

ERIE RAILROAD COMPANY

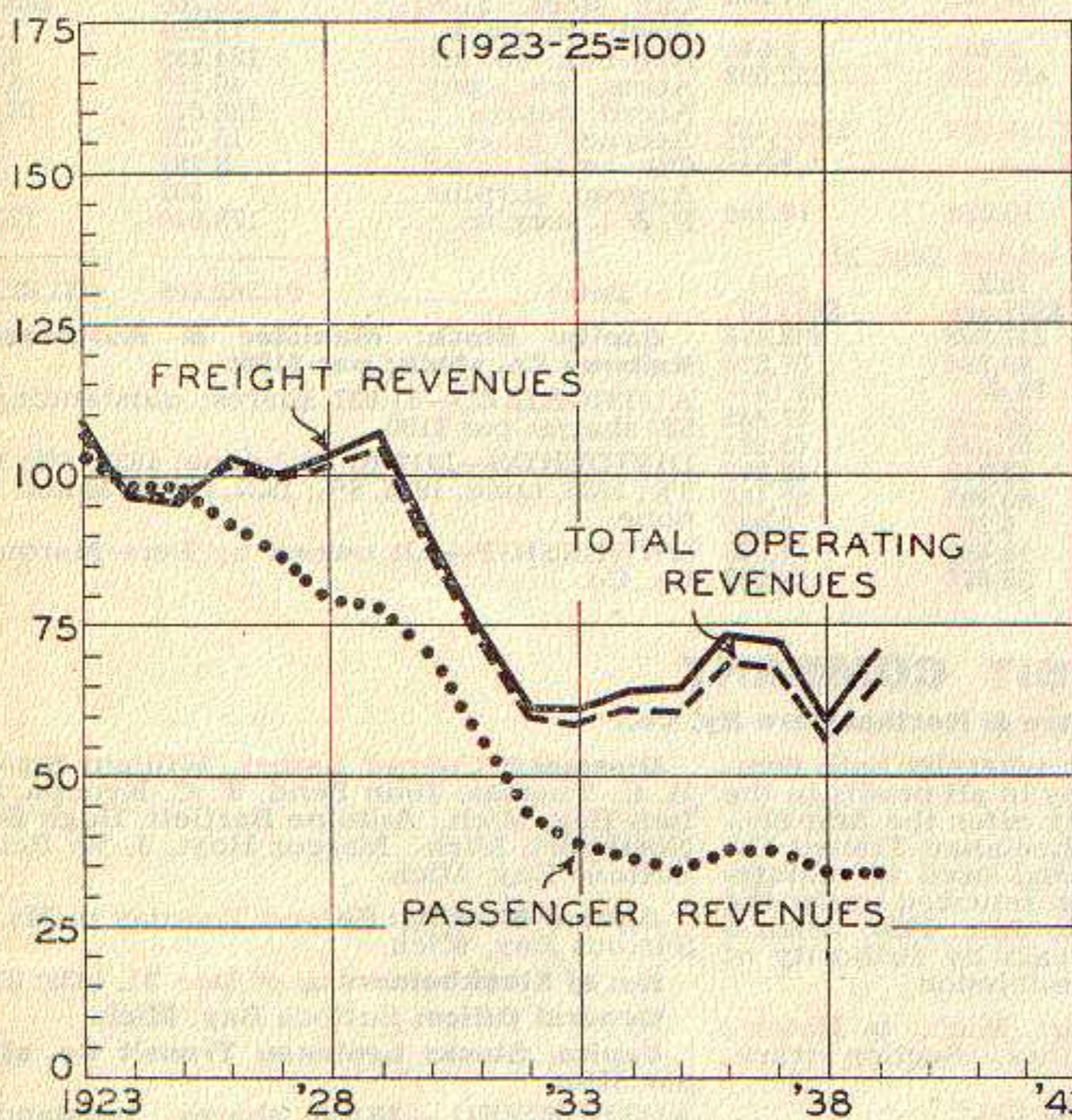
Income Account Trends: The charts on this page show graphically the important items in Erie's income account each year since 1922. Each line, with the exception of "Fixed Charges" is expressed as an index, with 1923-25 equalling 100. Representing index numbers, the lines show the percentage relationships 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.

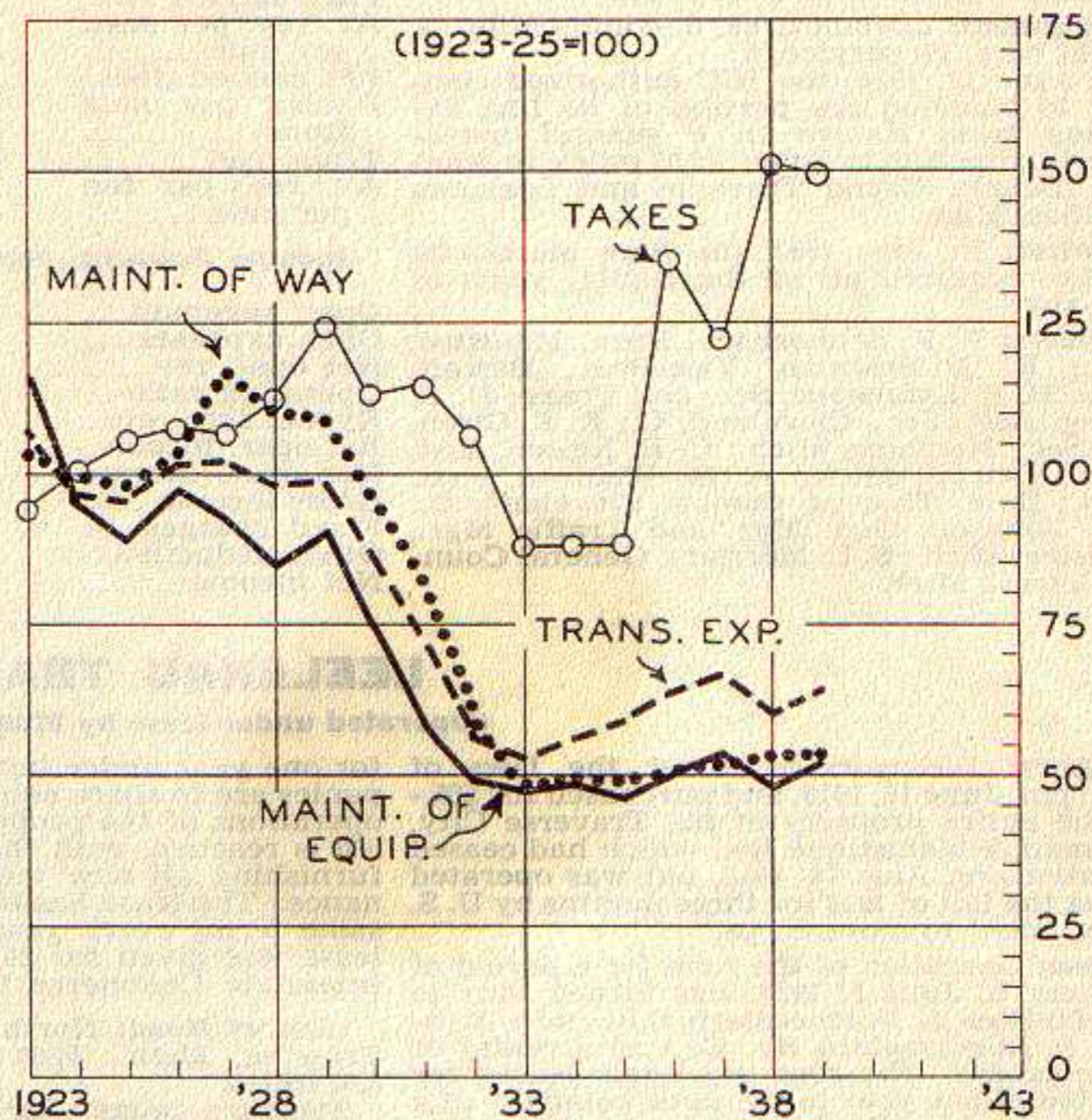
The lines representing fixed charges are, however, constructed so as to bear a true relationship to "Net Railway Operating Income"

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.

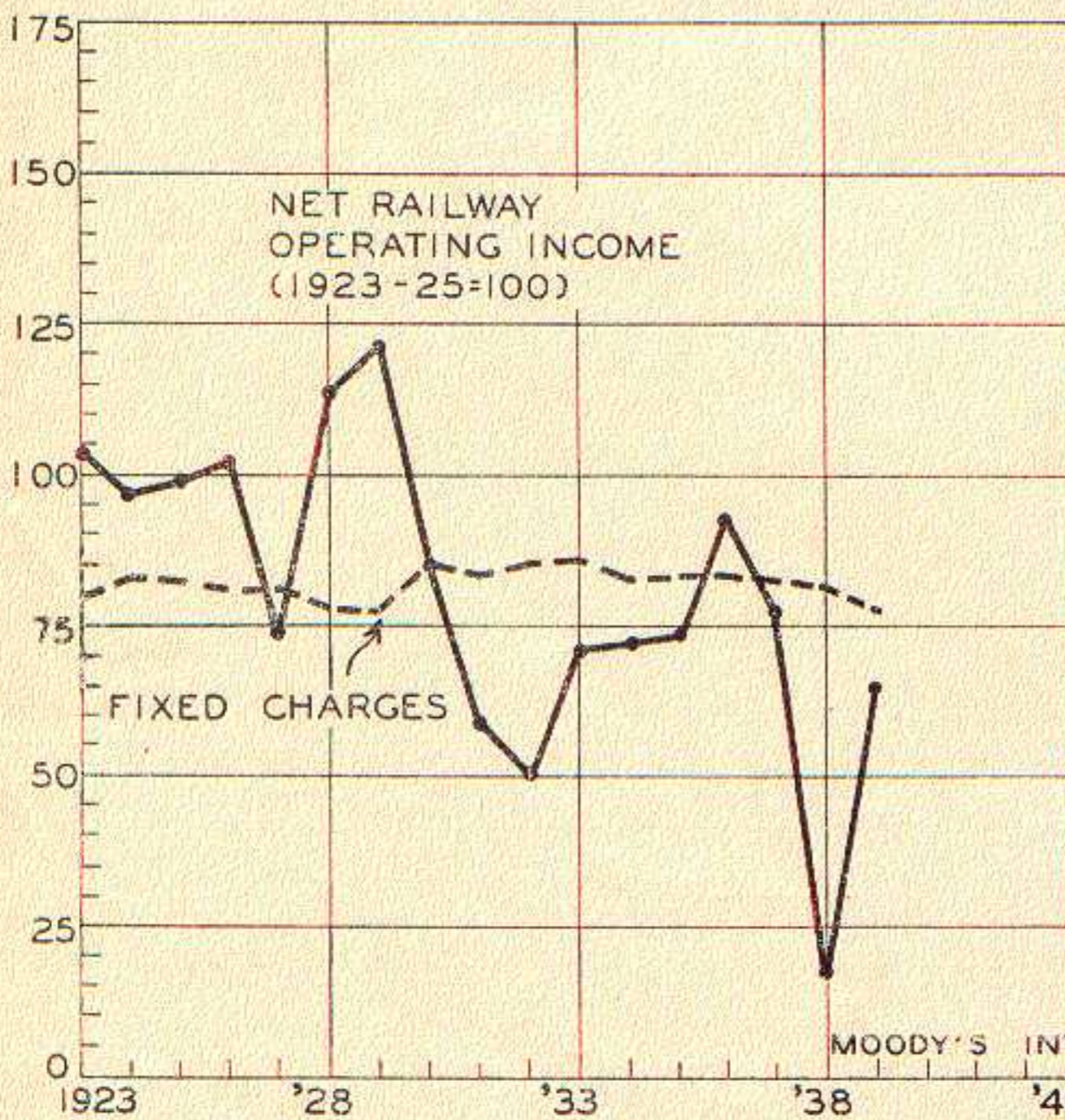
OPERATING REVENUES



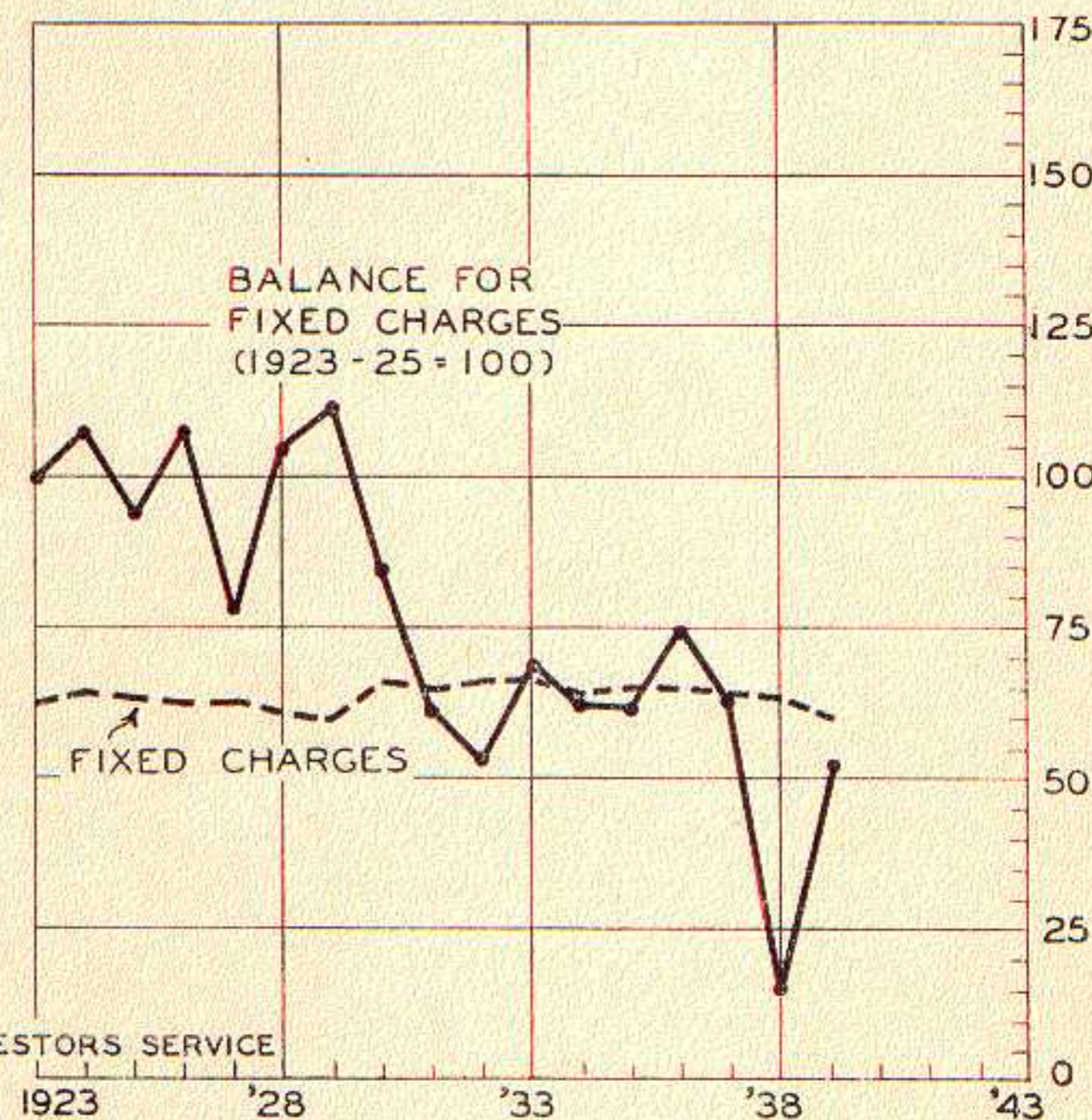
OPERATING EXPENSES



FIXED CHARGES RELATED TO NET RAILWAY OPERATING INCOME ONLY



FIXED CHARGES RELATED TO BALANCE FOR FIXED CHARGES



MOODY'S INVESTORS SERVICE

ERIE RAILROAD CO.

ERIE RAILROAD COMPANY

Tonnage and Revenues from Principal Commodities Carried Compared with U. S. Production of Those Commodities: The charts below show graphically the trends in Erie'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 na-

tional income payments (National Industrial Conference Board).

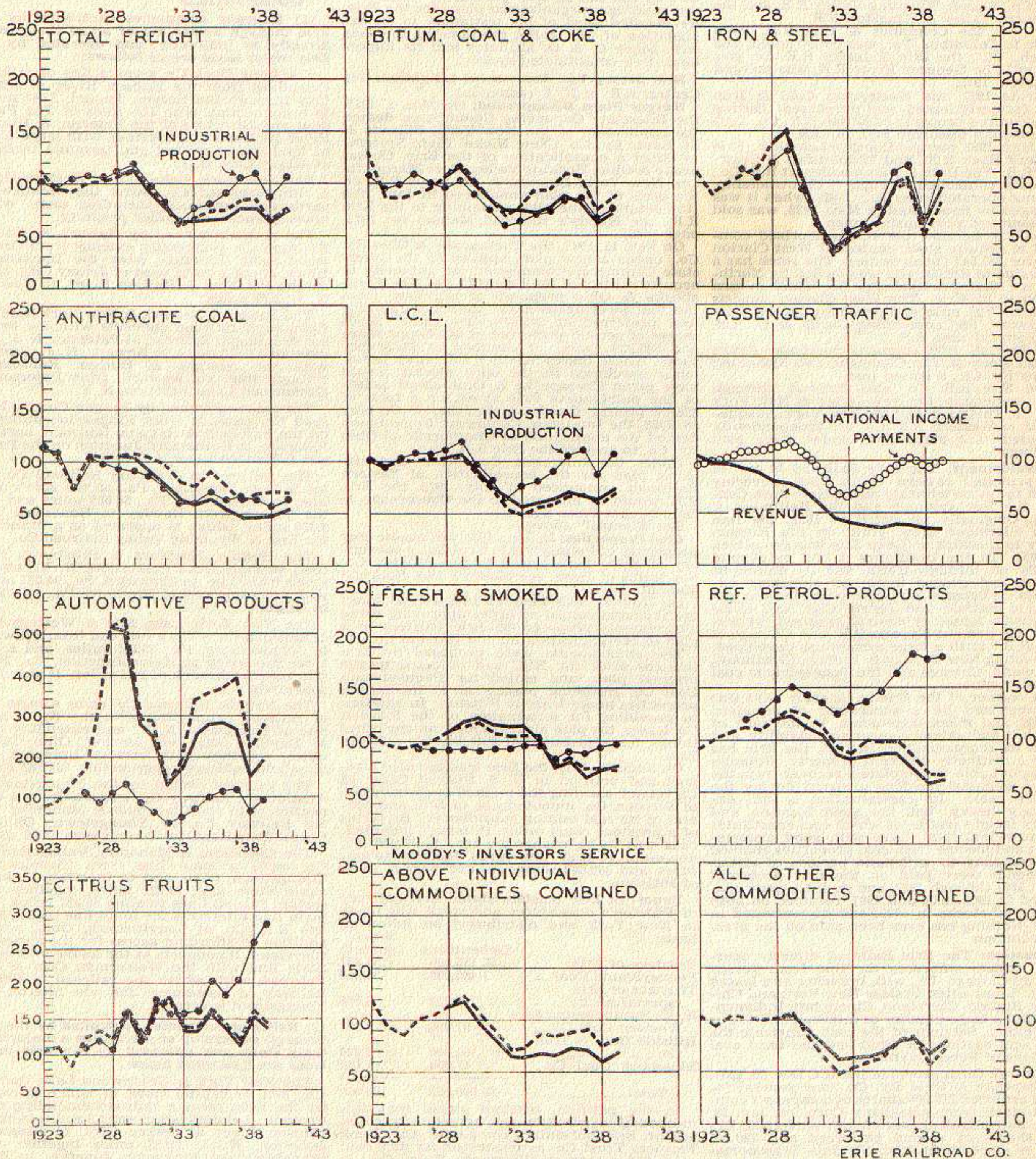
Each line represents an index with 1923-25 equalling 100. In the individual commodity revenue lines figures are available beginning only in 1928. In order that the trend of these revenues might be compared with the respective production and tonnage figures, the index of tonnage for 1928 was used as the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

figures is the annual "Freight Commodity Statistics" of the I. C. C.

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)



ERIE RAILROAD COMPANY

HISTORY

Corporate History: Erie R.R. Co. incorporated in New York Nov. 14, 1895, as successor by reorganization of New York, Lake Erie & Western R.R. Latter company was incorporated in 1878 as successor to Erie Railway Co., which company was incorporated in 1861 as successor to New York & Erie Railroad Co. (incorporated in 1832).

The Buffalo & Southwestern R.R., the Lockport & Buffalo Ry. and the Erie International Ry. were absorbed at the time of the reorganization of New York, Lake Erie & Western R.R. In Mar., 1896, the securities of the Nypano R.R. were purchased, and from time to time other properties were acquired. In 1899, control of the New York, Susquehanna & Western R.R. was acquired.

On June 10, 1901, the company purchased the entire capital stocks of the Pennsylvania Coal Co., Erie & Wyoming Valley R.R. and the Delaware Valley & Kingston R.R.

In 1908, the Columbus & Erie R.R. from Niobe to Columbus, Pa., was constructed, and in Feb., 1915, the Erie & Jersey R.R. Co. was merged. The Genesee River R.R. was merged in March, 1915.

During 1927, the Westerman Coal & Iron R.R., formerly leased, was purchased. During 1933 acquired property of Eriton R.R. Co. Latter company dissolved Feb. 16, 1934.

In May, 1932, merged Conesus Lake R.R., Erie & Black Rock R.R., and Middletown & Crawford R.R. The Bath & Hammondsport R.R. Co., formerly controlled through stock ownership, was not operated after July, 1935, when it was damaged by floods, and in May, 1936, was sold to Hammondsport businessmen.

On July 28, 1936, the ICC authorized company to acquire stock control of West Clarion R.R. for \$47,543 (book value). The stock has a par value of \$20,000 and was owned by Northwestern Mining & Exchange Co., which in turn is owned by Erie. The West Clarion consists of about 0.93 mile of interchange track near Brockway, Pa., connecting the B. & O. R.R. and Pennsylvania R.R.

On Nov. 27, 1939, company purchased entire capital stock of The Cleveland and Mahoning Valley Ry. Co., a leased line.

The Erie R.R. Co. also controls, through stock ownership, the New Jersey & New York R.R. Co. This road, and the New York, Susquehanna & Western R.R. Co. are independently operated (see statements under their own headings).

Development: The Erie Railroad is one of the principal eastern trunk lines, covering much the same territory as the New York Central, the Pennsylvania and the Baltimore & Ohio. Originally projected in 1832, the line from Piermont, New York, on the Hudson River to Dunkirk on Lake Erie was completed in 1851. In the beginning it had to depend chiefly on through traffic and its numerous curves and grades increased operating expenses. It became advisable to extend the termini to Buffalo and Jersey City, and other lines were leased or control acquired (principally the present Nypano R.R. and Chicago & Erie R.R.) until a large system has developed, connecting New York with Buffalo, Cincinnati, Cleveland, Chicago and the Pennsylvania coal and oil regions.

The career of the Erie in its early days was characterized by a succession of scandals, frauds and mismanagements, in the face of which it maintained a surprising stability, and since its reorganization in 1895, the Erie has been a distinctly different property, although it was not able to completely recover from the heavy financial burdens incurred during the earlier years. Its capitalization is still extremely heavy, but the good location and heavy freight traffic, of which coal constitutes the principal item, have with good management and income from coal properties enabled the company to withstand periods of stress. Dividends were paid on the first preferred from 1901 through 1907, and on the second preferred in 1905, 1906 and 1907, resumed on both preferred stocks in 1929, and discontinued in 1931. Nothing has ever been paid on the present common.

Location: The Erie Railroad directly operated system embraces the line from Jersey City to Chicago, Ill., with branches and leased lines. Lines enter, besides New York and Chicago, Buffalo, Cleveland, Cincinnati, Indianapolis and a large number of intermediate towns and cities. Sections of the road penetrate the soft coal sections of Ohio and the hard coal sections of Pennsylvania.

Control: On approval of the ICC Dec. 29, 1937, Chesapeake & Ohio Ry. Co. (see general index) acquired 215,000 shares of company's common stock from Alleghany Corp. on Jan. 29, 1938, and 151,405 shares of first preferred, 60,195 shares of second preferred and 769,800 shares of common from Virginia Transportation Corp. on Apr. 21, 1938.

The extent of direct control by the Chesapeake & Ohio Ry. Co. on Dec. 31, 1939, through ownership of capital stock, was 55.67%. A 4.57% common stock interest (69,000 common shares)

held by the Chesapeake Corp. was sold as a whole at public auction to Max Horwitz on Nov. 29, 1938.

At a hearing before the ICC on Jan. 31, 1939 on the plans proposed (see below) for the reorganization of Erie System, R. S. Marshall, vice-president of the Chesapeake & Ohio Ry. Co., told the commission that ultimate physical consolidation of the Erie with the C. & O. system would be greatly facilitated if the C. & O.'s interest and influence were recognized in the final reorganization plan. Mr. Marshall stated that the present reorganization proceedings offered an appropriate opportunity for consolidation of the Erie with the C. & O. and other system lines, and while making it plain that he was not "suggesting" that this be done he asserted neither of the plans so far proposed would block such a step.

Mr. Marshall also emphasized that the C. & O. was not taking any position in regard to the pending reorganization plans for the Erie. He devoted most of his testimony to an explanation of the traffic relations of the Erie with other C. & O. affiliates and its importance in a consolidated system.

New Jersey Tax Assessment Litigation: See Central R.R. of N. J. (addenda).

Merger Plans Disapproved: On Mar. 2, 1926, the Interstate Commerce Commission denied the application of the New York, Chicago & St. Louis Ry. Co. (New Nickel Plate System) to effect a consolidation of the Erie, Chesapeake & Ohio, Hocking Valley, Pere Marquette and New York, Chicago & St. Louis R.R. on the basis of the plan announced in Jan., 1925 (for details of the plan pertaining to the Erie R.R., see Moody's Railroad Manual for 1925, page 1432).

On Feb. 11, 1927, the Chesapeake & Ohio Ry. Co., under a new plan, applied to the Interstate Commerce Commission for authority to acquire control of the Erie R.R. Co. The Chesapeake & Ohio proposed to purchase from the Van Sweringens 23,695 shares of the Erie first preferred at \$45.87½ per share, 22,305 shares of second preferred at \$43.75 per share and 345,239 shares of common at \$34.50 per share. These shares together with stock previously purchased in the open market would have given Chesapeake & Ohio about 53.16% of the outstanding Erie stock, or a total of 926,439 preferred and common shares. On May 18, 1928, the Interstate Commerce Commission denied the application of Chesapeake & Ohio Ry. Co. to acquire the Erie R.R. Co.

Under the Interstate Commerce Commission's plan for the consolidation of Eastern Railroads announced in July, 1932, the Erie R.R. would be allocated to the Chesapeake & Ohio-Nickel Plate System.

See "Control" above.

Coal Properties: In Jan., 1930, anthracite coal properties of Pennsylvania Coal Co., a subsidiary of Erie, were leased to the Pittston Co. For terms of lease, see Moody's 1938 Railroad Manual.

On Nov. 21, 1938 Federal Judge Paul Jones at Cleveland signed an order approving three amendments proposed by Erie trustees to a plan of reorganization for the Pittston Co.

The amendments were proposed by Erie trustees after the RFC had objected to the original plan, and called for Pennsylvania Coal Co. resuming possession of its mining properties under lease to Pittston. In addition to providing for termination of the Pittston Co. leases, the plan also provided, among other things, for adjustment of Pittston Co. debts to Erie.

On June 16, 1939, the Erie trustees filed a report and petition in U. S. District Court at Cleveland, showing the method of distribution of Pittston Co. indebtedness to Erie and several of its coal mining subsidiaries. By terms of a previous court order, Pittston's indebtedness was to be exchanged into \$4,000,000 5% non-cum. 10-year unsecured income debentures, and 100,000 shares no par class A stock of Pittston.

Report of Erie trustees stated that delivery of Pittston's debentures and stock was made in New York and distributed on following basis:

	Debentures	Stock (shares)
Trustees of Erie	\$2,155,000	53,881
Pennsylvania Coal	1,480,000	36,990
Trustees of Erie (special acct.)	146,000	3,666
N. Y., Susquehanna & Western Coal Co.	91,000	2,257
Hillside Coal & Iron Co.	81,000	2,024
Blossburg Coal Co.	47,000	1,182
Total	\$4,000,000	100,000

In the petition, trustees stated that this method of distribution was agreed to by counsel for Erie; subsidiary companies; City Bank Farmers Trust Co. as trustee under first consolidated mortgage; Guaranty Trust Co. as trustee under general mortgage; and Bankers Trust Co., as trustee under refunding and improvement mortgage. The court approved the distribution.

Income from Pennsylvania Coal Co.: Amounts included in Erie R.R. Co.'s "Dividend Income" account from Pennsylvania Coal Co., in recent years was as follows: 1930, \$2,800,000; 1931, \$2,800,000; 1932, \$2,700,000; 1933, \$2,200,000; 1934, \$750,000; 1935, \$400,000; 1936 to 1939, inclusive, none.

Of the foregoing amounts, \$1,000,000 in each of 1930 and 1931 and \$1,500,000 in each of 1932 and 1933 was payable in Pittston Co. debentures, the balances being paid in cash, as were the amounts paid in 1934 and 1935 (\$850,000 of debentures due account of dividend declared in Dec., 1933, were received by Erie R.R. in 1934). In 1937 "Dividend Income" was debited with the amount of \$400,000 credited in 1935, the dividend not being paid due to the financial position of the Pennsylvania Coal Co.

CONTROLLED AND LEASED COMPANIES

(1) Railroad companies controlled by the Erie through ownership of all of their stock, directly or indirectly, and operated by the Erie under lease are as follows:

The Long Dock Co. owns a line of railroad extending from the Hudson River at Jersey City through the Bergen Tunnel, 2.561 miles, to a connection with the lines of The President and Directors of the Paterson & Hudson River Railroad Co., together with large tracts of land used for yard and terminal facilities at Jersey City, N. J.

The New York, Lake Erie & Western Docks & Improvement Co. owns the Weehawken yards and terminals, including piers, warehouses, tracks, and other property.

The railroad owned by Newark & Hudson Railroad Co. principally extends from Greenwood Lake Junction, near the Hackensack River, about 2 miles west of Jersey City, N. J., on the Paterson & Hudson River, to Newark, N. J., 3.77 miles.

The Paterson, Newark & New York Railroad Company's railroad connects with the Paterson & Ramapo Railroad at Paterson, N. J., and extends 11.326 miles to Newark, N. J., forming with the Newark & Hudson Railroad a through line, via Newark, from Paterson to Greenwood Lake Junction, N. Y.

The railroad owned by Bergen County Railroad Co. extends from Ridgewood Junction, on the Paterson & Ramapo Railroad, north of Paterson, to Rutherford Junction on the Paterson & Hudson River, 9.81 miles.

The railroad of Jefferson Railroad Co. extends from Lanesboro, Pa., on the Erie's main line, to Carbondale, Pa., 36.635 miles and also the branch from Hawley to Honesdale, Pa., 9.316 miles, which is operated as a branch of the Erie & Wyoming Valley Railroad Co.

The Buffalo, Bradford & Pittsburgh Railroad extends from Carrollton, N. Y., on the Erie's main line, to Crawford, Pa., 24.221 miles, with a branch west of Bradford, Pa., 1.01 miles in length.

The New York, Lake Erie & Western Coal & Railroad Co. owns a railroad from Crawford to Johnsonburg, Pa., 29.585 miles, and a line from Brockway to Kyler Junction, Pa., 10.543 miles, with a branch of 1.42 miles. It also owns coal lands.

The Nypano Railroad Co. owns a main line of railroad connecting with the Erie's main line at Salamanca, N. Y., and extending west to Dayton, Ohio, via Marion, Ohio, 389.889 miles, together with various branches and leasehold interests, aggregating 598.682 miles.

The railroad owned by the Youngstown & Austintown Railway Co. extends from a connection with the Cleveland & Mahoning Valley Railway Co. in Youngstown, Ohio to Bear's Den Road in Youngstown, 5.96 miles.

The Cleveland & Mahoning Valley Railway Co. owns a main line from Cleveland to Youngstown, Ohio, and to the Ohio-Pennsylvania State line, 79.222 miles, together with certain branch lines totaling 43.391 miles. The main line intersects the main line of the Nypano R.R. Co. at Leavittsburg, Ohio, and in addition to affording access for the system to Cleveland, it connects at the above mentioned State line with the Westerman Coal & Iron Railroad, with which the railroad of Sharon Railway, a passenger line via Sharon and Youngstown is created.

(2) Railroad companies controlled by the Erie through ownership of more than a majority of their stock and operated by the Erie under lease are described below.

The New York & Greenwood Lake Railway Co., 89% of capital stock of which is owned by the Erie, owns a railroad extending from Croxton, a classification yard 3 miles from the Hudson River at Jersey City, to Ringwood Junction, N. J., 32.87 miles together with branches from Ringwood Junction to Ringwood, N. J., 2.02 miles, and from Forest Hill to West Orange, N. J., 4.163 miles. The New York & Greenwood Lake owns about 80% of outstanding capital stock of the Caldwell Rail-

way Co., the line of which extends from Caldwell Junction to Caldwell, N. J., 4.5 miles, and also owns all capital stock of Roseland Railway Co., the line of which extends from Caldwell to Essex Fells, 0.947 miles. It claims title to the last two railroads but their corporate organizations are maintained because of possible defects in the title.

The Paterson & Ramapo Railroad Co., 90% of capital stock of which is owned by the Erie, owns a railroad 14.76 miles in length, and the Union Railroad Co., a wholly owned subsidiary, owns 0.85 mile, constituting one line which extends south from Suffern, N. Y., to Paterson, N. J.

The Sharon Railway, 59% of capital stock of which is owned by the Erie directly or indirectly, owns a main line of railroad extending from a point of connection with the Westerman Coal & Iron Railroad in Sharon, Pa., to a point on main line of the Nypano R.R. Co. at Pymatuning Junction, 7.926 miles, together with a branch extending to New Castle, Pa., 23.274 miles, and a branch extending to Sharpsville, Pa., 1.52 miles. The Westerman Coal & Iron Railroad is owned by the Erie Land & Improvement Co. of Pennsylvania, a wholly owned subsidiary of the Erie. The line of the Sharon Railway, together with tracks of Westerman Coal & Iron Railroad and Cleveland Mahoning Valley, form a portion of main line for passenger traffic between New York and Chicago, giving access to Youngstown, Ohio, for such traffic.

(3) Railroad companies controlled by the Erie through ownership of all of their stock and operated by the Erie through stock control alone are as follows:

The Docks Connecting Railway Co. owns a railroad extending 0.99 mile from the east portal of Bergen Tunnel to a connection with New Jersey Junction Railroad, over which line the Erie has trackage rights for a distance of 2.69 miles to Weehawken, N. J.

The Penhorn Creek Railroad Co. owns a 4-track cut through Bergen Hill, N. J., title to land being in large part in the Long Dock Co. The railroad line owned extends from Jersey City to Secaucus, N. J., 5.04 miles.

The railroad of the Arlington Railroad Co. extends 1.13 miles from a junction with the Newark & Hudson Railroad to a junction with New York & Greenwood Lake on meadows west of Hackensack River.

The Bergen & Dundee Railroad Co. owns a railroad extending from Garfield to Passaic, N. J., 2.45 miles.

The railroad owned by the Erie & Wyoming Valley Railroad Co. extends from Lackawaxen to Plains Junction, Pa., 79.081 miles. This line taps the important anthracite coal fields of Pennsylvania. An additional 1.44 miles owned by the company is leased to Lackawanna & Wyoming Valley Railroad Co.

The Moosic Mountain & Carbondale Railroad Co. owns a railroad extending a distance of about 2 miles from a connection with the Delaware & Hudson Railroad Corp. at Winton, Pa., to a connection with the Jessup branch of the Erie & Wyoming Valley R.R. Co.

The West Clarion Railroad consists of 0.95 mile of interchange tracks. The Brockport & Shawmut Railroad Co. owns a railroad extending from Brockport to Shawmut, Pa., 2.10 miles. Both of these railroads are operated in connection with the Coal & Railroad Co.

The Columbus & Erie Railroad Co. owns a cut-off on main line of Nypano R.R. Co. from Niobe Junction, N. Y., to Columbus Junction, Pa., 11.63 miles. This cut-off eliminated heavy grades.

The Elmira State Line Railroad Co. and the Tioga Railroad Co. own railroads which are also operated by the Erie through stock control alone. These two railroads and the Blossburg Coal Company's railroad, hereinafter described, constitute the Erie's Tioga division. The Elmira State Line Railroad Co., over 99% of stock of which is owned by the Erie, owns a railroad extending from a point 2 miles south of Elmira, N. Y., to a connection at the New York-Pennsylvania State line, with Tioga Railroad, 6.509 miles. The Tioga Railroad Co., all the stock of which is owned by the Erie, owns a railroad extending from connection with Elmira State Line Railroad to Blossburg, Pa., 35.836 miles, and also operates a portion of Blossburg Coal Company's railroad extending from Blossburg to Arnot Junction, Pa., 3.49 miles, together with other branches aggregating 18.441 miles.

(4) Railroad companies not controlled by the Erie or any of its controlled companies, but operated through lease alone, are as follows:

The Paterson & Hudson River, 25% of the stock of which is owned by the Erie, has a railroad extending from Paterson to Bridge Creek, Jersey City, N. J., and to a connection with Pennsylvania Railroad near West End in Jersey City, 13.07 miles.

The Goshen & Deckertown Railway Co., none of the securities of which is owned by the Erie, owns a railroad extending from Pine Island to Goshen, N. Y., 11.64 miles. In con-

nection with this line the Erie, under lease from Montgomery & Erie Railway Co., none of the securities of which is owned by the Erie, operates a line of railway from Goshen to Montgomery, N. Y., 10.43 miles. This line affords a connection between the Erie's main line and New York, New Haven & Hartford Railroad at Campbell Hall, N. Y. The Lehigh & New England Railroad Co. has trackage rights over these lines.

The Rochester & Genesee Valley Railroad, only 27% of stock of which is owned by the Erie, owns a road from Avon to Rochester, N. Y., 18.401 miles.

(5) Railroad companies formerly leased now operated under Court order.

Railroad companies not controlled by the Erie or any of its controlled companies, but operated through lease alone until the leases were rejected by the trustees, and thereafter operated by the Erie by order of the court, include the Avon, Genesee & Mount Morris Railroad Co. and the Northern Railroad Co. of New Jersey. The ICC has authorized the Erie to abandon operation of the railroad of above first-named lessor Avon, Q. & M. M. R.R. Co., and the Erie has filed application with the ICC to abandon operation of railroad of the Northern Railroad Co. of New Jersey.

(6) Railroad companies operated in part.

Railroad companies, a portion of properties of which are operated by the Erie through ownership of all their stock directly or indirectly, comprise the Erie Terminals Railroad Co. and the Blossburg Coal Company's railroad. The property of the former, operated by the Erie, consists of the Hackensack River Bridge, 0.21 mile in length, and property of latter, operated by the Erie, consists of a railroad extending from Blossburg to Arnot Junction, Pa., 3.49 miles.

An important terminal property over which the Erie system has trackage rights is that owned by Chicago & Western Indiana Railroad Co., consisting of the Chicago Terminal and the railroad from Chicago, Ill. to the State line near Hammond, Ind., a distance of 20 miles. The Chicago & Erie has 20% ownership of stock of this property and operates it jointly with four other carriers.

Other important properties over which the Erie has trackage rights include the New York, Susquehanna & Western Railroad, from Granton Junction to Passaic, N. J., 9.37 miles, the Delaware & Hudson Railroad, from Avoca to Carbondale, Pa. 24.35 miles, and the Buffalo, Rochester & Pittsburgh Railway, from Clarion to Eleanora Junction, Pa., 49.93 miles.

(7) Railroad companies separately operated.

The Erie through stock ownership, directly or indirectly controls the New Jersey & New York Railroad Co., the Susquehanna Connecting Railroad Co., and the New York, Susquehanna & Western Railroad Co. and its subsidiary companies, the Hackensack & Lodi Railroad Co., the Lodi Branch Railroad Co., and the Passaic & New York Railroad Co. and owns one-half the stock of Buffalo Creek Railroad Co., all of which are separately operated properties. The New York, Susquehanna & Western Railroad Co. is in process of reorganization under section 77 of the Bankruptcy Act in a separate proceeding.

REORGANIZATION PROCEEDINGS

Reorganization Petitions Filed: The Erie Railroad Co., hereinafter referred to as the Erie or the debtor, on Jan. 18, 1938, filed a petition in the United States District Court for the Northern District of Ohio, Eastern Division, stating that it was unable to meet its debts as they matured, and that it desired to effect a plan of reorganization pursuant to the provisions of section 77 of the National Bankruptcy Act, as amended. The petition was approved by the court on the same day as properly filed under the act and section mentioned.

The Nypano Railroad Co. and The New Jersey & New York Railroad Co., the majority of the capital stock of each of which is owned either directly or indirectly through subsidiaries by the Erie, filed petitions on June 30, 1938, in the same proceedings, each stating that it was unable to meet its debts as they matured and that it desired to affect a plan of reorganization in connection with or as a part of the plan of reorganization of the Erie. The court approved these petitions also as properly filed.

Pending the conclusion of the reorganization proceedings the properties of the several petitioners are being operated by trustees under the supervision of the court.

A plan of reorganization of the Erie and the Nypano was filed with the ICC on Oct. 18, 1938, by a group of institutional holders (Kurth Committee) of Erie refunding and improvement mortgage bonds. An amended plan by this group was filed on Jan. 30, 1939. The Erie filed with the ICC on Dec. 20, 1938, a plan of reorganization of itself and the Nypano, which was approved and adopted by the Nypano. No other plans have been filed. No provisions were made in the plans for the New Jersey & New York Railroad Co., and the reorganization

of that railroad will not be provided for herein. Pursuant to the provisions of the act, hearings have been held after due notice to all stockholders and creditors. Briefs have been filed.

Trustees Appointed: On Feb. 14, 1938, C. E. Denney and J. A. Hadden were appointed Trustees. On Oct. 18, 1938, Federal Judge R. N. Wilkin appointed R. E. Woodruff as Co-Trustee to succeed C. E. Denney who resigned.

Intervenor: Petitions of intervention were filed on behalf of the following parties: The institutional group (Kurth Committee); the bondholders protective committee for refunding and improvement mortgage bonds (Perry Committee); Cleveland & Mahoning Valley Railway Co.; Guaranty Trust Co. of New York; Reconstruction Finance Corporation; the mutual savings bank group committee for Erie bonds (Cheston Committee); Commercial National Bank & Trust Co. of New York; Railroad Credit Corp.; Bankers Trust Co.; Rochester & Genesee Valley Railroad; New York Trust Co.; City Bank Farmers Trust Co.; Chesapeake & Ohio Railway Co.; the committee for general-mortgage convertible 4 per cent bonds (Amos Committee); Commercial Trust Co. of New Jersey; Security Research Bureau; National City Bank of Cleveland, Ohio; Pennsylvania Co. for Insurances on Lives & Granting Annuities and Others; Chase National Bank of New York; Central Hanover Bank & Trust Co.; Manufacturers Trust Co., and Underwriters Trust Co.

ICC Fixes Fees and Allowances: On Aug. 9, 1940, the ICC fixed maximum limits totaling \$306,652 for allowances from company's estate of compensation for services rendered and reimbursement of expenses incurred by the parties in the reorganization proceedings, their counsel and advisers from the beginning of their activities to June 24, 1940. A total of \$690,769 had been requested.

COMPANY'S REORGANIZATION PLAN

The following plan of reorganization dated Dec. 19, 1938, prepared by the Erie R.R. Co., was filed in the U. S. District Court at Cleveland and before the ICC at Washington in the pending reorganization proceeding of this company. It contemplated an effective date as of Jan. 1, 1940.

Capitalization — Interest and Dividend Charges: Under the plan capital structure of the reorganized company would amount to \$432,342,710, compared with \$538,666,145 for the present system. The following tables show the present capitalization and annual charges as compared with proposed capitalization and charges under company's plan (computed as of Jan. 1, 1940):

	Present System	Proposed New System
Fixed int. debt....	\$293,838,541	\$157,019,300
Unp'd int. on above	25,542,104	45,375,000
Conting. int. debt.	-----	71,492,001
Total debts ---	\$319,380,645	\$233,886,301
\$4 1st pfd. (\$100) ..	47,904,400	38,059,890
\$4 2nd pfd. (\$100) ..	15,857,000	74,449,279
Com. stk. (\$100) ..	155,524,100	85,947,240
Total stock ---	\$219,285,500	\$198,456,409
Grand total ---	\$538,666,145	\$432,342,710

① Includes stock and debt of lessor companies whose properties are to be owned by the new company.

② No par value.

③ Prior preferred stock \$100 par, 5% dividend; second preferred participating \$100 par, 5% dividend.

④ Bonds to be pledged as security for collateral trust notes above principal amount of notes.

ANNUAL INTEREST AND DIVIDEND CHARGES

	Present	Proposed
Fixed interest ---	\$12,107,900	\$6,308,531
Conting. interest ..	-----	3,217,140
Rent for leas. roads	1,867,982	176,000
Total -----	\$13,975,882	\$9,701,677
Prior pfd. divs. ---	1,916,176	1,902,995
2nd pfd. divs. ----	634,280	3,722,463
Total dividends	\$2,550,456	\$5,625,458
Grand total ---	\$16,526,338	\$15,327,135

① If general mortgage bonds are converted into prior preferred stock instead of common, the requirement for prior preferred dividends and the totals would be increased by \$3,574,600.

Note: The first and refunding mortgage provides for a capital fund of \$2,000,000 payable from earnings in priority to income interest on the series A convertible income 4½s. There would also be a sinking fund requirement totaling \$357,460 in respect of the income mortgage 4½s, payable in priority to any preferred dividend disbursements. Charges ranking in priority to preferred dividends upon this basis would therefore be \$12,059,137, and total charges, including preferred dividend

requirements before any payment on common would amount to \$17,684,595.

Corporate Structure: In order to effect simplification of the corporate structure it is proposed that the reorganized Erie R.R. Co., shall acquire, merge or consolidate certain of the system companies; that the leases of certain leased companies shall be disaffirmed, that special treatment shall be accorded others, and that certain companies now undergoing reorganization be dealt with after it has been determined what interest Erie shall have in such companies after their reorganization. The specific treatment proposed by the plan for the various companies follow:

LEASES TO BE DISAFFIRMED—The plan assumes disaffirmance to the following leases: Avon, Genesee & Mount Morris R.R. Co.; Northern R.R. Co. of New Jersey, and Nyack & Southern R.R. Co., all of which company's \$50,000 stock is owned by Northern R.R. Co. of New Jersey.

Rochester & Genesee Valley R.R.: It is recommended that the terms of the lease be amended to provide for annual rental equal to 3% on the company's outstanding capital stock and, if the lessor refuses such amendment, that the lease be disaffirmed.

Jamestown, Westfield & Northwestern R.R. Co.: The terminal tracks are leased at a rental of \$18,000 a year. This lease should be amended to provide for a lower rental or be disaffirmed.

COMPANIES TO BE MERGED—The plan recommends the acquisition by, or merger of the following or consolidation into the new company.

a. Leased to Erie (all of the stocks and bonds, if any, of which are owned by Erie): Bergen County R.R. Co.; Buffalo, Bradford & Pittsburgh R.R. Co.; Jefferson R.R. Co.; Newark & Hudson R.R. Co.; Paterson, Newark & New York R.R. Co.; Youngstown & Austintown Ry. Co.

b. Not Leased to Erie (all of the stocks and bonds, if any, of which are owned by Erie): Arlington R.R. Co.; Bergen & Dundee R.R. Co.; Columbus & Erie R.R. Co.; Docks & Connecting Ry. Co.; Erie & Wyoming Valley R.R. Co.; Moosic Mountain & Carbondale R.R. Co.; Penhorn Creek R.R. Co.; West Clarion R.R. Co. (\$20,000 stock [all] owned by Northwestern Mining & Exchange Co. of Erie, Pa.); Tioga R.R. Co.; Elmira State Line R.R. Co. (of the \$90,200 capital stock but \$1,000 is outstanding); Erie Land & Improvement Co.; Erie Land & Improvement Co., of Penna.; and Industrial Center Land Co.

c. Companies all of whose stock is owned by Erie, directly or indirectly, and whose publicly held bonds would be undisturbed: Long Dock Co.; Nypano R.R. Co., and Chicago & Erie R.R. Co.

d. Other Companies: New York, Lake Erie & Western Docks & Improvement Co., and New York, Lake Erie & Western Coal & R.R. Co.: All the stock of which is owned by Erie, bonds by public. Publicly held bonds would be exchanged for securities of new company and accrued interest thereon in cash (see below).

New York & Greenwood Lake Ry. Co.: A majority of the stock is owned or controlled by Erie, directly or indirectly, bonds by public. Publicly held bonds would be exchanged for securities of new company; nothing would be paid for the capital stock.

Paterson & Ramapo R.R. Co.: A majority of the stock is owned or controlled by Erie, directly or indirectly. The Union R.R. Co., wholly owned by Paterson & Ramapo R.R. Co. Paterson & Ramapo stock would be purchased at \$10 for each \$50 par value thereof.

Sharon Ry.: A majority of the stock is owned or controlled by Erie, directly or indirectly. Stock would be exchanged for securities of new company.

Cleveland & Mahoning Valley Ry. Co.: Erie owns, none or less than a majority of the outstanding stock, \$2,906,000 principal amount of 4% bonds, due 1962, would be undisturbed, and securities of new company would be issued for outstanding stock.

Paterson & Hudson River R.R. Co.: Erie owns none or less than a majority of the outstanding stock. Securities of new company would be issued for outstanding stock.

TREATMENT RECOMMENDED FOR MISCELLANEOUS COMPANIES—Erie Terminals R.R. Co.: Company should sell to the new company, at cost to it, the bridge and 21 miles of Erie main line first and second main tracks over the Hackensack River near Secaucus, N. J. No further change is recommended.

Weehawken Stock Yard Company: Owns a small amount of non-carrier property which it leases for a rental of \$900 per annum. No change is recommended.

Pavonia Ferry Co.: Owns no property and should be dissolved.

Brockport & Shawmut R.R. Co.: All of securities owned by Erie, should be merged. Charter has expired, and transfer of its properties by directors, as trustees, is recommended.

SYSTEM COMPANIES IN REORGANIZATION—New York, Susquehanna & Western R.R. Co., is in reorganization under Section

77. Erie owns 99% of its stock and has a large claim for advances. New Jersey & New York R.R. Co., is also in reorganization under Section 77, and Erie owns about 84% of its outstanding stock and has a large claim for advances. It is presently impracticable to make any provision in the plan with respect to such interest as the Erie may retain in the reorganized companies.

Securities to be Eliminated by Consolidations: Several classes of securities of several companies which will be merged into the new company are now wholly owned within the System. These will be eliminated in the reorganization and no new securities will be issued in respect of them. In addition the following securities are owned within the System and will also be eliminated:

OWNED BY ERIE R.R. CO.—New York & Greenwood Lake Ry. Co.: \$89,400 of capital stock; \$13,200 prior lien 5s, due 1946; \$395 first 6% income bonds and scrip, due Nov. 30, 1908; \$4,128 second mortgage 6% income bonds and scrip, due Nov. 30, 1908.

Long Dock Co., \$800,000 of capital stock.
New York, Lake Erie & Western Coal & R.R. Co.: \$80,600 of capital stock; \$1,900,000 first mortgage series B 5½s, due 1942.

New York, Lake Erie & Western Docks & Improvement Co.: \$604,000 of capital stock; \$604,000 first mortgage 5s, due 1943.

Nypano R.R. Co.: \$20,000,000 of capital stock; \$20,000,000 mortgage 4s, due 1996.

Paterson & Ramapo R.R. Co.: \$269,450 of capital stock.

Sharon Ry.: \$507,300 of capital stock; \$164,000 Sharon Ry. first mortgage 4s, due 1962; \$250,000 New Castle & Shenango Valley R.R. first mortgage 4s, due 1962.

Chicago & Erie R.R. Co.: \$100,000 of capital stock; \$9,902,000 income mortgage 5s, due 1982.

OWNED BY OTHERS THAN ERIE—Owned by Northwestern Mining & Exchange Co., of Erie, Pa.; \$419,400 of capital stock of New York, Lake Erie & Western Coal & R.R. Co.

Owned by Paterson & Ramapo R.R. Co.: \$50,000 Union R.R. Co., capital stock.

Owned by Erie Land & Improvement Co.: \$400,000 Erie R.R. Co. first consolidated general lien 4s, due 1996; \$1,000 New York & Erie R.R. Co., second mortgage 5s, due 1919; and \$13,000 New York & Erie R.R. Co., second mortgage 5s, due 1939; \$71,000 New York, Lake Erie & Western Coal & R.R. Co., first mortgage series A 5½s, 1942; \$160,450 Paterson & Hudson River R.R. Co., capital stock; and \$314,750 Sharon Ry., capital stock.

New Capital Requirements: The plan contemplates an effective date as of Jan. 1, 1940, and provision is made for the payment thereunder of cash to security holders of \$11,090,922 (for details, see under "Treatment of Obligations" below), part of which payments would be in respect of interest to the effective date. To meet this and other cash requirements of the plan it is proposed to provide not more than \$21,500,000 of new money through the sale of collateral trust 15-year note 4s, secured by not exceeding \$26,875,000 new first and refunding mortgage bonds proposed in the plan.

The estimated cash requirements of the plan follow: \$11,090,922 principal and interest to security holders; \$4,000,000 to pay real estate taxes, principally assessed by the State of New Jersey and the subject of litigation (under date of Nov. 15, 1938, the Circuit Court of Appeals sustained the state's right to collect these taxes for the years 1932 and 1933)—amount shown is estimated maximum; \$2,400,000 to pay preferred claims, represented by vouchers, substantially delayed in payment, estimated; and \$3,000,000 working capital and expenses in connection with the carrying out of the plan.

Treatment of Obligations Under the Plan (also see proposed modifications below): The plan assumes the disaffirmance of the leases of the Avon, Genesee & Mount Morris R.R. Co. and the Northern R.R. Co. of New Jersey, and assumes that other leased lines, either proposed for retention as such or to be merged into the new company, and other agreements, shall not be disaffirmed; although in some instances modification is to be sought. The assumption so made by this plan is not intended to bind the Trustees of the railroad, and if any of said leases or agreements are disaffirmed this plan would be deemed modified pro tanto. Where interest is being paid currently it is assumed that such payments will be continued. All principal and interest amounts shown are as of Dec. 31, 1939.

SECURITIES AND OBLIGATIONS TO REMAIN UNDISTURBED—Equipment Trust Securities: Outstanding as of Dec. 31, 1939, \$18,233,000, including \$9,821,000 owned by the RFC. It is assumed that current equipment trust payments would be continued and that there would be no accrued interest as of Dec. 31, 1939, unpaid. Annual requirement in 1940, \$669,326.

New York & Erie R.R. Co. first 4s, due May 1, 1947: \$2,482,000 principal, \$215,942 interest as of Dec. 31, 1939. Interest due would be paid in cash. Annual requirement, \$99,280.

SECURITIES OF LESSOR COMPANIES TO BE MERGED INTO NEW COMPANY, TO BE UNDISTURBED—Long Dock Co. 3¾s, due Oct. 1, 1950: \$7,500,000 principal, \$492,188 interest as of Dec. 31, 1939. Interest due would be paid in cash. Annual requirement, \$281,250.

Nypano R.R. Co. (New York, Penna. & Ohio) prior lien 4½s, due Mar. 1, 1950: \$8,000,000 principal, \$120,214 interest as of Dec. 31, 1939. Interest due would be paid in cash. Annual requirement, \$340,000.

Cleveland & Mahoning Valley Ry. Co. mortgage 4s, due July 1, 1962: \$2,906,000 principal. No interest included. Annual requirement, \$116,240.

Securities of Chicago & Erie R.R. Co., a separately operated wholly owned subsidiary of Erie to be merged, such securities to be undisturbed:

Chicago & Erie first 5s, due May 1, 1982: \$12,000,000 principal, interest paid currently. Annual requirement, \$600,000.

Chicago & Erie income mortgage 5s, due Oct. 1, 1982: \$98,000 principal, interest paid currently. Annual requirement, \$4,900.

Leases not presently recommended for disaffirmance, being leases from the following—annual requirement shown:

Goshen & Deckertown Ry. Co., \$19,035;
Rochester & Genesee Valley R.R., \$12,174;
Jamestown, Westfield & Northwestern R.R. Co., \$12,000; **Cleveland & Pittsburgh R.R. Co.,** \$2,500; **Montgomery & Erie Ry. Co.,** \$16,000; **Neracher Tracks, North Warren, Ohio,** \$1,068; **New Jersey Junction R.R. Co.,** \$28,212; **New York Central re yard tracks at Buffalo, N. Y.,** \$622; **Chicago & Western Indiana R.R. Co.,** \$84,401; total requirement under leases, \$176,012.

MISCELLANEOUS OBLIGATIONS UNDISTURBED—State of New York grade crossing obligations: \$3,538,018 principal, interest paid currently. Annual requirement, \$109,560.

National City Bank, Cleveland: \$171,244 principal, interest paid currently. Annual requirement, \$4,339.

The total annual requirement for securities and obligations undisturbed would amount to \$2,400,907.

SHORT TERM DEBT—Railroad Credit Corp.: \$686,928 principal and \$49,267 interest to Dec. 31, 1939, total \$736,195. Entire principal and interest would be paid in cash.

Bank Loans: \$1,564,640 principal and \$121,308 interest to Dec. 31, 1939 (the principal amount is after application on Jan. 3, 1938, of deposits), total \$1,685,948. Entire principal and interest would be paid in cash.

Reconstruction Finance Corp.: \$20,183,000 principal and \$1,586,261 interest to Dec. 31, 1939, total \$21,769,261. The RFC would be allotted for each \$1,000 of debt, \$367.50 first and refunding 50-year series A 4s, and \$632.50 general mortgage series A convertible income 4½s.

UNDERLYING MORTGAGES OF ERIE PREDECESSOR COMPANIES—New York & Erie R.R. Co.: \$2,135,000 principal and \$252,195 interest to Dec. 31, 1939, total \$2,387,195, second mortgage 5s, due Sept. 1, 1939. Entire principal and interest would be paid in cash.

New York & Erie R.R. Co.: \$4,616,000 principal and \$485,945 interest to Dec. 31, 1939, total \$5,101,945, third mortgage 4½s, due Mar. 1, 1938. Entire principal and interest would be paid in cash.

MORTGAGE OF ERIE OR ITS PREDECESSOR COMPANIES—Erie R.R. Co.: \$35,000,000 principal and \$3,507,550 interest to Dec. 31, 1939, total \$38,507,550, first consolidated mortgage prior lien 4s, due Jan. 1, 1996;

Erie & Jersey R.R. Co.: \$6,389,000 principal and \$961,350 interest to Dec. 31, 1939, total \$7,350,350 first mortgage 6s, due July 1, 1955; and

Genesee River R.R. Co.: \$5,179,000 principal and \$777,390 interest to Dec. 31, 1939, total \$5,956,390 first mortgage 6s, due July 1, 1957.

All of the foregoing are allotted for each \$1,000 of debt: \$1,000 first and refunding mortgage 50-year series A 4s. Total requirement, \$51,814,290.

Erie R.R. Co.: \$35,485,000 principal and \$3,582,920 interest to Dec. 31, 1939, total \$39,067,920 first consolidated mortgage general lien 4s, due Jan. 1, 1996. Allotted for each \$1,000 of debt: \$100 (10%) first and refunding mortgage 50-year series A 4s; \$650 (65%) general mortgage series A convertible income 4½s; and \$250 (25%) 5% prior preferred stock.

Erie R.R. Co.: \$21,324,700 principal and \$1,925,360 interest to Dec. 31, 1939, total \$23,250,060 general mortgage convertible 4s, due April 1, 1953. Allotted for each \$1,000 of debt: \$100 (10%) first and refunding mortgage 50-year series A 4s; \$400 (40%) general mortgage series A convertible income 4½s; and \$500 (50%) 5% prior preferred stock.

Erie R.R. Co.: \$100,000,000 principal and \$11,118,629 interest to Dec. 31, 1939, total \$111,118,629 refunding and improvement mortgage 5s, due May 1, 1967, and April 1, 1975. Allotted for each \$1,000 of debt: \$31 (3.1%) first and refunding mortgage 50-year series A 4s; \$194 (19.4%) general mortgage series A convertible income 4½s; \$150 (15%) 5% prior preferred stock; and \$625 (62.5%) second participating preferred.

LEASED LINES TO BE MERGED INTO NEW COMPANY—New York, Lake Erie & Western Docks & Improvement Co.: \$3,396,000 principal and \$255,175 interest to Dec. 31, 1939, total \$3,651,175; first mortgage 5s, due July 1, 1943; and

New York, Lake Erie & Western Coal & R.R. Co.: \$684,000 principal and \$90,410 interest to Dec. 31, 1939, total \$774,410 first mortgage 5½s, series A, due May 1, 1942.

Both of the above issues are allotted for each \$1,000 principal amount of debt: \$1,000 (100%) first and refunding mortgage 50-year series A 4s; accrued and unpaid interest to be paid in cash.

New York & Greenwood Lake Ry. Co.: \$1,471,600 principal prior lien 5s, due May 1, 1946. Allotted for each \$1,000 bond and interest; \$1,000 general mortgage series A convertible 4½s.

Paterson & Hudson River R.R. Co.: \$469,550 (9,391 shares) \$50 par capital stock. Each share would be allotted \$62.50 principal amount first and refunding mortgage 50-year series A 4s.

Sharon Ry.: \$566,950 (11,339 shares) \$50 par capital stock. Each share would be allotted \$50 principal amount first and refunding mortgage 50-year series A 4s.

Cleveland & Mahoning Valley Ry. Co.: \$3,259,200 (65,184 shares) \$50 par capital stock. Each share would be allotted \$90 principal amount first and refunding mortgage 50-year series A 4s. This company's outstanding \$2,906,000 principal amount of mortgage 4s, would be left undisturbed as heretofore provided.

Paterson & Ramapo R.R. Co.: \$28,550 (571 shares) \$50 par capital stock. Each share would be paid \$10 in cash. Total cash to be paid therefor, \$5,710.

GENERAL CREDITORS—Estimated claims total \$5,000,000. General unsecured claims payable in cash not entitled to a preference would, when duly allowed, be entitled to receive second preferred stock at the rate of one share for each \$100 so allowed.

ERIE R.R. CO. CAPITAL STOCK—Publicly held stock—\$47,904,400 par amount first preferred; \$15,857,000 par amount second preferred; \$151,106,700 par amount common; total stock held by public, \$214,868,100. Holders of the first preferred, second preferred and common stock of the Erie R.R., would have the right to receive for each share of present stock, one share of common stock of no par value of the new company (or one share of \$40 par value common stock) whichever is approved by the reorganization managers.

Modifications Proposed: On Feb. 1, 1939, amendments to the Erie R.R. company plan dated Dec. 19, 1938 (see above) were submitted by William Wyer, consulting engineer of the Chesapeake & Ohio Ry. Co. at a hearing before the ICC.

The suggested modifications are designed to insure continue control of the Erie by the C. & O. and would make available for common stock dividends a larger amount than was provided in company's plan. This would benefit the C. & O. since under Erie's proposed allocation of securities the C. & O. would receive only common stock for its present holdings of approximately 984,800 shares of common out of a total of about 1,511,067 shares outstanding, 151,405 shares of first preferred out of approximately 479,044 shares, and 60,195 shares of second preferred out of a total of 158,570 shares. In the Erie plan first an second preferred and common stock would be exchanged for new no par (or \$40 par) common stock on a share for share exchange basis.

The changes proposed by the C. & O. would not alter the total capitalization of \$432,342,710 proposed in the Erie plan, but would substitute for the proposed \$38,059,809 first preferred and \$74,449,279 second preferred a single class of participating preferred stock in the total amount of \$83,039,809. To offset the proposed reduction in capital represented by preferred stocks, however, the general income 4½s, would be increased to \$100,961,361 from \$71,492,000 proposed in the Erie plan.

The changes in the proposed new securities would result in fixed and contingent interest and rent for leased roads and preferred dividend requirements payable ahead of the common stock being reduced below the \$15,327,125 set forth in the Erie company plan, it was stated. The exact amount of the reduction was not stated.

The C. & O. plan should also permit, Mr. Wyer stated, either the consolidation or merger of the New York, Susquehanna & Western R.R. Co. with the new company on any basis which might be approved by the reorganization managers and the ICC.

The board of directors under the C. & O. plan would be controlled 70% by representatives of the common stock, and the remaining 30% by representatives of the preferred stock.

Additional principal changes to Erie R.R. company plan proposed to the ICC by the Chesapeake & Ohio Ry. Co. follow:

SECURITIES TO REMAIN UNDISTURBED—New York & Erie R.R. Co. 1st 4s, due May 1, 1947; \$2,482,000 principal, \$215,942 interest as of Dec. 31, 1939. The proposal that this issue

remain undisturbed and that interest be paid in full in cash is modified to provide that new company may, at its option, provide new money to pay off these bonds. If the option is exercised, holders of these bonds should receive 100% cash instead of the bonds remaining undisturbed. This would increase amount of collateral trust notes to be issued from \$21,500,000 to not more than \$24,000,000, and would correspondingly reduce securities to remain undisturbed. The proposal was also made that collateral trust notes should mature in not more than 25 years instead of in 15 years as proposed by Erie.

SECURITIES OF LESSOR COMPANIES TO BE MERGED INTO NEW COMPANY—Long Dock Co. 3¾s, due Oct. 1, 1950; \$7,500,000 principal, \$492,188 interest as of Dec. 31, 1939. Nypano R.R. Co. (New York, Penna. & Ohio) prior lien 4¼s due Mar. 1, 1950; \$8,000,000 principal, \$120,214 interest as of Dec. 31, 1939. proposal that these issues remain undisturbed and that interest should be paid in full in cash is modified to provide for their assumption by new company, in return for the right to extend them for 30 years at their maturity at present rates of interest.

MORTGAGES OF ERIE OR ITS PREDECESSOR COMPANIES—Following changes in allocation of new securities is proposed to supplant distributions provided in the Erie Plan:

Erie R.R. Co. \$39,067,920 principal and interest as of Dec. 31, 1939 first cons. gen. lien 4s, due Jan. 1, 1996. Allotted for each \$1,000 of debt; \$100 first and ref. 50-year A 4s; and \$900 general A conv. income 4½s.

Erie R.R. Co. \$23,250,060 principal and interest as of Dec. 31, 1939 general conv. 4s, due April 1, 1953. Allotted for each \$1,000 of debt; \$100 first and ref. 50-year A 4s; \$650 general A conv. income 4½s; and \$250 preferred participating 5% stock.

Erie R.R. Co. \$111,118,629 principal and interest as of Dec. 31, 1939 ref. and improv. 5s, due May 1, 1967 and April 1, 1975; Allotted for each \$1,000 of debt; \$31 first and ref. 50-year A 4s; \$319 general A conv. income 4½s; and \$650 preferred participating 5% stock.

Under the amendments suggested the prior preferred stock proposed in the Erie plan would be eliminated, and the designation of second preferred stock would be changed to "preferred participating stock".

The provision relating to capital expenditures fund would be changed to 3% (instead of 2½%) of the consolidated total railway operating revenues, or \$2,000,000, whichever is greater.

Modifications to the Erie company plan propose by Chesapeake & Ohio would result in fixed and contingent charges, and of preferred dividend requirements for reorganized company as follows:

	Present System	New System
Fixed interest	\$12,107,900	\$6,308,537
Conting. interest	-----	4,543,261
Rent for lease roads	1,867,982	176,000
Total	13,975,882	11,027,798
1st pfd. dividends	1,916,176	4,151,990
2nd pfd. dividends	634,280	-----
Total	2,550,456	4,151,990
Grand total	\$16,526,338	\$15,179,788

If general mortgage bonds are converted into preferred participating stock instead of common the requirement for preferred participating dividends and the totals would be increased by \$5,048,068.

Common Stock: The no par common stock (or of par value of \$40 a share) required under company's plan as modified would be 5,177,522 shares instead of 4,293,441 shares, 2,148,681 being necessary to carry out the terms of the plan, in order to be available for issuance to the present holders of first and second preferred or common of Erie R.R. Co., and 3,028,841 shares being reserved for issuance to holders of the general mortgage series A convertible income 4½s, as shall exercise the option granted them to convert same into common stock. Common would be entitled to one vote per share.

Preferred Participating Stock: Original issue of preferred participating stock required to carry out terms of the plan would be 830,398 shares \$100 par value. It would be entitled to dividends of \$5 a share out of earnings in any year before any payment on common. Thereafter after common has received \$2 a share, preferred and common would share equally upon the basis of their par values in any further distribution; i.e. \$1 a share to preferred to each 40 cents to common. Preferred dividends would not be cumulative. Would be entitled upon redemption or in liquidation to par and accrued dividends. Entitled to one vote per share.

Cash requirements shown in Erie company plan would be increased from \$23,490,922 by an additional \$2,482,000 if the \$2,482,000 New York & Erie R.R. first mortgage 4s, due 1947, are paid in cash, as provided by the C&O amendments.

The Nypano R.R. Co. approved for itself on Dec. 23, 1938 the plan proposed by company, dated Dec. 19, 1938 (see above).

AMENDED KURTH GROUP PLAN

The following amended plan dated Jan. 27, 1939 for reorganization of company has been proposed by the group composed principally of banks and insurance companies. For details of original Kurth Group Plan see Moody's 1939 Railroad Manual.

The plan contemplates an effective date as of Jan. 1, 1939, to which date all interest, where interest is added to the principal amount of the claim, is calculated. The exception to this general rule has been made only in the case of the refunding and improvement mortgage bonds upon which 5% interest is added as accruing for the 1938 year, with provision made for the small amount of interest thereon as of Dec. 31, 1937. This provision would provide for securities dated prior to Jan. 1, 1939, adjustments would be made for the additional interest accruing during the period subsequent to such Jan. 1, 1939 date and any later date of the new securities. Such adjustments of interest would in such event be made in cash.

The plan proposes that the reorganized company shall acquire all of the property and assets of the Erie R. R., providing, however, that in so doing, it shall retain discretionary powers to reject any lease, sell, exchange or make any other disposition of securities or other property within limitations which are prescribed. In connection with the property set-up of the reorganized company, provision is made so that reorganization managers (to be appointed), in whom would rest the authority for carrying out the plan, may cause the new company to acquire all of the property of the Nypano R.R. Co., or of the Chicago & Erie R.R. Co., or both, by merger or consolidation. Likewise, the reorganization managers may direct the new company to acquire directly all or any part of the property of any other subsidiaries of the company.

Proposed New Capitalization: The reorganized railroad would have the following capitalization as of Jan. 1, 1939: Undisturbed: \$21,263,000 equipment trusts; \$2,482,000 New York & Erie first 4s, 1947; \$12,000,000 Chicago & Erie first 5s, 1982; \$98,000 Chicago & Erie income 5s, 1982; total undisturbed, \$40,399,308 (see note below). Undisturbed miscellaneous: \$3,661,962 State of New York for grade crossing improvements—2.90% to 3.94%; \$133,737 City of Buffalo—Grade crossing, 4% to 4½%; \$551,310 Rayen Terminals Co. 6s; \$209,299 National City Bank of Cleveland—assignee of Greenville Steel Car Co., account car purchase—3%; total miscellaneous undisturbed \$4,556,308. New Securities: \$22,500,000 collateral trust 10-year notes; \$5,645,110 first consolidated mortgage bonds, series A, 4¾s, due Jan. 1, 1956; \$76,522,435 (not including \$28,125,000 to be issued to secure \$22,500,000 10-year notes) series B 4s, due Jan. 1, 1996; \$51,922,071 general mortgage convertible, series A 4½s, due Jan. 1, 2014; \$32,728,935 5% \$100 par series A preferred and \$77,031,250 par or stated value \$36.25 common stock.

Note: There has not been included in the \$40,399,308 of bonds undisturbed: \$7,500,000 Long Dock Co. bonds, \$684,000 N. Y., Lake Erie & Western Coal & R. R. Co. bonds and \$8,000,000 New York, Pennsylvania & Ohio R.R. prior 4½s, 1950 (Nypano R.R.). These bonds also are not included in the grand total of \$145,066,853 fixed interest debt forming part of the total capitalization proposed by the committee. The issues are all to be undisturbed as to security, and any obligations of Erie with respect thereto would be assumed by the new company; if property of any lessor is conveyed to the new company, latter to assume obligation as to both principal and interest. Treatment proposed by plan is for acquisition of property, or alternatively, retention of leases; stock in each case is owned by Erie directly or through subsidiaries. Rental under leases is included in the \$1,500,000 lease rentals, previously shown, and fixed charges on the bonds of these companies, respectively, is not included in the item for fixed interest. Fixed interest, debt undisturbed may be increased according to how these companies are finally dealt with under the alternative proposals under the plan.

Brief Description of New Securities: \$22,500,000, coll. tr. notes due Jan. 1, 1949 to be secured by pledge of 125% principal amount of new first consolidated mortgage B bonds. Would bear interest not exceeding 4% per annum.

First consolidated mortgage bonds: \$5,645,110 series A, 4¾s, due Jan. 1, 1956; \$76,522,435 (in addition \$28,125,000 to be issued to secure coll. tr. notes) series B 4s, due Jan. 1, 1996. The series A and B first consolidated mortgage bonds would be redeemable at par during the last three years before maturity, and at 105 in any earlier year. Both series secured by all of the property of the reorganized company subject to undisturbed liens only.

General mortgage bonds, \$75,000,000 authorized, \$51,922,071 series A, 4½s, due Jan. 1, 2014 to be issued. They would be callable at 105 and at par for the sinking fund, and would be convertible into series B preferred stock at the rate of 10 shares for each \$1,000 bond. Interest on the series A bonds would be payable out of income available after fixed charges and reserve for capital fund for the preceding calendar year. Interest would be cumulative whether or not earned, provided that accumulated unpaid interest shall at no time exceed 13½%. The series A bonds would be entitled to a sinking fund, payable to the extent earned in any calendar year after deduction for fixed charges, for the capital expenditures (see below), and for interest on the general mortgage bonds, but not cumulative, equal to ½ of 1% of the maximum principal amount of general mortgage series A, at any time outstanding.

Provision would be made for a sinking fund, to be set aside for interest charges only, not exceeding railway operating revenues, less charges, to come account for depreciation of works, structures, or for retirements of property other than equipment, made in any year.

The series A 5% preferred would be callable at 100 at any time; dividends would be cumulative to the extent earned up to Jan. 1, 1943, but would become fully cumulative thereafter, provided that accumulated unpaid dividends shall at no time exceed 15%. The series B 5% \$100 par preferred proposed to be issued in conversion of the general mortgage series A bonds would be fully cumulative, and callable at any time at 105. Series A and B preferred would be entitled to one vote a share. Estimated original issue of series A preferred (no series B to be issued in reorganization) would be \$32,728,935.

Common Stock: Par value of \$36.25 a share, or no par. Entitled to one vote a share. To be issued under plan, \$77,031,250.

Charges and Dividend Requirements: Under the plan, fixed interest debt, other than debt of leased lines which is serviced through payment of rentals, would be reduced from \$276,358,576 to \$145,066,853. The following is a comparison of fixed and contingent charges and dividend requirements as they currently exist and as they would be under the plan, for the year 1939:

	Existing Charges	Charges Under Plan
Rent for leased roads & equip. Int. on undisturb. oblig. Int. on other fixed int. debts. Int. on new secur.	\$1,899,631 1,631,055 10,713,324	\$1,500,000 1,631,055 4,229,040
Total fix. chg. Contingent chgs.	\$14,244,010	\$7,360,095 2,336,493
Tot. fixed & cont. chgs. Preferred divs.	\$14,244,010 2,550,456	\$9,696,588 1,636,446
Total require.	\$16,794,466	\$11,333,034

⊠ Represents maximum payable, as true amount ultimately to be paid would depend on treatment of leases, and arrangements made in regard thereto.

Notes: (1) The foregoing figure of \$7,360,095 fixed charges under the plan compares with fixed charges of \$14,244,010 under the existing capitalization. These figures include respectively \$1,500,000 and \$1,899,631 rentals for leased roads and equipment. The new rental figure (\$1,500,000) would be reduced in accordance with the proposals contained in the plan for the treatment of "other leases," and to the extent lease rentals are reduced, leases abandoned or properties of lessor companies acquired is subject to change. In arriving at the \$1,500,000 figure for rent of leased roads and equipment under plan, there has been deducted an assumed saving from modification of leases of \$229,750 (which the plan represents as a conservative sum), and also \$169,881 rental payable under the New York, Lake Erie & Western Docks & Improvement bonds due to proposed exchange for such bonds of new consolidated mortgage series B 4s of reorganized company. Such exchange would add \$135,840 to fixed interest charges (included in table above, as such).

(2) Under the plan, payments into capital expenditures fund are deducted before amount available for contingent interest charges, while sinking fund charges for general mortgage bonds are deducted before amount available for preferred dividend requirements. The amount of these deductions is not included in above comparative statement.

Treatment of Leased Lines: The plan proposes that the leases by wholly owned companies of Erie or subsidiaries shall be cancelled and the property of the lessor conveyed to the new company, or alternatively such leases may be continued in effect with the exception of that of New York, Lake Erie & Western Docks & Improvement Co. The com-

panies with leases to be dealt with in this manner are: Long Dock Co., rental \$295,403; New York, Lake Erie & Western Coal & R.R. Co., rental \$55,304; New York, Lake Erie & Western Docks & Improvement Co., rental \$169,881; Nypano R.R. Co., rental \$349,903. Total rentals affected \$870,492.

Other Leased Lines: Definitive proposals were made in regard to other leased lines, as follows—(Rentals are net as reported in 1937):

Those leases which plan anticipates will be adopted were: New Jersey Junction R.R.—\$28,212; Montgomery & Erie Ry.—\$16,000; Cleveland & Pittsburgh R.R.—\$2,500; Chicago & Western Indiana R.R.—\$84,401; New York Central R.R. Tracks, East Buffalo, N. Y.—\$622; and W. A. Neracher, Tracks, North Warren, O.—\$1,068; Total \$132,802.

Elmira State Line R.R.—Plan states any problem which exists can only be that of a practical one of effecting a merger, since Erie is, directly or through subsidiaries, all existing securities of the company, to the extent of \$1,000 of the securities of the company, to the extent of \$6,314 were reported in 1937, \$6,244 being returned to Erie or its subsidiaries.

Leased lines for which plan states it will probably be desirable to effect a merger or consolidation through an exchange of securities, if possible, because of their appearing to constitute assets, follow: Paterson & Hudson River R.R.—\$33,960; Paterson & Ramapo R.R.—\$26,500; Union R.R.—\$3,500; Sharon Ry.—\$48,477; total \$112,407.

Plan recommended rejection of the leases of Northern R.R. Co. of N. J. (\$80,157) and Avon, Geneseo & Mt. Morris R.R. (\$7,050); total \$87,207 rentals, as being burdensome. Outright rejection in the case of Northern of N. J. was modified by suggestion a new lease for part of the properties might be in the interest of the reorganized company.

In the cases of the Rochester & Genesee Valley R.R. (\$26,455) and Jamestown, Westfield & Northwestern R.R., Terminal Tracks (\$18,250), total rental \$44,605, plan stated rentals appeared to be excessive, and proposed as entirely practicable that Erie trustees, or the reorganization managers, negotiate modified leases which would be binding on the reorganized company.

The lease of Goshen & Deckertown Ry. (1937—rental \$19,035), was described as being currently profitable but one which might become burdensome later. Although stating that no question of possible abandonment of the line was involved, it was suggested that, since the line is used principally by the Lehigh & New England it might prove possible to sell the lease to that railroad. In the case of rejection, it was pointed out, Goshen & Deckertown might make direct arrangements with the Lehigh & New England.

Plan urged that it was particularly important that flexible treatment should be provided for New York & Greenwood Lake Ry., \$73,945 and Cleveland & Mahoning Valley Ry., \$558,967, total rental \$632,913. Broadly it was proposed that at least part of the New York & Greenwood should be owned and operated by the reorganized company, the present lease being meanwhile described as clearly burdensome. In the case of the Mahoning, possible acquisition was proposed as a matter for consideration. (Note: subsequently to the formulation of this plan provision has been made for the acquisition of the Mahoning, while part of the New York & Greenwood has been authorized for abandonment.)

The so-called "Other Leases" would be dealt with in a number of alternative ways, including: That, if ordered adopted by the Court any such lease would be assumed by the new company. If ordered rejected by the Court, then the reorganization managers may: Make a new lease of all or part of the property covered by the lease at a rental to be agreed upon but not higher than the existing rentals, or may acquire for the new company the properties of such lessor, or may take no action in regard to such properties in which case the new company would be under no duties of operation of such rejected properties. Each such lessor which shall suffer damage through such rejection would then become an unsecured creditor to the extent of the actual damage or injury, as determined.

Any claim of the Mahoning Valley Ry. Co., or the Nypano R.R. Co., for actual damage or injury from the rejection of leases, which may be allowed by the Court, would be paid in full in cash.

The plan provides that the following funded debt of lessors affected by the foregoing proposals for the treatment of leased lines, to the extent shown, shall be included in the Erie funded debt and assumed by the new company undistributed: \$7,500,000 Long Dock Co., bonds due 1950; \$684,000 New York, Lake Erie & Western Coal & R.R. Co., bonds due 1942; and \$8,000,000 New York, Pennsylvania & Ohio R.R. Co., prior lien bonds, due 1950, all of which are guaranteed principal and interest by Nypano R.R. Co., and as to interest by Erie R.R. under its lease with Nypano.

In the case of the \$3,396,000 New York, Lake Erie & Western Docks & Improvement bonds, due July 1, 1943, (which would be an exception in the matter of proposed treatment of

obligations of lessors), holders would receive in respect of such Lake Erie & Western Docks bonds 100% in first consolidated mortgage bonds, series B, for the principal of their bonds, plus an amount in cash equal to the difference between 5% interest on the bonds to July 1, 1943, and interest paid on the bonds during the reorganization proceeding plus that accruing on the new first consolidated mortgage bonds to July 1, 1943.

However, any claims of bondholders, as distinguished from the claims of lessors, arising in respect of \$1,484,800 New York & Greenwood Lake Ry. Co., prior lien bonds, due 1946, and \$861,000 Northern R.R. Co. of N. J., general mortgage bonds, due 2000, the leases with which companies it is proposed to treat as detailed above for "other leases," would be treated as unsecured claims to the extent and in the amounts allowed by the Court.

New Money—Purposes: The plan contemplates the sale of \$22,500,000 new collateral trust 10-year notes. These notes would bear interest not higher than 4% per annum, and would be collaterally secured by 125% new first consolidated mortgage, series B 4s, due Jan. 1, 1996.

The proceeds would be used to pay: \$4,616,000 New York & Erie third mortgage 4½s, due Mar. 1, 1938; \$2,135,000 New York & Erie second mortgage 5s, at their maturity on Sept. 1, 1939 (of these bonds, \$13,000 are owned by Erie Land & Improvement Co., and would be cancelled); \$1,564,640 (estimated) due banks, \$686,928 (estimated) due RCC; and \$13,497,431 to pay interest accruals provided for under the plan (those for the period beyond Jan. 1, 1939 to such later date to which securities provided for in the plan may be dated); expenses of reorganization; to provide working capital and to meet contingencies.

In the case of the RCC and New York & Erie R.R. third mortgage bonds, payment would be made in cash with such adjustment for interest as the Court may allow, or in the case of the RCC as may be agreed upon between the RCC and the reorganization managers.

Bank claims aggregating \$1,564,640, secured by \$5,365,000 general lien bonds and \$1,526,000 convertible bonds, would be dealt with on the broad principle that if the securities issuable in respect of such collateral should be greater in value (such determination of value to be made by the reorganization managers) than the amount due the banks in cash, that in such case cash would be paid, but if of lesser value, then, that the banks should receive the new securities to which their collateral would entitle them. The plan contemplates that such payment will be made in cash, and no provision is made for the issuance of new securities to the banks and provision is made for the required cash in the arrangement for new money.

Comparative Average Earnings Under Plan (000 omitted):

	15 Yrs. 1923-37	10 Yrs. 1928-37	5 Yrs. 1933-37	1937
Oper. revenue	\$102,453	\$91,831	\$78,241	\$83,925
⊠ Inc. avail. for fix. chgs. adj.	15,343	14,420	13,779	⊠14,030
Fix. chgs. under plan	7,360	7,360	7,360	7,360
Inc. avail. for Cap. Fund	7,983	7,060	6,419	6,670
Capital fund	2,049	1,836	1,569	1,679
Inc. avail. for gen. mtge. bonds	5,939	5,224	4,855	4,991
Int. on gen. bds.	2,336	2,336	2,336	2,336
Net income	3,598	2,888	2,519	2,655
S. F., gen. bds.	260	260	260	260
Inc. avail. pfd. divs.	3,338	2,628	2,259	2,395
Pfd. divs. pay.	1,636	1,636	1,636	1,636
Inc. avail. com.	1,702	992	623	759
Times fixed chgs. earned	2.08	1.96	1.87	1.91
Per cent earn. on gen. mtge. bds.	11.43	10.06	9.35	9.61
Earnings per share:				
Pfd. \$100 par.	10.20	8.03	6.90	7.32
Com. \$36.25 par.	0.80	0.47	0.29	0.36

⊠ Other income in 1937 was \$1,186,046. In earlier years the amount was a great deal larger, averaging about \$4,216,000 for 1923-37. In order to furnish comparative figures on a conservative basis, other income for the years 1923-1936 was reduced to \$1,000,000.

⊠ The income actually reported was \$14,118,317. From this there has been deducted \$88,723 representing income received by Erie and its subsidiaries (part of the \$99,215 received by Erie or subsidiaries as their proportion on securities of leased lines owned—the \$88,723 being that part of such sum deriving from the 18 "other leases") on securities of lessors.

Treatment To Be Accorded Securities: The following treatment would be accorded outstanding securities not previously dealt with under "Treatment of Leased Lines"; proposed for retirement under "New Money—Purposes", or shown as undisturbed under "Proposed New Capitalization":

\$35,000,000 Erie R.R. first cons. prior lien 4s, due 1996, and \$2,100,000 (6%) interest unpaid thereon: In respect of the total claim for \$37,100,000 (106%), there would be issued \$37,100,000 principal amount of first consolidated series B 4s, due Jan. 1, 1996.

\$35,485,000 Erie R.R. cons. general lien 4s, due 1996 (\$400,000 owned by Erie Land & Improvement Co., to be cancelled—not included), and \$2,129,100 (6%) interest, unpaid thereon: In respect of the total claim of \$37,614,100 (106%), there would be issued \$8,871,250 (25%) first consolidated series B 4s, due 1996; \$17,742,500 (50%) general mortgage series A 4½s; due 2014; and \$11,000,350 (31%) 5% \$100 par series A preferred.

\$21,324,700 Erie R.R. convertible series A, B and D, 4s, due 1953, and \$1,066,235 (5%) interest unpaid thereon: In respect of the total claim for \$22,390,935 (105%), there would be issued \$5,331,175 (25%) first cons. series B 4s, due 1996; \$5,331,175 (25%) general mortgage series A 4½s, due 2014; and \$11,728,585 (55%) 5% \$100 par series A preferred.

\$6,389,000 Erie & Jersey first 6s, due 1955, and \$575,010 (9%) interest unpaid thereon: In respect of the total claim for \$6,964,010 (109%), there would be issued \$6,964,010 (109%) first cons. mortgage series B 4s, 1996.

\$5,179,000 Genesee River first 6s, and \$466,110 (9%) unpaid interest thereon: In respect of the total claim for \$5,645,110 (109%), there would be issued \$5,645,110 first cons. mortgage series A 4½s, due Jan. 1, 1956.

\$50,000,000 Erie R.R. refunding and improvement 5s, series of 1927, due 1967, and \$50,000,000 Erie R.R. refunding and improvement 5s, series of 1930, due 1975, and \$5,000,000 (5%) interest unpaid thereon: In respect of the total claim of \$105,000,000 (105%), there would be issued \$7,500,000 (7½%) first cons. series B 4s, due 1996; \$15,000,000 (15%) general mortgage series A 4½s, due 2014; \$10,000,000 (10%) 5% \$100 par series A preferred, and \$72,500,000 (72½%) par or stated value \$36.25 a share new common stock.

\$3,396,000 New York, Lake Erie & Western Dock & Improvement 5s: These bonds would receive \$3,396,000 (100%) in new first consolidated mortgage series B 4s, due 1996. Interest above 4% to maturity of present bonds, July 1, 1943, would be paid in cash. (See above under—Other Leased Lines.)

\$20,183,000 due RFC and \$1,025,396 interest unpaid thereon (includes \$631,000 due Oct. 31, 1938—interest calculated rates specified in the notes): \$7,360,000 first cons. series B 4s, due 1996 and \$13,848,396 general mortgage series A 4½s.

\$5,000,000 unsecured claims: This is a rough estimate in view of the rules governing claims on rejected leases—see "Treatment of Leased Lines" above: There is reserved in the proposed capitalization, \$4,531,250 par or stated value \$36.25 a share of new common stock for distribution in settlement of these claims. The basis provided is for the issuance of common stock at the rate of one share for each \$40 of the amount of each claim as allowed, including interest to Jan. 18, 1938 to the extent that same should be allowed by the Court.

Treatment of Existing Stock: The plan makes no attempt to differentiate as between the existing two classes of preferred and common stockholders of Erie, but provides that through the exercise of warrants to be issued to Erie R.R. Co., that the stockholders as a class may through the reduction of debt reacquire the reorganized company. To effectuate such a proposal all of the new common stock to be issued to the refunding and improvement bondholders and unsecured creditors would be placed in escrow, and an additional 382,000 shares would be reserved and placed in the same escrow for the retirement of the general mortgage bonds to be issued to the RFC, against which 5-year purchase warrants, entitling the holders to purchase escrowed stock for \$36.25 a share, plus accrued interest on that amount at 4½% from Jan. 1, 1939, less the amount, if any, theretofore paid as dividends on the stock, would be issued. Upon the exercise of any warrant in respect of which certificates of beneficial interest for shares of common stock have been issued the holders of refunding and improvement bonds or unsecured claims, the amounts paid by the holders of the warrants would be paid to the holders of the certificates of beneficial interest and the same would become void and subject to cancellation. Upon the exercise of any warrants in respect of which any part of the additional shares of stock (approximately 382,000 shares) should have been issued, the amounts paid would be applied to the retirement, at par and accrued interest, of the general mortgage bonds issued to the RFC.

ICC EXAMINER'S PLAN

On August 21, 1939, ICC Examiner Milo H. Brinkley proposed to the Interstate Commerce Commission the following plan of reorganization for the Erie R.R. Co.:

The effective date proposed for the plan was Jan. 1, 1940, and it was predicated upon there being obtained \$18,000,000 of new money, either from the RFC or banking sources, through the issuance of collateral trust notes. From the funds so provided there would be paid in cash, the following obligations, including interest through Jan. 1, 1940: New York & Erie second 5s, \$2,135,000 principal, plus interest, total cash, \$2,387,195; New York & Erie third 4½s, \$4,616,000 principal plus interest, total cash, \$5,101,945 Railroad Credit

Corp. notes, \$686,928, plus interest, total cash, \$736,195; and bank loans aggregating \$1,564,640, plus interest, total cash, \$1,673,714. In addition there would be paid to holders of N. Y. & Erie first 4s, \$215,942 cash in respect of interest on their \$2,482,000 first 4s, which are to be undisturbed.

Proposed Capitalization: Capitalization of the reorganized company would be, under the Examiner's plan, as follows:

Fixed Interest Obligations Erie and Chicago & Erie Undisturbed:	Principal	Interest or Dividend
Equipment trusts	\$18,233,000	
① N. Y. & Erie 1st 4s	2,482,000	
Chicago & Erie 1st 5s	12,000,000	
Chicago & Erie inc. 5s	98,000	\$1,590,697
State of N. Y. grade crossing obligation	3,538,018	
Nat. City Bank, Cleve.	171,244	
First cons. mtge. 4s	74,155,476	2,966,219
Coll. trust note 4s	18,000,000	720,000
Total	\$128,677,738	\$5,276,916
Merger Companies:		
Undisturbed:		
New York, Lake Erie & Western R.R. 5½s	\$684,000	
Long Doc. Co. 3¾s	7,500,000	\$658,870
N. Y., Pa. & O. pr. In. 4½s	8,000,000	
First cons. Mtge. 4s	3,396,000	135,840
Total	\$19,580,000	\$794,710
Grand total	\$148,257,738	\$6,071,626
Contingent Charges:		
Gen. mtge. inc. 4½s	\$14,675,717	\$660,407
Capital fund, 3% of rev. (\$80,000,000 est.)		2,400,000
Sink. fund inc. bonds		73,379
Total	\$14,675,717	\$3,133,786
Total princip. or chgs.	\$162,933,455	\$9,205,412
Pfd. stock (par \$100)	88,425,147	4,421,257
Totals	\$251,358,602	\$13,626,669
Com. stock (no par)	2,554,736.2 shs.	
① Plus \$215,942 in cash.		
② Fixed charges of \$6,071,626 is exclusive of rents and leases of \$1,128,000.		

Proposed Mergers, Acquisitions, etc.: The Examiner's plan recommends the acquisition by, or mergers and consolidations into, the new company of the following companies now owned directly or indirectly by the Erie: Leased to Erie-Bergen County R.R. Co., Buffalo, Bradford & Pittsburgh R.R. Co., Jefferson R.R. Co., Newark & Hudson R.R. Co., Paterson, Newark & New York R.R. Co., Youngstown & Austintown Ry. Co. Operated by Erie through stock control alone—Arlington R.R. Co., Bergen & Dundee R.R. Co., Brockport & Shawmut R.R. Co., Columbus & Erie R.R. Co., Docks & Connecting Ry. Co., Elmira State Line R.R. Co., Erie & Wyoming Valley R.R. Co., Moosic Mountain & Carbondale R.R. Co., Penhorn Creek R.R. Co., Tioga R.R. Co. West Clarion R.R. Co.; and additionally—Erie Land & Improvement Co., Erie Land & Improvement Co. of Penna., and Industrial Center Land Co.

The Examiner also recommended that the plan include acquisition by merger or consolidation into the reorganized, properties of the Chicago & Erie R.R. Co., Long Dock Co., New York, Lake Erie & Western Coal & R.R. Co., New York, Lake Erie & Western Docks & Improvement Co. and Nypano R.R. Co.

Treatment to be Accorded Securities: Distribution of new securities of the reorganized company would be, in addition to that shown above for issues which are to remain undisturbed and to be paid in cash as follows: (Interest computed to Dec. 31, 1939 in each case.)

Erie R.R. Prior Lien 4s: \$35,000,000 principal and \$3,507,550 interest, total \$38,507,550: Holders would receive in respect of their principal and interest claim \$38,500,000 in new first consolidated mortgage 4s, or for each \$1,000 bond and interest, \$1,100 of new first consolidated mortgage bonds.

Erie R.R. General Lien 4s: \$35,485,000 principal and \$3,582,920 interest, \$39,067,920: Holders would receive in respect of their principal and interest claim \$5,855,025 in new first consolidated mortgage 4s, and \$33,178,475 in new preferred stock, or for each \$1,000 bond and interest, \$165 in new first consolidated 4s, and \$935 in new preferred stock.

Erie R.R. General Mortgage Convertible 4s: \$21,324,700 principal and \$1,925,360 interest, total \$23,250,060: Holders would receive in respect of their principal and interest claim \$3,497,251 in new first consolidated 4s, and \$19,746,672 in new preferred stock, or for each \$1,000 bond and interest, \$164 in new first consolidated 4s, and \$926 in new preferred stock.

Erie & Jersey First 6s: \$6,389,000 principal and \$961,350 interest, total \$7,350,350: Holders would receive in respect of their principal and interest claim \$7,347,350 in first consolidated 4s, or for each \$1,000 bond and interest \$1,150 in new first consolidated 4s.

Genesee River First 6s: \$5,179,000 principal and \$777,390 interest, \$5,956,390: Holders would receive in respect of their principal and in-

terest claim \$5,955,850 in new first consolidated 4s, or for each \$1,000 bond and interest, \$1,150 in new first consolidated 4s.

Erie Refunding & Improvement 5s: \$100,000,000 principal and \$11,118,629 interest, total \$111,118,629: Holders would receive, both series, in the aggregate in respect of their principal and interest claims \$5,500,000 first consolidated 4s, \$35,500,000 in new preferred, and 2,000,000 shares of new common stock. The distributions to holders of the respective series would be: Series of 1927, for each \$1,000 bond and interest, \$55 in new first consolidated 4s, \$353 in new preferred stock, and 20 shares of new common; and, Series of 1930, for each \$1,000 bond and interest, \$55 in new first consolidated 4s, \$357 in new preferred stock and 20 shares of new common.

New York, Lake Erie & Western Docks & Improvement Co. 5s: \$3,396,000 principal: Holders would receive in the aggregate \$3,396,000 first consolidated 4s, or in respect of each \$1,000 bond and interest \$1,000 of new first consolidated 4s.

RFC Notes: \$20,183,000 principal—Principal and interest Jan. 1, 1940, \$22,175,717: RFC would receive: \$7,500,000 in new first consolidated 4s, and \$14,675,717 in new general mortgage income bonds, series A.

Unsecured Claims, Lease Liabilities: \$5,000,000 estimated total: Holders would receive in the aggregate 125,000 shares of new common stock.

The plan recognizes an equity as existing for the present preferred and common stocks of the Erie R.R. Co., and such stockholders would receive in the aggregate 429,736.2 shares out of the total of 2,554,736.2 shares new no par common stock proposed by the Examiner. Under present proposal there would be issued one new common share for each 5 existing preferred or common shares, while holders thereof would also receive warrants entitling them to purchase escrowed common stock upon basis of 1¼ shares new common for each share now held, at any time before Jan. 1, 1945, for \$35 a share plus interest thereon at 4½% per year from Jan. 1, 1940 to the date of the purchase. Thus, Chesapeake & Ohio R.R. Co., which owns 55.67% of outstanding stock of Erie, would continue to have a voice in Erie's operations through stock ownership if the plan becomes effective.

Erie Opposes ICC Examiner's Plan: On Oct. 3, 1939, trustees for this railroad filed exceptions with the ICC to Examiner Milo H. Brinkley's proposed plan of reorganization for Erie dated August 21, 1939. Principal objection centered upon what the Erie described as the excessively low capitalization provided for by the examiner's plan, and also its effect upon taxes payable to the Federal government by reason of the sharp curtailment it makes in providing for income bonds when compared with the provision made in the company plan dated Dec. 19, 1938.

Erie pointed out in its exceptions and supporting brief that it had proposed a capitalization of \$432,342,710 (with common taken at \$40 a share) in its December, 1938 plan, whereas the examiner's proposal would provide for a capitalization on this basis of \$358,360,057, a reduction of \$74,000,000. The effect of such additional reduction proposed by the Examiner's plan would be to bring total reduction in existing capitalization to about \$180,000,000, the Erie plan having proposed a reduction of more than \$106,000,000.

One effect of the examiner's proposed capitalization, the road observed, would be to reduce the present Erie stock from about \$215,000,000 to \$15,000,000, and from 2,148,681 shares to 429,736 shares. This is important in view of the now controlling position of the Chesapeake & Ohio relative to the Erie's stock. Commenting upon such a reduction in the Erie stock, the brief stated:

"It is difficult to believe that the public interest is encouraging the financing of railways through stock and junior securities will be promoted if the debtor's stockholders, who, without receiving substantial dividends in the years 1923-30, plowed back into the property over \$58,000,000 available for their stock, are to be given the treatment recommended by the examiner."

Further, Erie urged that "in view of the earnings and asset value represented by its properties, at least as good treatment as that proposed in its plan should be provided for the holders of its stock and junior debt—the junior creditors being allotted new second preferred stock ahead of the common proposed for existing stockholders."

The Erie also emphasized that the Examiner's reduction of the amount of income bonds proposed by Erie's plan by \$55,000,000, (from \$71,492,001 to \$14,675,717) would be unfair to Erie's security holders, "both because it would result in the payment of a large amount of unnecessary taxes and because it would not afford an adequate recognition of the rights of the parties."

In addition Erie claimed that the reduction had the effect of awarding "to a third party (the Federal government) a claim on earnings equivalent to the annual yield on \$10,000 of in-

come bonds, ahead of present bondholders who now have a claim for fixed interest."

The difference in taxes, the brief stated, was attributable to the difference in taxability of income bonds and preferred stock. The brief held, too, that interest on \$55,000,000 of income bonds at 4½% would be \$2,475,000 and continued by stating that "If this amount were to be paid to security holders as dividends, present income taxes thereon would be \$445,000 annually, none of which would be imposed were it paid to security holders as 'contingent interest.'"

C. & O. Opposes ICC Examiner's Proposed Capitalization: Chesapeake & Ohio Ry. Co., which owned as of Dec. 31, 1938 Erie stock, as follows: 151,405 shares (31.61%) 4% non-cumulative 1st preferred, 60,195 shares (37.96%) 4% non-cumulative 2nd preferred and 984,800 shares (about 65%) of common, also filed exceptions with the ICC to examiner's plan, predicating its opposition principally to the capitalization proposed therein which it described as "too low."

C. & O. declared that in arriving at the proposed capitalization, "the examiner apparently gave no weight to the physical value" of Erie property and the examiner's use of a 5% capitalization rate tends to understate the value, based on earning power, of the debtor's property. C. & O. also argued that the proposed capitalization, "when judged in the light of its earning power," is lower than capitalizations approved by the commission in other cases.

COMPROMISE REORGANIZATION PLAN

On Dec. 28, 1939, counsel for company, Chesapeake & Ohio Ry. Co., which owns approximately 56% of the Erie voting stock, and the bondholders committee headed by Wilfred Kurth informed the ICC that the three groups had reached an agreement for a compromise plan of reorganization for the Erie. It was stated that representatives of mutual savings banks also had approved the compromise plan.

Proposed Capitalization: The capitalization proposed in the compromised plan follows:

Obligations:	Principal	Charges
① Fixed interest:		
Undisturbed ---	\$52,706,262	\$2,249,567
1st cons. mtge. 4s -----	78,305,775	3,132,231
1st cons. mtge. 4½s -----	5,955,850	282,903
Collat. tr. notes -----	14,000,000	560,000
Total -----	\$150,967,887	\$6,224,701
② Rent for leased roads -----	15,670,960	783,548
Gen. mtg. inc. bds. -----	\$166,638,847	\$7,008,249
	52,889,392	2,380,023
Preferred stock --	\$219,528,239	\$9,388,272
Common stock ---	39,001,323	1,950,066
	95,168,045	-----
Total -----	\$353,697,607	\$11,338,338

① Includes N. Y. L. E. & W. C. & R.R. Co., Long Dock Co., N. Y. Pa. & Ohio prior liens, and N. Y. L. E. & W. Docks & Imp. Co., all now part of rent for leased roads.

② Capitalized at 5%.

Treatment of Securities: Under the proposed compromise, the Erie \$18,233,000 equipment obligations and New York & Erie R.R. \$2,482,000 1st 4s would remain undisturbed; accrued interest on the N. Y. & E. 1st 4s to be settled in cash. The N. Y. & E. 2nd 5s and 3rd 4½s, aggregating \$2,135,000 and \$4,616,000, respectively, would be paid in cash. The plans previously proposed recommended similar treatments.

Erie \$35,000,000 prior lien 4s, together with \$3,500,000 interest accrued to Dec. 31, 1939, would be exchanged for an equal amount of fixed interest 4s.

Erie \$35,485,000 general lien 4s, together with \$3,548,500 accrued interest, would be exchanged for \$8,871,250 fixed interest 4s (22.7%), \$17,742,500 income bonds (45.5%), and \$12,419,750 preferred stock (31.8%).

Erie \$21,324,700 general conv. 4s and \$1,919,223 accrued interest would be exchanged for \$5,331,175 fixed interest 4s (22.9%), \$5,331,175 income bonds (22.9%), and \$12,581,573 preferred stock (54.2%).

Erie & Jersey R. R. \$6,389,000 1st 6s, on which \$958,350 interest has accrued, would be exchanged for \$7,347,350 fixed interest 4s.

Genesee River R.R. 1st 6s, totaling \$5,179,000, on which \$776,850 interest has accrued, would be exchanged for \$5,955,850 fixed interest 4½s, due 1956.

Erie \$100,000,000 refunding and improvement 5s, on which \$11,041,667 interest has accrued, would be exchanged for \$7,500,000 fixed interest 4s (6.8%), \$15,000,000 income bonds (13.5%), \$14,000,000 preferred stock (12.6%), and \$74,548,500 common stock (67.1%).

Following outstanding obligations would remain undisturbed: Chicago & Erie R.R. Co. \$12,000,000 1st 5s and \$98,000 2nd income 5s; New York, Lake Erie & Western Coal & R.R. Co. \$684,000 1st 5½s; Long Dock Co. \$7,500,000 cons. 3½s; New York, Pennsylvania & Ohio R.R. prior lien 4½s, aggregating \$8,000,000;

State of New York grade crossing elimination obligation totaling \$3,538,018; National City Bank of Cleveland \$171,244 equipment obligations, and Rayen Terminals Co., \$574,000 claim.

New York, Lake Erie & Western Docks & Improvement Co. \$3,396,000 1st 5s would be exchanged for an equal amount of fixed interest 4s, plus 1% cash to maturity of present bonds, July 1, 1943 totaling \$684,000.

RFC notes totaling \$20,183,000, on which \$1,992,717 has accrued, would be exchanged for \$7,360,000 fixed interest 4s and \$14,815,717 income 4½% bonds, interest on latter being paid after a capital fund has been provided.

Railroad Credit Corp. \$686,928 notes and \$1,564,640 bank loans would be settled in cash.

Unsecured claims and lease liabilities estimated at \$5,000,000 would be settled for \$4,646,250 common stock, or 125,000 no par shares.

Present Erie stock aggregating \$214,868,100 would receive in exchange 429,736.2 shares no par common stock, ratio 1 to 5; also right to subscribe to 1¼ shares of escrowed stock for each share now owned at \$37.17 per share plus interest. The total of new common received would be \$15,973,295.

New Capital: New money would be obtained by sale of \$14,000,000 notes secured by 4% fixed interest bonds (125%), maturing preferably in 15 years.

It is desirable to have proposed collateral trust notes mature in 15 years rather than 10 years, reorganization managers to have discretion in this respect.

Nothing in the first consolidated mortgage would prohibit the extension or separate refund of New York, Pennsylvania & Ohio prior lien bonds or Long Dock Co. bonds, and their refunding through the use of first consolidated mortgage bonds would be permitted.

The covenant to preserve a conservative ratio between debt and stock would not include any default provisions, any provisions that the mortgages may become or be declared due, or any restriction on payment of dividends on the most senior class of stock outstanding which may be available for financing.

New capital of \$14,000,000, instead of \$18,000,000, as proposed originally by Mr. Kurth's group, would be required under the compromise. There would be \$14,000,000 stated value of new preferred issued instead of \$10,000,000 and \$74,548,500 stated value of common stock issued instead of \$77,500,000.

The compromise plan would reduce the C. & O.'s control of the Erie from 56% to 8%. Additional control might be obtained if the C. & O. exercised warrants to buy more stock as provided by the plan at a cost of about \$1,000,000 for each 1% until the present figure was reached.

Other Provisions: Other recommendations in the compromise follow:

Allotment of one of six reorganization managers to the present stock (only five reorganization managers if the RFC desires none).

Classified board of directors (three of board of 15 to be elected by preferred stockholders).

Allotment of present stock of at least three common stock directors on initial board.

Because of allotment of new common stock to present stockholders, the allotment of preferred stock to refunding and improvement bonds would be increased from \$10,000,000, as presently provided in the group's plan, to \$14,000,000, or from 10% to 14% of principal amount of bonds, the amount of claims to be represented by common stock to be correspondingly reduced. Allotments of securities senior to the preferred stock would remain unchanged from the group's plan.

For the same reason two months' interest on series of 1927 and three months' interest on series of 1930 bonds would be represented by new common stock. The result is allotment of 2,000,000 shares to be divided equally between the series, to be escrowed and to be taken at \$37.17 a share, or at \$74,340,000, equal to 74.34% of principal amount of the bonds. In addition, the series of 1930 would receive new common stock equal to one month's interest at \$37.17 a share, also to be escrowed. In the case of each of the series of bonds, two months' interest is reflected in the price at which the 2,000,000 shares are to be taken, which produces the price of \$37.17.

ICC REORGANIZATION PLAN (Also see Modification, below).

On April 6, 1940, the ICC approved plans for reorganization of this carrier and of Nypano R.R. Co. and set Jan. 1, 1940 as the effective date. The commission stipulated that reorganization of the two companies be carried out separately. If any merger or consolidation of both companies is contemplated, it would be effectuated after the plans are confirmed by the Court.

As of Dec. 31, 1939, Erie's capitalization was \$490,953,630, including its short term notes, also bonds of Chicago & Erie R.R. Co., but exclusive of trustee's obligations authorized by commission after submission of the case. In addition to the foregoing, accrued and unpaid interest as of above date was \$24,328,598, exclusive of coupons due before date of bank-

ruptcy but not presented for payment. Fixed charges of the Erie and the Chicago & Erie in 1938 were \$14,368,842, composed of \$12,377,592 interest and \$1,991,250 rents for leased roads and equipment.

Proposed Capitalization: Under the reorganization plan approved April 6, 1940, by the ICC the capitalization proposed for the Erie would be as follows:

Fixed Int. Debt:	Principal Amount	Annual Charges
Undisturb. oblig. ---	\$31,424,262	\$1,188,951
Chic. & Erie 1st 5s, 1982 -----	12,000,000	600,000
Erie 1st cons. 4½s, 1957 -----	5,955,850	282,903
Erie 1st cons. 4s, '95 -----	74,909,775	2,996,391
Erie coll. tr. 4s, '55 -----	14,000,000	560,000
Total -----	\$138,289,887	\$5,628,245
Contingent Oblig.:		
② Capital fund -----	-----	\$1,600,000
Skg. fd.—1st cons. bonds -----	-----	300,000
Gen. inc. 4½s, 2015 -----	\$52,889,392	2,380,023
Chic. & Erie inc. 5s, 1982 -----	98,000	4,900
Gen. inc. bd., s. f. -----	-----	264,447
Total -----	\$52,987,392	\$4,549,370
Tot. debt & chg. -----	\$191,277,279	\$10,177,615
5% pfd. stock -----	39,001,323	1,950,066
③ Common stock ----	102,413,648	-----

① Does not include rents for leased roads. As a result of rejection and modification of certain leases rents for leased roads based on 1938 results would amount to \$1,891,981. The annual report for 1939 showed rents for leased roads of \$1,164,804.

② 2% of railway operating revenues, estimated at \$80,000,000.

③ 2,560,341.2 no par shares, taken at \$40 per share.

Capitalization of the reorganized company, exclusive of any obligations which may have been authorized by commission after Nov. 15, 1939, and prior to consummation of plan, would be approximately as follows: Equipment trust obligations, \$18,233,000 as of Jan. 1, 1940; New York & Erie R.R. Co. \$2,482,000 1st 4s; \$14,000,000 new collateral trust notes; \$5,955,850 new series A 1st 4½s; \$74,909,775 new series B 1st 4s; \$52,889,392 new series A income 4½s; \$3,538,392 State of New York grade crossing obligations; \$171,244 obligation to National City Bank, Cleveland, O.; \$7,000,000 trustees' notes; \$39,001,323 series A preferred stock, and 2,560,341 shares no par common stock. For description of new securities, see below.

All claims against Erie or Nypano, which are not otherwise provided for, and which are entitled to priority over a first mortgage of either company, and all current liabilities and obligations incurred by trustees of either debtors, would be paid in cash or assumed by reorganized company with relative priority to which they are entitled under plan.

Plan provides for obtaining approximately \$14,000,000 new money, either from RFC or by private sale, through an issue of new collateral-trust notes and pledge of first mortgage bonds. Notes would be dated Jan. 1, 1940, but interest would accrue from a date fixed by reorganization managers, depending upon sale of notes, or notes shall be issued at such prices as will include interest.

Reorganization Managers: Reorganization managers would comprise five members, one designated by Erie, one by RFC, one by Metropolitan Life Insurance Co., one by Prudential Insurance Co. and one by group of institutional holders of refunding and improvement mortgage bonds. Directors of reorganized company would consist of 15 members, initial board to be selected by reorganization managers, each manager to appoint three directors.

Reorganization managers would have power to make a new lease or leases to be binding upon reorganized company upon consummation of the plan, of all or any part of the property covered by any lease at a rental to be agreed upon; however no such rental would be at an annual rate exceeding that payable under existing lease. The managers also would be empowered to acquire for reorganized company the properties or any securities of any lessor, and in that connection to authorize issuance of new securities of reorganized company either (a) for sale in order to finance any such acquisition, or (b) for delivery to any such lessor or to any owners of any such securities in exchange for any such properties or securities, provided that, except in the case of Paterson & Hudson River R.R. Co., Paterson & Ramapo R.R. Co. (including Union R.R. Co.), and Sharon Ry., the maximum annual return on any such new securities so to be issued would not exceed the amount payable by the Erie under the existing leases in respect of such properties or securities.

Treatment of Creditors — Distribution of New Securities: Outstanding obligations of the Erie are shown as follows, with amounts

of interest accrued to Jan. 1, 1940, together with the treatment proposed therefor and the allocation of new securities for each \$1,000 bond and all unpaid interest thereon:

Equipment trusts would remain undisturbed.

New York & Erie R.R. 1st 4s, 1947, \$2,482,000; would remain undisturbed.

N. Y. & Erie 2nd ext. 5s, 1939, \$2,135,000; would be paid in full in cash (\$13,000 owned by Erie Land & Improvement Co. to be cancelled).

N. Y. & Erie 3rd 4½s, 1938, \$4,616,000; would be paid in full in cash.

Erie prior lien 4s, principal \$35,000,000, accrued interest, \$3,500,000; would receive \$1,100 series B 1st 4s.

Erie gen. lien 4s, principal \$35,485,000 (\$400,000 owned by Erie Land & Improvement would be cancelled), accrued interest, \$3,548,500; would receive \$250 1st series B 4s, \$500 series A income 4½s, and \$350 series A preferred.

Erie gen. conv. 4s, principal \$21,324,700, accrued interest \$1,919,223; would receive \$250 series B 1st 4s, \$250 series A income 4½s, and \$590 series A preferred.

Erie & Jersey R.R. 1st 6s, 1955, principal \$6,389,000, interest \$958,350; would receive \$1,150 series B 1st 4s.

Genesee River R.R. 1st 6s, 1957, principal \$5,179,000, interest \$776,850; would receive \$1,150 series A 1st 4½s.

Erie ref. & imp. 5s, series of 1927, principal \$50,000,000, interest \$5,416,667; would receive \$75 series B 1st 4s, \$150 series A income 4½s, \$140 series A preferred stock, and 20 shares common stock.

Erie ref. & imp. 5s, series of 1930, principal \$50,000,000, interest \$5,625,000; would receive \$75 series B 1st 4s, \$150 series A income 4½s, \$140 series A preferred stock, and 20,112 shares common.

RFC notes, principal \$20,183,000, accrued interest, \$1,992,717; would receive \$7,360,000 series B 1st 4s and \$14,815,717 series A income 4½s.

Railroad Credit Corp. notes, principal \$686,928, interest \$49,267; would be paid in full in cash.

Bank loans, principal \$1,564,640, interest \$109,074; would be paid in full in cash.

State of New York grade crossing, \$3,538,018, trustees notes, \$7,000,000, and National City Bank of Cleveland, \$171,244; would remain undisturbed.

Holders of unsecured claims would receive for each \$40 of such claim, one share new common stock. Such claims would include damages for rejection of leases in such amount as approved by Court.

Holders of Erie stock would receive one share new common stock for each five shares of common, 1st preferred, or 2nd preferred now held. They also would receive warrants for purchase of 1¼ new common shares for each share now held.

Non-interest or non-dividend bearing scrip would be issued in lieu of fractions of a bond or a share of stock.

Plan provides that the bonds and stock of the Nypano remain undisturbed.

No provision was made in the commission's plan for exchange of securities of the reorganized company for bonds of New York, Lake Erie & Western Docks & Improvement Co. The commission decided that the merger and consolidation of subsidiary companies with the Erie be carried out by the reorganization managers, subject to approval of the commission and the court.

Chicago & Erie R.R. Co. \$12,000,000 1st 5s, due 1982, and \$98,000 income 5s, due 1982, would continue to remain obligations of the C. & E. as that company is not being reorganized. Among others in a similar position are \$7,500,000 Long Dock Co. cons. 3¾s (formerly 6s), due 1950, \$684,000 New York, Lake Erie & Western Coal & R.R. Co. series A and B 1st 5½s, due 1942, \$1,471,600 New York & Greenwood Lake Ry. prior lien 5s, due 1946, and \$2,906,000 Cleveland & Mahoning Valley Ry. Co. 1st 4s, due 1962, which would continue to remain obligations of those companies until consolidation with the Erie is effected.

With respect to other claims the commission stated: "All claims against the Erie or Nypano R.R. Co. which are not otherwise provided for and which are entitled to priority over a first mortgage of either company, and all current liabilities and obligations incurred by the trustees of the property of either of the debtors, should be paid in cash, or assumed by the reorganized company with the relative priority to which they are entitled in the reorganization proceedings."

According to the plan, each lease by any subsidiary, all of the stock of which is owned by the Erie directly or through subsidiaries, would be cancelled and the property of such lessors would be conveyed to the reorganized company; or if the reorganization managers shall so determine, any such lease may be continued in effect, provided that all of the securities of the lessor now owned by the debtor or any subsidiary debtor shall be pledged under the first mortgage.

Mergers, Acquisition, etc.: The reorganization managers may cause the reorganized company to acquire all or any part of the property of any of the Erie subsidiaries by merger, con-

solidation, or otherwise if all of the stock or substantially all of the securities of such subsidiary are now owned by the Erie, and may cause the reorganized company to assume the remaining obligations of such subsidiaries.

In addition, the reorganization managers may cause one or more new subsidiaries to be organized to acquire any part or parts of the Erie property, or all or part of the property of any existing subsidiary, provided that substantially all of the securities of such new subsidiary shall be owned by the reorganized company.

Each lease by any subsidiary all of the stock of which is owned by the Erie directly or through subsidiaries would be cancelled and the property of the lessor conveyed to the reorganized company; or, if the reorganization managers so determine, any such lease may be continued in effect, provided that all securities of lessor now owned by the Erie or any subsidiary debtor shall be pledged under the proposed new first mortgage. Erie's obligation with respect to outstanding bonds and other obligations of leased, wholly owned subsidiaries, the properties of which are conveyed to the reorganized company and the leases cancelled, would be assumed by latter.

Should any lease be adopted by the trustees by order of the court, it would automatically be adopted for purposes of the plan and assumed by reorganized company. If any such lease is rejected by trustees by order of the court, each lessor which shall suffer damage or injury from rejection of the lease would, for all purposes of the plan, be deemed to be an unsecured creditor of the Erie to extent of actual damage or injury determined pursuant to the bankruptcy law.

Description of New Securities, proposed to be issued pursuant to foregoing plan:

Collateral Trust Notes

TO BE ISSUED—\$14,000,000.

DATED—Jan. 1, 1940.

MATURITY—Jan. 1, 1955.

INTEREST PAID—4% per annum or such lower rate as may be obtainable.

SECURITY—Secured by pledge of series B first mortgage bonds equal to 125%, or such other percentage of principal amount of notes as is determined.

CREATION OF ADDITIONAL DEBT—Additional notes may be issued only for purpose of acquiring the properties or any of the securities of any lessor, or for refunding obligations of trustees.

PURPOSE—To be issued pursuant to ICC plan of reorganization.

First Mortgage Bonds

OPEN MORTGAGE—To be issued, series A, \$5,955,850; series B, \$74,909,775.

DATED—Jan. 1, 1940.

MATURITY—Series A, Jan. 1, 1957; series B, Jan. 1, 1995.

INTEREST PAID—Series A, 4¾% per annum; series B, 4% per annum.

CALLABLE—As a whole or in part at any time on 60 days' notice and on any interest date on 30 days' notice: Series A at 105 during the first eight years and thereafter at 1% less for each succeeding two year period until par is reached; series B at 105 during the first 32 years and thereafter at 1% less for each succeeding five year until par is reached.

Bonds also may be purchased or called for sinking fund (which see).

SINKING FUND—For series A and B bonds to be non-cumulative and fixed at not less than \$300,000 per annum, but payable only to extent of available net income. Sinking fund moneys may be used at discretion of reorganized company to purchase or redeem bonds of either series. Bonds so acquired are to be cancelled.

CAPITAL EXPENDITURES FUND—An amount equal to 2% of consolidated total railway operating revenues, less depreciation of roadway and structures charged against income in such year to extent that amount of such depreciation is available for purpose of capital fund, plus any amount by which available net income for last preceding calendar year shall have been less than maximum amount permitted for capital expenditures fund for such year. Fund shall be used to provide for or reimburse company for all or any part of gross charges to capital accounts, investment in road and equipment, improvements on leased railway property, and miscellaneous physical property, not otherwise financed; or to payment or acquisition of any indebtedness now or hereafter existing; and directors may use fund for payment of interest or sinking fund on fixed interest debt in any year such charges are not earned, fund to be reimbursed for such charges paid. Fund shall not exceed \$3,000,000.

SECURITY—Both series secured equally by a mortgage on all carrier and non-carrier properties and assets owned by reorganized company on consummation of plan. Lien shall be in form of a direct mortgage, but it may take form of the pledge of assignment of securities

of corporations owning, or securities having a lien upon, property to which lien is intended to extend; the exact extent of the direct lien being subject to the extent to which unification into a single company proves to be feasible. Mortgage will contain a clause subjecting after-acquired properties to lien, except properties acquired of any class 1 carrier not now a subsidiary or affiliated company of debtor, unless acquired in whole or in part by used of bonds issued under first mortgage or income mortgage or of moneys deposited thereunder, and as otherwise provided.

CREATION OF ADDITIONAL DEBT—Additional bonds of other series may be issued only for the following purposes:

(1) To refund any obligations which remain undisturbed under the plan, or any collateral trust notes or first mortgage bonds or any obligations having a lien prior to that of the first mortgage.

(2) Up to 75% of cost of additions and betterments, or acquisition of additional property, including lines of railroad or equipment or substantially all securities of corporations owning the same; provided that no bonds may be issued to cover cost of equipment unless their maturity does not exceed expected efficient service life of equipment and in any case not more than 15 years and unless a sinking fund is created to retire the bonds by their maturity and no bonds may be issued for any purpose specified in this clause (2) more than 18 months after the expenditure for such purpose.

(3) Bonds, referred to as emergency bonds, may be issued not exceeding \$15,000,000 or two years' fixed charges, whichever is greater, upon resolution of two-thirds of directors that funds are needed and cannot be raised in any other manner. Emergency bonds shall constitute a revolving fund and must be retired and restored to treasury as soon as practicable. If any emergency bonds are not retired within two years from date of issue an annual sinking fund equal to 10% of amount thereof is required to be created.

Nothing in first mortgage shall prohibit extension or separate refunding of New York, Pennsylvania & Ohio R.R. Co. prior lien bonds, Long Dock Co. consolidated mortgage bonds, New York, Lake Erie & Western Docks & Improvement Co. first mortgage bonds, or Cleveland & Mahoning Valley Ry. Co. first mortgage bonds, and their refunding through use of first mortgage bonds or assumption by reorganized company shall be permitted.

PURPOSE—To be issued pursuant to ICC plan of reorganization.

Income 4½s, A, 2015

AUTHORIZED—Unlimited; to be issued, series A, approximately \$52,889,392.

DATED—Jan. 1, 1940.

MATURITY—Jan. 1, 2015.

INTEREST—4½% per annum, payable out of available net income, only to extent earned, cumulative to extent earned up to a maximum of 13½%. Accumulated interest up to maximum shall be paid from available net income to extent hereinafter provided, and in any event, whether earned or not, at maturity or redemption of series A income bonds.

Available net income for each calendar year shall be applied as follows in order shown: (1) capital expenditures fund (see under first mortgage bonds); (2) sinking fund on first mortgage bonds, and emergency bonds if required on latter; (3) interest on income bonds but not on any held in sinking funds, also any accumulated unpaid interest; (4) sinking fund on income bonds, series A; (5) sinking fund for income bonds of series other than series A; (6) corporate purposes, including dividends on preferred and common stocks.

CONVERTIBLE—Into series B preferred stock at rate of 10 shares for each \$1,000 bond.

CALLABLE—As a whole or in part on any interest date at 103% and accrued interest, price declining 1% of par for each succeeding 5-year period until par is reached. Callable at par and accrued interest for sinking fund.

SINKING FUND—Annual payment from available net income (as defined above) not exceeding ½ of 1% of maximum amount of series A bonds at any time outstanding. Moneys shall be used from time to time to purchase of series A bonds at not exceeding par and interest, or if not so obtainable, then to redemption.

SECURITY—A lien upon all property and assets which are subject to first mortgage, subject only to prior lien of first mortgage and liens prior thereto.

CREATION OF ADDITIONAL BONDS—Additional series may be issued (1) to refund any obligations remaining undisturbed under reorganization plan, or any collateral trust notes or first mortgage or income bonds or any obligations being a lien prior to income bonds; (2) to cover cost of additions and betterments, or acquisition of additional property, including lines of railroad or equipment or substantially all securities of company owning same, to extent of 75% of cost, provided that

no bonds may be issued to cover cost of equipment unless such bonds have a term of not exceeding 15 years and possess a sinking fund.

Aggregate amount of all bonds issued under mortgages shall not exceed amount of all indebtedness so secured by more than 10% of bonds then authenticated and not cancelled, together with underlying bonds for retirement of which first mortgage bonds are reserved (collateral trust notes issued under reorganization plan and first mortgage bonds pledged to secure such notes and any emergency bonds shall be excluded from this provision). Restriction shall apply to both mortgages but provision shall be applied to each independently.

PURPOSE—To be issued pursuant to ICC reorganization plan.

Preferred Stock

AUTHORIZED—Not stated; to be issued, series A, \$39,001,323; par \$100. Series B shall be issued upon conversion of income bonds.

DIVIDEND RIGHTS—Series A and B, 5% per annum. Dividends cumulative up to Jan. 1, 1944, only to extent of available net income (defined under income bonds above); fully cumulative thereafter but not exceeding 15%. Series A and B have preference over common as to both assets and dividends, but there shall be no priority as between such series. In event of dividend accumulation on both series, earnings for dividends thereon shall be apportioned between the two series in proportion to dividends accumulated on shares of each series, respectively.

VOTING RIGHTS—Holders of each series entitled to one vote per share.

CALLABLE—Series A, at any time at 100 plus accrued dividends; series B, at any time at 103 plus accrued dividends.

ADDITIONAL PREFERRED—Company may issue other series at any time after Jan. 1, 1945, in such amounts and with such provisions as

directors may determine, provided no new series shall have priority over any series then existing, except with consent of holders of two-thirds of preferred stock so affected.

PURPOSE—To be issued pursuant to ICC reorganization plan.

Common Stock

AUTHORIZED—Not stated; to be issued, 2,560,341 shares; no par. All stock issued to refunding and improvement mortgage bondholders under ICC reorganization plan shall be deposited under an escrow agreement and certificates of beneficial interest shall be issued in lieu of stock certificates.

VOTING RIGHTS—One vote for each share.

Purchase Warrants

Purchase warrants shall be issued to stockholders entitling them to purchase 1/4 shares of escrowed stock for each share preferred or common stock now held, at any time before Jan. 1, 1945, at \$37.17 each.

Proposed Distribution of Securities Under ICC Reorganization Plan for Erie Railroad Company (Distributions Based Upon Principal and Accumulated Interest)

Obligation	Payable in Cash	Undisturbed	First Mortgage 4 3/4% Bonds Ser. "A" 1957	First Mortgage 4% Bonds Ser. "B," 1995	Income Mortgage 4 1/2% Bonds Ser. "A," 2015	Collateral Trust Notes 4s, 1955	Preferred Stock 5% (\$100 par)	Common Stock No Par Value
Equip. Trusts		100%						
N. Y. & Erie 1st 4s		100						
N. Y. & Erie 2nd 5s	100%							
N. Y. & Erie 3rd 4 1/2s	100							
Erie prior lien 4s				110%				
Erie Gen. Lien 4s				25	50%		35%	
Erie Gen. Mfg. Conv. 4s				25	25		59	
Erie & Jersey 1st 6s				115				
Genesee River 1st 6s			115%					
Erie Ref. & Imp. 5s, 1927				7.5	15		14	20 shs.
Erie Ref. & Imp. 5s, 1930								
R.F.C. Notes				36.5	73.4			
R.R. Credit Corp. Notes	100.7							
Bank Loans	100.7							
State of N. Y. Grade Crossings		100						
Nat. City Bank, Cleveland		100						
Trustees' Notes		100						
Unsec. Claims, Lease Liab.								1 sh. for ea. \$40 claims
Pref. and Com. stock								41 sh. for ea. 5 shs.
New Money						\$14,000,000		

①The plan contemplates that in case of all obligations "payable in cash" or "undisturbed," all interest accruing during 1938 and 1939 will have been paid. To the extent that such payments have not been made prior to the consummation of the plan, they will be provided for with cash raised pursuant to provisions of the plan.

②Refunding and improvement bonds will receive 2,000,000 shares to be divided equally between the series of 1927 and series of 1930. In addition the series of 1930 will receive 5,605 shares of new common on account of one month's additional interest.

③An additional \$17,500,000 is to be issued to secure \$14,000,000 collateral trust notes.

④In addition stockholders are to receive warrants to purchase 1/4 shares before January 1, 1945 for \$37.17 a share plus interest thereon at 4 1/2 per cent. from January 1, 1940 to date of purchase.

Note: See modifications below.

ICC Modifies Plan: On July 8, 1940, the ICC adopted a number of modifications to its plan of reorganization approved April 6, 1940, for this carrier and Nypano R.R. Co. The modified plan permits consolidation of the Nypano with the Erie, whereas the original plan stipulated that reorganization of the two companies be carried out separately.

With respect to claims having priority over bonds, the modified plan provides that these claims be paid in cash or assumed by the reorganized company, the relative priority to which they are entitled being maintained.

The rights of security holders with respect to both interest and dividends would be protected, if securities are issued as of a date later than Jan. 1, 1940.

Maturity of the proposed \$14,000,000 collateral trust notes would be fixed by the reorganization managers, the date to be not earlier than Jan. 1, 1953; this being changed from the fixed 15-year maturity from Jan. 1, 1940, previously planned.

The extension or separate refunding of only two issues of bonds are specifically provided for in the modified plan, but such treatment of other bonds may be arranged for by the reorganization managers.

According to the modified plan, the capital expenditures fund would be used only for such part of the cost of capital investment as would remain after deducting all retirements of roadway and structures which were charged against income. Use of the fund for retiring bonds would be limited to payment or acquisition first of any fixed interest indebtedness senior to the income bonds and then to any indebtedness bearing fixed interest, issued under the income mortgage.

Payments into the sinking fund on the proposed emergency first mortgage bonds would be given priority over payments into the sinking fund on other first mortgage bonds.

The commission disapproved full accumulation of dividends for the proposed new preferred stock, but permits partial accumulations. Back dividends on the preferred must all be paid, and dividends earned on preferred

stock would be required to be paid before any dividends can be paid on the new common stock. Before any provision of the preferred can be materially altered, there must be affirmative approval of two-thirds of the preferred. In dissolution, winding up or liquidation, preferred stockholders would receive par value plus accumulated dividends, before any distribution is made on the common.

With respect to the proposed warrants, one share of stock would be made the unit in any drawing by lot of escrowed stock.

The modified plan provides that consolidation of a subsidiary with the Erie may be brought about if the stock of such unit is owned by a subsidiary of the Erie.

Provision for the assumption of obligations of lessors is clarified. The reorganization managers would be allowed to acquire any part of properties of lessors and be empowered, subject to approval of the Court, to compromise or settle claims of lessors or holders of securities of lessors if there are or may be counterclaims of the Erie against a lessor.

Sales provision is made available for use of unsecured creditors who do not accept the modified plan.

The reorganization managers would, in their discretion, provide for par value stock at \$40 per share instead of no par value.

Expenditures for capital expenditures are given priority in application of the capital fund.

MANAGEMENT

Trustees

Robert E. Woodruff, Cleveland
John A. Hadden, Cleveland

Officers of Trustees

Robert E. Woodruff, Chief Executive Officer
Herbert A. Taylor, Counsel
D. L. Gray, Consulting Vice-President
Carl Howe, Vice-President
John K. Thompson, Vice-President
Harold D. Barber, Vice-President
Thos. J. Tobin, Comptroller

Geo. A. W. Achenbach, Secretary
Eugene F. Morgenroth, Treasurer
C. E. Post, Assistant Secretary
H. W. Trumpler, Assistant Treasurer

General Officers

Charles L. Bradley, Chairman
Robert E. Woodruff, Vice-President
Carl Howe, Vice-President
Herbert A. Taylor, Vice-Pres. and General Counsel

John K. Thompson, Vice-President
H. D. Barber, Vice-President
Thomas J. Tobin, Comptroller
Geo. A. W. Achenbach, Secretary
Eugene F. Morgenroth, Treasurer
R. C. Falconer, Assistant Vice-President
C. E. Post, Assistant Secretary
H. W. Trumpler, Assistant Treasurer

Directors

Term Expires 1940
Darwin S. Barrett, Jr., Cleveland
William G. Bernet, Cleveland
Carl Howe, Cleveland
Arch T. Lowmaster, Richmond, Va.

Term Expires 1941
① Charles L. Bradley, Cleveland
① Mitchell D. Follansbee, Chicago
① William H. Gerhauser, Cleveland
David L. Gray, New York

Term Expires 1942
Robert J. Bowman, Detroit
① George D. Brooke, Cleveland
① Otto D. Donnell, Findlay, O.
Herbert A. Taylor, Rhode Island

Term Expires 1943
① Grenville Kane, New York
① George A. Martin, Cleveland
Fred F. Wilkison, Cleveland
① Robert E. Woodruff, Cleveland

① Members of Executive Committee.

Annual Meeting: Second Tuesday in April at New York.

Number of Stockholders, Mar. 9, 1940: First preferred, 2,509; second preferred, 799; common, 5,183.

Main Office: Midland Bldg., 101 Prospect Ave., N. W., Cleveland, O.

New York Office: 50 Church St.

MILEAGE—Erie Railroad System, Dec. 31, 1939

Operates mainly in New York, New Jersey, Pennsylvania, Ohio, Indiana and Illinois. Population of these States in 1890, 22,397,305; in 1900, 26,950,235; in 1910, 32,422,480; in 1920, 37,436,208; in 1930, 43,776,604.

The directly operated lines of the Erie Railroad System on Dec. 31, 1939, consisted of 2,283,437 miles, classified as follows:

	Miles			
	1st Track	2d Track	3d Track	4th Track
OWNED OR CONTROLLED THROUGH OWNERSHIP OF ENTIRE CAPITAL STOCK				
Long Dock Company's Railroad Passenger Station, Jersey City, N. J., to Bridge Creek, Jersey City, N. J.	2.561	2.462	.404	.404
Arlington Railroad—Connection Newark & Hudson Railroad and New York & Greenwood Lake Railway	1.127	-----	-----	-----
Penhorn Creek Railroad—	-----	-----	-----	-----
Grove Street, Jersey City to Croxton, N. J.	2.057	2.017	1.537	1.537
Croxton to Anderson's Creek, Sacauscus, N. J.	2.983	2.983	-----	-----
Newark & Hudson Railroad—New York & Greenwood Lake Junction to Newark, N. J.	3.770	3.690	-----	-----
Erie Terminals Railroad—Tracks on Hackensack River Bridge, N. J.	.208	.208	-----	-----
Paterson, Newark & New York Railroad—Newark to Paterson, N. J.	11.326	.211	-----	-----
Bergen County Railroad—Rutherford Junction to Ridgewood Junction, N. J.	9.809	9.809	-----	-----
Bergen & Dundee Railroad—Garfield to Passaic, N. J.	2.450	-----	-----	-----
Piermont to Dunkirk, N. Y.	446.724	330.457	.053	.085
East Portal Bergen Tunnel, Jersey City, N. J., to Junction with New Jersey Junction Railroad Co. tracks	.990	.367	-----	-----
Newburgh Junction to Highland Mills, N. Y.	3.558	3.513	-----	-----
West Cornwall to Vails Gate Junction, N. Y.	1.896	-----	-----	-----
Highland Mills to Graham, N. Y.	38.600	37.986	-----	-----
Greycourt to Newburgh, N. Y.	18.731	-----	-----	-----
Crawford Junction to Pine Bush, N. Y.	9.988	-----	-----	-----
Erie & Wyoming Valley Railroad—	-----	-----	-----	-----
Hawley to Plains Junction, Pa.	63.471	14.446	-----	-----
Hawley Branch—Lackawaxen, Pa., to Hawley, Pa.	15.610	-----	-----	-----
Jefferson Railroad—	-----	-----	-----	-----
Honesdale Branch, Hawley to Honesdale, Pa.	8.920	-----	-----	-----
Jefferson Branch, Lanesboro to Carbondale, Pa.	36.545	34.392	-----	-----
Moosic Mountain & Carbondale Railroad—Winton to Jessup, Pa.	2.199	-----	-----	-----
Hornell to Attica, N. Y.	60.861	60.641	-----	-----
Attica to Buffalo, N. Y.	31.391	31.144	4.102	4.242
River Junction to Cuba Junction, N. Y.	32.600	-----	-----	-----
East Buffalo to Suspension Bridge, N. Y.	24.010	6.047	-----	-----
International Junction to International Bridge, N. Y.	4.500	4.500	-----	-----
Lockport & Buffalo Railroad—North Tonawanda, N. Y.	.970	-----	-----	-----
Black Rock Junction to Black Rock, N. Y.	1.140	-----	-----	-----
Elmira State Line Railroad—State Line Junction, N. Y., to Pennsylvania State Line	6.509	-----	-----	-----
Painted Post to Attica, N. Y. (via Avon)	109.012	-----	-----	-----
Conesus Lake Junction to Lakeville, N. Y.	1.536	-----	-----	-----
Buffalo Creek Railroad Junction, Buffalo, to Waterboro, N. Y.	55.650	.825	-----	-----
Waterboro to Jamestown, N. Y.	-----	10.710	-----	-----
New York, Lake Erie & Western Coal & Railroad Company's Railroad—	-----	-----	-----	-----
Main Line, Crawford to Johnsonburg, Pa.	29.585	20.975	-----	-----
Toby Branch, Brockway to Kyler Junction, Pa.	10.543	-----	-----	-----
Kyler Run Branch, Bundy Junction to Eureka Mines, Pa.	1.420	-----	-----	-----
West Clarion Railroad—Brockway, Pa.	.927	-----	-----	-----
Brockport and Shawmut Railroad—Brockport to Shawmut, Pa.	2.420	-----	-----	-----
Nypano Railroad (Robert E. Woodruff and John A. Hadden, Trustees)—	-----	-----	-----	-----
Salamanca, N. Y., to Dayton, Ohio	389.889	196.713	-----	-----
Columbus & Erie Railroad—N. Y. State Line to Columbus, Pa.	11.630	-----	-----	-----
Nypano Railroad (Robert E. Woodruff and John A. Hadden, Trustees)—	-----	-----	-----	-----
Buchanan Junction to Oil City, Pa.	33.780	-----	-----	-----
Westerman Railroad—Center of Mill St., Sharon, Pa., to a point in Ohio near Ohio-Pennsylvania State Line	2.090	2.090	-----	-----
Cleveland & Mahoning Valley Railway—	-----	-----	-----	-----
Cleveland to Youngstown, Ohio	67.453	67.453	-----	-----
Youngstown to a point in Ohio near Ohio-Pennsylvania State Line	11.769	8.228	-----	-----
Youngstown to Hazelton, Ohio	1.616	1.616	-----	-----
Canal Branch—Girard to Crab Creek, Youngstown, Ohio	6.005	-----	-----	-----
Niles & New Lisbon Railroad—Niles to three miles south of Lisbon, Ohio	35.770	-----	-----	-----
Youngstown & Austintown Railway—Youngstown, Ohio	4.811	-----	-----	-----
Chicago & Erie Railroad—Marion Junction, Ohio, to Indiana and Illinois State Line, near Hammond, Ind.	249.570	243.157	-----	-----
Total	1,870.980	1,096.640	6.096	6.268
CONTROLLED THROUGH OWNERSHIP OF A MAJORITY OF CAPITAL STOCK				
New York & Greenwood Lake Railway—	-----	-----	-----	-----
Main Line, Croxton to Wanaque-Midvale, N. J.	29.026	14.035	-----	-----
Watchung Railway, Forest Hill to Main Street, Orange, N. J.	4.163	-----	-----	-----
Caldwell Railway, Caldwell Junction to Caldwell, N. J.	4.500	-----	-----	-----
Roseland Railway, Caldwell to Essex Fells, N. J.	.947	-----	-----	-----
Paterson & Ramapo Railroad—Paterson, N. J., to N. Y. State Line	14.760	14.760	11.611	11.611
Union Railroad—N. Y. State Line to Suffern, N. Y.	.850	.850	.850	.850
Tioga Railroad—	-----	-----	-----	-----
Pennsylvania State Line to Blossburg, Pa.	35.836	-----	-----	-----
Tioga Junction to Lawrenceville, Pa. (State Line)	3.500	-----	-----	-----
Blossburg to Morris Run, Pa.	3.312	-----	-----	-----
Arnot Junction to Hoytville, Pa.	11.651	-----	-----	-----
Blossburg Coal Company's Railroad—Blossburg to Arnot Junction, Pa.	3.490	-----	-----	-----
Buffalo, Bradford & Pittsburgh Railroad—	-----	-----	-----	-----
Main Line, Carrollton, N. Y., to Crawford, Pa.	24.221	-----	-----	-----
West Branch, Bradford, Pa.	1.009	-----	-----	-----
Sharon Railway—	-----	-----	-----	-----
Center of Mill Street, Sharon, to Pymatuning, Pa.	7.880	2.856	-----	-----
New Castle Branch from Ferrona to New Castle, Pa.	23.320	.520	-----	-----
Sharpsville Branch—Boyce to furnaces at Sharpsville, Pa.	1.520	-----	-----	-----
Total	169.985	33.021	12.461	12.461
LEASED, NOT CONTROLLED				
Paterson & Hudson River Railroad—Bridge Creek, Jersey City, to Paterson, N. J.	13.072	13.072	3.953	3.888
Northern Railroad of New Jersey (Conover English and Irving S. Reeve, Trustees)	-----	-----	-----	-----
Croxton, N. J., to Sparkill, N. Y.	20.711	9.300	-----	-----
Nyack & Southern Railroad—Sparkill to Nyack, N. Y.	4.342	-----	-----	-----
Montgomery & Erie Railway—Goshen to Montgomery, N. Y.	10.430	-----	-----	-----
Goshen & Deckertown Railway—Goshen to Pine Island, N. Y.	11.640	-----	-----	-----
Rochester & Genesee Valley Railroad—Avon to Rochester, N. Y.	18.401	-----	-----	-----
Avon, Genesee & Mount Morris Railroad—Avon to Mount Morris, N. Y.	15.348	-----	-----	-----
Cleveland & Pittsburgh Railroad—Brady's Lake to Ravenna, Ohio	-----	3.082	-----	-----
Total	93.944	25.454	3.953	3.888
OPERATED UNDER CONTRACT FOR CONTINGENT RENT				
New Jersey Junction Railroad—Junction with New Jersey Junction Railroad Co.'s tracks to Delaware & Hudson Co.'s docks at Weehawken, N. J.	2.090	1.470	-----	-----
Wilkes-Barre & Eastern Railroad (Joseph P. Jennings, Trustee)—	-----	-----	-----	-----
Suscon to Plains, Pa.	8.023	-----	-----	-----
Westminster Branch, Westminster Junction, Pa., to conn. with Everhardt Branch of C. R.R. Co. of N. J.	.460	-----	-----	-----
Susquehanna Connecting Railroad—Suscon to Old Forge, Pa.	6.550	-----	-----	-----
New York, Susquehanna & Western Railroad (Walter Kidde, Trustee)—	-----	-----	-----	-----
Jermyn No. 2 Breaker Branch, Old Forge, Pa.	1.460	-----	-----	-----
Total	18.583	1.470	-----	-----

	Miles			
	1st Track	2d Track	3d Track	4th Track
TRACKAGE RIGHTS				
New York, Susquehanna & Western Railroad (Walter Kidde, Trustee)— Granton Junction to Passaic Junction, N. J.	9,370	—	—	—
New York, New Haven & Hartford Railroad (Howard S. Palmer, et al., Trustees)— Campbell Hall to Maybrook, N. Y.	3,000	—	—	—
New York, Ontario & Western Ry. (Frederic E. Lyford, Trustee)— Middletown to Crawford Junction, N. Y.	3,480	3,350	—	—
Middletown & Unionville R.R.—Washington St. to E. Main St., Middletown, N. Y.	.450	—	—	—
Delaware & Hudson Railroad—Avoca to Carbondale, Pa.	24,350	24,350	15,440	15,440
New York, Susquehanna & Western Railroad, (Walter Kidde, Trustee)— D. L. & W. Junction to Storrs Junction, Pa. (Winton Branch)	4,410	—	—	—
Murray and Spencer Branches Dolph Breaker Branch	1,010 .900	—	—	—
Delaware, Lackawanna & Western Railroad—Winton Branch—Conn. of Winton Branch of N. Y. S. & W. R.R. to Moosic Mountain & Carbondale R.R.	.020	—	—	—
Lehigh Valley Railroad—Duryea Junction to Pittston Junction, Pa.	—	2,280	—	—
New York, Ontario & Western Railway (Frederic E. Lyford, Trustee)— Northwest and Elk Creek Branches	2,120	—	—	—
Northern Central Railway—Southport Junction, N. Y., to State Line Junction, N. Y.	2,310	—	—	—
Lehigh Valley Railroad—Tracks to Passenger Station, Buffalo, N. Y.	1,430	1,250	—	—
Buffalo, Rochester & Pittsburgh Ry.—Clarion Junction to Eleanora Junction, Pa.	49,930	49,740	—	—
Ridgeway & Clearfield Railroad—Tracks at Brockway, Pa.	.745	—	—	—
Buffalo Creek R.R.—Seneca Street Tower to Buffalo Creek Junction, Buffalo, N. Y.	2,830	2,830	—	—
Lake Erie, Alliance & Wheeling Railroad—Phalanx to Braceville, Ohio	1,340	—	—	—
Cleveland, Cincinnati, Chicago & St. Louis Ry.—Tracks at Cleveland, Ohio	1,000	—	—	—
Cleveland, Cincinnati, Chicago & St. Louis Ry.—Galion to Marion, Ohio	—	20,840	—	—
Cleveland, Cincinnati, Chicago & St. Louis Ry.—Cold Springs to Dayton, Ohio	—	19,070	—	—
Dayton Union Railway—Dayton, Ohio	1,260	.990	—	—
Chesapeake & Ohio Railway—Griffith to "H Y" Tower, Hammond, Ind.	—	6,410	—	—
Chicago & Western Indiana Railroad—Indiana & Illinois State Line, near Hammond, Ind., to Dearborn Station, Chicago, Ill.	19,990	19,990	—	—
Total	129,945	151,100	15,440	15,440
RECAPITULATION				
Owned or controlled through ownership of entire capital stock	1,870,980	1,096,640	6,096	6,268
Controlled through ownership of a majority of capital stock	169,985	33,021	12,461	12,461
Leased, not controlled	93,944	25,454	3,953	3,888
Operated under contract for contingent rent	18,583	1,470	—	—
Trackage rights	129,945	151,100	15,440	15,440
Total	2,283,437	1,307,685	37,950	38,057
RESTRICTED TRACKAGE RIGHTS—NOT INCLUDED IN STATISTICS				
Fall Brook Railway—Corning, N. Y., to Newberry Junction, Pa.	107,294	46,044	—	—
Northern Central Railway—Chemung Junction to Coal Point, N. Y.	18,720	—	—	—
Total	126,014	46,044	—	—
MILES OF ROAD OWNED OR LEASED BUT NOT OPERATED				
Tonawanda to Lockport, N. Y.	12,370	12,340	—	—
Avon, Geneseo & Mount Morris R.R.—Mount Morris to Sonyea, N. Y.	2,352	—	—	—
Grand total	2,424,173	1,366,069	37,950	38,057

Note: The side track mileage, as of Dec. 31, 1939, including industrial and passing sidings, was 1,916.79 miles.

SUMMARY OF MILEAGE BY STATES, DEC. 31, 1939		State		Miles		State	
State	Miles	Ohio	Indiana	Illinois	Owned & leased, New York	Leased & subleased, New York	Miles
New York	972.11	468.06	160.17	19.99	12.37	2.35	
New Jersey	134.55						
Pennsylvania	654.57						
Total mileage operated				2,409.45	Grand total		2,424.17

PHYSICAL FACTORS

Mileage, Equipment and Operation

Years Ended Dec. 31	Average Miles Operated	Extra Main Track	Loco-motives	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	2,316	1,436	1,093	1,509	45,430	82%	206	3,942,854	945	\$5.99	1.76	.983
1931	2,316	1,436	1,087	1,563	43,328	82	212	3,298,709	897	5.48	1.63	.972
1932	2,316	1,433	1,082	1,518	42,060	83	221	2,676,740	821	5.04	1.43	.984
1933	2,315	1,424	1,019	1,419	39,697	85	212	2,727,751	834	5.23	1.46	.966
1934	2,305	1,429	962	1,319	39,213	85	208	2,926,257	847	5.39	1.49	.946
1935	2,298	1,398	924	960	31,316	86	209	2,934,680	860	5.62	1.53	.951
1936	2,284	1,386	899	928	28,433	86	212	3,353,506	909	6.08	1.51	.956
1937	2,275	1,386	898	931	27,411	86	211	3,462,349	934	6.03	1.49	.915
1938	2,290	1,386	897	850	25,183	85	222	2,725,239	888	5.60	1.49	.951
1939	2,289	1,430	790	840	23,942	87	223	3,198,081	985	6.21	1.50	.964
10-Yr. Aver.	2,300	1,414	965	1,184	34,601	85%	214	3,124,617	892	\$5.67	1.53	.959

□ Average passenger miles operated: 1937, 1,440.97; 1938, 1,440.89; 1939, 1,432.40.

Note: Figures shown in above table are those of Erie R.R. Co. and Chicago & Erie R.R. Co.

Yard track, sidings, etc., Dec. 31, 1939, 1,916.45 miles. Cabooses in service, 365. Weight of rails, from 60 lbs. to 131 lbs.; standard gauge. Marine equipment: Ferry boats, 7; tugboats, 12; steam barges, 2; covered barges, 114; open barges, 84; car floats, 31; steam hoists, 2; steam pump boat, 1; diesel lighters, 3.

Additional Freight and Passenger Statistics

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

Year	Revenue		Train Miles		Train Mile Earnings		Ton Miles	Passengers Carried	Passenger Miles	Aver. Miles per Passenger
	Freight	Passenger	Mixed	Special	Freight	Passenger				
1933	7,257,950	6,108,158	405,097	1,726	\$8.055	\$1.455	3,315,780,730	17,069,051	374,867,429	21.962
1934	7,616,896	5,856,569	433,380	2,319	8.021	1.440	6,761,789,667	16,120,051	350,927,228	21.77
1935	7,390,528	5,416,412	544,813	2,318	8.18	1.47	6,760,035,292	15,467,768	321,403,396	20.78
1936	8,425,735	5,565,485	—	—	8.70	1.56	7,360,833,836	16,197,346	352,597,323	21.77
1937	8,430,500	5,494,798	—	—	8.55	1.57	7,878,247,067	16,211,345	357,940,975	22.08
1938	7,025,002	5,390,409	—	—	8.45	1.43	6,239,901,688	14,962,933	326,916,679	21.85
1939	7,734,792	5,341,585	—	—	9.13	1.45	7,320,888,085	14,498,695	318,416,806	21.96

Rolling Stock Owned, as of Dec. 31, 1939

Year Purchased	Locomotives		Freight Cars	Passenger Cars		Work Cars		Total
	Oil Elec.	Steam		Dining	Other	Ballast	Other	
1923 and prior	—	669	10,255	2	199	2	1,404	12,469
1924-28	4	117	2,859	6	272	—	23	3,280
1929-33	1	45	4,934	3	93	—	13	5,089
1934-38	—	—	4,565	—	268	—	1	4,834
1939	7	—	250	—	—	—	1	258
Total	12	831	22,863	11	832	2	1,442	25,930

□ As reported.

FREIGHT TRAFFIC—Tonnage, Carloadings and Revenues

Tonnage—Comparative Statistics

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

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	18,043,244 41%	26,199,755 59%	44,242,999	1935	13,084,957 40%	19,294,361 60%	32,379,318
1931	15,544,870 43	20,490,092 57	36,034,962	1936	13,373,140 37	22,745,309 63	36,118,449
1932	12,202,409 43	15,849,077 57	28,051,486	1937	14,238,239 39	23,084,664 61	37,322,903
1933	12,506,685 42	17,300,276 58	29,806,961	1938	12,026,920 43	16,143,509 57	28,170,429
1934	14,149,662 44	18,294,089 56	32,443,751	1939	13,467,314 41	19,364,257 59	32,831,571

Revenue Freight Tonnage Classified

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	All L.C.L. Freight	% of Total	Total All Freight Tonnage
1930	1,019,924	5.7	375,401	2.1	9,364,213	51.9	408,546	2.3	6,264,706	34.7	610,454	3.4	18,043,244
1931	972,451	6.3	330,952	2.1	8,759,542	56.4	255,312	1.6	4,734,450	30.5	492,163	3.2	15,544,870
1932	917,018	7.5	291,658	2.4	7,246,571	59.4	156,608	1.3	3,237,357	26.5	353,197	2.9	12,202,409
1933	918,927	7.3	287,102	2.3	7,153,610	57.2	166,366	1.3	3,656,004	29.2	324,676	2.6	12,506,685
1934	904,163	6.4	272,750	1.9	8,265,776	58.4	207,884	1.5	4,160,780	29.4	338,309	2.4	14,149,662
1935	802,918	6.1	235,320	1.8	6,877,473	52.6	230,193	1.8	4,592,986	35.1	346,067	2.6	13,084,957
1936	925,712	6.9	229,836	1.7	5,742,593	42.9	242,905	1.8	5,844,765	43.7	387,329	2.9	13,373,140
1937	859,684	6.0	212,406	1.5	6,352,149	44.6	218,458	1.5	6,176,605	43.4	418,937	2.9	14,238,239
1938	819,960	6.8	207,932	1.7	6,264,693	52.1	152,496	1.3	4,203,146	34.9	378,693	3.2	12,026,920
1939	820,862	6.1	219,047	1.6	6,570,178	48.8	134,691	1.0	5,299,788	39.4	422,748	3.1	13,467,314
Received from Connections:													
1930	1,986,250	7.6	817,970	3.1	15,836,638	60.4	732,968	2.8	6,469,063	24.7	356,866	1.4	26,199,755
1931	1,838,725	9.0	863,643	4.2	12,233,384	59.7	545,326	2.7	4,700,566	22.9	308,448	1.5	20,490,092
1932	1,744,114	11.0	800,692	5.1	9,481,439	59.8	377,172	2.4	3,217,983	20.3	227,677	1.4	15,849,077
1933	1,343,254	7.8	826,481	4.8	10,890,707	63.0	433,375	2.5	3,582,987	20.7	223,472	1.3	17,300,276
1934	1,421,774	7.8	792,909	4.3	11,385,646	62.2	385,528	2.1	4,064,261	22.2	243,971	1.3	18,294,089
1935	1,384,912	7.2	663,396	3.4	12,149,160	63.0	469,092	2.4	4,372,791	22.7	255,010	1.3	19,294,361
1936	1,459,745	6.4	713,390	3.1	14,282,358	62.8	630,221	2.8	5,367,065	23.6	292,530	1.3	22,745,309
1937	1,427,880	6.2	614,041	2.7	14,385,449	62.3	693,457	3.0	5,671,865	24.6	291,972	1.3	23,084,664
1938	1,475,623	9.1	640,650	4.0	9,540,717	59.1	484,205	3.0	3,756,599	23.3	245,715	1.5	16,143,509
1939	1,548,093	8.0	651,987	3.4	11,587,467	59.8	629,670	3.3	4,647,745	24.0	299,295	1.5	19,364,257
Total Tonnage Carried:													
1930	3,006,174	6.8	1,193,371	2.7	25,200,851	57.0	1,141,514	2.6	12,733,769	28.8	967,320	2.2	44,242,999
1931	2,811,176	7.8	1,194,595	3.3	20,992,926	58.3	800,638	2.2	9,435,016	26.2	800,611	2.2	36,034,962
1932	2,661,132	9.5	1,092,350	3.9	16,728,010	59.6	533,780	1.9	6,455,340	23.0	580,874	2.1	28,051,486
1933	2,262,181	7.6	1,113,583	3.7	18,044,317	60.5	599,741	2.0	7,238,991	24.3	548,148	1.8	29,806,961
1934	2,325,937	7.2	1,065,659	3.3	19,651,422	60.6	593,412	1.8	8,225,041	25.4	582,280	1.8	32,443,751
1935	2,187,830	6.8	898,716	2.8	19,026,633	58.8	699,285	2.2	8,965,777	27.7	601,077	1.8	32,379,318
1936	2,385,457	6.6	943,226	2.6	20,024,951	55.5	873,126	2.4	11,211,820	31.0	679,859	1.9	36,118,449
1937	2,287,564	6.1	826,447	2.2	20,737,598	55.6	911,915	2.4	11,848,470	31.8	710,909	1.9	37,322,903
1938	2,295,583	8.2	848,582	3.0	15,805,410	56.1	636,701	2.3	7,959,745	28.3	624,408	2.2	28,170,429
1939	2,368,955	7.2	871,034	2.7	18,157,645	55.3	764,361	2.3	9,947,533	30.3	722,043	2.2	32,831,571

Tonnage of Principal Commodities Originating and Received from Connections

Commodity:	Originating on Road				Received from Connections			
	1939	1938	1937	1936	1939	1938	1937	1936
Flour, wheat	144,732	161,255	155,912	182,045	168,023	150,665	145,567	178,724
Oranges and grapefruit	-----	-----	-----	-----	143,715	172,613	121,002	147,976
Cantaloupes and melons	-----	-----	-----	-----	57,566	41,722	53,645	40,087
Vegetables, fresh	839	2,390	1,542	2,109	76,118	71,313	89,270	90,002
Fresh meats	53,106	57,251	61,531	69,481	192,376	196,444	194,887	222,662
Hard coal	4,900,319	4,941,139	4,500,484	3,827,728	1,863,126	1,918,640	2,021,759	2,139,760
Soft coal	298,709	266,340	385,587	418,487	6,524,449	5,609,199	7,789,482	7,781,685
Coke	415,256	293,788	362,723	407,662	417,063	374,358	743,833	662,790
Lumber, shingles & laths	22,500	20,158	26,517	28,932	448,166	332,049	466,861	435,905
Petroleum oils, refined	284,600	300,447	359,303	445,134	232,853	261,229	340,397	375,084
Iron and steel, 5th class	1,090,523	688,611	1,314,706	1,279,466	612,904	358,079	749,279	674,174
Autos and auto trucks	170,499	137,037	199,911	226,234	236,513	193,002	347,875	420,865
Lubricat. oils & greases	152,985	125,398	146,948	156,764	90,573	86,774	92,320	90,126
Fresh grapes	9,054	3,684	2,926	2,224	159,672	139,835	175,446	134,646
Iron ore	-----	-----	-----	-----	1,585,489	700,072	2,524,948	2,427,082
Crude rubber	46,659	66,346	81,245	113,242	18,405	8,310	16,645	10,079
Green hides	41,626	31,272	38,824	42,844	67,062	61,772	62,859	70,747
Salt	269,569	228,691	285,908	273,366	128,696	114,591	129,755	115,030
Autos, passenger	33,109	23,878	60,756	49,810	37,763	29,923	84,149	93,010

Total Tonnage of Principal Commodities

Commodity:	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Flour, wheat	312,755	1.0	311,920	1.1	301,479	0.8	360,769	1.0	259,442	0.8	284,544	0.9
Oranges and grapefruit	143,715	0.4	172,613	0.6	121,002	0.3	147,976	0.4	175,830	0.5	144,657	0.4
Cantaloupes and melons	57,566	0.2	41,722	0.1	53,645	0.1	40,087	0.1	61,024	0.2	67,781	0.2
Vegetables, fresh	76,957	0.2	73,703	0.3	90,812	0.2	92,111	0.3	104,252	0.3	91,120	0.3
Fresh meats	245,482	0.7	253,695	0.9	256,418	0.7	292,143	0.8	260,215	0.8	327,657	1.0
Hard coal	6,763,445	20.6	6,859,779	24.4	6,522,243	17.5	5,967,488	16.5	7,296,693	22.5	8,647,823	26.7
Soft coal	6,823,158	20.8	5,875,539	20.9	8,175,069	21.9	8,200,172	22.7	7,201,681	22.2	7,024,526	21.7
Coke	832,319	2.5	668,146	2.4	1,106,556	3.0	1,070,452	3.0	920,330	2.8	827,142	2.5
Lumber, shingles & laths	470,666	1.4	352,207	1.3	493,378	1.3	464,837	1.3	341,629	1.1	246,471	0.8
Petroleum oils, refin., etc.	517,453	1.6	561,676	2.0	699,700	1.9	820,218	2.3	852,903	2.6	885,328	2.7
Iron and steel, 5th class	1,703,427	5.2	1,046,690	3.7	2,033,985	5.5	1,953,640	5.4	1,351,156	4.2	1,080,383	3.3
Autos and auto trucks	407,012	1.2	330,039	1.2	547,786	1.5	647,099	1.8	593,272	1.7	504,204	1.6
Lubricating oils & greases	243,588	0.7	212,172	0.8	239,268	0.6	246,890	0.7	230,217	0.7	220,214	0.7
Fresh grapes	168,726	0.5	143,519	0.5	178,372	0.5	136,870	0.4	157,677	0.5	139,060	0.4
Iron ore	1,585,489	4.8	700,072	2.5	2,524,948	6.8	2,427,082	6.7	1,730,888	5.3	1,196,049	3.7
Crude rubber	65,064	0.2	74,656	0.3	97,890	0.3	123,321	0.3	129,154	0.4	111,366	0.4
Green hides	109,228	0.3	93,044	0.3	101,683	0.3	113,591	0.3	125,965	0.4	100,821	0.3
Salt	398,265	1.2	353,282	1.3	415,663	1.1	388,396	1.1	365,571	1.1	355,452	1.1
Autos, passenger	70,872	0.2	53,801	0.2	144,905	0.4	142,820	0.4	85,290	0.3	78,702	0.2

Carloadings—Comparative Statistics

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

Revenue Freight Carloadings

Originating on Road:	Products of Agriculture	% of Total	Animals
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Revenue Freight Carloadings (cont'd)

Received from Connections:	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	102,206	13.6	60,928	8.1	309,246	41.2	29,727	4.0	248,186	33.1	750,293
1931	93,602	15.1	65,798	10.6	245,070	39.7	22,559	3.7	190,783	30.9	617,812
1932	88,961	18.0	61,747	12.5	194,010	39.3	15,802	3.2	132,659	26.9	493,179
1933	69,641	13.5	63,613	12.3	219,247	42.4	18,027	3.5	147,037	28.4	517,565
1934	75,502	13.8	61,356	11.2	224,838	41.0	16,077	2.9	169,999	31.0	547,772
1935	73,433	13.0	50,466	9.0	233,622	41.5	19,494	3.5	186,251	33.1	563,266
1936	72,709	11.3	54,106	8.4	270,901	42.2	24,658	3.8	220,312	34.3	642,686
1937	71,590	11.1	46,645	7.1	270,544	41.8	27,190	4.2	231,002	35.7	646,971
1938	71,836	14.8	47,557	9.8	189,810	39.0	19,460	4.0	157,785	32.4	486,448
1939	75,026	13.4	47,519	8.5	218,927	39.2	25,049	4.5	191,851	34.4	558,372
Total:											
1930	148,065	11.6	86,489	6.8	496,409	39.0	44,678	3.5	496,421	39.0	1,272,062
1931	137,295	13.0	87,894	8.3	416,376	39.4	31,253	2.9	384,051	36.3	1,056,869
1932	128,705	15.5	80,903	9.8	337,921	40.7	21,386	2.6	260,603	31.4	829,518
1933	107,278	12.3	82,501	9.5	364,054	41.8	24,146	2.8	292,404	33.6	870,383
1934	112,700	12.0	79,283	8.4	385,775	41.0	23,326	2.5	340,281	36.1	941,365
1935	105,072	11.2	64,958	6.9	370,234	39.3	27,187	2.9	373,448	39.7	940,899
1936	108,301	10.3	68,566	6.5	386,617	36.9	32,852	3.1	451,712	43.1	1,048,048
1937	104,710	9.8	59,876	5.6	397,455	37.1	34,857	3.3	474,355	44.3	1,071,253
1938	103,739	12.4	60,940	7.3	312,900	37.5	24,803	3.0	331,043	39.7	833,425
1939	106,818	11.2	61,267	6.4	352,017	36.8	29,872	3.1	407,149	42.5	957,123

Carloadings of Principal Commodities Originating and Received from Connections

Commodity:	Originating on Road				Received from Connections			
	1939	1938	1937	1936	1939	1938	1937	1936
Flour, wheat	5,565	6,304	6,019	7,012	6,476	5,858	5,531	6,738
Oranges and grapefruit					7,940	9,553	6,743	8,197
Cantaloupes and melons					5,127	3,741	4,846	3,640
Vegetables, fresh	58	183	116	143	6,495	6,020	7,695	7,724
Fresh meats	4,438	4,721	4,951	5,691	16,789	16,904	17,344	19,605
Hard coal	92,890	91,008	84,274	71,046	39,706	40,924	43,370	45,474
Soft coal	5,387	4,742	6,910	7,585	120,999	106,614	144,416	145,861
Coke	11,942	8,466	10,569	11,601	11,652	10,871	20,506	19,217
Lumber, shingles & laths	841	738	990	1,064	17,216	12,912	17,410	16,115
Petroleum oils, refined	10,184	10,676	12,556	15,451	8,134	9,128	11,908	13,057
Iron and steel, 5th class	33,055	21,986	39,256	39,052	18,744	11,646	22,947	21,256
Autos and auto trucks	8,120	6,776	10,092	17,531	11,289	9,887	17,218	31,717
Lubricat. oils and greases	6,625	5,449	6,274	6,463	4,184	3,851	4,142	4,160
Fresh grapes	596	229	188	152	9,354	8,270	10,477	8,565
Iron ore					21,731	10,386	35,259	33,458
Crude rubber	1,457	1,875	2,249	3,314	572	266	521	304
Green hides	1,702	1,282	1,606	1,756	2,747	2,508	2,527	2,868
Salt	9,048	8,271	9,231	9,485	3,250	2,896	3,185	2,950
Autos, passenger	5,404	3,647	9,248	8,031	6,021	4,532	13,394	14,821

Total Carloadings of Principal Commodities

Commodity:	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Flour, wheat	12,041	1.3	12,162	1.5	11,550	1.1	13,750	1.3	9,929	1.1	10,755	1.1
Oranges and grapefruit	7,940	0.8	9,553	1.1	6,743	0.6	8,197	0.8	9,766	1.0	8,016	0.9
Cantaloupes and melons	5,127	0.5	3,741	0.4	4,846	0.5	3,640	0.3	5,536	0.6	6,146	0.7
Vegetables, fresh	6,553	0.7	6,203	0.7	7,811	0.7	7,867	0.8	8,761	0.9	7,787	0.8
Fresh meats	21,227	2.2	21,265	2.6	22,295	2.1	25,296	2.4	22,264	2.4	27,783	3.0
Hard coal	132,596	13.9	131,932	15.8	127,644	11.9	116,520	11.1	141,138	15.0	165,199	17.5
Soft coal	126,386	13.2	111,356	13.4	151,326	14.1	153,446	14.6	135,871	14.4	135,931	14.4
Coke	23,594	2.5	19,337	2.3	31,075	2.9	30,818	2.9	26,704	2.8	26,036	2.8
Lumber, shingles and laths	18,057	1.9	13,650	1.6	18,400	1.7	17,179	1.6	13,485	1.4	10,009	1.1
Petroleum oils, refin., etc.	18,318	1.9	19,804	2.4	24,464	2.3	28,508	2.7	29,565	3.1	30,664	3.3
Iron and steel, 5th class	51,799	5.4	33,632	4.0	62,203	5.8	60,308	5.8	41,996	4.5	34,643	3.7
Autos & auto trucks	19,409	2.0	16,663	2.0	27,310	2.5	49,248	4.7	32,172	3.4	27,362	2.9
Lubricating oils & greases	10,809	1.1	9,300	1.1	10,416	1.0	10,623	1.0	9,829	1.0	9,336	1.0
Fresh grapes	9,950	1.0	8,499	1.0	10,665	1.0	8,717	0.8	10,062	1.1	8,833	0.9
Iron ore	21,731	2.3	10,386	1.2	35,259	3.3	33,458	3.2	23,778	2.5	15,457	1.6
Crude rubber	2,029	0.2	2,141	0.3	2,770	0.3	3,618	0.3	3,570	0.4	3,261	0.3
Green hides	4,449	0.5	3,790	0.5	4,133	0.4	4,624	0.4	5,198	0.6	4,253	0.5
Salt	12,298	1.3	11,167	1.3	12,416	1.2	12,435	1.2	11,968	1.3	12,130	1.3
Autos, passenger	11,425	1.2	8,179	1.0	22,642	2.1	22,852	2.2	14,043	1.5	12,256	1.3

Freight Revenues—Comparative Statistics

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

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

	Products of								Mfrs. and Misc.	All L.C.L. Freight	Total Freight		
	Agriculture	%	Animals	%	Mines	%	Forests	%					
1930	\$11,250	12.5	\$8,279	9.2	\$27,340	30.5	\$3,081	3.4	\$32,008	35.7	\$7,787	8.7	\$89,744
1931	10,482	14.1	8,106	10.9	22,250	30.0	2,204	3.0	24,746	33.3	6,481	8.7	74,268
1932	9,847	16.1	7,838	12.9	18,609	30.5	1,493	2.4	17,694	29.0	5,497	9.0	60,979
1933	7,881	12.9	7,818	12.8	18,528	30.4	1,631	2.7	20,077	32.9	5,074	8.3	61,009
1934	8,202	12.9	7,167	11.3	18,954	29.9	1,652	2.6	22,332	35.2	5,188	8.2	63,495
1935	7,777	12.1	5,580	8.7	18,404	28.6	1,864	2.9	25,351	39.3	5,479	8.5	64,456
1936	7,864	10.7	5,508	7.5	19,651	26.8	2,246	3.1	31,950	43.6	6,060	8.3	73,279
1937	7,526	10.5	4,677	6.5	19,283	26.8	2,322	3.2	32,404	45.0	5,756	8.0	71,969
1938	7,875	13.2	5,117	8.6	15,714	26.4	1,664	2.8	23,548	39.6	5,602	9.4	59,520
1939	8,302	11.7	5,284	7.5	18,506	26.2	2,104	3.0	30,074	42.6	6,391	9.0	70,662

Includes \$2,630,744 forwarder traffic comprising 24,620 cars and 346,597 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
Flour, wheat	\$644,034	0.9	\$596,293	1.0	\$553,817	0.8	\$703,075	1.0	\$514,872	0.8	\$630,247	1.0
Oranges and grapefruit	959,348	1.4	1,133,795	1.9	764,644	1.1	996,185	1.4	1,174,135	1.8	965,769	1.5
Cantaloupes and melons	456,279	0.6	319,269	0.5	380,612	0.5	285,106	0.4	470,521	0.7	511,533	0.8
Vegetables, fresh	466,086	0.7	434,600	0.7	558,343	0.8	572,735	0.8	675,785	1.1	569,504	0.9
Fresh meats	2,427,808	3.4	2,355,792	4.0	2,165,275	3.0	2,558,984	3.5	2,429,263	3.8	3,014,443	4.7
Hard coal	8,347,131	11.8	7,487,069	12.6	7,330,721	10.2	7,105,896	9.7	8,042,387	12.5	9,476,175	14.9
Soft coal	6,279,138	8.9	5,449,172	9.2	7,424,204	10.3	7,779,718	10.6	6,651,001	10.3	6,255,495	9.9
Coke	545,302	0.8	436,773	0.7	748,392	1.0	747,971	1.0	672,917	1.0	657,147	1.0
Lumber, shingles & laths	1,071,014	1.5	791,868	1.3	1,103,494	1.5	999,044	1.4	736,626	1.2	570,306	0.9
Petrol. oils, refin., etc.	838,842	1.2	983,465	1.7	1,237,780	1.7	1,590,420	2.5	1,680,468	2.6	1,736,894	2.7
Iron and steel, 5th class	4,802,653	6.8	2,947,926	5.0	5,145,879	7.2	5,151,136	7.0	3,264,978	5.1	2,513,103	4.0
Autos and auto trucks	1,290,646	1.8	1,058,127	1.8	1,611,339	2.2	3,031,579	4.1	2,330,300	3.6	2,024,571	3.2
Lubricating oils & grease	906,841	1.3	740,840	1.2	801,784	1.1	840,614	1.1	778,703	1.2	706,434	1.1
Fresh grapes	1,031,021	1.5	908,846	1.5	1,087,122	1.5	893,319	1.2	1,009,043	1.6	893,261	1.4
Iron ore	887,906	1.3	328,827	0.6	1,335,384	1.8	1,459,567	2.0	970,968	1.5	630,049	1.0
Crude rubber	531,007	0.8	475,448	0.8	638,550	0.9	695,479	0.9	671,321	1.1	586,063	1.0
Green hides	470,234	0.7	412,606	0.7	421,706	0.6	482,736	0.8	548,629	0.9	474,391	0.8
Salt	702,411	1.0	633,585	1.1	652,169	0.9	735,205	1.0	671,969	1.0	616,396	1.0
Automobiles (passenger)	601,508	0.9	477,962	0.8	1,260,030	1.8	1,316,917	1.8	679,831	1.1	629,313	1.0

ANALYSIS OF MAINTENANCE EXPENDITURES

Maintenance of Way and Structures

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

Years	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			[1]	[2]	
1930	\$3,200	12.2	15.7	2,675	\$0.400	\$929	----	244
1931	2,708	12.5	16.0	2,209	0.406	817	----	213
1932	1,980	11.1	14.7	1,658	0.377	574	----	165
1933	1,597	9.1	12.7	1,422	0.384	498	----	130
1934	1,675	9.2	12.7	1,429	0.412	516	----	127
1935	1,668	9.1	12.4	1,356	0.459	550	----	110
1936	1,729	8.2	11.9	1,363	0.464	503	----	107
1937	1,784	8.6	11.8	1,237	0.494	1,152	----	109
1938	1,833	10.6	13.2	1,244	0.527	1,253	\$414	100
1939	1,841	9.1	12.4	1,245	0.519	1,194	410	108

Years	Cross Ties Replaced per Equated Track Mile		Average Cost per Cross Tie		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)	[3] Average Cost per Ton of Rail
	Treated	Untreated	Treated	Untreated				
1930	243	1	\$2.12	----	407	260	116	\$39.31
1931	212	1	1.97	----	401	233	119	38.07
1932	164	1	1.83	----	287	167	121	38.33
1933	130	---	1.45	----	240	138	121	36.44
1934	127	---	1.39	----	258	167	123	34.34
1935	110	---	1.45	----	153	96	120	37.48
1936	107	---	1.42	----	164	105	120	38.80
1937	109	---	1.47	----	196	116	120	38.62
1938	100	---	1.50	\$1.23	148	83	119	43.77
1939	108	---	1.43	0.43	158	104	117	42.45

[1] Includes yard tracks, sidings, etc. to 1936, incl.; 1937 and subsequent years consist of 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

Years	Ratio of Equipment Maintenance to Operating Expenses	Per Steam Locomotive		Per Freight Train Car Owned or Leased	Per Passenger Train Car Owned or Leased	Per Steam Locomotive Mile	
		Freight	Passenger	per Day	per Day	Freight	Passenger
1935	26.1	\$5,689	\$9,581	\$0.202	\$1.84	\$0.279	\$0.254
1936	26.7	7,944	9,821	0.246	2.27	0.361	0.253
1937	27.3	8,877	9,453	0.306	2.26	0.399	0.251
1938	26.6	7,572	9,884	0.282	2.17	0.405	0.274
1939	27.2	8,482	9,285	0.318	2.47	0.398	0.251

Years	Unserviceable Equipment—Per Cent. of Class Totals				Serviceable Locomotives Stored	Employees	
	Freight Locomotives	Passenger Locomotives	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	41.0	19.9	6.3	5.1	95	[1] 137.1	[1] 5.37
1936	46.1	19.1	3.8	5.0	31	143.8	5.05
1937	42.6	18.2	4.8	5.3	41	149.3	5.18
1938	46.8	23.7	7.9	5.2	61	147.1	4.83
1939	45.4	25.6	4.7	4.8	34	146.1	4.90

[1] Erie system figures.

Employees and Payroll

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

Years	Average Number:	Professional & Clerical				Maintenance of Way	Maintenance of Equipment	Transportation	Total
		Executive	Professional & Clerical	Maintenance of Way	Maintenance of Equipment				
1934	299	3,800	4,047	6,544	8,678	23,368			
1935	300	3,748	4,079	5,618	8,337	22,082			
1936	301	3,732	4,130	5,614	8,432	22,209			
1937	299	3,785	3,820	6,087	8,574	22,565			
1938	299	3,583	3,450	5,673	7,781	20,786			
1939	299	3,627	3,454	5,768	7,903	21,051			

Years	Total Payroll:	Professional & Clerical				Maintenance of Way	Maintenance of Equipment	Transportation	Total
		Executive	Professional & Clerical	Maintenance of Way	Maintenance of Equipment				
1934	\$1,473,439	\$6,424,343	\$4,152,314	\$9,203,622	\$14,112,778	\$35,366,496			
1935	1,561,350	6,907,555	4,398,703	8,947,989	14,918,632	36,734,229			
1936	1,582,245	7,016,674	4,542,380	9,523,918	15,973,528	38,638,745			
1937	1,643,346	7,292,103	4,689,459	10,162,766	16,524,310	40,311,984			
1938	1,567,989	7,186,232	4,566,148	8,957,719	15,156,674	37,434,762			
1939	1,512,252	7,251,401	4,604,199	9,612,462	16,064,832	39,045,146			

INCOME FACTORS

Earnings and Their Distribution, Per Mile of Road Operated

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

Years Ended Dec. 31	—Operating Revenues—		—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
	Freight	Total	Maint. of Way	Maint. of Equip.	Total									
1925	\$40,758	\$51,035	\$5,787	\$11,904	\$40,140	\$2,064	\$8,829	\$7,547	\$1,794	\$9,341	\$1,237	\$5,206	\$2,897	1.45
1926	44,008	54,147	6,130	13,039	42,798	2,120	9,230	7,791	2,967	10,758	1,289	5,104	4,365	1.68
1927	43,069	52,865	6,951	12,364	43,277	2,095	7,492	5,594	2,374	7,968	1,294	5,158	1,516	1.23
1928	44,669	53,943	6,577	11,345	41,161	2,193	10,588	8,652	2,018	10,670	1,441	4,912	4,317	1.68
1929	46,167	55,800	6,533	12,024	42,156	2,450	11,194	9,267	2,033	11,300	1,357	4,901	5,042	1.81
1930	38,754	47,067	5,733	9,993	36,476	2,201	8,389	6,488	2,236	8,724	1,405	5,518	1,801	1.26
1931	32,111	38,926	4,847	7,837	30,360	2,239	6,327	4,470	1,966	6,436	1,398	5,427	[1] 389	0.94
1932	26,329	31,841	3,535	6,573	24,113	2,077	5,651	3,813	1,845	5,658	1,384	5,631	[1] 1,357	0.81
1933	26,354	31,139	2,841	6,353	22,295	1,720	7,124	5,410	1,812	7,222	1,355	5,637	[1] 230	1.03
1934	27,752	32,565	2,988	6,582	23,562	1,722	7,281	5,509	1,030	6,539	1,371	5,429	[1] 261	0.96
10-Year Aver.	36,997	\$44,933	\$5,192	\$9,801	\$34,634	\$2,088	\$8,211	\$6,454	\$2,008	\$8,462	\$1,353	\$5,293	\$1,816	1.27

INTRODUCTION

Users of this Manual should consult the Introduction on heavy white paper in the front of this volume which contains valuable information concerning the scope of this volume.

Years Ended Dec. 31	—Operating Revenues—		—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
	Freight	Total	Maint. of Way	Maint. of Equip.	Total									
1934	\$27,752	\$32,565	\$2,988	\$6,582	\$23,562	\$1,722	\$7,281	\$5,509	\$1,030	\$6,539	\$6,094	\$6,355	⊖\$261	0.96
1935	27,938	32,692	2,964	6,228	23,844	1,745	7,103	5,640	763	6,403	6,042	6,413	⊖\$371	0.94
1936	32,079	37,217	3,062	6,879	25,780	2,677	8,760	7,154	568	7,722	7,404	6,443	961	1.15
1937	31,684	36,890	3,157	7,316	26,812	2,425	7,653	5,984	521	6,505	6,206	6,396	⊖\$190	0.97
1938	25,926	30,353	3,227	6,511	24,499	2,970	2,884	1,403	441	1,844	1,570	6,277	⊖\$4,707	0.25
1939	30,846	35,481	3,215	7,044	25,938	2,954	6,589	5,008	490	5,498	5,307	5,940	⊖\$633	0.89
6-Year Aver.	\$29,376	\$34,200	\$3,102	\$6,760	\$25,073	\$2,416	\$6,712	\$5,116	\$636	\$5,752	\$5,437	\$6,304	⊖\$867	0.86

⊖ 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 as a tabulation for years 1934 and subsequently, incl. giving effect to the new classification.

Rents for leased roads per mile of road operated included in fixed charges were \$946 in 1934, \$927 in 1935, \$872 in 1936, \$874 in 1937, \$870 in 1938, and \$509 in 1939.

SEASONAL TRENDS—Revenues and Operating Income

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

Passenger Revenues (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$861	\$760	\$783	\$808	\$854	\$930	\$1,001	\$986	\$794	\$731	\$715	\$776	\$10,001
1931	723	642	644	682	687	736	792	761	661	589	555	605	8,077
1932	558	516	542	513	530	534	594	538	513	451	446	496	6,229
1933	461	407	398	412	423	488	534	529	479	469	412	464	5,475
1934	403	394	422	395	411	470	497	525	470	435	373	428	5,223
1935	416	371	380	390	389	432	450	457	400	390	384	453	4,910
1936	432	420	414	403	418	441	511	503	470	423	407	472	5,316
1937	417	379	432	412	434	450	529	515	450	442	403	462	5,325
1938	425	364	378	404	386	401	487	450	389	377	370	444	4,874
1939	392	346	357	371	379	438	481	447	411	380	357	426	4,785
10-yr. Av.	\$509	\$460	\$475	\$479	\$491	\$532	\$588	\$571	\$504	\$469	\$442	\$502	\$6,022
% of Total	8.45	7.64	7.89	7.96	8.15	8.83	9.76	9.48	8.37	7.79	7.34	8.34	100.00

Freight Revenues (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$7,443	\$7,639	\$7,448	\$7,508	\$7,791	\$7,467	\$7,403	\$7,594	\$7,880	\$8,545	\$6,874	\$6,152	\$89,744
1931	6,395	6,136	6,810	6,532	6,479	6,236	6,134	6,310	6,027	6,971	5,349	4,890	74,268
1932	4,982	5,031	5,492	5,278	5,022	4,639	4,528	5,022	5,234	6,186	4,740	4,824	60,979
1933	4,432	4,237	4,365	4,291	5,111	5,393	6,003	5,948	5,841	5,698	5,010	4,679	61,009
1934	5,141	4,947	6,212	5,269	6,023	5,485	5,418	4,999	5,261	5,786	4,743	4,683	63,967
1935	5,117	4,895	5,233	5,138	5,205	5,376	4,932	5,206	5,723	6,596	5,583	5,265	64,270
1936	5,360	5,816	5,550	5,758	5,910	5,995	6,223	6,138	6,311	7,053	6,502	6,653	73,268
1937	6,031	5,775	6,865	6,597	6,441	5,826	6,086	6,068	5,837	6,644	5,141	4,769	72,081
1938	4,690	4,005	4,670	4,479	4,614	4,561	4,753	5,182	5,327	6,368	5,445	5,279	59,371
1939	5,477	4,979	5,615	5,252	5,325	5,379	5,324	5,790	6,829	7,895	6,613	6,128	70,606
10-yr. Av.	\$5,507	\$5,346	\$5,826	\$5,610	\$5,792	\$5,636	\$5,680	\$5,826	\$6,027	\$6,774	\$5,600	\$5,332	\$68,956
% of Total	7.99	7.75	8.45	8.14	8.40	8.17	8.24	8.45	8.74	9.82	8.12	7.73	100.00

Operating Revenues (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$9062	\$9,109	\$9,058	\$9,090	\$9,501	\$9,220	\$9,171	\$9,348	\$9,485	\$10,069	\$8,271	\$7,612	\$108,996
1931	7,695	7,347	8,130	7,881	7,864	7,718	7,587	7,761	7,353	8,242	6,459	6,117	90,154
1932	6,038	6,061	6,609	6,304	6,151	5,807	5,713	6,062	6,281	7,168	5,644	5,908	73,746
1933	5,331	5,036	5,215	5,147	6,018	6,448	7,000	6,951	6,828	6,676	5,847	5,590	72,086
1934	6,002	5,735	7,124	6,151	6,986	6,559	6,398	6,020	6,201	6,726	5,572	5,589	75,064
1935	5,960	5,682	6,095	6,035	6,172	6,379	5,814	6,168	6,627	7,502	6,456	6,204	75,095
1936	6,219	6,665	6,457	6,671	6,893	7,024	7,287	7,205	7,344	8,088	7,458	7,695	85,005
1937	6,909	6,604	7,857	7,558	7,467	7,022	7,197	7,158	6,843	7,610	5,995	5,706	83,926
1938	5,506	4,724	5,492	5,324	5,401	5,469	5,685	6,111	6,165	7,248	6,254	6,131	69,509
1939	6,275	5,697	6,445	6,076	6,205	6,408	6,279	6,748	7,753	8,819	7,460	7,052	81,217
10-yr. Av.	\$6,500	\$6,266	\$6,848	\$6,624	\$6,866	\$6,805	\$6,813	\$6,953	\$7,088	\$7,815	\$6,542	\$6,360	\$81,480
% of Total	7.98	7.69	8.40	8.13	8.43	8.35	8.36	8.53	8.70	9.59	8.03	7.81	100.00

Net Railway Operating Income (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$880	\$1,311	\$933	\$998	\$1,361	\$1,416	\$1,205	\$1,421	\$1,564	\$1,863	\$1,170	\$905	\$15,027
1931	951	1,000	1,434	950	903	846	588	857	632	1,374	320	497	10,532
1932	367	700	999	667	595	411	383	577	951	1,695	642	842	8,830
1933	551	399	491	446	1,251	1,553	1,765	1,472	1,490	1,211	1,136	759	⊖\$12,523
1934	1,094	893	1,893	929	1,541	1,130	953	652	892	1,291	641	790	12,700
1935	885	899	1,104	902	1,003	1,191	461	755	1,393	2,039	1,226	1,103	12,961
1936	918	1,309	1,154	1,227	1,278	1,350	1,459	1,366	1,466	1,986	1,555	1,271	16,339
1937	1,188	1,113	1,894	1,535	1,412	1,182	1,316	1,110	983	1,594	242	45	13,614
1938	218	504	17	17	19	9	209	440	452	1,315	531	546	3,214
1939	745	364	940	774	559	817	569	820	1,598	2,324	1,193	761	11,464
10-yr. Av.	\$780	\$748	\$1,086	\$845	\$988	\$989	\$891	\$947	\$1,142	\$1,669	\$865	\$752	\$11,702
% of Total	6.67	6.39	9.28	7.22	8.44	8.45	7.62	8.09	9.76	14.26	7.39	6.43	100.00

⊖ As reported.

COMMENT ON OPERATIONS AND FINANCES

LOCATION: Including the mileage of the Chicago & Erie Railroad, a wholly owned subsidiary, Erie Railroad Company operates an average of about 2,289 miles of road. The main line extends from Jersey City, N. J. opposite New York City to Chicago, Illinois, and is double tracked throughout with the exception of about 11 miles in western New York. Projecting from the Jersey City-Chicago main line are other main lines and branches. Between Jersey City and Chicago the Erie is slightly longer than that of the New York Central Railroad and its grades somewhat steeper, New York Central Railroad being practically a water level route. However, grades are no longer the obstacle they once were to fast schedules because of the great increase in tractive power of locomotives. Furthermore, Erie Railroad passes through relatively few important cities which makes for fewer terminal delays. Erie does, to be sure, reach Cleveland, Indianapolis and Cincinnati, but only over what may be termed

main and branch lines or by means of track-age rights over lines of other companies.

Less than half of the tonnage transported is originated and in this respect the road is similar to the New York Central Railroad but different from the other two eastern trunk lines—Baltimore & Ohio Railroad and Pennsylvania Railroad. The relatively low percentage of freight originated, despite the substantial originated anthracite coal traffic, is presumably due to the absence of a great deal of feeder mileage and the fact that the road does not serve many of the important industrial centers as directly as its competitors.

TRAFFIC: The Erie Railroad is essentially a carrier of freight. In 1939 passenger revenues amounted to only about 6 per cent. of total operating revenues as compared with about 16 per cent. in the case of the Pennsylvania Railroad and 18 per cent. in the case of the New York Central Railroad. Well over half of the revenue freight tonnage consists

of products of mines, chiefly coal, of which in 1939, 6,763,445 tons were represented by anthracite and 6,823,158 tons by bituminous coal. Coal alone amounted to over 39 per cent. of the entire freight traffic in 1936 and 1937, over 45 per cent. in 1938 and over 41 per cent. in 1939. Although coal is naturally important due to the large amount handled, it is not as important as indicated by the relationship of coal tonnage to total tonnage. In 1939, for example, when coal tonnage exceeded 41 per cent. of total tonnage, coal revenues accounted for only about 21.5 per cent. of total freight revenue.

It is to be noted that up to and including 1935 anthracite coal tonnage was consistently greater than bituminous coal tonnage and that anthracite coal revenues exceeded bituminous coal revenues. In 1936, for the first time, anthracite coal tonnage and revenues were smaller than bituminous coal tonnage and revenues. This reflects in part the fact that

certain anthracite mines served by the Erie Railroad were out of production during a large part of 1936 as a result of the serious March, 1936 floods. It is, however, also a reflection of the failure of anthracite tonnage generally to increase much during recent years, a result of increased competition from other fuels and also of the increased movement of anthracite coal by trucks. Then, too, bituminous coal handled by the Erie railroad increased as a result of improvement in business conditions and because of larger receipts from the affiliated Chesapeake & Ohio Railway. In 1937 bituminous coal tonnage was again greater than anthracite coal tonnage even though the latter showed a sizable increase over 1936. However, in 1938 because of considerable curtailment of industrial activity bituminous coal tonnage declined below that of anthracite coal but in 1939, a year of business recovery, bituminous coal tonnage exceeded anthracite coal tonnage. Indications point to bituminous coal tonnage and revenues greater than those of anthracite coal during future prosperous years.

LONG TERM TRENDS: In the years 1928-1933 inclusive Erie Railroad maintained its position in the railroad industry better than Class I railroads in the Great Lakes region and in the United States. Revenues declined sharply, to be sure, but as shown in the accompanying tabulation Erie's 1933 revenues were 58 per cent. of average revenues for the years 1923-24-25 compared with 50 per cent. and 51 per cent., respectively for Class I roads in the Great Lakes region and in the United States. However, in the period 1933-1939 revenues of all Class I railroads recovered from 51 per cent. to 65 per cent. of the 1923-24-25 average whereas Erie showed a recovery from 58 per cent. to 66 per cent. In relation to industrial production, Erie Railroad in the period 1928-1933 maintained its position better than Class I railroads, but in 1939 Erie's revenues represented about the same per cent. of industrial production as that of all Class I railroads.

As shown graphically on page 1571 relatively few of the important commodities handled showed trends at all satisfactory in relation to the national production of such commodities. A combination of factors account for the unsatisfactory trends. These include competition from other transportation media (trucks, buses, automobiles, pipe lines, etc.) lower freight and passenger rates to meet this competition, greater use of oil and gas as a substitute for anthracite coal for heating purposes, more efficient use of bituminous coal in production of power, etc. Citrus fruit traffic, all received from connections and automobiles and auto accessories traffic, were the only two important commodities that displayed trends at all satisfactory in relation to production. The 1939 tonnage of these commodities was well in excess of that of the middle 'twenties.

INCOME FACTORS: Erie Railroad earned fixed charges fully in only two of the nine years 1931 to 1939 inclusive. Fixed charges were earned fully in 1933 and 1936. During the seven-year period 1931 to 1937 inclusive the net deficit was only \$3,204,000 (\$13,982,000 for the eight years to 1938) which together with the fact that fixed charges were earned fully on the average in the five years 1933 to 1937 inclusive and to the extent of 97 per cent. in 1937, made the bankruptcy proceedings instituted in January, 1938, after default of interest due January 1, 1938, a very definite shock to the financial community. Various explanations for the financial crisis that developed so suddenly in January, 1938 may be offered. The precipitating cause of the financial difficulty was the unwillingness of the parent company, Chesapeake & Ohio Railway Company, which had obtained Interstate Commerce Commission approval to acquire additional stock to give it majority stock ownership, to guarantee additional advances to the Erie by the Reconstruction Finance Corporation, which was made a condition to a further loan by the latter agency.

Apart from the precipitating causes for the bankruptcy action, in addition to the one just mentioned, were the extraordinarily sharp declines in traffic and revenues during the final six months of 1937 and the increases in taxes and wages. The following longer term causes were unquestionably a considerable influence: (1) advances to unprofitably operated subsidiary companies such as the New York, Susquehanna & Western Railroad to permit continued payment of interest charges; (2) uninterrupted decline in non-operating income formerly derived chiefly from the company's anthracite producing unit, Pennsylvania Coal Company; (3) the long term traffic losses as outlined above.

CAPITALIZATION: In April, 1940 the Interstate Commerce Commission approved plans for reorganization of the Erie Railroad and the Nypano Railroad, the latter stock controlled and operated under lease by the Erie. Not including rents for leased roads, proposed fixed charges in the Commission's plan would total \$5,628,245 and contingent charges, including capital fund and sinking funds would total \$4,549,370, together \$10,177,615. These charges compare with total charges of \$13,598,436 in 1939, including rents for leased roads of \$1,164,804. The proposed fixed charges would be about one-half the old fixed charges after including rentals and would be reasonable in relation to earning power, i. e., past reported balances for fixed charges. Total charges, including capital fund, contingent interest and sinking funds would not be substantially below the old charges and therefore, percentages earned on the income bonds would probably fluctuate widely, depending on fluctuations in the Business Index of Industrial Production. In July, 1940 the Interstate Commerce Commission's proposed plan had not received court approval or the approval of holders of securities affected, sufficient time not having elapsed for consideration. Details with respect to proposed treatment of individual issues are outlined above.

Comparison of Operating Revenues—Erie, Great Lakes Region Railroads and Class I Railroads with U. S. Industrial Production

	Erie	Great Lakes Region 1923-25=100	Class I Roads	Industrial Production (Fed. Res. Bd.)	—Ratio of Oper. Rev. to U. S. Indus. Production—		
					Erie to Indus. Prod.	Great Lakes Region to Indus. Prod.	Class I Roads to Indus. Prod.
					1923-25=100		
1923	108%	106%	103%	101%	107%	105%	102%
1924	96	96	97	95	101	101	102
1925	96	98	100	104	92	94	96
1926	102	102	104	108	94	94	96
1927	99	97	100	106	93	92	94
1928	101	97	100	111	91	87	90
1929	105	101	103	119	88	85	87
1930	88	83	86	96	92	86	90
1931	73	66	69	81	90	81	85
1932	60	51	51	64	94	80	80
1933	58	50	51	76	76	66	67
1934	61	52	54	79	77	66	68
1935	61	54	56	90	68	60	62
1936	69	63	66	105	66	60	63
1937	68	63	68	110	62	57	62
1938	56	52	58	86	65	60	67
1939	66	60	65	105	63	57	62

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

INCOME ACCOUNTS

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

(Erie R.R. Co. and Chicago & Erie R.R. Co.)

	1939	1938	1937	1936	1935	1934	1933
Operating Revenues:							
Freight	\$70,605,714	\$59,371,227	\$72,080,574	\$73,268,489	\$64,269,565	\$63,967,325	\$61,008,725
Passenger	4,785,298	4,874,471	5,325,104	5,315,550	4,909,657	5,223,021	5,475,016
All other	5,826,351	5,263,363	6,520,048	6,421,072	5,947,480	5,873,776	5,602,575
Railway operating revenues	81,217,363	69,509,061	83,925,726	85,005,111	75,126,702	75,064,122	72,086,316
Operating Expenses:							
Maintenance of way and structure	7,359,495	7,390,939	7,182,472	6,993,379	6,811,021	6,887,750	6,577,993
Maintenance of Equipment:							
Maintenance	12,402,588	11,140,572	12,785,159	11,677,970	10,231,883	10,778,360	9,825,572
Depreciation	3,650,022	3,727,708	3,805,953	3,906,037	4,021,634	4,378,263	4,743,845
Retirements	68,555	42,159	52,249	127,872	58,911	15,916	137,122
Total	13,121,165	14,910,439	16,643,361	15,711,879	14,312,478	15,172,539	14,706,539
Traffic	2,108,640	2,026,937	2,109,351	2,047,446	1,974,853	1,912,459	1,850,068
Transportation	30,733,210	28,738,732	31,703,600	30,505,475	28,182,757	26,920,467	25,173,897
Miscellaneous and general	3,050,400	3,036,235	3,359,020	3,624,372	3,512,305	3,418,157	3,304,035
Railway operating expenses	59,372,910	56,103,282	60,997,804	58,882,551	54,793,414	54,311,372	51,612,532
Net railway operating revenues	21,844,453	13,405,779	22,927,922	26,122,560	20,333,288	20,752,750	20,473,784
Operating ratio	73.10%	80.71%	72.68%	69.27%	72.93%	72.35%	71.60%
Railway tax accruals	6,761,857	6,800,471	5,516,580	6,114,339	3,978,079	3,951,598	3,945,986
Uncollectible railway revenues					32,114	17,767	35,492
Railway operating income	15,082,596	6,605,308	17,411,342	20,008,221	16,323,095	16,783,385	16,492,306
Hire of equipment—cr.	347,978	341,586	531,077	540,279	506,183	445,911	406,470
Joint facility rents—cr.	815,561	738,867	843,345	786,830	806,860	841,511	841,023
Hire of equipment—dr.	1,163,539	1,080,453	1,374,422	1,327,109	1,313,043	1,287,422	1,247,493
Joint facility rents—dr.	3,930,347	3,641,656	4,396,131	4,027,211	3,798,157	4,458,578	4,314,564
	851,653	829,777	775,625	969,328	877,255	912,397	902,087
	4,782,000	4,471,433	5,171,756	4,996,539	4,675,412	5,370,975	5,216,651
Net eq. and joint facility rents	dr 3,618,461	dr 3,390,980	dr 3,797,334	dr 3,669,430	dr 3,362,369	dr 4,083,553	dr 3,969,158
Net railway operating income	11,464,135	3,214,328	13,614,008	16,338,791	12,960,726	12,699,832	12,523,148

INCOME ACCOUNTS (cont'd)	1939	1938	1937	1936	1935	1934	1933
Other Income:							
Income from lease of road	47,649	42,161	40,169	48,370	51,207	51,575	47,364
Dividend income	124,177	112,875	dr 265,948	155,892	565,911	1,063,046	2,568,775
Other non-operating income	949,041	854,041	1,411,825	1,093,837	1,135,755	1,258,617	1,580,635
Total other income	1,120,867	1,009,077	1,186,046	1,298,099	1,752,873	2,373,238	4,196,774
Gross income	12,585,002	4,223,405	14,800,054	17,636,890	14,713,599	15,073,070	16,719,922
Miscellaneous Income Deductions:							
Miscellaneous rents	290,909	513,624	537,017	573,016	684,259	877,979	-----
Miscellaneous tax accruals	106,222	91,835	101,836	99,417	97,144	101,766	-----
Miscellaneous charges	38,956	21,998	42,884	53,642	47,570	45,608	-----
Balance for fixed charges	12,148,915	3,595,948	14,118,317	16,910,815	13,884,626	14,047,717	16,719,922
Income Deductions:							
Rents for leased roads	1,164,804	1,991,250	1,988,354	1,991,597	2,130,225	2,179,487	2,171,512
Miscellaneous rents	-----	-----	-----	-----	-----	-----	858,283
Miscellaneous tax accruals	-----	-----	-----	-----	-----	-----	107,436
Interest on funded debt	8,821,062	11,340,830	12,192,294	12,071,817	12,159,712	12,197,024	12,552,192
Interest on unfunded debt	3,607,670	1,041,662	370,962	652,388	447,089	272,240	388,132
Miscellaneous charges	4,900	-----	-----	-----	-----	-----	110,839
Total fixed charges	13,598,436	14,373,742	14,551,610	14,715,801	14,737,026	14,648,751	16,188,393
Times charges earned	0.89	0.25	0.97	1.15	0.94	0.96	1.03
Net income	d 1,449,521	d 10,777,794	d 433,293	2,195,014	d 852,400	d 601,034	531,529
Balance at beginning of period	d 48,343,345	56,322	2,242,409	3,074,762	d 754,945	2,602,816	4,611,893
Add: Credits to profit and loss	205,512	732,749,131	101,162	193,641	77,812,543	235,620	240,642
Deduct: Debits to profit and loss	2,996,842	70,371,004	1,853,956	3,221,008	3,130,436	2,992,347	2,781,248
Profit and loss—balance	d \$52,584,196	d \$48,343,345	\$56,322	\$2,242,409	\$3,074,762	d \$754,945	\$2,602,816
Earned per share, 1st preferred	Nil	Nil	Nil	\$4.58	Nil	Nil	\$1.11
Earned per share, 2nd preferred	Nil	Nil	Nil	1.76	Nil	Nil	Nil
Earned per share, common	d \$2.65	d \$8.82	d \$1.97	d \$0.24	d \$2.25	d \$2.08	d \$1.33
Number of 1st preferred shares	479,044	479,044	479,044	479,044	479,044	479,044	479,044
Number of 2nd preferred shares	158,570	158,570	158,570	158,570	158,570	158,570	158,570
Number of common shares	1,511,067	1,511,067	1,511,067	1,511,067	1,511,067	1,511,067	1,511,067

①Includes \$7,733,545 transferred from corporate surplus account "Additions to property through income and surplus" the amount represents net expenditures for additions and betterments from July 1, 1907 to Dec. 31, 1917 which were included in property investment account and which were accounted for as appropriations of income.

②Includes \$1,620,075 surplus applied to sinking and other reserve funds and \$1,312,271 debits from retired road and equipment (latter amount including \$653,633 account abandonment of 8.57 miles of road [Ringwood Jct. to Sterling Forest, N. J.] of New York & Greenwood Lake Ry. Co.)

③Includes \$1,655,106 surplus applied to sinking and other reserve funds; \$83,523 surplus appropriated for investment in physical property; \$805,583 debits from retired road and equipment; \$611,736 miscellaneous debits.

④Includes \$518,174, surplus applied to sinking fund and other reserve funds, and \$1,100,076, debits from retired road and equipment.

⑤Consisting of \$1,510,728, surplus applied to sinking and other reserve funds; \$96,239, surplus appropriated for investment in physical property; \$303,516, debt discount extinguished through surplus; \$820,761, loss on retired road and equipment; and \$50,004, miscellaneous debits.

⑥Comprised of: Surplus applied to sinking funds and other reserves, \$1,635,189; appropriated for investment in physical property, \$105,863; debt discount extinguished, \$14,783; loss on retired road and equipment, \$612,804; delayed income debits (service loss, unprovided for through depreciation accruals, together with cost of dismantling 4,992 units of equipment retired in 1934, the charge to profit and loss being authorized by the I. C. C.), \$465,076; miscellaneous debits, \$158,632; total, \$2,992,347.

⑦Includes \$32,773,185 transferred from "Funded debt retired through income and surplus" expended in the discharge of \$34,000,000 of Erie Railroad Co's Pennsylvania col-

lateral 4s, all of which have been retired or provision made for their retirement.

⑧Includes \$69,212,840, adjustment in book values of various stocks and bonds of and advances to other companies.

⑨Includes \$1,131,707 debits from retired road and equipment, \$1,057,569 miscellaneous debits (including \$754,202 account of cancellation of unamortized charges for improvements to New York City pier and ferry properties account of expiration of leases and the title to improvements having passed to New York), and \$526,418 surplus applied to sinking and other reserve funds.

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. Income accounts above for years 1934 and subsequently, are shown on the new basis, and for 1933 on the old basis.

Income Accounts and Balance Sheets of Erie Railroad Co.: Effective with the annual reports for the year ended Dec. 31, 1934, arrangements were made with the Interstate Commerce Commission to accept a consolidated report for Erie R.R. Co. (including Chicago & Erie R.R. Co.) instead of separate reports for each of the companies. For income accounts and balance sheets of Chicago & Erie R.R. Co. only, see appended statement; for those of Erie R.R. Co. only (1933 and prior years), see Moody's Railroad Manual for 1934, pages 844 to 847; the Erie R.R. Co. owns all the capital stock of Chicago & Erie R.R. Co. and all but \$98,000 principal amount of the \$10,000,000 of income bonds, and guarantees payment of interest on \$12,000,000 first mortgage bonds of that company.

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

Yrs. End. Dec. 31	Stock Outstanding and Per Cent. of Whole		Bonds Outstanding and Per Cent. of Whole		Rentals Capitalized at 5% and % of Whole		Total Gross Income Capitalization		Yrs. End. Dec. 31	Stock Outstanding and Per Cent. of Whole		Bonds Outstanding and Per Cent. of Whole		Rentals Capitalized at 5% and % of Whole		Total Gross Income Capitalization	
	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole		Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole	Per Cent. of Whole
1930	\$92,842	41%	\$117,509	51%	\$19,166	8%	\$229,517	3.8%	1935	\$93,502	41%	\$116,223	51%	\$18,539	8%	\$228,264	2.8%
1931	92,842	41	115,366	51	18,942	8	227,150	2.8	1936	94,075	41	116,158	51	17,439	8	227,672	3.4
1932	92,842	41	116,995	51	18,752	8	228,589	2.5	1937	94,447	41	119,321	51	17,480	8	231,248	2.8
1933	92,816	41	115,888	51	18,760	8	227,464	3.2	1938	93,829	41	117,276	51	17,391	8	228,496	0.8
1934	93,218	40	119,761	52	18,911	8	231,890	2.8	1939	93,869	42	120,448	53	10,177	5	224,494	2.4

①Includes funded debt matured and unpaid.

Note: Figures shown in above table are those of Erie R.R. Co. and Chicago & Erie R.R. Co.

BALANCE SHEETS Comparative Consolidated Balance Sheet, as of Dec. 31

ASSETS:	(Erie R.R. Co. and Chicago & Erie R.R. Co.)						
	1939	1938	1937	1936	1935	1934	1933
Investments:							
Investment in road and equipment	\$369,085,688	\$371,591,503	\$375,129,906	\$375,623,438	\$378,583,299	\$391,483,149	\$387,340,862
Impr. on leased railway property	60,919,887	62,793,971	62,587,785	61,486,710	60,833,261	60,923,316	60,053,938
②Sinking funds	11,730	11,730	19,620	707,480	685,053	1,746	561,713
Deposits in lieu of mortgaged property sold	-----	21,034	21,034	-----	-----	27	-----
Miscellaneous physical property	2,058,829	2,039,825	2,046,589	2,092,717	2,007,909	2,043,221	1,754,837
Investments in Affiliated Companies:							
Stocks	45,610,391	37,662,783	94,114,634	94,103,995	94,081,496	94,080,117	94,090,117
Bonds	29,198,202	29,198,202	29,198,202	28,815,802	28,953,360	28,772,682	28,926,406
Notes	1,070,471	600,000	600,000	600,000	649,300	649,300	649,300
Advances	17,037,913	17,757,646	25,099,091	24,976,106	25,769,402	23,439,118	23,700,156
Other Investments:							
Stocks	772,283	773,266	765,239	767,481	767,431	766,939	740,953
Bonds	2,231,680	2,380,980	7,059,470	7,039,470	7,039,331	7,001,490	6,300,300
Miscellaneous	907,278	915,771	915,251	914,151	913,591	914,061	916,849
Current Assets:							
Cash	7,434,636	4,256,800	4,812,318	9,140,480	6,546,174	5,497,772	6,689,499
Special deposits	1,586,128	280,189	239,681	1,492,069	52,263	118,868	19,045
Loans and bills receivable	697	1,612	4,512	6,044	5,023	5,373	44,632
Traffic & car service bal. receivable	1,477,381	1,751,034	1,502,780	1,875,215	1,931,583	2,999,278	2,424,043
Net balance receivable from agents and conductors	1,467,105	1,170,359	1,047,688	1,433,019	1,264,265	1,134,750	339,220
Misc. accounts receivable	2,615,947	2,619,500	2,923,105	2,578,869	2,491,893	3,529,571	2,833,136
Materials and supplies	3,566,886	3,236,040	3,862,520	3,504,293	3,485,553	3,872,849	3,625,234
Interest and dividends receivable	80,473	214,123	53,684	594,600	847,598	1,019,989	1,893,181
Other current assets	513,532	17,540	20,050	208,004	27,264	13,025	245,909

BLANCE SHEETS (cont'd)

	1939	1938	1937	1936	1935	1934	1933
ASSETS							
Deferred Assets:							
Working fund advances.....	43,596	44,348	44,398	47,098	47,038	48,537	48,455
Insurance and other funds.....	373,329	362,679	337,187	301,309	270,521	257,861	257,861
Other deferred assets.....	1,813,663	695,865	432,810	740,564	1,340,953	612,041	466,367
Unadjusted Debits:							
Rents & insurance premium paid in advance.....	141,176	129,314	119,328	113,377	143,907	162,114	170,102
Other unadjusted debits.....	2,061,275	1,933,155	2,099,642	2,038,890	1,938,825	2,208,847	1,412,933
Total assets	\$552,080,176	\$542,459,269	\$615,056,524	\$621,201,181	\$620,676,293	\$631,556,041	\$625,505,048
LIABILITIES:							
Capital Stock:							
First preferred.....	\$47,904,400	\$47,904,400	\$47,904,400	\$47,904,400	\$47,904,400	\$47,904,400	\$47,904,400
Second preferred.....	15,857,000	15,857,000	15,857,000	15,857,000	15,857,000	15,857,000	15,857,000
Common.....	151,106,700	151,106,700	151,106,700	151,106,700	151,106,700	151,106,700	151,106,700
Government grants for construction.....	2,843,606	2,736,651	2,780,905	2,590,578	2,048,615	2,034,124	2,017,715
Long Term Debt:							
Equipment obligations.....	18,393,002	21,455,722	24,685,000	28,730,000	30,188,000	33,242,100	26,174,200
①Mortgage bonds.....	118,259,700	220,407,700	225,023,700	225,152,700	225,273,700	225,389,700	225,501,700
Collateral trust bonds.....				614,000	2,030,000	2,880,000	4,774,000
PWA notes.....	④	④	19,552,000	9,210,000	3,638,000	2,560,000	
RFC notes.....					4,458,000	10,623,311	10,625,811
①Income bonds.....	98,000	98,000	98,000	98,000	98,000	98,000	98,000
Receivers' and trustees securities.....	8,495,040						
Miscellaneous obligations.....	4,130,213	2,135,831	2,096,687	1,500,504	1,394,520	1,255,338	1,107,122
Current and Accrued Liabilities:							
RFC loans payable.....	⑤631,000	⑤631,000	631,000	12,119,311	12,119,311	3,843,000	2,775,000
R.R. C. Corporation loans payable.....	686,928	686,928	709,874	1,368,444	2,734,634	3,084,988	3,800,286
Other loans and bills payable.....	2,059,741	1,564,641	2,575,000	2,575,000	2,575,000	2,575,000	2,575,000
Traffic and car service balance pay.....	2,159,609	1,951,558	2,407,742	2,448,046	2,358,685	1,960,048	1,375,335
Audited accounts & wages payable.....	4,612,890	6,905,097	7,485,487	6,175,297	6,766,886	7,134,102	6,592,943
Miscellaneous accounts payable.....	151,242	422,916	404,932	1,278,790	148,462	418,162	177,298
Interest matured unpaid.....	23,885,827	12,961,129	1,931,640	1,930,234	1,918,531	1,916,218	1,947,164
Dividends matured unpaid.....	11,805	11,805	11,865	11,865	11,877	12,897	12,947
Funded debt matured unpaid.....	②126,330,000	24,464,626	21,000	47,000	47,000	9,000	9,000
Unmatured interest accrued.....	685,101	1,733,469	1,981,094	2,134,281	2,110,064	1,988,573	2,080,992
Unmatured rents accrued.....	661,967	1,654,343	578,655	456,956	342,201	348,799	349,637
Other current liabilities.....	259,453	242,804	249,019	261,706	174,204	148,472	187,209
Deferred liabilities.....	1,443,164	2,522,773	2,740,780	2,909,919	2,709,732	2,629,933	1,752,448
Unadjusted Credits:							
Tax liability.....	6,240,142	5,753,254	4,732,833	6,127,684	3,899,763	3,012,510	2,154,170
Accrued depreciation—equipment.....	59,283,049	59,757,276	59,414,433	57,004,619	58,479,900	67,090,642	70,116,892
Other unadjusted credits.....	2,625,737	2,791,888	2,621,964	2,472,570	2,123,808	1,991,775	2,374,120
Corporate Surplus:							
Additions to property.....	2,537,681	2,260,146	2,276,378	2,071,942	1,988,418	9,720,149	9,614,286
Funded debt retired.....	1,888,426	1,750,426	34,523,611	1,730,876	1,584,826	1,477,876	1,354,256
Sinking fund reserves.....	1,372,949	984,531	548,503	33,020,350	31,511,294	29,998,169	28,486,600
Appropriated surplus not specifi- cally invested.....	50,000	50,000	50,000	50,000			
Profit and loss—balance.....	dr 52,584,196	dr 48,343,345	56,322	2,242,409	3,074,762	d 754,945	2,602,816
Total liabilities	\$552,080,176	\$542,459,269	\$615,056,524	\$621,201,181	\$620,676,293	\$631,556,041	\$625,505,048
Current assets.....	\$18,742,785	\$13,547,197	\$14,466,338	\$20,832,593	\$16,651,616	\$18,191,473	\$18,113,899
Current and accrued liabilities.....	162,135,563	53,230,316	18,987,308	30,806,930	31,306,855	23,439,258	21,882,811
Working Capital	d \$143,392,778	d \$39,683,119	d \$4,520,970	d \$9,974,337	d \$14,655,239	d \$5,247,785	d \$3,768,912

Property Account Analysis

INVESTMENT IN ROAD & EQUIP.							
Road.....	\$2,211,560	\$1,610,501	\$3,622,158	\$2,703,503	\$2,028,297	\$3,811,408	\$2,684,813
Equipment.....	1,676,778	351,744	965,762	2,967,575	1,270,237	11,867,963	329,090
Total	3,888,338	1,962,245	4,587,920	5,671,078	3,298,534	15,679,371	3,013,903
CREDITS FOR PROPERTY RETIRED							
Road.....	3,307,576	1,313,406	2,066,329	1,417,038	1,798,774	2,545,137	922,212
Equipment.....	4,960,661	3,981,056	1,914,048	6,537,953	14,489,665	9,122,569	4,499,731
Total	8,268,237	5,294,462	3,980,377	7,954,991	16,288,439	10,667,706	5,421,944

NET CHANGE							
①Long Term Debt (1939):							
Total Issued.....	\$176,292,750	\$58,033,050	\$153,000	(a)\$100,000	and legality of such appropriation had not as yet been determined to Dec. 31, 1939, with the result that the foregoing data are accordingly subject to correction.		
Held by or for Company.....	10,000,000	9,902,000	(b)5,752,000	97,183,050	(2) Except for the capital stock of The Blossburg Coal Co., The New Jersey & New York R.R. Co. and The Pavonia Ferry Co., which are carried in the 1939 balance sheet at adjusted book values of \$1, \$2 and \$1, respectively, all securities included in "Investments in affiliated companies" and in "Other Investments," which were acquired in the reorganization of 1895, are carried at book values established at that time. Securities acquired or advances made thereafter are carried at actual costs or estimated values.		
Mortgage bonds.....			250	2,500,750			
Income bonds.....							
②Total issued, \$163,831,000; less \$37,501,000 held by or for company. Includes \$19,552,000 RFC notes matured by the RFC as of Jan. 18, 1938.							
③Less Erie R.R. Co. obligations: 1939, 1938 and 1937, none; 1936, \$33,365,000; 1935, \$31,951,000; 1934, \$31,120,000; 1933, \$29,226,000.							
④Included in funded debt matured unpaid.							
⑤Matured by the RFC as of Jan. 18, 1938.							
Notes: (1) Securities of companies' own issues held by or for Erie R.R. Co. at Dec. 31, 1939 (amounts in balance sheet are less these securities:	cr 4,379,899	cr 3,332,217	607,543	2,283,913	cr 12,989,905	5,011,665	cr 2,408,041

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

Investments in Affiliated Companies								
Class No.	Issuing Company:	Par Value Held—		In sink. funds, ins. funds, and dep. accts.	Total par value	Total book value	Dividends or Interest Rate %	Amount credited to income
		Pledged	Unpledged					
A1	Akron & Barberton Belt R.R.		\$25,000		\$25,000	\$28,375		
A1	Buffalo, Bradford & Pittsburgh R.R.	\$2,204,900	9,300		2,214,200	2,205,391		
A1	Buffalo Creek Railroad Co.		125,000		125,000	125,000		
A1	Cleveland & Mahoning Valley Ry.	3,259,200			3,259,200	7,902,608	0.13	\$4,447
A1	Elmira State Line R.R.	69,200			69,200	69,200		
A1	Long Dock Co.	800,000			800,000	800,000		
A1	Midland R.R. Co. of N. J.		774		774	None		
A1	New Jersey & N. Y. R.R. Co. com.		1,080,800		1,080,800	1		
A1	New Jersey & N. Y. R.R. Co. pfd.		779,400		779,400	1		
A1	N. Y. & Greenwood Lake Ry. Co.		89,400		89,400	7,069		
A1	N. Y., Lake Erie & West. Coal & R.R.		80,600		80,600	4,030		
A1	N. Y., Lake Erie & W. Dks. & Imp. Co.	604,000			604,000	604,000		
A1	N. Y., Susq. & Western R.R., common	6,630,000	6,150,100		12,780,100	1		
A1	N. Y., Susq. & Western R.R., preferred	6,630,000	6,325,200		12,955,200	1		
A1	N. Y., Susq. & Western R.R., scrip		117		117	None		
A1	Nypano Railroad	19,999,100	900		20,000,000	20,000,000		
A1	Paterson & Rampano R.R.		269,450		269,450	133,026		
A1	Railway Express Agency, Inc.		23 shs.		23 shs.	2,300		
A1	Sharon Railway		507,300		507,300	507,300	7¾	39,316
A1	Belt Ry. Co. of Chicago	240,000			240,000	240,000	2	4,800
A1	Chicago & West. Indiana R.R.	1,000,000			1,000,000	1,000,000	6	60,000
A2	Arlington Railroad		4,000		4,000	1		
A2	Bergen County R.R.	200,000			200,000	200,000		

Investments in 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
A2	Bergen & Dundee R.R.	40,000			40,000	40,000		
A2	Brockport & Shawmut R.R.		22,500		22,500	22,500		
A2	Caldwell Railway Co.		500		500	25		
A2	Columbus & Erie R.R.	130,000			130,000	130,000		
A2	Delaware Valley & Kingston Ry.	250,000			250,000	17,907		
A2	Docks Connecting Ry.	9,000			9,000	1		
A2	Erie Terminals R.R.		60,000		60,000	60,000		
A2	Erie & Wyoming Valley R.R.	1,500,000			1,500,000	1,500,000		
A2	Jefferson Railroad Co.	2,095,450	250		2,095,700	2,095,650		
A2	Moosic Mt. & Carbondale R.R.		150,000		150,000	1		
A2	Newark & Hudson R.R.	250,000			250,000	250,000		
A2	Nyack & Northern R.R.		25,200		25,200	1		
A2	Paterson, Newark & N. Y. R.R.	250,000			250,000	250,000		
A2	Pavonia Ferry Co.	100,000			100,000	1		
A2	Penhorn Creek R.R.	6,000			6,000	6,000		
A2	Tioga Railroad common	645,900			645,900	645,900		
A2	Tioga Railroad preferred	189,700			189,700	189,700		
A2	Youngstown & Austintown Ry.		10,500		10,500	10,500		
A3	Erie Land & Improvement Co.		5,000		5,000	5,000		
A3	Erie Land & Improvement Co. of Pa.		5,000		5,000	5,000		
A3	Industrial Center Land Co.		1,000		1,000	1,000		
A3	Weekhawken Stock Yard Co.		7,900		7,900	7,900		
A3	Blossburg Coal Co.	1,000,000			1,000,000	1		
A3	Hillside Coal & Iron Co.	1,000,000			1,000,000	1,000,000		
A3	Northwestern Mining & Exchange Co.	500,000			500,000	500,000		
A3	Pennsylvania Coal Co.	5,000,000			5,000,000	5,000,000		
A3	The Rayen Terminals Co.		100 shs.		100 shs.	45,000		
	Total stocks	\$54,727,450	\$15,610,191	None	\$70,337,641	\$45,610,391		\$108,563
B1	Buff., Bradford & Pitt. R.R. 1st mtge.	\$580,000			\$580,000	\$580,000		
B1	Elmira State Line R.R. 1st mtge.	160,000			160,000	160,000		
B1	N. Y. & Greenwood Lk. Ry. 1st mtge.		\$395		395	244		
B1	N. Y. & Greenwood Lk. Ry. 2nd mtge.		4,128		4,128	2,692		
B1	N. Y. & Greenwood Lk. Ry. prior lien		13,200		13,200	13,195	5	\$860
B1	N. Y., L. Erie & W. Coal R.R. 1st mtge.	1,900,000			1,900,000	1,900,000		
B1	N. Y., Lake Erie & West. Dks. & Imp. Co. 1st mtge.	604,000			604,000	604,000		
B1	Nypano R.R. due Jan. 1, 1996	20,000,000			20,000,000	20,000,000		
B1	Sharon Ry.-N. C. & S. V. R.R. Co. 1st mtge.		250,000		250,000	250,000	4	10,000
B1	Sharon Ry. 1st mtge.		164,000		164,000	164,000	4	6,560
B2	Bergen Co. R.R. 1st mtge.	200,000			200,000	200,000		
B2	Columbus & Erie R.R.	600,000			600,000	570,000		
B2	Jefferson R.R. Co. 1st mtge.	2,800,000			2,800,000	2,800,000		
B2	Jefferson R.R.—Honesdale Br. 1st mtg.	204,000			204,000	204,000		
B2	Jefferson R.R.—Honesdale Br. 2d mtg.	96,000			96,000	96,000		
B2	Newark & Hudson R.R. 1st mtge.	250,000			250,000	250,000		
B2	Paterson, Newark & N. Y. R.R. 1st mtg.	499,000			499,000	499,000		
B2	Tioga R.R. 3d Rail.—due Nov. 1, 1896	125,000			125,000	125,000		
B2	Tioga R.R. Ext.—due Oct. 1, 1905	265,000			265,000	265,000		
B2	Tioga R.R. First—due Nov. 1, 1935		239,500		239,500	239,500		
B3	Erie Land & Imp. Co. & Northw. Min. & Ex. Co. bond & mtge.		275,571		275,571	275,571	5	13,779
C2	Erie Terminals R.R.		600,000		600,000	600,000	5	1,825
C3	Pennsylvania Coal Co.		470,471		470,471	470,471	4	21,990
D1	Akron & Barberton Belt R.R.					317,843	6	3,892
D1	Buffalo Creek R.R. Co. (Lessees)					114,593		
D1	Long Dock Co.					196,183		
D1	New York Susq. & West. R.R.					4,619,186		
D1	Railway Express Agency, Inc.					336,657	5	15,323
D1	Chic. & West. Ind. R.R.					1,488,437		
D2	Columbus & Erie R.R.					3,546		
D2	Delaware Valley & Kingston Ry.					7,293		
D2	Erie Terminals R.R.					29,867		
D2	Moosic Mt. & Carbondale R.R.					7,357		
D2	Penhorn Creek R.R.					4,684,478		
D3	Blossburg Coal Co.					1		
D3	Erie Land & Improvement Co.					3,793,725		206,318
D3	Industrial Center Land Co.					859,345		
D3	Railroad Credit Corp.					579,402		563
	Total bonds, notes, etc.	\$28,283,000	\$2,017,265	None	\$30,300,265	\$47,306,586		\$280,910
	Grand total	\$83,010,450	\$17,627,456	None	\$100,637,906	\$92,916,977		\$389,473
Investments in Non-affiliated Companies								
A1	Avon, Genesco & Mt. Morris R.R.		\$31,900		\$31,900	\$31,900	2.90	\$231
A1	Lehigh & Hudson River Ry.	\$571,900	1,000		572,900	533,756	5	28,645
A1	Mahoning State Line R.R.		3,900		3,900	3,900		
A1	Northern R.R. Co. of N. J.		800		800	640	3 1/3	26
A1	Rochester & Genesee Valley R.R.		149,400		149,400	149,400		
A3	Berkey Chair Co., Inc.		901		901	901		
A3	Chartiers Heights Co.		50		50	300		
A3	Citizens Realty & Holding Co.		9,000		9,000	9,000		
A3	Dollar Steamship Lines, Inc., Ltd.		8,000		8,000	8,000		
A3	Empire Sheet & Tin Plate Co.		30.43 shs.		30.43 shs.	2,646		
A3	Globe & Rutgers Fire Ins. Co.		1,560		1,560	1,560	33 1/3	520
A3	Hackensack Gulf Club		750		750	750		
A3	Hartman's, Inc.		3		3	3		
A3	Hornell Building Corp.		15,000		15,000	3,750		
A3	Independent Packing Co. of Kentucky		20		20	27		
A3	Northampton Portland Cement Co.		100		100	1		
A3	Northampton Trust Co. (Trustee)		90		90	1		
A3	Oakland Hills Country Club		3,500		3,500	3,440		
A3	The Pittston Co.		53,881 shs.		53,881 shs.	1		
A3	Realty & Security Co.		22,046		22,046	22,046		
A3	Sterling Tire Corp.		1.71 shs.		1.71 shs.	1		
A3	Union Club, Cleveland, O.		600		600	260		
	Total stocks	\$571,900	\$248,620	None	\$820,520	\$772,283		\$29,422
B3	Dollar Steamship Lines, Inc. deb.		\$2,700		\$2,700	\$2,700	3	\$81
B3	Home Owners Loan Corp.						2 3/4	3
B3	Jamestown Metal Corp. 2nd mtge.		139		139	139	6	8
B3	Midlothian Country Club ref. mtge.		100		100	100	6	6
B3	Miller-Cummings, Inc. deb.		37,941		37,941	37,941		
B3	N. Y. World's Fair 1939, Inc.		40,000		40,000	35,800	4	1,538
B3	Pittston Co. non-cum. deb.		2,155,000		2,155,000	2,155,000		
B3	City of New York, due May 1, 1957			\$1,000	1,000	990	4	40
B3	City of New York, due Mar. 1, 1962			2,000	2,000	1,995	4 1/4	85
B3	City of New York, due Sept. 1, 1960			10,000	10,000	10,289	4 1/4	425
B3	U. S. Treasury, due 1955-1960			222,150	222,150	225,551	2 1/2	6,387
B3	U. S. Treasury, due 1959			30,000	30,000	30,788	2 3/4	825
B3	U. S. Treasury, due 1960			35,600	35,600	35,878	2 3/4	1,023
B3	U. S. Treasury, due 1963			35,000	35,000	36,142	2 3/4	688

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
C3	U. S. Treasury, due 1949			32,250	32,250	31,696	3 1/8	1,008
D1	Northern R.R. Co. of N. J.					664		
E3	Niagara Frontier Food Terminal, Inc.	\$897,500			897,500	897,500	6	53,850
E3	Sundry securities		350		350	9,114	5-6	258
Total bonds, notes, etc.		\$897,500	\$2,236,230	\$368,000	\$3,501,730	\$3,512,287		\$66,225
Grand total		\$1,469,400	\$2,484,850	\$368,000	\$4,322,250	\$4,284,570		\$95,647

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
A1	Elmira State Line R.R. Co.		\$21,000	\$24,970	\$24,970		(a)
A1	Midland R.R. of N. J.		1,049	125	None		(a)
A1	N. J. & N. Y. R.R. Co. com.		2,000	20	None		(a)
A1	N. Y., L. E. & W. Coal & R.R. Co.		419,400	Not known	293,580		(b)
A1	N. Y. S. & W. R.R. Co. pfd.		1,400	280	None		(a)
A1	N. Y. S. & W. R.R. Co., com.		22,483	2,248	None		(a)
A1	Paterson & Hudson River R.R. Co.		202,300	271,124	271,124	\$12,636	(a)
A1	Paterson & Ramapo R.R. Co.		20,050	5,100	5,100		(a)
A1	Sharon Railway		320,600	320,266	320,266	24,614	(a)
A2	West Clarion R.R. Co.		20,000	Not known	47,543		(b)
A3	Buffalo Properties, Inc.		100,000	100,000	100,000		(a)
A3	N. Y. S. & W. Coal Co., pfd.		86,120	224,085	224,085		(d)
A3	N. Y. S. & W. Coal Co., com.		120,000	120,000	120,000		(d)
A3	N. Y. S. & W. Coal Co., pfd.		37,450	101,115	101,115		(e)
A3	Southern Pier Development Co.		100,000	147,041	147,041		(a)
A3	Standard Carloading Corp.		45,000	75,099	75,099		(a)
A3	U. S. Truck Lines, Inc. of Del.		72,146	613,244	613,244	133,470	(a)
A3	The Pittston Co., class A		40,656 shs.	406,560	406,560		(d)
A3	The Pittston Co., class A		2,024 shs.	20,240	20,240		(e)
A3	The Pittston Co., class A		2,257 shs.	22,570	22,570		(f)
A3	The Pittston Co., class A		1,182 shs.	11,820	11,820		(g)
A4	Meredith Run Coal Co.		5,000	Not known	1		(d)
A4	E. H. Warner Coal Co.			Not known	1		(d)
A4	Wyoming Realty Co.		7,400	Not known	1		(d)
A4	Wyoming Realty Co.		1,350	Not known	1		(e)
Total stocks			\$1,604,748	\$2,465,907	\$2,804,361	\$170,780	
B1	Erie R.R. Co. gen. lien	4	\$400,000	\$248,000	\$248,000		(a)
B1	Midland R.R. Co. of N. J. income		2,000	190	None		(a)
B1	N. Y. & Erie R.R. Co. 2nd mtge.	5	14,000	13,643	13,643	\$1,300	(a)
B1	N. Y., L. E. & W. Coal & R.R. Co. ser. A	5 1/2	71,000	71,857	71,857	3,905	(a)
B3	Blossburg Coal Co. 1st mtge.	6	400,000	400,000	200,000		(a)
B3	Borough of Dunmore, Pa.	6	3,000	3,000	3,000	180	(d)
B3	Pittston Co., debentures	5	1,626,000	1,626,000	1,626,000		(d)
B3	Pittston Co., debentures	5	172,000	172,000	172,000		(e)
B3	Pittston Co., debentures	5	47,000	47,000	47,000		(g)
B3	U. S. Government	2 1/2	57,000	59,469	50,469	484	(d)
B3	U. S. Government	2 1/2-2 3/4	108,000	109,833	109,833	2,875	(b)
B3	City of New York	4 1/4	5,000	528	528	213	(a)
C3	Buffalo Properties, Inc.	5	1,718,963	1,718,963	871,731		(a)
C3	Northwestern Min. & Exch. Co.	5	15,000	15,000	15,000	750	(g)
C3	Standard Carloading Corp.		93,000	93,000	93,000		(a)
C3	Standard Fruit & Steamship Co.	5	405,000	405,000	405,000	20,250	(d)
E3	Bayterminal Realty Corp.	5	144,477	144,477	144,477	7,490	(c)
E3	Niagara Front. Food Term., Inc.	6	40,300	40,300	40,300	2,418	(c)
Total bonds, notes, etc.			\$5,321,740	\$5,168,260	\$4,120,838	\$39,865	

- (a) Owned by Erie Land & Improvement Co.
- (b) Owned by Northwestern Mining & Exchange Co.
- (c) Owned by Buffalo Properties, Inc.
- (d) Owned by Pennsylvania Coal Co.
- (e) Owned by Hillside Coal & Iron Co.
- (f) Owned by The New York, Susquehanna & Western Coal Co.
- (g) Owned by The Blossburg Coal Co.
- (A) Stocks.
- (B) Bonds (including U. S. Government).
- (C) Notes.
- (D) Advances.
- (1) Carrier corporations—active.
- (2) Carrier corporations—inactive.
- (3) Noncarrier corporations—active.
- (4) Noncarrier corporations—inactive.

Notes: (1) Because the above table is on a consolidated basis, \$100,000 par value stock (book value, \$100,000; all pledged) and \$9,902,000 income 5s of 1982 (book value, same; all pledged) of Chicago & Erie R.R. Co. have been eliminated from the above list (and totals) of securities of Affiliated Carrier Companies.

(2) On Feb. 21, 1939, directors authorized the reduction in the book values of various stocks and bonds of and advances to other companies, resulting in a charge to profit and loss of \$69,212,839.59. This adjustment included a reduction in the book value of the capital stock of Pennsylvania Coal Co. of \$29,258,525.59; a reduction in the book value of the

capital stock of and advances to New York, Susquehanna & Western R.R. Co. of \$27,247,385.29; and a reduction in the book value of the capital stock of and advances to The New Jersey & New York R.R. Co. of \$5,513,807.71; the latter two companies then being reorganized under Section 77 of the Bankruptcy Act.

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

BONDS:		BONDS (cont'd):		STOCKS (cont'd):	
Bergen County R.R. 1st 7s, 1931	⑤\$200,000	①Passaic & N. Y. R.R. 1st 5s, 1940	70,000	Paterson & Ramapo R.R. Co. ---	⑦\$298,000
②Cleve. & Mahoning Vy. Ry. 1st 4s, 1962	2,876,000	②⑤Sharon Ry. 1st 4s, 1962	164,000	Union R.R. Co. of New York ---	④\$50,000
Elmira State Line R.R. (matured) Goshen & Deckertown Ry. 1st 5 1/2s, 1978	⑤\$160,000	③⑤Newcastle & Shenango R.R. 1st 4s, 1962	250,000	Rochester & Genesee Vy. R.R. (6%)	⑧\$555,200
Goshen & Deckertown Ry. 2nd 6s, 1979	186,500	⑤Tioga R.R. 1st 5s, 1935	⑫\$239,500	Tioga R.R. Co. Preferred	⑥\$189,700
Jefferson R.R. — Honesdale Br., 1st 4 1/2s, 1927	60,000			Common	⑩\$646,200
Jefferson R.R. — Honesdale Br., 2nd 6s, 1929	⑤\$204,000	STOCKS:		①Operated under lease by New York, Susquehanna & Western R.R. Co., which company owns entire capital stock.	
Jefferson R.R. 1st 5 1/2s, 1929	⑤\$96,000	Avon, Genesee & Mt. Morris R.R. (3 1/2% less Fed. inc. tax)	⑬\$225,000	②Operated under lease from Nypano R.R. Co.	
⑤Long Dock Co. cons. 3 3/4s, 1950	⑤\$2,800,000	Bergen County R.R. (6%)	⑥\$200,000	③Operated under lease by Erie R.R. Co.; stock all owned by New York, Susquehanna & Western R.R.	
Montgomery & Erie Ry. 1st 5s, 1956	7,500,000	Elmira State Line R.R. (7%)	⑧\$90,200	④Paterson & Hudson River R.R. Co., and Paterson & Ramapo R.R. are leased to Union R.R. Co. Latter company is leased and the former two companies sub-leased to New York & Erie R.R. Co., a predecessor. Paterson & Ramapo R.R. owns \$50,000 of Union R.R. Co. (N. Y.) stock.	
Montgomery & Erie Ry. 2nd 5s, 1957	130,000	Goshen & Deckertown Ry. (4%)	96,190	⑤Interest on these bonds (on amount listed) is paid by Erie R.R. Co. and included in rentals shown in following table.	
⑤N. Y. & Greenwood Lake Ry. prior lien 5s, 1946	40,500	Jefferson R.R. Co.	⑤\$2,096,050	⑥Owned by Erie R.R. Co. and pledged under its first consolidated mortgage deed.	
⑤N. Y., Lake Erie & West. Coal & R.R. 1st 5 1/2s, A, 1942	1,484,800	Long Dock Co.	⑥\$800,000	⑦Excludes \$604,000 owned by Erie R.R. Co.	
N. Y., Lake Erie & West. Docks & Improve. 1st 5s, 1943	⑦\$3,396,000	Montgomery & Erie Ry. (3 1/2%)	150,000		
⑤N. Y., Penn. & Ohio R.R. prior lien 4 1/4s, 1950	8,000,000	N. Y. & Greenwood Lake Ry.	④\$100,000		
⑤Northern R.R. of N. J. gen. 4 1/2s, 2000	861,000	N. Y., Lake Erie & West. Coal & R.R. Co.	⑥\$500,000		
Nypano R.R. 1st 4s, 1996	⑥\$20,000,000	N. Y., Lake Erie & West. Docks & Imp. Co.	⑤\$604,000		
		Northern R.R. Co. of N. J. (4%)	1,000,000		
		①Passaic & New York R.R. Co.	70,000		
		③Susquehanna Connecting R.R.	500,000		
		Nyack & Southern R.R.	⑦\$50,000		
		Nypano R.R. Co.	⑫\$20,000,000		
		②Cleve. & Mahoning Val. Ry. Co.	3,259,200		
		②Sharon Ry. (5%)	⑨\$1,389,000		
		Paterson & Hudson River R.R. (7%)	⑫\$630,000		

and pledged under its first consolidated mortgage deed.

⑧\$69,200 owned by Erie R.R. Co. and pledged under its first consolidated mortgage deed and \$21,000 owned by Erie Land & Improvement Co., the entire capital stock of which is owned by Erie R.R. Co.

⑨\$2,095,700 owned by Erie R.R. Co., of which \$2,095,450 is pledged under its first consolidated mortgage deed and \$250 is in treasury.

⑩\$645,900 owned by Erie R.R. Co. and pledged under its first consolidated mortgage deed.

⑪Pledged under Northern R.R. Co. of New Jersey general mortgage.

⑫Owned by Erie R.R. Co.

⑬Includes \$31,900 owned by Erie R.R. Co.

⑭Includes \$89,400 owned by Erie R.R. Co.

⑮Excludes \$313,000 series A bonds in sinking fund; \$62,000 series A cancelled and \$1,900,000 series B bonds pledged under the Erie R.R. Co. consolidated mortgage.

⑯\$80,600 owned by Erie R.R. Co. and \$419,400 owned by Northwestern Mining and Exchange Co., the entire capital stock of which is owned by Erie R.R. Co.

⑰Includes \$269,450 owned by Erie R.R. Co. and \$20,050 owned by Erie Land & Improvement Co., the capital stock of which is owned by Erie R.R.

⑱Includes \$149,400 owned by Erie R.R. Co.

⑲Includes \$827,900 owned within the Erie System.

⑳Includes \$202,300 owned within the Erie System.

㉑\$20,000,000 owned by Erie R.R., of which \$19,999,100 is pledged under its first consolidated mortgage deed and \$900 is in treasury.

Accrued Rentals of Leased Lines, Year Ended Dec. 31, 1939

Long Dock Company's R.R.	\$295,087	Nypano R.R.	349,482	Railroad Co. is owned by Erie Railroad Co. and affiliated companies.
N.Y., Lake Erie & Western Docks & Improvement Co.'s R.R.	169,911	Jamestown, Westfield & Northwestern R.R., Terminal Tracks	18,250	㉒Includes accruals of rental to Mar. 31, 1939, lease disaffirmed.
New Jersey Junction R.R.	24,891	Sharon Railway	102,000	㉓Includes adjustment of accruals for rental due to modification of lease agreement.
N. Y. & Greenwood Lake Ry.	74,509	Cleve. & Mahoning Vy. Ry.	⑤cr 211,447	㉔Includes:
Northern R.R. Co. of N. J.	①66,676	Cleveland & Pittsburgh R.R.	2,500	Rental accrued and charged to
Paterson & Hudson River R.R.	48,400	Chicago & Western Indiana R.R.	87,749	income in 1938
Paterson & Ramapo R.R.	26,500	New York Central R.R., Tracks, East Buffalo, N. Y.	289	Payments in 1938
Union R.R.	3,500	W. A. Neracher, Tracks, North Warren, O.	623	Payments in 1939
Montgomery & Erie Ry.	16,000			
Goshen & Deckertown Ry.	19,035			
Elmira State Line R.R.	②cr 6,681			
Avon, Geneseo & Mt. Morris R.R.	③1,969			
Rochester & Genesee Vy. R.R.	④cr 6,765			
N. Y., Lake Erie & Western Coal & R.R. Co.'s R.R.	64,680			
Wilkes-Barre & Eastern R.R.	10,457			
Susquehanna Connecting R.R. & Jermyn No. 2 Breaker Br.	7,190			
		Total	\$1,164,804	Net credit
		①Includes accruals of rental to Oct. 31, 1939, lease disaffirmed.		\$211,447
		②Covers adjustment of rentals accrued and charged to income to Dec. 31, 1938, as all of the outstanding capital stock of Elmira State Line		Note: The Cleveland & Mahoning Valley Railway Co. has given Erie Railroad Co., The Nypano Railroad Co. and the Trustees of both companies an acquittance of all claims for past due rental.

FUNDED DEBT—Description and Ratings

Equipment Trust Records and Ratings

Name of Issue:	Interest Payable	Maturity	Original Issue	Outstanding Aug. 15, 1940	Cost of Equipment	Paid in Cash	Security	Rating
1. Erie R.R. eq. 4½s ser. LL....	M&S	1941	\$2,190,000	\$146,000	\$2,735,358	20%	{ 124 coaches } { and 2 locos. }	Baa
2. Erie R.R. eq. 4½s ser. MM....	F&A	1941	356,000	22,000	447,481	20%	15 coaches	Baa
3. Erie R.R. eq. 4½s ser. NN....	J&J	1941-42	6,422,000	988,000	8,103,993	21%	{ 82 locos.-54 cars } { and 15 tenders }	Baa
4. Erie R.R. eq. 4½s ser. 1928....	M&S	1941-43	5,340,000	1,246,000	6,951,943	23%	36 locos.-1036 cars	Baa
5. Erie R.R. eq. 4½s ser. 1929....	F&A	1941-44	8,370,000	2,232,000	11,086,456	25%	{ 36 locos.-15 tend. } { 25 cabooses } { 1 derrick } { 45 pass. cars } { 2,500 mis. cars }	Baa
6. Erie R.R. eq. 4½s ser. 1930....	J&D	1941-45	6,690,000	2,007,000	8,855,403	24%	{ 2,382 cars } { 10 locs. }	Baa
7. Erie R.R. eq. 4s ser. 1934....	M&S	1941-51	13,273,000	9,318,000	13,867,818	4.29%	{ 10 motor cars } { 5 tenders } { 133 pass. cars } { 4,575 frt. cars }	Text
8. Erie R.R. eq. 2½s, ser. 1939....	J&D	1941-49	3,000,000	2,700,000	3,850,000	20%	{ 1 ferryboat } { 55 milk cars }	Text

1. Erie Railroad Co. equipment gold 4½s, series LL, due serially to Mar. 1, 1941:

Rating—Baa

ORIGINAL ISSUE — \$2,190,000; outstanding, Aug. 15, 1940, \$146,000.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—Mar. 3, 1926.

MATURITY—\$73,000 each M&S 1, to Mar. 1, 1941.

INTEREST PAYABLE—M&S 1, at office of Trustee.

Note: Beginning in 1938, principal and dividend instalments paid after short delays instead of on due dates.

TRUSTEE AND REGISTRAR—Pennsylvania Co. for Insurances on Lives & Granting Annuities, Philadelphia.

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

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Erie R.R. Co., by endorsement.

SECURITY—Issued under Philadelphia plan and secured on equipment consisting of 1 heavy Mikado type locomotive, 1 heavy Pacific type locomotive, 24 steel coaches and 100 steel suburban coaches, costing \$2,735,358, of which company paid \$545,358 in cash.

LEGAL—For savings banks in New Hampshire and Washington.

TAX STATUS—Company does not pay Federal income tax.

OFFERED — (\$2,190,000) in April, 1926, by Drexel & Co., Philadelphia, to yield 4½%.

2. Erie Railroad Co. equipment gold 4½s, series MM, due serially to Aug. 15, 1941:

Rating—Baa

ORIGINAL ISSUE—\$356,000; outstanding Aug. 16, 1940, \$22,000.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—Aug. 16, 1926.

MATURITY—\$11,000 each F&A 15 to Aug. 15, 1941, inclusive.

INTEREST PAYABLE—F&A 15, at office of Trustee.

Note: Beginning in 1938, principal and dividend instalments paid after short delays instead of on due dates.

TRUSTEE AND REGISTRAR—Pennsylvania Co. for Insurances on Lives & Granting Annuities, Philadelphia.

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

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Erie R.R. Co., by endorsement.

SECURITY—Issued under Philadelphia plan and secured on equipment, consisting of 15 steel throughline coaches, costing \$447,481, of which company paid \$91,481 in cash.

LEGAL—For savings banks in New Hampshire.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$356,000) in Sept., 1926, by Drexel & Co., Philadelphia, to yield 4.70%.

3. Erie Railroad Co. equipment gold 4½s, series NN, due serially to July 15, 1942:

Rating—Baa

ORIGINAL ISSUE — \$6,422,000; outstanding, Aug. 15, 1940, \$988,000.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—July 15, 1927.

MATURITY—\$247,000 each J&J 15 to 1942, inclusive.

INTEREST PAYABLE—J&J 15 at office of Trustee.

Note: Beginning in 1938, principal and dividend instalments paid after short delays instead of on due dates.

TRUSTEE AND REGISTRAR—Pennsylvania Co. for Insurances on Lives & Granting Annuities, Philadelphia.

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

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Erie R.R. Co., by endorsement.

SECURITY—Issued under Philadelphia plan and secured on 50 type 2-8-4 freight locomotives, 30 type 0-8-0 switching locomotives, 2 100-ton oil-electric switching locomotives, 25 all-steel suburban passenger coaches, 25 70-ft. steel express cars, 4 all-steel dining cars, and 15 locomotive tenders, costing \$8,103,993, of which company paid \$1,681,993 in cash.

LEGAL—For savings banks in New Hampshire and Washington.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$6,422,000) in July, 1927, by Drexel & Co., Philadelphia, to yield 4.60% to maturity.

4. Erie Railroad Co. equipment gold 4½s, series of 1928, due serially to Sept. 1, 1943:

Rating—Baa

ORIGINAL ISSUE — \$5,340,000; outstanding, Aug. 15, 1940, \$1,246,000.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—Sept. 1, 1928.

MATURITY—\$178,000 each M&S 1 to Sept. 1, 1943, incl.

INTEREST PAYABLE — M&S at office of Trustee.

Note: Beginning in 1938, principal and dividend instalments paid after short delays instead of on due dates.

TRUSTEE AND REGISTRAR—Pennsylvania Co. for Insurances on Lives & Granting Annuities, Philadelphia.

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

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by Erie Railroad Co., by endorsement.

SECURITY—Issued under the Philadelphia plan and secured on 35 2-8-4 freight locomotives, 500 steel underframe box cars, 400 automobile cars, 100 furniture cars, 25 all-steel suburban passenger coaches, 4 all-steel combined baggage and mail cars, 5 all-steel combined baggage and express cars, 2 all-steel

dining cars, and 1 oil-electric switching locomotive, costing \$6,951,943 of which \$1,611,943 was paid in cash.

LEGAL—For savings banks in New Hampshire and Washington.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$5,340,000) in Oct., 1928 by Salomon Bros. and Hutzler, New York at prices to yield 4.90%.

5. Erie Railroad Co. equipment gold 4 1/2s, series of 1929, due serially to Aug. 1, 1944:

Rating—Baa

ORIGINAL ISSUE — \$8,370,000; outstanding, Aug. 15, 1940, \$2,232,000.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—Aug. 1, 1929.

MATURITY—\$279,000 each F&A 1, to Aug. 1, 1944, inclusive.

INTEREST PAYABLE—F&A 1, at office of Trustee.

Note: Beginning in 1938, principal and dividend instalments paid after short delays instead of on due dates.

CALLABLE—Not callable.

TRUSTEE AND REGISTRAR—Pennsylvania Co. for Insurances on Lives and Granting Annuities, Philadelphia.

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

GUARANTEED—Unconditionally as to principal and interest by Erie R.R. Co., by endorsement.

SECURITY—Issued under the Philadelphia plan and secured on 20 freight locomotives, 15 switching locomotives, 1 oil-electric switching locomotive, 15 locomotive tenders, 20,000 gallons capacity, 500 steel-sheathed box cars, 500 steel sheathed automobile cars, 1,000 steel triple hopper cars, 500 steel drop-end gondola cars, 30 all-steel suburban passenger coaches, 10 all-steel baggage and express cars, 5 all-steel gas-electric cars, 25 cabooses and 1 160-ton wrecking-derrick, costing \$11,086,456, of which \$2,716,456 was paid in cash.

LEGAL—For savings banks in New Hampshire and Washington.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$8,370,000) in July, 1929, by First Nation Corp. of Boston, Harrison, Smith & Co., Philadelphia and Kean, Taylor & Co., New York, at prices to yield from 5.15 to 6% according to maturity.

6. Erie Railroad Co. equipment gold 4 1/2s series of 1930, due serially to June 15, 1945:

Rating—Baa

ORIGINAL ISSUE — \$6,690,000; outstanding, Aug. 15, 1940, \$2,007,000.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—June 15, 1930.

MATURITY—\$223,000 each J&D 15 to June 15, 1945, inclusive.

INTEREST PAYABLE—J&D 15, at company's office, New York.

Note: Beginning in 1938, principal and dividend instalments paid after short delays instead of on due dates.

TRUSTEE AND REGISTRAR—Pennsylvania Co. for Insurances on Lives & Granting Annuities, Philadelphia.

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

CALLABLE—Not callable.

GUARANTEED—Unconditionally as to principal and interest by endorsement by Erie R.R. Co.

SECURITY—Issued under Philadelphia plan and secured on new standard railway equipment consisting of 500 steel drop-end gondola cars, 950 steel self-clearing hopper cars, 500 steel sheathed box cars, 300 steel sheathed automobile cars, 100 steel sheathed automobile furniture cars, 7 all-steel through line coaches, 20 all-steel suburban passenger coaches, 5 all-steel combined baggage and mail cars, 10 type 0-8-0 switching locomotives, 10 rail motor cars and 5 locomotive tenders of 20,000-gallon capacity, costing \$8,855,403, of which \$2,165,403 was paid in cash.

LEGAL—For savings banks in New Hampshire and Washington.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$6,690,000) in July, 1930, by Drexel & Co., Philadelphia, at prices to yield from 3.50% to 4.625% according to maturity.

7. Erie Railroad Co. equipment 4s, series of 1934, due serially to Mar. 1, 1951:

ORIGINAL ISSUE — \$13,273,000; outstanding, Aug. 15, 1940, \$9,318,000. Issued to the PWA and purchased by the RFC on Mar. 27 and June 1, 1936.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—March 1, 1934 (supplements dated Feb. 1, 1935 and Feb. 1, 1936).

MATURITY—\$503,000 each M&S 1, Sept. 1, 1940, to Sept. 1, 1943; \$502,000 each M&S 1, Mar. 1, 1944 to Mar. 1, 1949; \$69,000 each M&S 1, Sept. 1, 1949 to Sept. 1, 1950; and \$68,000 Mar. 1, 1951.

INTEREST—M&S 1 (beginning Sept. 1, 1935) at company's office in New York.

Note: Beginning in 1938, principal and dividend instalments paid after short delays instead of on due dates.

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

DENOMINATION — Coupon, \$1,000; registerable as to principal in amounts of \$1,000; \$10,000; or \$100,000.

CALLABLE—Originally in whole or in part on any semi-annual interest date on at least 45 days' notice but the redemption right was waived in 1936.

GUARANTEED—Unconditionally as to principal and interest by Erie Railroad Co., by endorsement.

SECURITY—Issued under Philadelphia plan and secured by 2,500 50-ton self-clearing hopper cars; 500 50-ton plain box cars and 500 50-ton all steel box cars; 500 40-ft. 50-ton automobile cars and 300 50-ton steel automobile cars; 100 50-ft. furniture cars; 50 covered hopper cars; 125 50-ft. 70-ton flat cars; 55 40-ton all-steel milk cars; 75 all-steel suburban passenger coaches; 50 all-steel semi-suburban and through line passenger coaches; 8 all-steel passenger, mail and baggage cars; 1 all-steel passenger and vehicle ferryboat costing \$13,867,818, of which \$594,818 was paid in cash.

TAX STATUS—Company does not pay Federal income tax.

8. Erie Railroad Co. equipment 2 1/2s, series of 1939, due serially to Dec. 1, 1949:

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

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—Dec. 1, 1939.

MATURITY—\$150,000 semi-annually to Dec. 1, 1949 incl.

INTEREST PAID—J&D 1 at office of Trustee. Principal and interest payable in U. S. legal tender.

TRUSTEE—Fidelity-Philadelphia Trust Co., New York.

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

GUARANTEED—Unconditionally as to principal and interest, by Robert E. Woodruff and John A. Hadden, as Trustees of company's property and not as individuals, and by Erie R.R. Co., jointly and severally.

SECURITY—Issued under Philadelphia plan and secured on new equipment consisting of 700 50-ton steel frame steel-sheathed box cars; 250 70-ton flat bottom gondola cars; 500 50-ton self-clearing hopper cars and 50 70-ton steel underframe flat cars, costing \$3,850,000, of which over 22% was paid in cash.

TAX STATUS—Principal and interest payable without deduction for any Federal, State or local taxes (other than inheritance, estate or income taxes), required to be paid or retained.

OFFERED—(\$3,000,000) sold at 103.5 and interest in March, 1940 by the RFC to Lazard Freres & Co., New York.

Other Equipment Obligations: At Dec. 31, 1939, there were also outstanding the following purchase equipment obligations:

(1) \$160,002 payable serially to June 30, 1940; interest at 3% per annum payable monthly, secured on 80 milk cars.

(2) \$243,812 payable serially to Oct. 9, 1947; interest at 3% per annum payable monthly; secured on 4 Diesel locomotives.

(3) \$251,227 payable serially to Dec. 1, 1947; interest at 3% per annum payable monthly; secured on 3 Diesel locomotives.

TREATMENT UNDER ICC PLAN—Status undisturbed.

Bond Record and Ratings

Name of Issue:	Interest Payable	Maturity	Amount Outstanding Aug. 15, 1940	Annual Interest	Outstanding per Mile	1939 Sales on N.Y.S.E. (\$,000)	Rating
1. New York & Erie first 4s	M&N	May 1947	\$2,482,000	\$99,280	\$5,553	30	Ba
2. New York & Erie 2nd 5s	M&S	Sept. 1939	2,148,000	107,400	4,805	-----	Ba
3. N. Y. & Erie 3rd ext. 4 1/2s	M&S	Mar. 1938	4,616,000	207,720	10,327	-----	Ba
4. Erie & Jersey R.R. first 6s	J&J	July 1955	6,389,000	383,340	163,821	377	B
5. Genesee Riv. R.R. first 6s	J&J	July 1957	5,179,000	310,740	156,939	277	B
6. Erie R.R. 1st cons. p. 1. 4s	J&J	Jan. 1996	35,000,000	1,400,000	-----	2,051	B
7. Erie R.R. cons. gen. lien 4s	J&J	Jan. 1996	35,885,000	1,435,400	-----	4,140	Caa
8. Erie R.R. conv. 4s, A	A&O	Apr. 1953	10,000,000	400,000	-----	1,011	Caa
9. Erie R.R. conv. 4s, B	A&O	Apr. 1953	11,015,000	440,600	-----	852	Caa
10. Erie R.R. conv. 4s, D	A&O	Apr. 1953	309,700	12,388	-----	28	Caa
11. Erie R.R. ref. & imp. 5s, '27	M&N	May 1967	50,000,000	2,500,000	-----	10,587	Ca
12. Erie R.R. ref. & imp. 5s, '30	A&O	Apr. 1975	50,000,000	2,500,000	-----	10,856	Ca
13. Erie R.R. ref. & imp. 6s, '32	F&A	Feb. 1962	See text	See text	-----	-----	Text
14. Chicago & Erie R.R. 1st 5s	M&N	May 1982	12,000,000	600,000	48,000	86	Baa
15. Chicago & Erie R.R. inc. 5s	Oct.	Oct. 1982	98,000	4,900	Text	-----	Text

Excluding amounts pledged.

1. New York & Erie Railroad first gold 4s, due 1947:

Rating—Ba

AUTHORIZED—\$3,000,000 (closed); outstanding, \$2,482,000.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—July 1, 1847.

MATURITY—May 1, 1947.

INTEREST PAID—M&N 1, at company's office, 50 Church St., New York. Formerly carried 7% with maturity in May, 1897, but extended as above at 4%.

In Nov., 1939 the court authorized company to pay all interest due on or before May 1, 1939, and thereafter.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

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

CALLABLE—Bonds are not subject to call.

SINKING FUND—No provision for sinking fund.

ASSUMED—By Erie R.R.

SECURITY—First lien, 446.72 miles, Piermont to Dunkirk, N. Y.

UNDERLIE—Underlies the following bonds: \$2,148,000 New York & Erie R.R. 2nd extended 5s of 1939 (No. 2); \$4,616,000 New York & Erie R.R. 3rd 4 1/2s of 1938 (No. 3); \$35,000,000 Erie R.R. Co. 1st cons. p. 1. 4s of 1996 (No. 6); \$35,885,000 Erie R.R. Co. cons. gen. lien 4s of 1996

(No. 7); \$21,324,700 Erie R.R. conv. 4s of 1953 (Nos. 8-10), and \$100,000,000 Erie R.R. ref. and imp. mortgage (Nos. 11-13), latter providing for retirement.

Total junior obligations, \$198,973,700 (exclusive of pledged securities).

ISSUED—In accordance with act of legislature of state of New York (laws of 1845, page 352), bonds being registered in office of Secretary of State at Albany.

LISTED—On New York Stock Exchange.

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

PRICE RANGE: 1940 1939 1938 1937 1936
High----- 97 94 101 114 113
Low----- 92 87 75 107 111

To Aug. 23.

2. New York & Erie Railroad second extended gold 5s, due 1939:

Rating—Ba

AUTHORIZED—\$4,000,000 (closed); outstanding, \$2,148,000; retired, \$1,852,000.

TREATMENT UNDER ICC PLAN—\$2,135,000 would be paid in cash; \$13,000 owned by Erie Land & Improvement Co. to be cancelled.

DATED—Mar. 1, 1849.

MATURITY—Originally due Mar. 1, 1859; extended to Mar. 1, 1864, then to Mar. 1, 1879, then to Sept. 1, 1919, and further extended to Sept. 1, 1939, with interest reduced from 7% to 5% per annum.

DEFAULT—Bonds were not paid at maturity Sept. 1, 1939.

INTEREST PAID—M&S at company's office, 50 Church St., New York.

In Nov., 1939, the Court authorized company to pay all interest due on or before Sept. 1, 1939; in July, 1940, the Court authorized payment of interest for period Sept. 1, 1939 to July 1, 1940.

TRUSTEE—Commercial National Bank & Trust Co., New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

CALLABLE—At 110 on any interest date on 30 days' notice.

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

SINKING FUND—No provision for sinking fund.

ASSUMED—By Erie R.R.

SECURITY—Second lien, 446.72 miles, Piermont to Dunkirk, N. Y., following \$2,482,000 New York & Erie R.R. 1st 4s of 1947 (No. 1).

UNDERLIE—Underlies the following bonds, \$4,616,000 New York & Erie R.R. 3rd 4½s of 1938 (No. 3); \$35,000,000 Erie R.R. Co. 1st cons. p. 1. 4s of 1936 (No. 6); \$35,885,000 Erie R.R. cons. gen. lien 4s of 1936 (No. 7); \$21,324,700 Erie R.R. conv. 4s of 1953 (Nos. 8-10) and \$100,000,000 Erie R.R. Co. ref. and imp. mortgage (Nos. 11-13), latter providing for retirement.

Total junior obligations, \$196,825,700 (exclusive of pledged securities).

TAX STATUS—Company does not pay Federal income tax.

PRICE RANGE:	1939	1938	1937	1936	1935
High	80	95	109	110	107
Low	65	60	101½	105½	bid

3. New York & Erie Railroad third extended gold 4½s, due 1938:

Rating—Ba

AUTHORIZED—\$10,000,000 (closed); outstanding, \$4,616,000.

TREATMENT UNDER ICC PLAN—Issue would be paid off in cash.

DATED—Mar. 1, 1853.

MATURITY—Originally due Mar. 1, 1883; extended to Mar. 1, 1923 with interest reduced from 7%; extended in Mar., 1923, at same rate to Mar. 1, 1933, each bondholder receiving 4¼% in cash for each bond extended and the bonds made callable; again extended in Mar., 1933 at same rate to Mar. 1, 1938, each bondholder receiving \$53.66 in cash for each bond extended.

DEFAULT—Bonds were not paid at maturity Mar. 1, 1938.

INTEREST PAID—M&S 1, at company's office, 50 Church St., New York.

In Nov., 1939, the Court authorized company to pay all interest due on or before Mar. 1, 1938; in July, 1940, the Court authorized payment of interest for period from Mar. 1, 1938 to July 1, 1940.

TRUSTEE—Chase National Bank, New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

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

CALLABLE—Provision ineffective.

SINKING FUND—Mortgage does not provide for sinking fund.

ASSUMED—By Erie R.R.

SECURITY—Third lien, 446.72 miles, Piermont to Dunkirk, N. Y., following \$2,482,000 New York & Erie R.R. 1st 4s of 1947 (No. 1), and \$2,148,000 New York & Erie R.R. 2nd 5s of 1939 (No. 2).

UNDERLIE—\$35,000,000 Erie R.R. Co. 1st cons. p. 1. 4s of 1936 (No. 6); \$35,885,000 Erie R.R. Co. cons. gen. lien 4s of 1936 (No. 7); \$21,324,700 Erie R.R. conv. 4s of 1953 (Nos. 8-10), and \$100,000,000 Erie R.R. Co. ref. and imp. mortgage (Nos. 11-13), latter providing for retirement.

Total junior obligations, \$192,209,700 (exclusive of pledged securities).

LISTED—On New York Stock Exchange.

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

OFFERED—At 99 by Drexel & Co., Philadelphia and White, Weld & Co., New York.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	No	75	70	100½	104½
Low	sales	65	60	100	103

1 To Aug. 23.

2 Bid prices.

4. Erie & Jersey Railroad first gold 6s, due July 1, 1955:

Rating—B

AUTHORIZED—\$7,400,000; outstanding, \$6,389,000; retired to Dec. 31, 1939, \$1,011,000.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond: \$1,150 series B 1st 4s.

DATED—June 29, 1905; supplemental deed dated Jan. 2, 1915, and interest rate increased from 4%.

MATURITY—July 1, 1955.

INTEREST PAYABLE—J&J 1, at company's office, 50 Church St., New York.

INTEREST PAYMENTS—Interest regularly paid to July 1, 1937, incl. The Jan. 1, 1938 coupon was stamped to indicate payment of \$23 per \$1,000 bond, in accordance with Court authorization to pay an amount equal to interest for the 6-month period ended June 30, 1940 with respect to new bonds which the reorganization plan provides will be issued in exchange for these bonds.

DEFAULT—Portion of Jan. 1, 1938 coupon and all subsequent coupons in default.

TRUSTEE, REGISTRAR AND TRANSFER AGENT—Guaranty Trust Co., New York.

DENOMINATION—Coupon, \$1,000; registered, \$1,000, \$5,000 and \$10,000; interchangeable.

CALLABLE—As a whole or in part at 115 on any interest date on four weeks' notice.

Bonds may also be purchased or called for sinking fund (which see).

SINKING FUND—\$25,000 annually at not exceeding 115.

ASSUMED—By Erie R.R. Company.

SECURITY—First lien on 38.60 miles from Highland Mills to Graham, N. Y., forming part of a low grade freight cut-off line, on the main line of the Erie Railroad. The line is double-tracked and carries practically all the through freight traffic of the Erie system.

UNDERLIE—\$21,324,700 Erie R.R. conv. 4s of 1953 (Nos. 8-10), and \$100,000,000 Erie R.R. Co. refunding and improvement mortgage (Nos. 11-13), latter providing for retirement at or before maturity.

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$7,400,000) at 104½ in Feb., 1915, by Drexel & Co., Philadelphia; Guaranty Trust Co., Kean, Taylor & Co., New York; Illinois Trust & Savings Bank, Chicago.

PRICE RANGE:	1940	1939	1938	1937	1936
High	65½	54	105	119	119
Low	44	37	38	104¾	116½

1 To Aug. 23.

5. Genesee River Railroad first gold 6s, due 1957:

Rating—B

AUTHORIZED—\$6,000,000; outstanding, \$5,179,000; retired to Dec. 31, 1939, \$821,000.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond: \$1,150 series A 1st 4¾s.

DATED—June 1, 1907; supplemental deed dated Jan. 2, 1915.

MATURITY—July 1, 1957.

INTEREST PAYABLE—J&J 1, at company's office, 50 Church St., New York.

INTEREST PAYMENTS—Interest regularly paid to July 1, 1937, incl. The Jan. 1, 1938 coupon was stamped to indicate payment of \$27.31 per \$1,000 bond, in accordance with Court authorization to pay an amount equal to interest for the 6-month period ended June 30, 1940 with respect to new bonds which the reorganization plan provides will be issued in exchange for these bonds.

DEFAULT—Portion of Jan. 1, 1938 coupon and all subsequent coupons in default.

TRUSTEE, REGISTRAR AND TRANSFER AGENT—Guaranty Trust Co., New York.

DENOMINATION—Coupon, \$1,000; registered, \$1,000, \$5,000 and \$10,000; interchangeable.

CALLABLE—As a whole or in part at 115 on any interest date on four weeks' notice. Bonds may also be purchased or called for sinking fund (which see).

SINKING FUND—\$20,000 annually at 115.

ASSUMED—By Erie Railroad Company.

SECURITY—First lien on 32.60 miles of single track from River Jct. to Cuba Jct., N. Y., forming a valuable link in the Allegheny division of the system. Over this mileage about 87% of the east and west bound through freight of the division is carried.

UNDERLIE—\$21,324,700 Erie R.R. conv. 4s of 1953 (Nos. 8-10), and \$100,000,000 Erie R.R. Co. refunding and improvement mortgage (Nos. 11-13), latter providing for retirement at or before maturity.

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$6,000,000) at 103¾ in March, 1915, by the National City Bank, Guaranty Trust Co., and Kean, Taylor & Co., New York, Drexel & Co., Philadelphia, and Illinois Trust & Savings Bank, Chicago.

PRICE RANGE:	1940	1939	1938	1937	1936
High	74	53½	85	118¼	119¼
Low	52	37	33½	104	116¾

1 To Aug. 23.

6. Erie Railroad Co. first consolidated prior lien gold 4s, due 1936:

Rating—B

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

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond: \$1,100 series B 1st 4s.

DATED—Dec. 10, 1895.

MATURITY—Jan. 1, 1936.

INTEREST PAYABLE—J&J 1, at company's office, 50 Church St., New York.

INTEREST PAYMENTS—Interest regularly paid to July 1, 1937, incl. The Jan. 1, 1938 coupon was stamped to indicate payment of \$22 per \$1,000 bond, in accordance with Court authorization to pay an amount equal to interest for the 6-month period ended June 30, 1940 with respect to new bonds which the reorganization plan provides will be issued in exchange for these bonds.

DEFAULT—Portion of Jan. 1, 1938 coupon and all subsequent coupons in default.

DENOMINATION—Coupon, \$1,000; registered, \$500, \$1,000 and multiples.

VOTING POWER—Each \$1,000 par in bonds is entitled to 10 votes at meetings of stockholders.

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

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

CALLABLE—Bonds are not subject to call.

SINKING FUND—Mortgage does not provide for sinking fund.

SECURITY—Prior lien and general lien bonds (No. 7) are secured by the first consolidated mortgage, which provides that the security shall be first, for the benefit of prior lien bonds, and second, and subject thereto, for the benefit of the general lien bonds.

The liens of the first consolidated mortgage are as follows:

A first lien on 326.36 miles of road; a first collateral lien on 136.98 miles of road;

A second lien on 18.73 miles of road; a collateral second lien on 699.09 miles of road, including the Nypano R.R. Co. and the Chicago & Erie;

A fourth lien on 446.72 miles of road from Piermont to Dunkirk, N. Y.;

A lien on leaseholds of 276.16 miles of road;

A lien upon certain piers of the Erie in New York, N. Y., upon real estate in Pennsylvania and New York, and upon rolling stock;

Also a lien on deposited securities comprising \$4,129,000, par value, of stock and \$2,504,000 of bonds, as follows:

Long Dock Co., \$800,000 stock;
Docks & Improvement Co., \$604,000 stock;
Buffalo Creek Railroad, \$125,000 stock;
Pavonia Ferry Co., \$100,000 stock;
Hillside Coal & Iron Co., \$1,000,000 stock;
Northwestern Mining & Exchange Co., \$500,000 stock;Blossburg Coal Co., \$1,000,000 stock;
Docks & Improvement Co., \$604,000 1st 5s;
Coal & Railroad Co., \$1,900,000 1st 5½s, B.

The above stock comprises all the stock issued by the above companies except the Buffalo Creek Railroad, which has outstanding \$250,000, par value, in all.

PRIOR LIENS—The lien of this mortgage is subject to a total of \$44,234,000 prior liens, of which \$9,233,000 are liens on property directly covered by this mortgage, \$20,782,000 are liens prior to lien securities pledged thereunder, and \$14,219,000 are prior to stock interest or leasehold interest pledged thereunder.

UNDERLIE—Erie R.R. Co. consol. gen. lien 4s of 1936 (No. 7); Erie R.R. gen. convertible 4s of 1953, all series (Nos. 8-10), and Erie R.R. Co. refunding and improvement mortgage (Nos. 11-13).

LISTED—On New York and London Stock Exchanges.

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

PRICE RANGE:	1940	1939	1938	1937	1936
High	66½	54½	70½	106¾	107¼
Low	44¼	39	33½	80	99¾

1 To Aug. 23.

7. Erie Railroad Co. consolidated general lien gold 4s, due 1996:

Rating—Caa

AUTHORIZED—\$140,000,000; issued, \$84,560,150; outstanding, \$35,885,000; pledged under Nos. 11 and 12, \$36,456,150; otherwise pledged, \$12,130,000; held by banks in safekeeping, \$89,000.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond (outstanding with public): \$250 1st series B 4s, \$500 series A income 4½s, and \$350 series A preferred. The \$400,000 principal amount of bonds owned by Erie Land & Improvement Co. would be cancelled.

DATED—Dec. 10, 1895.

MATURITY—Jan. 1, 1996.

INTEREST—J&J 1, at company's office, 50 Church St., New York.

DEFAULT—Interest due Jan. 1, 1938 and subsequently, not paid.

DENOMINATION—Coupon, \$1,000; registered, \$500, \$1,000 and multiples.

VOTING POWER—Each \$1,000 par in bonds is entitled to ten votes at stockholders' meetings.

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

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

CALLABLE—Bonds are not subject to call.

SINKING FUND—Mortgage does not provide for sinking fund.

SECURITY—Secured by the same mortgage and are a lien on the same property as the first consol. prior lien 4s of 1996 (No. 6), both direct and collateral—but following that issue.

UNDERLIE—Erie R.R. gen. convertible 4s of 1953 (Nos. 8-10), and Erie R.R. Co. refunding and improvement mortgage (Nos. 11-13), latter providing for retirement of this and all prior liens at or before maturity.

LISTED—On New York and London Stock Exchanges.

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

PRICE RANGE:	1940	1939	1938	1937	1936
High	28¾	29½	53	92¾	94
Low	17½	15	16	52	77½

1 To Aug. 23.

8. Erie Railroad Co. general convertible gold 4s, series A, due 1953:

Rating—Caa

AUTHORIZED—(All series), \$50,000,000; outstanding, \$10,000,000 series A.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond (outstanding with public): \$250 series B 1st 4s, \$250 series A income 4½s, and \$590 series A preferred.

DATED—April 1, 1903.

MATURITY—April 1, 1953.

INTEREST—A&O 1, at company's office, 50 Church St., New York.

DEFAULT—Interest due Apr. 1, 1938 and subsequently, not paid.

TRUSTEE—Guaranty Trust Co., New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

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

CONVERTIBLE—Series A were convertible into common stock until April 1, 1915.

CALLABLE—Series A not subject to call.

SINKING FUND—Mortgage does not provide for sinking fund.

SECURITY—The general mortgage is a lien upon the properties and securities covered by the Erie first consolidated mortgage and with respect to all such properties and securities is subject to that mortgage and to the various liens underlying such mortgage.

There are also pledged under this mortgage \$20,016,000, par value, of stocks as follows:

- Delaware Valley & Kingston Ry. Co., \$250,000;
- Penhorn Creek R.R. Co., \$6,000;
- Pennsylvania Coal Co., \$5,000,000;
- Erie & Wyoming Valley R.R. Co., \$1,500,000;
- N. Y., Susquehanna & Western R.R. Co. preferred, \$6,630,000;
- N. Y., Susquehanna & Western R.R. common, \$6,630,000.

UNDERLIE—Erie R.R. refunding and improvement mortgage (Nos. 11-13), under which bonds are reserved to retire this issue.

LISTED—On New York and London Stock Exchanges.

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

OFFERED—Series A bonds underwritten by J. P. Morgan & Co., New York, in 1903, and offered for subscription to stockholders at 87½.

PRICE RANGE:	1940	1939	1938	1937	1936
High	26	26½	51	94¾	95½
Low	13¾	11½	10¼	47¾	74½

1 To Aug. 23.

BONDHOLDERS' COMMITTEE—See below.

9. Erie Railroad Co. general convertible gold 4s, series B, due 1953:

Rating—Caa

AUTHORIZED—(All series), \$50,000,000; outstanding, series B, \$11,015,000; held by banks in safekeeping, \$190,000, pledged under short-term notes, \$250,000; pledged under Nos. 11 and 12, \$545,000.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond (outstanding with public): Same as general convertible 4s, series A, due 1953 (see No. 8, above).

DATED—Oct. 1, 1905.

MATURITY—April 1, 1953.

INTEREST—A&O 1, at company's office, 50 Church St., New York.

DEFAULT—Interest due Apr. 1, 1938 and subsequently, not paid.

TRUSTEE—Guaranty Trust Co., New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

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

CALLABLE—Series B not subject to call.

SINKING FUND—Mortgage does not provide for sinking fund.

CONVERTIBLE—Series B were convertible into common stock until Oct. 1, 1917.

SECURITY—Issued under same mortgage and equally secured with series A and D (Nos. 8 and 10).

OTHER PROVISIONS—See series A (No. 8).

LISTED—On New York Stock Exchange.

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

OFFERED—Series B bonds underwritten by J. P. Morgan & Co., New York, in 1905, and offered for subscription to stockholders at par.

SUBSCRIPTION RIGHTS—Stockholders of record Mar. 23, 1916, and holders of series B bonds were offered right to subscribe at 85 for \$19,627,100 series D bonds—stockholders to amount of 10% of par value of their holdings and bondholders to extent of 16 2/3% of principal amount of their series B bonds.

PRICERANGE:	1940	1939	1938	1937	1936
High	26	26	36½	94½	95¼
Low	14	11½	10¼	47½	75

1 To Aug. 23.

BONDHOLDERS' COMMITTEE—See below.

10. Erie Railroad Co. general convertible gold 4s, series D, due 1953:

Rating—Caa

AUTHORIZED—(All series), \$50,000,000; outstanding, series D, \$309,700; held by banks in safekeeping, \$2,073,000; pledged under short term notes, \$2,769,900; pledged under Nos. 11 and 12, \$2,530,000.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond (outstanding with public): Same as general convertible 4s, series A, due 1953 (see No. 8 above).

DATED—Oct. 1, 1915.

MATURITY—April 1, 1953.

INTEREST—A&O 1, at company's office, 50 Church St., New York.

DEFAULT—Interest due Apr. 1, 1938 and subsequently, not paid.

TRUSTEE—Guaranty Trust Co., New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

DENOMINATION—Coupon, \$100, \$500 and \$1,000; registerable as to principal; registered, \$100, \$500, \$1,000 or multiples thereof. C. & R. interchangeable.

CONVERTIBLE—Series D was convertible into common stock at \$50 per share until Oct. 1, 1927.

CALLABLE—Series D not subject to call.

SINKING FUND—Mortgage does not provide for sinking fund.

SECURITY—Issued under same mortgage and equally secured with series A and B (Nos. 8 and 9).

OTHER PROVISIONS—See series A (No. 8).

LISTED—On New York Stock Exchange.

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

OFFERED—(\$19,627,100) at 85 to stockholders of record Mar. 23, 1916, to amount of 10% of par value of their holdings and holders of series B bonds to extent of 16 2/3% of principal amount of their series B bonds.

PRICE RANGE:	1940	1939	1938	1937	1936
High	25¼	19	23	93¼	94
Low	18	13	15	58	74

1 To Aug. 23.

BONDHOLDERS' COMMITTEE—See below.

11. Erie Railroad refunding and improvement gold 5s, series of 1927, due 1967:

Rating—Ca

AUTHORIZED—(All series), limited to an amount equal to three times the par value of outstanding capital stock, \$644,604,300; outstanding (series of 1927), \$50,000,000.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each \$1,000 bond (outstanding with public): \$75 series B, 1st 4s, \$150 series A income 4½s, \$140 series A preferred stock, and 20 shares of common stock.

DATED—Mortgage dated Dec. 1, 1916; supplemental indentures dated Apr. 1, 1918 and May 1, 1927. Series of 1927 dated May 1, 1927.

MATURITY—May 1, 1967 Trustee has declared entire issue due and payable.

INTEREST—M&N 1, at company's office, 50 Church St., New York.

DEFAULT—Interest due May 1, 1938 and subsequently, in default. In addition, Trustee has declared entire issue due and payable.

TRUSTEE—Bankers Trust Co. New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

DENOMINATION—Coupon, \$500 and \$1,000; registerable as to principal, registered, \$1,000 and authorized multiples thereof; C. & R. and the several denominations of each; interchangeable.

CALLABLE—As a whole or in part at 105 on any interest date on 60 days' notice.

SINKING AND IMPROVEMENT FUND—Company agrees to pay upon retirement of Pennsylvania collateral bonds a sum equal to 10 cents for every ton of coal sold and delivered from mines of Pennsylvania Coal Co. so long as any stock thereof remains pledged hereunder, to be used for retirement of prior debt, for retirement of bonds issued hereunder, for acquisition of property or for additions and improvements to property covered by the lien, in respect of which payments, bonds may not be issued subsequently hereunder.

SECURITY—The refunding and improvement mortgage is a lien upon all properties covered by the Erie first consolidated mortgage, the Erie general mortgage, the Erie & Jersey first mortgage, and the Genessee River first mortgage, subject to the liens of those mortgages and to all mortgages underlying those mortgages.

It is further secured by pledge of the following bonds: \$36,456,130 of Erie first consolidated general lien 4% bonds; and Erie general-mortgage convertible 4% bonds, \$545,000, series B, and \$3,530,000, series D.

There are also pledged \$9,000, par value, of stock of Docks Connecting Railway Co. and securities of Columbus & Erie Railroad Co., \$130,000 in stock and \$600,000 in bonds.

In addition the mortgage has a collateral second lien on 66 miles of road from Buffalo Creek Junction to Waterloo, N. Y., through pledge of \$1,000,000 of Buffalo & Southwestern division, second lien, Erie bonds.

ADDITIONAL BONDS—May be issued in series to bear such rate of interest and to mature on such date or dates as may be determined by directors, but not to mature later than Dec. 1, 2050.

PURPOSE—The 1927 series issued to replace \$40,000,000 series A and B bonds theretofore issued under this mortgage and, in part, pledged for short-term notes and loans which were retired \$5,104,000 to refund various prior liens and \$4,896,000 to reimburse the company for additions and betterments. Approximately \$33,919,450 short-term obligations were retired.

TAX STATUS—Company does not pay Federal income tax.

LISTED—On New York Stock Exchange.

OFFERED—(\$50,000,000) at 94½ in May, 1927 by J. P. Morgan & Co., Inc., First National Bank and National City Bank, New York.

PRICE RANGE:	1940	1939	1938	1937	1936
High	18	20½	43	89	92
Low	8½	7½	9¾	40	70

1 To Aug. 23.

BONDHOLDERS' COMMITTEE—See below.

12. Erie Railroad Co. refunding and improvement gold 5s, series of 1930, due 1975:

Rating—Ca

AUTHORIZED—All series, limited to an amount, which after adding all then outstanding prior debt and deducting bonds reserved to retire prior debt, shall never exceed three times the par value of outstanding capital stock; outstanding, series of 1930, \$50,000,000.

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in

reorganization for each \$1,000 bond (outstanding with public): \$75 series B 1st 4s, \$150 series A income 4½s, \$140 series A preferred stock, and 20,1121 common shares.

DATED—April 1, 1930.

MATURITY—Apr. 1, 1975. Trustee has declared entire issue due and payable.

INTEREST—A&O 1, at company's office, 50 Church St., New York.

DEFAULT—Interest due Apr. 1, 1938 and subsequently in default. In addition, Trustee has declared entire issue due and payable.

TRUSTEE—Bankers Trust Co., New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

DENOMINATION—Coupon, \$500 and \$1,000; interchangeable; registerable as to principal; registered, \$1,000, \$5,000 and \$10,000; interchangeable. C. & R. interchangeable.

CALLABLE—As a whole or in part on 60 days' notice on any interest date at 105 to Oct. 1, 1966, incl.; at 102½ to Oct. 1, 1971, incl., and thereafter at 100.

SECURED—Equally with \$50,000,000 series of 1927, 5s, due 1967 (No. 11) and series of 1932, 6s, due 1962 (No. 13).

OTHER PROVISIONS—See series of 1927 (No. 11).

PURPOSE—\$37,003,750 issued to refund bonds of Erie R.R. and its predecessors and \$12,996,250 issued to reimburse company for additions and betterments.

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax.

OFFERED—(\$50,000,000) at 95½ in April, 1930, by J. P. Morgan & Co., Inc., First National Bank and National City Co., New York.

PRICE RANGE:

1940	1939	1938	1937	1936
High	18	20¾	42½	89
Low	8½	7¼	9¾	39¾

□ To Aug. 23.

BONDHOLDERS' COMMITTEE—See below.

13. Erie Railroad Co. refunding and improvement gold 6s, series of 1932, due 1962:

AUTHORIZED—All series, limited to an amount, which after adding all the outstanding prior debt and deducting bonds reserved to retire prior debt, shall never exceed three times the par value of outstanding capital stock; outstanding with public, none; pledged under RFC loans (see below), \$29,500,000; pledged under Railroad Credit Corp. loans (see below), \$2,100,000; in treasury, \$3,400,000.

TREATMENT UNDER ICC PLAN—No provision made for pledged bonds.

DATED—Feb. 1, 1932.

MATURITY—Feb. 1, 1962.

INTEREST PAYABLE—F&A 1, at company's office, 50 Church St., New York.

TRUSTEE—Bankers Trust Co., New York.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

DENOMINATION—Coupon, \$500 and \$1,000; registerable as to principal; registered, \$1,000, \$5,000 and \$10,000.

CALLABLE—As a whole or in part on any interest date at 110 to Feb. 1, 1947; at 105 thereafter to Feb. 1, 1952; at 102½ thereafter to Feb. 1, 1957; and at par thereafter to maturity.

SECURITY—Equally secured with series of 1927 (No. 11) and series of 1930 (No. 12).

OTHER PROVISIONS—See series of 1927 (No. 11).

PURPOSE—Issued under authorization of ICC on Feb. 13, 1932, \$25,000,000, on Dec. 2, 1932, \$5,000,000 and on April 28, 1933, \$5,000,000, as collateral for loans.

14. Chicago & Erie R.R. Co. first gold 5s, due 1982:

Rating—Baa

AUTHORIZED—\$12,000,000; outstanding, \$12,000,000.

1. Erie Railroad—Cleveland & Mahoning Valley Ry. Co. 4% collateral trust 1939 certificates, due serially to Nov. 1, 1949:

AUTHORIZED—\$7,000,000; outstanding, Aug. 15, 1940, \$6,900,000; retired, \$100,000.

All owned by the RFC.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—Nov. 1, 1939.

MATURITY—\$100,000 each M&N 1, to May 1, 1949, incl. and \$5,100,000 on Nov. 1, 1949.

DIVIDENDS PAYABLE—M&N 1 at the rate of 4% per annum.

TRUSTEE—Fidelity-Philadelphia Trust Co., Philadelphia.

TREATMENT UNDER ICC PLAN—Status undisturbed.

DATED—Aug. 21, 1890.

MATURITY—May 1, 1982.

INTEREST PAID—M&N 1, at Erie R.R. office, New York.

TRUSTEE—Central Hanover Bank & Trust Co., New York; Frank Wolfe.

REGISTRAR AND TRANSFER AGENT—(Principal only) J. P. Morgan & Co., Inc., New York; (principal and interest), Company's secretary.

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

CALLABLE—Not subject to call.

SINKING FUND—Mortgage does not provide for sinking fund.

SECURITY—First lien, 249.57 miles, Marion Jct., Ohio, to near Hammond, Ind.; also first lien on 9,999 shares of stock of Chicago & Western Indiana R.R. and 2,939 shares Belt R.R. of Chicago, etc.

UNDERLIE—\$10,000,000 Chicago & Erie R.R. 2nd non-cum. income 5s of 1982 (No. 15), of which all but \$98,000 are deposited under Erie R.R. first consolidated mortgage. Retirement is provided for by Erie R.R. cons. gen. lien mortgage and the ref. and imp. mortgage.

LISTED—On New York and London and Amsterdam Stock Exchanges.

TAX STATUS—Company does not pay Federal income tax.

PRICE RANGE:

1940	1939	1938	1937	1936
High	100	88	108	124
Low	86	80	56½	107

□ To Aug. 23.

15. Chicago & Erie R.R. Co. second income non-cumulative gold 5s, due 1982:

AUTHORIZED—\$10,000,000; outstanding, \$10,000,000, of which \$9,902,000 owned by Erie R.R. Co. and pledged under that company's first consolidated mortgage, and \$98,000 by the public.

TREATMENT UNDER ICC PLAN—Status of bonds held by public undisturbed. No provision for pledged bonds.

DATED—Aug. 21, 1890.

MATURITY—Oct. 1, 1982.

INTEREST PAYABLE—Annually on Oct. 1 at company's office, 50 Church St., New York. The Erie R.R. assumes any deficit arising from the operation of the Chicago & Erie R.R.

INTEREST PAYMENTS—Oct. 1, 1936, 1937, 1938 1939 and 1940, 5%.

On Oct. 1, 1938 there was due the sum of \$495,100, covering the interest on the \$9,902,000 of income bonds owned by company's Trustees. By reason of non-payment of interest on the bonds of company secured by its first consolidated mortgage deed, and the question of whether City Bank Farmers Trust Co., as Trustee under said first consolidated mortgage deed, would require the payment by Chicago & Erie Railroad Co. to it as such Trustee, Erie R.R. Co.'s Trustees were authorized by the Court to accept payment of the sum of \$495,100 and to execute and deliver to City Bank Farmers Trust Co., to be held by it for the further benefit and security of first consolidated mortgage deed and later mortgages, a note or certificate of indebtedness of the Trustees in the face amount of \$495,100, bearing interest at rate of 1½% per annum, maturing Dec. 31, 1940, or upon effective date of any plan of reorganization of company, duly adopted and confirmed, if such effective date occurs earlier than Dec. 31, 1940.

Accordingly, the Trustees of the property of company issued their note in the amount of \$495,100 for the purpose stated.

By Court Order dated Feb. 7, 1940, the Trustees of the property of company were authorized to accept payment of \$495,100, representing interest due on Oct. 1, 1939, and, subject to the approval of Interstate Commerce Commission, to execute and deliver to

Trustees' Securities

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

CALLABLE—As a whole upon not less than 60 days' notice on any dividend-payment date after Nov. 1, 1940 at 102¼ if redeemed in the calendar year 1941, less ¼th of 1% for each calendar year thereafter.

SINKING FUND—None provided.

SECURITY—Secured by pledge of 65,184 shares of stock of the par value of \$3,259,200 of the Cleveland & Mahoning Valley Railway Co.

GUARANTEED—Unconditionally as to payment of principal and dividends by endorsement of Erie Railroad Co., and Robert E. Woodruff and John A. Hadden, as Trustees.

City Bank Farmers Trust Co., as Trustee as aforesaid, a certificate covering sums representing the interest due Oct. 1, 1938, and Oct. 1, 1939 (note in amount of \$495,100 previously given with respect to Oct. 1, 1938, interest, to be surrendered); such certificate to bear interest at rate of 1½% per annum and to mature on Dec. 31, 1941, or in event that a plan of reorganization for company is duly adopted and confirmed prior to said date, and the effective date is prior to Dec. 31, 1941, then on said effective date of such plan of reorganization.

By Order dated Feb. 14, 1940, the Interstate Commerce Commission authorized the issuance by Erie R.R. Co.'s Trustees of their certificate of indebtedness in amount of \$990,200 for the purpose stated.

TRUSTEES—New York Trust Co., New York, and Augustus C. Downing.

REGISTRAR AND TRANSFER AGENT—J. P. Morgan & Co., Inc., New York.

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

CALLABLE—Not subject to call.

SECURITY—Second lien on 249.57 miles, Marion Jct., Ohio, to near Hammond, Ind. Follow \$12,000,000 Chicago & Erie 1st 5s of 1982 (No. 14).

TAX STATUS—Company does not pay Federal income tax.

Bondholders' Committees

Mutual Savings Bank Group (Cheston Committee): The following committee was formed to represent a group of mutual savings banks holding \$10,234,500 (at July 26, 1939) of various Erie obligations:

J. H. Cheston, Chairman—Vice-Pres., Philadelphia Saving Fund Society, Philadelphia, Pa.

F. F. Lawrence, Treas., Maine Savings Bank, Portland, Me.

G. B. Oates, Asst. to Pres., Dollar Savings Bank, Pittsburgh, Pa.

F. E. Stone, Pres., Wilmington Savings Fund Society, Wilmington, Del.

G. C. Thayer, Asst. to Pres., Western Saving Fund Society, Philadelphia, Pa.

W. D. Vanderpool, Pres., Howard Savings Institution, Newark, N. J.

Attorneys for Committee: F. N. Oliver and W. P. Scott, 110 East 42nd St., New York.

In 1938 the committee had reorganization proposals under consideration (see Moody's 1938 Railroad Manual).

Institutional Group (Kurth Committee): A group of holders of company's refunding and improvement mortgage bonds composed principally of banks and insurance companies and owning \$11,359,000 of the Erie bonds. The group functions through an executive committee consisting of the following:

Wilfred Kurth, Chairman—Chairman of Home Insurance Co., New York.

H. S. Sturgis, Vice-President First National Bank, New York.

D. C. Borden, Vice-President National City Bank, New York.

Secretary: Andrew Oliver, 120 Broadway, New York.

Counsel: Alexander & Green, New York.

Perry Committee: The following committee was formed to represent holders of company's refunding and improvement 5s:

Gardner B. Perry, Chairman; N. S. Hall, C. Shelby Carter, Paul S. Bair, W. H. R. Unger, Ferd I. Collins, Frederick A. Carroll, Herbert Riheldaffer, B. P. Lester.

Secretary: John Finger, 1220 Packard Bldg., Philadelphia.

Counsel: Pepper, Bodine, Stokes & Schoch, and Stradley, Ronon & Stevens; both of Philadelphia.

Depository: Fidelity-Philadelphia Trust Co., Philadelphia.

Amos Committee: The following committee was formed to represent holders of Erie R.R. Co. general mortgage convertible 4s, due Apr. 1, 1953: C. L. Amos, Chairman; Fred F. Spellissy, A. C. Kizis, William L. Jones.

OTHER PROVISIONS—So long as any certificates are outstanding, Erie Railroad Co. and the Trustees will not permit the Mahoning Valley to default with respect to the indenture securing its first mortgage bonds or to create additional indebtedness of that company except such as is paid in connection with the existing lease of the Mahoning Valley to the Nypano Railroad Co., nor will they permit the Mahoning Valley to issue any additional stock unless provision is made for the acquisition of such stock by the Trustees and for the pledging thereof under the indenture.

PURPOSE—Proceeds applied toward acquisition of entire capital stock of Cleveland & Mahoning Valley Railway Co.

OFFERED—Sold in Nov., 1939 at par for cash to the RFC.

U. S. Government Agency Loans

Reconstruction Finance Corp. Loans:
The Interstate Commerce Commission on Feb. 19, May 27, Oct. 21, 1932 and Dec. 19, 1934 approved loans by Reconstruction Finance Corp. aggregating \$16,582,000, which were reduced in Feb., 1933 and Sept., 1934 by cash payments of \$2,189,40, \$2,500, \$377,310.60 and \$200,000 to \$16,000,000.
Loans outstanding as of Dec. 31, 1939, were as follows:

① Classified by company as "Loans and bills payable" and grouped with current liabilities at Dec. 31, 1938. Matured by the RFC as of Jan. 18, 1938.
② PWA serial note obligation sold to RFC on July 31, 1936, due \$569,000 on each Feb. 1, 1938 to 1943, incl.; \$568,000 on Feb. 1, 1944; \$110,000 on Feb. 1, 1945 and \$91,000 on Feb. 1, 1946.

Railroad Credit Corp. Loans: Loans by Railroad Credit Corp. to the company aggregating \$4,030,000 had been reduced by credits or payments thereon to \$686,928 as of Dec. 31, 1939.

Note: As security for the loans from the Reconstruction Finance Corp., the company pledged \$29,500,000 refunding and improvement mortgage 6s, series of 1932, due 1962; \$6,569,000 general lien 4s, due 1996; \$236,000 general mortgage convertible 4s, series 'B', due 1953; \$2,581,900 general mortgage convertible 4s, series D, due 1953; a \$897,500 4% (formerly 6%) bonds and mortgage of Niagara Frontier Food Terminal, Inc., Buffalo, N. Y., due Mar. 1, 1953 (extended from 1946); and \$571,900 Lehigh & Hudson River Ry. Co. stock. These securities were also authorized to be pledged for PWA loans (see below).

Dated, May 1, 1933; due April 29, 1937. Interest, 1½%.

As security for the loan from the Railroad Credit Corp., the company pledged \$2,100,000 refunding and improvement mortgage 6s, series of 1932, due 1962; and New York, Susquehanna and Western R.R. Co. and Chicago and Erie R.R. Co.'s distributive share in the fund created by the Marshalling and Distributing Plan, 1931.

PWA Loans: Company was allotted PWA funds amounting to \$18,025,000.

The allotted loans are evidenced by 4% registered serial collateral notes outstanding Dec. 31, 1939, in amount of \$4,183,000 (sold to RFC on July 31, 1936—see above), and equipment trust certificates of 1934 (see above) outstanding Aug. 15, 1940, in amount of \$9,318,000, all issued to U. S. Government.

Date	Int. Rate	Date of Maturity	Amount Outstanding
6-1-37	5%	10-1-38	①\$631,000
	5%	10-1-39	②631,000
	5%	10-1-40	②631,000
	5%	10-1-41	②631,000
	5%	6-1-42	②13,476,000
④-----	4%	Ser. to 2-1-46	②4,183,000
Grand total-----			\$20,183,000

① Interest accrued at rate of 4% in 1938 and 4½% in 1939.

② Classified by company as "Funded Debt Matured Unpaid" at Dec. 31, 1939. Matured by the RFC as of Jan. 18, 1938.

Following issues were purchased by Erie R.R. Co. at maturity:

\$250,000 Newburgh & New York Ry. first 5s, due Jan. 1, 1929 (assumed by Erie R.R.) secured by a first lien on 12.64 miles, Newburgh Junction to Vails Gate Junction, New York;

\$182,400 Erie Ry. Buffalo Branch first 4s, due July 1, 1931 (assumed by Erie R.R.) secured by a first lien on 60.86 miles, Hornell to Attica, N. Y.;

\$200,000 Bergen County R.R. Co. 1st 7s, due

Obligations Purchased

Apr. 1, 1931, secured by first lien on 9.82 miles, Rutherford Jct., N. J. to Ridgewood Jct., N. J.;

Tioga R.R. Co. first 5s, due Nov. 1, 1935, secured by first lien on 29.16 miles Lawerenceville to Morris Run, Pa.;

\$250,000 New Castle & Shenango Valley R.R. Co. first 4s, due 1962, secured by first lien on 16.73 miles West Middlesex to New Castle, Pa. and

\$164,000 Sharon Railway first 4s, due 1962, secured by first lien on 15.99 miles Sharon

to Pymatuning, Pa., Sharon to West Middlesex, Pa.

The following matured bonds are held by or for the company:

Bond Description	Pledged
New York & Erie R.R. third 4½s, '23	\$1,000
Buffalo & Southwestern R.R. Co. first 6s, 1928-----	①1,499,750
Erie Railroad Co., Buffalo & Southwestern Div., 2nd 5s, 1928-----	1,000,000
Total -----	①\$2,500,750

① Also \$250 principal amount unpledged.

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
New York, Lake Erie & Western Docks & Improvement Co.	Payment of principal and interest on \$4,000,000 of 1st 5s, due July 1, 1943, guaranteed by The New York, Lake Erie & Western R.R. Co. in its lease of Feb. 8, 1890, covering the property of New York, Lake Erie & Western Docks & Improvement Co. Erie R.R. Co. has succeeded New York, Lake Erie & Western R.R. Co. as lessee under that lease.	Principal Amount \$3,396,000	Sole
New York, Lake Erie & Western Coal and R.R. Co.	Erie R.R. Co., on the extension, guaranteed by endorsement the payment of principal and interest on \$3,000,000 of New York, Lake Erie and Western Coal & R.R. Co. 1st 5½s, due May 1, 1942.	Principal Amount \$2,625,000	Sole
The New York & Greenwood Lake Railway Co.	Principal and interest on \$1,500,000 of The New York & Greenwood Lake Ry. Co. prior lien 5s, due May 1, 1946, guaranteed by Erie Railway Co. by the lease of May 1, 1896, under which Erie Railway Co. operates the property of The New York & Greenwood Lake Railway Co.	Principal Amount \$1,471,600	Sole
The Blossburg Coal Co.	Guaranteed by Erie R.R. Co. by indorsement on the extension of interest and principal of \$400,000 of The Blossburg Coal Co. 1st mtge. 6s, due July 1, 1937.	Principal Amount \$400,000	Sole

CAPITAL STOCK DESCRIPTION

1. Erie Railroad 4% non-cumulative first preferred; par \$100:

AUTHORIZED—480,000 shares; outstanding, 479,044 shares; par \$100.

On Dec. 31, 1939, Chesapeake & Ohio Ry. Co. owned 151,405 first preferred shares (31.61%).

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each share held: 1/5 of a share of common stock and warrants for purchase of 1¼ new common shares.

PREFERENCES—Entitled to 4% non-cumulative dividends prior to payments on either 2nd preferred or common.

VOTING RIGHTS—No additional mortgage can be put on the property nor can the amounts of preferred stock be increased without the consent of a majority of the whole amount of both issues of preferred stock and of such of the common stock as may be represented at a meeting called for the purpose.

The stock has full voting power. The voting rights at stockholders' meetings are shared by the consolidated prior lien and general lien 4% bonds, each \$1,000 bond having 10 votes.

CALLABLE—At option of company at par.

DIVIDENDS PAID:

1901	\$1.50	1902	\$3.00	1903	\$3.50
1904-06	4.00	1907	2.00	1908-28	Nil
1929-30	4.00	1931	2.00	1932-39	Nil

PRICE RANGE: ①1940 1939 1938 1937 1936
High----- 3¾ 6 9¾ 35¾ 34½
Low----- 1¾ 1¾ 2¾ 8¾ 16

① To Aug. 23.
Note: 98,000 shares traded in on N. Y. S. E. in 1939.

2. Erie Railroad 4% non-cumulative second preferred; par \$100:

AUTHORIZED—160,000 shares; outstanding, 158,570 shares; held by or for company, 1,430 shares; par \$100.

On Dec. 31, 1939, Chesapeake & Ohio Ry. Co. owned 60,195 second preferred shares (37.96%).

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each share held: 1/5 of a share of common stock and warrants for purchase of 1¼ new common shares.

PREFERENCES—Entitled to 4% non-cum. dividends after first preferred has received 4% in any current year.

Has preference over common stock to 4% non-cumulative dividends, but is entitled to no other division of earnings.

VOTING RIGHTS—No additional mortgage can be put on the property nor can the amount of preferred stock be increased without the consent of a majority of the whole amount of preferred stock and of such of the common stock as may be represented at a meeting called for the purpose.

The voting rights at stockholders' meetings are shared by the consolidated prior lien and general lien 4% bonds, each \$1,000 bond having 10 votes.

CALLABLE—At par at the option of the company. The company reserves the right to retire either or both of its preferred stocks, at par, in cash, if permitted by law.

DIVIDENDS PAID:

1905	\$2.00	1906	\$4.00	1907	\$2.00
1908-28	Nil	1929-30	4.00	1931-39	Nil

PRICE RANGE: ①1940 1939 1938 1937 1936
High----- 1½ 3½ 7 28¼ 29
Low----- ¾ 1½ 1½ 5 11¾

① To Aug. 23.
Note: 29,000 shares traded in on N. Y. S. E. in 1939.

3. Erie Railroad common; par \$100:

AUTHORIZED—1,890,000 shares; outstanding, 1,511,067 shares; held by or for company, 1,100 shares; par \$100.

On Dec. 31, 1939, Chesapeake & Ohio Ry. Co. owned 984,800 common shares (approximately 65%).

TREATMENT UNDER ICC PLAN—Under ICC reorganization plan holders would receive in reorganization for each share held: 1/5 of a share of common stock and warrants for purchase of 1¼ new common shares.

VOTING RIGHTS—Has full voting power, together with first and second preferred stocks.

The voting rights at stockholders' meetings are shared by the consolidated prior lien and general lien 4% bonds, each \$1,000 bond having 10 votes.

DIVIDENDS—No dividends paid on common stock.

Comparative Balance Sheet, as of Dec. 31

	1939	1938	1937	1936	1935	1934	1933
Assets:							
Investments:							
Road and equipment.....	\$37,155,139	\$37,139,028	\$37,157,406	\$37,262,044	\$37,407,936	\$37,566,736	\$38,075,014
Investments in affiliated companies.....	2,831,725	2,711,545	2,574,891	2,470,969	2,483,069	2,508,139	2,471,040
Miscellaneous physical property.....	434,117	433,617	433,617	433,547	433,548	441,757	181,174
Improvements on leased rail. prop.....	6,652	466	8,451	10,603	159,693	173,675	173,046
Other investments.....	-----	21,036	22,226	1,192	1,192	1,192	700
Current Assets:							
Cash.....	1,777,299	786,535	118,740	168,558	105,161	86,318	77,958
Special deposits.....	21,349	17,834	15,142	65,519	101	-----	-----
Accounts and balances receiv.....	115,112	107,838	331,112	178,981	139,225	121,412	259,934
Materials and supplies.....	122,556	109,814	135,638	132,173	137,599	188,199	210,255
Other current assets.....	122	39	49	182,216	-----	100,000	331,475
Deferred assets.....	76,545	80,291	17,279	19,655	42,175	17,190	3,589
Unadjusted debits.....	33,090	31,031	39,023	32,392	30,223	58,992	47,052
Total assets.....	\$42,573,706	\$41,439,075	\$40,853,576	\$40,957,849	\$40,939,922	\$41,263,610	\$41,831,237
Liabilities:							
Capital stock.....	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Funded debt.....	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
Non-negot. debt to affiliated cos.....	17,242,614	17,242,614	17,242,614	17,242,614	17,242,614	17,242,614	17,242,614
Government grants.....	17,970	17,970	22,931	12,114	11,903	7,414	-----
Current & Accrued Liabilities:							
Accounts and wages payable.....	202,701	201,821	266,310	224,467	232,042	271,163	220,866
Miscellaneous accounts payable.....	1,180,826	623,726	28,111	72,259	154,185	76,936	3,103
Interest matured.....	513,988	140,813	12,488	11,238	10,838	10,213	11,288
Accrued items.....	352,238	227,358	348,775	348,775	348,775	101,225	266,960
Deferred liabilities.....	202	302	403	825	1,247	1,855	6,079
Unadjusted Credits:							
Accrued depreciation.....	34,393	31,065	35,793	32,462	27,632	126,477	134,386
Tax liability.....	427,765	441,998	442,771	450,055	390,857	378,346	452,187
Other unadjusted credits.....	460,421	370,819	312,805	422,464	379,146	396,871	830,480
Appropriated surplus.....	40,588	40,588	40,576	40,576	40,683	550,496	563,274
Total liabilities.....	\$42,573,706	\$41,439,075	\$40,853,576	\$40,957,849	\$40,939,922	\$41,263,610	\$41,831,237
Current assets.....	\$2,036,438	\$1,022,060	\$600,681	\$727,447	\$382,086	\$495,927	\$879,623
Current and accrued liabilities.....	2,249,753	1,193,718	655,684	656,739	745,840	459,536	502,218
Net current assets.....	d 213,315	d 171,658	d 55,003	70,708	d 363,754	36,391	377,405

Bonded Debt: 1. Chicago & Erie Railroad Co. first gold 5s, due 1982:
Rating—Baa
 AUTHORIZED—\$12,000,000; outstanding, \$12,000,000.
 DATED—Aug. 21, 1890.
 MATURITY—May 1, 1982.
 INTEREST PAID—M&N 1 at Erie R.R. office, New York.
 TRUSTEES—Central Hanover Bank & Trust Co., New York, and Frank Wolfe.
 Note: For complete description of this issue see Erie R.R. Co. preceding statement.

2. Chicago & Erie Railroad Co. second income non-cumulative gold 5s, due 1982:
AUTHORIZED—\$10,000,000; outstanding, \$10,000,000.
OWNERSHIP—\$9,902,000 owned by Erie R.R. Co. and pledged under that company's first consolidated mortgage, and \$98,000 by the public.
 DATED—Aug. 21, 1890.
 MATURITY—Oct. 1, 1982.
 INTEREST PAYABLE—Annually on Oct. 1 at company's office, 50 Church St., New York.

The Erie R.R. assumes any deficit arising from the operation of the Chicago & Erie R.R.
TRUSTEES—New York Trust Co., New York, and Augustus C. Downing.
 Note: For complete description of this issue see Erie R.R. Co. preceding statement.
Capital Stock: 7. Chicago & Erie Railroad Co. stock; par \$100:
AUTHORIZED—And outstanding, 1,000 shares; par \$100.
OWNERSHIP—All owned by Erie R.R. Co. and pledged under that company's first consolidated mortgage.

ELMIRA STATE LINE RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New York, April 24, 1872. Road opened Nov. 17, 1876.
Lease: Road leased to Erie Ry. (now Erie R.R.) Aug. 11, 1876, from Sept. 1, 1876 for 999 years; rent, 7% per annum (\$6,314) on capital stock.
Line of Road: State Line Junction, N. Y., to Pennsylvania State Line, 6.51 miles. Sidings, 1.74 miles.
 Standard gauge.
Control: Company controlled by Erie R.R. Co. through ownership of majority of stock.
Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: Pres. (Vacant); H. A. Taylor, Vice-Pres. and Gen. Counsel; T. J. Tobin, Compt.; G. A. W. Achenbach, C. E. Post, Asst. Sec.
Directors: D. L. Gray, R. E. Woodruff, H. A. Taylor, J. K. Thompson, R. C. Falconer, Cleveland, O.
Annual Meeting: Second Thursday in September at Elmira, N. Y.
Offices: Elmira, N. Y., and Cleveland, O.
Income Account, year ended Dec. 31, 1938: Rental income, nil; dividends, nil.
General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$90,200; non-negotiable debt to affiliated companies, \$160,000; total, \$250,200. Contra: Road and equipment, \$189,200; other investments, \$61,000; total, \$250,200.

Bonded Debt: 1. Elmira State Line Railroad Co. bonds:
OUTSTANDING—\$160,000.
OWNERSHIP—All owned by Erie R.R. Co. Bonds have matured and are unpaid. They are pledged together with the stock owned, under Erie R.R. Co. first consolidated mortgage.
Capital Stock: 1. Elmira State Line Railroad Co. stock; par \$100:
AUTHORIZED—1,000 shares; outstanding, 902 shares; par \$100.
OWNERSHIP—692 shares owned by Erie R.R. Co. and pledged under its first consolidated mortgage.
DIVIDENDS—Paid at rate of 7% per annum under terms of lease to 1937, incl., none thereafter.

GOSHEN & DECKERTOWN RAILWAY COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New York, Feb. 22, 1867. Road opened April 10, 1869.
Lease: Road leased to Erie Ry. (now Erie R.R.) Jan. 18, 1872, in perpetuity; rent, \$19,035 per annum, subject to reduction of any amount that may be saved by scaling the interest on the bonds.
Line of Road: Goshen to Pine Island, N. Y., 11.64 miles. Sidings, 2.55 miles.
 Standard gauge.
Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).
Officers: F. W. Murray, Jr., Pres. and Chairman; Herbert Senger, Vice-Pres.; Herbert N. Roe, Sec.; George Luft, Jr., Treas., Goshen, N. Y.
Directors: F. W. Murray, Jr., E. A. Hopkins, Joseph Merritt, I. H. Houston, John Luft, F. C. Hock, Herbert Senger, C. D. Knapp, George Luft, Jr., W. E. Lovett, Herbert N. Roe, Harold L. Jackson, B. F. Chamberlain.
Annual Meeting: In April.
No. of Stockholders, Dec. 31, 1939: 71.
General Office: Goshen, N. Y.
Income Account, year ended Dec. 31, 1939: Rental income, \$19,035; fixed charges, \$13,858;

other deductions, \$1,231; net income, \$3,946; dividends, \$3,848; balance, \$98. Previous year's surplus, \$6,276; surplus Dec. 31, \$6,375.
Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.....	\$342,690	\$342,690
Cash.....	7,345	7,247
Rents receiv.....	4,759	4,759
Total.....	\$354,794	\$354,696
Liabilities:		
Cap. stk. (\$10)....	\$96,190	\$96,190
Funded debt.....	246,500	246,500
Int. mat., unpaid..	5,129	5,129
Unmat. int. accr..	600	600
Surplus.....	6,375	6,276
Total.....	\$354,794	\$354,696

Bonded Debt: 1. Goshen & Deckertown Railway Co. first gold 5 1/2s, due 1978:
Rating—Ba
AUTHORIZED—\$186,500; outstanding, \$186,500.
DATED—July 1, 1868.
MATURITY—July 1, 1888; extended to July 1, 1928; again extended to July 1, 1978, and rate of interest reduced from 6%. Bondholders not desiring an extension of maturity date had right to present bonds at office of Trustee and receive payment at par.
INTEREST PAID—J&J 1, at National Bank of Orange County, Goshen, N. Y.

TRUSTEES—Ambrose S. Murray, Robert H. Berdell and John Steward.
DENOMINATION—Coupon, \$500 and \$1,000.
CALLABLE—On July 1, 1938 and at any time thereafter on 30 days' notice at 107 1/2%.
SECURITY—First lien, 11.64 miles, Goshen to Pine Island, N. Y.
UNDERLIE—\$60,000 Goshen & Deckertown Ry. second 6s of 1979 (No. 2).
RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage and by Erie R.R. refunding and improvement mortgage.
TAX STATUS—Company does not pay Federal income tax.
2. Goshen & Deckertown Railway Co. second gold 6s, due 1979:
Rating—B
AUTHORIZED—\$75,000 (closed); outstanding, \$60,000.
DATED—Nov. 1, 1869.
MATURITY—Nov. 1, 1889; extended to Nov. 1, 1929, interest being reduced from 7%; again extended to Nov. 1, 1979.
INTEREST PAID—M&N 1, at National Bank of Orange County, Goshen, N. Y.
TRUSTEES—Ambrose S. Murray, Robert H. Berdell.

DENOMINATION—Coupon, \$500.
CALLABLE—On Nov. 1, 1939 and at any time thereafter at 107½.
SECURITY—Second lien, 11.64 miles, Goshen to Pine Island, N. Y. Follow \$186,500 Goshen & Deckertown Ry. first 5½s of 1978 (No. 1).
RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage and by

Erie R.R. refunding and improvement mortgage.
TAX STATUS—Company does not pay Federal income tax.
Capital Stock: 1. Goshen & Deckertown Railway Co. stock; par \$10:
AUTHORIZED—36,000 shares; outstanding, 9,619 shares; par \$10.

DIVIDENDS—Dividends, 4% per annum, paid annually at National Bank of Orange County, Goshen, N. Y., are provided for by Erie R.R. under terms of lease.
TRANSFER AGENT AND REGISTRAR—National Bank of Orange County, Goshen, N. Y.

JEFFERSON RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of Pennsylvania, Feb. 16, 1864.
 On Nov. 12, 1931, the ICC authorized company to acquire, and the Erie R.R. to operate, a line of railroad 1.138 miles long, formerly constituting a part of the Honesdale branch of the Delaware & Hudson R.R. Corp., located principally in Honesdale, Wayne County, Pa.
Lease: Road leased to Erie Ry. (now Erie R.R.), Jan. 1, 1889 (supplemental lease April 1, 1888), in perpetuity.
Line of Road: Jefferson Branch, Lanesboro to Carbondale, Pa., 36.55 miles; Honesdale Branch, West Hawley to Honesdale, Pa., 8.92 miles; total, 45.47 miles. Second track, Jefferson Branch, 34.39 miles. Sidings, etc., 15.22 miles.
 Standard gauge.
Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).
Officers: C. P. O'Malley, Pres.; P. E. Woodruff, J. K. Thompson, Vice-Pres.; H. A. Taylor, Vice-Pres. and Gen. Counsel; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.; T. J. Tobin, Compt.; E. F. Morgenroth, Treas.
Directors: J. K. Thompson, H. A. Taylor, R. E. Woodruff, Cleveland, O.; G. W. Shuman, R. H. Boykin, Dunmore, Pa.; W. L. Hill, Scranton, Pa.; D. R. Thompson, Pittsburgh, Pa.
Annual Meeting: Second Tuesday in June at Dunmore, Pa.
Offices: Dunmore, Pa., and Cleveland, O.
Balance Sheet, as of Dec. 31, 1939: Capital stock, \$2,096,050; non-negotiable debt, \$4,480,908; total, \$6,576,958 represented by road and equipment.
Bonded Debt: 1. Jefferson Railroad Co. Honesdale Branch first gold 4½s, due 1927:
AUTHORIZED—\$250,000; outstanding, \$204,000.

OWNERSHIP—All owned by Erie R.R. and pledged under that company's first consolidated mortgage.
DATED—July 1, 1867.
MATURITY—July 1, 1887; extended to July 1, 1927 (unpaid at maturity); interest reduced from 7%.
INTEREST PAID—J&J 1, at office of Trustee.
TRUSTEE—Fidelity-Philadelphia Trust Co., Philadelphia. Co-trustees: John Torrey, Z. H. Russell, C. F. Young.
DENOMINATION—\$100, \$250, \$500 and \$1,000.
GUARANTEED—By Erie R.R. Co. under terms of lease.
SECURITY—A first mortgage on 9.32 miles of company's lines, Honesdale to Hawley, Pa.
TAX STATUS—Company pays Federal income tax up to 2%. Free from Pennsylvania 4 mills tax.
2. Jefferson Railroad Co. Honesdale Branch second gold 6s, due 1929:
AUTHORIZED—\$96,000; outstanding, \$96,000.
OWNERSHIP—All owned by Erie R.R. Co. and pledged under that company's first consolidated mortgage.
DATED—Jan. 1, 1869.
MATURITY—Jan. 1, 1889; extended to Jan. 1, 1929 (unpaid at maturity); interest reduced from 7%.
INTEREST PAID—J&J 1, at office of Trustee.
TRUSTEE—Fidelity-Philadelphia Trust Co., Philadelphia.
DENOMINATION—Coupon, \$100, \$250, \$500, \$1,000.
GUARANTEED—By the Erie R.R. Co. under terms of lease.
SECURITY—Second lien, 9.32 miles, Hawley

to Honesdale, Pa., subject to Jefferson R.R. Co., Honesdale Branch 1st gold 4½s (No. 1).
TAX STATUS—Company pays Federal income tax up to 2%. Free from Pennsylvania 4 mills tax.
3. Jefferson Railroad Co. first gold 5½s, due 1929:
AUTHORIZED—\$2,800,000; outstanding, \$2,800,000.
OWNERSHIP—All owned by the Erie R.R. Co., and pledged under that company's 1st consolidated mortgage.
DATED—Jan. 1, 1889.
MATURITY—Jan. 1, 1909; extended to April 1, 1919, and again to April 1, 1929 (unpaid at maturity); interest increased from 5%.
INTEREST PAID—A&O 1, at Erie R.R. office, 50 Church St., New York.
DENOMINATION—Coupon, \$1,000.
TRUSTEE—Fidelity-Philadelphia Trust Co., Philadelphia, Pa.
CALLABLE—At 105 on any interest date on 30 days' notice.
GUARANTEED—Principal and interest by Erie R.R. under terms of lease.
SECURITY—First lien, 36.64 miles, Carbondale to Lanesboro, Pa.
TAX STATUS—Interest paid without deduction for Pennsylvania taxes, unlimited. Company pays Federal income tax up to 2%.
Capital Stock: 1. Jefferson Railroad Co. stock; par \$50:
AUTHORIZED—And outstanding, 41,921 shares; par \$50.
OWNERSHIP—Owned by the Erie R.R. Co., 41,914 shares of which 41,909 shares pledged under that company's first consolidated mortgage.

LONG DOCK COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New Jersey, Feb. 26, 1856.
Lease: Road leased to N. Y., L. Erie & Western R.R. (now Erie R.R.), Nov. 16, 1885, for 50 years ended Dec. 1, 1935 (see below regarding extension); rent: interest on bonds.
Property: Consists of 577 acres of land facing the Hudson River, together with piers, docks, elevators, etc.
Mileage: 2.56 miles of main track extending from the water front, N. J., to Bergen Tunnel, N. J., 2.46 miles of second track, 0.40 mile of third track, .40 mile of fourth track and 56.41 miles of sidings.
 Standard gauge.
Lease Extension Authorized: On Aug. 5, 1935, the ICC granted permission to the Erie R.R. Co. to extend its lease of the Long Dock Co. from Dec. 1, 1935 to Dec. 1, 1985. Entire property of Long Dock Co. is used for railroad purposes and is covered by the lease with the exception of a grain elevator located on Pier No. 1 which is not included in the lease.
Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).
Officers: R. E. Woodruff, Pres.; Carl Howe, T. W. Kane, J. K. Thompson, H. D. Barber, Vice-Pres.; H. A. Taylor, Vice-Pres. and Gen. Counsel; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.; E. F. Morgenroth, Treas.; H. W. Trumpler, Asst. Treas.; T. J. Tobin, Compt.
Directors: R. C. Falconer, H. D. Barber, J. K. Thompson, R. E. Woodruff, H. A. Taylor, Cleveland, O.; P. W. Johnston, Jersey City, N. J.; D. L. Gray, New York.
Annual Meeting: First Tuesday in April at Jersey City, N. J.
Offices: 50 Church St., New York, Jersey City, N. J., and Cleveland, O.
Income Account, years ended Dec. 31:

	1939	1938
Misc. oper. rev.	\$159,544	\$191,248
Misc. oper. exp.	147,288	163,811
Net revenue	12,256	27,437

	1939	1938
Misc. tax deduct.	57,945	63,077
Operating loss	45,689	35,640
Non-oper. inc.	298,901	294,805
Gross income	253,212	259,165
Fixed charges	294,448	281,250
Income deduct.	4,574	32,582
Net loss	45,810	54,667
P. & I. deficit, 1-1 ..	192,094	137,427
P. & I. defic., 12-31 ..	237,904	192,094
Times chgs. earn.	0.85	0.83
Balance Sheet, as of Dec. 31:		
Assets:	1939	1938
Road & equip.	\$8,300,000	\$8,300,000
Misc. phys. prop.	813,311	813,311
Other invest.	10,241	10,903
Current Assets:		
Cash	38,677	42,231
Spec. deposits	481	494
Accts., etc., rec.	14,713	7,033
Rents receivable	70,312	210,937
Deferred assets	2	1
Unadjust. debits	143,129	155,077
Total	\$9,390,866	\$9,539,987
Liabilities:		
Cap. stock (\$100)	\$800,000	\$800,000
1st 3¼s, 1950	7,500,000	7,500,000
Non-neg. debt affi.	196,183	196,183
Current Liabil.:		
Interest accr.	70,313	70,312
Accts. pay., etc.	188,381	284,195
Deferred liabil.	451	733
Unadjust. credits	873,442	880,658
P. & I. deficit	237,904	192,094
Total	\$9,390,866	\$9,539,987
Current assets	\$124,183	\$260,695
Current liabilities	258,694	354,507
Net current assets	\$134,511	\$106,188
Bonded Debt: 1. Long Dock Co. consolidated gold 3¼s, due 1950:		
Rating—Ba		
AUTHORIZED —\$7,500,000; outstanding, Dec. 31, 1939, \$7,500,000. DATED —Nov. 16, 1885; due originally Oct. 1, 1935; extended to Oct. 1, 1950 and interest re-		

duced to 3¾%. Premium of 1% of the principal of each bond was paid upon extension.
INTEREST PAID—A&O 1, at J. P. Morgan & Co., Inc., New York. Past due interest paid in full. Payment of interest assumed by Erie R.R. Co.
TRUSTEES—Herbert L. Satterlee and Paul G. Pennoyer.
REGISTRAR—Bonds transferred and registered at J. P. Morgan & Co., Inc., New York.
DENOMINATION—Coupon, \$1,000; registerable as to principal.
CALLABLE—As a whole at any time on 30 days' notice at 105 and interest to April 1, 1937, incl., and at 1% less each three-year period thereafter to April 1, 1949, incl.; thereafter at par.
SINKING FUND—No provision for sinking fund.
SECURITY—First lien on Bergen tunnel property of Erie R.R., including 2.56 miles of road, 577 acres of land, docks, terminals, etc.
RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage and by Erie R.R. refunding and improvement mortgage.
LISTED—On New York Stock Exchange.
TAX STATUS—Company does not pay or refund Federal income tax.
PRICE RANGE: □1940 1939 1938 1937 1936
 High..... 67 75 90 106¾ 106
 Low..... 63½ 62 55 99¾ 104½
 □To Aug. 23.
 Note: \$26,000 traded in on N. Y. S. E. in 1939.
Capital Stock: 1. Long Dock Co. stock; par \$100:
AUTHORIZED—And outstanding, 8,000 shares; par \$100.
OWNERSHIP—The Erie R.R. Co. owns entire capital stock and has pledged same under that company's first consolidated mortgage.
DIVIDENDS—Dividend of 37.5% paid in 1925 and 12.5% in 1926; none thereafter.

MONTGOMERY & ERIE RAILWAY COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New York, Jan. 2, 1866. Road opened Dec. 12, 1867.

Lease: Road leased to Erie Ry. (now Erie R.R.) Nov. 16, 1871, from Jan. 1, 1872 in perpetuity; rent, \$25,000. Lease modified April 19, 1881, and April 22, 1886, and rent now \$16,000, equal to interest on bonds and 3½% (4% per annum up to Nov. 10, 1932) dividends on stock.

Line of Road: Montgomery to Goshen, N. Y., 10.43 miles. Sidings, etc., 2.70 miles. Standard gauge.

Status under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: F. W. Murray, Jr., Chairman and Pres., Goshen, N. Y.; Benj. F. Chamberlain, Vice-Pres., Goshen, N. Y.; Harold L. Jackson, Sec.; Francis W. Murray, Jr., Treas., Goshen, N. Y.

Directors: F. W. Murray, Jr., Fred Dayton, George Luft, Jr., Harold L. Jackson, Herbert Serger, W. J. Tuthill, Goshen, N. Y.; C. D. Knapp, Tuxedo Park, N. Y.; J. R. Burnett, J. M. Wilkin, George Eager, Montgomery, N. Y.; Fred Gridley, Walden, N. Y.; Benj. F. Chamberlain, Goshen, N. Y.; G. W. Crist, Campbell Hall, N. Y.

Annual Meeting: First Tuesday in Oct. at Montgomery, N. Y.

No. of Stockholders, Aug. 1, 1939: 131.

General Office: Goshen, N. Y.

Income Account, year ended Dec. 31, 1939: Rental income, \$16,000; fixed charges, \$8,525; other deductions, \$1,658; net income, \$5,816; dividends, \$5,250; balance to profit and loss, \$567.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$150,000; bonded debt, \$170,500; inter-

est accrued (unmatured), \$1,590; appropriated surplus, \$6,500; profit and loss—balance, \$5,211; total, \$333,800. Contra: Road and equipment, \$327,000; cash, \$2,800; rents receivable, \$4,000; total, \$333,800.

Bonded Debt: 1. Montgomery & Erie Railway Co. first 5s, due 1956:

Rating—Ba

AUTHORIZED—\$130,000; outstanding, \$130,000. **DATED—**May 1, 1866.

MATURITY—May 1, 1886; extended to May 1, 1926, and interest rate reduced from 7% to 5%; again extended at 5% to May 1, 1956.

INTEREST PAID—M&N 1, at Goshen National Bank, Goshen, N. Y. Interest provided for by Erie R.R. Co. under terms of lease.

TRUSTEES—William Murray, Nathan C. Sanford and Henry Merriam.

DENOMINATION—Coupon, \$500 and \$1,000.

CALLABLE—On 30 days' notice at 105 on and after a five-year period from date of extension.

SECURITY—First lien, 10.43 miles, Montgomery to Goshen, N. Y.

UNDERLIE—\$40,500 Montgomery & Erie R.R. second 5s of 1957 (No. 2).

RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage, and by Erie R.R. refunding and improvement mortgage.

TAX STATUS—Company does not pay Federal income tax.

2. Montgomery & Erie Railway Co. second gold 5s, due 1957:

Rating—B

AUTHORIZED—\$40,500 (closed); outstanding, \$40,500.

DATED—Mar. 1, 1867.

MATURITY—Oct. 1, 1887; extended to Oct. 1, 1927, and interest reduced from 7% to 5%; again extended to Oct. 1, 1957.

INTEREST PAID—A&O 1, at National Bank of Orange Co., Goshen, N. Y. Interest provided for by Erie R.R. Co. under terms of lease.

TRUSTEE—J. M. Quackenbos and B. Wright.

DENOMINATION—Coupon, \$500 and \$1,000.

CALLABLE—At 105 on Oct. 1, 1932, or any interest date thereafter on 30 days' notice.

SECURITY—Second lien, following No. 1 on 10.43 miles of road from Montgomery to Goshen, N. Y.

RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage, and by Erie R.R. refunding and improvement mortgage.

TAX STATUS—Company does not pay Federal income tax.

Capital Stock: 1. Montgomery & Erie Railway Co. stock; par \$10:

AUTHORIZED—26,000 shares; outstanding, 15,000 shares; par \$10.

DIVIDENDS PAID—

1872-94... [1] 1895-1926...\$0.45 1927-31...\$0.40
1932-...\$0.37½ 1933-39... 0.35 [2]1940- 0.17½

[1] Paid at rates varying from \$0.40 to \$0.70.
[2] To May 10, 1940.

Dividends paid M&N 10, at National Bank of Orange County, Goshen, N. Y., and provided for by Erie R.R. Co. under terms of lease.

Dividend rate was reduced to 3½% per annum on Nov. 10, 1932, made necessary by increase in Federal income tax.

TRANSFER AGENT AND REGISTRAR—Company's office.

THE NEW JERSEY AND NEW YORK RAILROAD

(Controlled by the Erie R.R. Co.)

HISTORY

Corporate History: Incorporated under laws of New York and New Jersey, April 26, 1880. Merged the Hackensack R.R. in 1886 and New Jersey & New York Extension Ry. on Feb. 11, 1936.

Reorganization Proceedings—Trustees Appointed: In July, 1938, Judge S. H. West in the U. S. District Court at Cleveland approved company's petition for reorganization proceedings and in Aug., 1938, the ICC approved the appointment of C. E. Denney and J. A. Hadden as trustees.

The Erie R.R. company plan dated Dec. 19, 1938 made no provision for dealings with company because of its undergoing a separate proceeding for reorganization. In Jan., 1939, the U. S. District Court at Cleveland authorized Guaranty Trust Co., New York, as trustee for company's general 5s, due 1938 to intervene in the Erie R.R. reorganization proceedings. In May, 1940 the Cleveland District Court extended the time for filing of a plan for company by Erie to Sept. 30, 1940.

Authorized to Curtail Service: On Mar. 29, 1940 the New Jersey Public Utility Commission authorized company to curtail week-day service and eliminate Sunday trains. The line retained sixteen trains daily and discontinued twenty-four, of which eight operated Sundays. The new schedule became effective April 1, 1940.

Trustees of the line requested the reduction because "unprofitable service was jeopardizing the service as a whole."

Company had previously reduced service in 1938.

Commutation Rates Reduced: In May, 1940, the New Jersey Public Utility Commission an-

nounced that lower rates for weekly and full-month commutation tickets on the New Jersey & New York Railroad would go into effect June 1, 1940.

ICC Examiner Denies Mail Rate Increase: On Aug. 21, 1939, after considering new evidence presented by the trustees of the Erie R.R. Co., M. J. Walsh, an ICC examiner, recommended for the second time that the application of the New Jersey & New York R.R. Co. for higher rates of mail pay on the ground that it is a separately operated railroad of less than fifty miles length be denied. Mr. Walsh found that the new evidence did not materially change the situation and urged the commission to find the Erie subsidiary is not entitled to the higher rate of mail pay.

Company filed an exception Sept. 13, 1939 to the examiner's report.

New Jersey Tax Assessment Litigation: See Central R.R. of N. J. (Addenda).

Operating Territory: Company operates in Hudson and Bergen counties N. J., and Rockland County, N. Y.

Control: Controlled since 1896 by Erie R.R., but separately operated.

MANAGEMENT

Trustees

R. E. Woodruff
J. A. Hadden

Officers for Trustees

H. D. Barber, Vice-President
Carl Howe, Vice-President
J. K. Thompson, Vice-President
G. A. W. Achenbach, Secretary
E. F. Morganroth, Treasurer
H. A. Taylor, Counsel

Mileage, Equipment and Operation

C. E. Post, Assistant Secretary
H. W. Trumpler, Assistant Treasurer

Corporate Officers

R. E. Woodruff, President
H. A. Taylor, Vice-President and Gen. Counsel
H. D. Barber, Vice-President
Carl Howe, Vice-President
J. K. Thompson, Vice-President
T. J. Tobin, Comptroller
G. A. W. Achenbach, Secretary
E. F. Morganroth, Treasurer
T. E. Savage, Purchasing Agent

Directors

H. A. Taylor, Cleveland
C. L. Bradley, Cleveland
Carl Howe, Cleveland
R. E. Woodruff, Cleveland
J. K. Thompson, Cleveland
H. D. Barber, Cleveland
G. W. Loft, New York
D. L. Gray, New York
W. F. Cutler, New York
O. H. Payne, New York
H. B. Blauvelt, Oradell, N. J.

Annual Meeting: First Monday in May.

Offices: Jersey City, N. J. and Cleveland, O.

MILEAGE—Dec. 31, 1939

Line of road extends from New Jersey and New York Jct., to Stony Point, N. Y., 29.32 miles; connection Stony Point to Haverstraw, N. Y., 2.21 miles; trackage, 9.89 miles; total operated, 41.42 miles.

Second track, 18.32 miles. Passing tracks, cross-overs and turn-outs, 3.25 miles; way switching tracks, 8.75 miles.

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	46	19	19	5	--	19%	10	83,823	122	\$3.03	1.04	7.04
1931	46	19	19	7	--	21	10	75,883	125	2.82	1.01	7.85
1932	46	19	16	4	--	19	10	58,010	99	2.39	0.97	7.87
1933	46	19	17	2	--	20	9	51,475	91	2.08	1.12	8.17
1934	46	19	16	5	--	22	9	48,971	86	1.88	1.19	8.28
1935	46	19	15	3	--	23	9	46,748	82	1.81	1.21	8.28
1936	46	19	15	3	--	25	9	52,445	86	1.87	1.21	8.20
1937	46	19	15	2	--	24	9	51,082	85	1.74	1.19	7.62
[1]1938	46	19	14	2	--	27	9	50,709	98	2.05	1.17	7.67
[1]1939	44	18	12	2	--	32	9	51,936	98	3.44	1.15	9.12
10-Year Aver.	46	19	16	4	--	23%	9	57,108	97	\$2.31	1.13	8.01

[1] Combined corporate and trustees' accounts.

Yard track, sidings, etc., Dec. 31, 1939, 12.00 miles. Cabooses in service, none. Standard gauge. Rail, 90 and 130 lbs.

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	Special		Freight	Passenger				
1933	25,889	425,620	12	451,521	\$7.43	\$1.74	2,353,419	3,659,296	64,412,025	17.60
1934	26,054	414,121	---	440,175	7.12	1.54	2,238,970	3,021,725	52,086,982	17.24
1935	26,130	397,951	28	424,109	6.77	1.47	2,137,324	2,722,051	46,792,216	17.19
1936	28,026	392,505	---	420,531	7.01	1.44	2,397,839	2,677,031	46,872,944	17.51
1937	27,798	382,400	---	410,198	6.44	1.40	2,349,764	2,528,742	44,730,770	17.69
1938	23,728	287,914	---	311,642	7.50	1.47	2,318,430	2,159,248	39,132,317	18.12
1939	23,063	251,564	---	274,627	8.95	1.60	2,262,831	1,894,974	35,077,393	18.51

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	30,186	8%	347,877	92%	378,063	1935	9,190	4%	229,250	96%	238,440
1931	20,054	6	329,071	94	349,125	1936	11,464	4	255,788	96	267,252
1932	10,631	4	256,329	96	266,960	1937	10,972	4	247,239	96	258,211
1933	12,687	5	236,672	95	249,359	1938	9,143	4	235,856	96	244,999
1934	9,723	4	243,536	96	253,259	1939	12,203	5	252,568	95	264,771

☐ Combined corporate and trustee's accounts.

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	1,116	3.7	3,885	12.9	435	1.4	2,574	8.5	15,415	51.1	6,761	22.4	30,186
1931	788	3.9	201	1.0	994	5.0	1,767	8.8	12,294	61.3	4,010	20.0	20,054
1932	976	9.2	27	0.3	82	0.8	631	5.9	6,105	57.4	2,810	26.4	10,631
1933	559	4.4	132	1.0	251	2.0	109	0.9	9,166	72.2	2,470	19.5	12,687
1934	524	5.4	23	0.2	1,131	11.6	63	0.6	5,139	52.9	2,843	29.2	9,723
1935	58	0.6	30	0.3	147	1.6	53	0.6	5,557	60.5	3,345	36.4	9,190
1936	57	0.5	77	0.7	110	1.0	211	1.8	7,908	69.0	3,101	27.0	11,464
1937	36	0.3	172	1.6	162	1.5	65	0.6	7,297	66.5	3,240	29.5	10,972
☐1938	64	0.6	30	0.3	118	1.3	75	0.8	6,076	66.5	2,780	30.4	9,143
☐1939	49	0.4	39	0.3	276	2.3	---	---	8,417	69.0	3,422	28.0	12,203

Received from Connections:

1930	8,842	2.5	32,772	9.4	210,840	60.6	9,805	2.8	79,053	22.7	6,565	1.9	347,877
1931	8,145	2.5	1,650	0.5	219,161	66.6	10,525	3.2	84,492	25.7	5,098	1.5	329,071
1932	9,813	3.8	1,906	0.7	188,887	73.7	5,636	2.2	46,338	18.1	3,749	1.5	256,329
1933	8,863	3.7	1,731	0.7	175,547	74.2	4,316	1.8	42,998	18.2	3,217	1.4	236,672
1934	6,025	2.5	1,566	0.6	188,724	77.5	3,445	1.4	40,827	16.8	2,949	1.2	243,536
1935	4,129	1.8	1,196	0.5	173,998	75.9	4,801	2.1	41,878	18.3	3,248	1.4	229,250
1936	5,277	2.1	805	0.3	172,391	67.4	6,524	2.6	66,869	26.1	3,922	1.5	255,788
1937	3,751	1.5	999	0.4	169,346	68.5	6,605	2.7	62,298	25.2	4,240	1.7	247,239
☐1938	4,981	2.1	1,794	0.8	157,059	66.6	7,189	3.0	60,710	25.7	4,123	1.7	235,856
☐1939	4,576	1.8	2,652	1.1	168,898	66.9	7,945	3.1	63,462	25.1	5,035	2.0	252,568

Total Tonnage Carried:

1930	9,958	2.6	36,657	9.7	211,275	55.9	12,379	3.3	94,468	25.0	13,326	3.5	378,063
1931	8,933	2.6	1,851	0.5	220,155	63.1	12,292	3.5	96,786	27.7	9,108	2.6	349,125
1932	10,789	4.0	1,933	0.7	188,969	70.8	6,267	2.3	52,443	19.6	6,559	2.5	266,960
1933	9,422	3.8	1,863	0.7	175,798	70.5	4,425	1.8	52,164	20.9	5,687	2.3	249,359
1934	6,549	2.6	1,589	0.6	189,855	75.0	3,508	1.4	45,966	18.1	5,792	2.3	253,259
1935	4,187	1.8	1,226	0.5	174,145	73.0	4,854	2.0	47,435	19.9	6,593	2.8	238,440
1936	5,334	2.0	882	0.3	172,501	64.5	6,735	2.5	74,777	28.0	7,023	2.6	267,252
1937	3,787	1.5	1,171	0.5	169,508	65.6	6,670	2.6	69,595	27.0	7,480	2.9	258,211
☐1938	5,045	2.1	1,824	0.7	157,177	64.2	7,264	3.0	66,786	27.3	6,903	2.8	244,999
☐1939	4,625	1.7	2,691	1.0	169,174	63.9	7,945	3.0	71,879	27.1	8,457	3.2	264,771

☐ Combined corporate and trustees' accounts.

Tonnage of Principal Commodities Originating and Received from Connections

Commodity:	Originating on Road				Received from Connections			
	☐1939	Total	☐1938	Total	☐1939	☐1938	1937	1936
Hard coal	---	---	---	---	112,277	102,587	111,630	117,308
Soft coal	---	---	---	---	31,710	31,367	37,799	33,886

Total Tonnage of Principal Commodities

Commodity:	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
	Hard coal	112,277	42.4	102,587	41.9	111,630	43.2	117,308	43.9	122,714	51.5	133,406
Soft coal	31,710	12.0	31,367	12.8	37,799	14.6	33,886	12.7	34,662	14.5	35,149	13.9

☐ Combined corporate and trustees' accounts.

Carloadings—Comparative Statistics

Revenue Freight Carloadings

Originating on Road:	Products of Agriculture		Animals & Products		Products of Mines		Products of Forests		Mfrs. & Misc.		Total Carload.
	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total		
1930	59	5.5	106	9.9	18	1.7	84	7.9	801	75.0	1,068
1931	35	4.7	7	0.9	41	5.6	60	8.1	594	80.6	737
1932	41	11.0	2	0.5	5	1.3	28	7.5	296	79.6	372
1933	20	4.6	10	2.3	6	1.4	5	1.1	397	90.6	438
1934	22	6.8	1	0.3	22	6.8	4	1.2	273	84.8	322
1935	3	1.0	2	0.7	4	1.4	2	0.7	284	96.3	295
1936	5	1.3	3	0.8	3	0.8	9	2.2	379	95.0	399
1937	2	0.5	6	1.5	5	1.3	2	0.5	373	96.1	388
☐1938	4	1.3	1	0.3	3	1.0	4	1.3	286	96.0	298
☐1939	3	0.8	1	0.2	5	1.3	---	---	391	97.7	400

Received from Connections:

1930	508	5.4	1,150	12.2	4,246	45.0	432	4.6	3,090	32.8	9,426
1931	447	5.1	150	1.8	4,377	50.1	424	4.9	3,341	38.2	8,739
1932	532	8.0	145	2.2	3,878	58.1	255	3.8	1,868	28.0	6,678
1933	499	8.1	157	2.6	3,594	58.4	187	3.0	1,717	27.9	6,154
1934	347	5.6	141	2.3	3,839	62.5	153	2.5	1,667	27.1	6,147
1935	245	4.1	104	1.7	3,545	59.2	211	3.5	1,880	31.4	5,985
1936	288	4.1	68	1.0	3,605	51.2	257	3.6	2,824	40.1	7,042
1937	218	3.3	84	1.3	3,521	53.0	265	4.0	2,560	38.5	6,648
☐1938	281	4.4	164	2.6	3,259	51.2	303	4.8	2,359	37.1	6,366
☐1939	250	3.5	250	3.5	3,560	50.3	313	4.4	2,701	38.2	7,074

Total:	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	567	5.4	1,256	12.0	4,264	40.6	516	4.9	3,891	37.1	10,494
1931	482	5.1	157	1.7	4,418	46.6	484	5.1	3,935	41.6	9,476
1932	573	8.1	147	2.1	3,883	55.1	283	4.0	2,164	30.7	7,050
1933	519	7.9	167	2.5	3,600	54.6	192	2.9	2,114	32.1	6,592
1934	369	5.7	142	2.2	3,861	59.7	157	2.4	1,940	30.0	6,469
1935	248	3.9	106	1.7	3,549	56.5	213	3.5	2,164	34.5	6,280
1936	293	3.9	71	1.0	3,608	48.5	266	3.6	3,203	43.0	7,441
1937	220	3.1	90	1.3	3,526	50.1	267	3.8	2,933	41.7	7,036
①1938	285	4.3	165	2.5	3,262	48.9	307	4.6	2,645	39.8	6,664
①1939	253	3.4	251	3.4	3,565	47.7	313	4.2	3,092	41.3	7,474

① Combined corporate and trustees' accounts.

Carloadings of Principal Commodities, Originating and Received from Connections

Commodity:	Originating				Received from Connections			
	①1939	①1938	1937	1936	①1939	①1938	1937	1936
Hard coal	-----	-----	-----	-----	2,221	1,984	2,183	2,313
Soft coal	-----	-----	-----	-----	649	642	759	670

Total Carloadings of Principal Commodities

Commodity:	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Hard coal	2,221	29.7	1,984	29.8	2,183	31.0	2,313	31.3	2,423	38.6	2,641	40.8
Soft coal	649	8.7	642	9.6	759	10.8	670	9.0	663	10.6	639	9.9

Freight Revenues—Comparative Statistics

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

	Products of Agriculture				Animals				Mines				Forests				Mfrs. and Misc.		All L.C.L. Freight		Total Freight
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%			
1930	\$11	4.1	22	8.1	\$130	48.1	\$11	4.1	\$77	28.5	\$19	7.0							\$270		
1931	9	3.3	4	1.5	129	47.4	13	4.8	93	34.2	24	8.8							272		
1932	11	5.3	3	1.4	114	54.5	6	2.9	53	25.4	21	10.0							209		
1933	10	5.2	4	2.1	105	54.7	4	2.1	50	26.0	19	9.9							192		
1934	7	3.8	4	2.2	107	57.8	3	1.6	46	24.9	18	9.7							185		
1935	4	2.3	3	1.7	94	53.1	4	2.3	51	28.8	20	11.3							177		
1936	6	3.0	2	1.0	91	46.2	6	3.0	72	36.5	20	10.2							197		
1937	4	2.2	2	1.1	86	48.0	5	3.7	63	35.2	18	10.1							179		
①1938	5	2.8	3	1.7	85	47.8	6	3.4	61	34.3	17	9.6							178		
①1939	5	2.4	5	2.4	97	47.0	7	3.4	72	34.9	21	10.1							206		

① Combined corporate and trustees' accounts.

Revenue Received from Principal Commodities

Commodity:	①1939	% of Total	①1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Hard coal	\$66,303	32.2	\$56,120	31.5	\$60,062	33.6	\$63,763	32.3	\$67,913	38.4	\$78,309	47.2
Soft coal	19,495	9.5	18,320	10.3	17,900	10.0	17,294	8.8	17,284	9.8	16,849	9.1

① Combined corporate and trustees' accounts.

ANALYSIS OF MAINTENANCE EXPENDITURES

Maintenance of Way and Structures

	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			①	②	
1930	\$3,540	12.7	14.5	2,087	\$0.424	\$833	---	187
1931	2,667	10.4	11.7	1,382	0.440	513	---	162
1932	2,468	11.4	11.8	1,528	0.382	478	---	193
1933	1,732	9.4	8.7	1,201	0.388	411	---	124
1934	1,617	10.0	8.1	1,164	0.408	351	---	92
1935	1,358	9.0	7.5	994	0.458	368	---	79
1936	1,201	7.8	7.1	873	0.473	325	---	71
1937	1,166	8.0	7.1	860	0.494	474	---	72
1938	1,181	8.9	8.4	839	0.540	497	\$169	50

	Cross Ties Replaced per Equated Track Mile Treated	Cross Ties Replaced per Equated Track Mile Untreated	Average Cost per Cross Tie		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
			Treated	Untreated				
1930	\$187	---	\$1.91	---	3	3	100	\$47.86
1931	162	---	1.80	---	2	1	100	28.23
1932	192	1	1.70	---	2	---	100	29.31
1933	124	---	1.37	---	---	---	---	28.77
1934	92	---	1.21	---	---	---	100	29.16
1935	79	---	1.42	---	---	---	---	---
1936	71	---	1.22	---	---	---	100	25.00
1937	58	14	0.85	\$0.64	---	---	100	25.00
1938	50	---	1.52	Nil	---	---	---	---

① Running track only for 1937 and subsequent years; prior years include way and yard switching track.

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.

Employees and Payroll

Average Number:	Executive	Professional & Clerical	Maintenance of Way	Maintenance of Equipment	Transportation	Total
1934	---	6	36	11	131	184
1935	---	6	35	10	127	178
1936	---	6	33	9	128	176
1937	---	6	30	8	127	171
①1938	---	5	30	7	112	154
①1939	---	4	32	7	106	149

Total Payroll:						
1934	---	\$7,209	\$38,125	\$13,169	\$269,665	\$328,168
1935	---	7,237	38,166	12,807	283,608	341,818
1936	---	7,478	39,644	12,181	285,730	342,333
1937	---	7,599	37,781	12,446	277,681	335,507
①1938	---	7,050	39,445	11,079	240,015	297,589
①1939	---	5,988	41,976	10,310	219,706	②277,980

① Combined corporate and trustees' accounts.

② Amount chargeable to operating expenses, \$263,851.

INCOME FACTORS

Earnings and Their Distribution, Per Mile of Road Operated

Years Ended Dec. 31	-Oper. Freight	Revenues- Total	—Operating Expenses—		Railway Tax Accruals	Railway Operating Income	Net Railway Operat. Income	Other Income	Gross Income	Tax Accruals	Interest Charges etc.	Net Income	Times Rentals, Interest etc., Earned
			Maint. of Way	Maint. of Equip.									
1925	\$6,596	\$35,349	\$4,603	\$5,768	\$998	\$4,044	\$4,272	\$144	\$4,128	\$2	\$1,129	\$5,259	---
1926	7,389	34,832	4,273	5,926	912	3,516	4,908	141	4,767	5	1,117	5,889	---
1927	7,769	34,695	4,473	6,358	960	1,911	6,687	147	6,540	6	1,131	7,677	---
1928	7,714	34,421	4,632	5,715	1,021	3,304	5,396	189	5,207	6	1,130	6,343	---
1929	6,916	33,541	4,619	5,402	1,079	3,016	5,654	190	5,464	6	1,130	6,602	---
1930	5,868	30,815	3,924	5,689	1,156	2,532	5,325	172	5,153	7	1,129	6,289	---
1931	5,919	28,526	2,957	6,207	1,308	2,024	4,599	107	4,492	7	1,128	5,627	---
1932	4,536	23,995	2,736	6,365	1,330	1,591	5,723	137	5,586	5	1,129	6,720	---
1933	4,179	20,416	1,921	6,191	1,044	2,589	7,269	127	7,142	4	1,131	8,277	---
1934	4,032	18,006	1,793	6,314	1,070	5,262	9,496	80	9,416	4	1,143	10,563	---
10-Year Aver.	\$6,092	\$29,460	\$3,593	\$5,994	\$1,088	\$1,191	\$5,933	\$143	\$5,790	\$5	\$1,130	\$6,925	---

Years Ended Dec. 31	-Oper. 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.									
1934	\$4,032	\$18,006	\$1,793	\$6,314	\$1,070	\$5,262	\$9,496	\$80	\$9,416	\$9,438	\$1,125	\$10,563	---
1935	3,847	16,649	1,506	4,823	1,085	4,552	9,171	107	9,064	9,083	1,111	10,194	---
1936	4,272	17,084	1,331	3,823	1,727	3,458	7,526	86	7,440	7,457	1,141	8,598	---
1937	3,893	16,118	1,393	3,883	1,634	3,688	7,528	89	7,439	7,466	1,111	8,577	---
1938	3,869	14,374	1,284	2,882	1,900	2,842	6,019	97	5,922	5,927	1,112	7,039	---
1939	4,691	14,569	1,312	2,668	1,773	3,168	6,227	115	6,112	6,116	1,162	7,278	---
6 Year Aver.	\$4,101	\$16,133	\$1,437	\$4,066	\$1,531	\$3,828	\$7,661	\$95	\$7,566	\$7,581	\$1,127	\$8,708	---

⊖ 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 years 1934 to 1939, incl., giving effect to the new classification.

SEASONAL TRENDS—Revenues and Operating Income

Operating Revenues (000's omitted)													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$117	\$117	\$115	\$121	\$123	\$124	\$124	\$121	\$116	\$116	\$111	\$113	\$1,418
1931	108	105	112	117	116	113	117	110	108	108	97	101	1,312
1932	94	94	94	97	92	88	90	88	92	93	89	92	1,104
1933	89	81	81	78	79	79	79	73	77	78	71	74	939
1934	79	72	79	72	70	68	66	62	62	68	63	67	828
1935	69	63	63	66	66	70	62	59	60	64	59	63	766
1936	66	68	63	65	67	69	64	61	60	68	64	68	786
1937	61	58	68	66	65	63	60	58	60	62	57	63	741
1938	61	53	57	55	56	59	51	52	52	57	53	55	661
1939	56	51	54	57	57	56	51	52	51	57	49	50	641
10-yr. Av.	80	76	79	79	79	79	77	74	74	77	71	75	920
% of Total	8.69	8.26	8.59	8.59	8.59	8.59	8.37	8.04	8.04	8.37	7.72	8.15	100.00

Net Railway Operating Income (000's omitted)													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	d \$39	d \$20	d \$24	d \$19	d \$17	d \$16	d \$19	d \$12	d \$19	d \$22	d \$19	d \$19	d \$245
1931	d 26	d 16	d 3	d 19	d 15	d 15	d 13	d 24	d 15	d 18	d 26	d 27	d 212
1932	d 30	d 17	d 19	d 17	d 18	d 22	d 21	d 25	d 15	d 18	d 21	d 40	d 263
1933	d 25	d 22	d 29	d 29	d 29	d 25	d 27	d 32	d 24	d 37	d 31	d 25	d 334
1934	d 38	d 30	d 34	d 34	d 38	d 33	d 36	d 39	d 38	d 39	d 37	d 42	d 437
1935	d 37	d 39	d 37	d 38	d 39	d 29	d 35	d 37	d 30	d 33	d 32	d 36	d 422
1936	d 27	d 21	d 28	d 28	d 25	d 25	d 31	d 31	d 29	d 20	d 28	d 54	d 356
1937	d 31	d 29	d 24	d 26	d 28	d 27	d 28	d 32	d 30	d 31	d 33	d 28	d 346
1938	d 31	d 28	d 23	d 23	d 23	d 20	d 26	d 27	d 24	d 16	d 19	d 18	d 277
1939	d 19	d 17	d 22	d 18	d 19	d 19	d 19	d 21	d 19	d 11	d 19	d 70	d 273
10-yr. Aver.	d 30	d 24	d 24	d 25	d 25	d 23	d 26	d 28	d 24	d 25	d 27	d 36	d 317
% of Total	---	---	---	---	---	---	---	---	---	---	---	---	---

INCOME ACCOUNTS

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

	1939	1938	1937	1936	1935	1934	1933
Operating Revenues:							
Freight	\$206,388	\$177,986	\$179,072	\$196,518	\$176,946	\$185,458	\$192,255
Passenger	403,292	458,973	533,818	564,803	565,785	619,935	721,944
All other	31,395	24,239	28,516	24,528	23,137	22,876	24,922
Railway operating revenues	641,075	661,198	741,406	785,849	765,868	828,269	939,121
Operating Expenses:							
Maintenance of way and structures	57,748	59,070	59,468	61,229	69,277	82,475	88,353
Maintenance of Equipment:							
Maintenance	117,234	132,386	178,500	175,742	221,717	244,675	237,695
Depreciation	172	172	138	132	131	44,920	47,100
Retirements	---	---	---	---	---	847	cr 10
Total	117,406	132,558	178,638	175,874	221,848	290,442	284,785
Traffic	5,615	5,845	6,460	7,325	10,592	14,894	16,700
Transportation	504,207	491,095	574,014	598,919	589,893	592,661	574,531
Miscellaneous and general	17,483	15,947	17,311	22,122	33,722	40,640	45,817
Railway operating expenses	702,459	704,515	835,891	865,469	925,332	1,021,112	1,010,186
Net railway operating revenues	d 61,384	d 43,317	d 94,485	d 79,620	d 159,464	d 192,843	d 71,065
Operating ratio	109.58%	106.55%	112.74%	110.13%	120.82%	123.28%	107.57%
Railway tax accruals	78,029	87,408	75,162	79,436	49,659	48,447	47,940
Uncollected railway revenues	---	---	---	---	251	752	71
Railway operating income	d 139,413	d 130,725	d 169,647	d 159,056	d 209,374	d 242,042	d 119,076
Hire of equipment—cr.	---	5	64	23	---	22	---
Hire of equipment—dr.	87,178	96,175	113,505	124,372	135,071	93,844	95,022
Joint facility rents—dr.	47,394	49,968	63,216	62,779	77,411	100,967	120,259
Net equip. and joint facility rents	dr 134,572	dr 146,138	dr 176,657	dr 187,128	dr 212,482	dr 194,789	dr 215,281
Net railway operating income	d 273,985	d 276,863	d 346,304	d 346,184	d 421,856	d 436,831	d 334,357
Other income	5,056	4,451	4,108	3,956	4,928	3,680	5,845
Gross income	d 268,929	d 272,412	d 342,196	d 342,228	d 416,928	d 433,151	d 328,512

INCOME ACCOUNTS (cont'd)

	1939	1938	1937	1936	1935	1934	1933
Misc. Income Deductions:							
Miscellaneous rents	-----	-----	-----	-----	17	79	-----
Miscellaneous tax accruals	168	176	160	166	171	162	-----
Miscellaneous charges	50	54	1,066	620	686	741	-----
Balance for fixed charges	d 269,147	d 272,642	d 343,422	d 343,014	d 417,802	d 434,134	d 328,512
Miscellaneous tax accruals	-----	-----	-----	-----	-----	-----	186
Interest on funded debt	19,730	19,730	50,630	50,628	50,480	51,201	51,280
Interest on unfunded debt	31,386	31,418	471	1,847	656	564	5
Miscellaneous charges	-----	-----	-----	-----	-----	-----	746
Total fixed charges	51,116	51,148	51,101	52,475	51,136	51,765	52,217
Net income	d 320,263	d 323,790	d 394,523	d 395,489	d 468,938	d 485,899	d 380,729
Balance at beginning of period	d 5,719,837	d 5,389,354	d 4,992,732	d 4,593,815	d 4,332,240	d 3,843,349	d 3,456,970
Add: Credits to profit and loss	61	36	23	dr 109	212,439	691	653
Deduct: Debits to profit and loss	56,417	6,729	2,122	3,319	5,076	3,682	6,303
Profit and loss—balance	d \$6,096,456	d \$5,719,837	d \$5,389,354	d \$4,992,732	d \$4,593,815	d \$4,332,240	d \$3,843,349

☐ Combined corporate and trustees' accounts.

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. Income accounts above for years 1934-39, inclusive, are shown on the new basis, and for 1933 on the old basis.

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

Yrs. End. Dec. 31	Stock Outstanding Per Cent. of Whole	Bonds Outstanding Per Cent. of Whole	Rentals Capitalized at 5% and % of Whole	Total Capitalization	Gross Income on Capitalization	Yrs. End. Dec. 31	Stock Outstanding Per Cent. of Whole	Bonds Outstanding Per Cent. of Whole	Rentals Capitalized at 5% and % of Whole	Total Capitalization	Gross Income on Capitalization
1930	\$48,448 68%	\$22,303 32%	-----	\$70,751	-----	1935	\$48,448 69%	\$21,999 31%	-----	\$70,447	-----
1931	48,448 68	22,303 32	-----	70,751	-----	1936	48,448 69	22,021 31	-----	70,469	-----
1932	48,448 68	22,303 32	-----	70,751	-----	1937	48,448 69	☐22,238 31	-----	70,686	-----
1933	48,448 68	22,303 32	-----	70,751	-----	1938	48,448 69	☐22,238 31	-----	70,686	-----
1934	48,448 68	22,238 32	-----	70,686	-----	1939	50,650 69	☐23,249 31	-----	73,899	-----

☐ Includes funded debt matured unpaid.

BALANCE SHEETS

Comparative Balance Sheet, as of Dec. 31

	1939	1938	1937	1936	1935	1934	1933
ASSETS							
Investments:							
Road and equipment	\$3,751,093	\$3,819,269	\$3,834,108	\$3,831,743	\$3,598,072	\$3,604,163	\$3,573,787
Impr. on leased railway property	-----	-----	-----	-----	14,718	14,718	14,715
Investments in affiliated cos.	14,737	12,407	10,843	9,281	230,598	229,381	227,778
Miscellaneous physical property	7,579	7,250	-----	-----	-----	-----	-----
Current Assets:							
Cash	37,174	45,673	36,736	78,537	69,958	58,700	91,260
Materials and supplies	3,776	4,540	3,376	2,816	5,745	3,034	4,580
Other current assets	32,385	32,859	32,289	35,258	31,412	27,472	18,823
Deferred assets	3,793	2,955	3,694	3,694	4,506	5,068	5,560
Unadjusted debits	1,152	1,647	3,725	3,125	1,416	1,696	2,874
Total assets	\$3,851,689	\$3,926,600	\$3,924,771	\$3,964,454	\$3,956,425	\$3,944,232	\$3,939,377
LIABILITIES							
Capital stock	\$2,228,600	\$2,228,600	\$2,228,600	\$2,228,600	\$2,228,600	\$2,228,600	\$2,228,600
Funded debt	394,960	394,960	1,012,960	1,012,960	1,011,960	1,022,960	1,025,960
Government construction grants	20,144	19,732	19,732	19,915	20,391	20,170	20,170
Non-negotiable debt to affiliated cos.	5,113,456	5,113,456	5,113,456	5,113,456	4,703,486	3,071,812	3,071,812
Current and Accrued Liabilities:							
Accounts and wages payable	1,123,065	977,526	757,173	387,701	450,573	1,622,646	1,138,414
Miscellaneous accounts payable	633	2,887	2,749	10,410	291	2,174	297
Interest matured	120,263	69,183	18,103	18,068	19,082	17,773	18,938
Accrued items	☐631,283	☐631,283	☐13,283	13,283	14,283	3,283	3,283
Other current liabilities	1,626	132	559	1,069	1,323	587	110
Deferred liabilities	51,350	-----	-----	-----	-----	-----	-----
Unadjusted Credits:							
Accrued depreciation	746	574	402	915	783	652	8,930
Other unadjusted credits	237,855	183,940	122,944	126,645	75,154	49,207	29,604
Corporate Surplus:							
Appropriated surplus	24,164	24,164	24,164	24,164	24,314	236,608	236,608
Profit and loss—balance	d 6,096,456	d 5,719,837	d 5,389,354	d 4,992,732	d 4,593,815	d 4,332,240	d 3,843,349
Total liabilities	\$3,851,689	\$3,926,600	\$3,924,771	\$3,964,454	\$3,956,425	\$3,944,232	\$3,939,377
Current assets	\$73,335	\$83,072	\$72,401	\$116,611	\$107,115	\$89,205	\$114,663
Current and accrued liabilities	1,876,870	1,681,011	791,867	430,531	485,552	1,646,463	1,161,043
Net current assets	d \$1,803,535	d \$1,597,939	d \$719,466	d \$313,920	d \$378,437	d \$1,557,258	d \$1,046,380
Property Account Analysis							
INVESTMENT IN ROAD & EQUIP.							
Road	\$415	cr \$43	\$4,224	\$222,389	\$2,018	\$49,713	\$69,167
Equipment	-----	-----	1,064	-----	-----	-----	-----
Total	415	cr 43	5,288	222,389	2,018	49,713	69,167
CREDITS FOR PROPERTY RETIRED							
Road	68,591	14,796	2,108	3,436	8,109	7,775	3,702
Equipment	-----	-----	815	-----	-----	11,560	9,307
Total	68,591	14,796	2,923	3,436	8,109	19,335	13,009
NET CHANGE	cr 68,176	cr 14,839	2,365	218,953	cr 6,091	30,378	56,158

☐ Combined corporate and trustees' accounts.

☒ Includes Funded Debt Matured Unpaid: 1938-39, \$628,000; 1937, \$10,000.

Securities Owned, Dec. 31, 1939: One share Railway Express Agency, Inc., no par; book value, \$100.

FUNDED DEBT—Description and Ratings

Bond Record and Ratings

Name of Issue:	Interest Payable	Maturity	Amount Outstanding	Annual Interest	Outstanding per Mile	1939 Sales on N.Y.S.E. (\$,000)	Rating
1. N. J. & N. Y. R.R. 1st ext. 5s	M&N	May, 1950	\$394,000	\$19,700	\$13,586	-----	Ca
2. N. J. & N. Y. R.R. 2nd 5s	J&J	Jan., 1986	960	48	33	-----	-----
3. N. J. & N. Y. R.R. gen. 5s	J&J	Jan., 1938	628,000	31,400	21,655	-----	C

1. New Jersey & New York Railroad first extended gold 5s, due 1950:**Rating—Ca**

AUTHORIZED—\$400,000; outstanding, \$394,000.

DATED—April 3, 1880.

MATURITY—Matured April 30, 1910; extended to May 1, 1950.

INTEREST PAYABLE—M&N 1, at Erie R.R. office, 50 Church St., New York. Reduced from 6% to 5% Apr. 30, 1910.

DEFAULT—May 1, 1938 and subsequent interest in default.

SUCCESSOR TRUSTEE—Fidelity Union Trust Co., Newark, N. J.

REGISTRAR—Bankers Trust Co., New York.

DENOMINATION—Coupon, \$500 and \$1,000; registerable as to principal.

CALLABLE—Not subject to call.

VOTING POWER—Entitled to one vote for each \$100 par of bonds at all stockholders' meetings.

SECURITY—First lien on 29.32 miles from New Jersey and New York Jct. to Stony Point, N. Y.

UNDERLIE—\$960 New Jersey & New York R.R. 2nd 5s of 1986 (No. 2), and \$628,000 New Jersey & New York gen. 5s of 1938 (No. 3), latter providing for retirement.

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

PRICE RANGE:

	1939	1938	1937	1936
High	8½	10	77	78
Low	2	8	25	50

2. New Jersey & New York Railroad second gold 5s, due 1986:

AUTHORIZED—\$100,000; outstanding, \$960 (including \$360 scrip); in treasury, \$540.

DATED—Nov. 27, 1885.

MATURITY—Jan. 1, 1986.

INTEREST PAYABLE—J&J 1, at Erie R.R. office, 50 Church St., New York.

DEFAULT—Interest due Jan. 1, 1938 and thereafter in default.

REGISTRAR—Bankers Trust Co., New York.

DENOMINATION—Registered, \$100 and \$500.

CALLABLE—Not subject to call.

SECURITY—Follow \$394,000 New Jersey & New York R.R. 1st 5s of 1950 (No. 1), on 29.32 miles as above.

UNDERLIE—\$628,000 New Jersey & New York gen. 5s of 1938 (No. 3), which provides for retirement.

TAX STATUS—Company does not pay Federal income tax.

3. New Jersey & New York Railroad general gold 5s, due 1938:**Rating—C**

AUTHORIZED—\$1,200,000; outstanding, \$628,000 (including \$10,000 not extended); in treasury, \$3,000.

DATED—Dec. 31, 1892.

MATURITY—Due Jan. 1, 1933; extended to Jan. 1, 1938. Not paid at maturity.

INTEREST PAYABLE—J&J 1, at Erie R.R. office, 50 Church St., New York.

DEFAULT—Interest due Jan. 1, 1938 and thereafter not paid.

TRUSTEE—Guaranty Trust Co., New York.

REGISTRAR—Bankers Trust Co., New York.

DENOMINATION—Coupon, \$500 and \$1,000; registerable as to principal.

SECURITY—Practically a second mortgage on 29.32 miles of road, as shown above in No. 1; following \$394,000 New Jersey & New York R.R. 1st 5s of 1950 (No. 1), and \$960 New Jersey & New York R.R. 2nd 5s of 1986 (No. 2), with provision for retirement thereof. The general 5s are additionally secured by a lien on 2.21 miles from Stony Point Jct. to Haverstraw, N. Y.

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

PRICE RANGE:

	1939	1938	1937	1936
High	1½	14½	55	55
Low	½	8	22	39¾

Unable to Pay Principal and Interest on Gen. 5s, Jan. 1, 1938: In a letter dated Nov. 25, 1937, company announced to holders of outstanding securities that it would be unable to pay principal and interest due on Jan. 1, 1938, on outstanding general 5s, due Jan. 1, 1938, or to pay other interest on its bonds on and after said date.

CAPITAL STOCK DESCRIPTION**1. New Jersey & New York Railroad preferred; par \$100:**

AUTHORIZED—8,000 shares; outstanding, 7,878 shares; par \$100.

OWNERSHIP—Erie R.R. owns 7,794 shares of preferred stock.

VOTING RIGHTS—Sole voting power is held by the preferred stock and first mortgage bondholders until dividends of 6% have been paid on the preferred stock for three successive years.

DIVIDENDS—No dividends paid.

TRANSFER AGENT AND REGISTRAR—Bankers Trust Co., New York.

2. New Jersey & New York Railroad common; par \$100:

AUTHORIZED—20,000 shares; outstanding, 14,408 shares; par \$100.

OWNERSHIP—Erie R.R. owns 10,808 shares.

VOTING RIGHTS—Sole voting power is held by the preferred stock and first mortgage bondholders until dividends of 6% have been paid on the preferred stock for three successive years.

DIVIDENDS—No dividends paid.

TRANSFER AGENT AND REGISTRAR—Bankers Trust Co., New York.

NEW YORK & GREENWOOD LAKE RAILWAY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated in New Jersey, Oct. 30, 1878, succeeding the Montclair & Greenwood Lake R.R. Co. Owns \$38,400 of the capital stock of the Caldwell Ry. and all of the capital stock of the Roseland Ry.

Lease: Company is leased to the Erie R.R. Co. for 999 years from May, 1896, at a rental equal to fixed charges.

The line extends from Croxton, N. J., to Wanaque-Midvale, N. J., 29.03 miles; Caldwell Ry., Caldwell Junction to Caldwell, 4.50 miles; Roseland Ry., Caldwell to Essex Fells, 0.95 mile; Watchung Ry., Forest Hill to Orange, N. J., 4.16 miles; total, 38.64 miles. Second track, 14.03 miles. Sidings, etc., 34.43 miles. Standard gauge.

Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Branch Abandonment Authorized: On Aug. 22, 1939 the ICC approved company's application for authority to abandon a branch line extending from Wanaque-Midvale to Ringwood, N. J., a distance of approximately 5.8 miles, and abandonment of operation thereof by Erie R.R. Co., lessee. Operation was discontinued as of Nov. 14, 1939.

Officers: R. E. Woodruff, Pres.; H. A. Taylor, Vice-Pres. and Gen. Counsel; J. K. Thompson, Vice-Pres.; G. A. Achenbach, Sec.; C. E. Post, Asst. Sec.; E. F. Morgenroth, Treas.; H. W. Trumpler, Asst. Treas.; T. J. Tobin, Compt.

Directors: R. C. Falconer, H. D. Barber, R. E. Woodruff, H. A. Taylor, J. K. Thompson, Cleveland, O.; D. L. Gray, New York; P. W. Johnston, Jersey City, N. J.

Annual Meeting: Second Tuesday in February, in Jersey City, N. J.

Offices: Jersey City, N. J., and Cleveland, O.

Income Account, year ended Dec. 31, 1939. Rental income, \$74,509; fixed charges, etc., \$74,509.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$100,000; funded debt, matured & unpaid \$1,540,061; non-negotiable debt to affiliated companies, \$114,551; unpaid interest, \$160,853; profit and loss, \$1,763,507; total, \$3,678,972. Contra: Road and equipment, \$3,518,117; other investments, \$2; current assets, \$160,853; total, \$3,678,972.

Bonded Debt: 1. New York & Greenwood Lake Railway prior lien gold 5s, due 1946:**Rating—Caa**

AUTHORIZED—\$1,500,000; outstanding, \$1,484,800.

DATED—May 1, 1896.

MATURITY—May 1, 1946. On Aug. 13, 1938 entire issue was declared matured by New York Trust Co., Trustee.

INTEREST PAYABLE—M&N 1, at Erie R.R. office, 50 Church St., New York.

DEFAULT—Entire issue is in default. Interest due May 1, 1938, and subsequent thereto unpaid.

TRUSTEE—New York Trust Co., New York.

REGISTRAR—Bonds transferred and registered at company's office.

DENOMINATION—Coupon, \$100 and \$1,000.

GUARANTEED—Principal and interest by endorsement by Erie R.R. Co.

CALLABLE—Not subject to call.

SINKING FUND—No provision for sinking fund.

SECURITY—First lien on 38.64 miles, as follows: Croxton, N. J., to Wanaque-Midvale, 29.03 miles; Forest Hill to Orange, 4.16 miles; branches, 5.45 miles.

LISTED—On New York Stock Exchange.

TAX STATUS—Principal and interest paid without deduction for any tax or taxes which it may be required to deduct or pay therefrom under any present or future laws. Company pays Federal income tax up to 2%.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	15	17¾	22	101½	101½
Low	8¼	11	11	97¾	92½

□ To Aug. 23.

Note: \$170,000 traded in on N. Y. S. E. in 1939.

Capital Stock: 1. New York & Greenwood Lake Railway stock; par \$50:

OUTSTANDING—2,000 shares; par \$50.

OWNERSHIP—The Erie R.R. Co. owns 1,788 shares.

TRANSFER AGENT AND REGISTRAR—Company's office.

NEW YORK, LAKE ERIE & WESTERN COAL & RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of Pennsylvania April 8, 1870, as the Wilcox & Howard Hill Improvement Co.; name changed to New York, Lake Erie & Western Coal & R.R. Co. June 28, 1881.

Lease: Road leased to N. Y., L. Erie & W. R.R. (now Erie R.R.), July 1, 1890, for 35 years and extended to July 1, 1945; rental provides interest on bonds and sinking fund requirements.

Control: Majority of capital stock owned by Northwestern Mining & Exchange Co., the capital stock of which is owned by Erie R.R. Co.

Line of Road: Crawford Jct., to Johnsonburg, Pa., 29.58 miles. Branches: Brockway to Kyler Jct., Pa., 10.54 miles; Bundy Jct. to Eureka Mines, Pa., 1.42 miles; total, 41.54 miles. Second track, 20.98 miles. Sidings, etc., 23.23 miles.

Standard gauge.

Acquisition Approved: On May 29, 1940 the ICC approved company's application to purchase railroad properties of Brockport &

Shawmut R.R. Co. New York, Lake Erie is operated under lease by the Erie R.R. Co.

Status Under Proposed Reorganization of Erie R.R. Co.: For details, see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: C. P. O'Malley, Pres.; J. K. Thompson, Vice-Pres.; H. A. Taylor, Vice-Pres. and Gen. Counsel; E. F. Morgenroth, Treas.; G. A. W. Achenbach, Sec.; H. W. Trumpler, Asst. Treas.; C. E. Post, Asst. Sec.; T. J. Tobin, Compt.

Directors: R. E. Woodruff, H. A. Taylor, J. K. Thompson, Cleveland, O.; G. W. Shuman, R. H. Boykin, Dunmore, Pa.; D. R. Thompson, Pittsburgh, Pa.; W. L. Hill, Scranton, Pa.

Annual Meeting: Second Monday in June, at Bradford, Pa.

Offices: Bradford, Pa., and Cleveland, O.

Income Account, year ended Dec. 31, 1939: Rental income, \$64,680; interest on funded debt, \$40,068; amortization of debt discount,

\$4,340; other deductions, \$155; balance, \$20,117; sinking fund appropriations, \$20,117.

Balance Sheet, as of Dec. 31:

Assets:	1939	1938
Road & equip.	\$2,753,913	\$2,753,913
Sinking fund	7,197	141
Depos. in lieu of mtged. prop. sold	70	70
Other curr. assets	28,166	76,152
Dis. on fund. debt	10,128	14,469
Total	\$2,799,474	\$2,844,745
Liabilities:		
Capital stock	\$500,000	\$500,000
Funded debt	2,625,000	2,655,000
Accrued items ...	8,048	148,886
Sinking fund res. ...	327,901	307,783
Unadj. credits ...	10,128	14,469
Profit and loss....	d 671,603	d 681,393
Total	\$2,799,474	\$2,844,745

□ Includes \$41,965, interest matured unpaid.

Bonded Debt: 1. New York, Lake Erie & Western Coal & Railroad Co. first extended gold 5½s, series A and B, due 1942:

Rating Ba

AUTHORIZED—\$3,000,000 (closed); outstanding, \$1,038,000 series A; \$1,900,000 series B bonds pledged under Erie R.R. consolidated mortgage; in addition, \$313,000 series A held in sinking fund and \$62,000 cancelled as of Dec. 31, 1939.

DATED—May 15, 1882.

MATURITY—May 1, 1922; extended to May 1, 1942 and interest rate reduced from 6%.

INTEREST PAYABLE—M&N 1, at Erie R.R. office, 50 Church St., New York.

INTEREST PAYMENTS—Interest due May 1, 1938 paid Feb. 20, 1939; payment due Nov. 1, 1938 paid Apr. 17, 1939. Interest due May 1, 1939 paid Nov. 1, 1939. Nov. 1, 1939 and May 1, 1940 coupons paid when due.

TRUSTEE—Manufacturers Trust Co., New York.

REGISTRAR—J. P. Morgan & Co., Inc., 23 Wall St., New York City.

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

GUARANTEED—Principal and interest by Erie R.R. Co. by endorsement.

CALLABLE—Series A are callable on any interest date on 60 days' notice at 101 to May 1, 1940 and at 100½ to May 1, 1941.

Series B not callable.

SINKING FUND—For series A, 10 cents per ton of coal mined and shipped after May 1, 1922, from properties of company, to purchase series A bonds at not exceeding redemption price or to call bonds at that price. No sinking fund provisions for series B.

SECURITY—First lien on about 14,000 acres of land, and on mineral rights in about 7,900 additional acres in Elk and McKean counties, Pa.; also a first lien on 42 miles of road from Crawford Junc. to Johnsonburg and from Brockwayville to Toby Mines, Pa.

RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage and by Erie R.R. refunding and improvement mortgage.

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax. Company pays interest without deduction for Pennsylvania Tax not exceeding 4 mills.

PRICE RANGE: 1940 1939 1938 1937 1936
High----- 80 70 85 102 103¾
Low----- 80 33 30 99½ 100½

1 Bid prices. 2 To Aug. 23.

Note: \$38,000 traded in on N. Y. S. E. in 1939.

Capital Stock: 1. New York, Lake Erie & Western Coal Railroad Co. stock; par \$100:

AUTHORIZED—And outstanding, 5,000 shares; par \$100.

OWNERSHIP—Owned by Erie R.R. Co., 806 shares and by the Northwestern Mining & Exchange Co., 4,194 shares.

NEW YORK, LAKE ERIE & WESTERN DOCKS & IMPROVEMENT COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New Jersey, June 28, 1881, to buy, reclaim and improve lands, and lands under water in Hudson County, N. J.

Lease: Road leased to New York, Lake Erie & Western R.R. (now Erie R.R.), Feb. 8, 1890 to July 1, 1913, and thereafter for period of charter of both companies and until bonds and interest are paid off; rent, interest on bonds.

Control: Erie R.R. owns entire capital stock.

Property: Owns the main tidewater freight terminal of the Erie R.R. System on New York harbor, located on the Hudson River at Weehawken, N. J., opposite Twenty-third Street, New York.

Owns 68.71 acres of upland with riparian rights to 52.90 acres under water, having a frontage of 2,591 feet along the pierhead line of the Hudson River.

Improvements include 5 covered piers, 2 open piers, 1 coal transfer pier with trestles and pockets; also 23.90 miles of railroad tracks, freight house, engine house, warehouse, etc.

Status Under Proposed Reorganization of Erie R.R. Co.: For details, see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: R. E. Woodruff, Pres.; J. K. Thompson, Vice-Pres.; E. F. Morgenroth, Treas.; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.; T. J. Tobin, Compt.; H. A. Taylor, Vice-Pres. and Gen. Counsel.

Directors: R. E. Woodruff, R. C. Falconer, H. A. Taylor, J. K. Thompson, Cleveland, O.; P. W. Johnston, Jersey City.

Annual Meeting: Second Tuesday in April, at Jersey City, N. J.

Offices: Jersey City, N. J., and Cleveland, O.

Income Account, year ended Dec. 31, 1939: Rental income, \$169,912; fixed charges, \$169,800; other deductions, \$112.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$604,000; funded debt, \$4,000,000; unadjusted credits, \$371,943; total, \$4,975,943. Road and equipment, \$4,604,000; sinking fund, \$371,943; total, \$4,975,943.

Bonded Debt: 1. New York, Lake Erie & Western Docks & Improvement Co. 1st extended gold 5s, due 1943:

Rating—Ba

AUTHORIZED—\$4,000,000; outstanding, Dec. 31, 1939, \$3,396,000 and \$604,000 owned by Erie R.R. and deposited under that company's first cons. mortgage.

DATED—June 1, 1883.

MATURITY—July 1, 1913, but extended to July 1, 1943, at 5%.

INTEREST PAYABLE—J&J 1, at Erie R.R. office, 50 Church St., New York. Interest due Jan. 1, 1938, paid Jan. 27, 1938; July 1, 1938, Nov. 29, 1938; Jan. 1, 1939, Mar. 29, 1939. July 1, 1939 coupon paid Oct. 2, 1939; Jan. 1, and July 1, 1940 coupons paid when due.

TRUSTEE—Commercial Trust Company of New Jersey, Jersey City, N. J., successor trustee.

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

CALLABLE—At 105 on any interest date on 60 days' notice.

SINKING FUND—No provision for sinking fund.

GUARANTEED—Principal and interest by Erie R.R. Co. under terms of lease.

SECURITY—First lien on freight terminals at Weehawken, N. J.

RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage and by Erie R.R. refunding and improvement mortgage.

LISTED—On New York Stock Exchange.

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

OFFERED—At par in June, 1913, by White, Weld & Co., Kissel, Kinnicutt & Co., and Brown Bros. & Co., New York.

PRICE RANGE: 1940 1939 1938 1937 1936
High----- 80½ 71¾ 47½ 106½ 106½
Low----- 65 50 40 105 104½

1 Bid prices. 2 To Aug. 23.

Note: \$31,000 traded in on N. Y. S. E. in 1939.

Capital Stock: 1. New York, Lake Erie & Western Docks & Improvement Co. stock; par \$100:

AUTHORIZED—20,000 shares; outstanding, 6,040 shares; par \$100.

OWNERSHIP—Entire capital stock owned by Erie R.R. and deposited under that company's first consolidated mortgage.

NEW YORK, SUSQUEHANNA & WESTERN RAILROAD COMPANY

(Controlled by the Erie R.R. Co.)

HISTORY

Corporate History: Incorporated under the laws of New Jersey and Pennsylvania. Successor by consolidation April 25, 1893, of old New York, Susquehanna & Western Railroad (with which the Midland R.R. Co. of New Jersey was merged in 1881) and Hudson River Railroad & Terminal Co.

Subsidiaries: Controls through ownership of entire capital stock: Susquehanna Connecting R.R., Passaic & New York R.R., Wilkes-Barre & Eastern R.R., (see appended statements), Hackensack & Lodi R.R. and Lodi Branch R.R.

Control: At Dec. 31, 1939, the Erie Railroad owned \$25,735,300 out of \$26,000,000 capital stock of the New York, Susquehanna & Western R.R. About one-half of this stock is deposited under the Erie R.R.-Pennsylvania collateral indenture.

Reorganization Proceedings: The company was unable to pay at maturity the first refunding 5s due Jan. 1, 1937, and the second 4½s due Feb. 1, 1937. A plan proposing the extension of the maturities on these bonds to Aug. 1, 1940, was declared inoperative on May 28, 1937, due to the fact that to that date, the expiration date for the deposit agreement, less than the necessary 85% of the two issues had been deposited.

On June 1, 1937, the company filed a petition to reorganize, under the Corporate Bankruptcy Act, in the United States District Court for the District of New Jersey. Federal Judge William Clark approved the petition and on June 29, 1937, appointed Walter Kidde and H. J. Bordwell as trustees for the company in the reorganization proceedings. On July 15, 1937, the ICC ratified the appointment of the aforementioned trustees. H. J. Bordwell died Nov. 15, 1937, and Walter Kidde was appointed sole trustee by the court. The appointment was ratified by the ICC Dec. 22, 1937.

On July 12, 1937, the U. S. District Court for the District of New Jersey entered an order in company's reorganization proceedings fixing Oct. 1, 1937, as the final date for filing

proofs of claims against company with Charles E. Jaekel, Chief Deputy Clerk, Room 347, P. O. Building, Newark, N. J. However, claims arising out of company's rejection of any existing contracts or leases could be filed within 30 days after notice of such rejection is given. Trustees for mortgages or indentures outstanding against company were authorized to file a proof of claim on behalf of all holders of bonds or securities, and in which event it would be unnecessary to file individual claims. Total claims filed amounted to \$24,386,982.

Outstanding bonds of the company total \$15,649,125 and claims of creditors were \$8,737,857. Claims include State taxes and assessments of \$976,169. The court set Jan. 24, 1938, as the final date for filing objections to claims filed.

Interest due after May 28, 1937 on all issues of the company is unpaid.

Company's Reorganization Plan: On Apr. 20, 1938, the company filed a plan of reorganization in the U. S. District Court at Newark in the pending proceeding under the Corporate Bankruptcy Act. The plan was also filed with the ICC.

Under the plan the following subsidiaries would be merged with the reorganized company: Susquehanna Connecting R.R.; Passaic & New York R.R. Co.; Hackensack & Lodi R.R. and Lodi Branch R.R.

The capitalization of the reorganized company would consist of \$2,000,000 New York, Susquehanna & Western R.R. Co., Terminal first 5s, due 1943 (undisturbed as to lien and principal), extended to 1973 at reduced interest of 4%; \$2,000,000 fixed interest first 4s, due 1988; \$2,000,000 income 4s, due 1998, and \$9,000,000 capital stock, or a total capitalization of \$15,000,000. This would compare with an existing capitalization consisting of \$12,522,000 bonds and \$12,964,844 preferred and \$12,816,319 common capital stock.

The effect of the proposed capital changes would be to reduce existing capital from \$38,-

303,163 to \$15,000,000, and fixed charges from \$621,127 to \$240,000.

Of the proposed common capital Erie R.R. Co. would receive 42% by reason of its lien against the Susquehanna for loans totaling \$6,500,000.

The plan provides for the treatment of securities, without provision for interest, as follows:

\$3,488,500 Midland R.R. of New Jersey 1st 5s (formerly 6s), due 1940, would receive in the aggregate: \$1,246,000 first 4s, due 1988; \$296,000 income 4s, due 1998 and \$1,332,000 par value of new common.

\$3,744,000 New York, Susquehanna & Western R.R. Co. first refunding 5s, due 1937, would receive in the aggregate: \$445,030 first 4s, due 1988; \$436,000 income 4s, due 1998, and \$1,962,000 par value of new common.

\$2,551,000 New York, Susquehanna & Western R.R. Co. general 5s, due 1940, would receive in the aggregate: \$127,550 first 4s, due 1988, \$318,000 income 4s, due 1998, and \$1,431,000 par value of common.

\$70,000 Passaic & New York R.R. Co., 1st 5s, due 1940, would receive a like principal amount of new first 4s, due 1988.

\$200,000 Paterson Extension R.R. first 5s (formerly 6s), due 1950, would receive \$89,000 first 4s, due 1988, \$15,000 income 4s, due 1998 and \$67,500 par value of new common.

\$447,000 New York, Susquehanna & Western R.R. Co. second 4½s due 1937, would receive in the aggregate: \$22,350 first 4s, due 1988; \$56,000 income 4s, due 1998, and \$252,000 par value of new common.

\$6,574,775 general claims, including the \$6,500,000 claim of the Erie R.R. Co., and those of the Lehigh & New England R.R. and New Jersey State Highway Dept., would receive in the aggregate, \$866,000 income 4s, due 1998, and \$3,897,000 par value of new common.

\$100,000 (approximate) adjustments and general claims as may be allowed would be pro-

vided for by \$13,000 income 4s, due 1998 and \$58,500 par value of new common stock.

The plan makes no provision for existing preferred and common stock, 99% of which is owned by the Erie R.R. Co.

Interventions: The ICC authorized the trustees of the Erie R.R. Co., to intervene in the pending reorganization proceeding for this company. The Erie trustees stated they desired to "participate fully" in the proceeding because the Susquehanna owes the Erie \$8,756,032.

The intervention, petition of the following trustees was also granted by the ICC: National State Bank, Newark, trustee for Susquehanna's second 4½s, due 1937; U. S. Trust Co., New York, trustee for terminal 1st 5s, 1943; New York Trust Co., New York, trustee for general 5s, 1940.

The ICC authorized a committee formed to represent a group of holders of Wilkes-Barre & Eastern R.R. Co. first 5s, due 1942, to intervene in company's reorganization proceedings.

On June 15, 1940, the ICC authorized Commercial National Bank & Trust Co., New York, trustee for Wilkes-Barre & Eastern R.R. Co. 1st 5s, 1942, to intervene.

Tax Litigation and Erie Terminals R.R. Co. Case Delays Reorganization: In response to an inquiry by the ICC as to whether the parties of record in company's reorganization proceedings intended having hearing on the reorganization plan filed by company on April 21, 1938, or intended filing new plans, counsel for the trustee of the carrier said important tax litigation with the State of New Jersey has not been decided by the Court. The Court expects to render a decision on this matter before the end of July, however, the Erie Terminal case must then be submitted to the Court for decision.

Counsel said: "It will probably be the end of the summer before that is disposed of and until that time it is our belief that no effective plan could be filed. As soon as these matters are out of the way, we contemplate on behalf of the trustee filing a plan without delay."

H. A. Taylor, vice-president and general counsel of the company, informed the commission that the matter of a reorganization hearing had not then been given consideration by the directors and that the board's executive committee "is not in a position and does not desire to file a new plan or a revision of the plan at this time."

For further details regarding Terminals case see Erie Terminals R.R. Co. in an appended statement.

For tax litigation see below.

Court Ruling on Status of Mortgages: On Jan. 20, 1940, the U. S. Circuit Court of Appeals at Philadelphia handed down decisions defining the status of six mortgages totaling \$11,430,500 upon properties of company.

The court ruled that the \$2,000,000 Terminal first 5s dated May 1, 1893, due May 1, 1943, are a first lien on the Edgewater, N. J. terminal properties and that four older mortgages of \$9,200,000 are subordinated. It was also held that the Terminal mortgage was a priority lien on those parcels of the Little Ferry Yard which were acquired before the third consolidation in 1893, but only a subordinate lien on parcels acquired after that date.

The court further ruled that the \$2,551,000 general mortgage 5s dated Aug. 1, 1890, due Aug. 1, 1940, had a "second priority" on the Edgewater terminal for only \$294,152, and that the "after acquired" property clauses of the older mortgages give them a subordinate and not a priority lien on the Edgewater property.

The court stated that none of the mortgages had a lien on 15 lots owned by company in Passaic, N. J., or on property of Passaic & New York Railroad Co.; Lodi Branch Railroad Co.; Hackensack & Lodi Railroad Co. or the Susquehanna Connecting Railroad which are wholly-owned by the N. Y., S. & W. or the Erie Terminals Railroad Co., partly owned by the N. Y., S. & W. or on any interest the latter has in these several corporations.

It was also held that while the general mortgage 5s, the \$3,744,000 first refunding 5s dated Jan. 1, 1887 and the second 4½s dated Feb. 1, 1887 are subordinated liens on the Paterson Extension Railroad, one of the N. Y., S. & W. subsidiaries, the original "first Midland" mortgage of \$3,488,500 dated April 1, 1880, is not a lien on the extension railroad.

The question whether the six mortgages or any of them are liens upon the rolling stock and equipment of company had not been determined. It was to be decided later by the Federal Court of New Jersey.

The Circuit Court's decisions in effect uphold determination of the status of the various mortgages by the Federal Court of New Jersey, but all the groups appealed with the object of obtaining better positions.

Comment on Mortgage Status Ruling: Commenting on the ruling of the U. S. Circuit Court of Appeals at Philadelphia defining the status of six mortgages totaling \$11,430,500 upon properties of company, Larkin, Rathbone & Perry, counsel for Central Hanover Bank & Trust Co., New York, trustee for

Midland R.R. of New Jersey first extended 5s (formerly 6s) due 1940, pointed out:

"The District Court for the District of New Jersey, from which the appeal to the Circuit Court was taken, held that the general mortgage had a second lien on the Edgewater terminal in the amount of \$294,152, but the Circuit Court reversed this holding and ruled that the general mortgage was only a subordinate lien on the terminal properties. Under the decision of the Circuit Court, the first mortgage of the Midland R.R. of New Jersey was held to constitute the second lien on these properties."

Proceedings Toward Settlement of Wilkes-Barre & Eastern R.R. Co. Claim: See description of that company in an appended statement.

Tax Litigation: As stated in Company's annual report under date of Mar. 30, 1940, a petition for writs of certiorari from the decision of the U. S. Court of Appeals with respect to taxes levied by the State of New Jersey for the year 1933 was filed with the U. S. Supreme Court; this petition was denied and a petition for rehearing was also denied by U. S. Supreme Court on Apr. 18, 1939. On Jan. 19, 1940, Judge Forman, in U. S. District Court, District of New Jersey, filed a memorandum granting an injunction restraining the State from collecting in excess of 70 per cent of the taxes levied for the years 1934, 1935 and 1936, until such time as the State taxing authorities should revalue the properties, and directed the payment to the State of 70 per cent of the taxes levied for those years. In view of the fact that the taxes levied against the company for these years were before Judge Clark as a claim in the reorganization proceedings, no additional payments had been made to comply with this direction. An appeal was before the New Jersey State Board of Tax Appeals with respect to the taxes levied for the years 1937, 1938 and 1939.

Disaffirmance of Lease Agreements: Upon the completion of construction of the road of Wilkes-Barre & Eastern R.R. Co. (controlled by New York, Susquehanna & Western R.R. Co. through ownership of its entire capital stock), the Susquehanna entered into an agreement with that company dated July 18, 1893, under which it was agreed that the lines of both companies would be operated as a continuous line extending from Jersey City, N. J., to Wilkes-Barre, Pa.

The Susquehanna agreed that if, in any year, the revenues of the Wilkes-Barre & Eastern were insufficient to pay its operating expenses, taxes and fixed charges, the Susquehanna would pay such deficits, and it also guaranteed the payment of the principal of the Wilkes-Barre & Eastern first 5s, due June 1, 1942, of which there are now outstanding \$2,665,000.

By agreement dated Apr. 1, 1897, the agreement of July 18, 1893, was modified and extended to cover the line of Susquehanna Connecting R.R. Co. (also controlled by the Susquehanna through ownership of its entire capital stock), and certain mine branches located in Lackawanna Valley, Pa., owned by the Susquehanna and held under lease by the Susquehanna Connecting, which the Wilkes-Barre & Eastern had acquired under lease dated Apr. 1, 1897.

As a result of the unprofitable operation of the Wilkes-Barre & Eastern under these agreements, and the net deficits which the Susquehanna was called upon to assume for a number of years, the Susquehanna's Trustees, under order of the court, and by notice dated Sept. 17, 1937, disaffirmed the agreements effective Oct. 1, 1937. On Apr. 19, 1938, the U. S. District Court at Newark issued an order authorizing the disaffirmance by the Susquehanna of the guaranty of principal and interest on the Wilkes-Barre & Eastern, first 5s.

Status Under Proposed Reorganization of Erie R.R. Co.: The Reorganization Plan dated Dec. 19, 1938 of the Erie R.R. Co. (see preceding statement) makes no provision for the New York, Susquehanna & Western as that company itself is engaged in reorganization proceedings under the Corporate Bankruptcy Act.

Court Upholds Six Mortgage Claims: On May 25, 1939, Judge Clark in U. S. District Court at Newark, N. J., upheld six mortgage claims by five trust concerns in New York and New Jersey totaling \$12,985,000 against company.

Trustees of Erie R.R. Co. (see general index) filed claims of \$8,314,034 as general creditors, and \$441,998 as preferred creditors. The Erie owns \$12,780,173 in common stock and \$12,955,244 in preferred capital stock of company and had sought prior claim. The trust concerns argued that the mortgages should "prevail in spite of several consolidations" by the Susquehanna. The trust concerns were Central Hanover Bank & Trust Co. of New York, holder of two sets of mortgages; Commercial Trust Co. of New Jersey, Jersey City; National State Bank of Newark, New York; Trust Co. and United States Trust Co. of New York.

In June, 1939, Trustees of the Erie R.R. Co. were authorized by the U. S. District Court at Cleveland to appeal an order of the U. S. District Court at Newark upholding six mortgage claims totaling \$12,985,000.

Erie had claims totaling \$8,756,033 against company and certain parts of the New Jersey District Court's order of May 25, 1939 might exclude general creditors from substantial participation in that road's reorganization plan, according to Erie trustees' petition for permission to appeal the order.

In company's annual report under date of Mar. 30, 1940, it was stated that proceedings were pending before the U. S. District Court in New Jersey with respect to the Erie R.R. Co. against Susquehanna to which claim a set-off and counter claim had been filed by the trustee with respect to the status of Erie Terminals R.R. Co.

Bus Service to New York City: Effective Aug. 1, 1939, the railroad began a bus service to carry its passengers from North Bergen into the Times Square district of New York City for a 15-cent fare in each direction.

MANAGEMENT

Corporate Officers

Carl Howe, Vice-President
Herbert A. Taylor, Vice-Pres. & Gen. Counsel
Robert E. Woodruff, Vice-President
John K. Thompson, Vice-President
Thomas J. Tobin, Comptroller
George A. W. Achenbach, Secretary
Eugene F. Morgenroth, Treasurer

Directors

George A. W. Achenbach, New Jersey
Charles L. Bradley, Cleveland
Clark Denney, Cleveland
Robert C. Falconer, Cleveland
David L. Gray, New York
Grenville Kane, New York
Henry L. McVickar, New York
Duane E. Minard, Newark, N. J.
Herbert A. Taylor, Rhode Island
John K. Thompson, Cleveland
Frederick D. Underwood, New York
Robert E. Woodruff, Cleveland

Trustee: Walter Kidde, New York.

Officers of the Trustee

Ralph E. Lum, Counsel, Newark
Henry K. Norton, Executive Officer, New York
Earl L. Keller, Office Manager, New York
Warwick P. Holabird, General Agent, Edgewater, N. J.

Corporate officers and employes so far as required to manage, operate and maintain the properties of the Debtor and conduct its business are retained by the Trustee.

Annual Meeting: Second Thursday in September at Jersey City.

Office of Trustee: 140 Cedar St., New York.

Office of Company: 330 West 42nd St., New York.

Consolidates Offices with New York, Ontario & Western Ry. Co.: On Feb. 28, 1940 it was announced that company's offices located at 50 Church Street and those of New York Ontario & Western Ry. Co., would be consolidated in new quarters at 330 West 42nd Street. The Susquehanna offices with Erie R.R. in Cleveland would be closed, the Susquehanna recently being separated from the Erie. However, the office of the Susquehanna trustee would be retained at 140 Cedar Street.

Arrangements were made for joint service by the officers of both carriers. Among those who will serve both companies are C. E. Simmons, secretary; A. E. Tompkins, general passenger agent; F. X. Soete, purchasing agent; W. F. Mathieson, general auditor; George Zabriskie, freight traffic manager; E. R. Morris, coal traffic manager; E. J. Lillis, general freight agent; J. M. Hurley, industrial agent, and R. G. MacAndrew, superintendent of motive power.

Among officials of the Erie who would leave that company to serve exclusively with the Susquehanna are A. L. Kline, who would become general manager of the Susquehanna, and Frank Kronauer, who would become chief engineer of the Susquehanna. They would have offices in the Straight Street Station in Paterson, N. J.

The Susquehanna and the Ontario & Western had effected a connection through an arrangement with the Middletown & Unionville R.R. This deal brought about through tariffs for shipment of coal originating on the Ontario & Western to the Susquehanna's tide-water terminal in Edgewater, N. J.

To Operate Own Line: On Jan. 28, 1940 the trustee said that arrangements were being made to operate the Susquehanna with its own organization instead of continuing operation by the staff of the Erie Railroad Co. (effective Mar. 1, 1940). The change was being made, Mr. Kidde said, because "over-charges by Erie may amount to more than Erie's claim of almost \$7,000,000 against the Susquehanna."

MILEAGE—New York, Susquehanna & Western Railroad Co., Dec. 31, 1939

Main lines extend from Jersey City to Stroudsburg, Pa., with branches. Mileage mainly in New Jersey and Pennsylvania. Population of these States in 1890, 6,703,046; 1900, 8,185,784; 1910, 10,202,278; 1920, 11,875,917; 1930, 13,672,684.

As of Dec. 31, 1939, mileage was classified as follows:

	First Track Miles	Second Track Miles
① Erie Terminals R.R.—Edgewater, N. J. -----	1.61	.60
West End, Jersey City, N. J., to Stroudsburg, Pa. -----	98.75	18.34
Little Ferry Jct., N. J., to Edgewater, N. J. -----	3.05	2.83
Lodi Branch R.R.—Lodi to Lodi Jct., N. J. -----	.32	---
Hackensack & Lodi RR—Lodi Jct. to Hackensack, N. J. -----	1.41	---

	First Track Miles	Second Track Miles
Passaic & N. Y. R.R.—Passaic Jct. to Passaic, N. J. -----	3.05	---
Broadway to Straight St., Paterson, N. J. -----	.75	---
Beaver Lake, N. J., to N. Y. State Line -----	20.50	---
Total -----	129.44	21.77
Trackage Rights:		
Erie R.R.—Croxtton, N. J., to Jersey City, N. J. -----	2.42	2.42
Erie R.R.—Croxtton, N. J., to Passaic Jct., N. J. -----	11.73	---
Total -----	14.15	2.42
Total owned and trackage rights -----	143.59	24.19

Mileage by States:	First Track Miles	Second Track Miles
New Jersey -----	138.89	---
Pennsylvania -----	---	4.70
Total -----	143.59	---

Yard tracks and sidings, 93.25 miles.
 ① Controlled jointly with Erie R.R. Co.

Abandonment: On April 8, 1940, Judge Clark of the 3rd Federal Circuit Court of Appeals at Newark, N. J., granted company's trustee authority to abandon operation of freight trains over about 12 miles of track between Hainesburg Junction, N. J., and Stroudsburg, Pa. Passenger traffic was abandoned in 1935.

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	131	24	68	14	2,185	82%	21	865,555	484	\$6.29	1.07	3.36
1931	131	24	64	17	2,035	83	19	719,705	438	5.75	1.03	3.63
1932	132	24	73	4	2,020	84	20	610,642	370	4.96	0.98	3.66
1933	132	24	45	3	1,908	85	21	614,996	335	4.45	1.11	3.28
① 1934	215	24	49	1	1,788	86	19	414,775	322	4.82	1.17	3.48
① 1935	215	24	47	2	991	86	19	399,156	325	4.90	1.18	3.55
① 1936	218	24	42	5	918	87	20	407,636	343	4.87	1.16	3.40
1937	143	24	43	---	909	86	16	483,117	287	5.21	1.13	4.05
1938	143	24	44	---	623	87	16	435,307	326	6.49	1.10	4.14
1939	145	24	41	1	599	88	17	431,933	301	7.00	1.08	4.23
3-Year Aver.	144	24	43	---	710	87%	16	450,119	305	\$6.23	1.10	4.14

① Includes Wilkes-Barre & Eastern R.R.

Yard track, sidings, etc., Dec. 31, 1939, 93.25 miles. Caboose in service, none. Weight of rails, from 80 lbs. to 112 lbs. Standard gauge.

Additional Freight and Passenger Statistics

(Including Wilkes-Barre & Eastern R.R. Co.)

Year	Revenue Train Miles				Total	Train Mile Earnings		Ton Miles	Passengers Carried	Passenger Miles	Aver. Miles per Passenger
	Freight	Passenger	① Mixed	① Special		Freight	Passenger				
1933	186,619	423,836	151,566	---	762,021	\$9.65	\$1.26	91,274,588	1,559,485	28,774,564	18.45
1934	193,981	441,069	113,896	---	748,946	11.22	0.83	89,309,318	1,457,248	26,336,882	18.07
1935	184,677	430,594	105,035	153	720,459	11.54	0.84	85,950,283	1,379,007	24,849,155	18.02
1936	259,267	② 449,336	---	---	708,603	11.83	0.85	88,864,741	1,356,335	24,769,089	18.26
③ 1937	241,127	379,537	---	---	620,664	11.60	0.78	69,085,730	1,388,605	26,002,041	18.73
③ 1938	189,065	245,721	---	---	434,786	13.62	1.01	61,689,458	1,186,359	22,652,096	19.09
③ 1939	208,057	221,105	---	---	429,162	12.69	0.99	62,647,604	1,067,822	20,137,518	18.86

① Effective Jan. 1, 1936, the ICC revised the classification of train miles to classify mixed and special trains as freight or passenger according to preponderance of class of equipment in such trains.

② Consists of: Steam, 278,322; motor, 171,014.

③ Excluding Wilkes-Barre & Eastern R.R. Co.

Rolling Stock Owned, Dec. 31, 1939

Year Purchased	Locomotives		Freight Cars		—Passenger Cars—		—Work Cars—		Total
					Dining	Other	Ballast	Other	
1923 and prior -----	0	501	0	0	0	0	0	8	509
1924-28 -----	0	87	0	0	0	0	0	3	90
1929-33 -----	0	0	0	0	0	0	0	0	0
1934-38 -----	0	0	0	0	0	0	0	0	0
1939 -----	0	0	0	0	0	0	0	0	0
Total -----	0	588	0	0	0	0	0	11	599

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	503,200	9%	4,881,812	91%	5,385,012	① 1935	910,163	20%	3,707,540	80%	4,617,703
1931	466,277	10	4,385,055	90	4,851,332	① 1936	907,264	20	3,584,548	80	4,491,812
1932	361,207	9	3,747,280	91	4,108,487	② 1937	644,865	15	3,791,937	85	4,436,802
1933	344,740	9	3,491,917	91	3,836,657	② 1938	488,738	13	3,330,849	87	3,819,587
① 1934	833,611	18	3,891,951	82	4,725,562	② 1939	487,459	14	3,095,625	86	3,583,084

① Includes Wilkes-Barre & Eastern R.R.

② New York, Susquehanna & Western R.R. only.

Revenue Freight Tonnage Classified

Originating on Road:	Products of Agriculture	% of Total	Animals & Products	% of Total	Products of Mines	% of Total	Products of Forests	% of Total	Misc. & Misc.	% of Total	All L.C.L. Freight	% of Total	Total All Freight Tonnage
1930	20,095	4.0	2,922	0.6	197,433	39.2	7,266	1.5	255,362	50.7	20,122	4.0	503,200
1931	21,616	4.6	5,332	1.1	174,582	37.6	8,930	1.9	236,501	50.7	19,316	4.1	466,277
1932	10,372	2.9	2,025	0.6	145,468	40.3	10,963	3.0	178,416	49.4	13,963	3.8	361,207
1933	13,582	3.9	1,358	0.4	77,959	22.6	2,634	0.8	237,511	68.9	11,696	3.4	344,740
① 1934	18,898	2.3	3,162	0.4	462,449	55.5	2,888	0.3	334,240	40.1	11,974	1.4	833,611
① 1935	25,290	2.8	5,055	0.6	451,513	49.6	3,191	0.4	414,527	45.5	10,587	1.1	910,163
① 1936	32,762	3.6	3,779	0.4	397,246	43.8	2,910	0.3	459,314	50.6	11,253	1.3	907,264
② 1937	42,338	6.6	3,027	0.5	143,989	22.3	3,421	0.5	441,829	68.5	10,261	1.6	644,865
② 1938	10,413	2.1	1,298	0.3	151,296	31.0	3,028	0.6	313,501	64.1	9,202	1.9	488,738
② 1939	10,263	2.1	1,413	0.3	137,289	28.2	2,258	0.5	325,885	66.8	10,351	2.1	487,459

Received from Products of Connections: 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	171,901	3.5	39,556	0.8	3,706,670	75.9	45,292	0.9	896,807	18.4	21,586	0.5	4,881,812
1931	147,663	3.4	39,954	0.9	3,329,588	75.9	40,516	0.9	806,303	18.4	21,031	0.5	4,385,055
1932	113,144	3.0	45,874	1.2	3,022,140	80.7	31,234	0.8	520,219	13.9	14,669	0.4	3,747,280
1933	66,244	1.9	37,052	1.1	2,882,287	82.5	28,071	0.8	463,959	13.3	14,304	0.4	3,491,917
①1934	58,068	1.5	36,429	0.9	3,202,250	82.3	27,712	0.7	553,044	14.2	14,448	0.4	3,891,951
①1935	48,284	1.3	32,161	0.9	3,039,804	82.0	35,318	1.0	536,575	14.4	15,398	0.4	3,707,540
①1936	52,005	1.5	28,683	0.8	2,783,178	77.6	32,113	0.9	674,384	18.8	14,185	0.4	3,584,548
②1937	44,594	1.2	31,896	0.8	2,952,951	77.9	47,352	1.2	700,447	18.5	14,697	0.4	3,791,937
②1938	49,062	1.5	37,483	1.1	2,617,045	78.6	37,565	1.1	577,632	17.3	12,062	0.4	3,330,849
②1939	48,975	1.6	41,321	1.3	2,301,749	74.4	41,602	1.3	649,946	21.0	12,032	0.4	3,095,625

Total Tonnage Carried:

Commodity:	①1939	①1938	①1937	②1936	①1939	①1938	①1937	②1936
Hard coal				305,573	1,928,452	2,262,984	2,528,936	2,641,485
Soft coal					281,329	271,304	349,755	378,388
Cement, nat. or Portland	22	108	25	125	178,775	172,998	176,235	170,344
Autos & auto trucks, etc.	29,641	32,826	33,433	23,110	86,184	98,108	158,888	157,502
Hogs	388	268	1,317	1,083	21,856	21,256	20,292	18,419
Linseed oil	56,439	54,893	70,673	48,433	850	56,969	76,253	49,410
Vegetable oils, n.o.s.	53,538	45,282	78,092	81,090	13,719	52,121	81,425	83,540

①New York Susquehanna & Western R.R. Co. only.
②Includes Wilkes-Barre & Eastern R.R.

Commodity:	①1939	% of Total	①1938	% of Total	①1937	% of Total	②1936	% of Total	②1935	% of Total	②1934	% of Total
Hard coal	1,928,452	53.8	2,262,984	59.2	2,528,936	57.0	2,641,485	58.8	2,950,662	63.9	3,158,083	66.8
Soft coal	281,329	7.9	271,304	7.1	349,755	7.9	378,388	8.4	381,089	8.3	376,644	8.0
Cement, nat. or Portland	178,797	5.0	172,998	4.5	176,235	4.0	170,344	3.8	98,683	2.1	132,141	2.8
Autos & auto trucks, etc.	115,825	3.2	98,108	2.6	158,888	3.6	157,502	3.5	154,605	3.3	118,982	2.5
Hogs	22,244	0.6	21,256	0.6	20,292	0.4	18,419	0.4	20,636	0.4	24,417	0.5
Linseed oil	57,289	1.6	56,969	1.5	76,253	1.7	49,410	1.1	66,292	1.4	52,872	1.1
Vegetable oils, n.o.s.	67,257	1.9	52,121	1.4	81,425	1.8	83,540	1.9	58,530	1.3	50,060	1.1

①New York Susquehanna & Western R.R. Co. only.
②Includes Wilkes-Barre & Eastern R.R.

Carloadings—Comparative Statistics

Revenue Freight Carloadings	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.
1934	920	4.3	148	0.7	8,607	39.8	113	0.5	11,847	54.7	21,635
1935	1,174	4.8	262	1.1	8,530	34.7	110	0.4	14,532	59.0	24,698
1936	1,363	5.5	203	0.8	7,401	29.6	105	0.4	15,935	63.7	25,007
1937	1,507	7.6	162	0.8	2,873	14.4	128	0.6	15,266	76.6	19,936
1938	453	3.0	65	0.4	2,906	19.5	109	0.7	11,404	76.3	14,937
1939	429	2.8	72	0.5	2,775	17.9	82	0.5	12,121	78.3	15,479

Received from Connections:	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.
1934	2,635	3.0	2,855	3.2	61,010	68.8	1,137	1.3	21,021	23.7	88,658
1935	2,072	2.4	2,509	2.9	58,581	68.0	1,481	1.7	21,467	24.9	86,110
1936	2,210	2.6	2,150	2.5	53,383	62.6	1,252	1.5	26,280	30.8	85,275
1937	2,020	2.2	2,481	2.8	57,051	63.2	1,838	2.0	26,847	29.8	90,237
1938	2,171	2.8	2,941	3.7	50,278	63.9	1,532	1.9	21,720	27.6	78,642
1939	2,365	3.1	3,270	4.3	44,626	58.7	1,605	2.1	24,156	31.8	76,022

Total:	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.
1934	3,555	3.2	3,003	2.7	69,617	63.1	1,250	1.1	32,868	29.8	110,293
1935	3,246	2.9	2,771	2.5	67,111	60.6	1,591	1.4	35,999	32.5	110,718
1936	3,573	3.2	2,353	2.1	60,784	55.1	1,357	1.2	42,215	38.3	110,282
1937	3,527	3.2	2,643	2.4	59,924	54.4	1,966	1.8	42,113	38.2	110,173
1938	2,624	2.8	3,006	3.2	53,184	56.8	1,641	1.8	33,124	35.4	93,579
1939	2,794	3.1	3,342	3.7	47,401	51.8	1,687	1.8	36,277	39.6	91,501

Commodity:	①1939	①1938	①1937	②1936	①1939	①1938	①1937	②1936
Hard coal				5,550	36,778	42,904	48,281	44,290
Soft coal					5,345	5,124	6,567	7,065
Cement, nat. or Portland	1	4	1	6	5,543	5,157	5,409	5,282
Autos & auto trucks, etc.	1,480	1,411	1,361	1,328	3,745	3,238	6,375	7,069
Hogs	27	22	85	73	1,787	1,724	1,588	1,480
Linseed oil	1,927	1,837	2,365	1,628	32	68	164	37
Vegetable oils, n. o. s.	1,736	1,432	2,478	2,416	446	231	108	84

①New York Susquehanna & Western R.R. Co. only.
②Includes Wilkes-Barre & Eastern R.R.

Commodity:	①1939	% of Total	①1938	% of Total	①1937	% of Total	②1936	% of Total	②1935	% of Total	②1934	% of Total
Hard coal	36,778	40.2	42,904	46.9	48,281	51.6	49,840	45.2	56,041	50.8	59,247	53.5
Soft coal	5,345	5.8	5,124	5.6	6,567	7.0	7,065	6.4	7,385	6.7	7,340	6.6
Cement, nat. or Portland	5,544	6.1	5,161	5.6	5,410	5.8	5,288	4.8	2,809	2.6	3,601	3.3
Autos & auto trucks, etc.	5,225	5.7	4,650	5.0	7,736	8.3	8,397	7.6	7,912	7.1	5,912	5.3
Hogs	1,814	2.0	1,746	1.9	1,673	1.8	1,553	1.4	1,725	1.6	2,031	1.8
Linseed oil	1,959	2.1	1,905	2.1	2,529	2.7	1,665	1.5	2,291	2.1	1,841	1.7
Vegetable oils, n.o.s.	2,182	2.4	1,663	1.8	2,586	2.8	2,500	2.3	1,891	1.7	1,673	1.5

①New York Susquehanna & Western R.R. Co. only.
②Includes Wilkes-Barre & Western R.R.

CONVERTIBLE SECURITIES

All convertible bonds and stocks included in the Manual are listed (on blue paper) in the Special Features Section. Users of the Manual should find it a convenient source of reference.

Freight Revenues—Comparative Statistics

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

Year	Agriculture		Animals		Mines		Forests		Mfrs. and Misc.		All L.C.L. Freight		Total Freight
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	
1930	\$255	6.7	\$75	2.0	\$2,254	59.0	\$55	1.4	\$1,068	27.9	\$114	3.0	\$3,823
1931	209	6.1	97	2.8	1,984	57.8	44	1.3	989	28.8	111	3.2	3,434
1932	134	4.6	113	3.8	1,816	61.8	39	1.3	755	25.7	82	2.8	2,939
1933	80	3.0	86	3.2	1,594	60.1	32	1.2	793	29.9	68	2.6	2,653
1934	80	2.6	82	2.6	1,861	59.9	33	1.1	989	31.8	62	2.0	3,107
1935	76	2.5	74	2.4	1,699	55.7	37	1.2	1,100	36.1	64	2.1	3,049
1936	87	2.9	61	2.1	1,540	51.0	33	1.1	1,237	40.9	63	2.1	3,022
1937	97	3.5	66	2.4	1,413	50.6	47	1.7	1,118	40.0	51	1.7	2,792
1938	64	2.5	77	3.0	1,444	56.1	36	1.4	901	35.0	50	2.0	2,573
1939	56	2.1	89	3.4	1,372	51.9	40	1.5	1,030	39.0	56	2.1	2,644

1 Includes Wilkes-Barre & Eastern R.R.
2 New York, Susquehanna & Western R.R. Co. only.

Revenue Received from Principal Commodities

Commodity	1939	% of Total	1938	% of Total	1937	% of Total	1936	% of Total	1935	% of Total	1934	% of Total
Hard coal	\$1,156,464	43.7	\$1,242,022	48.3	\$1,189,610	42.6	\$1,292,226	42.8	\$1,455,977	47.7	\$1,626,750	52.4
Soft coal	151,742	5.7	136,626	5.3	163,746	5.9	193,135	6.4	188,875	6.2	182,632	5.9
Cement, nat. or Portland	89,306	3.4	91,624	3.6	85,053	3.0	97,876	3.2	61,394	2.0	73,781	2.4
Autos & auto trucks, etc.	173,405	6.6	130,497	5.1	228,054	8.2	299,848	9.9	300,451	9.9	227,455	7.3
Hogs	49,865	1.9	46,315	1.8	41,036	1.5	38,744	1.3	45,655	1.5	53,588	1.7
Linseed oil	74,167	2.8	70,625	2.7	83,721	3.0	59,636	2.0	81,942	2.7	67,903	2.2
Vegetable oils, n.o.s.	97,091	3.7	70,675	2.7	108,076	3.9	123,566	4.1	73,622	2.4	64,523	2.1

1 New York, Susquehanna & Western R.R. Co. only.
2 Includes Wilkes-Barre & Eastern R.R.

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			1	2	
1930	\$2,293	13.8	18.8	2,325	\$0.402	\$887	---	186
1931	1,860	12.7	17.0	1,253	0.427	503	---	139
1932	1,406	10.9	15.0	911	0.396	445	---	135
1933	1,278	11.0	14.3	845	0.397	378	---	128
1934	1,480	11.9	15.6	924	0.410	356	---	150
1935	1,113	9.0	12.6	787	0.458	333	---	115
1936	1,098	9.0	12.8	837	0.462	341	---	106
1937	1,373	8.3	12.4	1,053	0.495	747	---	102
1938	1,506	9.9	14.4	1,076	0.526	974	\$449	86
1939	1,376	8.8	13.3	1,076	0.516	969	410	87

Year	Cross Ties Replaced per Equated Track Mile Treated	Cross Ties Replaced per Equated Track Mile Untreated	Average Cost per Cross Tie		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
			Treated	Untreated				
1930	185	1	\$1.80	---	22	3	100	\$31.60
1931	139	---	1.61	---	21	4	110	31.83
1932	135	---	1.44	---	18	2	110	30.63
1933	128	---	1.34	---	15	3	110	30.34
1934	150	---	1.31	---	14	3	112	31.99
1935	114	---	1.37	---	2	---	112	39.34
1936	106	---	1.20	---	5	---	---	---
1937	102	---	1.31	---	9	3	112	42.86
1938	86	---	1.43	---	7	3	112	47.82
1939	87	---	1.31	---	9	3	112	44.31

1 Running track only for 1937 and subsequent years; prior years include way and yard switching track.
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.
4 Wilkes-Barre & Eastern not included.

Employees and Payroll

Average Number:	Executive	Professional & Clerical	Maintenance of Way	Maintenance of Equipment	Transportation	Total
1934	1	43	157	119	448	768
1935	1	41	144	80	439	705
1936	1	40	158	58	437	694
1937	1	45	132	63	404	645
1938	2	44	124	62	388	620
1939	2	44	130	58	385	619

Total Payroll:	Executive	Professional & Clerical	Maintenance of Way	Maintenance of Equipment	Transportation	Total
1934	\$3,045	\$62,194	\$161,407	\$187,872	\$724,494	\$1,139,012
1935	3,404	66,160	150,644	133,353	761,276	1,114,837
1936	4,281	65,083	159,946	105,004	763,893	1,098,207
1937	8,814	72,786	156,806	107,674	709,888	1,055,968
1938	14,416	78,092	158,997	111,579	660,172	1,023,256
1939	15,276	77,935	164,353	108,078	657,431	1,023,073

INCOME FACTORS

Earnings and Their Distribution, Per Mile of Road Operated

(Including Wilkes-Barre & Eastern R.R.)

Years Ended Dec. 31	Operating Revenues		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
	Freight	Total	Maint. of Way	Maint. of Equip.	Total									
1929	\$20,125	\$24,537	\$3,398	\$3,270	\$18,478	\$1,711	\$4,348	\$3,190	\$407	\$3,597	\$149	\$3,516	\$68	0.98
1930	18,626	22,692	3,137	2,866	16,642	1,761	4,289	2,986	409	3,395	155	3,511	271	0.93
1931	16,521	19,898	2,537	3,044	14,939	1,765	3,194	1,916	364	2,280	158	3,490	1,368	0.63
1932	14,557	17,255	1,882	3,062	12,513	1,692	3,050	2,223	358	2,581	156	3,545	1,119	0.70
1933	13,115	15,478	1,709	3,105	11,987	1,308	2,183	1,433	373	1,807	152	3,590	1,936	0.48
1934	14,447	16,749	1,987	3,194	12,766	1,228	2,754	1,593	339	1,932	158	3,562	1,788	0.52
6-Year Aver.	\$16,232	\$19,435	\$2,442	\$3,090	\$14,554	\$1,578	\$3,303	\$2,224	\$375	\$2,599	\$155	\$3,536	\$1,092	0.71

1 Deficit.

Years Ended Dec. 31	—Oper. Revenues— Freight 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	\$14,447	\$16,749	\$1,987	\$3,194	\$12,766	\$1,228	\$2,755	\$1,593	\$339	\$1,932	\$1,881	\$3,669	\$1,788	0.51
1935	14,174	16,391	1,483	2,467	11,741	1,203	3,447	1,658	296	1,953	1,912	3,676	1,764	0.52
1936	13,839	15,826	1,429	1,934	11,189	1,642	2,995	1,528	293	1,821	1,784	3,621	1,837	0.49
①1937	19,521	22,579	1,879	2,416	15,095	2,426	5,058	2,570	422	2,992	1,545	4,576	3,031	0.34
②1938	17,964	20,641	2,038	2,145	14,169	2,851	3,621	341	452	793	710	4,519	3,809	0.16
②1939	18,279	20,723	1,831	2,243	13,779	2,425	4,519	1,822	513	2,335	2,291	4,469	2,178	0.51
6-Year Aver.	\$16,371	\$18,818	\$1,774	\$2,400	\$13,123	\$1,963	\$3,732	\$1,585	\$386	\$1,971	\$1,687	\$4,088	\$2,401	0.41

①Deficit.

②Excluding Wilkes-Barre & Eastern R.R. Co.

SEASONAL TRENDS—Revenues and Operating Income

Freight Revenues (000's omitted) (including Wilkes-Barre & Eastern R.R.)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$334	\$315	\$309	\$325	\$360	\$339	\$343	\$338	\$336	\$407	\$344	\$322	\$4,071
1931	369	333	341	351	364	291	262	284	236	323	228	230	3,611
1932	238	252	256	290	285	217	215	256	261	335	248	298	3,153
1933	234	243	241	208	233	226	259	274	255	233	203	214	2,824
1934	265	286	338	256	301	248	243	216	231	263	206	259	3,111
1935	303	270	253	271	257	285	260	201	228	243	230	250	3,052
1936	292	332	238	237	238	220	250	211	235	230	249	286	3,019
1937	261	243	295	301	279	203	196	180	201	232	221	228	2,797
②1938	266	199	231	221	213	220	183	179	202	233	191	237	2,574
②1939	256	209	234	234	242	213	176	170	231	241	210	235	2,651
10-yr. Av.	\$282	\$268	\$273	\$269	\$277	\$246	\$238	\$231	\$241	\$274	\$233	\$256	\$3,088
% of Total	9.13	8.68	8.84	8.71	8.97	7.97	7.71	7.48	7.80	8.87	7.55	8.29	100.00

①Includes Wilkes-Barre & Eastern R.R. Co. to May 30, 1937 only. Five months freight revenues, \$44,257. No monthly distribution of figures available.

②New York, Susquehanna & Western R.R. only.

Operating Revenues (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$386	\$370	\$370	\$391	\$414	\$390	\$389	\$393	\$379	\$462	\$395	\$371	\$4,710
1931	419	370	391	396	421	341	312	332	279	363	271	272	4,171
1932	277	296	295	322	319	255	253	288	277	348	267	324	3,522
③1933	256	268	268	232	257	269	300	313	295	275	246	273	3,333
1934	310	326	382	297	342	293	284	255	269	304	244	302	3,607
1935	348	310	295	313	297	328	300	237	265	279	268	287	3,528
1936	330	371	275	273	274	256	286	246	271	264	282	323	3,452
④1937	296	277	333	337	315	240	233	217	238	269	259	265	3,235
②1938	305	230	266	253	244	254	213	209	232	262	219	271	2,958
②1939	287	240	265	263	272	241	206	197	259	271	239	266	3,006
10-yr. Av.	\$321	\$306	\$314	\$308	\$316	\$287	\$278	\$269	\$276	\$310	\$269	\$295	\$3,549
% of Total	9.04	8.62	8.85	8.68	8.90	8.09	7.83	7.58	7.78	8.74	7.58	8.31	100.00

①Includes 5 months revenues of Wilkes-Barre & Eastern R.R. Co. to May 30, 1937, \$44,460. No monthly distribution of figures available.

②New York, Susquehanna & Western R.R. only.

③See note ③ below.

④Includes 5 months revenues of Eastern R.R. Co. to May 30, 1937, \$44,460.

Net Railway Operating Income (000's omitted)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1930	\$39	\$27	\$26	\$41	\$80	\$52	\$61	\$71	\$63	\$97	\$40	\$32	\$629
1931	75	76	81	60	94	11	4	27	d 10	55	d 15	19	478
1932	d 7	29	15	72	69	8	13	32	36	89	35	84	475
③1933	9	33	31	6	26	15	43	42	16	9	40	60	309
1934	42	55	95	33	66	17	16	d 24	15	24	d 39	42	343
1935	46	15	14	45	33	62	40	d 7	21	14	27	48	357
1936	59	87	19	21	26	2	34	d 6	29	32	46	d 15	333
1937	37	18	63	63	50	5	10	d 12	7	35	29	30	368
②1938	53	d 8	29	15	d 15	d 5	d 15	d 26	3	35	d 3	d 14	49
②1939	44	15	20	31	35	9	d 18	d 32	45	52	24	39	264
10-yr. Av.	\$40	\$35	\$39	\$39	\$46	\$18	\$19	\$7	\$23	\$44	\$18	\$33	\$361
% of Total	11.08	9.70	10.80	10.80	12.74	4.99	5.26	1.94	6.37	12.19	4.99	9.14	100.00

①Includes 5 months deficit of \$33,128, Wilkes-Barre & Eastern R.R. Co. to May 30, 1937. No monthly distribution of figures available.

②New York, Susquehanna & Western R.R. only.

③After June, 1933, the figures for Wilkes-Barre & Eastern were included in the operating figures of the New York, Susquehanna & Western, the six months' figures including the previous five months of operations of Wilkes-Barre & Eastern, i.e., \$81,451 gross revenues and \$20,762 net railway operating income. The figures shown in twelve months' total but no monthly distribution of Wilkes-Barre & Eastern figures is available for first five months of the year.

COMMENT ON OPERATIONS AND FINANCES

LOCATION: The New York, Susquehanna & Western Railroad Company operates about 145 miles of railroad located principally in the state of New Jersey (about 5 miles are in the state of Pennsylvania). This mileage includes about 14 miles of trackage rights over Erie Railroad, which company owns nearly all of the preferred and common stocks of the New York, Susquehanna & Western Railroad. Including trackage rights the Susquehanna mileage extends from Jersey City, N. J. to Stroudsburg, Pa. with a number of small branch lines, the most important of which is the 3.05 miles between Little Ferry Junction and the company's terminals at Edgewater, N. J. In May, 1940 the trustee of the Susquehanna applied to the Interstate Commerce Commission for permission to abandon 11.79 miles of road extending from Hainesburg Junction Tower, N. J. to Stroudsburg, Pa. at the western end of its line. Abandonment of the Wilkes-Barre & Eastern Railroad mileage with which the Susquehanna had a connection at Stroudsburg no longer gives the latter a direct connection to the anthracite coal fields of Pennsylvania.

Probably the most important asset of the New York, Susquehanna & Western Railroad is the valuable terminal property fronting on the Hudson River at Edgewater, N. J., largely used by the parent Erie Railroad in its distribution of coal in and around New York City. The value of this terminal property is difficult to gauge; however, it was probably at

least one important reason why the Erie Railroad supported the Susquehanna for years by advancing sums necessary to enable the latter to meet its fixed charges.

TRAFFIC: Tonnage handled by the New York Susquehanna & Western Railroad consists chiefly of anthracite coal, all of which is received from connections. Anthracite coal tonnage represented 53.9 per cent. of total tonnage handled in 1939 and anthracite revenues were 43.6 per cent. of total freight revenues. Other traffic is well diversified with the more important commodities including bituminous coal, automobiles and auto trucks, etc., and cement. These, however, represent only a small percentage of the total tonnage. With no important western connections and in that the western end of the company's line does not serve important productive territory, a large percentage of total traffic handled is received from connections, about 86 per cent. in recent years. The most important point of traffic interchange is with the Erie Railroad at Passaic Junction, N. J., near the eastern end of Susquehanna's line where anthracite coal is routed through the tunnel under the Palisades to the Susquehanna's terminal at Edgewater, N. J. Another point of traffic interchange is with the Middletown & Unionville Railroad near Hanford, N. J., the latter railroad connecting with the Erie Railroad and the New York, Ontario & Western Railway.

The Lehigh & New England Railroad Company makes use of the Susquehanna mileage

between Hainesburg Junction and Swartswood Junction in connection with its large anthracite shipments to the New England states.

LONG TERM TRENDS: Prior to 1918 a large part of the anthracite coal was shipped to tidewater at Edgewater, N. J. via Wilkes-Barre & Susquehanna lines. Thereafter most of the tonnage was diverted to the main line of the Erie Railroad. Recently the Wilkes-Barre & Eastern Railroad mileage was abandoned so that the Susquehanna no longer has any important connection at the extreme western end of its line. The large traffic interchange with the Erie Railroad at Passaic Junction, from which point the traffic moves largely to tidewater, explains the relatively short haul of the Susquehanna and why its earnings over a period of years were relatively unsatisfactory. Operating revenues for the year 1939 were only 62.4 per cent. of average operating revenues for the years 1923-24-25. An important contribution to the decline in traffic and revenues was the increased use made of trucks, automobiles, etc., for transportation of freight and passengers. Other factors include the use of substitute fuels, principally oil and gas for heating purposes.

INCOME FACTORS: Total operating revenues during the year 1939 were only 1.61 per cent. larger than those for 1938, the latter a depression year. Despite the Federal Reserve

Board Index of Industrial production of 105 per cent. in 1939 as compared with 86 per cent. in 1938 the Susquehanna handled a smaller freight tonnage in 1939 than in 1938. Tonnage of anthracite coal declined 334,532 tons, but there were increases in other freight classifications. The increase in 1939 net railway operating income was considerably larger than the increase in operating revenues, reflecting principally a reduction in hire of equipment net debit and an increase in joint facility rents net credit. The increase in joint facility rents credit was due principally to increases in the amounts charged Lehigh & New England Railroad Company for trackage between Hainesburg Junction and Swartswood Junction. The coverage of 0.51 times charges in 1939 was larger than for any year since 1935.

FINANCIAL CHANGES: Although fixed charges were not earned fully in any recent year, the parent Erie Railroad, by advancing sums to offset deficits, maintained the Susquehanna's solvency for years. It was only in 1937 when two relatively large bond issues matured that the Erie, after failing to obtain bondholders' consent to an extension of maturity,

electd to discontinue its financial support and permit the Susquehanna to be reorganized rather than providing the funds necessary to retire the maturing debt. However, even if the problem of bond maturities had not proven insurmountable, it is apparent that the Susquehanna would have found it impossible to remain solvent inasmuch as the Erie Railroad itself was placed in bankruptcy in January, 1938.

It will be noted that total assets on December 31, 1939 were \$2,884,310 smaller than assets on December 31, 1938. This reduction reflects chiefly the decrease of \$2,999,999 in the account "Investments in Affiliated Companies—stocks" which is explained by the reduction during the year in the book value of common stock of Wilkes-Barre & Eastern Railroad Company from \$3,000,000 to \$1.

CAPITALIZATION: Capitalization of the New York, Susquehanna & Western Railroad is excessive from the standpoint of earnings and heavy, too, from a mileage standpoint, although it is to be noted that a large part of the capitalization is represented by stock, practically all of which is owned by the Erie

Railroad. The management of the New York, Susquehanna & Western Railroad in April, 1938 filed a plan for reorganization which proposed to reduce capitalization from approximately \$45,000,000 to \$15,000,000 and cut annual fixed charges from about \$630,000 to \$160,000 fixed and \$80,000 contingent. The plan would have wiped out the present common and preferred stocks but the parent road would have obtained about 42 per cent. of the new common stock by reason of its claim against the Susquehanna for loans totalling about \$6,500,000. At the time of this writing, June 1940, proceedings were pending before the United States District Court for the District of New Jersey with respect to the claim of Erie Railroad Company against the Susquehanna to which claim a set-off and counter-claim on behalf of the Susquehanna had been filed by the trustee with respect to the status of Erie Terminals Railroad Company.

The Susquehanna, along with seven other railroads operating in the State of New Jersey for years withheld a part of the taxes assessed by the state. These taxes were still being litigated in June, 1940.

INCOME ACCOUNTS

Comparative Statement of Income and Profit and Loss, Years Ended Dec. 31
(Includes Wilkes-Barre & Eastern R.R.)

	1939	1938	1937	1936	1935	1934	1933
Miles operated, Dec. 31	145.04	143.30	143.27	218.12	215.33	215.34	215.32
Operating Revenues:							
Freight	\$2,651,164	\$2,574,281	\$2,796,741	\$3,018,538	\$3,052,100	\$3,110,956	\$2,823,918
Passenger	217,433	249,018	293,295	287,110	292,946	306,856	318,841
All other	137,017	134,596	144,900	146,311	184,422	188,848	189,936
Railway operating revenues	3,005,614	2,957,895	3,234,936	3,451,959	3,529,468	3,606,660	3,332,695
Operating Expenses:							
Maintenance of way and structure	265,642	292,089	269,183	311,783	319,368	427,790	368,084
Maintenance of equipment	325,389	307,358	346,160	421,897	537,774	687,857	668,465
Traffic	41,571	37,667	47,143	58,212	57,242	52,677	55,027
Transportation	1,201,014	1,212,795	1,361,980	1,486,189	1,459,804	1,436,511	1,347,745
Miscellaneous and general	164,901	180,467	138,221	162,553	154,066	144,159	141,801
Railway operating expenses	1,998,517	2,030,376	2,162,687	2,440,634	2,528,254	2,748,994	2,581,122
Net railway operating revenue	1,007,097	927,519	1,072,249	1,011,325	1,001,214	857,666	751,572
Operating ratio	66.49%	69.64%	66.85%	70.70%	71.63%	76.22%	77.45%
Railway tax accruals	351,687	408,500	347,605	358,084	257,157	261,775	280,367
Uncollectible railway revenues					1,856	2,739	1,180
Railway operating income	655,410	519,019	724,644	653,241	742,201	593,152	470,025
Hire of equipment—cr.	313	100	202	354	480	456	177
Joint facility rents—cr.	89,840	61,205	73,572	83,652	79,985	84,471	63,115
	90,153	61,305	73,774	84,006	80,465	84,927	63,292
Hire of equipment—dr.	438,174	485,714	384,073	357,835	415,518	288,138	180,192
Joint facility rents—dr.	43,052	45,784	46,048	46,196	50,171	46,755	44,466
	481,226	531,498	430,121	404,031	465,689	334,893	224,658
Net equity and joint facility rents	dr 391,073	dr 470,193	dr 356,347	dr 320,025	dr 385,224	dr 249,966	dr 161,366
Net railway operating income	264,337	48,826	368,297	333,216	356,977	343,186	308,659
Other non-operating income	74,369	64,746	60,401	63,890	63,662	72,894	80,370
Total other income	74,369	64,746	60,401	63,890	63,662	72,894	80,370
Gross income	338,706	113,572	428,698	397,106	420,639	416,080	389,029
Misc. Income Deductions:							
Miscellaneous rents	253	3	3	cr 66	327	556	
Miscellaneous tax accruals	5,818	8,138	6,207	5,651	5,988	6,813	
Miscellaneous charges	268	3,643	201,178	2,500	3,268	3,581	
Balance for fixed charges	332,367	101,788	221,310	389,021	411,056	405,130	389,029
Rents for leased roads	28,145	27,303	27,270	27,259	27,249	26,605	26,372
Miscellaneous rents							21
Miscellaneous tax accruals							6,441
Interest on funded debt	412,316	412,857	415,489	755,112	755,848	756,583	757,318
Interest on unfunded debt	207,831	207,400	212,835	7,382	7,302	6,980	9,138
Miscellaneous charges							6,621
Total fixed charges	648,292	647,560	655,594	789,753	790,399	790,168	805,910
Times charges earned	0.51	0.16	0.34	0.49	0.52	0.51	0.48
Net income	d 315,925	d 545,772	d 434,284	d 400,732	d 379,343	d 385,038	d 416,881
Balance at beginning of period	d 6,946,910	d 6,352,212	d 5,855,043	d 5,412,236	d 5,729,899	d 5,311,138	d 4,770,546
Add: Credits to profit and loss	dr 7,267	37,091	164	1,610	712,850	4,149	4,814
Deduct: Debits to profit and loss	2,999,982	86,017	63,049	43,685	15,844	37,872	128,524
Profit and loss—balance	d \$10,270,084	d \$6,946,910	d \$6,352,212	\$5,855,043	d \$5,412,236	d \$5,729,899	d \$5,311,138

Excludes Wilkes-Barre & Eastern R.R. Co.

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. Income accounts above for year 1934 and subsequently are shown on the new basis, and for 1933 on the old basis.

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

Yrs. End. Dec. 31	Stock Outstanding Per Cent. of Whole	Bonds Outstanding Per Cent. of Whole	Rentals Capitalized at 5% and % of Whole	Total Gross Income Capitalization	Yrs. End. Dec. 31	Stock Outstanding Per Cent. of Whole	Bonds Outstanding Per Cent. of Whole	Rentals Capitalized at 5% and % of Whole	Total Gross Income Capitalization
1930	\$118,742 62%	\$70,027 37%	\$2,337 1%	\$191,106 1.8%	1935	\$120,951 62%	\$70,476 37%	\$2,535 1%	\$193,962 1.0%
1931	118,742 62	69,958 37	2,402 1	191,102 1.2	1936	119,286 62	69,442 37	2,500 1	191,228 1.0
1932	119,836 62	70,019 37	2,440 1	192,295 1.3	1937	181,849 67	86,926 32	3,814 1	272,589 1.1
1933	120,951 62	70,605 37	2,453 1	194,009 0.9	1938	181,849 67	86,926 32	3,818 1	272,593 0.3
1934	120,951 62	70,540 37	2,475 1	193,966 1.0	1939	179,341 66	86,523 32	3,882 2	269,746 0.9

Excluding Wilkes-Barre & Eastern R.R. Co. as reported by company.

Includes funded debt matured, unpaid.

BALANCE SHEETS

Comparative Balance Sheet, as of Dec. 31

(Includes Wilkes-Barre & Eastern R.R.)

ASSETS:	1939	1938	1937	1936	1935	1934	1933
Investments:							
Road and equipment	\$36,792,879	\$36,809,863	\$37,212,029	\$42,687,312	\$42,793,681	\$43,903,164	\$44,027,800
Impr. on leased railway property	25,350	25,560	25,547	179,494	177,955	175,806	52,856
Investments in affiliated cos.	1,137,604	4,151,619	4,059,298	1,062,770	1,099,969	1,114,532	1,133,608
Other investments	727	818	910	1,001	1	1	1
Deposits in lieu of mortgaged property sold	397	397	397	397	397	398	397
Miscellaneous physical property	19,582	19,582	18,334	22,192	23,306	8,975	11,490
Current Assets:							
Cash	214,792	390,868	416,742	288,221	363,417	325,648	506,844
Special deposits	9,900	22,546	18,446	53,026	7,658	4,462	876
Accounts and balance receivable	278,436	340,638	332,543	369,146	310,173	358,425	159,426
Materials and supplies	46,416	35,039	49,907	27,791	34,670	71,832	49,583
Other current assets	2813,665	505,888	499	560	289	264	551
Deferred assets	13,310	15,478	14,173	17,804	70,739	14,818	141,655
Unadjusted debits	163,478	82,549	36,102	38,854	33,507	47,700	25,383
Total assets	\$39,516,536	\$42,400,845	\$42,184,927	\$44,748,568	\$44,915,762	\$46,026,025	\$46,110,472
LIABILITIES:							
Preferred stock	\$12,964,844	\$12,964,844	\$12,964,844	\$12,964,844	\$12,964,844	\$12,964,844	\$12,964,844
Common stock	12,816,319	12,816,319	12,816,319	12,816,319	12,816,319	12,816,319	12,816,319
Stock liability for conversion	223,237	223,237	223,237	223,237	223,237	223,237	223,237
Government construction grants	69,746	70,380	3,792	5,218	1,105	1,412	1,105
Funded debt	8,239,500	8,291,500	8,268,268	15,138,268	15,152,268	15,166,268	15,180,268
Non-neg. debt to affiliate companies	6,402,826	6,402,826	6,402,826	6,402,826	5,886,983	4,932,534	4,932,534
Current and Accrued Liabilities:							
Accounts and wages payable	1,107,037	1,114,131	1,307,851	1,408,358	1,778,427	2,537,652	2,179,861
Miscellaneous accounts payable	275,994	519,390	169,545	44,233	3,487	12,433	23,845
Interest matured unpaid	1,666,456	1,047,594	420,192	86,993	105,377	103,782	103,758
Accrued items	114,744	114,864	126,793	133,653	134,827	135,173	135,194
Funded debt matured, unpaid	4,306,408	4,306,408	4,305,640	114,640	114,640	114,640	114,649
Other liabilities	11,962	12,173	14,935	18,898	18,280	7,197	10,304
Deferred liabilities	12,500	888	8,683	6,835	6,524	7,329	7,458
Unadjusted Credits:							
Accrued depreciation	281,325	274,575	644,062	588,422	607,683	1,505,505	1,554,507
Other unadjusted credits	1,089,862	972,855	680,420	465,183	328,139	333,180	280,002
Corporate Surplus:							
Appropriated surplus	203,860	215,771	179,732	185,684	185,858	894,418	893,732
Profit and loss—balance	d 10,270,084	d 6,946,910	d 6,352,212	d 5,855,043	d 5,412,236	d 5,729,899	d 5,311,138
Total liabilities	\$39,516,536	\$42,400,845	\$42,184,927	\$44,748,568	\$44,915,762	\$46,026,025	\$46,110,472
Current assets	\$1,363,209	\$1,294,979	\$818,137	\$738,744	\$716,207	\$760,631	\$717,281
Current and accrued liabilities	7,482,601	7,114,560	6,344,956	1,806,775	2,155,038	2,910,877	2,567,603
Working Capital	d \$6,119,392	d \$5,819,581	d \$5,526,819	d \$1,068,031	d \$1,438,831	d \$2,150,246	d \$1,850,322
Property Account Analysis							
INVESTMENT IN ROAD & EQUIP.							
Road	\$33,761	\$128,374	\$143,371	\$40,230	\$35,777	\$298,705	\$110,489
Equipment	4,791	927	295	435	1,273	2,146	3,233
Total	38,552	129,301	143,666	40,665	37,050	300,851	113,722
CREDITS FOR PROPERTY RETIRED							
Road	20,172	51,853	84,009	44,770	17,454	101,907	111,378
Equipment	35,574	479,601	11,662	100,725	1,126,930	200,631	122,577
Total	55,746	531,454	95,671	145,495	1,144,384	302,538	233,955
NET CHANGE	cr 17,194	cr 402,153	47,995	cr 104,830	cr 1,107,334	cr 1,687	cr 120,233

① Excludes Wilkes-Barre & Eastern R.R. Co.

② Includes \$800,000 demand loans and deposits.

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

Investments in Affiliated Companies

Class No.	Issuing Company:	Par Value Held				Total book value	Dividends or Interest	
		Pledged	Unpledged	In sink. funds, ins. funds, and dep. accts.	Total par value		Rate %	Amount credited to income
A1	Passaic & New York R.R. Co.		\$70,000		\$70,000	\$70,101		
A1	Wilkes-Barre & Eastern R.R. Co.		3,000,000		3,000,000	1		
A1	Railway Express Agency, Inc.		1 sh.		1 sh.	100		
	Total		\$3,070,000		\$3,070,000	\$70,101		
A2	Hackensack & Lodi R.R. Co.		25,000		25,000	8,661		
A2	Lodi Branch R.R. Co.		60,000		60,000	12,000		
A2	Susquehanna Connecting R.R. Co.		500,000		500,000	500,000		
A2	Erie Terminals R.R. Co.		8,000		8,000	8,000		
	Total		\$593,000		\$593,000	\$528,661		
	Total A		\$3,663,000		\$3,663,000	\$598,762		
D1	Railway Express Agency, Inc.					14,637	5	\$662
D2	Erie Terminals R.R. Co.					411,511	5	20,521
D2	Susquehanna Connecting R.R. Co.					79,372	6	8,679
D3	Railroad Credit Corp.					33,322		32
	Total D					\$538,842		\$29,894
	Total invest. in affil.		\$3,663,000		\$3,663,000	\$1,137,604		\$29,894
Investments in Non-affiliated Companies								
A3	United Fuel Service, Inc.		\$1,000		\$1,000	\$726		
B4	Lackawanna & Susquehanna Coal & Iron Co. 7% bds. & coupons, 6-1-1892		80,040		80,040	1		
	Total invest. in non-affil.		\$81,040		\$81,040	\$727		

(A) Stocks:

- (1) Carrier corporations—active.
- (2) Carrier corporations—inactive.
- (3) Non-carrier corporations—active.
- (4) Non-carrier corporations—inactive.

(B) Bonds:

(D) Advances:

Sub-classification of classes (B) and (D) is the same as that provided for (A).

PARTICIPATING PREFERRED STOCKS

All participating stocks in this Manual are listed (on blue paper) with details regarding the extent to which they participate in additional dividends. Users of the Manual will find this tabulation to be a convenient source of reference.

FUNDED DEBT—Description and Ratings

Bond Record and Ratings

Name of Issue:	Interest Payable	Maturity	Amount Outstanding	Annual Interest	Outstanding per Mile	1939 Sales on N.Y.S.E. (\$,000)	Rating
1. Midland R.R. of N. J. first 5s.....	A&O	Apr., 1940	\$3,488,500	\$174,425	\$49,134	233	Caa
2. Paterson Ext. R.R. first 5s.....	J&D	June, 1950	200,000	10,000	200,000	-----	Caa
3. N. Y., Susq. & W. term. first 5s.....	M&N	May, 1943	2,000,000	100,000	Text	59	B
4. N. Y., Susq. & W. first ref. 5s.....	J&J	Jan., 1937	3,744,000	187,200	28,800	786	Caa
5. N. Y., Susq. & W. 2nd 4½s.....	F&A	Feb., 1937	447,000	20,115	3,438	12	Caa
6. N. Y., Susq. & W. gen. 5s.....	F&A	Aug., 1940	2,551,000	127,550	19,623	357	Ca

1. Midland Railroad of New Jersey first extended gold 5s, due 1940:

Rating—Caa

AUTHORIZED — \$3,500,000; outstanding, \$3,488,500.

DATED—Apr. 1, 1880.

MATURITY — DEFAULT — Matured Apr. 1, 1910; extended to Apr. 1, 1940 and interest reduced from 6%. Not paid in 1940.

INTEREST PAID—A&O 1, at Erie R.R. office, 50 Church St., New York.

INTEREST PAYMENT — DEFAULT — The April 1, 1937 coupon was paid if presented prior to June 1, 1937. Oct. 1, 1937 and subsequent coupons not paid.

TRUSTEE—Central Hanover Bank & Trust Co., New York.

REGISTRAR—Secretary of New York, Susquehanna & Western R.R. Co., Cleveland, O.

DENOMINATION—Coupon, \$500 and \$1,000; registerable as to principal.

CALLABLE—Not subject to call.

SINKING FUND—Mortgage does not provide for sinking fund.

ASSUMED—By New York, Susquehanna & Western R.R.

COURT RULING ON MORTGAGES — See items on a preceding page.

SECURITY—First lien on 70.69 miles from Jersey City, N. J. via Beaver Lake to New York State Line.

UNDERLIE—\$3,744,000 N. Y., S. & W. 1st ref. 5s (No. 4); \$447,000 N. Y., S. & W. 2nd 4½s (No. 5), and \$2,551,000 N. Y., S. & W. gen. 5s (No. 6).

LISTED—On New York Stock Exchange.

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

PRICE RANGE:	1940	1939	1938	1937	1936
High	30	14½	19¾	90½	97½
Low	9¾	9¾	11¼	26	67¾

To Aug. 23.

2. Paterson Extension Railroad first gold 5s, due 1950:

Rating—Caa

AUTHORIZED—\$250,000 (closed); outstanding, \$200,000.

DATED—June 1, 1881.

MATURITY—Due June 1, 1950; extended from 1910 and interest reduced from 6%.

INTEREST PAYABLE—J&D 1, at Erie R.R. office, 50 Church St., New York.

DEFAULT—The June 1, 1937, and subsequent coupons not paid.

TRUSTEE—Central Hanover Bank & Trust Co., New York.

REGISTRAR—Secretary of New York, Susquehanna & Western R.R. Co., Cleveland, O.

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

CALLABLE—At 107½ for sinking fund only (which see).

SINKING FUND—Proceeds of sales of lands not necessary for operating purposes, when amounting to \$10,000 or more, constitute a sinking fund to be applied to purchase of bonds at not exceeding 107½, or to call bonds by lot at 107½.

ASSUMED—By New York, Susquehanna & Western R.R.

COURT RULING ON MORTGAGES—See item on a preceding page.

SECURITY — First lien on 0.75 mile from Broadway to Straight St., Paterson, N. J.

UNDERLIE—\$3,744,000 N. Y., S. & Western 1st ref. 5s (No. 4); \$447,000 N. Y., S. & W. 2nd 4½s (Nos. 5), and \$2,551,000 N. Y., S. & Western gen. 5s, (No. 6).

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

PRICE RANGE:	1939	1938	1937	1936
High	15	26	89	85
Low	10	9	27½	65

3. New York, Susquehanna & Western Railroad Co. terminal first gold 5s, due 1943:

Rating—B

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

DATED—May 1, 1893.

MATURITY—Due May 1, 1943.

INTEREST PAID—M&N 1, at company's office, 50 Church St., New York.

INTEREST PAYMENT—DEFAULT—The May 1, 1937 coupon was paid if presented prior to June 1, 1937. Nov. 1, 1937 and subsequent coupons not paid.

TRUSTEE — United States Trust Co., New York.

REGISTRAR—Secretary of New York, Susquehanna & Western R.R. Co., Cleveland, O.

DENOMINATION — Coupon, \$1,000; registerable as to principal or fully registerable in amounts of \$5,000; registered, \$5,000.

CALLABLE—Not subject to call.

SINKING FUND—No provision for sinking fund.

COURT RULING ON MORTGAGES—See item on a preceding page.

SECURITY—First lien on 3.05 miles from Little Ferry Jct. to Edgewater, N. J.; first lien on 62 acres of terminal property fronting on the Hudson River and tunnel under the Palisades.

LISTED—On New York Stock Exchange.

TAX STATUS—Interest paid without deduction for any state tax (unlimited). Company pays Federal income tax up to 2%.

PRICE RANGE:	1940	1939	1938	1937	1936
High	62½	45	52	106¼	104
Low	39½	30	40	43	100

To Aug. 23.

4. New York, Susquehanna & Western Railroad Co. first refunding gold 5s, due 1937:

Rating—Caa

AUTHORIZED—\$3,750,000 (closed); outstanding, \$3,744,000.

DATED—Jan. 1, 1887.

MATURITY — DEFAULT — Due Jan. 1, 1937. Principal not paid at maturity. See "Reorganization Proceedings" above.

INTEREST PAYABLE—J&J 1, at company's office, 50 Church St., New York.

INTEREST PAYMENT—DEFAULT—Interest due Jan. 1, 1937 was paid when due; no subsequent payments.

SUCCESSOR TRUSTEE — Commercial Trust Co. of New Jersey, Jersey City, N. J.

REGISTRAR—Secretary of New York, Susquehanna & Western R.R. Co., Cleveland, O.

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

CALLABLE—Not subject to call.

SINKING FUND—No provision for sinking fund.

COURT RULING ON MORTGAGES—See item on a preceding page.

SECURITY—First lien on 58.10 miles as follows: 48.56 miles from Beaver Lake, N. J., to Stroudsburg, Pa.; and 9.54 miles of branches in Pa.; second lien on 71.44 miles as follows: On 70.69 miles Jersey City, N. J. to New York State Line, following No. 1; second lien on 0.75 miles, Broadway to Straight St., Paterson, N. J., following No. 2.

UNDERLIE—\$447,000 N. Y. S. & Western 2nd 4½s (No. 5), and \$2,551,000 N. Y., S. & Western gen. 5s (No. 6).

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax. Pennsylvania taxes deducted from interest.

PRICE RANGE:	1940	1939	1938	1937	1936
High	30	12½	16	92½	96½
Low	9	5¾	7	10½	54

To Aug. 23.

5. New York, Susquehanna & Western Railroad Co. second gold 4½s, due 1937:

Rating—Ca

AUTHORIZED—\$1,000,000 (closed); outstanding, \$447,000. In addition, \$552,000 held by Trustee for general 5s, due 1940 as security for issuance of a like amount of general 5s issued in exchange for the second 4½s.

DATED—Feb. 1, 1887.

MATURITY — DEFAULT — Due Feb. 1, 1937. Principal not paid at maturity. See "Reorganization Proceedings" above.

INTEREST PAYABLE—F&A 1, at company's office, 50 Church St., New York.

INTEREST PAYMENT—DEFAULT—Interest due Feb. 1, 1937 was paid when due; no subsequent payments.

SUCCESSOR TRUSTEE—National State Bank, Newark, N. J.

REGISTRAR—Secretary of New York, Susquehanna & Western R.R. Co., Cleveland, O.

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

CALLABLE—Not subject to call.

SINKING FUND—No provision for sinking fund.

COURT RULING ON MORTGAGES—See item on a preceding page.

SECURITY—Second lien on 58.10 miles as follows: 48.56 miles from Beaver Lake, N. J., to Stroudsburg, Pa., and 9.54 miles of branches in Pa., and third lien on 71.44 miles; 70.69 miles from Jersey City, N. J., to New York State Line, and 0.75 mile in Paterson, N. J.; following \$3,744,000 N. Y., S. & Western ref. gold 5s (No. 4).

UNDERLIE—\$2,551,000 N. Y., S. & Western gen. 5s (No. 6), which provides for retirement.

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax. Pennsylvania taxes deducted from interest.

PRICE RANGE:	1940	1939	1938	1937	1936
High	12	9	11¼	91	93½
Low	5½	4¼	9	10	45

To Aug. 23.

6. New York, Susquehanna & Western Railroad Co. general gold 5s, due 1940:

Rating—Ca

AUTHORIZED — \$3,000,000; outstanding, \$2,551,000; reserved to retire N. Y., S. & Western 2nd 4½s (No. 5), \$447,000; in treasury, \$1,000.

DATED—Aug. 1, 1890.

MATURITY—DEFAULT—Due Aug. 1, 1940. Not paid at maturity.

INTEREST PAYABLE—F&A 1, at company's office, 50 Church St., New York.

INTEREST PAYMENT—DEFAULT—The Feb. 1, 1937 coupon was paid when due; Aug. 1, 1937 and subsequent coupons unpaid.

SUCCESSOR TRUSTEE—New York Trust Co., New York.

REGISTRAR—Secretary of New York, Susquehanna & Western R.R. Co., Cleveland, O.

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

CALLABLE—Not subject to call.

SINKING FUND—No provision for sinking fund.

COURT RULING ON MORTGAGES—See item on a preceding page.

SECURITY—Third lien on 58.10 miles as follows: 48.56 miles from Beaver Lake, N. J., to Stroudsburg, Pa., and 9.54 miles of branches in Pa.; fourth lien on 70.69 miles from Jersey City, N. J., to New York State Line, and on 0.75 mile in Paterson, N. J.

Trustee holds \$552,000 second 4½s, due 1937, as security for issuance of a like amount of general 5s issued in exchange therefor.

PRIOR LIENS—\$3,488,500 Midland R.R. of N. J. 1st ext. 5s of 1940 (No. 1); \$200,000 Paterson Extension R.R. 1st 5s of 1950 (No. 2); \$3,744,000 N. Y., Susquehanna & Western R.R. 1st ref. 5s of 1937 (No. 4), and \$447,000 New York, Susquehanna & Western R.R. 2nd 4½s of 1937 (No. 5). Total prior obligations, \$7,879,500.

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax. Pennsylvania taxes deducted from interest.

PRICE RANGE:	1940	1939	1938	1937	1936
High	14	11	8½	69¾	73
Low	5¼	4½	4	7	46

To Aug. 23.

Guaranties and Suretyships, Dec. 31, 1939

Under agreements dated July 18, 1893, and April 1, 1897, between Company and Wilkes-Barre & Eastern R.R. Co., Company covenants that the gross earnings of Wilkes-Barre & Eastern R.R. Co. shall be sufficient in each and every year to enable Wilkes-Barre & Eastern R.R. Co. to pay all its operating ex-

penses and all its fixed charges of every nature, and in furtherance of this agreement, Company would place an endorsement on \$3,000,000 first mortgage bonds of Wilkes-Barre & Eastern R.R. Co., guaranteeing the payment of principal and interest thereof. Company

controls Wilkes-Barre & Eastern R.R. Co. through ownership of its entire capital stock. Trustees of New York, Susquehanna & Western R.R. Co., under order of the Court, and by notice dated Sept. 17, 1937, disaffirmed these agreements effective Oct. 1, 1937.

CAPITAL STOCK DESCRIPTION

Capital Stock: 1. New York, Susquehanna & Western Railroad Co. 6% non-cumulative preferred; par \$100:

AUTHORIZED—130,000 shares; outstanding, 129,648.44 shares; in treasury, 351.56 shares; par \$100.

OWNERSHIP—Nearly all owned by Erie R.R. Co. A dividend of 1¼% was paid on preferred in Nov., 1893; none thereafter.

2. New York, Susquehanna & Western Railroad Co. common; par \$100:

AUTHORIZED—130,000 shares; outstanding, 128,163.19 shares; in treasury, 1,836.81 shares.

OWNERSHIP—Nearly all owned by Erie R.R. Co. No dividends paid.

TRANSFER AGENT—Stock transferred at company's office.

REGISTRAR—Central Hanover Bank & Trust Co., New York.

Note: As of Dec. 31, 1938, liability of this company to issue its own capital stock in exchange for securities of predecessor companies was \$223,237, divided as follows: Midland R.R. Co. of New Jersey, \$179,907; New York, Susquehanna & Western R.R. (1st and 2nd companies), \$43,330. As of Dec. 31, 1938, company was holding in its treasury for the purpose of converting the aforementioned securities when presented, \$183,681 par value of its common stock and \$35,156 par value of its preferred stock.

ERIE TERMINALS RAILROAD COMPANY

(Operated as part of the New York, Susquehanna & Western R.R.—Erie System)

History: Incorporated in New Jersey May 16, 1907, as a consolidation of Erie Terminal Co. and Edgewater & Fort Lee R.R. Co.

It formerly controlled the Erie & Jersey R.R. which was consolidated with the Erie R.R. Co. on Feb. 26, 1915.

Control: The Erie R.R. Co. owns 88 per cent. and the New York, Susquehanna & Western R.R. Co. 12 per cent. of the capital stock.

Mileage Operated: Edgewater to Undercliff, N. J. first track, 1.61 miles; second track, 0.60 mile; yard track and sidings, 1.71 miles; total, 3.92 miles.

Also owns bridge over Hackensack River near Secaucus, N. J., 0.21 mile of main and 0.21 mile of second track, which is operated by Erie R.R. Co.

Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Restrained on Bankruptcy Petition for Terminals Co.: On Nov. 15, 1939 Federal Judge William Clark at Newark, N. J., issued an order restraining an effort of the Erie R.R. Co. to file a petition in the U. S. District Court at Cleveland for reorganization of the Erie Terminals R.R. Co. as a part of the Erie R.R. bankruptcy proceeding.

Judge Clark's order restrained the Erie Terminals R.R. Co. from taking any action which would change its status until the question of ownership of the company can be decided. The court's order appointed Walter Kidde, trustee of the New York, Susquehanna & Western R.R. Co., as receiver for Erie Terminals R.R. Co. and instructed him to continue to hold and operate the Terminals company properties at Edgewater, N. J., until the determination of the issues involved.

These issues were raised by a petition filed by Mr. Kidde in which the relationship of the Susquehanna & Western to the Terminals

company is set forth. The lines in question were built in 1902 by the Edgewater & Fort Lee R.R., a wholly owned subsidiary of the Susquehanna & Western. They were paid for, according to the allegations of the petition, with the Susquehanna money. The Erie R.R. had gained control of the Susquehanna by the acquisition of practically all of its outstanding stock. The same officers served both roads. A merger of the Edgewater & Fort Lee R.R. and the Erie Terminals R.R., then a subsidiary of the Erie R.R., was arranged. Through the merger the Erie R.R. obtained about 88% control of the new Erie Terminals R.R. Co. although, according to the petition, the majority of the assets were contributed by the Susquehanna.

The Erie R.R. is in reorganization proceedings in the Federal District Court at Cleveland. The majority of present directors of the Erie Terminals R.R. Co. are officers or employees of Erie R.R., and these directors passed a resolution on Oct. 30, 1939 to authorize the officers of Erie Terminals R.R. Co. to file a bankruptcy petition in Ohio for reorganization as part of the Erie reorganization. The Susquehanna trustee took the position that such a procedure would result in property actually belonging to the Susquehanna becoming involved in the Erie reorganization.

Hearing in Terminals Case: The U. S. District Court at Newark set Nov. 22, 1939 for argument on a rule to show cause obtained by trustee for New York, Susquehanna & Western R.R. Co., in which the Susquehanna trustee seeks to restrain Erie Terminals R.R. Co. from altering its status by a petition in bankruptcy until the question of ownership is determined.

Erie R.R. has been given until Dec. 26, 1939 to file formal answer to the petition.

In event the temporary restraint was continued, the defendants were permitted, after giving two days' notice to Susquehanna's

trustee, Walter E. Kidde, to move to have the order vacated.

Mr. Kidde contended the Susquehanna had paid out a total of \$529,051 for construction of the Erie Terminals line, whereas the Erie contributed only \$36,582, but "now proposes to divert ownership to itself."

Officers: R. E. Woodruff, Pres.; J. K. Thompson, Vice-Pres.; H. A. Taylor, Vice-Pres. and Gen. Counsel; E. F. Morgenroth, Treas.; H. W. Trumpler, Asst. Treas.; T. J. Tobin, Compt.; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.

Directors: R. E. Woodruff, J. K. Thompson, H. A. Taylor, H. D. Barber, Cleveland, Ohio; P. W. Johnston, Jersey City, N. J.; H. K. Norton, New York.

Annual Meeting: Third Monday in July at Jersey City, N. J.

Offices: Jersey City, N. J., and Cleveland, Ohio.

Income Account, year ended Dec. 31, 1939: Rental income, \$23,693; other income, \$400; total income, \$24,093; railway tax accruals, \$1; fixed charges, \$22,347; other deductions, \$2,385; net deficit for year, \$640.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$68,000; construction grants, \$12,692; notes, \$600,000; open accounts, \$441,377; current liabilities, \$9,655; deferred liabilities, \$7,144; appropriated surplus, \$10,786; profit and loss—balance, \$7,063; total, \$1,156,717. Contra: Road and equipment, \$878,079; misc. investments, \$223,391; current assets, \$31,355; deferred assets, \$23,892; total, \$1,156,717.

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

AUTHORIZED—3,600 shares; outstanding, 680 shares; par \$100.

OWNERSHIP—The Erie R.R. Co. owns 600 shares of the stock and the New York, Susquehanna & Western R.R. Co. owns 80 shares.

PASSAIC & NEW YORK RAILROAD COMPANY

(Operated as part of the New York, Susquehanna & Western R.R.—Erie System)

History: Incorporated under the laws of New Jersey July 13, 1885. Road opened Feb. 8, 1886.

Lease: Road leased Dec. 1, 1885, for 999 years, to the New York, Susquehanna & Western R.R.; rent, interest on bonds.

Control: Lessee owns entire capital stock.

Line of Road: Passaic Junction to Passaic, N. J., 3.05 miles. Sidings, etc., 5.49 miles. Standard gauge.

Proposed Merger: For details, see "Reorganization Proceedings" under New York, Susquehanna & Western R.R. Co. (preceding statement).

Officers: Vacancy, Pres.; H. A. Taylor, Vice-Pres. and Gen. Counsel; (Vacancy), Treas.; G. A. W. Achenbach, C. E. Post, Asst. Sec.; T. J. Tobin, Compt.

Directors: J. K. Thompson, H. D. Barber, R. C. Falconer, R. E. Woodruff, Cleveland, Ohio; H. K. Norton, D. L. Gray, New York, N. Y.

Annual Meeting: Third Monday in July at Jersey City, N. J.

Offices: Jersey City, N. J., and Cleveland, Ohio.

Income Account, year ended Dec. 31, 1939: Rental income, \$3,530; fixed charges, \$3,500; miscellaneous deductions, \$30.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$70,000; funded debt, \$70,000; current liabilities, \$292; total, \$140,292. Contra: Road and equipment, \$140,000; current assets, \$292; total, \$140,292.

Bonded Debt: 1. Passaic & New York Railroad Co. first gold 5s:

OUTSTANDING—\$70,000.

TREATMENT UNDER NEW YORK, SUSQUEHANNA & WESTERN R.R. CO. PLAN—Under reorganization plan holders would receive a like principal amount of new first 4s, due 1988.

DATED—Dec. 1, 1885.

MATURITY—Dec. 1, 1940.

INTEREST PAYABLE—J&D 1 at 50 Church St., New York.

DENOMINATION—Coupon, \$500.

TRUSTEE—F. D. Underwood, New York.

INTEREST—Provided for by New York, Susquehanna & Western R.R. under terms of lease.

TRANSFER AGENT AND REGISTRAR—Secretary of New York, Susquehanna & Western R.R., Cleveland, Ohio.

CALLABLE—As a whole or in part at 105 on any interest date on one month's notice.

SINKING FUND—No sinking fund provision. **SECURITY**—First lien, 3.05 miles, Passaic to Passaic Junction, N. J.

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

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

OUTSTANDING—700 shares; par \$100.

OWNERSHIP—All owned by the New York, Susquehanna & Western R.R.

FREIGHT TRAFFIC CLASSIFICATION

A valuable feature in the blue section of the Manual is a six-year tabulation for each of the larger railroads, showing freight traffic, by commodities in carloads, tons and revenue. Not only does this feature give the relative position of the larger roads in the transportation of leading commodities, but the figures should also be of value in determining the effect on traffic and earnings of individual roads resulting from development in industry and agriculture having a tendency to increase or decrease traffic in specific commodities.

WILKES-BARRE & EASTERN RAILROAD COMPANY

(Controlled by the New York, Susquehanna & Western R.R.—Erie System)

History: Incorporated under the laws of Pennsylvania, Mar. 8, 1892. Main line opened Dec. 1, 1893; branch during 1897.

Mileage: Road owned but not operated: Point west of Plains to W. B. Connecting Jct., Pa., 57 mile.

Operated by trustee of Erie R.R. under trackage rights: Suscon to Plains, Pa., 8.02 miles; Westminster Branch, Westminster Jct. to connection with C. R.R. of N. J., 0.46 mile. Total 9.15 miles. Sidings, 2.30 miles.

Files Reorganization Petition—Parent Company Contracts Disaffirmed: On Sept. 30, 1937, company filed petitions with the ICC and in U. S. District Court for the Middle District of Pennsylvania for authority to reorganize under the Corporate Bankruptcy Act.

On Sept. 7, 1937, trustees of New York, Susquehanna & Western disaffirmed all contracts with the company and the latter, effective Oct. 1, 1937, will be obliged to make provisions for its own obligations. The company said the disaffirmance was authorized Sept. 16, 1937, by U. S. District Court for New Jersey.

Abandonment Authorized: On Jan. 17, 1939, the ICC authorized trustee of company to abandon that portion of the line of railroad extending approximately 54 miles from Suscon to Stroudsburg, in Luzerne, Lackawanna and Monroe Counties, Pa.

This line discontinued operations on March 26, 1939. On Oct. 5, 1939 Federal Judge Albert W. Johnson at Scranton, Pa. ordered sale of materials and equipment, including approximately 10,000 tons of scrap iron of this 54 mile line to A. A. Morrison, Inc. on a bid of \$198,318.

Line and Bridge Sold: On May 17, 1940 the ICC authorized the Wilkes Barre Connecting

R.R. Co. to purchase 1.33 miles of road and a bridge over the Susquehanna River, formerly operated under lease, for the sum of \$153,387.

Trustee: J. P. Jennings, appointed Nov. 20, 1937.

Officers: W. B. Eilenberger, Pres.; C. E. Denney, Vice-Pres.; T. J. Tobin, Compt.; G. A. W. Achenbach and C. E. Post, Asst. Secs.; H. A. Taylor, Vice-Pres. and Gen. Counsel.

Directors: C. L. Bradley, C. E. Denney, H. A. Taylor, Cleveland, O.; D. R. Thompson, Pittsburgh, Pa.; R. H. Boykin, Dunmore, Pa.; W. L. Hill, Scranton, Pa.; W. B. Eilenberger, Stroudsburg, Pa.; G. W. Shuman, Dunmore, Pa.

Annual Meeting: Third Tuesday in Jan. at Dunmore, Pa.

No. of Employees: Dec. 31, 1939, 3.

Offices: Dunmore, Pa., and Cleveland, Ohio.

Comparative Income Account, Years Ended Dec. 31

	1939	1939	1938	1937	1936	1935	1934
Operating revenues	dr \$1,860	\$11,076	\$102,644	\$121,392	\$164,581	\$176,564	\$194,248
Operating expenses	16,791	15,938	98,769	133,781	177,470	192,723	208,465
Net operating revenues	d 18,651	d 4,862	3,875	d 12,389	d 12,889	d 16,159	d 14,216
Operating ratio		143.90%	96.22%	110.21%	107.83%	109.15%	107.32%
Railway tax accruals, etc.	cr 1,823	601	3,119	2,107	1,893	3,715	cr 1,020
Railway operating income	d 16,828	d 5,463	756	d 14,496	d 14,782	d 19,874	d 13,197
Net eq. and joint facility rents	647	dr 1,516	dr 7,620	dr 29,513	dr 34,104	dr 39,526	dr 20,613
Net railway operating income	d 16,181	d 6,979	d 6,864	d 44,009	d 48,886	d 59,400	d 33,810
Other income	15,550	5,208	12,434	209,988	182,437	192,862	167,294
Gross income	d 631	d 1,771	5,570	165,979	133,551	133,462	133,485
Interest on funded debt	99,886	33,326	42,566	133,250	133,250	133,250	133,250
Miscellaneous charges	1,405	1,658	98,262	6,691	301	212	235
Net income	d \$101,922	d \$36,755	d \$135,258	\$26,038	Nil	Nil	Nil

1 March 31 to Dec. 31, 1939.

2 To March 31, 1939.

Comparative Balance Sheet, as of Dec. 31

	1939	1939	1938	1937	1936	1935	1934
ASSETS							
Road and equipment	\$873,700	\$5,504,395	\$5,503,535	\$5,507,123	\$5,523,613	\$5,546,438	\$5,547,937
Improvements on leased property				118,648	153,612	156,591	154,517
Deposits, lieu of mtged. prop. sold		460	460				
Sinking funds	193,864						
Miscellaneous physical property	39,406	5,671	5,671	6,302	6,188	7,302	7,302
Current Assets:							
Accounts and balance receivable	281,661	294,129	293,632	190,454	13,110	3,537	3,294
Advance to affiliated companies	1,543	1,570	1,599	1,638	1,849	3,467	4,160
Unadjusted debits	172	431	490	845	334	323	472
Deferred assets							
Total assets	\$1,390,346	\$5,806,656	\$5,805,387	\$5,825,010	\$5,698,706	\$5,717,658	\$5,717,682
LIABILITIES							
Capital stock	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Bonded debt	12,665,000			2,665,000	2,665,000	2,665,000	2,665,000
Current and Accrued Liabilities:							
Miscellaneous accounts payable	4,011	19,878	16,449	21,267	3,290	23,030	25,946
Interest matured	413,404	313,467	280,154	135,800	6,825	5,325	4,975
Funded debt matured unpaid		2,665,000	2,665,000				
Interest accrued				18,062	11,104	11,105	11,104
Deferred liabilities				1,536	700	764	1,181
Unadjusted credits	7,209	6,875	5,592	4,953	5,717	6,417	3,457
Appropriated surplus	8,430	6,630	6,630	6,017	6,017	6,017	6,017
Profit and loss debit balance	d 4,707,708	d 205,194	168,438	27,625			
Total liabilities	\$1,390,346	\$5,806,656	\$5,805,387	\$5,825,010	\$5,698,706	\$5,717,658	\$5,717,682
Current assets	\$281,661	\$294,129	\$293,632	\$190,454	\$13,110	\$3,537	\$3,294
Current and accrued liabilities	3,082,415	2,998,345	2,961,603	175,129	21,219	39,460	42,025
Net current assets	d 2,800,754	d 2,704,216	d 2,667,971	15,325	d 8,109	d 35,923	d 38,731

1 Matured unpaid.

2 As of Mar. 31, 1939.

Bonded Debt: 1. Wilkes-Barre & Eastern Railroad Co. first gold 5s, due 1942:

Rating—Ca

AUTHORIZED—\$3,000,000; outstanding, Dec. 31, 1939, \$2,665,000.

DATED—June 1, 1892.

MATURITY—June 1, 1942.

Bonds matured by Mortgage Trustee Apr. 26, 1938. Unpaid as of Dec. 31, 1939.

INTEREST PAID—J&D 1, at Erie R.R. office, 50 Church St., New York, up to Dec. 1, 1936, incl. June 1, 1937 and subsequent interest unpaid.

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

TRUSTEE—Commercial National Bank & Trust Co., New York, Successor Trustee.

REGISTRAR—Company's office, Cleveland, Ohio.

CALLABLE—Not subject to call.

SINKING FUND—No provision for sinking fund.

GUARANTEED—Principal and interest by New York, Susquehanna & Western R.R. by endorsement.

SECURITY—Were secured on 63.58 miles from Stroudsburg to Plains, Pa., and branches. Of this mileage approximately 54 miles were abandoned in 1939 and approximately 1.33 miles sold in 1940 (see above).

LISTED—On New York Stock Exchange.

TAX STATUS—Company does not pay Federal income tax.

PRICE RANGE:

	1940	1939	1938	1937	1936	1935
High	13 $\frac{3}{8}$	13 $\frac{1}{4}$	7 $\frac{1}{2}$	62	68 $\frac{1}{8}$	50
Low	9 $\frac{1}{4}$	6	4	6 $\frac{1}{8}$	45	36

To Aug. 23.

Note: \$857,000 traded in on N. Y. S. E. in 1939.

BONDHOLDERS' COMMITTEE—Henry Offerman, Chairman, E. C. Babcock, Secretary; R. M. Van Kirk, 37 Wall St., N. Y. C.

On May 17, 1938, the ICC authorized the committee to intervene in proceedings for reorganization of company. As of Aug. 12, 1938, the committee represented holders of \$262,000 bonds. No deposits have been requested.

Settlement of Wilkes-Barre & Eastern Bond Claim:

In March, 1940, it was stated that Judge Wilkin had authorized the Erie trustees to withdraw an answer to claims on behalf of bondholders of Wilkes-Barre & Eastern R.R. Co. against New York, Susquehanna & Western R.R. Co., nearly all the stock of which is held by Erie R.R. Co. The Susquehanna in turn owns all the stock of the Wilkes-Barre & Eastern. According to the trustees' petition, a general settlement has been agreed upon covering the bondholders' claim. Following default of Wilkes-Barre bonds which were endorsed by the Susquehanna, bond-

holders filed claim against Susquehanna, and Erie filed an answer to the claim, contending that the endorsement by Susquehanna was illegal and void. As a part of a general settlement, it was proposed that holders of Wilkes-Barre bonds be allowed a general claim of \$2,250,000 as of June 1, 1937 and interest, and that Wilkes-Barre claim for \$2,665,000 against Susquehanna be disallowed.

A proposed general settlement provided, among other things, that: (a) the holders of first mortgage bonds of Wilkes-Barre & Eastern Railroad Co., in the par value of \$2,665,000, would be allowed a general claim against New York, Susquehanna & Western R.R. Co. in the amount of \$2,250,000 as of June 1, 1937, with interest thereafter if other general claims were allowed interest, and if so allowed, then at the same rate and in the same manner as interest allowed on such other claims; (b) the claim of Wilkes-Barre & Eastern Railroad Co. against New York, Susquehanna & Western R.R. Co. for \$2,665,000, plus interest, on account of the bonds of Wilkes-Barre & Eastern Railroad Co. and for an unliquidated amount on account of the disaffirmance by the Trustees of the property of New York, Susquehanna & Western R.R. Co. of the contract dated April 1, 1897, between New York, Susquehanna & Western R.R. Co. and Wilkes-Barre & Eastern Railroad Co., would be disallowed; (c) the claim of Susquehanna Connecting Railroad Co. against Wilkes-Barre & Eastern Railroad Co.,

on account of the disaffirmance by the Trustee of the latter company of the contract dated April 1, 1897, between Susquehanna Connecting Railroad Co. and Wilkes-Barre & Eastern Railroad Co., would be withdrawn; and (d) the stock of Wilkes-Barre & Eastern Railroad Co., all of which is now held by the

Trustee of the property of New York, Susquehanna & Western R.R. Co. would be delivered to The Commercial National Bank and Trust Company of New York, to be held by it for the benefit and use of the bondholders of Wilkes-Barre & Eastern Railroad Co.

Capital Stock: 1. Wilkes-Barre & Eastern Railroad Co. stock; par \$50:

AUTHORIZED—And outstanding, 60,000 shares; par \$50.

OWNERSHIP—All owned by New York, Susquehanna & Western R.R. Co.

SUSQUEHANNA CONNECTING RAILROAD

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of Pennsylvania on December 18, 1896; road completed in 1897.

Lease: Road leased to the Erie R.R. Co.

Line of Road: Suscon to Moosic, Pa., 6.55 miles.
Standard gauge.

Proposed Merger: For details, see "Reorganization Proceedings" under New York, Susquehanna & Western R.R. Co. (preceding statement).

Officers: R. H. Boykin, Pres., Dunmore, Pa.; H. K. Norton, Vice-Pres.; H. A. Taylor, Vice-

Pres. and Gen. Counsel; W. F. Mathisson, Compt.; C. E. Simmons, Secy.; E. L. Keller, Treas.; E. G. Taylor, Asst. Treas., New York, N. Y.

Directors: R. H. Boykin, G. W. Shuman, Dunmore, Pa.; C. P. O'Malley, Scranton, Pa.; R. E. Woodruff, H. A. Taylor, Cleveland, O.; D. R. Thompson, Pittsburgh, Pa.; H. K. Norton, New York.

Annual Meeting: Second Tuesday in Dec. at Dunmore, Pa.

Offices: Dunmore, Pa., and Cleveland, O.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$500,000; non-negotiable debt, \$79,372; tax liability, \$368; additions to property through income and surplus, \$9,278; profit and loss—balance, d \$159,474; total, \$429,544. Contra: Road and equipment, etc., \$381,836; rents receivable, \$50; improvement on leased ry. prop. \$47,026; miscel. physical property, \$632; total, \$429,544.

Capital Stock: 1. Susquehanna Connecting Railroad stock; par \$100:

OUTSTANDING—5,000 shares; par \$100.

OWNERSHIP—All owned by New York, Susquehanna & Western R.R. Co.

NORTHERN RAILROAD COMPANY OF NEW JERSEY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New Jersey, Feb. 9, 1854, and in New York, April 15, 1858. Road opened Oct. 1, 1859.

Lease: Road leased to the Erie R.R., June 1, 1899, in perpetuity; rent, 4% on capital stock, interest on bonds and organization expenses.

Line of Road: Croxton, N. J., to Sparkill, N. Y., 20.71 miles; leased—Nyack and Southern R.R., Sparkill to Nyack—4.34 miles; total, 25.05 miles. Second track owned, 9.30 miles. Sidings: Owned, 11.79 miles; leased, 1.49 miles; total, 13.28 miles.
Standard gauge.

Disaffirmation of Lease: In Mar., 1939, W. L. West, Special Master, recommended to U. S. District Court at Cleveland, that the trustees of Erie R.R. be allowed to disaffirm and reject the lease under which company is operated by Erie.

Disaffirmation of the lease is a part of the plan of reorganization of Erie R.R. (for further details, see "Reorganization Proceedings" under Erie R.R. on a preceding page).

Officers: Conover English, I. S. Reeves, Trustees; Winthrop Waite, Pres.; F. B. Cleland, Compt.; Harry Weinstein, Treas.; Claude Gonnet, Sec.

Directors: Winthrop Waite, East Orange, N. J.; F. B. Cleland, White Plains, N. Y.; Arthur Frank, W. C. Schmidt, New York; Harry Weinstein, Plainfield, N. J.; Cameron Blaikie, Jr., Englewood, N. J.; P. J. Gonnet, Union City, N. J.

Annual Meeting: Third Wednesday in June, at Englewood, N. J.

Office: Englewood, N. J.

Reorganization Proceedings: On Jan. 26, 1939, Federal Judge Fake at Newark granted company permission to reorganize under Chapter VIII Section 205 of the National Bankruptcy Act. Conover English and Irving S. Reeves were appointed trustees, and were given to Mar. 20, 1939 to present a plan of reorganization or reasons why a plan would not be feasible.

Proposed Rehabilitation Plan: On Dec. 22, 1939, New Jersey Board of Public Utility Commissioners announced a plan for rehabilitation of passenger service of company. The plan set forth arrangements under which company would gain access to midtown New York through use of Weehawken terminal facilities of West Shore R.R. Co. for an experimental period only and with \$250,000 as the approximate cost.

Contemplated also under the plan were:

Joining of the Northern and West Shore tracks at New Durham, N. J.

Use of Erie R.R. Co. rolling stock on a rental basis for continuance of present train service.

Purchase of two modern rail cars for additional non-rush-hour service between Weehawken and Closter.

Co-ordination of train and bus schedules, with municipalities in the area served con-

tributing to railroad revenues through establishing bus terminals in each town at railroad stations.

Discontinuance of present Northern trackage south of New Durham, except for freight connections with the Erie yards at Croxton.

Suspension for the experimental period of interest and tax payments.

The report said that no plan was possible under which continued heavy passenger traffic losses might be eliminated if operation of trains to the Erie Terminal, Jersey City, were continued. The Northern R.R. of N. J. is operated under lease by Erie, also undergoing Federal court reorganization.

Erie has announced plans, under court sanction, to abandon the Northern on Jan. 31, 1940, but would continue operation temporarily pending working out of a program by Northern trustees.

Extension of Northern R.R. Operation: On July 24, 1940, Erie R.R. Company's trustees filed a petition in Federal Court at Cleveland for authority to operate the Northern Railroad of New Jersey until Sept. 1.

Under present court order, Erie would discontinue operation of the Northern on July 1. The two-month extension was asked to permit continuance of negotiations looking to a permanent arrangement.

Both Erie and Northern, a twenty-five-mile freight and commuter line which has no equipment of its own, are in reorganization. Erie formerly operated Northern under a lease which Erie has disaffirmed.

"While no conclusions have been reached, there appear to be reasonable prospects of a settlement being consummated," Erie's trustees told the court.

Hearing on the petition was set for July 31, 1940, before William L. West, special master.

On July 31, 1940, William L. West, special master, recommended extension of company's operation of Northern R.R. of New Jersey until Sept. 30, 1940.

Income Account, year ended Dec. 31, 1938: Rental income, \$1,020; fixed charges, \$38,745; other deductions, \$1,020; net income, d \$38,745.

General Balance Sheet, as of Dec. 31, 1938: Capital stock, \$1,000,000; funded debt, \$861,000; non-negotiable debt to affiliated cos., \$664; current liabilities, \$58,118; unadjusted credits, \$60,609; profit and loss—balance, \$19,471; total, \$1,999,862. Contra: Road and equipment, \$1,706,993; investments in affiliated companies, \$159,862; current assets, \$19,372; discount on funded debt, \$60,609; deferred assets, \$53,025; total, \$1,999,862.

Notes: (1) Investments in affiliated companies, as of Dec. 31, 1938: Nyack & Southern R.R. Co. stock (par value, \$50,000), \$5,000; advances to Nyack and Sou., \$154,862; total, \$159,862.

(2) Northern Railroad Company of New Jersey, as Lessor, has a claim against Erie Railroad Company, as Lessee, for obligations which arose in the calendar year 1938 but

which have never been paid. Erie Railroad Company went into reorganization under Section 77 of the Bankruptcy Act on January 18, 1938. Because of the Erie reorganization proceeding the above-mentioned claim may not be collected and, if it is collected, it will be much delayed and it will almost certainly be reduced. Because of these factors this claim is not accrued on this statement.

Bonded Debt: 1. Northern Railroad Co. of New Jersey general gold 4½s, due 2000:

Rating—Ca

AUTHORIZED—\$1,000,000; outstanding, \$861,000.

DATED—Jan. 1, 1900; due Jan. 1, 2000.

DEFAULT—Jan. 1, 1938, and subsequent interest payments in default.

INTEREST PAID—J&J 1, at office of company, New York.

TRUSTEE—Underwriters Trust Co., New York, Successor Trustee.

REGISTRAR—Bonds registered and transferred at company's office in Cleveland, Ohio.

DENOMINATION—Coupon (registerable as to principal) and fully registered \$1,000.

CALLABLE—As a whole or in part at 105 on any interest date on four weeks' notice.

SINKING FUND—None provided.

SECURITY—First mortgage on company's property consisting of about 22 miles of road, extending in northerly direction from Croxton, N. J., to Sparkill, N. Y., and by pledge of all capital stock of Nyack & Southern R.R. Co., and a lien on such leasehold interest as Northern R.R. Co. of New Jersey has in the railroad formerly of the Nyack & Northern R.R. Co.

PURPOSE—\$707,000 offered in July, 1927, issued to retire at maturity \$654,000 first extended 4½s due 1927.

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

OFFERED—(\$707,000) at 90¾ in July, 1927, by Drexel & Co., Philadelphia.

PRICE RANGE:	1939	1938	1937	1936
High	12	50	76	80
Low	5	15	60	65

Capital Stock: 1. Northern Railroad Co. of New Jersey stock; par \$100:

AUTHORIZED—And outstanding, \$1,000,000; par \$100.

DIVIDENDS—Dividends of 4% per annum are provided for by Erie R.R. under terms of lease. Regular dividends paid quarterly to Dec. 1, 1937, incl.; 1938, none. Dividends are paid quarterly, Mar., etc., at Erie R.R. office, Cleveland, O.

TRANSFER AGENT—Stock transferred at secretary's office (C. L. Gonnet) 39 Bway., New York.

NYACK AND SOUTHERN RAILROAD

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New York on June 12, 1899; successor to the Nyack and Northern R.R. Co.

Lease: Nyack and Northern R.R. leased to the Northern R.R. Co. of N. J. for 100 years from Jan. 1, 1876.

Line of Road: Line extends from Sparkill, N. Y., to Nyack, N. Y., 4.51 miles.

Status Under Proposed Reorganization of Erie R.R. Co.: For details, see "Reorganization

Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: Conover English, I. S. Reeves, Trustees; Winthrop Waite, Pres.; F. B. Cleland, Compt.; Harry Weinstein, Treas.; Claude Gonnet, Sec.

Directors: Winthrop Waite, East Orange, N. J.; F. B. Cleland, White Plains, N. Y.; Arthur Frank, W. C. Schmidt, New York; Harry Weinstein, Plainfield, N. J.; Cameron Blaikie, Jr., Englewood, N. J.; P. J. Gonnet, Union City, N. J.

Annual Meeting: Third Monday in December, at New York.

Office: 150 Nassau St., New York.

Capital Stock: 1. Nyack and Southern Railroad stock; par \$100:

OUTSTANDING—500 shares; par \$100; deposited under the Northern R.R. of New Jersey gen. 4½s of 2000.

TRANSFER AGENT AND REGISTRAR—Stock transferred and registered at company's office.

THE NYPANO RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated in Ohio, Pennsylvania and New York; organized in Ohio, Feb. 28, 1896, and in Pennsylvania, Mar. 14, 1896; the two were combined on Mar. 16, 1896, forming the present company.

Lease: Road leased Mar. 17, 1896, from Apr. 1, 1896, for 99 years by the Erie R.R. Co.; rent, interest on bonds.

Control: Lessee owns entire capital stock.

Acquisition Authorized: ICC authorized this company in Jan., 1938, to acquire properties of Youngstown & Austintown Ry., at a cost of \$10,500, representing value of the latter's stock. Austintown was to be dissolved and its assets conveyed to Erie, the sole stockholder.

Status Under Proposed Reorganization of Erie R.R. Co.: The U. S. District Court at Cleveland approved in July, 1938 the petition of the company for reorganization in connection with the parent company's proceedings. C. E. Denney (resigned Oct. 1, 1939) and J. A. Hadden, trustees of Erie R.R. were named trustees.

For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Mileage: Lines owned and leased, as of Dec. 31, 1939, classified as follows:

Owned:	Miles
Salamanca, N. Y., to Dayton, O.	389.89
Buchanan Jct., Pa., to Oil City, Pa.	33.78
Leased:	
Youngstown and Austintown Ry., Youngstown, O., to Leadville Mines, O.	4.81
Cleveland, O., to Pa. State Line.	79.22
Niles to Lisbon, O.	35.77
Youngstown to Haselton, O.	1.62
Girard to Youngstown, O.	6.00
Pymatuning Jct. to New Castle, Pa.	31.20
Boyce to Sharpsville, Pa.	1.52
Total	583.81

Second track, 277.39 miles. Sidings, etc., 514.75 miles. Standard gauge.

Note: On Sept. 24, 1935, ICC granted company permission to abandon 1.3 miles of track in Richland County, Ohio, and to build a substitute line.

Officers: R. E. Woodruff, Trustee; J. A. Hadden, Trustee; H. A. Taylor, Counsel for Trustees; J. K. Thompson, Vice-Pres.; E. F. Morgenroth, Treas.; H. W. Trumpler, Asst. Treas.; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.; T. J. Tobin, Compt.

Directors: Carl Howe, R. E. Woodruff, C. L. Bradley, H. D. Barber, A. B. Johnson, D. L. Gray, H. A. Taylor, J. K. Thompson, G. A. W. Achenbach.

Annual Meeting: First Tuesday in May, at Cleveland, O.

Offices: Cleveland, Ohio, and 50 Church St., New York.

Income Account, year ended Dec. 31, 1939: Rental income, \$349,482; fixed charges, \$349,173; other deductions, \$309; balance, nil.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$20,000,000; funded debt, \$27,997,000; accrued items, \$113,333; funded debt matured, \$3,000; interest matured unpaid, \$5,807; other unadjusted credits, \$93,255; total, \$48,212,395. Contra: Road and equipment, \$48,000,000; other current assets, \$119,140; unadjusted debits, \$93,255; total, \$48,212,395.

Bonded Debt: 1. New York, Pennsylvania & Ohio Railroad prior lien gold 4 1/4s, 1950:

Rating—Baa

AUTHORIZED—\$8,000,000; outstanding, Dec. 31, 1939, \$7,997,000; matured unpaid (not presented for extension), \$3,000.

DATED—May 5, 1880.

MATURITY—Mar. 1, 1935. Originally due Mar. 1, 1895, but extended to Mar. 1, 1935; again extended to Mar. 1, 1950 with interest reduced from 4 1/2% to 4 1/4%.

INTEREST PAID—M&S 1, at Erie R.R. office, 50 Church St., New York.

TRUSTEE—National City Bank, Cleveland, O., Successor Trustee.

REGISTRAR—Bonds registered at company's office in Cleveland, O.

DENOMINATION—Coupon, \$500 and \$1,000; registerable as to principal.

CALLABLE—As a whole only on 30 days' notice to each Sept. 1 incl. as follows:

1942--- 103 1945--- 102 1948--- 101

Thereafter at par.

GUARANTEED—Principal and interest by Nypano R.R. Co. Erie R.R. Co. guarantees interest only (under terms of its lease of Nypano R.R. Co.).

SECURITY—First lien on 423.67 miles, as follows: Salamanca, N. Y., to Dayton, O., 388.39 miles; Buchanan Jct., to Oil City, Pa., 33.78 miles; Niobe Jct., N. Y., to N. Y. State Line, 1.50 miles.

UNDERLIE—\$20,000,000 Nypano R.R. 4s of 1996, which are deposited under Erie R.R. consolidated prior lien mortgage. Erie R.R. refunding and improvement mortgage provides for retirement.

LISTED—Unlisted trading on New York Curb Exchange.

TAX STATUS—Company does not pay Federal income tax.

PRICE RANGE:

	1940	1939	1938	1937	1936
High	97	86 1/2	84	109 1/4	110 1/8
Low	81	77 1/2	45	101	105

□ To Aug. 23.

Note: \$208,000 traded in on N. Y. C. E. in 1939.

2. Nypano Railroad Co. first 4s, due 1996:

OUTSTANDING—Dec. 31, 1939, \$20,000,000.

OWNERSHIP—All owned by Erie R.R. and pledged under its first cons. mortgage.

DATED—Jan. 1, 1896.

MATURITY—Jan. 1, 1996.

INTEREST PAYABLE—J&J 1, at Erie R.R. office, 50 Church St., New York.

PRIOR LIEN—\$8,000,000 N. Y., Pennsylvania & Ohio R.R. prior lien 4 1/4s due 1950 (No. 1).

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

AUTHORIZED—And outstanding, 200,000 shares; par \$100.

OWNERSHIP—All owned by Erie R.R. Co., and pledged (with exception of 9 shares held in treasury) under that company's first consolidated mortgage.

THE SHARON RAILWAY

(Operated under lease by the Nypano R.R. Co.—Erie System)

History: Incorporated July 16, 1873, in Pennsylvania. Road opened in August, 1876. In November, 1900, acquired the New Castle and Shenango Valley R.R. Co.

Lease: Road leased Jan. 14, 1901, from Dec. 1, 1900, for 90 years to Nypano R.R., and subleased to Erie R.R.; rent, 6% on capital stock, interest on bonds, and \$2,100 for organization expenses.

Line of Road: Sharon, Pa., to Pymatuning Junction (main line), 7.88 miles; Sharpsville branch extending from Boyce to Sharpsville, Pa., 1.52 miles; New Castle branch extending from Ferrona, Pa., to New Castle, Pa., 23.32 miles; total main lines and branches, 32.72 miles. Second track, 3.38 miles. Sidings, etc., 35.26 miles.

Standard gauge. Rail, 90 and 100 lbs.

Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: B. H. Henderson, Pres.; R. E. Woodruff, J. K. Thompson, Vice-Pres.; E. F. Morgenroth, Treas.; H. W. Trumpler, Asst. Treas.; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.; T. J. Tobin, Compt.; H. A. Taylor, Vice-Pres. and Gen. Counsel.

Directors: B. H. Henderson, Rosemont, Pa.; P. A. Higgs, Sharon, Pa.; A. R. McGill, Oil City, Pa.; Carl Howe, H. D. Barber, R. E. Woodruff, H. A. Taylor, J. K. Thompson, Cleveland, O.; C. P. O'Malley, Scranton, Pa.; D. R. Thompson, Pittsburgh, Pa.; R. H. Boykin, G. W. Shuman, Dunmore, Pa.

Annual Meeting: Second Monday in January, at Sharon, Pa.

Offices: Sharon, Pa., and Cleveland, O.

Income Account, years ended Dec. 31:

	1939	1938
Rent, income, etc.	\$185,340	\$18,660
Ry. tax accr.	35,946	69
Fixed charges	16,568	16,560
Other deduct.	2,100	2,103
Net income	130,726	d 72
Dividends	111,120	13,890
Bal. to p. & l.	19,606	d 13,962
Bal., Jan. 1	4,723	18,685
Profit & loss—bal.	\$24,328	\$4,723

	1939	1938
Earned per share	\$4.71	---
No. of shares....	27,780	27,780

Balance Sheet, as of Dec. 31:

Assets:	1939	1938
Road & equip.	\$1,789,849	\$1,789,849
Cash	61,879	5,293
Rents receiv.	15,400	25,780
Defer. assets	4,684	5,725
Total	\$1,871,812	\$1,826,647
Liabilities:		
Capital stock	\$1,389,000	\$1,389,000
Funded debt	414,000	414,000
Current liab.	8,598	18,924
Unadj. credits	35,886	---
P. & l. balance	24,328	4,723
Total	\$1,871,812	\$1,826,647

Bonded Debt: 1. Sharon Railway first gold 4s, due 1962:

AUTHORIZED—\$167,000 (closed); outstanding, \$164,000.

OWNERSHIP—All owned by Erie Railroad Co., and held in its treasury.

DATED—June 1, 1889.

MATURITY—June 1, 1919; extended to Jan. 1, 1937, and rate increased from 4 1/2% to 5 1/2%; extended to Jan. 1, 1962, and rate reduced to 4%.

INTEREST PAYABLE—J&J 1, at office of Trustee. Interest provided for by Erie R.R. Co. under terms of lease.

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

DENOMINATION—Coupon, \$1,000.

CALLABLE—Not callable.

SECURITY—First lien, 15.99 miles, Pymatuning to West Middlesex, Pa., and branch.

RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage, and by Erie R.R. refunding and improvement mortgage.

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

2. New Castle & Shenango Valley Railroad first gold 4s, due 1962:

AUTHORIZED—\$250,000; outstanding, \$250,000.

OWNERSHIP—All owned by Erie Railroad Co. and held in treasury.

DATED—July 1, 1887.

MATURITY—Jan. 1, 1917; extended to Jan. 1, 1937, and interest reduced from 6%; extended to Jan. 1, 1962, and interest reduced to 4%.

INTEREST PAYABLE—J&J 1, at office of Trustee. Interest provided for by Erie R.R. Co. under terms of lease.

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

DENOMINATION—Coupon, \$1,000.

CALLABLE—Not subject to call.

ASSUMED—By Sharon Ry.

SECURITY—First lien, 16.73 miles, West Middlesex to New Castle, Pa.

RETIREMENT—Provided for by Erie R.R. consolidated general lien mortgage, and by Erie R.R. refunding and improvement mortgage.

TAX STATUS—Company does not pay or refund Federal income tax.

Capital Stock: 1. Sharon Railway stock; par \$50:

AUTHORIZED—32,000 shares; outstanding, 27,780 shares; par \$50.

OWNERSHIP—16,441 shares owned within Erie System.

DIVIDENDS—Dividend of \$3.00 per annum paid under terms of lease by Erie R.R. Co. until 1918, when \$2.75 was paid (reduction due to litigation over the refusal of Erie R.R. to pay Federal income taxes. This suit was decided in favor of the Erie R.R.):

1919-21	\$2.50	1922-26	\$2.75	1927-36	\$2.50
1937	2.37 1/2	1938	1.00	1939	4.00
□ 1940	1.25				

□ To April 1.

DIVIDENDS PAYABLE—A&O 1, to stock of record, M&S 20.

TRANSFER AGENT—Stock transferred by secretary of company at 50 Church St., New York.

REGISTRAR—First National Bank, Sharon, Pa.

THE CLEVELAND & MAHONING VALLEY RAILWAY COMPANY

(Operated by Erie R.R. Co. under lease to the Nypano R.R. Co.)

History: Incorporated July 25, 1872, in Ohio, as a consolidation of the Cleveland and Mahoning R.R., Liberty and Vienna R.R., and Niles and New Lisbon Ry. Cos. In 1901, abandoned the Liberty and Vienna R.R.

Lease: Operated under lease dated Oct. 7, 1863, to Atlantic and Great Western Ry., and supplemental leases dated Sept. 26, 1865, May 4, 1880, April 24, 1883, Dec. 1, 1887, Feb. 24, 1896, Feb. 28, 1896, Apr. 21, 1896 and Mar. 9, 1917, to it or its successors, N. Y., Pa. & Ohio R.R. and Nypano R.R., for 999 years from Mar. 9, 1917, and thereafter during the corporate existence of the company.

The annual rental under the lease is \$550,967; plus a further \$8,000 on account of income taxes of lessor; plus all taxes on the leased property and various other taxes not including taxes on income to lessors, stockholders or bondholders; plus the amount of dividends on the preferred stock, and 1/2% additional of face thereof, if issued under provisions of lease.

Included in lease of Nypano R.R. to Erie R.R. to Sept. 30, 1932.

Trustees of the property of Erie R.R. Co. affirmed the lease agreement dated March 9, 1917, and agreed to pay cash rentals for each year sufficient to prevent a default by the lessor in the payment of interest on its outstanding mortgage bonds and sinking fund payment required to be made under the mortgage indenture securing said bonds. Lessor gave acquittances to the lessee of installments of rental not required to prevent such default.

Line of Road: Cleveland, O., to a point near to the Pennsylvania State Line, but within the State of Ohio, 79.22 miles; Niles to Lisbon, O., 35.77 miles; Girard, O., to Youngstown, O., 6.00 miles; Youngstown to Hazelton, O., 1.62 miles; total, 122.61 miles. Second track, 77.29 miles. Sidings, etc., 205.11 miles.

Standard gauge.

Atlantic Leased Lines, Limited: Registered Jan. 12, 1880, to take over the securities of the Atlantic & Great Western Railroad Company's Leased Lines Rental Trust, 1872, consisting of nearly all the share capital of the Cleveland & Mahoning Valley Railway Co.

Early in 1913 the powers of the company were enlarged, enabling the company to purchase or hold shares or securities of any other railway company carrying on business in the United States associated or connected with the Cleveland Company. The Cleveland line is (now) leased as stated under history paragraph.

The capital of the Atlantic Leased Lines Limited consists of £805,200 perpetual debenture bonds to bearer, of £50 and £100 each, and £805,200 of ordinary stock. The former rank for 4% per annum, payable J&J 31.

It is reported that on Jan. 31, 1940, liquidators of company were to return to holders £130 in respect of every £100 of capital stock held on Jan. 3, 1940. As previously announced, on Jan. 31, 1940, company redeemed the 4% debentures at the rate of £103 19s 6.72d per debenture.

These repayments follow the sale by the company of its principal asset, 65,184 Cleveland & Mahoning Valley Railway Co. \$50 common shares for \$7,900,000.

On Mar. 6, 1940, in a published notice to company's creditors, R. L. Reiss and C. B. Tuson, liquidators of company, which is being voluntarily wound up, announced that creditors are requested, on or before May 1, 1940, the date fixed for liquidation, to send their names and addresses, particulars of

their debt or claims and proof thereof, if required, to the liquidators at 522 Salisbury House, London Wall, London, England.

ICC Authorizes Acquisition by the Erie R.R. Co.: On Nov. 16, 1939, the ICC authorized Erie R.R. Company's trustees to acquire for \$7,900,000 the entire capital stock of the Cleveland & Mahoning Valley Railway, a line now leased by the Erie. The stock is owned by Atlantic Leased Lines, Ltd., an English corporation. Shareholders of latter were to meet in London on Nov. 7 to approve the sale.

The ICC authorized the Erie's trustees to issue and sell to the Reconstruction Finance Corporation at par \$7,000,000 of Erie Railroad-Cleveland & Mahoning Valley collateral trust certificates, the funds to be used in purchasing the Cleveland & Mahoning Valley stock. The remaining \$900,000 of the purchase price will come from funds now available.

The Erie now pays an annual rental of \$558,000 for the Cleveland & Mahoning Valley properties. By the purchase the Erie is expected to save \$133,927 in the first year, with the saving increasing annually because of reduced interest payments.

The proposed acquisition was approved in U. S. District Court at Cleveland on Oct. 30, 1939.

Status Under Proposed Reorganization of Erie R.R. Co.: The ICC has authorized the Cleveland & Mahoning Valley Ry. Co. to intervene in the pending reorganization proceeding for Erie (see Erie R.R. Co., general index).

Officers: R. E. Woodruff, Pres.; H. A. Taylor, Vice-Pres. and Gen. Counsel; J. K. Thompson, Vice-Pres.; T. J. Tobin, Compt.; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.; E. F. Morganroth, Treas.; H. W. Trumpler, Asst. Treas.

Directors: R. E. Woodruff, J. K. Thompson, H. D. Barber, Cleveland, Ohio.

Annual Meeting: Last Wednesday in April at Cleveland, Ohio.

General Office: 1450-52 Hanna Building, Cleveland, Ohio.

Income Account, years ended Dec. 31:

	1939	1938
Rent inc., int., etc.	\$72,530	\$560,199
Ry. tax accruals	358	75,686
Fixed charges	115,340	116,540
Other deductions	53,159	34,941
Net income	\$96,327	\$333,032

Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.	\$6,423,281	\$6,423,281
Misc. phys. prop.	8,776	8,776
Sinking fund	15,000	15,000
Current Assets:		
U. S. sec.		10,137
Cash	58,645	109,285
Other assets		434,011
Total	\$6,505,702	\$7,000,490

Liabilities:

Com. stk. (\$50)	\$3,259,200	\$3,259,200
Prem. on stock	300	300
First 4s, 1962	2,876,000	2,906,000
Current Liabil.:		
Misc. accts. pay.	87	2,850
Int. accrued	57,520	58,120
Accrued items		106
Tax liabil., etc.		76,261
Approp. surplus	\$175,000	
P. & I. surplus	237,595	697,653
Total	\$6,505,702	\$7,000,490

Liabilities (cont'd)

	1939	1938
Current assets	\$58,645	\$119,422
Current liabil.	57,606	137,337
Net curr. assets	1,039	\$17,915

☐ Funded debt retired through income and surplus.

Bonded Debt: 1. Cleveland & Mahoning Valley Railway Co. first 4s, due 1962:

AUTHORIZED—And outstanding, \$2,876,000.
DATED—July 1, 1937.

MATURITY—July 1, 1952.

INTEREST PAID—J&J 1, to and including July 1, 1938.

TRUSTEE—Central Hanover Bank & Trust Co., New York.

REGISTRAR—Central Hanover Bank & Trust Co., New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal; fully registered, \$1,000, \$5,000, \$10,000 and other denominations as may be determined.

CALLABLE—As a whole on any interest date on 60 days' notice or in part after July 1, 1947, to each July 1, incl., as follows:

1952	105	1953	104 1/2	1954	104
1955	103 1/2	1956	103	1957	102 1/2
1958	102	1959	101 1/2	1960	101
1961	100 1/2	1962	100		

Bonds to meet sinking fund requirements are callable at par, on any interest date.

SINKING FUND—Of \$15,000 semi-annually with the right of the company to reduce such payments to \$14,000 with respect to each third sinking fund payment date.

SECURITY—Lien, first except as to a branch line known as the Canal Branch, 7 miles in length, on main line of railroad and branch lines approximately 123 miles in length; and first lien on company's right, title and interest in and to other properties.

PURPOSE—Proceeds used to refund the first consolidated 5s, due Jan. 1, 1938. Entire issue purchased by Metropolitan Life Insurance Co. in August, 1937, at par.

Capital Stock: 1. Cleveland & Mahoning Valley Railway Co. 4 1/2% cumulative preferred:

AUTHORIZED—\$2,851,800; none outstanding.
PURPOSE—Created in April, 1917, and may provide reimbursement to lessee for certain additions, betterments, improvements and alterations of grade crossings.

2. Cleveland & Mahoning Valley Railway Co. common; par \$50:

AUTHORIZED AND OUTSTANDING—65,184 shares; par \$50.

OWNERSHIP—All owned by the Erie R.R. Co.

DIVIDENDS PAID—

1900-03	\$6.75	1904	\$6.23	1905	\$5.70 1/2
1906-10	5.70	1911	5.35	1912	4.62 1/2
1913	5.62 1/2	1914	5.70	1915	5.60
1916	5.50	1917	6.00	1918	5.00
1919	5.12 1/2	1920-26	5.00	1927	5.50
1928	5.00	1929-31	5.31 1/2	1932	5.25
1933	4.25	1934	5.25	1935	4.75
1936-37	5.19	1938-39	Nil		

Dividends payable quarterly, Jan., etc.

Transfer Agent and Registrar: Cleveland Trust Co., Cleveland, O.

PATERSON & HUDSON RIVER RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New Jersey Jan. 31, 1831. Road opened in 1834.

Lease: Road leased to Union R.R., Sept. 9, 1852, in perpetuity, and lease assigned to N. Y. & Erie R.R. (now Erie R.R.), Sept. 10, 1852; rent, \$48,400.

Line of Road: Marion, N. J., to Paterson, N. J., 13.07 miles. Standard gauge.

Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: John W. Ferguson, Pres.; R. J. Nelden, Vice-Pres.; Fred Labaugh, Sec. and Treas., Paterson, N. J.

Directors: J. W. Ferguson, J. H. Cook, R. J. Nelden, Fred Labaugh, E. S. Talliaferro, Henry H. Anderson, T. J. Tobin.

Annual Meeting: Last Friday in March, at Paterson, N. J.

No. of Stockholders: Dec. 31, 1939, 142.

General Office: 152 Market St., Paterson, N. J.

Income Account, years ended Dec. 31:

	1939	1938
Rental income	\$53,400	\$53,400
Ry. tax accruals	9,020	8,578
Income deduct.	3,162	2,855
Net income	41,218	41,967
Dividends	44,100	40,950
Surplus	\$2,882	1,017

Balance Sheet, as of Dec. 31:

	1939	1938
Assets:		
Road & equip.	\$630,000	\$630,000
Stocks	1,710	1,710
Cash	28,105	8,479
Rentals receiv.	26,700	26,700
Misc. accts. rec.	31	
Total	\$686,546	\$666,889
Liabilities:		
Capital stock	\$630,000	\$630,000
Divs. unpaid	412	396
Tax liability	9,051	8,578
Unmat. divs. decl.	22,050	
P. & I.—balance	25,033	27,915
Total	\$686,546	\$666,889

Capital Stock: 1. Paterson & Hudson River Railroad Co. stock; par \$50:

AUTHORIZED—13,000 shares; outstanding, 12,600 shares; par \$50.

DIVIDENDS—At rate of \$4 per share per annum, subject to pro rata deduction for Federal taxes, provided for under terms of lease by Erie R.R. Co.

DIVIDENDS PAID—

To 1920	\$4.00	1921	\$3.25	1922-30	\$3.50
☐ 1931	3.75	1932-37	3.50	1938	1.75
1939	3.25	☐ 1940	1.75		

☐ Paid \$0.25 extra Jan. 2, 1931.

☐ To Jan. 15.

Dividends payable J&J 1.

TRANSFER AGENT—Stock transferred at company's office.

REGISTRAR—The Paterson National Bank, Paterson, N. J.

THE PATERSON AND RAMAPO RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New Jersey March 10, 1841. Road opened in March, 1842.

Lease: Road leased to Union R.R., Sept. 9, 1852, in perpetuity, and lease assigned to N. Y. & Erie R.R. (now Erie R.R.), Sept. 10, 1852; rent, \$26,500.

Line of Road: Paterson, N. J., to New York State Line, 14.76 miles; second track, 14.76 miles; other main track, 23.22 miles; sidings, etc., 20.48 miles; total track, 73.22 miles. Standard gauge.

Control: In June, 1926, Erie R.R. Co. acquired a majority of outstanding capital stock.

Status Under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: R. E. Woodruff, Pres.; E. F. Morgenroth, Treas.; H. W. Trumpler, Asst. Treas.; G. A. Achenbach, Sec.; C. E. Post, Asst. Sec.; T. J. Tobin, Compt.; H. A. Taylor, Vice-Pres. and Gen. Counsel; J. K. Thompson, Vice-Pres., Acct. & Finance.

Directors: H. D. Barber, R. C. Falconer, R. E. Woodruff, H. A. Taylor, J. K. Thompson, Cleveland, O.; D. L. Gray, New York; P. W. Johnston, Jersey City.

Annual Meeting: Last Friday in March, at Paterson, N. J.

Offices: Paterson, N. J. and Cleveland, O.

Income Account, year ended Dec. 31, 1939: Rental income, \$26,500; other income, \$3,500; total income, \$30,000; railway tax accruals, \$34,736; income deductions, \$242; net deficit, \$4,978; deficit at beginning of period, \$20,234; profit and loss—deficit, Dec. 31, 1939, \$25,212.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$298,000; current liabilities, \$315; unadjusted credits, \$76,138; deficit, \$25,212; total, \$349,241. Contra: Road and equipment, \$250,000; investments in affiliated companies, \$48,000; current assets, \$51,241; total, \$349,241.

Capital Stock: 1. Paterson & Ramapo Railroad Co. stock; par \$50:

AUTHORIZED—8,000 shares; outstanding, 5,960 shares; par \$50. Erie R.R. Co. owns \$268,950 of outstanding stock.

DIVIDENDS—Dividends were paid as follows in recent years:

1907---	\$6.00	1908-09	\$4.00	1910---	\$3.00
1911-12	3.00	1913-14	2.00	1915---	4.00
1916---	3.00	1917-19	2.50	1920---	2.25
1921---	2.00	1922-23	Nil	1924---	1.00
1925---	Nil	1926---	1.50		
					None thereafter

UNION RAILROAD COMPANY (OF NEW YORK)

(Operated under lease by The Paterson and Ramapo R.R. Co.—Erie System)

History: Incorporated under the laws of New York Jan. 20, 1851. Road opened Sept. 10, 1852.

Lease: Road leased to N. Y. & Erie R.R. (now Erie R.R.), Sept. 10, 1852, in perpetuity; rent, \$3,500 per annum; Lessor's interest in lease transferred to Paterson & Ramapo R.R. Co., which owns entire capital stock.

Line of Road: New York State Line to Suffern, N. Y., 0.85 mile; second track, 0.85 mile; third track, 0.85 mile; fourth track, 0.85 mile; sidings, 0.01 mile.

Standard gauge.

Officers: Pres., Vacant; G. A. W. Achenbach, C. E. Post, Asst. Secs.; E. F. Morgenroth, Asst. Treas.; T. J. Tobin, Compt.; H. A. Taylor, Vice-Pres. and Gen. Counsel.

Directors: G. A. W. Achenbach, Carl Howe, R. C. Falconer, A. B. Johnson, H. A. Taylor, H. D. Barber, R. E. Woodruff, J. K. Thompson, Cleveland, O.; D. L. Gray, New York.

Annual Meeting: Second Thursday in May.

Offices: 50 Church St., New York, N. Y., and Cleveland, O.

Income Account, year ended Dec. 31, 1939: Rental income, \$3,500; income deductions, \$3,500.

Balance Sheet, as of Dec. 31, 1939: Capital stock, \$50,000; miscellaneous accounts payable, \$1,750; total, \$51,750. Contra: Road and equipment, \$50,000; rents receivable, \$1,750; total, \$51,750.

Capital Stock: 1. Union Railroad Co. of New York stock; par \$50:

OUTSTANDING—1,000 shares; par \$50.

OWNERSHIP—Paterson & Ramapo R.R. Co. owns entire issue.

RAYEN TERMINALS COMPANY

(Controlled by Erie Railroad Co.)

Property: Owns terminal facilities consisting of land and 5-story freight depot and warehouse in Youngstown, O.

Lease: Property leased to Erie R.R. Co., at an annual rental of \$53,000 plus taxes and assessments for a period of 28½ years beginning Oct. 1, 1926. Under supplemental lease dated Aug. 14, 1939, the interest on deferred payments under the lease of Oct. 1, 1926, is reduced from 6% to 4% and annual rental revised to a minimum of \$42,980 in 1942 and a maximum of \$58,680 in 1952, which rental includes sums equal to serial payments required to retire bonds as provided in mortgage, and lessee to pay all taxes and assessments and all corporate and other expenses of the lessor.

On payment of all rentals Erie R.R. Co. is to become owner of the property. Lease provides that if there should be a default and the property should be sold at a price less than the bonds outstanding at the time of sale, then the Erie R.R. Co. will make up the difference.

Address: C/o Erie Railroad Co., Midland Bldg., Cleveland, O.

Bonded Debt. 1. Rayen Terminals Co. first 4s, due serially to 1955:

AUTHORIZED—\$600,000; outstanding, \$574,000.

DATED—Nov. 1, 1936.

MATURITY—Due each A&O 1 from Apr. 1, 1940 to Apr. 1, 1955.

INTEREST PAID—A&O 1 at trustee's office.

Principal and interest payable in lawful money of the United States of America which at the time of payment is legal tender for payment of public and private debts.

TRUSTEE AND REGISTRAR—Dollar Savings & Trust Co., Youngstown, O.

DENOMINATION—Fully registered, \$1,000. Transferable into coupon bonds, registerable as to principal.

CALLABLE—Only in event Erie R.R. Co. exercises its option to purchase mortgaged property, as provided in the lease agreement dated Oct. 1, 1926, in which event all bonds shall be called upon at least 60 days' notice at par.

SECURITY—A first mortgage on company's property, which has been leased to Erie R.R. Co. at annual rental ranging from a minimum of \$42,980 in 1942 to \$58,680 in 1952, plus all taxes and assessments and corporate and other expenses of the lessor, in accordance with supplemental lease dated Aug. 14, 1939, for the remainder of the term beginning April 1, 1939, and ending April 1, 1955.

PURPOSE—Proceeds used to retire \$536,000 first 6s, 1954 at 105 on Nov. 1, 1936.

TAX STATUS—Bonds contain covenant for payment of interest without deduction for Federal income tax (unlimited), but since bonds were issued after Jan. 1, 1934, company is not required under present tax law to pay any Federal income tax with respect to interest paid to U. S. citizens or residents.

Company will refund Connecticut tax not exceeding 2% per annum on the interest.

Capital Stock: All owned by Erie R.R. Co. No details available.

ROCHESTER & GENESEE VALLEY RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of New York, June 7, 1851. Road operated Aug. 10, 1854.

Lease: Leased to Buffalo, N. Y. & Erie R.R. (predecessor company of Erie R.R. Co.) for the unexpired term of the charter of Rochester & Genesee Valley R.R. Co. and any renewals thereof. Lease agreement provided for annual rentals equal to 6% per annum of the \$555,200 par value of outstanding stock \$700 annually for organization expenses.

Supplemental Lease: Dated Oct. 17, 1939, between Rochester & Genesee Valley R.R. Co. and John A. Hadden, Trustee of the property of Erie Railroad Company, provides that, in addition to \$700, annually for organization expenses, the lessee from and after July 1, 1938, shall pay as rental direct to the stockholders of the Rochester & Genesee Valley R.R. Co. amounts equal in the aggregate to 4% per annum on the total capital stock of the Rochester & Genesee Valley R.R. Co., all such payments to be free from all taxes, except that, for the period from July 1, 1938, to June 30, 1939, such payments to the stockholders shall be at the rate of 3% per annum, and 1%

on the aggregate par value of said capital stock outstanding shall, for said period, be paid by the lessee to the Treasurer of the Rochester & Genesee Valley R.R. Co.; provided, however, that no such payment shall be made with respect to capital stock from time to time registered in the name of the lessee or its Trustee or Trustees, which, at present, amounts to \$149,400.

Supplemental lease of Oct. 17, 1939, approved by Public Service Commission of the State of New York on Oct. 3, 1939.

Position under Erie R.R. Reorganization Plan: See "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

Officers: J. W. Remington, Pres.; W. D. Allen, Vice-Pres.; M. R. Anstice, Secy.-Treas.; Rochester, N. Y.

Directors: W. D. Allen, M. R. Anstice, Edward Bausch, A. G. Devine, S. B. Dicker, Lawrence Gardner, H. C. Howlett, James McAuliffe, J. W. Remington, K. C. Townson, H. W. Williams.

Annual Meeting: Second Tuesday in June at Rochester, N. Y.

General Office: Rochester, N. Y.

Income Account, year ended Dec. 31, 1939: Rental income, \$26,542.00; income deductions, \$3,768.91; net income, \$22,773.09; dividends, \$20,290.00; balance to profit and loss, \$2,483.09.

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$555,200.00; profit and loss, \$2,697.83; total, \$557,897.83. Contra: Road and equipment, \$555,200.00; cash, \$2,697.83; total, \$557,897.83.

Capital Stock: 1. Rochester & Genesee Valley Railroad Co. stock; par \$100:

AUTHORIZED—8,000 shares; outstanding, 5,552 shares; par \$100.

OWNERSHIP—1,494 shares owned within Erie System.

DIVIDENDS—Dividends of 4% (reduced from 6% Oct. 17, 1939) per annum regularly paid, Jan. and July 1, provided for by Erie R.R. under terms of lease.

TRANSFER AGENT AND REGISTRAR—Genesee Valley Trust Co., Rochester, N. Y.

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.

TIOGA RAILROAD COMPANY

(Operated under lease by the Erie R.R. Co.)

History: Incorporated under the laws of Pennsylvania on Apr. 6, 1850, as a reorganization of the Tioga Navigation, organized Feb. 20, 1826.

Lease: Road leased to Erie R.R. at rental of interest on bonds; merged Arnot & Pine Creek R.R. in Apr., 1937.

Line of Road: New York-Pennsylvania State Line to Blossburg, Pa., 35.84 miles; branches (Tioga Jct. to Lawrenceville, Pa., 3.50 miles; Blossburg to Morris Run, 3.31 miles), 6.81 miles; Arnot Jct. to Hoytville, Pa., 11.65 miles; Blossburg Coal Co., Blossburg to Arnot, Pa., 3.49 miles; 15.14 miles; total, 72.93 miles. Sidings, Owned, 11.25 miles; leased, .02 miles—11.27 miles.

Standard gauge. Officers: C. P. O'Malley, Pres.; R. E. Woodruff, Vice-Pres.; G. A. W. Achenbach, Sec.; C. E. Post, Asst. Sec.; T. J. Tobin, Compt.; H. A. Taylor, Vice-Pres. & Gen. Counsel; E. F. Morgenroth, Treas.

Directors: R. E. Woodruff, H. A. Taylor, Cleveland, O.; W. B. Eilenberger, Stroudsburg, Pa.; C. P. O'Malley, Scranton, Pa.; D. R. Thompson, Pittsburgh, Pa.; G. W. Shuman, Dunmore, Pa.

Annual Meeting: First Monday in Nov., at Susquehanna, Pa.

Offices: Susquehanna, Pa., and Cleveland, O.

Status under Proposed Reorganization of Erie R.R. Co.: For details see "Reorganization Proceedings" in statement of Erie R.R. Co. (preceding statement).

General Balance Sheet, as of Dec. 31, 1939: Capital stock, \$835,900; non-negotiable debt to affiliated companies, \$629,500; profit and loss—balance, \$114,867; total, \$1,580,267. Contra: Road and equipment, \$1,580,267; total, \$1,580,267.

Bonded Debt: Tioga Railroad Co. first gold 5s, due 1935:

AUTHORIZED—\$350,000; outstanding, \$239,500. OWNERSHIP—All owned by Erie R.R. Co. and held in its treasury.

DATED—Apr. 24, 1852. MATURITY—May 1, 1872; extended to Nov. 1, 1915 and again to Nov. 1, 1935.

INTEREST PAYABLE—M&N 1. at Erie R.R. office, 50 Church St., New York.

TRUSTEE—Pennsylvania Co. for Insurances on Lives & Granting Annuities.

CALLABLE—At 101 on any interest date on 30 days' notice.

GUARANTEED—Principal and interest by the Erie R.R. Co.

SECURITY—First lien on 29.16 miles, Lawrenceville to Morris Run, Pa.

RETIREMENT—Provided for by Erie R.R. cons. gen. lien mortgage, and Erie R.R. ref. and imp. mortgage.

UNDERLIE—\$125,000 Tioga R.R. 3d Rail 7s, due Nov. 1, 1896, all of which are held by the Trustee of the Erie R.R. cons. mtge. of 1996.

OTHER PROVISIONS—Under the 1915 extension agreement the Erie R.R. Co. agrees to purchase or cause to be purchased annually, beginning Nov. 1, 1916, to Nov. 1, 1934, incl., \$12,000 par value of these bonds at 100 and \$11,500 on Nov. 1, 1935, at 100, if and when requested by the holder of these bonds. Bonds so purchased to be stamped as subordinate in lien to the remainder of bonds not so purchased.

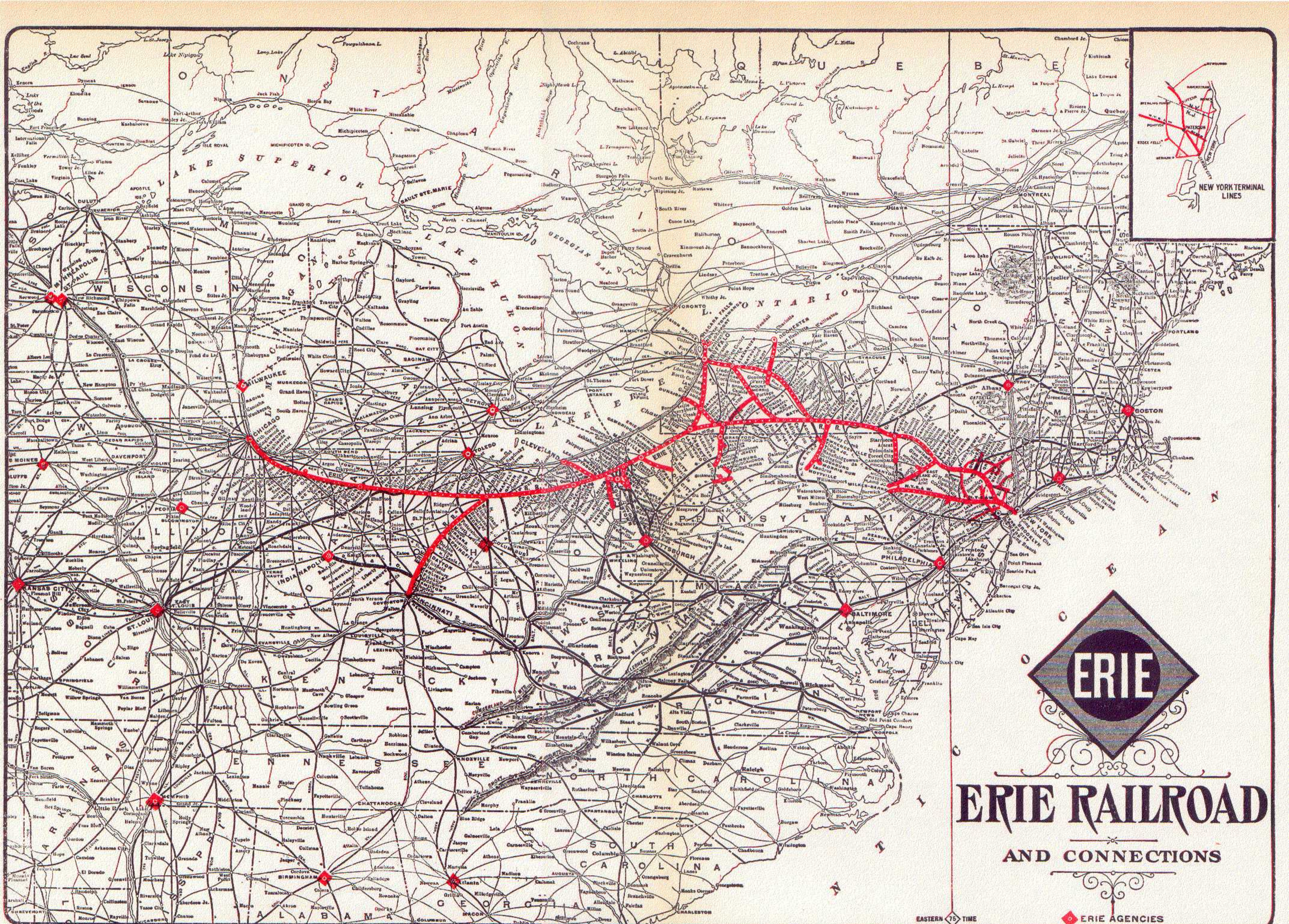
TAX STATUS—Free of Pennsylvania 4 mill tax. Company pays Federal income tax up to 2%.

Capital Stock: 1. Tioga Railroad Co. preferred; par \$50:

OUTSTANDING—3,794 shares; par \$50. OWNERSHIP—All owned by Erie R.R. Co. and deposited under that company's first consolidated mortgage.

2. Tioga Railroad Co. common; par \$50:

OUTSTANDING—12,924 shares; par \$50. OWNERSHIP—All but six shares owned by Erie R.R. Co. and pledged under that company's first consolidated mortgage.



ERIE RAILROAD

AND CONNECTIONS

EASTERN TIME

ERIE AGENCIES