 32,772 shares; par \$50.

DIVIDENDS—At the rate of 2% per annum provided for under terms of lease by D., L. & W. R.R., which owns 31,379 shares of the outstanding stock. Dividends paid J&J 1, to stock of record, J&D 14.

TRANSFER AGENT—Delaware, Lackawanna & Western R.R. Co., 140 Cedar St., New York.

REGISTRAR—City Bank Farmers Trust Co., New York.

SYRACUSE, BINGHAMTON & NEW YORK RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New York, Oct. 13, 1856, as the Syracuse & Southern R.R. pursuant to a reorganization after foreclosure of Syracuse & Binghamton R.R., incorporated July 2, 1851; present title adopted Mar. 31, 1857.

Lease: Leased to The Delaware, Lackawanna & Western R.R. Co. from Oct. 1, 1912, in perpetuity, at a rental of 12% on capital stock. In a suit brought by minority stockholders, this lease was declared inequitable to the minority interests by Justice Giegrich of the N. Y. Supreme Court, in Nov., 1916. This decision was reversed by the Appellate Division of the Supreme Court and the complaint dismissed. Plaintiff appealed decision to the Court of Appeals, which subsequently affirmed the decision of the Appellate Division.

Line of Road: Geddes to Binghamton, N. Y., 80.95 miles; second track, 22.68 miles; sidings, etc., 55.68 miles. Standard gauge.

Authorized to Pledge Note: On Mar. 17, 1938 it was announced that the ICC had authorized the company to issue a promissory note for \$1,462,516 to Delaware, Lackawanna & Western R.R. to evidence a like amount of indebtedness for advances made by D. L. & W. for additions and betterments to the company's property. D. L. & W. was authorized to assume obliga-

tion and liability, as endorser, in respect of the note and to pledge and repledge it up to and including June 30, 1940, as collateral security for its own note in the face amount of \$1,000,000.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, G. J. Ray, W. H. Dominick, J. J. Byrne, Douglas Swift, P. D. Jonas, J. G. Enderlin, C. C. Hubbell, New York; Reginald B. Taylor, Buffalo, N. Y.; E. B. Moffatt, Scranton; G. A. Phillips, Hoboken, N. J.

Annual Meeting: First Wednesday in December, at office of The Delaware, Lackawanna & Western R.R. Co., 140 Cedar Street, New York.

No. of Stockholders, Dec. 31, 1939: 69.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$300,000; dividends, \$300,000.

Balance Sheet, as of Dec. 31:

Assets:	1939	1938
Road and equip.	\$5,788,744	\$5,885,174
Misc. phys. prop.	17,958	33,607

Assets (cont'd)

	1939	1938
Inv. in affil.	80,336	—
Deferred assets	431,718	431,718

Total \$6,318,756 \$6,350,498

Liabilities:

	1939	1938
Capital stk. (\$100)	\$2,500,000	\$2,500,000
Notes payable	1,462,516	1,462,516
Open account	—	31,742
Approp. surplus	176,050	176,050
P. & I. surplus	2,180,190	2,180,190

Total \$6,318,756 \$6,350,498

Capital Stock: 1. Syracuse, Binghamton & New York Railroad Co. stock; par \$100:

AUTHORIZED — And outstanding, 25,000 shares; par \$100.

OWNERSHIP—Owned by The Delaware, Lackawanna & Western R.R. Co., 22,019 shares.

DIVIDENDS—12% per annum, paid under terms of lease, quarterly, Feb. 1, etc., at office of The Delaware, Lackawanna & Western R.R. Co., 140 Cedar Street, New York.

TRANSFER AGENT—At company's office.

REGISTRAR—City Bank Farmers Trust Co., New York.

UTICA, CHENANGO & SUSQUEHANNA VALLEY RAILWAY COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under laws of New York Dec. 18, 1865. Road opened Oct. 10, 1872.

Lease: Leased to the Delaware, Lackawanna & Western R.R. Co., April 9, 1870, from May 1, 1870, in perpetuity, at a rental of 6% per annum on capital stock.

Line of Road: Greene to Utica, N. Y., 75.64 miles; Richfield Junction to Richfield Springs,

21.75 miles; total, 97.39 miles. Sidings, etc., 37.01 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, John L. Homer, J. G. Enderlin, P. D. Jonas, C. C. Hubbell, A. J.

McMahon, W. H. Dominick, J. J. Byrne, Douglas Swift, G. J. Ray, New York; E. B. Moffatt, C. J. Scudder, Scranton; G. A. Phillips, Hoboken, N. J.

Annual Meeting: First Wednesday in December, at New York.

No. of Stockholders, Dec. 31, 1939: 1,135.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939:
Rental income, \$240,000; dividends, \$240,000.

Balance Sheet , as of Dec. 31:		
Assets:	1939	1938
Road & equip.	\$4,292,318	\$4,257,479
Misc. phys. prop. ..	3,378	3,378
Deferred assets ..	187,926	187,926
Total	\$4,483,622	\$4,448,783

Liabilities:	1939	1938
Capital stock	\$4,000,000	\$4,000,000
Deferred liabil.	483,622	448,783
Total	\$4,483,622	\$4,448,783

Capital Stock: 1. Utica, Chenango & Susquehanna Valley Railway Co. stock; par \$100:
AUTHORIZED—40,000 shares; outstanding, 40,000 shares; par \$100.

OWNERSHIP—Owned by The Delaware, Lackawanna & Western R.R. Co., 2,961 shares.
DIVIDENDS—Of 6% per annum provided for under terms of lease by The Delaware, Lackawanna & Western R.R. Co., paid M&N 1, at 140 Cedar Street, New York, to stock of record A&O 15.
TRANSFER AGENT—At company's office.
REGISTRAR—City Bank Farmers Trust Co., New York.

VALLEY RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New York, March 3, 1869. Road opened in 1870.

Lease: Leased to the Delaware, Lackawanna & Western R.R. Co., April 15, 1869, in perpetuity, at a rental of 5% per annum on capital stock and interest on bonds.

Line of Road: Pennsylvania State Line to Binghamton, N. Y., 11.1 miles; second track, 11.1 miles; sidings, etc., 37.10 miles. Standard gauge.

Officers: J. M. Davis, Pres.; Douglas Swift, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: J. M. Davis, Douglas Swift, J. G. Enderlin, C. C. Hubbell, P. D. Jonas, G. A. Phillips, W. S. Dunloy, G. J. Ray, C. F. McTague, J. J. Byrne, R. O. Collins, A. J. McMahon, New York; E. B. Moffatt, Scranton, Pa.

Annual Meeting: In December, at New York.

No. of Stockholders, Dec. 31, 1939: 158.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939:
Rental income, \$59,650; fixed charges, \$22,150; dividends, \$37,500.

Balance Sheet , as of Dec. 31:		
Assets:	1939	1938
Road & equip.	\$3,248,770	\$3,233,823
Current assets	7,383	7,383
Deferred assets ..	42,000	42,000
Total	\$3,298,153	\$3,283,206

Liabilities:	1939	1938
Cap. stock (\$100) ..	\$750,000	\$750,000
Bonded debt	443,000	443,000
Current liab.	7,383	7,383
Deferred liab.	2,097,770	2,082,823
Total	\$3,298,153	\$3,283,206

Bonded Debt: Valley Railroad Co. first and refunding (now first) gold 5s, due 1974:
AUTHORIZED—\$2,000,000; outstanding, \$443,000.
DATED—Sept. 1, 1924.
MATURITY—Sept. 1, 1974.

INTEREST PAID—M&S 1, at D., L. & W. R.R. Co.'s office, 140 Cedar St., New York.

TRUSTEE—City Bank Farmers Trust Co., New York.

GUARANTEED—As to principal and interest by D., L. & W. R.R. Co.

SECURED—By first lien on entire property.
OWNERSHIP—All owned by D., L. & W. R.R. Co.

Capital Stock: Valley Railroad Co. stock; par \$100:

AUTHORIZED—And outstanding, 7,500 shares; par \$100.

The Delaware, Lackawanna & Western R.R. Co., owns 83 shares.

DIVIDENDS—5% per annum, paid under terms of lease, J&J 1, to stock of record about D&J 20, by The Delaware, Lackawanna & Western R.R. Co., at 140 Cedar St., New York.

TRANSFER AGENT—Stock transferred at company's office.

REGISTRAR—City Bank Farmers Trust Co., New York.

WARREN RAILROAD COMPANY

(Operated under lease by The Delaware, Lackawanna & Western R.R. Co.)

History: Incorporated under the laws of New Jersey, Feb. 12, 1851. Road opened in June, 1856.

Lease: Leased to The Delaware, Lackawanna & Western R.R. Co. Oct. 1, 1857, in perpetuity, at a rental of 7% per annum on capital stock and interest on bonds.

Line of Road: Hampton, N. J., to Delaware River, N. J., 18.82 miles; second track, 13.00 miles; sidings, etc., 4.22 miles. Standard gauge.

Officers: G. J. Ray, Pres.; J. M. Davis, Vice-Pres.; J. G. Enderlin, Sec. and Treas.; G. W. Wildey, Asst. Sec. and Asst. Treas.; P. D. Jonas, Compt.; R. O. Collins, Asst. Compt., New York.

Directors: G. W. Wildey, J. M. Davis, G. J. Ray, R. O. Collins, J. G. Enderlin, Douglas Swift, J. J. Byrne, P. D. Jonas, New York; E. B. Moatt, Scranton, Pa.

Annual Meeting: In June at Hoboken, N. J.

No. of Stockholders, Dec. 31, 1939: 558.

General Office: 140 Cedar Street, New York.

Income Account, year ended Dec. 31, 1939:
Rental income, \$174,790; fixed charges, \$48,790; dividends, \$126,000.

Balance Sheet , as of Dec. 31:		
Assets:	1939	1938
Road & equip.	\$3,474,340	\$3,475,897
Current assets	20,417	20,382
Total	\$3,494,757	\$3,496,279

Liabilities:	1939	1938
Cap. stock (\$50) ..	\$1,800,000	\$1,800,000
Bonded debt	1,394,000	1,394,000
Current liab.	20,417	20,382
Deferred liab.	280,340	281,897
Total	\$3,494,757	\$3,496,279

Bonded Debt: Warren R.R. Co. first refunding gold 3½s; due 2000:
Rating—B

AUTHORIZED—\$2,000,000; outstanding, \$1,394,000.
DATED—Aug. 1, 1900.
MATURITY—Aug. 1, 2000.

INTEREST PAID—F&A 1, at office of D., L. & W. R.R., 140 Cedar Street, New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal.

TRUSTEE—City Bank Farmers Trust Co., New York.

REGISTRAR—Registered at company's office, 140 Cedar St., N. Y. C.

CALLABLE—Not callable.

SECURITY—First lien, 19 miles, New Hampton Junction to Delaware River, N. J.

GUARANTEED—Principal and interest by D., L. & W. R.R. by endorsement.

LEGAL—For savings banks in Connecticut; and for trust funds in New Jersey.

LISTED—On New York Stock Exchange.

TAX STATUS—Company pays Federal income tax up to 2%.

PRICE RANGE:	1940	1939	1938	1937	1936
High	37	40	50	80	83
Low	35	32½	35	77	77

Note: \$12,000 traded in on N. Y. S. E. in 1939.

Capital Stock: Warren Railroad Co. stock; par \$50:

AUTHORIZED—And outstanding, 36,000 shares (\$1,800,000); par \$50.

Owned by The Delaware, Lackawanna & Western R.R. Co., 3,722 shares.

DIVIDENDS—7% per annum, provided for under terms of lease, paid A&O 15 to stock of record about A&O 1, by The Delaware, Lackawanna & Western R.R. Co., at 140 Cedar St., New York.

TRANSFER AGENT—Stock transferred at company's office.

REGISTRAR—City Bank Farmers Trust Co., New York.

PRICE RANGE:	1939	1938	1937	1936	1935
High	30½	31	50½	54	44
Low	21¼	17	30	44	bid

BANGOR AND AROOSTOOK RAILROAD COMPANY

HISTORY

Corporate History: Incorporated under the general railroad laws of Maine, Feb. 13, 1891, and under its charter company constructed the railroad from Brownville to Caribou with branches to Fort Fairfield and Ashland (1891 to 1895), with extension Caribou to Van Buren (1899).

Acquisition and Extension: During the same period (1891 to 1899) it acquired the Bangor and Piscataquis R.R., Old Town to Greenville, and Bangor and Katahdin Iron Works Ry., Milo (Derby) to Katahdin Iron Works. It also acquired by purchase the Patten and Sherman R.R., Patten to Sherman, and Aroostook Northern R. R., Caribou to Limestone, both of which railroads had been organized and constructed independently of this company.

It has since constructed as extension or by separate organization with later acquisition: Fish River R.R., Ashland to Fort Kent (1902); Northern Maine Seaport R.R., South Lagrange to Searsport (1904); Schoodic Stream R.R., to the paper mills at East Millinocket (1906); Medford Extension, South Lagrange to Packard via Medford (1907); St. John River Extension, Van Buren to St. Francis (1909-1910); Washburn Extension, Squa Pan to Stockholm, via Washburn with branch, Mapleton to Presque Isle (1909-1910), and extension to Van Buren Bridge (1915).

The franchise and all other property rights of the above railroads are vested in Bangor and Aroostook R.R. Co.

On Oct. 30, 1919, the entire railroad and property of the Northern Maine Seaport Railroad Company passed into the possession of the Bangor and Aroostook Railroad Company as owner, the latter corporation assuming all the obligations, duties and liabilities of the Seaport Company. This property was formerly operated under a 999-year lease.

Former Control: Company was formerly controlled by the Aroostook Construction Co., which disposed of its interest in 1924.

Operating Territory: Lines cover the northeastern section of the State of Maine. The system radiates largely throughout eastern and northern Maine and penetrates the extensive lumber regions of that State. In accordance with authority of the Interstate Commerce Commission, the operation of that portion of its branch line between Brownville Jct. and Iron Works (8.85 miles) was discontinued Oct. 9, 1922, and 7.62 miles thereof was dismantled in 1935. Transportation of potatoes, paper, lumber and logs has always represented a large part of its freight business.

Van Buren Bridge Co.: Bangor and Aroostook R.R. Co. owns entire capital stock (acquired in Nov., 1914) of Van Buren Bridge Co. (see appended statement), which connects its

system with Canadian National Rys. by international bridge between Van Buren, Me., and St. Leonard, New Brunswick, Canada.

Northern Telegraph Co.: Company also owns entire capital stock (\$262,600—purchased in 1923) of Northern Telegraph Co. (see Moody's Public Utility Manual) and, directly and indirectly, the entire capital stock of the Bangor Investment Co. (see appended statement). Latter company owns entire capital stock of Bangor & Aroostook Transportation Co.

Potato Rate Reduction Authorized: On Jan. 5, 1940, the ICC authorized railroads operating over indirect routes from Maine and New Brunswick, Canada, to eastern destinations, to continue in effect reduced rates on potatoes and other vegetables.

Some time previously the ICC granted the Bangor & Aroostook, Canadian Pacific Railway, Boston & Maine Railroad and carriers participating in their tariffs temporary authority to reduce the rates. This authority was made permanent in the order of Jan. 5.

The reduced rates, the ICC said, became necessary to enable Bangor & Aroostook, Canadian Pacific, Maine Central R.R., Boston & Maine and associated roads to operate on a rate parity with competing direct routes.