

No. 4914.

IN THE MATTER OF RATES, PRACTICES, RULES, AND
REGULATIONS GOVERNING THE TRANSPORTATION OF
ANTHRACITE COAL.

Submitted February 1, 1915. Decided July 30, 1915.

Pursuant to an order of June 10, 1912, a general investigation was made of the rates, practices, rules, and regulations governing the transportation of anthracite coal from the Wyoming, Lehigh, and Schuylkill regions in the state of Pennsylvania to tidewater ports and interior points on the lines of the initial anthracite carriers; *Held:*

1. That the rates on anthracite coal, prepared and pea and smaller sizes, in carloads, applicable from producing districts in the Wyoming, Lehigh, and Schuylkill regions in the state of Pennsylvania to tidewater ports and certain eastern interior points are unreasonable, and the rates on anthracite coal, prepared and pea sizes, from said districts to other interior points are unreasonable, and reasonable rates fixed for the future.
2. That the respondents by means of trackage arrangements and the free transportation to junction points in the mining regions of coal exchanged by their allied coal companies, have extended the advantages of interline transportation to their coal companies to the prejudice of other coal shippers to whom interline transportation at joint rates has been denied. Respondents required to establish through routes and publish joint through rates applicable thereto.
3. That anthracite coal is a low-grade commodity which is transported in vast quantities in trains of maximum tonnage. The tonnage loaded in each car is much greater than the loading of most other classes of traffic. Most of the anthracite tonnage is shipped from collieries whose daily production, measured in carloads, is very large. These conditions tend toward lower operating costs.
4. That concessions and offsets granted by respondents to their allied coal companies in the form of interest charges, royalty earnings, the use of valuable property at inadequate rentals, the free use of the carriers' funds and credit, or by other means are as pernicious as direct cash rebates. Such concessions and offsets are unlawful.
5. That lateral allowances paid to a coal shipper in accordance with an agreement, alleged to be additional compensation for the use of a facility furnished by the shipper, are unlawful rebates.

Walker D. Hines, Jackson E. Reynolds, and H. A. Taylor for Philadelphia & Reading Railway Company; Central Railroad Company of New Jersey; Delaware & Hudson Company; Delaware, Lackawanna & Western Railroad Company; Erie Railroad Company; New York, Susquehanna & Western Railroad Company; Wilkes-Barre & Eastern Railroad Company; Lehigh Valley Railroad Company; New York, Ontario & Western Railway Company;

Pennsylvania Railroad Company; and Northern Central Railway Company.

Charles Heebner for Philadelphia & Reading Railway Company.

Francis I. Gowen, George Stuart Patterson, and Henry Wolf Bikel for Pennsylvania Railroad Company and Northern Central Railway Company.

George F. Brownell for Erie Railroad Company; New York, Susquehanna & Western Railroad Company; and Wilkes-Barre & Eastern Railroad Company.

C. L. Andrus for New York, Ontario & Western Railway Company.

Edgar H. Boles for Lehigh Valley Railroad Company.

Walter C. Noyes, James H. Torrey, and H. T. Newcomb for Delaware & Hudson Company.

John L. Seager and Douglas Swift for Delaware, Lackawanna & Western Railroad Company.

Ernest S. Ballard for New York Central lines.

S. S. Perry for New York, New Haven & Hartford Railroad Company; Boston & Maine Railroad; and Maine Central Railroad Company.

William A. Glasgow, jr., and Robert D. Jenks for Plymouth Coal Company.

N. B. Kelly for Chamber of Commerce of Philadelphia.

J. C. Lincoln for Merchants Association of New York.

H. H. Dean for Michigan, Ohio, and Indiana Coal Dealers Association.

C. A. Eastman for Eastman Barber Company.

A. L. Williams for Susquehanna Coal Company.

REPORT OF THE COMMISSION.

McCHORD, *Chairman*:

Pursuant to an order of June 10, 1912, a general investigation was made of the rates, practices, rules, and regulations governing the transportation of anthracite coal from the Wyoming, Lehigh and Schuylkill regions in the state of Pennsylvania to tidewater ports and interior points on the lines of the initial anthracite carriers; and whether such coal is mined or produced by or under the authority or control of common carriers engaged in the transportation thereof, or whether said common carriers are directly or indirectly interested in the production or sale of the anthracite coal which they transport.

These rates, practices, rules, and regulations have been, since the year 1890, the subject of several formal complaints to this Commission and many informal complaints by shippers of anthracite coal. The Commission's order under date of June 10, 1912, named all

35 I. C. C.

carriers in official classification territory, but it was found impracticable to extend the present inquiry beyond the financial affairs and operations of the 11 initial anthracite carriers.

Freight rates on many commodities are but an infinitesimal part of the price which the consumer pays for such commodities. On coal the freight rate is a more important factor. Anthracite coal is very largely a fuel for domestic use, and it is a necessity. That reasonable freight rates should be charged for the distribution of the great fuel tonnage herein involved is of vital importance to the producers and of equal concern to the consumers.

The initial anthracite carriers, respondents in this case, are:

The Central Railroad Company of New Jersey.
 Philadelphia & Reading Railway Company.
 The Delaware, Lackawanna & Western Railroad Company.
 Lehigh Valley Railroad Company.
 Erie Railroad Company.
 Wilkes-Barre & Eastern Railroad Company—New York, Susquehanna & Western Railroad Company.
 New York, Ontario & Western Railway Company.
 The Pennsylvania Railroad Company.
 The Northern Central Railway Company.
 The Delaware & Hudson Company.

Excepting the Delaware & Hudson Company and the Northern Central Railway, the railway lines of all these carriers extend to tidewater. The railway lines of the Delaware, Lackawanna & Western Railroad, Lehigh Valley Railroad, Erie Railroad, New York, Ontario & Western Railway, Pennsylvania Railroad, and Northern Central Railway extend to Lake Ontario and Lake Erie ports.

Many of the facts and figures gathered during the investigation have been omitted from this part of the report, but in order that they may not be lost sight of they are included in the appendix, which is made a part of this report.

The railway lines of most of the initial anthracite carriers were constructed into the mining regions long prior to 1890. The Scranton branch of the New York, Ontario & Western was extended into the mining region and completed in July, 1890. The consolidation and construction of a number of the railway lines making up the New York, Susquehanna & Western Railroad occurred during the eighties; its western connection, the Wilkes-Barre & Eastern Railroad, which extends westward from Stroudsburg, Pa., into the mining district (Wyoming region) was completed in 1893.

Anthracite coal is mined in three regions in the state of Pennsylvania—the Wyoming, the Lehigh, and the Schuylkill. Practically the entire source of supply is confined to an area of 496 square miles, having an extreme distance from northeast to southwest of about

35 I. C. C.

100 miles. The tonnage (in tons of 2,240 pounds) of anthracite coal shipped from the three regions was 3,358,899 in the year 1850, 16,182,191 in 1870, 36,615,459 in 1890, 45,107,484 in 1900, and 71,295,716 tons in 1913. The tonnage shipped has practically doubled since the year 1890. This large tonnage is produced from approximately 302 operations, collieries, and washeries in the three regions.

As stated in publications issued in 1911 by the United States Geological Survey—

the increase in the production of anthracite bears an approximate relation to the increase in population. This has been particularly marked during the last two decades, or since the use of anthracite for iron making has practically disappeared.

This increase of consumption is limited, however, by the increasing use of gas as fuel and of central steam-heating plants which burn bituminous coal.

The breakers at the collieries reduce the masses of coal from the mines into the various sizes used for domestic and commercial purposes. Washery operations have in recent years recovered from the culm banks and turned into the channels of trade large quantities (approximately 2,500,000 tons annually) of the smaller sizes of anthracite coal. The first washery was installed in the year 1890. Anthracite coal is sold in the market in eight sizes, the size being determined by the dimensions of the meshes of screens through and over which the coal is passed. The standard screens are of the following dimensions for the sizes indicated:

Size.	Through.	Over.
	<i>Inches square.</i>	<i>Inches square.</i>
Broken or grate.....	4	2½
Egg.....	2½	2
Stove.....	2	1½
Chestnut.....	1½	¾
Pea.....	¾	¾
Buckwheat No. 1.....	¾	¾
Buckwheat No. 2 or rice.....	¾	¾
Buckwheat No. 3 or barley.....	¾	¾

The sizes smaller than pea are a by-product in the preparation of domestic sizes. The sizes larger than pea are designated "prepared sizes" in the carriers' freight tariffs.

The stove and chestnut sizes are in the greatest demand and constitute 40 per cent of the total shipments. They are essentially sizes for domestic use. Egg size is used largely in the furnaces of residences, as is also the pea size, and the latter also is used extensively in kitchen ranges. The smaller sizes come directly into competition with bituminous coal and are used largely in eastern cities in hotels, apartment

houses, and office buildings. The sizes larger than pea size constitute approximately 61 per cent of the total tonnage shipped.

It is apparent that anthracite coal is principally a domestic fuel. Its selling price at tidewater (the wholesale price obtained by the operators) shows a very definite upward trend during recent years, 34 to 49 per cent during the past 13 years, as is here indicated:

Size of coal.	1900, price per long ton.	1913, price per long ton.	Increase.	Per cent of in- crease.
Grate.....	\$3.08	\$4.47	\$1.39	45.13
Egg.....	3.44	5.11	1.67	48.54
Stove.....	3.81	5.11	1.30	34.12
Chestnut.....	3.84	5.35	1.51	39.32
Pea.....	2.45	3.49	1.04	42.45
Buckwheat.....	1.98	2.75	.77	38.88
Small.....	1.34	2.00	.66	49.25

Anthracite coal is consumed in a very broad market, geographically speaking. The latest available tables in government publications showing its distribution are for the year 1905. By assigning the tonnage shipped in 1913 in the same ratios as were computed for the year 1905 the market distribution would be:

	Year 1905.		Year 1913.	
	Long tons.	Per- centage.	Long tons.	Per- centage.
Pennsylvania, New York, and New Jersey.....	41,501,569	67.58	48,181,645	67.58
New England states.....	8,632,504	14.15	10,088,344	14.15
Southern states.....	2,080,088	3.39	2,416,925	3.39
Western states and Pacific coast.....	6,906,057	11.25	8,020,768	11.25
Dominion of Canada and foreign ports.....	2,229,983	3.63	2,588,034	3.63
Total.....	61,410,201	100.00	71,295,716	100.00

Since this fuel is produced by separating the mine output into eight standard sizes, all these sizes must be produced at the same time. In certain months of each year, however, the consumption of domestic sizes is greater than in other months, and the market demands for the steam sizes in some months exceed and in other months are less than the normal production. Therefore, if the collieries operate continuously, some of their product must be stored. In past years, to meet this situation, anthracite was quite extensively stored in the carriers' cars for long periods, for which no demurrage charges were assessed, and some of the carriers constructed large and costly storage plants. These plants were equipped with conveyers, engines, electric machinery, and with structures to cover the coal, and the cost ranged from \$23,000 to \$600,000 each. The carriers also constructed a large number of retail delivery trestles at various points on their lines of

35 I. C. C.

railway. A large number of the storage plants and trestles are, under leases from the carriers, devoted exclusively to the business of the coal companies controlled by the carriers.

These carriers are to a large extent interested in the mining and sale of anthracite coal through their affiliations with or their control of separately incorporated coal companies. Two of the carriers, the Delaware, Lackawanna & Western Railroad and the Delaware & Hudson Company, own coal lands and conduct mining operations.

THE LARGE COAL COMPANIES.

The Lehigh Coal & Navigation Company owns a large portion of the railway lines operated by the Central Railroad Company of New Jersey. Under leases and agreements entered into during the years 1871 to 1883, to remain in effect for 900 years, the Central Railroad of New Jersey operates the railroads so leased, and the navigation company is obligated to ship 75 per cent of its output over the leased railway lines. The navigation company is not controlled by the Central Railroad Company of New Jersey.

The Delaware, Lackawanna & Western Coal Company was organized in 1909. Under an agreement in writing entered into at that time it ships and markets all of the coal mined by the Delaware, Lackawanna & Western Railroad Company. At the time the coal company was organized the Lackawanna Railroad paid an extra dividend of \$13,000,000 to its stockholders, and its stockholders were accorded the privilege of purchasing the \$6,500,000 stock of the Delaware, Lackawanna & Western Coal Company. Most of them availed themselves of that privilege.

The Lehigh Valley Coal Sales Company was organized in 1912 and commenced business on March 1, 1912, and under an agreement in writing it ships and markets all of the coal mined and purchased by the Lehigh Valley Coal Company. The coal sales company issued \$6,060,800 in stock, giving the shareholders of the Lehigh Valley Railroad Company the privilege of purchasing the stock. At the same time the Lehigh Valley Railroad Company paid an extra dividend of \$6,060,800 to its shareholders to provide them with the funds to purchase the stock of the coal sales company.

The Reading Company, a holding company, owns the entire capital stock of the Philadelphia & Reading Railway Company and the Philadelphia & Reading Coal & Iron Company.

With these exceptions, the stocks of the coal companies that ship the largest portion of the total tonnage of anthracite coal shipped over the railway lines of the several initial carriers are owned by the carriers, as is indicated in the following statement:

35 I. C. C.

Coal company.	Owner of stock of coal company.	Par value of stock owned.	Date stock was acquired by owner.
Lehigh & Wilkes-Barre Co.....	C. R. R. Co. of N. J.....	\$8,491,150	1874-1909
Philadelphia & Reading Coal & Iron Co.....	Reading Co. ¹	8,000,000	Dec. 1, 1896
Hillside Coal & Iron Co.....	Erie R. R. Co.....	1,000,000	Dec., 1895
Pennsylvania Coal Co.....	do.....	5,000,000	Mar., 1901
Lehigh Valley Coal Co.....	L. V. R. R. Co.....	1,965,000	1875-1908
Coxe Bros. & Co., Incorporated.....	do.....	2,910,150	1906
Scranton Coal Co.....	N. Y., O. & W. Ry. Co.....	200,000	Feb. 2, 1899
Elk Hill Coal & Iron Co.....	do.....	60,000	Mar. 1, 1899
Susquehanna Coal Co.....	P. R. R. Co.....	2,136,800	1873-1886
Mineral R. R. & Mining Co.....	do.....	100,002	1877-1891
Summit Branch Mining Co.....	do.....	25,000	Mar. 12, 1902
Mineral R. R. & Mining Co.....	N. C. Ry. Co.....	199,998	1887-1891
Hudson Coal Co.....	D. & H. Co.....	2,400,000	1901-1911

¹ A holding company.

The carriers own the entire outstanding stock of the coal companies named above with but one exception; the Central Railroad Company of New Jersey owns \$8,491,150 of the \$9,210,000 stock issued by the Lehigh & Wilkes-Barre Coal Company.

The tonnage shipped during the month of November, 1912, by the coal companies mentioned amounted to a very large proportion of the total tonnage shipped by all shippers over each particular railway system as here shown:

Carrier.	Coal company.	Tons (2,240 lbs.) shipped by affiliated coal company.	Ratio to total tonnage shipped by all shippers.
			<i>Per cent.</i>
C. R. R. Co. of N. J.....	Lehigh & Wilkes-Barre Coal Co.....	466,634	52.65
Do.....	Lehigh Coal & Navigation Co.....	236,076	26.64
P. & R. Ry. Co.....	Philadelphia & Reading Coal & Iron Co.....	1,074,443	80.04
D., L. & W. R. R. Co.....	Delaware, Lackawanna & Western Coal Co.....	881,063	94.01
D. & H. Co.....	Hudson Coal Co.....	644,084	76.25
L. V. R. R. Co.....	Lehigh Valley Coal Sales Co.....	930,827	77.24
P. R. R. Co.....	Susquehanna Coal Co.....	555,380	66.71
N. C. Ry. Co.....			
Erie lines.....	Pennsylvania Coal Co.....	466,000	70.82
N. Y., O. & W. Ry. Co.				Hillside Coal & Iron Co.....	126,000	19.15
	Scranton Coal Co.....	277,508	89.58

RATES ON ANTHRACITE COAL.

Generally speaking, all the collieries on the lines of any one of the initial carriers in each region are, under the schedules of rates established by the carriers, covered by blanket rates to a particular destination; that is, the several collieries in each region are placed in one group taking the same rate, although the distance between the collieries in the group may be 50 miles more or less. To many important groups of destinations also the rates via any given line are frequently the same; that is, they are blanketed from all the regions reached by that line. Exceptions to this rule apply principally to local short-haul rates.

35 I. C. C.

Joint rates are in effect via all lines to Chicago, Peoria, Joliet, and East St. Louis, the gateways to points west of official classification territory. The proportion of such joint rates that accrues to the lines east of Buffalo is \$1.75 per ton (2,240 pounds) on all sizes, such proportion being 25 cents per ton lower than the carrier's local rates on prepared sizes to Buffalo. To other points in central freight association territory the rates generally are based on combination of the local rates to and beyond Buffalo; but the Erie publishes rates to points on the line which it operates, extending westward to Marion and Dayton, Ohio, and the Pennsylvania publishes rates to points on its own line and to points on its affiliated lines extending to Chicago and St. Louis. The rates of the Erie and Lehigh Valley to Buffalo on anthracite coal destined for reshipment over Lake Erie are 25 cents per ton higher than their local rates to Buffalo. Joint rates have been established to Montreal, Ottawa, and a few other Canadian points; to other Canadian points the rates are combinations of the rates to and beyond the lake ports.

Through rates to New England points are made via New York City, the Poughkeepsie bridge, and the Albany gateways, and are influenced to a large extent by the rates to tidewater for reshipment, plus the rates beyond the tidewater ports by rail or by water to points in New England.

RATES TO TIDEWATER.

For many years a large number of the independent operators sold their anthracite coal production at the mines to the carriers, or to their allied coal companies, in accordance with the terms of "percentage contracts." Instead of a fixed money price per ton, it was provided in the contracts that the independent operator who so sold and delivered his coal f. o. b. cars at the mines should receive a certain per cent of the average price at which that grade of coal was sold in the tidewater market of New York harbor. These contracts have been considered at length in the decision of the Supreme Court in the *Reading Company* and *Temple Iron Company cases*, 226 U. S., 324.

The percentage of the tidewater selling price paid to the operators on prepared sizes of coal was, in the early years, about 40 per cent. It gradually increased in later years, reaching 50 and 55 per cent in the eighties, 60 per cent in 1892, and 65 per cent on November 1, 1900. The contracts were commonly designated as 60 per cent contracts, 65 per cent contracts, etc. The remaining portion of the selling price of the coal, 40 or 35 per cent in the more recent years, was the freight rate which the carriers charged the individual operators who elected to ship their own coal production

35 I. C. C.

to tidewater. The percentage freight rate was also applied on anthracite coal shipped to Buffalo in the early days. In 1882 the Reading Railroad's rate on anthracite coal to Buffalo was 57 per cent of the selling price at Buffalo.

In July, 1901, several of the carriers took action to establish fixed or flat rates to tidewater. Six of them, the Reading, Lehigh Valley, Jersey Central, Lackawanna, Erie, and Susquehanna & Western, were represented on the board of directors of the Temple Iron Company, which was merely a holding company for the several carriers. *Reading case*, 226 U. S., 350, 351, 354. At a meeting of the board of directors of the Temple Iron Company held in New York City on July 2, 1901, a resolution was adopted appointing a committee to consider the advisability of establishing fixed or flat rates on anthracite coal to tidewater.

The evidence shows that the purposes indicated in that resolution were carried into effect by the appointment of a committee whose membership and action are shown in the following letters:

PENNSYLVANIA COAL Co., HILLSIDE COAL & IRON Co.,
NEW YORK, SUSQUEHANNA & WESTERN COAL Co.,
OFFICE OF PRESIDENT,
21 Cortlandt Street, New York, July 9, 1901.

Mr. C. E. HENDERSON,

General Manager P. & R. C. & I. Co., 143 Liberty Street, New York.

DEAR SIR: Referring to the resolution adopted at the meeting of the Temple Iron Company held in New York on the 2d instant, reading as follows:

"Moved and seconded that Mr. Cumming, Mr. Sayre, Mr. Henderson, Mr. Caldwell, and Mr. Warren be appointed a committee to consider the advisability and expediency of making a 40 per cent rate to outside shippers, or a flat rate, and, if so, what rate."

All parties interested having signified their ability to attend at such time, I beg to confirm the call for a meeting of the above-named committee to be held at this office at 11 a. m. on Wednesday, July 10.

Very respectfully, yours,

G. M. CUMMING, *President.*

PENNSYLVANIA COAL Co., HILLSIDE COAL & IRON Co.,
OFFICE OF THE PRESIDENT,
New York, July 11, 1901.

W. H. SAYRE, *Vice President L. V. Coal Co., New York.*

C. E. HENDERSON, *Second Vice President P. & R. Ry. Co., Philadelphia.*

C. H. WARREN, *Vice President C. R. R. of N. J., New York.*

B. D. CALDWELL, *Traffic Manager D., L. & W. R. R., New York.*

GENTLEMEN: At the meeting held at 21 Cortlandt street, New York, on Wednesday, July 10, 1901, Mr. Baer's letter was read, and after consideration, it was understood that, in the opinion of all present, his first question should be answered in the negative, to wit, that it is not advisable or expedient to make a 40 per cent rate to outside

35 I. C. C.

shippers. It was the opinion of all present that a flat rate should be made, and the following schedule was considered fair, reasonable, and satisfactory:

	Per gross ton.
Prepared sizes.....	\$1. 60
Pea.....	1. 45
Buckwheat No. 1.....	1. 30
Buckwheat No. 2.....	1. 15
Buckwheat No. 3.....	1. 15

The above rates would apply as a basis from the mines to New York tidewater points and would be subject to the usual differentials.

No action is to be taken looking to the establishment of these rates until further advices have been received from Mr. Henderson.

Very respectfully, yours,

G. M. CUMMING, *Chairman.*

The Commission has endeavored to obtain from the carriers a copy of the letter written by Mr. Baer, referred to in the foregoing letter under date of July 11, 1901, but counsel for the carriers have asserted they were unable to find and produce it. It is clearly shown in a letter written by the general freight agent of the Lehigh Valley Railroad on the date August 2, 1901, to 11 outside shippers or individual shippers of anthracite coal on its line, that the flat basis of rates described in the letter of July 11, 1901, was put into effect by the Lehigh Valley Railroad.

LEHIGH VALLEY RAILROAD COMPANY,
New York, August 2, 1901.

Messrs. AYERS & BROS.,
American Life Building, Philadelphia, Pa.

GENTLEMEN: Taking effect August 1, 1901, the rates on anthracite coal to Perth Amboy, N. J., for reshipment as shown on our Coal Tariff I. C. C. No. D-30 and supplements will be the net rates charged by our company. In other words, no adjustment on percentage basis will be made on and after that date. The rates are as follows:

	Per gross ton.
Prepared sizes.....	\$1. 55
Pea.....	1. 40
Buckwheat.....	1. 25
Buckwheat Nos. 2 and 3.....	1. 10

Yours truly,

GEORGE S. TAYLOR, *General Freight Agent.*

Similar letter sent to Whitney & Kemmerer; W. K. Mason; Peale, Peacock & Kerr; Robinson, Hayden & Co.; W. R. McTurk & Co.; Wm. Nichols & Co.; Madeira, Hill & Co.; Mill Creek Coal Co.; Meeker & Co.; Righter & Marshall.

The rates to the lower ports are 5 cents per ton less than those to the upper ports because of the higher cost of lighterage from the lower ports. Thus the rates to New York City are equalized.

Giving consideration to this 5-cent rate differential and to that portion of Mr. Cumming's letter which reads, "The above rates would 35 I. C. C.

apply as a basis from the mines to New York tidewater points, and would be subject to the usual differentials," it appears that the flat basis of rates adopted by the committee was established and has continued in effect to date as the published tariff rates on the lines of the several carriers that reach tidewater with the following exceptions:

The Pennsylvania Railroad established rates of \$1.40 per gross ton on prepared sizes, \$1.25 per ton on pea size, and \$1.15 per ton on buckwheat. These rates are lower than the rates of the other carriers. They were established some time prior to the date the other carriers established the flat basis of rates to tidewater, and at a time when the price of coal was lower. As the percentage of the current selling price of the commodity became the tariff rate, the carrier that first established it as the tariff rate now has in effect lower rates than the other carriers who had the advantage of a higher selling price for their basic rate.

The rates of the Delaware, Lackawanna & Western Railroad to tidewater are 2 cents per ton lower than the rates described in Mr. Cumming's letter of July 11. They were established two years later; that is, in 1903. Prior to 1903 there was no published tariff rate to Hoboken via the Lackawanna lines on anthracite coal for transshipment by vessels.

In the *Marian case*, 24 I. C. C., 140, the Commission ordered a reduction in the rates of the Delaware, Lackawanna & Western Railroad from the Taylor district and intermediate points of shipment, and in the *Meeker case*, 21 I. C. C., 129, a reduction of the Lehigh Valley's rates from the Wyoming region.

The rates actually charged by the Lehigh Valley Railroad Company for the transportation of anthracite coal (per ton of 2,240 pounds) from the mines to tidewater, for the month of November in the years named, were:

Year.	Prepared sizes.	Pea.	Buckwheat.
1898.....	\$1.3930	\$1.1225	\$1.1312
1899.....	1.4965	1.1887	1.1695
1900.....	1.55	1.3204	1.2290
1901-1910, inclusive.....	1.55	1.40	\$1.25-1.20

We here have the history of the tidewater anthracite rate structure of these several carriers. The prevailing percentage rates at the time the flat basis of rates was adopted became the tariff rates to tidewater. The definite upward trend of the rates based on a percentage of the selling price is clearly set forth in the Lehigh Valley figures. Rates based on a percentage of the selling price of a commodity whose selling price increased from year to year would naturally

35 I. C. C.

climb to an excessive basis. While the adoption of a flat basis of rates in 1901 and 1903 arrested the progressive increase in the rates, the evidence clearly shows that the percentage rates of which the flat or tariff rates were an adaptation were excessive rates. There is here presented a condition wherein carriers who were also dealers, not in their capacity as carriers but as dealers in the commodity, through the agency of the Temple Iron Company, established rates on anthracite coal for all shippers to tidewater. The Supreme Court in the *Temple Iron Company case*, 226 U. S., 348, recently held that the Temple Iron Company, to whom these carriers in the manner described delegated the power to fix rates, was an agency used by several of these carriers for the unlawful purposes of gaining a monopoly of the sale of anthracite coal in the markets.

THE PERCENTAGE CONTRACTS ESTABLISHED EXCESSIVE RATES

Two of the respondent carriers, the Delaware, Lackawanna & Western Railroad Company and the Delaware & Hudson Company, owned coal-producing lands, conducted mining operations, and sold their coal production in the markets. The other respondent carriers were indirectly engaged in the production and sale of anthracite coal by the means of the coal companies which they owned and controlled. The contracts whereby the carriers or their affiliated coal companies purchased the output of the individual shippers at the mines thus enabled the carriers to obtain control of the coal production of the independent operators and prevent it from being sold in the markets in competition with the output from their own mines or the mines of their subsidiary companies. *Reading case*, 226 U. S., 358. The individual operator had to accept one of two alternatives—he could sell his output to the railroad interests at the mines at the 65 per cent contract price established by these interests, or, if he elected to ship his coal production to market, he must pay the freight rates established by the same interests. It appears that the 35 per cent division of the selling price of the coal constituted an excessive freight rate, and it was fixed at a high basis in order to make it more advantageous to the individual operator to sell his output to the railroad interests at the mines than to ship it to market. We quote the following from the opinion of the Supreme Court in the *Reading case*, 226 U. S., 367, 368:

That per cent of the average price at tidewater retained by the buyer was assumed to cover the freight, waste, and cost of sale. There is evidence tending strongly to show that an independent accepting one of these contracts realized slightly more than he could realize if he had shipped and sold on his own account. This advanced price, therefore, as charged in the bill, constituted a great inducement to draw the independents within the control of the defendants, and makes it highly probable that if not enjoined they will absorb the entire independent output.

35 I. C. C.

Upon this aspect of the case we find ourselves in agreement with Judge Buffington, who concluded a discussion of the evidence by saying (183 Fed. Rep., 474):

"By such perpetual contracts * * * these defendant railroads through their subsidiary coal companies severally made with other collieries these combiners withdrew, and still continue to withdraw, such product, for all time, from competition, either in interstate transportation or sale. To my mind there is no more subtle and effective agency for the gradual, unnoted absorption by interstate carriers of the remaining interstate product than these perpetual contracts."

The evidence in this case conclusively shows that the rates on this commodity were established at an excessive basis, and clearly it was so done for the purpose of eliminating the independent output as a factor of competition in the markets with the railroad interests' output. That the proportion of the proceeds from the sale of this commodity—that is, the 40 or 35 per cent of the selling price which was the foundation of the freight rate—was an unjust and unreasonable exaction by the carriers is indicated in a letter written on November 1, 1906, by the president of the New York, Ontario & Western Railway to President Baer of the Reading, in which he used the following language:

I am convinced that the division of the market price between the producer and transporter, as expressed in tariffs, needs readjustment at once. I use the term "division," because the business since its inception has been conducted on the basis of percentages (i. e., division), and that fact is universally known and has been admitted by both sides in every controversy over rates.

Our present tariff to tidewater looked at from the ton-mile basis alone is relatively low, and I should not feel disposed to reduce it at present, were it not for our relations to our coal companies, and through them, with the 65 per cent contract business.

No company can buy coal on that basis, pay the full tariff rate, and get back out of the coal purchased its cost.

That I know is true of our own coal companies; I know, also, that it is true of the Lehigh Valley, and as no other companies get more for their coal, it must be true of all others, in degree less unfavorable, however, to those who have large line trades.

I believe it can not be denied that, with the exception of the companies most favorably located for economical mining, there is not a fair profit to the large companies if the existing tariff is paid.

The last published statements of the Lehigh Valley and of your own company, the latter showing a gross business of upwards of \$34,000,000, with only an insignificant return on a portion of the capital invested, during one of the most prosperous years in the coal trade, demonstrate that there is an unfairness in the division.

This company, until the Hepburn act took effect, itself purchased, on the 65 per cent basis, all the coal produced on its line, taking as freight the net result of sales.

The coal company owned by the railroad company now sells its own coal and purchases the coal of the other producers, and is charged with the tariff rates. It can not continue to do so and meet its obligations, and I do not propose to swell railroad earnings, while making book assets of uncollectible advances to coal companies to make up deficiencies.

It has been the policy for many years of these carriers to gain a monopoly of the production and sale of anthracite coal. Those whose property they coveted were at their mercy, as they must either

35 I. C. C.

pay the toll in freight rates which these carriers chose to exact or accept the price for their product which the carriers or their coal companies elected to pay. This policy of the carriers is well illustrated in a statement appearing in the report of the Lackawanna Railroad to its stockholders for the year 1900, which we here quote:

The outlook for the future seems most promising. The recent transactions whereby certain important anthracite coal properties have changed ownership or control, concentrates this important industry in fewer hands than ever before and places it on a permanently better basis than hitherto.

These changes, the prices paid for the properties transferred, the strength and conservatism of the interests acquiring same, all would seem to promise future market conditions that amount almost to a guaranty to this company of highly satisfactory results to its stockholders from both its extensive coal properties and its railroad operations.

In 1901, the Reading interests having purchased capital stock of the Central Railroad of New Jersey, paying a premium of \$65 per share on 145,000 shares of the stock, the management of the Reading made the following comment as to the advantages of that purchase:

The acquisition of the control of the Jersey Central is not only of enormous advantage because of the additional facilities given to the system, but through this acquisition the Reading system now owns and controls about 63 per cent of all the unmined anthracite coal in the state of Pennsylvania.

The carriers for many years were allowed a free hand in the institution of freight rates. It is evident that they used that great power not with the view of establishing reasonable freight rates, but with the intent to establish rates on this commodity that were high enough to remove the production of the independent operators from the field of competition with the coal mined by the railroad interests.

In the *Reading case, supra*, 358, 359, the Supreme Court held:

The anthracite field was very limited. The means for transportation from the mines to seaboard shipping points were in the hands of the defendant carriers. They, together with their subsidiary companies, controlled about 90 per cent of the coal deposit and about 75 per cent of the annual output. If the remaining output, that of the independent operators along their several lines, could be controlled as to production and sale at tidewater points, there would inevitably result such a dominating control of a necessity of life as to bring the scheme or combination within the condemnation of the statute.

* * * * *

That for a long time many of the independent operators had been selling their output to their great rivals, the defendant carriers and their several coal companies, is true. By means of such sales and deliveries at their own breakers, the sellers avoided freight, waste, and expense of sales through agents, etc. The price they would thereby realize was fixed, and they were not dependent upon a fluctuating market. So long, therefore, as they could sell to their rivals at their breakers to better advantage than they could ship and sell on their own account, the method appealed to them. But obviously, buyer and seller were not upon an equal plane. The former had control of freight rates and car service. The seller must pay the rate

35 I. C. C.

exacted and accept the car service supplied him by the buyer, or appeal to the remedies afforded by the law. If the rate of freight to tidewater was onerous and was imposed upon the coal produced by the defendants and their allied coal producers without discrimination against the coal of the independent shipper, it would nevertheless bear upon the latter oppressively, since the rate paid would find its way into the pocket of the defendants. Therefore, it was that the higher the freight rate, the greater the inducement to sell to the carrier companies. That the conditions were not accepted by the independent producers as satisfactory, is evident. The majority at all times stood out, and those making such agreements, as well as those refusing to do so, maintained an agitation for better freight rates and better prices for those who preferred to sell at their breakers.

We further quote from the court's decision in the same case at page 364.

The persistent effort of the independents to bring into the field competing carrier and coal-producing companies was a menace to the monopoly of transportation from that field to tidewater which the defendants collectively possessed.

UNNECESSARY RAILWAY CONSTRUCTION AND PROJECTED RAILWAY LINES.

As to most classes of traffic the interests of the carrier are promoted by the increase and development of the business of its shippers and by their increasing prosperity. Such conditions and such relations existing between carriers and shippers tend toward the establishment of reasonable rates. But in the anthracite traffic the welfare of the shippers was incompatible with the interests of the carriers in their capacity as dealers. The history of the development of anthracite mining presents a series of persistent but apparently unsuccessful struggles by the individual operators against the conditions imposed by the carriers. In their efforts to overcome the oppressive rates and selling conditions imposed by the carriers the independent operators and shippers did all in their power to promote the construction of additional railway lines. Some of such efforts were unsuccessful, but at the present time eight railway lines extend into the Wyoming region and reach the collieries therein, and seven of those lines extend from the Wyoming region to tidewater. It is apparent that the Wyoming region was already adequately served by railway lines before the extension of the last two lines, the Ontario & Western and the Susquehanna & Western, into that region subsequent to 1890. Under normal conditions, wherein the interests of the carriers and the shippers were not antagonistic, with the construction of additional tracks when needed the region would have been amply served by the six railway lines which were constructed into that region prior to 1890. Under existing conditions the anthracite tonnage is charged with the burden of earning an income on the investments in a large portion of two railway lines which were not required and which surely would not have been constructed had proper conditions existed in the marketing of the commodity.

35 I. C. C.

The resistance of the individual operators to the rates and selling conditions imposed by the carriers is well illustrated by the efforts of the individual operators to cause the construction of additional lines of railway into the Wyoming region. The construction of two of these projected lines, the New York, Wyoming & Western and the Delaware Valley & Kingston, was prevented by the action taken by several of the respondent carriers. Although the existing lines were apparently capable of rendering all the transportation services needed, the onerous conditions imposed by the transportation interests caused the individual operators to seek relief in new railway projects and in trackage arrangements rather than accept the rate and selling conditions extended to them by the respondent carriers, as here shown.

NEW YORK, WYOMING & WESTERN RAILROAD.

In 1898 the New York, Wyoming & Western Railroad was projected as a means of relieving the situation. It was to be a competing line of railway from the Wyoming region to a point on the Delaware River, where connection was to be made with two or more lines extending to shipping points at New York harbor. Large subscriptions of stock were taken, the line in part was surveyed, parts of the right of way were procured, and a large quantity of steel rails was contracted for. Its chief backing came from independent operators, the most important and influential of them being the firm of Simpson & Watkins, which controlled and operated in the Wyoming region eight collieries having an aggregate annual output of more than 1,000,000 tons. Five of the carriers respondents in this case and the Reading Company, using the Temple Iron Company¹ for the purpose,

¹ The five carriers and Reading Company acquired the stock of the Temple Iron Company, a Pennsylvania corporation, and used that corporation to acquire the properties of Simpson & Watkins and thus detach from the projected New York, Wyoming & Western Railroad the powerful support of Simpson & Watkins.

"The capital stock of the Temple Iron Company, aggregating \$240,000, was all secured. That company was then operating a small iron furnace near Reading. Its assets were small, but its charter was a special legislative charter which gave it power to engage in almost any sort of business, and to increase its capital substantially at will. Control of that company having been secured, it was used as the instrument for the purpose intended.

"* * * The financial arrangements seem to have been made through Mr. Baer, who was the president of and a large stockholder in the Temple Company, and Mr. Robert Bacon, of the firm of J. P. Morgan & Company. Shortly stated, it was this: The Temple Company increased its capital stock to \$2,500,000 and issued mortgage bonds aggregating \$3,500,000. Simpson & Watkins agreed to sell to the Temple Company their properties for something near \$5,000,000. They accordingly transferred to the Temple Company the capital shares in the several coal companies, holding the title to their eight collieries, and received in exchange \$2,260,000 in the shares of the Temple Company and \$3,500,000 of its mortgage bonds. By contemporaneous instruments Simpson & Watkins transferred to the Guaranty Trust Company of New York,

35 I. C. C.

purchased the properties of Simpson & Watkins for approximately \$5,000,000. As a result of this purchase the five carriers and Reading Company own \$2,260,000 stock of the Temple Iron Company on which they have received no dividends, and they are guarantors of bonds of the Temple Iron Company to the extent of \$3,500,000. The construction of the New York, Wyoming & Western Railroad was effectually discouraged by this purchase. As a result of the decision (December, 1912) by the Supreme Court in the *Temple Iron Company case*, 226 U. S., 346, the said stockholders of the Temple Iron Company were enjoined from voting their stocks, receiving dividends from, or exercising control over the affairs of, the Temple Iron Company.

DELAWARE VALLEY & KINGSTON RAILROAD.

In 1899 there arose another movement, backed by the individual operators, for a new railway from the mines in the Wyoming region to tidewater. It was promoted principally by the Pennsylvania Coal Company, one of the greatest of the individual operators and shippers. This company controlled a coal-gathering road, the Erie & Wyoming Valley Railroad, which had a capital stock of \$1,500,000, of which

as trustee, this capital stock and \$2,100,000 of the bonds of the Temple Company, and received from the guaranty company \$3,238,396.66 in money and \$1,000,000 in certificates of beneficial interest in the stock of the Temple Company. The guaranty company seems to have been but a medium and was accordingly protected by a contemporaneous contract with the Reading Company and the other carrier defendants by which they severally contracted with the guaranty company to purchase the Temple Company's capital stock in a certain agreed proportion or percentage of the total capital stock, and to guarantee the bonded debt of the Temple Company in the same proportion. A large proportion of the bonds and of the beneficial certificates of interest in stock of the Temple Company was later guaranteed, or underwritten, by a syndicate, including J. P. Morgan, William Rockefeller, the guaranty company, and others.

"Thus, it came about that when this bill was filed the stock of the Temple Company, which, as seen, is a mere holding company for the several defendant carrier companies, was owned by the defendants, and the obligations of that company were guaranteed by them in proportions based on the percentage of the total anthracite tonnage carried annually by each of the defendant carriers, namely: The Reading Company and the Reading Railway Company, being treated as one and the same in this matter, 29.96 per cent; the Lehigh Valley Railroad Company, 22.88 per cent; the Central Railroad of New Jersey, 17.12 per cent; the Delaware, Lackawanna & Western Railroad Company, 19.52 per cent; the Erie Railroad Company, 5.84 per cent; the New York, Susquehanna & Western Railroad Company, 4.86 per cent. At the time this proof was taken the average annual output of the collieries thus acquired was about 1,600,000 tons, and in the last year the output had arisen to 1,950,000 tons. This combination of the defendants through the Temple Iron Company was effective in bringing about the designed result. The New York, Wyoming & Western Railroad Company was successfully strangled, and the monopoly of transportation collectively held by the six defendant carrier companies was maintained." *Temple Iron Co. case*, 226 U. S., 349.

35 I. C. C.

the Pennsylvania Coal Company owned 51 per cent and the Erie Railroad Company 49 per cent. The coal company proposed to extend this road to Lackawaxen, Pa., and to cause the construction from that point of a railway line to Kingston on the Hudson River, following practically the line of the abandoned Delaware & Hudson Canal between those points. To this end the coal company caused to be organized the Delaware Valley & Kingston Railroad Company in November, 1899. The application of the Delaware Valley & Kingston Railroad to the Board of Railroad Commissioners of the State of New York for a certificate that public convenience and necessity required the construction of the railroad was strenuously opposed by the Erie Railroad Company and by the New York, Ontario & Western Railway Company. While this project was being developed J. P. Morgan & Company, on behalf of the Erie Railroad Company, purchased the entire capital stock of the Pennsylvania Coal Company. As a result of this purchase J. P. Morgan & Company delivered to the Erie Railroad the following securities:

Capital stock of—	No. of shares.	Par value.
Pennsylvania Coal Co.....	100,000	\$5,000,000
Erie & Wyoming Valley R. R. Co.....	15,200	760,000
Delaware Valley & Kingston R. R. Co.....	2,500	250,000
Total.....	117,700	6,010,000

In payment for these securities, which had a par value of \$6,010,000, the Erie Railroad Company issued, in March, 1901, to J. P. Morgan & Company, \$5,000,000 of its first preferred stock and \$32,000,000 Erie Railroad Company Pennsylvania collateral 4 per cent coupon gold bonds. The Erie Railroad paid a premium of approximately \$30,000,000 for this property, and it charged the premium to its cost of road. The Erie's income from the Pennsylvania Coal Company has paid the bond interest and sinking fund obligations, so that it has not sustained a loss of income to date as a result of this purchase.

COXE BROTHERS & COMPANY, INCORPORATED.

In the *Meeker case*, 21 I. C. C., 129, it was shown that Coxe Brothers & Company, a corporation which controlled and operated collieries in the Wyoming region, instead of shipping its product at the rates established by the Lehigh Valley transported its own production to tidewater over the tracks of the Lehigh Valley Railroad Company. This coal company, prior to 1905, owned and operated a small lateral railroad, the Delaware, Susquehanna & Schuylkill Railroad, which connected its collieries with the tracks of the Lehigh Valley Railroad Company.

35 I. C. C.

After January, 1894, the Coxe coal, instead of being carried to Perth Amboy in the trains of the Lehigh Valley, was transported to tidewater in the trains of the Delaware, Susquehanna & Schuylkill Railroad and by its motive power, under a trackage contract between that road and the Lehigh Valley which provided for the use of the tracks of the latter company from Stockton Junction to Perth Amboy, a distance of approximately 125 miles. The agreed compensation to the Lehigh Valley for the use of its tracks was $2\frac{1}{2}$ mills per gross ton-mile, or 35.94 cents per gross ton for the haul from Stockton Junction to Perth Amboy. The Lehigh Valley unloaded the coal at Perth Amboy into vessels or bins and performed other terminal services, for which it charged Coxe Brothers 12 cents per ton. Additional payments were agreed upon from time to time for other services by the Lehigh Valley, such as supplying additional motive power to push trains over grades, furnishing coal to Delaware, Susquehanna & Schuylkill locomotives, repairing cars at Perth Amboy, and similar incidentals.

The contract of January, 1894, remained in force until April, 1904, when it was replaced by another contract substantially similar in all material respects and providing for the same compensation to the Lehigh Valley. The new contract was to remain in effect for a period of 15 years. The contract removed an incentive to the construction of further new lines into the territory tributary to the Lehigh Valley system. It remained in effect, however, only until 1905, when the Coxe properties were purchased by the Lehigh Valley Railroad, thus effecting by purchase what had previously been secured by means of a contractual arrangement.

In November, 1905, the Lehigh Valley Railroad Company issued \$19,000,000 of its 4 per cent 20-year bonds, principal due in semi-annual installments of \$500,000—that is, \$1,000,000 per annum—and with the proceeds of these bonds it purchased the property of Coxe Brothers & Company. The Lehigh paid \$17,440,000 for the capital stock (par value \$2,910,150) of Coxe Brothers & Company, and \$1,500,000, the par value of the stock of the Delaware, Susquehanna & Schuylkill Railroad. For this premium of \$14,000,000 which the Lehigh Valley paid for the Coxe Brothers stock it has no equivalent asset, for the balance sheet of Coxe Brothers & Company shows that its liabilities exceeded its assets by \$30,000 in 1912. The Lehigh Valley's disbursements for interest charges on its bond issue exceeded its income from Coxe Brothers & Company by \$1,000,000 to the date June 30, 1912, and further it is obligated to and does pay off each year \$1,000,000 of the bonds.

35 I. C. C.

CONDUCT OF THE CARRIERS AND THEIR ALLIED COAL COMPANIES.

The act to regulate commerce imposes on these carriers the obligation to establish and maintain just and reasonable rates, and it prohibits the granting of rebates or concessions from or offsets against the established rates whereby interstate shipments shall by any device be transported at less than the lawfully established rates, or whereby any advantage is given or discrimination is practiced amongst shippers. Although published rates may be collected on the shipments transported, concessions and offsets may be extended by the carriers or the interests who control the carriers to favored shippers. These concessions and offsets are as pernicious as direct rebates, and it matters little whether they are in the form of cash payments, interest charges, royalty earnings, the use of valuable property at inadequate rent, the free use of the carriers' funds or credit, or other insidious means, if they confer concessions and advantages which place certain shippers in a position of preference and advantage over competitors who are also customers of these carriers. Some of the advantages granted to the coal companies that are allied with the carriers are disclosed by the following facts established in this case:

READING COMPANIES.

The evidence shows that prior to the reorganization of the Reading companies in November, 1896, the Philadelphia & Reading Railroad had advanced to the Philadelphia & Reading Coal & Iron Company \$76,154,000. This indebtedness was represented in part by securities given by the coal and iron company amounting to \$8,000,000 in stocks and \$40,000,000 in bonds, and the remainder consisted of unsecured loans and advances. In December, 1896, the books show that Reading Company, the present holding company, became the owner of this debt (stock \$8,000,000, loans \$68,154,000) and the creditor of the coal and iron company. During the period from December, 1896, to October, 1913, the holding company extended to the coal and iron company financial aid and assistance, which increased the indebtedness from time to time, so that in October, 1913, it was \$82,980,000. The coal and iron company has paid no dividends to the holding company on its stock, and it has paid very low rates of interest on the indebtedness. The payments of interest actually made by the coal and iron company to the holding company were \$34,000,000 less than the amount of such interest, computed at 4 per cent, during the period from December 1, 1896, to June 30, 1913.

On the date the holding company acquired this indebtedness, December 1, 1896, it immediately entered the \$76,154,000 in its accounts as an asset and issued its own obligations to the amount of

every dollar of assets it possessed, including the said \$76,154,000. The income of this holding company during recent years has been from \$14,000,000 to \$15,900,000 per annum, and with the exception of the inadequate payments of interest made by the coal and iron company and from \$200,000 to \$300,000 per annum derived from outside sources, this entire income of the holding company has arisen from dividends, interest, and rental payments made to it by the Reading railway lines, and such payments have been at very high rates per annum. This clearly shows the remarkably remunerative character of the rates assessed by the carriers.

The situation here presented is that this shipper, the coal and iron company, ships approximately 10,000,000 tons of anthracite coal annually over the Reading railway lines. Presumably it pays the tariff rates on this product. The carrier and the coal company are but the subsidiary corporate hands of the holding company, inasmuch as the same interests direct and administer the affairs of the three corporations. By the aid of the railway earnings that are paid into its treasury, the holding company furnishes the coal and iron company with its working capital. The holding company also assumes the burden of the interest charges on the capital invested in the properties of the coal and iron company, and the railway earnings enable it to do so. These facts constitute an unlawful discrimination against other shippers who are competitors of the coal and iron company.

The explanation offered by the Reading interests is as follows: Citing the deed of the reorganization managers to the Reading Coal & Iron Company under date of November 18, 1896, they point out that this deed freed and discharged the properties of the coal and iron company from all liability for the indebtedness of \$68,154,000 on condition that the coal and iron company should become coobligor of the general mortgage bonds of the holding company, that the books of the holding company and of the coal and iron company, which show this indebtedness year by year to date, are wrong, and that there has been no liability attaching to the coal and iron company since December, 1896, for this \$68,000,000 invested in the coal and iron company's property. We will not decide that point because the result is the same if we concur in that conclusion. The holding company, in December, 1896, issued \$76,154,000 in securities representing funds to that extent which were invested in the properties of the coal and iron company. The income derived by the holding company from the coal and iron company to the date June 30, 1913, has been at least \$34,000,000 less than the sum which the holding company has needed to reimburse itself for the payment of interest charges assumed on this capital invested in the properties of the coal and iron company.

35 I. C. C.

As the holding company has paid regular dividends on its stocks since 1900 and has never received dividends on the stock of the coal and iron company which it owns, it is apparent that \$4,000,000 additional should be added to the \$34,000,000, making \$38,000,000 as the holding company's disbursements in excess of the income it received from the coal and iron company. As practically the entire income of the holding company is derived from railway earnings, the burden of interest charges on capital invested in coal-mining operations is thus lifted from those operations and is cast upon the Reading Railway rates and earnings. The evidence shows that this burden of interest charges arising from investment in coal properties has been borne by the railway lines ever since the year 1879.

Published tariff rates are of no significance to this shipper, the Philadelphia & Reading Coal & Iron Company, under such circumstances. The same executive officials control and administer the affairs of the railway company, the coal and iron company, and the holding company; therefore the coal and iron company receives offsets, against such published rates, in the form of interest charges which are waived by the same parties who are charged with the duty of collecting and retaining the full published tariff rates on all shipments. These facts have been referred to the Department of Justice.

CENTRAL RAILROAD COMPANY OF NEW JERSEY.

The Lehigh Coal & Navigation Company ships approximately 29 per cent of the total tonnage of anthracite coal transported by the Central Railroad of New Jersey. The shipments of the navigation company aggregate approximately 3,500,000 tons annually. Of these shipments, 75 per cent were and now are transported over the railway lines of the Central Railroad of New Jersey. The navigation company owns certain railway lines, the principal of which are those of the Lehigh & Susquehanna Railroad, and these lines form part of the railroad which is operated by the Central Railroad of New Jersey. For the use of these railroad lines the Central Railroad of New Jersey has paid a rent which has fully compensated the navigation company for its investment in them. This compensation has amounted to upward of 10 per cent per annum. In addition to the rent paid, the Central Railroad of New Jersey has transported the shipments of the navigation company at less than its tariff rates. The reductions below the tariff rate ranged from 11 to 23 cents per ton, depending on the destinations to which the shipments were transported and the sizes of the coal shipped. The reductions were effected by the payment of allowances to the shipper termed "lateral allowances." Such allowances amounted to approximately \$450,000 each year. At the time the carrier and the navigation company, in the year 1871 entered

35 I. C. C.

into the lease whereby the carrier assumed the operation of the navigation company's railroad, it was provided in the tenth covenant of that agreement that on coal delivered by the navigation company on sidings at the northern end of the Nesquehoning tunnel for transportation by the carrier, the rates of transportation should not exceed the rates charged at the same time from Penn Haven. The Penn Haven basis of rates on anthracite coal is a lower basis of rates than this carrier has seen fit to publish in its tariffs in recent years. Although for many years the carrier has transported the shipments of the navigation company at the Penn Haven basis of rates, it has elected to publish in tariff form and to file with this Commission a higher basis of rates, and then at the close of each month's business to pay back to the shipper a portion of these established tariff rates.

Reviewing this whole series of transactions they seem merely parts of a plan to publish in tariff form rates which were excessive and which presented a barrier against the successful shipping by the small shipper, the independent operator, and then, by methods which in effect were secret, to reduce those published rates on the shipments of the coal company that had railroad affiliations.

The explanation offered by the Central Railroad of New Jersey is that the lateral allowances have been regarded as a part of the consideration moving from the Jersey Central, as lessee, to the navigation company, as lessor, of the Lehigh & Susquehanna Railroad and branches. This explanation would have much greater weight were it not for the fact that the lease and agreement fully set forth the rent to be paid by the Central Railroad of New Jersey to the navigation company, which was to be one-third of the gross receipts from the traffic or business of the said demised premises; the minimum annual rent to be paid by the lessee was fixed at \$1,414,400 and the maximum annual rent was fixed at \$2,043,000, and a further sum equal to 7 per cent of the expenditures made by the lessor for improvements to the railroad properties. We have before stated that this rent was paid each year, and in recent years it has reached the maximum. As it has fully compensated the navigation company for its investment in the railroad properties, the rent stands separate and distinct from the lateral allowances, which clearly were paid for the purpose of affording a certain low basis of rates to the navigation company.

On the coal shipped by the navigation company through Hauto the shipper performed the gathering service, but on the shipments from Nesquehoning the Central Railroad of New Jersey performed all the transportation services and the shipper performed no gathering or other transportation services. The allowances paid on the coal from Nesquehoning amounted to \$125,000 each year, and were 2 cents per ton higher than the allowances paid on the coal via Hauto. As the

35 I. C. C.

allowances are much greater than the cost of assembling the coal in the mining regions, as indicated by the exhibits computed by the Commission's examiners, it is apparent that the allowances were not paid to compensate the shipper for any transportation services rendered by the shipper, and no such contention has been made by the carrier. The payment of the allowances is an unlawful discrimination against competing shippers who are charged the full tariff-rates.

It is true that in the tariffs filed with this Commission reference was made to the fact that the Central Railroad of New Jersey paid a lateral allowance out of the rates to the navigation company in compliance with the tenth covenant of the lease and agreement. The lease and agreement was filed with the Commission, but neither the lease nor the carrier's tariffs gave notice to this Commission, or to shippers who were competitors of the navigation company, of the rates assessed by the carrier on the shipments of anthracite coal it transported for the navigation company. In the case of *Armour Packing Co. v. U. S.*, 209 U. S., 56-81, the Supreme Court held that contract rates can not prevail against the legal, published, and filed rates. It is shown in the record that the accounting officials who were charged with the duty of assessing and collecting these rates obtained their information as to the rates they should apply on the shipments of the navigation company from letters written by the carrier's freight traffic manager. The term "lateral allowance" in the carrier's tariffs was and is misleading, for the reason that the allowances were not paid for the purpose of compensating the shipper for any service or for the use of any instrumentality connected with the transportation of its shipments, as defined in section 15 of the act to regulate commerce. Under these circumstances, even if the amounts of these allowances were published, their payment is the payment of a rebate, and hence unlawful. But, since these allowances were not published, their payment is also clearly unlawful as being a departure from the published tariffs. These facts have been called to the attention of the appropriate department of the government.

DOCKS AND TRESTLES LEASED TO BURNS BROTHERS BY THE CENTRAL RAILROAD OF NEW JERSEY.

In a lease dated June 5, 1910, to run for a period of 10 years, the Central Railroad of New Jersey leased to Burns Brothers, a corporation that sells large quantities of coal in New York City and its surrounding district, four parcels of property in Jersey City, N. J., consisting of the Manhattan yard coal trestle, pier 8, and two retail coal trestles. The Manhattan yard coal trestle is a concrete structure equipped with

35 I. C. C.

storage bins and inclosed pockets. For its construction—that is, the erection of the structure—the cost to the carrier was \$181,482 in the year 1910. It is very advantageously situated near the carrier's ferry line, so that the trucks of Burns Brothers can take on coal at the Manhattan trestle and by means of the carrier's ferry have convenient facilities for delivering the coal in New York City. Pier 8, which is adjacent to the carrier's passenger terminal in Communipaw, also is situated very advantageously for transferring coal to vessels when destined for delivery in New York harbor. For the use of these properties Burns Brothers pays \$30,000 per annum rent, and for the services required to unload and ship the coal at pier 8 the carrier pays to Burns Brothers 12 cents per ton on all bituminous coal and steam sizes of anthracite coal so handled and 15 cents per ton on all prepared sizes of anthracite coal so handled. The allowances so paid to Burns Brothers amounted to \$31,700 for the year 1911, \$37,200 for the year 1912, and \$30,023 for the year 1913; so it appears that the allowances paid to Burns Brothers exceeded the rent paid for the properties. The lease obligates Burns Brothers to purchase and cause to be transported over the railway lines of the carrier not less than 500,000 tons of coal and coke annually, giving preference on equal terms to coal of the Lehigh & Wilkes-Barre Coal Company, the coal company owned by the carrier.

The cost exhibits filed by the Commission's examiners show that the cost of handling coal over the carrier's Elizabethport and Port Johnston docks is from 3 to 4 cents per ton (2,000 pounds). Although a smaller tonnage is handled at pier 8 than at the Port Johnston docks, it is apparent that the carrier could itself handle this coal over pier 8 for much less than the allowances it pays to Burns Brothers. The allowances paid to Burns Brothers are not published in the carrier's tariffs, and by such payments the carrier is dissipating its revenues for the purpose of giving advantages to the two shippers, the Lehigh & Wilkes-Barre Coal Company and Burns Brothers.

The leasing of pier 8 to Burns Brothers also requires that competitors of this shipper who desire to transship their coal over this pier must pass their shipments under the scrutiny of their competitor, Burns Brothers, which thus gains information concerning shipments made by its competitors, which section 15 of the act to regulate commerce prohibits a carrier from giving to shippers.

PENNSYLVANIA RAILROAD COMPANY—NORTHERN CENTRAL RAILWAY COMPANY.

The Pennsylvania Railroad Company and the Northern Central Railway Company own the entire capital stocks of three corporations engaged in mining anthracite coal, the Susquehanna Coal Company, the Summit Branch Mining Company, and the Mineral Railroad and

35 I. C. C.

Mining Company. The last-mentioned company is not engaged in railroad operations. The Susquehanna Coal Company ships and markets the production of the other two coal companies and supplies them with working capital. In the form of unsecured loans the Pennsylvania Railroad has furnished the Susquehanna Coal Company with working capital, the financial aid so extended amounting to \$6,000,000 at the time of this investigation.

The Northern Central Railway owns extensive coal lands in the Shamokin district. The Manor Real Estate & Trust Company, a corporation owned and financed by the Pennsylvania Railroad Company, also owns extensive coal lands near Shamokin. Both the Northern Central Railway and the real estate company more than 30 years ago leased their coal lands to the Mineral Railroad & Mining Company on condition that the mining company should pay as compensation therefor 28 cents per ton for each ton it should mine and sell from the premises. The mining company has mined and sold large quantities of coal from the premises, but during recent years the carrier and the real estate company have not rendered bills for the royalty earnings and have not collected any sum whatever from the mining company for the coal so taken from the lands. The uncollected royalty earnings which have accrued on the coal so mined and sold by the mining company during the five years up to and including the year 1913 amounted to \$442,424 which accrued to the real estate company, and \$2,286,198 which accrued to the Northern Central Railway. Large amounts of royalty earnings accrued prior to the five years mentioned and were not collected from the mining company. Thus, another case is presented where the carrier may have assessed its published rates, yet substantial offsets in the form of royalty earnings have been granted to the mining company at the expense of the carrier's income, and such offsets so granted constitute an unlawful discrimination against competing shippers. Under such circumstances we can not consider that the carrier's coal companies have in fact paid its published tariff rates on their shipments of coal.

LEHIGH VALLEY RAILROAD COMPANY.

This carrier owns the entire capital stock of the Lehigh Valley Coal Company. During the years 1890 to 1905 the carrier advanced to the coal company large sums of money to be used in the conduct of its business, and \$5,775,000 of such advances, not repaid by the coal company, were charged off by the carrier to its profit and loss and its income accounts. In 1905 the carrier transferred to the coal company securities, representing investments in anthracite coal-mining properties, having a value of \$10,537,000 and accepted in payment therefor certificates of indebtedness on the part of the coal company

35 I. C. C.

to the carrier for the amount. The evidence in this case shows that it was the intention of the carrier that no interest should be paid on the certificates of indebtedness. No interest was paid until the date March 1, 1912, some time subsequent to our decision in the *Meeker case*, in which we condemned the action of this carrier in waiving interest charges on these certificates. Therefore, during those six years the Lehigh Valley Coal Company received a valuable offset against the published rates it paid each year.

DELAWARE & HUDSON COMPANY.

This company, engaged both in mining operations and transportation operations, sells the output of its collieries to the Hudson Coal Company before the coal is passed through the breakers. The Hudson Coal Company is the shipper of this coal. There is considerable evidence indicating that the coal is sold to the Hudson Coal Company at too low a price, thus giving the Hudson Coal Company an advantage. The practice of selling the coal before it is reduced to standard sizes by the breaker operations makes it impossible to compare the purchase price paid by the Hudson Coal Company with standard f. o. b. mine prices, but there is much evidence in the record indicating that this carrier's mining operations are not remunerative, and its transportation and other income must make up the deficit. There is evidence in the record compiled by the Commission's examiners showing definitely that the carrier's mining operations resulted in deficits for the three years ended June 30, 1912. The carrier has submitted evidence tending to show that if a greater period than the three years were considered the mining operations would have shown a large profit. To decide between these conflicting assertions it would be necessary to consider the capital invested in the mining operations, sinking funds, and income, which figures are not available in this record. However, there is in the record a statement by the president of the Delaware & Hudson Company in his letter of February 26, 1908, that the operations of the coal department apparently show little or no profit. The conduct of the carrier's officials, as indicated in the record, points very strongly to the conclusion that shippers could not pay the carrier's tariff rates and conduct their business at a profit. This is indicated in the following letters.

Letter of Coal Freight Agent Grier, of the Lehigh Valley Railroad, to Second Vice President Jarvis, of the Lehigh Valley Railroad, under date of January 22, 1907:

Following up my brief conversation with you yesterday afternoon, Mr. W. J. Mullin, assistant to the second vice president of the Delaware & Hudson Company, told me yesterday in conversation that under instructions from their president they were about

35 I. C. C.

to reduce the rate on prepared sizes anthracite coal to Albany 50 cents per gross ton when going to points on the Boston & Maine Railroad, Boston & Albany Railroad, Rutland Railroad, Central Vermont Railway, and in fact all business moving via the Albany and Mechanicville gateways into New England; also to reduce the rate to Rouses Point 50 cents per gross ton on all business going beyond to points in Canada and northern New England.

* * * * *

The Delaware & Hudson give as an excuse for reducing these rates their desire to allow their coal company more money for the coal at the mines.

Letter of Mr. Grier to Mr. Jarvis under date of September 24, 1907:

We had a meeting to-day, at which were present: Mr. W. J. Mullin, general traffic manager Delaware & Hudson Company; T. B. Koons, freight traffic manager Central Railroad of New Jersey; E. B. Crosley, coal freight agent Philadelphia & Reading Railway; J. G. Searles, general coal freight agent Pennsylvania Railroad; G. A. Bergen, assistant general freight agent Erie Railroad; Dunbar, representing J. C. Anderson, traffic manager New York, Ontario & Western Railway; A. B. Wallace, assistant general freight agent Delaware, Lackawanna & Western Railroad; F. E. Herriman, coal traffic manager New York Central & Hudson River; William T. Grier, coal freight agent Lehigh Valley Railroad.

The meeting was called to discuss the action of the Delaware & Hudson Company in reducing the rates to points on the Rutland Railroad and Central Vermont Railway 20 to 40 cents per ton. Mr. Mullin stated that their action is based upon the advice of their legal department. They are buying coal from independent shippers on basis of \$3.25 per gross ton, and they claim that the present selling price at points on the Rutland Railroad and Central Vermont Railway, less the present established rates which we and all the other anthracite lines have in effect to that territory, yields less than \$3.25 per gross ton at the mines, and it is the contention of the Delaware & Hudson Company law department, their views being based upon their interpretation of the so-called *Chesapeake & Ohio-New Haven case*, decided by the United States Supreme Court February 19, 1906, that under this decision it is illegal for the Delaware & Hudson Company to sell coal at a delivered price and pay a freight rate that yields less than the price that they pay the operators for the coal at the mines. You will remember that this is the principle for which they contended last January, when they threatened to reduce the rate to Albany 50 cents per gross ton.

They propose a further reduction of 20 cents per gross ton to local points on the Boston & Maine Railroad and also to points on the Boston & Maine Railroad competitive with the Boston & Albany Railroad.

The 50-cent reduction was not made, but the last-mentioned reductions were made by the carrier. These letters well illustrate that the smaller shipper could not obtain as much as cost for his coal if he paid the tariff rates which were established, and there have been but slight changes in this carrier's anthracite coal rates since 1907. While under such conditions it may be possible for a company acting in the dual capacity of carrier and dealer to mine or purchase and market the anthracite production, the transportation profits offsetting the losses resulting from purchasing, mining, and selling the coal, it is clear that the shipper who had no transportation affiliations could not compete under such conditions. The maintenance of excessive freight rates on this commodity confiscates the property of the indi-

35 I. C. C.

vidual operator, and by the imposition of excessive freight rates these public agencies have brought under their control the shipping and marketing of the greater portion of the total production of anthracite coal.

NEW YORK, ONTARIO & WESTERN RAILWAY COMPANY.

This carrier owns the entire capital stocks of the Scranton Coal Company and the Elk Hill Coal & Iron Company. The Scranton Coal Company ships its own coal production and that of the other coal company. We have already mentioned that in a letter under date of November 1, 1906, to President Baer, the president of this carrier and its two coal companies stated that "no company can buy coal on the 65 per cent basis, pay the full tariff rate and get back out of the coal purchased its cost." He further stated that the Ontario & Western's coal companies could not continue to do so and meet their obligations. Prior to August, 1906, the coal companies' shipments were transported at less than the carrier's tariff rates. Soon after the effective date of the Hepburn act in August, 1906, the coal companies were required to pay the carrier's established tariff rates, and thereafter they discontinued paying interest charges to the carrier on their second mortgage bonds owned by the carrier. The accrued and unpaid interest to the date June 30, 1912, on the second mortgage bonds amounted to \$837,500. The carrier extends to the coal company upward of 90 days credit in the payment of transportation charges. The carrier offers the explanation that the coal companies did not pay interest charges to the carrier because they are using their available funds to pay off their mortgage bonds. This is merely an assertion that the burden of providing the coal companies with capital and working funds should be borne by the present-day income or the credit of the railway.

THE COMMODITIES CLAUSE.

The natural condition and character of the anthracite coal deposits are such that the mining and the preparation of the coal in suitable sizes for domestic and commercial use require very large amounts of capital. The fluctuation of the market demands for this commodity also requires the investment of considerable capital in large stocks of coal which must be stored if the mines are to be operated continuously and the requirements of consumers promptly supplied. The development of anthracite mining in the state of Pennsylvania in the early days was to a large extent dependent upon the development of transportation. In 1849 the legislature of the state of Pennsylvania authorized a railroad corporation, which was subsequently merged into the Delaware, Lackawanna & Western Railroad,

35 I. C. C.

to purchase and hold a reasonable amount of coal lands not to exceed 1,000 acres. In 1825 the Pennsylvania legislature authorized the Delaware & Hudson Canal Company, which subsequently became the Delaware & Hudson Company, to purchase and hold quantities of lands situated at any place within 10 miles of the waters of Lackawaxen, not exceeding 5,000 acres. Although the number of acres of land which the railroad corporations could acquire was restricted in the early charters, it was enlarged by subsequent acts of the legislature. By purchasing the charter of the Hudson Coal Company in 1901 and taking title to coal lands it purchased subsequent to 1901 in the name of Hudson Coal Company, the Delaware & Hudson Company was enabled to greatly increase its holdings of anthracite coal producing lands.

Section 5 of Article XVII of the constitution of the state of Pennsylvania, adopted in the year 1873, provides as follows:

No incorporated company doing the business of a common carrier shall, directly or indirectly, prosecute or engage in mining or manufacturing articles for transportation over its works; nor shall such company, directly or indirectly, engage in any other business than that of common carriers, or hold or acquire lands, freehold or leasehold, directly or indirectly, except such as shall be necessary for carrying on its business; but any mining or manufacturing company may carry the products of its mines and manufactories on its railroad or canal not exceeding 50 miles in length.

It appears that the stocks of most of the large anthracite coal companies which are owned by the carriers respondents in this case were acquired by those carriers subsequent to the year 1873.

The mining, transportation, and to a considerable extent the selling operations necessary to market this commodity, though in a sense being each conducted under the name of separate corporate entities, are united under one management and control. As to most of these interests the carrier owns the entire capital stock of its allied coal companies. Another form of united control and management of mining, transportation, and selling operations is presented in the case of the Reading companies, the holding company being the owner of the entire capital stocks of the railway company and the coal company. The relations of the controlling carriers and the coal companies have not undergone any substantial changes since the effective date of the commodities clause¹ in the Hepburn act, May 1, 1908, with the exception that the shipping and marketing of the anthracite coal production of the Delaware, Lackawanna & Western

¹ The commodity clause, section 1 of the Hepburn act, 34 Statutes at Large, 585: From and after May first, nineteen hundred and eight, it shall be unlawful for any railroad company to transport from any State, Territory, or the District of Columbia, to any other State, Territory, or the District of Columbia, or to any foreign country, any article or commodity, other than timber and the manufactured products thereof, manufactured, mined, or produced by it, or under its authority, or which it may own in whole or in part, or in which it may have any interest, direct or indirect, except such articles or commodities as may be necessary and intended for its use in the conduct of its business as a common carrier.

Railroad, the Delaware & Hudson Company, and the Lehigh Valley Coal Company are now performed by the Delaware, Lackawanna & Western Coal Company, the Hudson Coal Company, and the Lehigh Valley Coal Sales Company, respectively. These three coal companies assumed their present functions after the decision of the Supreme Court in March, 1909, in the *Commodities cases*, 213 U. S., 366, and the decision of the Supreme Court in the *Lehigh Valley case*, decided April 3, 1911, 220 U. S., 257. The evidence shows that the three coal companies were organized and financed without the interposition of outside interests or capital. The carriers provided them with the property and funds required to establish their shipping and selling business.

DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY.

This carrier owns coal lands and conducts mining operations. Prior to August 1, 1909, it sold its own anthracite coal production in the markets. To rearrange its affairs in conformance with the decision of the United States Supreme Court, 213 U. S., 366, the carrier's officials caused to be organized the Delaware, Lackawanna & Western Coal Company. The carrier paid to its stockholders an extra dividend of 50 per cent—that is, \$13,000,000—on its stock, in cash, and its stockholders were given the option to use part of the dividend so paid to purchase the capital stock, \$6,500,000, of the Delaware, Lackawanna & Western Coal Company. Most of them availed themselves of this privilege. Under two contracts entered into between the coal company and the carrier under date of August 2, 1909, the coal company assumed and took over the selling operations which had theretofore been conducted by the carrier.

The carrier leased to the coal company all the retail trestles which it had theretofore used in its selling operations, and also its several coal storage plants. It also leased to the coal company its large lake trestle at Buffalo on Lake Erie, used for reshipping coal via the lakes. The carrier sold to the coal company all of the stocks of coal it then (July 31, 1909) had on hand at Chicago, Milwaukee, Toledo, and other western agencies and at various points on its railway lines. It is apparent from the record that this coal, approximately 630,000 gross tons, was sold by the carrier to the coal company at much less than its true and actual value. A large portion of the coal on hand at line points was sold to the coal company at \$1 per ton of 2,240 pounds, which was less than the freight rate to the point at which it was on hand and was less than the f. o. b. mine selling price. The record also shows that the retail trestles were rented to the coal company at less than their true and actual rental value. An example of this is shown in the Buffalo properties. Five

35 I. C. C.

retail trestles in the city of Buffalo valued at \$185,000 were rented to the coal company for \$48 a year.

The carrier conveyed to the coal company, which it caused to be organized, its established trade, its stocks of coal, its selling facilities, and the good will of its established business at much less than their true and actual value. The use of the properties leased, approximately 170 trestles, at the inadequate rental reserved in the lease has each year constituted a substantial concession to the coal company, an unlawful discrimination against competing shippers, and an offset against the freight rates paid to the carrier by the coal company.

Under the contracts between the carrier and the coal company the coal company is obligated to purchase from the carrier all of the anthracite coal which it sells and to purchase no coal from other sources without the written consent of the carrier, and to conduct the business of selling the coal in such manner as best conserves the interest of and preserves the good will and markets of the coal mined by the carrier. The only property owned by the coal company, excepting current assets, is property and fixtures valued at \$169,070, and its annual sales of coal amount to approximately \$35,000,000. On six months' notice the carrier can discontinue its contractual relations with the coal company and take over the stocks of coal the coal company has on hand.

Under such conditions the coal company is merely a dependency of the carrier, and the conduct of its business is subject to the arbitrary will of the carrier. The large business of the coal company can be terminated at any time the carrier sees fit to serve the prescribed six months notice. The president of the coal company is the carrier's vice president and is the head of the carrier's rate department, which is charged with the duty of establishing rates on anthracite coal shipped by competitors of the Delaware, Lackawanna & Western Coal Company. That the business of the coal company is absolutely dominated by the carrier is well illustrated in the appendix (p. 334), wherein it is shown in detail that although it could have shipped a large portion of its tonnage of anthracite coal to tidewater at the rates established by the Commission in the *Marian case* from the Taylor district, it elected to ship the coal from this district to other points and to ship coal to tidewater at the long established basis of tidewater rates, which were 25 cents a ton higher on the larger sizes of coal than the rates established as a result of our finding in the *Marian case*. If there was a bona fide divorcement of the business of carrier and shipper, it is inconceivable that the shipper would elect to pay the higher rate on the large tonnage of coal it ships to tidewater. Its shipments to tidewater at

35 I. C. C.

the higher rate amounted to 100,000 tons in November and December, 1912.

LEHIGH VALLEY COAL SALES COMPANY.

At a meeting of the board of directors of the Lehigh Valley Railroad Company on January 11, 1912, the carrier's president was directed to inform the directors of the Lehigh Valley Coal Company that the carrier's directors requested that they consider the propriety of organizing a coal sales company. Accordingly the Lehigh Valley Coal Sales Company was organized and incorporated under the laws of the state of New Jersey. Its authorized capital stock was \$10,000,000, of which \$6,060,800, or 122,216 shares, was issued, and the remainder reserved for future needs. The privilege was accorded stockholders of the Lehigh Valley Railroad Company of subscribing to the stock of the coal sales company. The sales company formally commenced business on March 1, 1912. On February 26, 1912, the Lehigh Valley Railroad paid an extra dividend to its stockholders of 10 per cent on preferred stock, which amounted to \$6,060,800, the exact par value of the stock issued by the coal sales company. A contract was entered into between the Lehigh Valley Coal Company and the coal sales company under which the latter accepted at the mines all of the coal production of the Lehigh Valley Coal Company, shipped it, and sold it in the markets. Here again, as in the Lackawanna arrangement, the carrier's treasury provided the capital required by the coal-selling company.

DELAWARE & HUDSON COMPANY.

We have hereinbefore considered the limitations in the charter of the Delaware & Hudson Company as to the amount of coal lands it could acquire. On March 9, 1901, it purchased the charter of the Hudson Coal Company for \$27,500. At that time the Hudson Coal Company owned no properties, and it was not an active corporation. Immediately thereafter the Delaware & Hudson Company advanced considerable funds to the Hudson Coal Company and accepted therefor debenture bonds, \$1,500,000, issued by the coal company. In 1902 the Hudson Coal Company issued \$1,850,000 of its 4 per cent bonds which were guaranteed principal and interest by the Delaware & Hudson Company. Immediately after the decision by the Supreme Court in the *Commodities cases*, 213 U. S., 366, in March, 1909, the Delaware & Hudson Company and the Hudson Coal Company entered into a contract whereby, commencing with the date July 1, 1909, the Hudson Coal Company took title at the pit mouth to the coal mined by the Delaware & Hudson Company, and thereafter it was sold in the market by the Hudson Coal Company. Prior to this time the Delaware & Hudson

35 I. C. C.

Company had sold its own anthracite production. At the time this change was made there were large sums of money owing to the Delaware & Hudson Company from customers to whom it sold its coal. These unpaid accounts amounted to approximately \$2,400,000. The accounts were transferred to the Hudson Coal Company, and in payment therefor, 18 months later, on February 1, 1911, the coal company issued its capital stock, \$2,400,000, to the Delaware & Hudson Company. No stock was issued by the coal company prior to the date February 1, 1911.

FUEL COAL SOLD AT A LOW PRICE TO A SHIPPER.

How the alliance between the coal company and the carrier can be used to extend favors to large shippers is illustrated by a contract entered into by the Central Railroad Company of New Jersey and other parties under date of May 7, 1898, to remain effective for 20 years; that is, until the date April 30, 1918. This contract was between the Lehigh Coal & Navigation Company (owner of part of the railway lines operated by the Central Railroad Company of New Jersey), the Central Railroad Company of New Jersey, and the Lehigh & Wilkes-Barre Coal Company, parties of the first part, and the Lehigh Zinc & Iron Company and the New Jersey Zinc Company, parties of the second part. Under the conditions of this contract the two coal companies supply the New Jersey Zinc Company, an interstate shipper, with large quantities of fuel coal at much less than its market selling price in recent years.

The parties of the first part were desirous of having the zinc companies' proposed new plant located on the Lehigh & Susquehanna branch of the Central Railroad of New Jersey, and accordingly a contract was entered into between the parties named whereby the two coal companies became obligated to furnish the zinc companies each year with a large quantity of fuel coal, No. 2 buckwheat anthracite, delivered at the zinc companies' plant at Hazard, Pa. (Palmerston, Pa.), the selling price being 55 cents per ton on such coal shipped from the Lehigh region and 75 cents per ton on such coal shipped from the Wyoming region. The plant was constructed at Hazard, and in accordance with the contract it is supplied with 200,000 tons of fuel coal annually. The standard selling price of this coal f. o. b. mines ranged from 70 cents to \$1.15 per ton of 2,240 pounds during the year 1911, and from 70 cents to \$1.12 per ton during the year 1912, and the intrastate freight rate to the zinc companies' plant from the mines in the Wyoming region was 75 cents per ton of 2,240 pounds and from the mines in the Lehigh region was 60 cents per ton. The carrier has transported this coal at a rate of 29½ cents per ton. It can be readily observed that under this contract the zinc companies are deriving an advantage of \$1 per ton on 200,000 tons of fuel coal annually.

35 I. C. C.

OWNERSHIP BY CARRIERS OF CAPITAL STOCK OF SHIPPING CORPORATIONS.

The evidence shows that a number of the coal companies whose stocks are owned by the respondent carriers have not paid dividends on their stocks in recent years, and it further shows that some of the carriers have guaranteed the bonds of the coal companies, made unsecured loans to them, and extended financial aid and assistance to them. The evidence also shows that to a very large extent the carriers' directors, officials, and stockholders are directors and officials of the coal companies. The relations of several of these carriers with their allied coal companies are now before the courts for adjudication, and we do not express any opinion as to the legality of the conditions under which this commodity is now being mined, transported, and sold by such interests. Our opinion is directed only to the point as to the effect the enactment of the commodities clause of the law has had toward divorcing the affairs of these carriers from the mining and sale of anthracite coal.

The amendment to the act to regulate commerce commonly known as the commodities clause has not resulted in a bona fide separation of the affairs of these carriers from the mining and selling of anthracite coal. This is well illustrated in the case of the Reading companies, where the holding company is possessed of the power to take the earnings of the railway at will and use them for the purposes of the coal and iron company. Money is taken from the treasury of the railway company by the holding company on account of dividends to be declared later, and the evidence shows that the dividends paid by the railway company are measured by the requirements of the holding company.

In the case of *U. S. v. D. L. & W. R. R. Co.*, decided June 21, 1915, 238 U. S., 516, the Supreme Court held:

The commodity clause of the Hepburn act was intended to prevent railroads from occupying the dual and inconsistent position of public carrier and private shipper; and in order to separate the business of transportation from the business of selling, the statute made it unlawful for railroads to transport in interstate commerce any coal in which the company had any interest, direct or indirect.

A carrier which is also a dealer and is in possession of a public franchise has the opportunity to use its great power as a common carrier to discriminate against certain of its shippers with whom, as a dealer in the commodity, it is a competitor. The temptation to so conduct itself is ever present when the carrier owns any considerable portion of the capital stock of corporations who are competitors of its other shippers, especially when such corporations were organized or were financed by the carrier for the specific purpose of carrying on the business of shipping and selling a commodity which constitutes a large part of the carrier's traffic.

35 I. C. C.

In the case *Coze Brothers v. Lehigh Valley R. R. Co.*, 4 I. C. C., 535, we held:

If railroad companies and those who direct and control their roads were limited to the business of transportation it would take away from both the opportunity to unlawfully prefer themselves as shippers. Disinterested and impartial control is essential to prevent illegal favoritism, and abuse of the privileges with which carriers are invested for the benefit of the public.

The dual and inconsistent position of public carrier and private shipper that would exist where the carrier was miner, transporter, and seller of this commodity now exists, and is effectuated by the relations of the carriers respondent in this case and the several coal companies allied with and controlled by the carriers. Corporate charters and contracts, as used by these carriers, are merely devices whereby the business of mining, transporting, and selling the anthracite coal production of each carrier and its allied coal company are united under one management and directed and controlled by one paramount power.

PRESENT EFFECTIVE RATES ON ANTHRACITE COAL.

Rates to interior points for similar distances both interstate and intrastate are higher than the rates to tidewater. This difference is accentuated in the revenues by the large tonnage of the smaller sizes of anthracite coal transported to tidewater.

The following statements show distances in miles and rates per ton (2,240 pounds) to representative destinations via—

The Delaware, Lackawanna & Western Railroad, the direct line extending eastward from the mining district (Wyoming region) to tidewater and westward to Buffalo, N. Y.

The Delaware & Hudson Company, the direct line extending northward from the mining district (Wyoming region) to Rouses Point, N. Y., with several branches.

The Pennsylvania Railroad and the Northern Central Railway, which operate circuitous routes from the Wyoming and Schuylkill regions to tidewater and to Buffalo, N. Y.

Rates via the Delaware, Lackawanna & Western Railroad from mines.

To—	Miles.	Prepared sizes.	Pea.	Smaller sizes.
EASTBOUND.				
Delaware River to Hoboken.....	67	\$1.60	\$1.45	\$1.30
	147			
Hoboken (tidewater).....	147	1.58	1.43	1.28-1.13
		1.33	1.24	1.09-.98
WESTBOUND.				
Binghamton, N. Y.....	72	1.65	1.50	1.50
Owego, N. Y.....	93	1.65	1.50	1.50
Waverly, N. Y.....	111	1.65	1.50	1.50
Elmira, N. Y.....	129	1.65	1.50	1.50
Corning, N. Y.....	147	1.90	1.65	1.50
Bath, N. Y.....	166	2.00	1.75	1.50
Mount Morris, N. Y.....	213	2.00	1.75	1.75
Buffalo, N. Y.....	276	2.00	1.75	1.75
Cortland, N. Y.....	115	1.75	1.60	1.50
Syracuse, N. Y.....	151	1.90	1.65	1.50
Oswego, N. Y.....	186	1.95	1.70	1.70
Norwich, N. Y.....	113	1.75	1.60	1.60
Utica, N. Y.....	167	2.00	1.75	1.60

¹ Rates established as a result of the Commission's decision in the case *Marian Coal Co. v. D., L. & W. R. R. Co.*, 24 I. C. C., 140; 25 I. C. C., 14; 27 I. C. C., 441, from the Taylor district.

Rates via the Delaware & Hudson Company from mines.

To—	Miles.	Prepared sizes.	Pea.	Buck-wheat No. 1.	Smaller sizes.
Windsor, N. Y.	73	\$1.65	\$1.40	\$1.30	\$1.25
Nineveh, N. Y.	84	1.65	1.40	1.30	1.25
Sidney, N. Y.	100	1.65	1.45	1.35	1.30
Well's Bridge, N. Y.	109	1.65	1.45	1.35	1.30
Otego, N. Y.	113	1.65	1.45	1.35	1.30
Oneonta, N. Y.	121	1.75	1.50	1.40	1.35
Colliers, N. Y.	127	1.75	1.50	1.40	1.35
Schenevus, N. Y.	136	1.75	1.50	1.40	1.35
Worcester, N. Y.	141	1.75	1.50	1.40	1.35
Cobleskill, N. Y.	158	1.75	1.50	1.40	1.35
Central Bridge, N. Y.	167	1.85	1.60	1.50	1.40
Schenectady, N. Y.	191	1.95	1.60	1.50	1.40
Voorheesville, N. Y.	192	1.95	1.60	1.50	1.40
Albany, N. Y.	203	1.95	1.60	1.50	1.40
Green Island, N. Y.	210	1.95	1.60	1.50	1.40

Rates via the Pennsylvania Railroad and the Northern Central Railway from mines.

From—	To—	Miles.	Prepared sizes.	Pea.	Smaller sizes.
Wyoming region.....	Trenton, N. J.	255.7	\$1.80	\$1.50	\$1.35
Lehigh region.....		229.5	1.75	1.45	1.30
Schuylkill region.....		117.8	1.70	1.40	1.25
Wyoming region.....	Newark, N. J.	302.1	1.80	1.50	1.30
Lehigh region.....		275.9	1.75	1.45	1.25
Schuylkill region.....		164.2	1.75	1.45	1.25
Wyoming region.....	Jersey City, N. J.	311.1	1.80	1.50	1.30
Lehigh region.....		284.9	1.75	1.45	1.25
Schuylkill region.....		173.2	1.75	1.45	1.25
Wyoming region.....	South Amboy, N. J. (tidewater)....	279.1	1.40	1.25	1.15
Lehigh region.....		262.3	1.40	1.25	1.15
Schuylkill region.....		149.6	1.40	1.25	1.15
Wyoming region.....	Wilmington, Del.	226.2	1.90	1.60	1.45
Lehigh region.....		200.0	1.90	1.60	1.45
Schuylkill region.....		128.4	1.85	1.55	1.40
Wyoming region.....	Dover, Del.	253.4	2.25	2.00	2.00
Lehigh region.....		227.2	2.25	2.00	2.00
Schuylkill region.....		176.0	2.25	2.00	2.00
Wyoming region.....	Washington, D. C.	245.6	2.00	1.85	1.60
Lehigh region.....		219.4	2.00	1.85	1.60
Schuylkill region.....		242.3	2.00	1.85	1.60
Wyoming region.....	Pittsburgh, Pa.	301.8	2.00	1.85	1.85
Lehigh region.....		275.6	2.00	1.85	1.85
Schuylkill region.....		314.6	2.00	1.85	1.85
Wyoming region.....	Erie, Pa. (reshipment for beyond)....	354.6	2.00	1.75	1.75
Lehigh region.....		328.4	2.00	1.75	1.75
Schuylkill region.....		367.4	2.00	1.75	1.75
Wyoming region.....	Canandaigua, N. Y.	250.8	1.90	1.65	1.65
Lehigh region.....		224.6	1.90	1.65	1.65
Schuylkill region.....		263.6	1.90	1.65	1.65
Wyoming region.....	Sodus Point, N. Y.	272.5	1.80	1.60	1.60
Lehigh region.....		246.3	1.80	1.60	1.60
Schuylkill region.....		285.3	1.80	1.60	1.60
Wyoming region.....	Olean, N. Y.	256.1	1.90	1.65	1.60
Lehigh region.....		229.9	1.90	1.65	1.60
Schuylkill region.....		268.9	1.90	1.65	1.60
Wyoming region.....	Buffalo, N. Y.	326.5	2.00	1.75	1.75
Lehigh region.....		300.3	2.00	1.75	1.75
Schuylkill region.....		339.3	2.00	1.75	1.75

The rates to points which are nearer to the mines than 65 miles are intrastate rates, and the rates of the Pennsylvania Railroad for short distances are intrastate rates. Here are shown points distanced 70 to 130 miles from the mining region to which rates of \$1.60 and \$1.65 per ton have been established by these carriers on a low-grade commodity.

35 I. C. C.

The average revenue per ton (2,000 pounds) per mile for all anthracite coal transported by the initial anthracite carriers during the year ended June 30, 1913, and the proportion of its total anthracite tonnage received by each carrier from connecting lines, is here shown:

Carrier.	Revenue per ton-mile.	Average haul.	Proportion anthracite tonnage received from connecting lines.
	<i>Mills.</i>	<i>Miles.</i>	<i>Per cent.</i>
Jersey Central.....	8.37	112	9.06
Reading.....	8.82	105	1.62
Lackawanna.....	7.40	191	.66
Delaware & Hudson.....	7.54	142	.68
Lehigh Valley.....	7.11	177	.38
Pennsylvania.....	5.99	130	72.96
Northern Central.....	6.02	63	44.70
Erie.....	5.96	212	17.82
Ontario & Western.....	6.47	160	34.15

°The substantial similarity of their anthracite rate structures is apparent from the revenues as to the first five carriers. As to the other carriers, the uniformity in revenues is affected because portions of their anthracite revenues are divided with their connecting lines. The fact that the Erie's rates on anthracite coal in effect west of Salamanca, N. Y., are lower than its rates on anthracite coal in effect east of Salamanca is also a factor in producing a lower average revenue for the Erie.

A very comprehensive statement of the revenue per loaded car-mile earned by the Delaware & Hudson Company from the transportation of anthracite coal was compiled by that carrier. It covers all of this traffic which was transported by that carrier during the months of April and October, 1911. The average load per car of anthracite coal ranges from 34 to 42 tons (of 2,240 pounds). The average loading used by the Delaware & Hudson in its computations was 36½ tons (of 2,240 pounds); so it appears that the Delaware & Hudson computation is fairly representative of the car-mile revenue earned by these carriers for hauls of 200 miles and less, except on shipments transported to tidewater. There is a marked variation in the rates to tidewater on the several sizes of coal and also a variation in the schedules of the rates to tidewater established by the carriers. The revenue per loaded car-mile on anthracite coal, computed by the Delaware & Hudson Company, is here shown.

35 I. C. C.

Distance hauled (miles).	Revenue per loaded car-mile.	Distance hauled (miles).	Revenue per loaded car-mile.
	<i>Cents.</i>		<i>Cents.</i>
6 to 10.....	169.57	251 to 300.....	27.44
11 to 15.....	109.44	301 to 350.....	26.70
16 to 20.....	81.88	351 to 400.....	25.12
21 to 25.....	66.95	401 to 500.....	18.88
26 to 50.....	49.91	501 to 600.....	16.30
51 to 75.....	67.45	601 to 700.....	13.65
76 to 100.....	52.79	701 to 800.....	16.08
101 to 125.....	48.49	801 to 900.....	12.29
126 to 150.....	43.51	901 to 1,000.....	11.30
151 to 175.....	40.50	1,001 to 1,100.....	10.64
176 to 200.....	31.82	1,101 to 1,200.....	.....
201 to 250.....	28.37	1,201 to 1,300.....	9.86

The revenue per loaded car-mile on anthracite coal transported from the mines to tidewater and to Buffalo in the month of November, 1912, was:

Route and destination.	Average haul.	Revenue per loaded car-mile.		
		On prepared sizes.	On sizes smaller than buck-wheat No. 1.	Average on all sizes.
TO TIDEWATER.				
	<i>Miles.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
Pennsylvania R. R. and Northern Central Ry.: South Amboy..	221.43	26.4	21.7	23.07
New York, Ontario & Western: Weehawken.....	209	25.9	18.6	23.86
Reading: Port Reading.....	185.7	28.4	20.1	25.70
Erie lines: Weehawken and Undercliff.....	169.9	39.6	28.5	31.64
Lackawanna: Hoboken.....	147	40.9	29.2	32.86
		1 34.4	1 25.4	
Lehigh Valley: Perth Amboy.....	157	39.1	27.7	34.94
		2 35.3	2 27.7	
Jersey Central: Port Johnston and Elizabethport.....	140.58	43.8	31.1	41.05

Route and destination.	Average haul.	Revenue per loaded car-mile.	
		On prepared sizes.	On smaller sizes.
TO BUFFALO.			
	<i>Miles.</i>	<i>Cents.</i>	<i>Cents.</i>
Reading and New York Central.....	397	17	15
Pennsylvania and Northern Central.....	311	22	20
Lackawanna.....	276	26	23
Delaware & Hudson via Erie.....	296	25	22
Erie.....	296	26	22
Lehigh Valley (for local delivery, Ohio and Michigan points).....	301	25	22
Lehigh Valley (for reshipment via lakes).....	301	28	25
Lehigh Valley (for Chicago, Peoria, St. Louis, etc.).....	301	22	22

¹ At rates established as a result of the Commission's decision in *Marian Coal Co. case, supra*.

² At rates established as a result of the Commission's decision in *Mecker case, supra*.

The remunerative character of the rates on anthracite coal is well illustrated by a comparison of the foregoing revenue per loaded car-mile with the revenue per loaded car-mile on various commodities reported by 69 carriers in the *Five Per Cent case*, 31 I. C. C., 351, 416, and with the average revenue per loaded car-mile earned on all of the freight traffic of 19 carriers for the year ended June 30, 1913.

35 I. C. C.

Net revenue on representative carload shipments of various commodities during October, 1913, averaged, for 69 carriers, arranged in order of length of haul.

Commodities.	Carloads.	Average haul.	Average net revenue per loaded car-mile.
		Miles.	Cents.
Hemlock lumber.....	144	59	28
Hides, leather, etc.....	41	65	24
Brick, stone, etc.....	304	66	22
Iron ores.....	29,521	87	20
Cement (building), in sacks.....	3,496	88	22
Pulp wood.....	2,481	90	13
Fruit and vegetables.....	325	109	16
Oak lumber.....	64	120	16
Coke.....	19,261	122	21
Sand, gravel, etc.....	57	132	13
Miscellaneous forest products.....	158	144	12
Plaster, sewer pipe, etc.....	380	146	14
Pig iron.....	2,486	147	17
Pine lumber.....	215	150	14
Corn, shelled, in bulk.....	1,050	151	11
Wood pulp, etc.....	670	151	9
Bituminous coal, run of mine.....	64,430	159	16
Iron and steel billets, blooms, and ingots.....	2,437	160	20
Manufactured iron and steel articles.....	5,081	170	19
Paper, etc.....	590	181	9
Hay, in bales.....	1,348	183	9
Salt, in sacks.....	1,005	184	11
Sheep.....	759	186	7
Lumber, not otherwise specified.....	3,301	187	13
Steel rails.....	1,236	190	21
Spruce lumber.....	17	199	13
Petroleum products, in tank cars.....	478	210	16
Agricultural implements.....	229	214	10
Petroleum products, in barrels.....	443	227	10
Pig lead, spelter, etc.....	245	228	11
Feed, in sacks or barrels.....	637	229	8
Beer and empty bottles.....	112	249	8
Cotton and tobacco.....	46	258	7
Packing-house products.....	1,264	262	11
Wheat, in bulk.....	535	264	13
Flour (wheat, buckwheat, or rye).....	1,376	272	9
Soda ash and bleach.....	85	273	11
Sugar, in barrels.....	1,392	307	10
Corn sirup.....	13	314	6
Oats, in bulk.....	1,402	335	8
Cattle.....	2,889	391	6
Dried, smoked, or salted meats.....	208	416	10
Dressed fresh meats, in refrigerator cars.....	2,247	419	10
Copper bullion, bar, ingots, pig, and slab.....	676	464	11
Hogs.....	1,453	475	7

Carrier.	Average haul.	Average freight revenue per loaded car-mile, all freight traffic.
	Miles.	Cents.
N. Y. C. & H. R. R. Co.....	203.52	11.10
B. & O. R. R. Co.....	197.53	14.24
B., R. & P. Ry. Co.....	163.35	15.96
B. & M. R. R.....	106.82	16.56
M. C. R. R. Co.....	158.46	11.09
P., C., C. & St. L. Ry. Co.....	123.51	12.97
C. & A. R. R. Co.....	165.51	12.52
I. C. R. R. Co.....	242.56	11.11
L. & N. R. R. Co.....	171.00	15.78
Virginian Ry. Co.....	353.47	15.46
C. & O. Ry. Co.....	265.94	12.25
N. & W. Ry. Co.....	270.81	12.98
Reading.....	99.59	19.43
D. & H. Co.....	148.03	17.30
Lackawanna.....	172.23	15.91
Erie.....	166.42	12.93
Lehigh Valley.....	179.57	15.43
Pennsylvania.....	160.02	16.11
N. Y., O. & W. Ry.....	145.58	18.78

Anthracite coal is hauled in trains that transport the maximum train tonnage. The large tonnage hauled in the trains produces high earnings per train-mile. At the present effective rates the revenue per train-mile on anthracite coal transported to tidewater is, for the Jersey Central, \$19.30, for the Lehigh Valley, \$16.14; and for the Lackawanna, \$16.43. These revenues are substantially higher than average train-mile revenue, as here shown:

	Freight revenue per train-mile.		Freight revenue per train-mile.
A. C. L. R. R. Co.....	\$2.696	N. & W. Ry. Co.....	\$3.242
B. & O. R. R. Co.....	3.474	P., C., C. & St. L. Ry. Co.....	2.770
B. & M. R. R.....	3.074	Virginian Ry. Co.....	4.567
B., R. & P. Ry. Co.....	3.275	Eastern district, 1912.....	3.12891
C. & O. Ry. Co.....	3.471	Southern district, 1912.....	2.48888
C. & A. R. R. Co.....	2.709	Western district, 1912.....	3.17357
C., I. & S. Ry. Co.....	2.821	United States, 1912.....	3.02284
I. C. R. R. Co.....	2.347	1911.....	2.89548
H. V. Ry. Co.....	4.326	1910.....	2.86218
M. C. R. R. Co.....	3.012	1909.....	2.76450
L. & N. R. R. Co.....	2.295	1908.....	2.65307
N. Y. C. & H. R. R. R. Co.....	3.028		

In comparisons of average car-mile and train-mile revenues the revenue derived by these carriers from the transportation of bituminous coal, being considerably lower than anthracite revenue, reduces the average of the revenues to which anthracite coal is compared. With the exception of the Pennsylvania, and to a limited extent the Erie, the bituminous coal tonnage of these respondents is received from their connecting lines, and their haul is but part of a long interline haul. The average receipts per ton-mile derived by these respondents and five other carriers from coal traffic are here shown:

Carrier.	Average receipts per ton-mile.		Average haul of 1 ton.	
	Anthracite.	Bituminous.	Anthracite.	Bituminous.
	<i>Mills.</i>	<i>Mills.</i>	<i>Miles.</i>	<i>Miles.</i>
C. R. R. Co. of N. J.....	8.37	5.23	111.68	49.38
P. & R. Ry. Co.....	8.82	3.67	105.14	131.18
D., L. & W. R. R. Co.....	7.40	5.80	191.36	66.96
D. & H. Co.....	7.54		142.42	
L. V. R. R. Co.....	7.11	6.03	177.15	158.35
P. R. R. Co.....	5.99	4.27	129.57	218.22
N. C. Ry. Co.....	6.02	3.88	63.05	80.78
Erie R. R. Co.....	5.96		212.51	
N. Y., O. & W. Ry. Co.....	6.47	4.64	159.80	81.57
N. Y. C. & H. R. R. R. Co.....	4.59	3.63	159.37	212.55
B. & O. R. R. Co.....	5.01	3.97	171.66	206.60
B., R. & P. Ry. Co.....	4.94	4.15	95.07	176.68
M. C. R. R. Co.....	3.80	6.22	184.03	70.31
C., I. & S. Ry. Co.....	2.84	3.88	93.03	104.18

In these various comparisons of revenue per car-mile, per train-mile, and per ton-mile, we are conscious of their limitations. The

35 I. C. C.

average distance all commodities are hauled on the line of one carrier is not representative of the actual distance specific commodities included in that average are hauled because of the interline transportation of many commodities, and the total distance hauled is a very important factor in rate making. These carriers with few exceptions are the principal arteries of commerce to the largest city on this continent, and their freight traffic is therefore largely interline.

There is also a wide variation in the cost of transporting different classes of traffic and in the cost of facilities required to handle the different classes of traffic.

Anthracite coal is a low-grade commodity which is transported in vast quantities in trains of maximum tonnage. The tonnage loaded in each car is much greater than is attained in the loading of most other classes of traffic excepting bituminous coal and ore. Most of the anthracite tonnage is produced from collieries whose daily production, measured in carloads, is very large. These conditions tend toward lower operating costs in transporting this commodity than result from the transportation of most other commodities.

In 1900 the tonnage of anthracite coal transported by these carriers was 45,000,000 tons of 2,240 pounds; in 1906, 55,605,000 tons; and in 1913, 71,000,000 tons; or an increase of 58 per cent since 1900. This vast tonnage is produced from approximately 302 operations, collieries and washeries. The average tonnage of this commodity moved in trains to tidewater ranges from 1,750 to 1,850 long tons per train. An analysis of the output of the collieries in the month of November, 1912, shows that if we accept 25 days as the number of working days for each colliery, and 1,800 long tons as the average tonnage per train, that 25.19 per cent of the tonnage was produced from operations having an average production of one trainload or more per colliery each day; that 51.69 per cent of the tonnage was produced from operations having an average production of from half a trainload to one trainload per colliery each day, and but 23.12 per cent of the tonnage was produced from operations having an average production of less than half a trainload of anthracite coal per colliery each day. On the basis of an average loading of 39 long tons of anthracite coal per car, the operations having an average production per colliery or washery of more than 10 cars per day produced 93.77 per cent of the total tonnage of anthracite coal.

Ascending grades in the mining region have a tendency to cause high transportation costs, but it is also true that the large daily production of these collieries and washeries and its assemblage for transportation in such large unit quantities tends toward low operating costs in transporting it.

35 I. C. C.

RETURN EMPTY MOVEMENT OF COAL CARS.

The anthracite traffic to tidewater involves the return empty movement of cars to a greater extent than results from the transportation of most other commodities. On some of the anthracite carriers approximately 97 per cent of the cars used to transport anthracite coal to tidewater are hauled back empty to the mining regions. The return empty movement in the westbound anthracite traffic is less, owing to the practice of utilizing westbound empty box cars in the carriage of anthracite coal destined to points west of the western termini of trunk line territory.

The carriers have contended that it is unfair to compare the average revenue per loaded car-mile on anthracite coal with the corresponding average for other commodities because of the greater empty car mileage in the anthracite traffic. They have submitted statistics in which are presented average revenues per car-mile based on the combined mileage of loaded and empty cars.

The difference between the average revenue of tidewater anthracite based on loaded car mileage and an average based on loaded and empty car mileage combined is illustrated in the following figures of the carriers:

Route and destination.	Revenue per loaded car-mile.	Revenue per car-mile, including empty movement.
	<i>Cents.</i>	<i>Cents.</i>
Pennsylvania (including Northern Central): South Amboy	23.07	11.56
Ontario & Western: Weehawken	23.86	11.96
Reading: Port Reading	25.70	12.85
Erie (including N. Y., S. & W. and W.-B. & E.): Weehawken, Undercliff	31.64	16.41
Lackawanna: Hoboken	32.86	17.72
Lehigh Valley: Perth Amboy	34.94	18.29
Jersey Central: Port Johnston piers, Elizabethport	41.05	21.22

The return movement of empty cars used in the anthracite traffic is an element of expense that should be given consideration. In their computations of average revenues the carriers allow for this element of unusual expense by spreading the revenues earned in the loaded movement over both the loaded and empty movement mileage. In considering comparisons of revenue, while giving due weight to extraordinary operating costs attributable to the anthracite traffic, we also have in mind that the heavy tonnage hauled in trains which transport coal offsets to a large extent the expense of returning the empty coal cars. It is, therefore, apparent that these various elements of extraordinary expense attributable to the transportation of certain commodities must be considered from the standpoint of cost of service and not by adjustments of average revenue.

35 I. C. C.

COST OF TRANSPORTING ANTHRACITE COAL.

We have had before us within the past few years several important cases in which were presented data specifically prepared to set forth the element of cost of service.

In the *West Virginia Lake-Coal case*, 22 I. C. C., 604, 615, estimates of cost of transportation were prepared by the carriers, by the coal companies, and by the examiners of the Commission. Referring to certain of these estimates we said that whichever method was followed, the figures resulting make it evident that it is not beyond the range of possibility to approximate the cost of carrying freight as distinguished from passengers over a certain division or even the carrying of a certain kind of freight when this constitutes a large proportion of a carrier's traffic over such division.

Concurrently there was before us the case *Boileau v. P. & L. E. R. R. Co.*, 22 I. C. C., 640, 652, in which complainants presented estimates of the cost of transporting lake cargo coal over some of the defendants' lines. Comprehensive details as to the processes by which the various elements of cost were ascertained were supplied by complainants' witness. As to the value and significance of cost of service data we held that costs do not determine rates, yet most rates have within them as a constituent the element of cost. Cost is generally an important element in arriving at a judgment with respect to a rate.

We have also had occasion to consider cost of service in *Pittsburgh Vein Operators of Ohio v. Pennsylvania Co.*, 24 I. C. C., 280, 284, and in the case *Louisville & Nashville R. R. Coal and Coke Rates*, 26 I. C. C., 20, 27, we held:

We realize that there is no exact method of so separating the accounts of a carrier as to determine exactly what is the cost of moving any particular portion of its traffic, and that the best that may be accomplished is an approximation.

* * * * *

While cost is an important element in determining the reasonableness of freight rates, it is not controlling, and we do not think a reasonable maximum rate is ipso facto only such a rate as pays a fixed distributive share of all operating expenses.

So long as freight is classified this can not be, and the preservation of that classification calls for the exercise of "the flexible limit of judgment which belongs to the power to fix rates."

In the instant case, conditions were peculiarly favorable for computing the cost of service. Anthracite coal is exclusively a carload commodity. It originates in vast quantities from a comparatively small district. A large number of the collieries from which it is taken have a unit production of one-half a trainload of coal or more each working day. Much of its movement is in solid trainloads. Large amounts are transported to tidewater, and to a great extent in this movement, anthracite coal constitutes the only commodity in the train or constitutes a large proportion of the train tonnage.

35 I. C. C.

In the many cases we have considered wherein shippers have attacked the reasonableness of the rates on this commodity, the defendant carriers have advanced many reasons to show wherein the transportation costs of hauling anthracite coal were extraordinary and not comparable with transportation costs arising from hauling other commodities.

Having these matters in view, therefore, we directed our examiners to compute the cost of service for anthracite coal, including only such costs as are represented in operating expenses. Complete results were reached as to the tidewater movement of anthracite over the Central Railroad Company of New Jersey. The traffic hauled in the month of November, 1912, was the basis of the computations. Part of the operating costs resulting from the transportation of anthracite coal to tidewater on the Lackawanna Railroad and terminal costs on the Reading Railway were also compiled.

The conduct of the anthracite traffic was described in considerable detail in the record. It is sufficient here to say that in general it involves the collection of the loaded cars from the breakers and washeries into assembling yards, the necessary switching into trains, the road haul to destination, terminal services, and the return of the empty cars. The computations are set forth in detail in the appendix to this opinion, and they indicate how the various services were accounted for in the computations made by the Commission's examiners.

Briefly stated, the examiners found that the operating cost of transporting anthracite coal to tidewater by the Central Railroad Company of New Jersey was 59.26 cents per long ton from the Wyoming region (average haul, 160 miles), 44.35 cents per long ton from the Lehigh region (average haul, 120 miles), and 49.04 cents per long ton from the Upper Lehigh region (average haul, 140 miles), making a weighted average of 3.3 mills per short ton-mile to the three tidewater termini of this carrier. The Central Railroad of New Jersey costs were computed for a railway line whose average distance to tidewater is shorter than the average haul of the other carriers. We have frequently held that cost of service per ton-mile properly decreases as the length of the haul increases. In the short haul of the Central Railroad of New Jersey there are included the assembling costs and the terminal costs which necessarily result in causing a higher cost per ton-mile than would result under similar operating conditions for the longer haul to tidewater of the other carriers.

The working papers on which the cost exhibit was based were made available for inspection by the carriers during the eight months which elapsed between the date the exhibit was submitted in evidence and the cross-examination thereon, and the carriers' officers

35 I. C. C.

had possession of these papers for a considerable part of the time. The cross-examination on this part of the case was extended and in comprehensive detail.

The carriers in their brief and in the argument have dwelt at length upon certain inaccuracies and inconsistencies in the cost figures and asserted that they were based upon inapplicable and inappropriate statistics not designed or kept for the purpose of computing operating costs. Certain of these criticisms appear to be well taken, but after a review of the entire matter we are of opinion that the record does not contain facts that cast doubt on the substantial accuracy of the results. At most, cost of service is but one of several factors which we must regard in our consideration of the rates before us in this case, and there is a considerable margin between the costs and the revenues derived from the rates.

The margin of profit on tidewater anthracite is indicated by a comparison of the cost of transportation, 3.3 mills per ton (2,000 pounds) per mile, with the average revenue here shown:

Carrier.	Average haul.	Average revenue per ton.		Average revenue per ton-mile.	
		2,240 pounds.	2,000 pounds.	2,240 pounds.	2,000 pounds.
	<i>Miles.</i>			<i>Mills.</i>	<i>Mills.</i>
C. R. R. Co. of N. J.....	140.58	\$1.489	\$1.329	10.59	9.45
L. V. R. R. Co.....	157	1.484	1.325	9.45	8.44
N. Y., O. & W. Ry. Co.....	209	1.447	1.292	6.92	6.18
Erie R. R. Co. (including N. Y., S. & W. R. R. Co. and W.-B. & E. R. R. Co.).....	169.90	1.407	1.256	8.28	7.39
P. & R. Ry. Co.....	185.70	1.338	1.195	7.21	6.44
D., L. & W. R. R. Co.....	147	1.300	1.161	8.84	7.90
P. R. R. Co. (including N. C. Ry. Co.).....	221.43	1.347	1.203	6.08	5.43

The revenues per ton (2,000 pounds) per mile on anthracite coal transported to Buffalo via the various routes are here shown:

To Buffalo.	Miles.	Prepared sizes.		Pea and smaller.	
		Rate.	Revenue per ton-mile.	Rate.	Revenue per ton-mile.
VIA DIRECT ROUTES.					
Lackawanna.....	276	\$1.7857	\$0.00647	\$1.5625	\$0.00566
Lehigh Valley.....	301	1.7857	.00593	1.5625	.00519
Erie (from Pittston group).....	296	1.7857	.00603	1.5625	.00528
VIA CIRCUITOUS ROUTES.					
Pennsylvania (from Wyoming region).....	326	1.7857	.00548	1.5625	.00479
Reading via Newberry Junction and New York Central.....	397	1.7857	.00449	1.5625	.00394
Ontario & Western (via Oneida and N. Y. C. & H. R. R. R.).....	332	1.7857	.00539	1.5625	.00472
Delaware & Hudson (via Schenectady and New York Central).....	456	1.7857	.00393	1.6964	.00373

35 I. C. C.

CARRIERS' INVESTMENT AND INCOME AS DEDUCED FROM THEIR BOOKS.

The carriers have submitted in evidence statements concerning their investment in road and equipment and in working capital, their net operating income, and the ratios of net operating income to investment for a number of years. The object of the statements, as testified by the carriers' witness, has been to show cost of material in place, so far as that could be ascertained. Considering this cost as representative of the investment, the statements show that the respective net operating incomes of the New York, Ontario & Western Railway, the Erie lines, and the Pennsylvania Railroad were less than 6 per cent on the investment for the year ended June 30, 1913, and for the year 1914 they were less than 6 per cent for those three railway systems and for the Lehigh Valley Railroad.

The investment, total property devoted to public use, as thus presented by the carriers, and the per cent of return on the investment produced by the net operating income as adjusted are here shown:

Carrier and year.	Book value of property devoted to public use.	Net operating income.	Rate of income on investment.	Amount of income.	
				In excess of 6 per cent per annum.	Less than 6 per cent per annum.
YEAR ENDED JUNE 30, 1913.					
D., L. & W. R. R.....	\$187,102,870	\$14,450,741	<i>Per cent.</i> 7.73	\$3,224,569	.....
Reading.....	238,325,264	21,836,887	9.16	7,537,371	.....
D. & H. Co.....	107,906,939	8,990,587	8.33	2,516,171	.....
C. R. R. of N. J.....	94,827,868	8,269,160	8.72	2,579,488	.....
N. Y., O. & W. Ry.....	56,694,648	2,471,471	4.36	.....	\$930,208
L. V. R. R.....	196,753,503	12,985,175	6.60	1,179,965	.....
Pennsylvania and Nor. Central.....	753,420,790	42,431,006	5.63	.....	2,774,241
Erie.....	386,648,946	16,246,206	4.20	.....	6,952,731
N. Y., S. & W. R. R.....	44,155,784	1,010,923	2.29	.....	1,638,424
YEAR ENDED JUNE 30, 1914.					
D., L. & W. R. R.....	189,049,487	13,228,514	7.00	1,885,545	.....
Reading.....	239,795,049	16,496,989	6.88	2,109,286	.....
D. & H. Co.....	109,406,222	7,376,514	6.74	812,141	.....
C. R. R. of N. J.....	100,395,569	6,356,046	6.33	332,312	.....
N. Y., O. & W. Ry.....	57,889,005	1,952,646	3.37	.....	1,520,694
L. V. R. R.....	204,131,959	10,839,735	5.31	.....	1,408,188
Pennsylvania and Nor. Central.....	788,433,134	37,091,308	4.70	.....	10,214,680
Erie.....	397,695,141	13,942,448	3.51	.....	9,919,260
N. Y., S. & W. R. R.....	44,250,863	905,437	2.04	.....	1,749,615

The combined investment of the several carriers includes an amount estimated by them at \$42,759,000 to represent working capital. It also includes \$196,643,000, representing additions and betterments to the carriers' property charged to income and profit and loss, although the carriers' exhibit shows but \$10,070,221 for the latter item. The total combined investment, including working capital, is shown to be \$2,131,046,429 on June 30, 1914. By merging the book entries of property costs of their various railway lines these carriers have proceeded to the conclusion that 6 per cent per annum is the lowest possible suggestion as to what would con-

35 I. C. C.

stitute a fair return on the investment, and that "a legislative command to accept anything less than 6 per cent would be adjudged to be confiscation."

In considering this question we do not suggest that 6 per cent per annum income is too high a rate of return on railroad investments or too low a return. The stockholders of several railways operated by the initial anthracite carriers have leased their properties to anthracite carriers for a return of 4 per cent per annum on their investment; some properties are leased at 7 per cent per annum, and some at 10 per cent per annum under long term leases.

If these statements present a reliable figure of cost of property, it might then be necessary to decide if the operating company is entitled to a return of 6 per cent on the property cost of leased lines for which rent has been fixed in long term leases at 4 per cent per annum; or if shippers should pay rates which produce a return of 10 per cent on the property investment of such leased lines when the rate of rental has been fixed at 10 per cent per annum in the leases; and further, if the operating company is entitled to a return of 6 per cent on the property it purchased from the proceeds of bonds bearing 4 and 5 per cent interest, and if the operating company is entitled to earn 6 per cent on the unproductive betterments purchased with surplus earnings. The principal railway systems borrow large sums of money at rates of interest much lower than 6 per cent, and with the money construct side lines and lateral branches and invest in nonproductive betterments which can not earn 6 per cent on the investment. In the *Five Per Cent case*, 31 I. C. C., 351, 383, we pointed out that the average rate of interest paid by the lines in official classification territory was 4.07 per cent per annum during recent years.

Most of the large railway systems of this country were made up by consolidating and merging many lines of railway which started as independent enterprises. Other lines came under the control and domination of an operating company at fixed rents or rates of compensation payable on their securities by the operating company. The tendency has been for the great systems to acquire control of their poorly placed, indifferently operated, or isolated feeders and competitors, not at their original cost but at a cost either higher or lower than the construction cost. They have often been purchased at receivers' sales for much less than their original cost, and the loss was borne by the original investors.

The investment shown in the carriers' statements does not represent cost of property nor an approximate figure of cost, so we will dismiss from further consideration the questions as to the cost of the properties to the operating company or the present owners.

35 I. C. C.

At the outset of this inquiry, in December, 1912, the Commission endeavored to ascertain from the carriers the cost of the properties used by these carriers in their operations, but we were informed by the several carriers in January, 1913, that their books did not contain that information, and not one of them was in a position to show the cost of their property. The reasons advanced for this were that the construction books of the original lines were not in the possession of the present operating companies, and that the figures in the old books were not translatable into the cost of property as defined in the present classification of accounts, as well as many other reasons showing the impossibility of ascertaining property costs.

In the *Five Per Cent case*, 31 I. C. C., 351, we expressed our dissatisfaction with the property investment as presented by the carriers. The figures presented in that case included the property investments of the several respondents in the present case. During the proceedings in this case we decided to ascertain, so far as it was possible without unduly delaying the determination of this case, the character of the property investment as presented by these carriers. We directed the Commission's examiners to make a brief examination of the carriers' books and ascertain, so far as it was possible, the character of the costs submitted to us as representative of property costs. The results of these examinations made during the hearings show that the statement of Reading Railway property costs contained items aggregating \$38,000,000 which represented operating deficits, bonus stock issued, arbitrary write-ups of road accounts, cost of securities which apparently had no value but were charged off to road account, and similar items which had been included in the book accounts of property costs, all of which inflated the cost of road and equipment as shown in the carriers' books, but did not actually represent expenditures for road and equipment. Most of these items were included in the road account prior to 1907. Obviously, present-day rates should not be expected to earn a return on property costs inflated by the inclusion of such items. Other amounts included in cost of road as shown by "road account" were: For the Pennsylvania, cost of coal-producing lands, \$1,642,149, on which no income has been received in recent years, and bonus stock, \$1,565,527; for the Lackawanna, bonus stock, \$426,355, discounts and commissions on securities, \$795,329; for the Central Railroad of New Jersey, an arbitrary write-up of cost of road, \$2,757,643. As the carriers, by amended exhibits or upon their briefs, have adopted these reductions from their property costs, and as a reduction of \$33,000,000 has been made in the cost of the property of the New York, Ontario

35 I. C. C.

& Western Railway, the property costs in the instant case differ from the property costs presented in the *Five Per Cent case*. In the *Five Per Cent case*, 32 I. C. C., 328, we stated that the property investment accounts as now standing on the books of the carriers can not be accepted as accurately representing the fair value of their property devoted to serving the public.

The evidence shows that the road account, now designated "cost of road," was used prior to 1907 as a general clearing account into which was charged valueless and uncollectible items and liabilities which could not conveniently be absorbed into other accounts. This was not considered wrongful or bad bookkeeping in those days, and we do not desire to criticize these carriers now for such past practices. These respondents, for the purposes of their statements of investment and income, have merely revised their property accounts for recent years and have presented the result of such revisions as representative of cost of property. The property costs as in 1913 here presented total \$2,023,076,827, of which \$1,023,076,827 is representative of revised property accounts as deduced from the carriers' books and \$1,000,000,000 of it represents unrevised property accounts. Even as to those two carriers, the Lehigh Valley and the Delaware & Hudson, which claim to have extended the revision back to construction periods, books and records were not existent to enable them to get complete costs of property.

Property costs deduced from the old books of these carriers are not reliable. The fault is back of the books. This is well illustrated by the cost of construction of the Port Reading Railroad, which the carriers' expert has ascertained from its books to have been \$3,025,000. This railroad is of recent construction, being completed in the year 1894. The Commission's examiners found, by their review of the construction contracts and records, that the actual cost of constructing this railroad was \$1,525,000, and that the book cost includes \$1,500,000 representing a bonus payment in securities to the construction company. Such practices were so prevalent in railroad construction in former years that we must regard property costs deduced from the old books as very unreliable.

The property costs per mile of line shown for the Erie Railroad are \$199,832, and for the New York, Susquehanna & Western Railroad, \$200,213, while for the Reading they are \$157,732, and for the Pennsylvania, \$180,543. Such property costs for the New York, Susquehanna & Western, whose terminal properties are very limited in comparison with the other lines mentioned, clearly indicate the unreliability of book costs as representative of actual cost of property. Counsel for the carriers frankly admits the dubious character of Erie property costs arising from the book entries of such costs in 1895.

35 I. C. C.

The carriers have used the term "total property devoted to public use" as representative of the investment in their railway properties devoted to public use. They have included in their investment the cost of properties rented to tenants and used for private purposes, and they justify this by the assertion that it was acquired for railroad purposes and may in the future be used for railroad purposes. The Lackawanna Railroad has leased extensive properties to tenants for their use for private purposes. Among the properties so leased are a large number of retail coal trestles and properties which we have hereinbefore stated were rented to the Delaware, Lackawanna & Western Coal Company at less than their true and actual rental value. During the proceedings in this case we were advised by counsel for the Lackawanna that a new lease had been entered into whereby the coal company would pay an increased rent to the carrier, and the carrier's return on the property so rented after the payment of taxes would be 4 per cent per annum. Obviously, retail coal trestles and such structures erected on the carrier's premises, when the exclusive use thereof is leased to private parties, should not be described as property devoted to public use. Should the freight rates make up this difference between the general return of 6 per cent per annum claimed by the carrier and the 4 per cent per annum which the carrier accepts in rent from the tenant? The investment figures submitted in the several carriers' statements contain the cost of considerable property that is not devoted to public use.

UNPRODUCTIVE BETTERMENTS.

The Pennsylvania Railroad has expended on its new passenger terminal properties in New York City approximately \$114,000,000. These properties are operated by the Pennsylvania Tunnel & Terminal Railroad Company, and the operations result in deficits each year. The deficit in the year ended June 30, 1913, was \$2,087,000. The record shows that the terminal was constructed for the benefit of the Pennsylvania lines west of Pittsburgh as well as the lines east of Pittsburgh, but no part of its cost is, by the carrier, assigned to the income of the lines west of Pittsburgh. In the statements of investment and income the deficit is charged to the income of the Pennsylvania Railroad (the lines east of Pittsburgh), and the per cent of net operating income on the investment for the Pennsylvania Railroad is substantially reduced because of these deficits and the large investment in this terminal property. The record shows that when the New York Connecting Railroad, now under construction, is completed the terminal properties will some time in the future be used for passenger traffic between the Pennsylvania lines and the New York, New Haven & Hartford Railroad. Thus the question is pre-

35 I. C. C.

sented: Must the present effective freight rates of the Pennsylvania Railroad earn an annual return of 6 per cent on the investment in these passenger terminal properties? The record shows that \$47,000,000 of the expenditures in this property has been charged to profit and loss and to income of the Pennsylvania Railroad; that is, its past surplus income has already contributed \$47,000,000 to the cost of this property.

In the *Five Per Cent case*, 31 I. C. C., 351, 375, we called attention to investments made by the carriers in unproductive betterments. These carriers vested with governmental authority and charged with a public trust have in response to public demand and in compliance with legislative enactments made large expenditures for improvements which are relatively unproductive, at least such expenditures have not resulted in an increase in their revenues proportionate to such expenditures. It is in the public interest that such improvements should continue to be made, and for such purposes a railroad, no doubt, is justified in accumulating a reasonable amount of surplus. In order to give adequate consideration to such matters, we must view the actual operating results of the carriers as presented in their annual reports which we have prescribed, showing their actual income, expenses, rentals, and surplus. These items are not set forth in a satisfactory manner in the carriers' statements of investment and income. We have under consideration the rates of the operating companies, and we must view their actual income and expenses.

THE ERIE LINES AND THE NEW YORK, ONTARIO & WESTERN RAILWAY.

Now, to follow the theory of a stipulated annual return on all railway property: The Erie Railroad has not revised its property accounts prior to the last receivership and reorganization of the Erie properties, in the year 1895. We have in another part of this report referred to the overcapitalization of the Erie lines. It seems pertinent to here point out that, based on the showing contained in the carriers' exhibits for the year 1913, the Erie's net operating income would have to be augmented to the extent of 42.80 per cent in order to make it sufficient to produce 6 per cent return on the property investment claimed, and the year 1913 was one of the prosperous years. The New York, Susquehanna & Western would require 162.07 per cent greater income to reach the 6 per cent measure of return. The New York, Ontario & Western Railway would require 37.64 per cent more income to attain the 6 per cent result in 1913. It is apparent that rates which would produce the 6 per cent result for the Susquehanna & Western and the Ontario & Western would be absolutely extortionate.

The collieries in the Wyoming region are served by eight railway lines. All these lines extend to tidewater except the Delaware &

Hudson Company, and the Delaware & Hudson reaches New England states markets by means of connections with several New England lines.

The Scranton branch of the New York, Ontario & Western Railway was extended into the mining region and completed in July, 1890. This was the seventh railway line constructed into the Wyoming region.

In 1881 the New York, Susquehanna & Western Railroad Company, which reaches tidewater at Edgewater, N. J., was formed by the consolidation of six railway companies, and in 1882 it established a connection with the Delaware, Lackawanna & Western Railroad at Stroudsburg, Pa. It also constructed certain branch lines of railway in the Wyoming region connecting the collieries of its coal company, the Pennsylvania Anthracite Coal Company (which subsequently became the New York, Susquehanna & Western Coal Company), with the Lackawanna Railroad. The Lackawanna transported the coal gathered on these branch lines to the New York, Susquehanna & Western Railroad at Stroudsburg until the Wilkes-Barre & Eastern Railroad was completed. The Wilkes-Barre & Eastern Railroad, extending from a connection with the New York, Susquehanna & Western near Stroudsburg into the Wyoming region, was completed in 1894. Its capital stock is owned by the New York, Susquehanna & Western, and its extension into the mining region constituted the eighth railway line constructed into the Wyoming region.

When the New York, Susquehanna & Western Railroad was projected, it offered, through its coal company, to buy coal from operators on 50 per cent contracts. The price before that had been 40 to 45 per cent. The extension of the New York, Ontario & Western Railway into the Wyoming region resulted in a further increase in the contracts to 65 per cent of the selling price at tidewater. *Reading case*, 226 U. S., 361. These carriers made use of their public franchises as common carriers to aid themselves as vendors in suppressing or controlling the activities of their customers and competitors, the individual operators. That such a course of conduct would result in inviting the construction of additional railway lines was but the natural consequence of such acts. The welfare of the shippers was incompatible with the mining and selling operations of the carriers. Had the carriers performed their public duties in an impartial and nondiscriminatory manner and established just and reasonable rates for all shippers, would eight lines of railway have been constructed into the Wyoming region?

The anthracite tonnage which the Erie commands is divided between two railway lines, its own route and the joint route, the New York, Susquehanna & Western-Wilkes-Barre & Eastern, both of

35 I. C. C.

which extend to tidewater. The joint route has been controlled since the year 1898 by the Erie Railroad. It reaches four collieries, three owned and operated by the Erie's coal company, the Pennsylvania Coal Company, and one colliery, of small capacity, operated by an independent operator.

The Erie Railroad acquired the entire capital stock (\$26,000,000) of the New York, Susquehanna & Western Railroad in 1898 by giving in exchange therefor its own capital stock to an equal amount, which was issued for that purpose. The market price of Erie stocks at that time ranged from \$7 to \$8½ for common, \$19 to \$22 for first preferred, and \$9½ to \$11 for second preferred; New York, Susquehanna & Western stocks were quoted on the market at from \$5½ to \$7⅞ for common and \$14¼ to \$19 for preferred. Quotations of both companies were based on par value of \$50 per share.

Here are two lines, the New York, Ontario & Western and the New York, Susquehanna & Western, whose earnings are unfortunately limited by the customs which have prevailed in marketing anthracite coal. Their competitors control the traffic at its source, so these two carriers can get only the tonnage from the lands that were not acquired by their competitors who entered the mining regions before them.

The joint route, New York, Susquehanna & Western Railroad-Wilkes-Barre & Eastern Railroad, receives 97 per cent of the coal tonnage it transports from the mining region from the two coal companies owned by the Erie, and it is apparent that the anthracite tonnage hauled by this joint route consists only of that which the Erie elects to divert from its own line to tidewater. Anthracite coal constitutes 80 per cent of the total freight tonnage of the Wilkes-Barre & Eastern Railroad. Obviously, if reasonable rates and transportation conditions had been accorded by these respondents to the individual operators, a large part of this joint route would not have been constructed.

Giving consideration to the said conditions, it is apparent that 6 per cent per annum earnings on the whole property of a railway system or a group of railways under such circumstances is unattainable.

INCOME OF THE INITIAL ANTHRACITE CARRIERS.

For the year ended June 30, 1913, the total operating revenues of these carriers were \$448,711,496, their total freight revenues were \$342,499,310, and the revenue they derived from transporting anthracite coal was \$96,516,183. The ratio of their anthracite coal revenues to their total freight revenue ranged from 6 per cent to 86 per cent.

The revenues of railway companies being subject to considerable fluctuations from year to year, the statement thereof is viewed on a better basis if we consider the average for a period of years. The

following figures show the annual average of total operating revenues, of freight revenue, and of revenue derived from the transportation of anthracite coal during the six years 1908 to 1913:

Carrier.	Total operating revenue.	Total freight revenue.		Anthracite coal revenue.		
		Amount.	Ratio to total operating revenue.	Amount.	Ratio to total freight revenue.	Ratio to total operating revenue.
			<i>Per cent.</i>		<i>Per cent.</i>	<i>Per cent.</i>
C. R. R. Co. of N. J.....	\$25,220,405	\$18,855,042	74.8	\$8,739,661	46.4	34.7
P. & R. Ry. Co.....	43,759,786	35,090,286	80.2	12,308,651	35.1	28.1
D., L. & W. R. R. Co.....	35,887,886	26,336,441	73.4	14,114,105	53.6	39.3
L. V. R. R. Co.....	37,075,349	31,391,700	84.7	15,152,018	48.3	40.9
D. & H. Co.....	20,775,245	17,148,016	82.5	8,067,960	47.1	38.8
P. R. R. Co.....	158,503,949	115,489,971	72.9	8,313,544	7.2	5.2
N. C. Ry. Co.....	12,556,944	9,594,796	76.4	2,219,834	23.1	17.7
Erie R. R. Co.....	47,239,895	34,880,851	73.8	11,049,575	31.7	23.4
N. Y., S. & W. R. R. Co.....	2,744,800	1,829,803	66.7	907,547	49.6	33.1
W.-B. & E. R. R. Co.....	665,205	657,628	98.9	583,829	88.8	87.8
N. Y., O. & W. Ry. Co.....	8,711,407	6,757,783	77.6	4,108,352	60.8	47.2
Total.....	393,140,871	298,032,317	75.8	85,565,076	28.7	21.8

The operating revenues earned by these carriers have increased greatly during the past 10 years, as shown by the averages per mile of line following:

	1904	1913
C. R. R. Co. of N. J.....	\$29,769	\$42,016
P. & R. Ry. Co.....	33,795	49,553
D., L. & W. R. R. Co.....	35,222	42,275
L. V. R. R. Co.....	21,456	29,665
D. & H. Co.....	17,682	28,115
P. R. R. Co.....	30,097	45,101
N. C. Ry. Co.....	21,962	28,241
Erie R. R. Co.....	21,926	27,147
N. Y., S. & W. R. R. Co.....	13,655	18,954
W.-B. & E. R. R. Co.....	6,751	7,180
N. Y., O. & W. Ry. Co.....	12,165	16,715

With minor exceptions the averages for 1904 are the lowest in the 10-year period, and the averages for 1913 are the highest during that period.

Of all the railways in the United States with annual operating revenues of \$1,000,000 or more, only three besides those above indicated had revenues in 1913 and in 1914 averaging \$40,000 per mile of line or more. The three exceptions are the Pittsburgh & Lake Erie Railroad Company, the Bessemer & Lake Erie Railroad Company, and the Bingham & Garfield Railway Company. The very unusual traffic conditions enjoyed by the first two roads are well known, while the third is a heavy carrier of ore, so that the four initial anthracite carriers showing such unusual earning capacity hold a position unquestionably unique among the steam transportation systems of the country having diversified traffic.

The exceptional earning capacity of the principal anthracite carriers is well illustrated when comparison is made with the average operat-

ing revenue per mile of line of the following representative carriers. The figures are for 1913:

New York Central & Hudson River R. R. Co.....	\$30,776
Baltimore & Ohio R. R. Co.....	22,789
Buffalo, Rochester & Pittsburgh Ry. Co.....	19,113
Michigan Central R. R. Co.....	19,448
Pittsburgh, Cincinnati, Chicago & St. Louis Ry. Co.....	30,236
Hocking Valley Ry. Co.....	22,241
Illinois Central R. R. Co.....	13,497
Louisville & Nashville R. R. Co.....	12,338
Atlantic Coast Line R. R. Co.....	7,833
Virginian Ry. Co.....	11,896
Chesapeake & Ohio Ry. Co.....	15,129
Norfolk & Western Ry. Co.....	21,623

To handle traffic of such density and volume has required very large investments on the part of the respondent carriers, so that their properties show exceptional characteristics in the large number of units and the size of equipment in service, the large number and considerable length of passing tracks and sidings, the extensive yard and terminal facilities, and the amount of other properties representative of a large investment.

The relative proportions of operating revenues available for operating expenses and for net fixed charges are shown in the following figures, which represent the average results for the five-year period 1909 to 1913. Income from sources other than railway operations has been deducted from rents, interest, and other fixed charges to reach net fixed charges:

Carrier.	Proportion operating revenues available for—		Proportion operating revenues remaining for dividends, additions, and betterment reserves, surplus, etc.
	Operating expenses.	Net fixed charges.	
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
C. R. R. Co. of N. J.....	57.42	15.74	28.84
P. & R. Ry. Co.....	61.52	19.21	19.27
D., L. & W. R. R. Co. ¹	59.32	6.07	34.61
L. V. R. R. Co.....	63.92	15.83	20.25
D. & H. Co. ²	60.91	13.02	26.07
P. R. R. Co. ³	71.65	5.27	23.08
N. C. Ry. Co.....	83.10	9.95	15.95
Erie R. R. Co.....	66.16	23.31	10.53
N. Y., S. & W. R. R. Co.....	61.60	29.64	8.76
W.-B. & E. R. R. Co.....	67.25	32.75	.....
N. Y., O. & W. Ry. Co.....	70.37	17.21	12.42

¹ Figures for net income from mining operations for 1908 to 1911 in Morgan Exhibit No. 36 here used as miscellaneous income for purposes of comparison.

² Figures based on three years, 1911, 1912, and 1913.

³ Figures based on four years, 1910 to 1913.

Now, to consider the net corporate income of these carriers and its relation to their capital stocks. By the term net corporate income is meant the net amount remaining from the carriers' operating reve-

nues and income from other sources after the payment of operating expenses, taxes, rents, interest, and other fixed charges. This represents the profits of the carrier available for dividends, for reserves for the purchase of additional property, for accumulation of surplus, or for such other purposes as the stockholders through their board of directors may elect. The net corporate income of these carriers for the 5-year periods, for the 10-year period, and for the one year 1914 is here shown, compared with the net corporate income of other representative carriers for the year 1913:

	Net corporate income.		
	Amount.	Amount per mile of line.	Ratio to capital stock.
C. R. R. Co. of N. J.:			<i>Per cent.</i>
5-year average, 1904 to 1908.....	\$5,184,930	\$7,726	18.90
5-year average, 1909 to 1913.....	6,709,976	10,001	24.46
10-year average, 1904 to 1913.....	5,947,453	8,864	21.68
Year ended June 30, 1914.....	5,723,934	8,443	20.86
P. & R. Ry. Co.:			
5-year average, 1904 to 1908.....	7,587,396	7,553	37.94
5-year average, 1909 to 1913.....	8,592,011	8,430	25.66
10-year average, 1904 to 1913.....	8,089,704	7,995	30.25
Year ended June 30, 1914 ¹	7,426,621	6,632	17.48
D., L. & W. R. R. Co.:			
5-year average, 1904 to 1908.....	11,530,718	13,921	44.61
5-year average, 1909 to 1913.....	12,564,197	13,491	42.65
10-year average, 1904 to 1913.....	12,047,458	13,694	43.29
Year ended June 30, 1914 ¹	10,313,231	10,745	24.40
D. & H. Co.:			
3-year average, 1911 to 1913.....	5,755,679	6,777	13.54
Year ended June 30, 1914.....	4,113,760	4,672	9.68
L. V. R. R. Co.:			
5-year average, 1904 to 1908.....	7,002,243	4,926	17.31
5-year average, 1909 to 1913.....	7,570,124	5,250	14.41
10-year average, 1904 to 1913.....	7,286,184	5,089	15.67
Year ended June 30, 1914 ¹	7,056,660	4,900	11.64
P. R. R. Co.:			
4-year average, 1910 to 1913.....	38,272,541	9,567	8.62
Year ended June 30, 1914.....	36,397,775	8,913	7.29
N. C. Ry. Co.:			
5-year average, 1904 to 1908.....	2,294,733	4,964	13.57
5-year average, 1909 to 1913.....	2,009,697	4,267	10.39
10-year average, 1904 to 1913.....	2,152,215	4,613	11.87
Year ended June 30, 1914.....	1,623,864	3,439	8.39
Erie R. R. Co.:			
5-year average, 1904 to 1908.....	3,585,936	1,899	2.03
5-year average, 1909 to 1913.....	5,070,938	2,563	2.87
10-year average, 1904 to 1913.....	4,328,437	2,238	2.46
Year ended June 30, 1914.....	1,349,595	679	.77
N. Y., S. & W. R. R. Co.:			
5-year average, 1904 to 1908.....	46,073	304	.18
5-year average, 1909 to 1913.....	245,094	1,603	.94
10-year average, 1904 to 1913.....	145,583	956	.56
Year ended June 30, 1914.....	230,383	1,644	.89
N. Y., O. & W. Ry. Co.:			
5-year average, 1904 to 1908.....	1,306,196	2,389	2.25
5-year average, 1909 to 1913.....	1,096,845	1,967	1.89
10-year average, 1904 to 1913.....	1,201,520	2,175	2.07
Year ended June 30, 1914.....	663,692	1,168	1.14
YEAR ENDED JUNE 30, 1913.			
N. Y. C. & H. R. R. Co.....	15,790,330	4,222	7.00
B. & O. R. R. Co.....	13,382,111	3,003	6.35
B., R. & P. Ry. Co.....	2,126,994	3,714	12.89
M. C. R. R. Co.....	3,299,094	1,813	17.61
P., C., C. & St. L. Ry. Co.....	3,513,360	2,387	5.43
H. V. Ry. Co.....	1,917,645	5,456	17.43
I. C. R. R. Co.....	6,575,113	1,381	5.51
L. & N. R. R. Co.....	8,630,944	1,791	11.99
A. C. L. R. R. Co.....	7,889,203	1,711	11.47
Virginian Ry. Co.....	1,018,435	2,074	1.72
C. & O. Ry. Co.....	3,298,503	1,422	5.25
N. & W. Ry. Co.....	11,106,641	5,491	9.02

¹ There were large increases in the capital stocks of the P. & R. Ry. in April, 1911; of the D., L. & W. R. R. in 1913 and 1914; and of the L. V. R. R. in 1911, which resulted in decreases in their ratios.

These figures indicate clearly the exceptionally remunerative results of the transportation operations of the principal initial anthracite carriers. We find further emphasis on this in considering dividends, the extent of the additions and betterments charged to income and profit and loss, and their profit and loss surplus. In the appendix (p. 336) there is shown a detailed statement of dividends paid by these carriers during the past 20 years. The rates of dividends during the past 10 years are here shown:

	C. R. R. Co. of N. J.	P. & R. Ry. Co.	D., L. & W. R. R. Co.	L. V. R. R. Co. ¹	D. & H. Co.	P. R. R. Co.	N. C. Ry. Co.	Erie R. R. Co. ²	N. Y., S. & W. R. R. Co.	W.-B. & E. R. R. Co.	N. Y., O. & W. Ry. Co.
	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.
1913.....	12	15	20	10	9	6	8				2
1912.....	12	15	55	25	9	6	8				2
1911.....	12	25	20	8	9	6	8				2
1910.....	12	25	* 85	6	9	6	8				2
1909.....	8	25	20	6	9	6	8				2
1908.....	8	30	20	6	9	6½	8				2
1907.....	8	30	20	5	8	7	20½	4-2			2
1906.....	8	30	20	4	7	6	8	4-2			2
1905.....	8	20	18½	3	7	6	8	4-2			4½
1904.....	8	12	7		7	6	8				

¹ Dividend on common stock only.

² The 1904 dividend was on first preferred stock; that for 1905 and 1906 was 4 per cent on first preferred and 2 per cent on second preferred. Of the 1907 dividends, only 2 per cent on first preferred was paid, the balance being credited to profit and loss account in 1908.

³ Includes 15 per cent stock dividend.

The net corporate income of these carriers has enabled them not only to pay the very substantial dividends shown by these figures, but also to set aside large amounts for the purchase of additional property and still have considerable amounts remaining to add to their surplus. The aggregate of the items named are here shown for the 10 years 1904 to 1913.

Carrier.	Dividends.	Additions to property.	Remainder of net corporate income added to surplus.
C. R. R. Co. of New Jersey.....	\$26,335,828	\$23,094,820	\$10,043,883
P. & R. Ry. Co.....	52,144,510	20,729,598	8,022,929
D., L. & W. R. R. Co.....	79,336,588	30,782,739	10,355,253
L. V. R. R. Co.....	37,744,663	13,288,935	21,828,238
D. & H. Co. ¹	11,475,657		5,791,381
P. R. R. Co. ²	100,848,116	42,777,196	9,464,852
N. C. Ry. Co.....	16,562,733	8,106,464	* 3,147,047
Erie R. R. Co.....	9,582,784	10,180,566	23,521,017
N. Y., S. & W. R. R. Co.....		883,337	572,495
W.-B. & E. R. R. Co.....			
N. Y., O. & W. Ry. Co.....	10,754,448	1,048,397	212,356

¹ Figures are for three years 1911 to 1913.

² Figures are for four years 1910 to 1913.

³ Represents excess of dividends and additions to property over net corporate income.

As heretofore stated, the density of traffic over the lines of the initial anthracite carriers has increased greatly within the past 10 years. The foregoing figures show that in addition to providing for necessary expenses and charges and for generous dividends, the Central Railroad Company of New Jersey, the Philadelphia & Reading Railway Company, and the Delaware, Lackawanna & Western Railroad Company have set aside from income \$74,607,157 for additions and betterments to their properties. During this period the capital obligations of these carriers have actually decreased, indicating that their net income has not only provided for the necessary maintenance of their properties and for substantial dividends, but has also provided the improvements to the properties necessary to handle the large increase in traffic. The Lackawanna recently has issued capital stock to its shareholders at par to provide funds for large improvements to its property, but the improvements were not available for use during the 10-year period.

The record does not indicate clearly for the other anthracite carriers the proportion of proceeds from their security issues that was applied to improving and enlarging their railway properties. Two of these carriers have made large investments for purposes other than for improvements directly to their railroad properties. In 1905 the Lehigh Valley issued \$19,000,000 in bonds, as we have hereinbefore stated, to purchase the mining properties of Coxe Brothers & Company and the Delaware, Susquehanna & Schuylkill Railroad. It also invested \$7,500,000 in 4 per cent bonds of the Lehigh Valley Coal Company. Since 1906 the Delaware & Hudson Company has purchased stocks and bonds of electric railways to the amount of \$15,000,000 and has invested \$6,000,000 in anthracite coal-producing lands in the Schuylkill region.

Many instances have hereinbefore been referred to wherein these carriers have dissipated their revenues in granting concessions, preferences, and advantages to their coal companies.

THE LESS PROSPEROUS ROADS.

The net incomes of the New York, Ontario & Western Railway and the Erie lines—the Erie Railroad, the Wilkes-Barre & Eastern Railroad, and the New York, Susquehanna & Western Railroad—are much lower than the net incomes of the other anthracite carriers. We have hereinbefore mentioned the causes underlying the construction of the Ontario & Western Railway and the New York, Susquehanna & Western-Wilkes-Barre & Eastern joint route, and the limitation to the amount of anthracite coal traffic which they can command. Now to give consideration to the property costs and income of the less

35 I. C. C.

prosperous roads in comparison with the other anthracite carriers, the following figures, for 1913, are significant:

	Cost of road and equipment per mile of line.	Freight revenue per mile of line.	Total operating revenue per mile of line.	Interest charges per mile of line.
C. R. R. Co. of N. J.....	\$152,080	\$32,398	\$42,016	\$3,264
P. & R. Ry. Co.....	157,732	40,214	49,553	1,960
D., L. & W. R. R. Co.....	196,008	30,928	42,275	7
L. V. R. R. Co.....	140,005	25,311	29,665	2,155
D. & H. Co.....	100,801	23,552	28,115	2,972
P. R. R. Co.....	180,543	33,002	45,101	2,371
N. C. Ry. Co.....		21,105	28,241	770
N. Y., O. & W. Ry. Co.....	110,459	12,926	16,715	2,127
Erie lines:				
Erie R. R. Co.....	190,832	20,185	27,147	4,699
N. Y., S. & W. R. R. Co.....	200,213	13,008	18,954	4,218
W.-B. & E. R. R. Co.....		7,105	7,180	1,624

ERIE RAILROAD COMPANY.

The operating revenues of the Erie Railroad for 1913 averaged \$27,147 per mile of line, as compared with \$22,789 for the Baltimore & Ohio Railroad and \$30,776 for the New York Central & Hudson River Railroad. The operating ratios, that is, the ratios of operating expenses to operating revenues, for these three systems were: Erie, 65.55 per cent; Baltimore & Ohio, 72.65 per cent; New York Central, 73.09 per cent. While 1913 was an unusually good year, the Erie has kept its operating ratio below 70 per cent in all but one of the 10 years 1904 to 1913, the record being:

	Per cent.		Per cent.
1904.....	68.84	1909.....	67.18
1905.....	68.89	1910.....	65.06
1906.....	68.28	1911.....	64.94
1907.....	67.17	1912.....	68.17
1908.....	76.77	1913.....	65.55

For the reasons underlying the Erie's failure to earn satisfactory net income it is necessary to look further than the net operating results. One reason is found in its high capitalization. In 1913 the interest charges on the Erie averaged \$4,699 per mile of line as contrasted with other anthracite carriers, such as Central Railroad of New Jersey, \$3,264; Philadelphia & Reading Railway, \$1,960; Delaware & Hudson Company, \$2,972; Lehigh Valley Railroad, \$2,155; and Pennsylvania Railroad, \$2,371. The Erie's operating revenue per mile of road is considerably lower than that of the last-mentioned carriers. In the *Five Per Cent case*, 31 I. C. C., 351, 362, we said:

The capital obligations shown on the books of the Erie system, for example, amount to \$180,242 per mile of road, including its leased lines. The Pennsylvania system shows a capitalization of \$113,805 per mile, the Baltimore & Ohio system \$129,519 per mile, and the New York Central lines \$109,089 per mile, the weighted average for 35 I. C. C.

the three systems, including their leased lines, being \$114,257 per mile of road. If the capitalization of the Erie were not in excess of the average per mile of these three great systems traversing practically the same territory, the net corporate income of the Erie for the fiscal year 1913 would have provided its stockholders with ample dividends, leaving an abundant "margin of safety," which the carriers are asking for in this proceeding.

NEW YORK, SUSQUEHANNA & WESTERN RAILROAD COMPANY AND WILKES-BARRE & EASTERN RAILROAD COMPANY.

This joint route, which does not own such expensive terminal properties as the Lackawanna, the Reading, and the Pennsylvania lines own, shows a higher cost of property per mile of line than any of the other initial anthracite carriers. Its only extensive terminal properties are the coal docks and yards at Edgewater, N. J. Its operating ratios for the past 10 years have been:

	Per cent.		Per cent.
1904.....	55. 42	1909.....	59. 37
1905.....	63. 91	1910.....	59. 85
1906.....	67. 31	1911.....	58. 46
1907.....	68. 41	1912.....	62. 26
1908.....	71. 45	1913.....	67. 69

While in 1913 the New York, Susquehanna & Western Railroad interest charges averaged \$4,218 per mile of line, its operating revenue was but \$18,954 per mile of line. To its overcapitalization and the resulting burden as well as the traffic conditions before described can be ascribed the failure of the New York, Susquehanna & Western Railroad to earn satisfactory net income.

NEW YORK, ONTARIO & WESTERN RAILWAY COMPANY.

This carrier extended its lines into the Wyoming region in 1892. It purchased the stocks of its two coal companies (Scranton Coal Company and Elk Hill Coal & Iron Company) and loaned the companies approximately \$9,875,000 to purchase the coal lands from which it aimed to secure its anthracite coal traffic. As stated by the carrier in its brief:

The properties of these two coal companies are situated in what is known as the Lackawanna end of the Wyoming region, which the expert, Norris, testified was "on the down grade" in the matter of production. This, then, was the region which the New York, Ontario & Western entered a little more than 20 years ago and about 15 years ago purchased properties then unappropriated by other interests.

For the year ended June 30, 1913, the Ontario & Western's operating revenue per mile of road was \$16,715, the lowest of any of the anthracite carriers, and its interest charges were \$2,127 per mile of road. Its operating ratio was 68.56 per cent for 1910, 70.26 per cent for 1911, 76.32 per cent for 1912, and 68.74 per cent for 1913. This carrier operates one of the circuitous routes to tidewater, yet in

35 I. C. C.

1906, immediately after the passage of the Hepburn act, its operating officials recognized the fact that its coal companies could not pay the established tariff rates on anthracite coal to tidewater, and they proposed to file tariffs effecting a reduction of those rates by 15 cents a ton. Although the Ontario & Western had printed in tariff form the reduced basis of rates, yet it yielded to the persuasion of the other carriers and did not put in effect the lower basis of rates. The evidence clearly shows that prior to 1906 this carrier transported the coal shipped by its coal companies at less than tariff rates, and subsequent to August, 1906, although the tariff rates were charged, the coal companies stopped paying interest on their second mortgage bonds owned by the carrier. The source of income to the Ontario & Western is indicated in the following figures, which are for the year ended June 30, 1913:

Income from—	Amount.	Ratio to total income.
		<i>Per cent.</i>
Local freight revenue.....	\$1,177,623	12.5
Through freight revenue.....	833,812	8.8
Milk freight revenue.....	802,895	8.5
Anthracite coal freight revenue.....	4,651,871	49.2
Passenger service train revenue.....	1,689,674	17.9
Miscellaneous income.....	298,474	3.1
Total.....	9,454,349	100.0

The small volume of its local traffic and the limitations as to the tonnage of the anthracite coal traffic which this carrier can command preclude the possibility of its income ever mounting to the high standard of earnings which result to its more fortunately situated competitors that reach New York harbor.

The evidence shows that \$33,000,000 of the \$58,000,000 stock which this carrier has outstanding represents the issue of securities in excess of the cost of its property, so that the 2 per cent annual dividends paid for the past 10 years are not indicative of earnings on investment.

POSITION OF THE CARRIERS.

The carriers in the present proceeding have submitted that their several lines of railway, with the exception of the Erie and Pennsylvania, were constructed primarily to transport anthracite traffic, and of these two excepted roads important parts were constructed with the same object. Anthracite coal has always remained the principal single element of freight revenue on all the lines so constructed and upon the Erie also. To a large extent other forms of traffic are mere incidents whose value depends upon the fact that they are additional traffic upon railroads already built for different purposes.

In other words, these other forms of traffic are, to a considerable extent, a by-product.

Counsel for the carriers has frankly admitted that the cost of transporting anthracite coal is so low that the revenues resulting from the anthracite coal rates are sufficient not only to pay the costs chargeable to the anthracite traffic, but to take care of the general costs which other traffic can not take care of because of lower rates assessed for the transportation of other traffic; but counsel stated that the actual cost of transporting anthracite, when it could be ascertained, would be higher than the cost computed by the Commission's examiners. In order that the position of the carriers may be clearly understood we quote from counsel's statement, as follows:

At the outset I want to say this, that when cost accounting shall reach a point where it can be scientifically ascertained as to what is the cost of handling a particular article of freight traffic my judgment is that it will be found as to practically all these railroad companies, if not all of them, that the present revenues on anthracite are remunerative revenues, that the particular cost of anthracite is relatively so low that these revenues are sufficient not only to pay the considerable operating cost of anthracite, but to take care of the general costs, both operating and capital costs, which other traffic can not take care of because the rates are necessarily lower on account of commercial conditions.

I do not dispute that, and for this reason: Fully believing that was the case, when I took charge of this case I expressed the opinion that we could not undertake to justify the rates on the ground of cost because I said it is true of these companies as well as of other companies that their heavy traffic which moves in large volume is, generally speaking, the traffic which enables them to pay the costs which highly competitive traffic can not pay; therefore I did not think we would get anywhere with that line of argument.

The carriers have stated upon their briefs that "in the end this study of cost accounting reaches the inevitable condition of the railroad business of the United States, that railroad rates must be made with regard to what the traffic can afford to bear."

The experience of shippers and carriers in the past resulted in the enactment of the act to regulate commerce, and the law limits such principles of rate making, at least to the extent that the rates on the low-grade commodities must be just and reasonable to all shippers and not discriminatory. The transportation of this low-grade commodity, anthracite coal, has been termed by these carriers "their backbone traffic." They are engaged in producing and selling, as well as transporting it. We can not overlook the fact that some force has brought the production and sale of most of the tonnage of this commodity under their control. If they established excessive rates on anthracite they became the beneficiaries of conditions which were prejudicial to the business of the individual operator or shipper. The power to fix freight rates on this commodity was the opportunity to confiscate property if the carrier so willed.

35 I. C. C.

It is established in the record that these carriers for many years have found it necessary or expedient to extend, to the coal companies which they own and control, concessions from, and offsets against, their tariff rates on anthracite coal. When by such conduct these carriers have admitted that their tariff rates are excessive exactions on the greater portion of the anthracite tonnage shipped, can we regard their rates as reasonable for the smaller shippers who are not recipients of such concessions or offsets and to whom the tariff rate is a real factor in the distribution of the coal production to the consumer? A number of these coal companies in whose stocks the carriers have invested large sums of money have never paid to the carriers dividends on their stocks. Would these carriers year after year allow their capital to be tied up in that manner if they were receiving no income on such investments? Manifestly the return on such investment accrues to the carrier in extra profits from the freight rates charged on the tonnage shipped by the coal company. But the individual operator or shipper who must compete with the coal company so financed by the carrier obtains none of the profits that are in the freight rates, and freight rates established to produce such extra elements of profits in addition to legitimate transportation costs and profits are fatal to the successful conduct of the business of the individual operator or shipper. If freight rates have not absorbed more than their fair share of the profits of the coal business, why do these carriers guarantee the bonds of their controlled coal companies and why do deficits result from the operations of so many of the controlled coal companies?

In this case, as in the *Five Per Cent case*, the carriers have submitted evidence to show that the rate of return in income on their property investment is declining, that their operating expenses are increasing because of increases in wages, taxes, and prices of materials and supplies, that the return upon new capital invested in their properties during recent years has been inadequate, and that they must in the near future make extraordinary expenditures for the elimination of grade crossings.

Our railroad properties should be kept in a high state of efficiency, and freight rates should be sufficiently remunerative to permit it. Necessary improvements should be made to the properties. The carriers respondents in this case command a traffic of exceptional volume and density, and all these results can be accomplished by them without imposing excessive and unreasonable rates.

Much has been asserted by the carriers as to the uncertainties of their financial outlook, and yet these carriers appear to have financial resources which enable them to provide not only for their transportation requirements, but to make large investments in other properties and to assist their controlled coal companies to obtain capital.

35 I. C. C.

Since 1908 the Delaware & Hudson Company has invested \$15,000,000 in the securities of electric railways and \$6,000,000 in anthracite coal lands. We have heretofore referred to the Erie's bond issue of \$32,000,000 in 1901, representing its investment in the Pennsylvania Coal Company, and the bond issue of the Lehigh Valley Railroad in 1905, representing its investment of \$17,000,000 in the property of Coxe Brothers & Company. . We have also referred to the fact that several of these carriers are guarantors of the bonds of the Temple Iron Company. The Central Railroad Company of New Jersey is guarantor of \$16,000,000 bonds issued by the Lehigh & Wilkes-Barre Coal Company, and the Lehigh Valley Railroad Company is guarantor of \$11,500,000 bonds issued by the Lehigh Valley Coal Company. Giving consideration to these matters and to the investments made by these carriers in the stocks and bonds of the coal companies and the unsecured loans and advances they have extended to the coal companies, it is apparent that the capital borrowed by these carriers is not only the capital required for their transportation needs, but also the capital required to mine and market 80 per cent of the 70,000,000 tons of anthracite coal produced annually.

CONCLUSIONS.

The importance of this case can not easily be overstated. The record is so extensive as to forbid a review in detail of the character of much of the evidence introduced. After a careful review of the record we are impressed with the inherent unlawfulness of the rates and practices established by these carriers, which clearly are the outgrowth of past conditions wherein the carriers were producers, shippers, transporters, and vendors of the commodity. If the rates they established for transportation were excessive, it resulted in no hardship to their mining and selling operations because the excessive profits from the transportation services offset the absence of profits in their mining and selling operations, and high rates eliminated the competing shipper from the markets.

If the record in this case were barren of evidence as to income, revenues, and low operating costs resulting from the transportation of this commodity, the mandatory language of the act to regulate commerce would require removal of the unlawful discriminations, preferences, and advantages which have for many years been extended by these carriers to their allied and controlled coal companies and which operate to the prejudice of the individual shippers of this commodity. The conduct of these carriers, extending over a long period of years, in granting to their allied coal companies concessions from, and offsets against, their established tariff rates,

35 I. C. C.

presents very strong evidence that the rates on anthracite coal, which these carriers established, are excessive. Their coal companies ship 80 per cent of the total production, and if a substantial reduction is made in the tariff rates its full effect will fall upon but 20 per cent of the tonnage shipped. If the great purpose of the act to regulate commerce is to be carried out, we must require that such tariff rates on this commodity shall be established as can be maintained on the shipments of all shippers.

The operations of several of these carriers have for many years produced a very large income for their stockholders. Having these results before us in the *Five Per Cent case*, 31 I. C. C., 351, 384, we held:

The financial condition of the various railroads composing the 35 systems varies greatly, as disclosed by their net corporate income as well as by their net operating income. The condition of some of them is so prosperous that they clearly do not need a higher net income; the condition of others is such as to preclude the expectation of a return upon outstanding capital stock or the possibility of raising much additional capital without a thorough reorganization.

Upon consideration of all the facts and circumstances disclosed by the record we are of the opinion and find that the respondent carriers' rates per ton of 2,240 pounds on anthracite coal in carloads from the Wyoming, Lehigh, and Schuylkill regions in the state of Pennsylvania to the following-named points, to wit:

	Prepared sizes.	Sizes smaller than prepared sizes.
Rates established by The Delaware, Lackawanna & Western Railroad Company, applicable from all points named on page one (title-page) in The Delaware, Lackawanna & Western Railroad Company's tariff I. C. C. number 8088, to—		
Hoboken City, N. J.....	\$1.60	\$1.45
Paterson, N. J.....	1.60	1.45
Newark, N. J.....	1.60	1.45
Boonton, N. J.....	1.60	1.45
Washington, N. J.....	1.60	1.45
Binghamton, N. Y.....	1.65	1.50
Waverly, N. Y.-Pa.....	1.65	1.50
Elmira, N. Y.....	1.65	1.50
Corning, N. Y.....	1.90	1.65
Bath, N. Y.....	2.00	1.75
Dansville, N. Y.....	2.00	1.75
East Bethany, N. Y.....	2.00	1.75
East Lancaster, N. Y.....	2.00	1.75
Syracuse, N. Y.....	1.90	1.65
Utica, N. Y.....	2.00	1.75
Rates established by the Lehigh Valley Railroad Company, applicable from all collieries, washeries, and points named on the second page in the Lehigh Valley Railroad Company's tariff I. C. C. number D-701, to—		
Jersey City, N. J.....	1.60	1.45
Newark, N. J.....	1.60	1.40
Bound Brook, N. J.....	1.55	1.40
Phillipsburg, N. J.—		
From Wyoming region.....	1.45	1.15
From Lehigh and Schuylkill regions.....	1.30	1.00
Waverly, N. Y.....	1.65	1.50
Van Etten, N. Y.....	1.65	1.50
Ithaca, N. Y.....	1.65	1.50
Burdett, N. Y.....	1.65	1.50
Hayt's Corners, N. Y.....	1.90	1.65
Kendaia, N. Y.....	1.90	1.65
Geneva, N. Y.....	1.90	1.65
Caledonia, N. Y.....	1.90	1.65
Depew, N. Y.....	2.00	1.75
Rochester, N. Y.....	1.90	1.65

35 I. C. C.

	Prepared sizes.	Sizes smaller than prepared sizes.
Rates established by the Erie Railroad Company, applicable from all collieries, washeries, and points on the Erie Railroad specified on page 3 in the Erie Railroad Company's tariff I. C. C. number D-619, to—		
Jersey City, N. J.....	\$1.60	\$1.45
Paterson, N. J.....	1.60	1.45
Newark, N. J.....	1.60	1.45
Middletown, N. Y.....	1.60	1.45
Port Jervis, N. Y.....	1.60	1.45
Binghamton, N. Y.....	1.65	1.50
Waverly, N. Y.....	1.65	1.50
Elmira, N. Y.....	1.65	1.50
Corning, N. Y.....	1.90	1.65
Hornell, N. Y.....	2.00	1.75
Castile, N. Y.....	2.00	1.75
Attica, N. Y.....	2.00	1.75
Depew, N. Y.....	2.00	1.75
Rochester, N. Y.....	2.00	1.75
Rates established by The Central Railroad Company of New Jersey, applicable from all collieries, washeries, and points named on page 2 in The Central Railroad Company of New Jersey tariff I. C. C. A number 284, to—		
Jersey City, N. J.....	1.60	1.45
Newark, N. J.....	1.60	1.40
Elizabeth, N. J.....	1.55	1.40
Somerville, N. J.....	1.55	1.40
Phillipsburg, N. J.—		
From Wyoming region.....	1.45	1.15
From Lehigh region.....	1.30	1.00
Rates established by The Delaware and Hudson Company, applicable from all points and stations specified on page 2 in The Delaware and Hudson Company's tariff I. C. C. number 11170, to—		
Windsor, N. Y.....	1.65	1.40
Nineveh, N. Y.....	1.65	1.40
Sidney, N. Y.....	1.65	1.45
Well's Bridge, N. Y.....	1.65	1.45
Otego, N. Y.....	1.65	1.45
Oneonta, N. Y.....	1.75	1.50
Colliers, N. Y.....	1.75	1.50
Schenevus, N. Y.....	1.75	1.50
Worcester, N. Y.....	1.75	1.50
Cobleskill, N. Y.....	1.75	1.50
Central Bridge, N. Y.....	1.85	1.60
Albany, N. Y.....	1.95	1.60
Troy, N. Y.....	1.95	1.60
Mechanicville, N. Y.....	1.95	1.60
Rates applicable on shipments consigned free on board vessels or for reshipment by water.		
Rates established by The Central Railroad Company of New Jersey, applicable from all collieries, washeries, and points named on page 2 in The Central Railroad Company of New Jersey tariff I. C. C. A number 332, to—		
Elizabethport Pier (Elizabethport), N. J.....	\$1.55	\$1.40
Port Johnston, N. J.....	1.55	1.40
Communipaw Pier (Jersey City), N. J.....	1.60	1.45
Port Liberty, N. J.....	1.60	1.45
Rates established by the Philadelphia & Reading Railway Company, applicable from all collieries, washeries, and points named in the Philadelphia & Reading Railway Company's tariff I. C. C. number A-518, to Port Reading, N. J.....		
	1.55	1.40
Rates established by the Lehigh Valley Railroad Company, applicable from all collieries, washeries, and points named on the second page in the Lehigh Valley Railroad Company's tariff I. C. C. number D-701, to Perth Amboy, N. J.....		
	1.55	1.40
Rates established by the Erie Railroad Company, applicable from all collieries, washeries, and points on the Erie Railroad specified on the second page in the Erie Railroad Company's tariff I. C. C. number D-662, to Weehawken, N. J.....		
	1.60	1.45
Joint rates established by the Erie Railroad Company and the New York, Susquehanna & Western Railroad Company, applicable from all collieries, washeries, and points on the Erie Railroad specified on the second page in the Erie Railroad Company's tariff I. C. C. number D-662, to Undercliff, N. J.....		
	1.60	1.45
Joint rates established by the Wilkes-Barre & Eastern Railroad Company and the New York, Susquehanna & Western Railroad Company, applicable from all collieries, washeries, and points on the Wilkes-Barre & Eastern Railroad specified in the Erie Railroad Company's tariff I. C. C. number D-662, to Undercliff, N. J.....		
	1.60	1.45
Rates established by The Delaware, Lackawanna & Western Railroad Company, applicable from all points named on page one (title-page) in The Delaware, Lackawanna & Western Railroad Company's tariff I. C. C. number 8088, to New York Lighterage Station, N. J.....		
	1.58	1.43
Rates established by the New York, Ontario & Western Railway Company, applicable from all points on the New York, Ontario & Western Railway specified on page 3 in the New York, Ontario & Western Railway Company's tariff I. C. C. number 5155, to Weehawken, N. J.....		
	1.60	1.45
Joint rates established by The Delaware and Hudson Company, the Erie Railroad Company, and the New York, Susquehanna & Western Railroad Company, from all collieries and washeries at points and stations on The Delaware and Hudson Company specified on the second page in the Erie Railroad Company's tariff I. C. C. number D-662, to Weehawken, N. J., and Undercliff, N. J.....		
	1.60	1.45

35 I. C. C.

	Prepared sizes.	Sizes smaller than prepared sizes.
<i>Rates applicable on shipments consigned free on board vessels or for reshipment by water—Continued.</i>		
Joint rates established by The Delaware and Hudson Company, and the New York, Ontario & Western Railway Company, from all collieries and washeries at points and stations on The Delaware and Hudson Company specified on the second page in The Delaware and Hudson Company's tariff I. C. C. number 12077, to Weehawken, N. J.	\$1.60	\$1.45
Joint rates established by The Delaware and Hudson Company, The Delaware, Lackawanna & Western Railroad Company, The Pennsylvania Railroad Company, and The Northern Central Railway Company, from all collieries, washeries, and points on The Delaware and Hudson Company and The Delaware, Lackawanna & Western Railroad specified on page 2 in The Pennsylvania Railroad Company's tariff AA-I. C. C. number 551, to South Amboy, N. J.	1.55	1.40

are, and for the future will be, excessive and unreasonable in and to the extent that they exceed the rates per ton of 2,240 pounds on anthracite coal in carloads named in the following tables, to wit:

	Prepared sizes.	Pea size and smaller sizes.
<i>Rates for transportation by The Delaware, Lackawanna & Western Railroad Company from all points named on page one (title-page) in The Delaware, Lackawanna & Western Railroad Company's tariff I. C. C. number 8088, to—</i>		
Hoboken City, N. J.	\$1.45	\$1.35
Paterson, N. J.	1.35	1.22
Newark, N. J.	1.40	1.30
Boonton, N. J.	1.20	1.09
Washington, N. J.	.95	.86
Binghamton, N. Y.	.90	.82
Waverly, N. Y.—Pa.	1.15	1.05
Elmira, N. Y.	1.25	1.14
Corning, N. Y.	1.35	1.17
Bath, N. Y.	1.45	1.27
Dansville, N. Y.	1.60	1.40
East Bethany, N. Y.	1.75	1.53
East Lancaster, N. Y.	1.90	1.66
Syracuse, N. Y.	1.40	1.22
Utica, N. Y.	1.50	1.31
<i>Rates for transportation by the Lehigh Valley Railroad Company from all collieries, washeries, and points named on the second page in the Lehigh Valley Railroad Company's tariff I. C. C. number D-701, to—</i>		
Jersey City, N. J.	1.45	1.35
Newark, N. J.	1.40	1.30
Bound Brook, N. J.	1.25	1.13
Phillipsburg, N. J.—		
From Wyoming region.	.95	.75
From Lehigh and Schuylkill regions.	.85	.68
Waverly, N. Y.	1.15	1.05
Van Etten, N. Y.	1.30	1.18
Ithaca, N. Y.	1.45	1.32
Burdett, N. Y.	1.45	1.32
Hayt's Corners, N. Y.	1.55	1.35
Kendaia, N. Y.	1.55	1.35
Geneva, N. Y.	1.60	1.30
Caledonia, N. Y.	1.80	1.56
Depew, N. Y.	1.95	1.71
Rochester, N. Y.	1.85	1.61
<i>Rates for transportation by the Erie Railroad Company from all collieries, washeries, and points on the Erie Railroad specified on page 3 in the Erie Railroad Company's tariff I. C. C. number D-619, to—</i>		
Jersey City, N. J.	1.45	1.35
Paterson, N. J.	1.35	1.22
Newark, N. J.	1.40	1.30
Middletown, N. Y.	1.05	.95
Port Jervis, N. Y.	.90	.82
Binghamton, N. Y.	.90	.82
Waverly, N. Y.	1.15	1.05
Elmira, N. Y.	1.25	1.14
Corning, N. Y.	1.35	1.17
Hornell, N. Y.	1.60	1.40
Castile, N. Y.	1.75	1.53
Attica, N. Y.	1.85	1.62
Depew, N. Y.	1.95	1.71
Rochester, N. Y.	1.85	1.61

	Prepared sizes.	Pea size and smaller size.
Rates for transportation by The Central Railroad Company of New Jersey from all collieries, washeries, and points named on page 2 in The Central Railroad Company of New Jersey tariff I. C. C. A number 284, to—		
Jersey City, N. J.	\$1.45	\$1.35
Newark, N. J.	1.40	1.30
Elizabeth, N. J.	1.40	1.30
Somerville, N. J.	1.20	1.09
Phillipsburg, N. J.—		
From Wyoming region.....	.95	.75
From Lehigh region.....	.85	.68
Rates for transportation by The Delaware and Hudson Company from all points and stations specified on page 2 in The Delaware and Hudson Company's tariff I. C. C. number 11170, to—		
Windsor, N. Y. ....	.85	.72
Nineveh, N. Y. ....	.90	.76
Sidney, N. Y.	1.00	.88
Well's Bridge, N. Y.	1.10	.97
Otego, N. Y.	1.10	.97
Oneonta, N. Y.	1.20	1.03
Colliers, N. Y.	1.20	1.03
Schenevus, N. Y.	1.25	1.07
Worcester, N. Y.	1.25	1.07
Cobleskill, N. Y.	1.35	1.16
Central Bridge, N. Y.	1.45	1.25
Albany, N. Y.	1.60	1.31
Troy, N. Y.	1.60	1.31
Mechanicville, N. Y.	1.60	1.31
<i>Rates applicable on shipments consigned free on board vessels or for reshipment by water.</i>		
Rates for transportation by The Central Railroad Company of New Jersey from all collieries, washeries, and points named on page 2 in The Central Railroad Company of New Jersey tariff I. C. C. A number 332, to—		
Elizabethport Pier (Elizabethport), N. J.	1.40	1.30
Port Johnston, N. J.	1.40	1.30
Communipaw Pier (Jersey City), N. J.	1.45	1.35
Port Liberty, N. J.	1.45	1.35
Rates for transportation by the Philadelphia & Reading Railway Company from all collieries, washeries, and points named in the Philadelphia & Reading Railway Company's tariff I. C. C. number A-518, to Port Reading, N. J.		
	1.40	1.30
Rates for transportation by the Lehigh Valley Railroad Company from all collieries, washeries, and points named on the second page in the Lehigh Valley Railroad Company's tariff I. C. C. number D-701, to Perth Amboy, N. J.		
	1.40	1.30
Rates for transportation by the Erie Railroad Company from all collieries, washeries, and points on the Erie Railroad specified on the second page in the Erie Railroad Company's tariff I. C. C. number D-662, to Weehawken, N. J.		
	1.45	1.35
Joint rates for transportation by the Erie Railroad Company and the New York, Susquehanna & Western Railroad Company from all collieries, washeries, and points on the Erie Railroad specified on the second page in the Erie Railroad Company's tariff I. C. C. number D-662, to Undercliff, N. J.		
	1.45	1.35
Joint rates for transportation by the Wilkes-Barre & Eastern Railroad Company and the New York, Susquehanna & Western Railroad Company from all collieries, washeries, and points on the Wilkes-Barre & Eastern Railroad specified in the Erie Railroad Company's tariff I. C. C. number D-662, to Undercliff, N. J.		
	1.45	1.35
Rates for transportation by The Delaware, Lackawanna & Western Railroad Company from all points named on page one (title-page) in The Delaware, Lackawanna & Western Railroad Company's tariff I. C. C. number 8088, to New York Lighterage Station, N. J.		
	1.45	1.35
Rates for transportation by the New York, Ontario & Western Railway Company from all points on the New York, Ontario & Western Railway specified on page 3 in the New York, Ontario & Western Railway Company's tariff I. C. C. number 5155, to Weehawken, N. J.		
	1.45	1.35
Joint rates for transportation by The Delaware and Hudson Company, the Erie Railroad Company, and the New York, Susquehanna & Western Railroad Company, from all collieries and washeries at points and stations on The Delaware and Hudson Company specified on the second page in the Erie Railroad Company's tariff I. C. C. number D-662, to Weehawken, N. J., and Undercliff, N. J.		
	1.45	1.35
Joint rates for transportation by The Delaware and Hudson Company and the New York, Ontario & Western Railway Company, from all collieries and washeries at points and stations on The Delaware and Hudson Company specified on the second page in The Delaware and Hudson Company's tariff I. C. C. number 12077, to Weehawken, N. J.		
	1.45	1.35
Joint rates for transportation by The Delaware and Hudson Company, The Delaware, Lackawanna & Western Railroad Company, The Pennsylvania Railroad Company, and The Northern Central Railway Company, from all collieries, washeries, and points on The Delaware and Hudson Company and The Delaware, Lackawanna and Western Railroad specified on page 2 in The Pennsylvania Railroad Company's tariff A A-I. C. C. number 551, to South Amboy, N. J.		
	1.40	1.30

35 I. C. C.

An order will be issued in accordance with the conclusions herein expressed.

To all points intermediate or related to the points specified herein the carriers will be required to establish rates in harmony with those here prescribed, giving due consideration to distance.

Several of the respondent carriers have granted the exclusive use of some of their piers, docks, storage plants, retail delivery trestles, and other properties to their allied coal companies at inadequate rental charges and under conditions which constitute substantial discrimination in favor of such coal shippers. The exclusive right to operate certain of the carriers' public docks and piers has also been granted to such coal companies who in operating such properties gain information as to the shipments of their competitors, handled over the docks and piers, which section 15 of the Act to regulate commerce prohibits common carriers from giving to shippers and prohibits shippers from receiving from common carriers. It has often been held that it is the object of the Interstate Commerce Act and the Elkins Act to prevent favoritism by any means or device whatsoever and to place all shippers upon equal terms. *United States v. Union Stock Yards Co.*, 226 U. S., 286; *Southern Pacific Terminal case*, 219 U.S., 498; *Tap Line cases*, 234 U. S., 1, 28; *Phillips v. Grand Trunk Ry.* 236 U. S., 662. We assume the carriers will at once adjust these practices to remove the discrimination and conform with the requirements of the law.

The evidence shows that several of these carriers have in the past declined to establish joint rates for all shippers, while the coal production of their allied coal companies has been accorded an interline movement by means of trackage arrangements and the free transportation to junction points of the coal production exchanged by the coal companies controlled by the carriers. Such a practice is unlawful and is discriminatory in its worst sense, since the discrimination results to the benefit of the carriers. The carriers will be required to establish through routes and to publish joint rates, of which other shippers may avail, such as will neutralize any such undue benefit heretofore enjoyed by the coal operations of railroad ownership.

35 I. C. C.

HARLAN, *Commissioner*, dissenting:

In June, 1911, upon a voluminous record in *Meeker & Co. v. L. V. R. R. Co.*, 21 I. C. C., 129, affirmed in 236 U. S., 412, we condemned the rates on anthracite coal from the Wyoming coal fields of Pennsylvania to tidewater and fixed reasonable rates for the future. Under ordinary circumstances and in the absence of any showing of changed conditions there would be no objection to the acceptance at this time of that basis as a general standard for fixing rates to tidewater, and also as a foundation upon which to construct rates to interior points. But three years later in *The Five Per Cent case*, 31 I. C. C., 351, and upon an exhaustive showing of their financial condition by all the carriers operating in official classification territory, we found, because of the growing increase in operating costs, interest values, and for other reasons, that the carriers in that territory were in need of additional revenues. Upon that finding and in a subsequent supplemental report in the same proceedings, 32 I. C. C., 325, we authorized in that territory an increase by 5 per cent in the general level of rates on practically all traffic. The rates on anthracite coal were excepted, as expressly stated in the report, because those rates were under consideration on the record before us here. In dissenting to the supplemental report (*id.*, p. 332), I explained that I was unable to accept the principle that a horizontal increase in rates was lawful without some further test as to the reasonableness of the rates so constructed; and I expressed the view that by following the suggestions of the original report the carriers could procure the required revenue and at the same time would put their general rate structure on a sounder and more satisfactory basis and eliminate from it the inconsistencies and discriminations then admitted to exist, many of which, as illustrated by the record before us in this case, have not since been removed. Nevertheless, the Commission having authorized a general horizontal increase of 5 per cent with respect to practically all other traffic, it seems to me inconsistent, if not discriminatory, now to take the level of rates, prescribed three years previously in *Meeker & Co., v. L. V. R. R. Co.*, *supra*, as a basis for rates in the future on anthracite coal without taking into consideration the advances allowed in the general rate structure throughout this territory in *The Five Per Cent case*. In view of the course ultimately taken in that proceeding no commodity should be relieved from bearing its proportion of the increased revenues found to be required.

In my judgment the record before us here justifies a modification of many of the present rates, but for the future a rate structure on anthracite coal based upon the general standard of the *Meeker case*, surcharged, so far as that would result in a reasonable rate schedule, with the 5 per cent increase that has been imposed in *The Five Per Cent case* upon substantially all other traffic in official classification territory would seem to be a more consistent disposition of the case.

35 I. C. C.

APPENDIX.

The order of the Commission under date of June 10, 1912, reads in part as follows:

It appearing, That the rates, practices, rules, and regulations governing the transportation of anthracite coal have been the subject of formal and informal complaints to the Commission:

It is ordered, That an inquiry be, and the same hereby is, instituted by the Commission on its own motion into the rates, practices, rules, and regulations of common carriers governing the transportation of anthracite coal from producing fields to all points in the United States east of the Mississippi River and north of the Ohio and Potomac Rivers, known as official classification territory, including domestic and export rates and shipside or bunker coal rates to tidewater and lake ports.

It is further ordered, That said inquiry shall ascertain whether the coal is mined or produced by or under the authority of common carriers engaged in the transportation thereof, or whether common carriers own in whole or in part any mine or mines producing anthracite coal which they transport or whether common carriers are directly or indirectly interested in any mine or mines producing anthracite coal which they transport.

It is further ordered, That this proceeding and inquiry be conducted with a view to the issuance of an order or orders requiring such respondents to cease and desist from charging, demanding, collecting, or receiving rates and charges for and from enforcing their practices, rules, and regulations governing the transportation of anthracite coal from points of origin herein named to destinations herein referred to, in so far as the same may be found to be unlawful, and requiring such respondents to substitute and thereafter to put in force and effect such rates, rules, practices, and regulations relative to the transportation of anthracite coal as aforesaid as may be found just and reasonable, and not unjustly discriminatory, including such joint and proportional rates as in the opinion of the Commission should be established from points of origin to the various destinations referred to.

Eleven carriers, the initial anthracite carriers whose lines of railway extend into the producing regions and reach the collieries therein, were required to furnish special reports as to their anthracite coal transportation operations and appeared before the Commission at the hearings conducted in this case. The revenue earned by these 11 respondents from the transportation of anthracite coal amounted to \$96,516,183 for the year ended June 30, 1913.

The 11 anthracite carriers and the relative importance of their anthracite coal traffic and the relative proportion of their anthracite coal revenue and other operating revenues are indicated in the following:

Year ended June 30, 1913.	Net tons.	Ratio to total tonnage.	Revenue.	Ratio to total freight revenue.	Ratio to total operating revenue.
The Central R. R. Co. of New Jersey:		<i>Per cent.</i>		<i>Per cent.</i>	<i>Per cent.</i>
Anthracite coal.....	10,783,014	31.5	\$10,081,112	46.0	35.5
Other freight.....	23,425,308	68.5	11,822,333	54.0	41.6
Philadelphia & Reading Ry. Co.:					
Anthracite coal.....	14,403,303	24.4	13,359,972	32.6	28.4
Other freight.....	44,599,706	75.6	27,673,492	67.4	54.8
The Delaware, Lackawanna & Western R. R. Co.:					
Anthracite coal.....	10,403,262	41.9	14,737,580	49.8	36.4
Other freight.....	14,429,926	58.1	14,880,858	50.2	36.7
The Delaware & Hudson Co.:					
Anthracite coal.....	9,160,915	44.8	9,842,087	49.0	41.0
Other freight.....	10,282,335	55.2	10,262,260	51.0	42.8
Lehigh Valley R. R. Co.:					
Anthracite coal.....	14,732,949	45.5	18,556,161	50.5	43.1
Other freight.....	17,634,847	54.5	18,168,977	49.5	42.2
The Pennsylvania R. R. Co.:					
Anthracite coal.....	11,019,787	7.7	8,551,317	6.4	4.7
Other freight.....	131,545,444	92.3	124,501,216	93.6	68.5
The Northern Central Ry. Co.:					
Anthracite coal.....	6,183,035	26.0	2,346,429	23.5	17.6
Other freight.....	17,614,890	74.0	7,618,890	76.5	57.1
Erie Railroad Co.:					
Anthracite coal.....	10,135,940	25.3	12,848,977	32.0	23.8
Other freight.....	29,891,046	74.7	27,271,624	68.0	50.5

Year ending June 30, 1913.	Net tons.	Ratio to total tonnage.	Revenue.	Ratio to total freight revenue.	Ratio to total operating revenue.
New York, Susquehanna & Western R. R. Co.:		<i>Per cent.</i>		<i>Per cent.</i>	<i>Per cent.</i>
Anthracite coal.....	3,488,719	64.7	\$976,931	48.6	33.4
Other freight.....	1,899,649	35.3	1,031,718	51.4	35.2
Wilkes-Barre & Eastern R. R. Co.:					
Anthracite coal.....	1,306,662	80.9	563,746	85.9	85.0
Other freight.....	308,138	19.1	92,503	14.1	14.0
New York, Ontario & Western Ry. Co.:					
Anthracite coal.....	4,501,295	70.2	4,651,871	63.6	49.2
Other freight.....	1,908,522	29.8	2,659,256	36.4	28.1

The Reading Company, a holding company, owns the entire capital stock of the Philadelphia & Reading Railway Company and a majority of the capital stock of the Central Railroad Company of New Jersey.

The Erie Railroad Company owns the entire capital stock of the New York, Susquehanna & Western Railroad Company, and the New York, Susquehanna & Western Railroad Company owns the entire capital stock of the Wilkes-Barre & Eastern Railroad Company, so that these may be regarded as Erie lines.

The Pennsylvania Railroad Company owns a majority of the stock of the Northern Central Railway Company, and practically controls its operations.

For the purpose of this investigation, the Commission, by its order under date of December 23, 1912, required the 11 initial anthracite coal carrying railroad companies to render exhaustive reports in great detail as to their operations. The coal companies engaged in mining and selling anthracite coal, whose capital stocks are to a large extent owned by the initial anthracite carriers, have also submitted, at the Commission's request, reports as to their financial condition and operating results.

The Commission's examiners made an extensive examination of the accounts and records of the initial anthracite carriers, in the carriers' offices, and the results of their examinations were submitted in evidence during the hearings.

Transportation expenses arising from the transportation of anthracite coal over the railway lines of the Central Railroad Company of New Jersey from the mines to tidewater (Morgan Exhibit No. 41) were compiled by the Commission's examiners. Terminal handling costs arising from the transportation of anthracite coal on the Port Reading Railroad (Morgan Exhibit No. 15), and part of the transportation costs arising from the transportation of anthracite coal from mines to tidewater on the Delaware, Lackawanna & Western Railroad (Morgan Exhibit No. 42) were compiled by the Commission's examiners and are part of the record in this case.

THE ANTHRACITE PRODUCING REGION.

The extent and geographical location of the anthracite coal fields of the United States are described in the Government publications, as follows:

There is probably no other commodity entering into human consumption which possesses so much the character of a natural monopoly as the anthracite coal of Pennsylvania. The only other known deposits of anthracite coal of economic value in the United States are in Colorado and New Mexico, but these are all comparatively insignificant, yielding less than 100,000 tons annually. Practically, therefore, the entire source of supply of this fuel is confined to an area of 496 square miles, in nine counties in the state of Pennsylvania. Of these nine counties, five—i. e., Lackawanna, Luzerne, Schuylkill, Northumberland, and Carbon—produce 96 per cent of the total output. The four less important producing counties are Susquehanna, Dauphin, Columbia, and Sullivan. (Bulletin 46, May, 1903, Department of Labor, Report of Anthracite Coal Strike Commission, p. 443.)

The coal areas of the United States are divided, for the sake of convenience, into two great divisions—anthracite and bituminous. The areas in which anthracite is produced are confined almost exclusively to the eastern part of Pennsylvania, and as a usual thing, when the anthracite fields of the United States are referred to, those of eastern Pennsylvania are considered. This region is included in the counties of Susquehanna, Lackawanna, Luzerne, Carbon, Schuylkill, Columbia, Northumberland, Dauphin, and Sullivan, and underlies an area of about 484 square miles. In addition to these well-known anthracite fields of Pennsylvania there are two small areas in the Rocky Mountain region where the coal has been locally anthracited, although the production from these districts has never amounted to as much as 100,000

tons in any one year. One of these localities is in Gunnison county, Colo., and the other in Santa Fe county, N. Mex. The coal, although only locally metamorphosed, is a true anthracite and of good quality. In previous years some coal which was classed as anthracite was mined and sold in New England. The productive area was confined to the eastern part of Rhode Island, and the counties of Bristol and Plymouth, in Massachusetts. This product, however, is in reality a graphitic and not an anthracite coal, and is no longer mined for fuel purposes. The production in the last few years has been included with the graphite production. (Mineral Resources of the United States, 1902, United States Geological Survey, p. 291.)

The anthracite coal-producing fields are divided into three trade regions. These regions, with their local districts and the coal fields or basins, are indicated in the following table:

Coal field or basin.	Local district.	Trade region.			
Northern.....	Carbondale..... Scranton..... Pittston..... Wilkes-Barre..... Plymouth..... Kingston.....	Wyoming.			
Eastern middle.....	Green Mountain..... Black Creek..... Hazleton..... Beaver Meadow..... Panther Creek.....		Lehigh.		
Southern.....	East Schuylkill..... Western Schuylkill..... Lorberry..... Lykens Valley.....			Schuylkill.	
Western middle.....	East Mahanoy..... West Mahanoy..... Shamokin.....				Do.

The tonnage (gross tons) of anthracite coal shipped from the three regions is shown in the following table:

Year.	Schuylkill region.		Lehigh region.		Wyoming region.		Total quantity.
	Quantity.	Per cent.	Quantity.	Per cent.	Quantity.	Per cent.	
1820.....			365				365
1830.....	89,984	51.50	41,750	23.90	43,000	24.60	174,734
1840.....	490,596	56.75	225,313	26.07	148,470	17.18	864,379
1850.....	1,840,620	54.80	690,456	20.56	827,823	24.64	3,358,899
1860.....	3,749,632	44.04	1,821,674	21.40	2,941,817	34.56	8,513,123
1870.....	4,968,157	30.70	3,239,374	20.02	7,974,660	49.28	16,182,191
1880.....	7,554,742	32.23	4,463,221	19.05	11,419,279	48.72	23,437,242
1890.....	10,867,822	29.68	6,329,658	17.28	19,417,979	53.04	36,615,459
1900.....	13,502,732	29.94	6,918,627	15.33	24,686,125	54.73	45,107,484
1905.....	17,703,099	28.83	7,849,205	12.78	35,857,897	58.39	61,410,201
1906.....	16,011,285	28.75	7,046,617	12.65	32,640,693	58.60	55,698,595
1907.....	20,141,288	30.01	8,320,653	12.41	38,638,452	57.58	67,109,393
1908.....	18,006,464	27.85	7,786,255	12.04	38,872,295	60.11	64,665,014
1909.....	16,864,147	27.21	7,532,271	12.16	37,573,467	60.63	61,969,885
1910.....	17,845,020	27.49	8,627,539	13.29	38,433,227	59.22	64,905,786
1911.....	19,375,369	27.70	9,775,018	13.97	40,803,912	58.33	69,954,299
1912.....	18,013,406	28.32	8,571,861	13.47	37,025,311	58.21	63,610,578
1913.....	19,338,870	28.00	9,347,583	13.53	40,388,175	58.47	69,069,628

In addition to the tonnage shipped as shown in the table next preceding, the following tonnage of anthracite coal was shipped from washeries, in tons of 2,240 pounds. Figures are not available showing apportionment to regions:

Year.	Tons.	Year.	Tons.
1904.....	2,800,466	1909.....	3,694,470
1905.....	2,644,045	1910.....	3,296,318
1906.....	3,846,501	1911.....	3,171,678
1907.....	4,301,082	1912.....	3,155,150
1908.....	3,646,250	1913.....	2,090,170

In connection with these figures concerning production, the following statement relative to unmined anthracite coal and the possible exhaustion of the producing regions is of interest.

According to the estimates of the Pennsylvania geological survey, the amount of workable anthracite coal originally in the ground was 19,500,000,000 tons. The production to the close of 1901, as previously stated, amounted to 1,350,000,000 long tons, which would indicate that there remained still available a total of 18,150,000,000 tons. Unfortunately, however, for every ton of coal mined and marketed $\frac{1}{2}$ tons, approximately, are either wasted or left in the ground as pillars for the protection of the workings, so that the actual yield of the beds is only about 40 per cent of the contents. Upon this basis the exhaustion to date has amounted to 3,375,000,000 tons. Deducting this from the original deposits, the amount of anthracite remaining in the ground at the close of 1901 is found to be, approximately, 16,125,000,000. Upon the basis of 40 per cent recovery, this would yield 6,450,000,000 long tons. The total production in 1901 was 60,242,560 long tons. If this rate of production were to continue steadily, the fields would become exhausted in just about one hundred years. (Bulletin 46, May, 1903, Department of Labor, Report of Anthracite Coal Strike Commission, p. 447.)

The following figures indicate the markets and the destinations to which the anthracite coal was transported during the year ended June 30, 1912:

Transported to—	L. V. R. R.	Erie R. R.	N. Y., S. & W. R. R. and W. B. & E. R. R.	C. R. R. Co. of N. J.
Tidewater.....	1,797,737	544,135	1,201,993	2,836,748
New England gateways.....	720,211	360,634	.....	1,340,823
Western termini of trunk lines for beyond.....	1,356,023	1,059,789	.....	.....
Local points (excluding storage plants) ²	2,889,299	1,914,724	610,160	2,788,116
Great Lakes ports.....	837,569	678,968	.....	.....
Junction points to other than anthracite carriers.....	1,188,169	418,736	1,156	637,853
Total.....	8,789,008	4,976,986	2,623,309	7,603,540
To and from storage plants:				
Total dumped.....	1,693,534	207,735	284,289	211,003
Total lifted.....	2,002,183	343,894	280,370	441,182
Balance.....	-308,649	-136,159	3,919	-230,179
Other anthracite carriers.....	1,900,969	.....	.....	.....
Total tonnage.....	10,331,328	4,840,827	2,627,228	7,373,361

Transported to—	P. & R. Ry.	N. Y., O. & W. Ry.	D., L. & W. R. R.
Tidewater.....	1,884,594	1,449,927	2,086,149
New England gateways.....	279,975	521,317	2,225
Western termini of trunk lines for beyond.....	.....	135,870	1,449,915
Local points (excluding storage plants) ²	636,382	354,585	2,451,794
Great Lakes ports.....	274,230	293,536	1,476,899
Junction points to other than anthracite carriers.....	1,557,554	750,645	464,343
Total.....	4,632,735	3,505,880	7,931,325
To and from storage plants:			
Total dumped.....	.....	204,192	39,269
Total lifted.....	.....	248,218	13,259
Balance.....	.....	-44,026	26,010
Philadelphia & Reading system including port Richmond tide.....	5,498,241	.....	.....
Miscellaneous—State and interstate.....	1,093,969	.....	.....
Total tonnage.....	11,224,945	3,461,854	7,957,335

Total tonnage transported by above carriers..... 47,666,878
 Total tonnage transported by Pennsylvania R. R. Co..... 9,431,809
 Total tonnage transported by Delaware & Hudson Co..... 8,009,596

Total tonnage transported..... 65,158,283

¹ Includes Erie Railroad tonnage.

² Including coal for local consumption at Jersey City, Hoboken, Newark, Philadelphia, and all other points adjacent to tidewater as well as all other local points.

The total tonnage shipped differs from the total tonnage shown in other tables because of shipments to and from storage.

35 I. C. C.

The tonnage of anthracite coal shipped in each month of the past five years was as follows:

Month.	1909	1910	1911	1912	1913
January.....	5,183,345	5,306,618	5,904,117	5,763,696	6,336,419
February.....	4,576,004	5,031,784	5,070,948	5,875,968	5,674,169
March.....	6,332,474	5,174,166	5,996,894	6,569,687	4,909,288
April.....	5,891,176	6,224,396	5,804,915	266,625	5,966,189
May.....	5,063,873	5,679,061	6,317,352	1,429,357	5,995,742
June.....	4,904,858	5,398,123	6,215,357	6,191,646	5,970,047
July.....	4,020,765	4,202,059	4,804,065	6,285,153	5,487,852
August.....	4,198,273	4,996,044	5,531,796	6,576,591	5,369,900
September.....	4,116,120	4,967,516	5,730,935	5,876,496	5,572,279
October.....	5,579,759	5,622,095	6,269,179	6,665,321	6,388,194
November.....	6,027,800	6,071,746	6,193,314	6,165,536	5,786,931
December.....	5,775,438	6,231,578	6,115,427	5,944,502	5,662,618
Total.....	61,969,885	64,905,786	69,954,299	63,610,578	69,069,628

The following tables show the distribution, by sizes, of anthracite coal which was transported by the respondents during the year ended June 30, 1912, to points shown below:

	Prepared.	Pea.	Buckwheat.	Smaller than buckwheat.
Central R. R. Co. of N. J.:	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>
Tidewater.....	2,138,058	399,596	252,769	46,323
Philadelphia & Reading R. Co.:				
Tidewater (Port Reading).....	803,042	120,510	336,504	620,575
Chicago, Peoria, and St. Louis.....	266,003	859		78
Buffalo and west, excepting Chicago, Peoria, and St. Louis, and lake shipments.....	358,215	9,432	1,356	435
Buffalo lake.....	273,981	248		
Delaware, Lackawanna & Western R. R. Co.:				
Tidewater.....	528,496	137,690	311,108	1,108,853
Western termini of trunk lines for beyond—				
Chicago, Peoria, and St. Louis.....	275,876	6,836		
Other than Chicago, Peoria, and St. Louis.....	1,128,469	34,223	1,336	3,172
Great Lakes ports—				
On Lake Erie.....	1,173,828	53,412	24,550	
On Lake Ontario.....	222,818	2,289		
Lehigh Valley R. R. Co.:				
Tidewater.....	1,380,251	128,307	177,442	111,737
Western termini of trunk lines for beyond—				
Chicago, Peoria, and St. Louis.....	274,238	8,309	34	
Other than Chicago, Peoria, and St. Louis.....	1,036,375	32,437	589	4,041
Great Lakes ports—				
On Lake Erie.....	734,233	8,556	20,434	
On Lake Ontario.....	69,920	4,426		
Erie R. R. Co.:				
Tidewater.....	129,038	20,998	7,655	170,049
Hudson River ports.....	164,097	25,966	25,618	714
Western termini of trunk lines for beyond—				
Chicago, Peoria, and St. Louis.....	758,370	23,825		
Other than Chicago, Peoria, and St. Louis.....	267,167	9,988	411	28
Great Lakes ports:				
On Lake Erie.....	672,238	6,730		
The tonnage of the Wilkes-Barre & Eastern R. R. and the New York, Susquehanna & Western R. R. to tidewater was.....	984,773	161,588	136,919	728,713
New York, Ontario & Western R. Co.:				
Tidewater.....	600,682	172,634	166,906	170,658
Hudson River ports.....	204,173	30,504	17,771	78,596
Western termini of trunk lines for beyond—				
Chicago, Peoria, and St. Louis.....	22,544	1,353		
Other than Chicago, Peoria, and St. Louis.....	109,824	2,147		
Great Lakes ports—				
On Lake Ontario.....	286,006	6,471	38	1,019

The following table shows the origin and distribution, by sizes, of anthracite coal which was transported by the Pennsylvania Railroad Company and the Northern Central Railway Company to several important destinations during the 11 months, April 1, 1913, to March 1, 1914:

From—	To New York division, including Jersey City, local, and for beyond.		
	Prepared.	Pea.	Smaller.
Wyoming Region:	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>
Mines on P. R. R.	70,429	4,853	146,399
Mines on D. & H. Co.	107,273	9,085	16,182
Mines on D., L. & W. R. R.	14,246	456	1,641
Schuylkill Region:			
Shamokin district.	57,025	22,897	41,763
Lykens Valley district.	26,537	371	2,195
Pottsville district.	27,806	419	15,742
Mines on P. & R. Ry. via Philadelphia.		12,808	
Lehigh Region.	68,431	18,374	14,647
From—	To South Amboy for transshipment.		
	Prepared.	Pea.	Smaller.
Wyoming Region:	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>
Mines on P. R. R.	232,849	19,273	98,087
Mines on D. & H. Co.	4,154	455	2,653
Mines on D. L. & W. R. R.			347
Schuylkill Region:			
Shamokin district.	268,855	5,933	49,987
Lykens Valley district.	98,290	1,696	
Pottsville district.	180,174	14,773	42,740
Lehigh Region.	504	162	194
From—	To Baltimore (track).		
	Prepared.	Pea.	Smaller.
Wyoming Region:	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>
Mines on P. R. R.	56,799	10,529	28
Mines on D. & H. Co.	33,836	6,834	74
Mines on D. L. & W. R. R.	6,169	3,653	35
Schuylkill Region:			
Shamokin district.	12,153	1,145	66
Lykens Valley district.	32,946	326	
Pottsville district.	14,348	1,838	
Mines on P. & R. Ry. via Philadelphia.	83		
Mines on P. & R. Ry. via Thurlow.	89,537	6,664	1,770
Lehigh Region.	25,368	225	48
From—	To Baltimore (Boston street pier) for transshipment.		
	Prepared.	Pea.	Smaller.
Wyoming Region:	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>
Mines on P. R. R.	60,402	1,159	
Mines on D. & H. Co.	51,869	227	
Mines on D. L. & W. R. R.	1,989	162	
Schuylkill Region:			
Shamokin district.	12,193	41	
Lykens Valley district.	6,603		
Pottsville district.	18,499	162	
Lehigh Region.	4,553		

35 I. C. C.

From—	To Buffalo, N. Y.		
	Prepared.	Pea.	Smaller.
Wyoming Region:	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>
Mines on P. R. R.....	63,307	4,140	780
Mines on D. & H. Co.....	50,919	1,950	29
Mines on D. L. & W. R. R.....	2,549	119	29
Schuylkill Region:			
Shamokin district.....	64,830	2,229	165
Lykens Valley district.....	304		
Pottsville district.....	4,785		36
Lehigh Region.....	214		33

The anthracite coal deposits are situated in a mountainous region of Pennsylvania, where heavy grades are encountered in supplying the collieries with empty cars and transporting the coal from the collieries. To market anthracite coal requires a haul of approximately but 125 to 200 miles to reach New York harbor, 410 miles to reach Boston, and the most densely populated section of the New England states, 110 miles to reach Philadelphia and its populous surrounding district, 190 miles to reach Baltimore, 300 miles to reach Buffalo and Rochester and their lake lines of transportation, and 290 miles to reach Pittsburgh and its large industrial district.

Cars are loaded directly from the breakers by passing the coal through chutes. The loaded cars are then hauled by drill engines from the mine sidings and lateral branches of the railway to assembly or concentration points and to classification yards, where they are assembled into trains for the road movement. The principal assembly or concentration points are as follows:

On the Central Railroad of New Jersey: Ashley, Hauto, Nesquehoning, and Mauch Chunk.

On the Delaware, Lackawanna & Western R. R.: Hampton (Scranton), Taylor, Cayuga, and Nay Aug Yards.

On the Philadelphia & Reading Railway: Shamokin, St. Clair, Mahanoy Plane, Tamaqua, and Cressona.

On the Delaware & Hudson Company: Carbondale is the principal concentration point, but drill engines also assemble coal at yards located at Olyphant, Green Ridge, South Scranton, Yatesville, Hudson, Plymouth, Minooka, and Buttonwood Yards.

On the Erie Railroad: Forest City, Dunmore, Jessup Junction, Avoca, and West Hawley.

On the Wilkes-Barre & Eastern Railroad: Hillside Junction and Suscon.

On the Lehigh Valley Railroad: Coxton and Port Bowkley in the Wyoming district, and at Delano, Boston Siding, Hazleton Yard, Beaver Brook Siding, Beaver Meadow Siding, Ebervale Siding, and North Ashmore in the Mahanoy and Hazleton districts.

On the New York, Ontario & Western Railway: Mayfield Yard and Forest City.

On the Pennsylvania Railroad: Honey Pot Scales in the Wyoming district, Mount Carbon in the Pottsville district, and Northumberland in the Schuylkill district.

On the Northern Central Railway: Weigh scales near Shamokin and Lykens.

35 I. C. C.

Statement showing interlocking directors of the 11 initial anthracite carriers.

AS OF JUNE 30, 1913.

<p>George F. Baer: C. R. R. Co. of N. J. L. V. R. R. Co.</p> <p>George F. Baker: C. R. R. Co. of N. J. P. & R. Ry. Co. D., L. & W. R. R. Co. L. V. R. R. Co. Erie R. R. Co. N. Y., S. & W. R. R. Co.</p> <p>Thomas De Witt Cuyler: P. R. R. Co. N. Y., O. & W. Ry. Co.</p> <p>Harris C. Fahnestock: C. R. R. Co. of N. J. D., L. & W. R. R. Co.</p> <p>Henry C. Frick: P. & R. Ry. Co. P. R. R. Co.</p> <p>Leonor F. Loree: D. & H. Co. Erie R. R. Co. N. Y., O. & W. Ry. Co.</p>	<p>Robert S. Lovett: D. & H. Co. Erie R. R. Co. N. Y., S. & W. R. R. Co.</p> <p>William H. Moore: D., L. & W. R. R. Co. L. V. R. R. Co.</p> <p>Charles A. Peabody: D. & H. Co. Erie R. R. Co.</p> <p>William Rockefeller: D., L. & W. R. R. Co. N. Y., O. & W. Ry. Co.</p> <p>Charles Steele: C. R. R. Co. of N. J. L. V. R. R. Co. Erie R. R. Co. N. Y., S. & W. R. R. Co.</p> <p>E. T. Stotesbury: C. R. R. Co. of N. J. P. & R. Ry. Co. L. V. R. R. Co.</p>
---	--

AS OF JUNE 30, 1914.

<p>George F. Baker: C. R. R. Co. of N. J. P. & R. Ry. Co. D., L. & W. R. R. Co. L. V. R. R. Co. Erie R. R. Co. N. Y., S. & W. R. R. Co.</p> <p>Thomas De Witt Cuyler: P. R. R. Co. N. Y., O. & W. Ry. Co.</p> <p>Henry C. Frick: P. & R. Ry. Co. P. R. R. Co.</p> <p>Leonor F. Loree: D. & H. Co. Erie R. R. Co. N. Y., O. & W. Ry. Co.</p>	<p>William H. Moore: D., L. & W. R. R. Co. L. V. R. R. Co.</p> <p>William Rockefeller: D., L. & W. R. R. Co. N. Y., O. & W. Ry. Co.</p> <p>E. T. Stotesbury: C. R. R. Co. of N. J. P. & R. Ry. Co. L. V. R. R. Co.</p> <p>Daniel Willard: C. R. R. Co. of N. J. P. & R. Ry. Co.</p>
---	---

Number of directors of each of the initial anthracite carriers as of June 30, 1913.

C. R. R. Co. of N. J.	9	N. C. Ry. Co.	12
P. & R. Ry. Co.	6	Erie R. R. Co.	16
D., L. & W. R. R. Co.	14	N. Y., S. & W. R. R. Co.	13
D. & H. Co.	13	W.-B. & E. R. R. Co.	9
L. V. R. R. Co.	12	N. Y., O. & W. Ry. Co.	13
P. R. R. Co.	17		

Statement showing directors and officials of carriers who also are directors and officials of affiliated coal companies.

	C. R. R. Co. of N. J.	Lehigh & Wilkes-Barre Coal Co.
1912 AND 1913.		
George F. Baer	Director and president.....	Director and president.
George F. Baker	Director	Director.
Edward T. Stotesbury	do.	Do.
George O. Waterman	Secretary and treasurer.....	Secretary and treasurer.

35 I. C. C.

Statement showing directors and officials of carriers who are also directors and officials of affiliated coal companies—Continued.

	Reading Co.	P. & R. Ry. Co.	P. & R. Coal & Iron Co.
1912.			
George F. Baer.....	Director and president.....	President.....	President.
Henry A. DuPont.....	Director.....	Director.....	
Henry P. McKean.....	do.....		Director.
Edward T. Stotesbury.....	do.....	Director.....	Do.
Henry C. Frick.....	do.....	do.....	Do.
George F. Baker.....	do.....	do.....	Do.
P. A. B. Widener.....	do.....	do.....	Do.
Daniel Willard.....	do.....	do.....	Do.
William R. Taylor.....	Vice president and secretary.....	Secretary.....	
Harry E. Paisley.....	Treasurer.....	Treasurer.....	Treasurer.
George Ziegler.....	Comptroller.....	Comptroller.....	
Clarence K. Klink.....	Real estate agent.....	Real estate agent.....	
1913.			
George F. Baer.....	Director and president.....	President.....	President.
Henry A. DuPont.....	Director.....	Director.....	
Henry P. McKean.....	do.....		Director.
Edward T. Stotesbury.....	do.....	Director.....	Do.
Henry C. Frick.....	do.....	do.....	Do.
George F. Baker.....	do.....	do.....	Do.
P. A. B. Widener.....	do.....	do.....	Do.
Daniel Willard.....	do.....	do.....	Do.
George Ziegler.....	Vice president.....	Secretary.....	
Jay V. Hare.....	Secretary.....	Assistant secretary.....	
Harry E. Paisley.....	Treasurer.....	Treasurer.....	Treasurer.
John S. Sneyd.....	Assistant treasurer.....	Assistant treasurer.....	Assistant treasurer.
William H. White.....	Comptroller.....	Comptroller.....	
Clarence K. Klink.....	Real estate agent.....	Real estate agent.....	

	D., L. & W. R. R. Co.	D., L. & W. Coal Co.
1912 AND 1913.		
George F. Baker, jr.....	Director.....	Director.
James Stillman.....	do.....	Do.
William H. Truesdale.....	Director and president.....	Do.
Edward E. Loomis.....	Vice president.....	Director and president.
W. S. Jenney.....	Vice president and general counsel in charge of legal department.	General counsel.

	D. & H. Co.	Hudson Coal Co.	Jackson Coal Co.
1912.			
Leonor F. Loree.....	President and member board of managers.	Director and president.	Director and president.
C. S. Sims.....	Second vice president and general manager.	Director and vice president.	Director and vice president.
W. H. Williams.....	Third vice president and member board of managers.	do.....	Do.
J. H. Torrey.....	Counsel.....		Director.
A. M. Fine.....	Auditor of coal department.	Assistant secretary and auditor.	Assistant secretary and auditor.
C. C. Rose.....	Superintendent of coal department.		Director.
W. L. Lawrence.....	Real estate agent.....		Do.
1913.			
Leonor F. Loree.....	President and member board of managers.	Director and president.	
C. S. Sims.....	Second vice president and general manager.	Director and vice president.	
W. H. Williams.....	Third vice president and member board of managers.	do.....	
J. H. Torrey.....	Counsel.....		
A. M. Fine.....	Auditor of coal department.	Assistant secretary and auditor.	
C. C. Rose.....	Superintendent of coal department.		
W. L. Lawrence.....	Real estate agent.....		

35 I. C. C.

Statement showing directors and officials of carriers who also are directors and officials of affiliated coal companies—Continued.

	Northern Coal & Iron Co.	Shanferoke Coal Co.	Schuylkill Coal & Iron Co.		
1912.					
Leonor F. Loree.....	Director and president.....	Director and president..	Director and president.		
C. S. Sims.....	Director and vice president..	Director and vice president.	Director and vice president.		
W. H. Williams.....	do.....	do.....	Do.		
J. H. Torrey.....	Director.....	Assistant secretary and auditor.	Assistant secretary and auditor.		
A. M. Fine.....	Assistant secretary and auditor.	Assistant secretary and auditor.			
C. C. Rose.....	Director.....				
W. L. Lawrence.....	do.....				
1913.					
Leonor F. Loree.....	Director and president.....	Director and president.	Director and president.		
C. S. Sims.....	Director and vice president..	Director and vice president.	Director and vice president.		
W. H. Williams.....	do.....	do.....	Do.		
J. H. Torrey.....	Director.....	Assistant secretary and auditor.	Assistant secretary and auditor.		
A. M. Fine.....	Assistant secretary and auditor.	Assistant secretary and auditor.			
C. C. Rose.....	Director.....				
W. L. Lawrence.....	do.....				
		L. V. R. R. Co.	Lehigh Valley Coal Co.		
1912 AND 1913.					
Daniel G. Reid.....	Director.....	Director.....	Director.		
E. T. Stotesbury.....	do.....	do.....	Do.		
E. B. Thomas.....	President.....	President.....	President.		
L. D. Smith.....	Vice president.....	Vice president.....	Director.		
1912.					
Samuel Rea.....	Director and president.	Director and vice president.	Director...	Director...	Director.
George D. Dixon.....	Director and vice president in charge of traffic.	do.....	do.....	do.....	
Henry Tatnall.....	Director and vice president in charge of finance.	do.....	do.....	do.....	Do.
N. Parker Shortridge..	Director.....	Director.....	do.....	do.....	Do.
E. B. Morris.....	do.....				Do.
1913.					
Henry Tatnall.....	Director and vice president in charge of finance.	Director and vice president.	Director...	Director...	Do.
A. J. County.....	Special assistant to the president.	Director.....	do.....	do.....	Do.
E. T. Postlethwaite...	Assistant to the president.	Assistant to the president.	do.....	do.....	
N. Parker Shortridge..	Director.....	Director.....	do.....	do.....	Do.
E. B. Morris.....	do.....				Do.

35 I. C. C.

Statement showing directors and officials of carriers who also are directors and officials of affiliated coal companies—Continued.

	Erie R. R. Co.	N. Y., S. & W. R. R. Co.	W.-B. & E. R. R. Co.	Pennsylvania Coal Co.	Hillside Coal & Iron Co.
1912.					
F. D. Underwood.....	Director and president.	Director and president.	Director and vice president.	Director and president.	Director and president.
G. A. Richardson.....	Director and vice president.	Director and vice president.	.....do.....	Director and vice president.	Director and vice president.
G. F. Brownell.....	Vice president and general solicitor.	Director, vice president, and general solicitor.	Director, vice president, and general solicitor.	Director.....	Director.
David Bosman.....	Vice president and secretary.	Vice president and secretary.	Vice president and secretary.	Secretary.....	Secretary.
George F. Baker.....	Director.....	Director.....	.....do.....	Director.....	.....do.....
John G. McCullough.....	.....do.....	.....do.....	.....do.....	.....do.....	Director.
Norman B. Ream.....	.....do.....	.....do.....	.....do.....	.....do.....	Do.
Charles Steele.....	.....do.....	.....do.....	.....do.....	.....do.....	Do.
W. A. May.....	.....do.....	.....do.....	Director and president.	Director, vice president, and general manager.	.....do.....
C. P. Crawford.....	Comptroller...	Comptroller...	Comptroller...	Director and auditor.	Comptroller.
D. W. Bigoney.....	Treasurer.....	Treasurer.....	Treasurer.....	Treasurer.....	Treasurer.
1913.					
F. D. Underwood.....	Director and president.	Director and president.	Director and vice president.	Director.....	Director.
Charles Steele.....	Director.....	Director.....	.....do.....	.....do.....	.....do.....

	N. Y., O. & W. Ry. Co.	Scranton Coal Co. and Elk Hill Coal & Iron Co.
1912.		
Thomas P. Fowler.....	Director and president.....	Director and president.
John B. Kerr.....	Director, vice president, and general counsel.	Director and vice president.
Richard D. Rickard.....	Secretary and treasurer.....	Secretary and treasurer.
James E. Childs (deceased).....	Director.....	Director and vice president.
1913.		
John B. Kerr.....	Director and vice president..	Director and president.
Richard D. Rickard.....	Director, secretary, and treasurer.	Secretary and treasurer.

Number of directors of each of the affiliated coal companies as of June 30, 1913.

Lehigh & Wilkes-Barre Coal Co.....	7	Lehigh Valley Coal Co.....	6
Philadelphia & Reading Coal & Iron Co.....	6	Susquehanna Coal Co.....	9
Delaware, Lackawanna & Western Coal Co....	7	Mineral R. R. & Mining Co.....	9
Hudson Coal Co.....	7	Summit Branch Mining Co.....	8
Jackson Coal Co.....	4	Pennsylvania Coal Co.....	9
Northern Coal & Iron Co.....	7	Hillside Coal & Iron Co.....	7
Shanferoke Coal Co.....	3	Scranton Coal Co. and Elk Hill Coal & Iron Co..	5
Schuylkill Coal & Iron Co.....	3		

35 I. C. C.

Stocks of the coal companies owned by the carriers.

Coal company.	Par value of stock outstanding.	Carrier owner of stock of coal company.	Par value of stock owned by the carrier.	Date stock acquired by owner.
Lehigh & Wilkes-Barre Coal Co. ¹	\$9,210,000	C. R. R. Co. of N. J.....	\$8,491,150	1874-1909
Philadelphia & Reading Coal & Iron Co. ²	8,000,000	Reading Co. (a holding company).	8,000,000	Dec. 1, 1896
Hillside Coal & Iron Co. ³	1,000,000	Erie R. R. Co.....	1,000,000	Dec., 1895
Pennsylvania Coal Co. ⁴	5,000,000	do.....	5,000,000	Mar., 1901
Lehigh Valley Coal Co. ⁵	1,965,000	L. V. R. R. Co.....	1,965,000	1875-1908
Coxe Bros. & Co. (Inc.) ⁶	2,910,150	do.....	2,910,150	1906
Scranton Coal Co. ⁷	200,000	N. Y., O. & W. Ry. Co.....	200,000	Feb. 2, 1899
Elk Hill Coal & Iron Co. ⁸	60,000	do.....	60,000	Mar. 1, 1899
Susquehanna Coal Co. ⁹	2,136,800	P. R. R. Co.....	2,136,800	1873-1886
Mineral Railroad & Mining Co. ¹⁰	300,000	P. R. R. Co.....	100,002	1877-1891
Summit Branch Mining Co.....	25,000	N. C. Ry. Co.....	199,998	1887-1891
Hudson Coal Co.....	2,400,000	P. R. R. Co.....	25,000	Mar. 12, 1902
		D. & H. Co.....	2,400,000	1901-1911

¹ The Lehigh & Wilkes-Barre Coal Co. has paid 13 per cent dividends for each of the years 1910, 1911, and 1912. It paid no dividends prior thereto.

² No dividends paid during the period 1900-1912, inclusive.

³ Coxe Bros. & Co. (Inc.) have paid large dividends to the Lehigh Valley R. R., but they were insufficient to pay the interest on the bonds that the carrier issued for the purpose of acquiring the stock of Coxe Bros. & Co. (Inc.).

⁴ The Susquehanna Coal Co. during the period 1900-1912, inclusive, paid one dividend, 4 per cent, in 1912.

The relations existing between the coal companies, who are affiliated with the respondents, the manner in which the business of the coal companies was built up by the means of financial aid and assistance extended to them by the respondents, and the commingling of the affairs of the carriers and the coal companies are set forth on pages following.

READING COMPANIES.

Since December 1, 1896, Reading Company, a holding company, has controlled the Reading Railway lines and the Reading Coal & Iron Company. It appears that the railway's income is not only sufficient to bear its own burdens, but it provides the funds required to pay the interest charges on the capital, approximately \$80,000,000, which has been invested in the business of the coal and iron company. This is accomplished through various intercorporate transactions between the holding company and the railway and the coal and iron company.

Previous to December 1, 1896.—Previous to December 1, 1896, the Reading companies consisted of the Philadelphia & Reading Railroad Company (carrier) and Philadelphia & Reading Coal & Iron Company (coal company). These two companies were several times in the hands of receivers, the last receivership extending over the period from February 20, 1893, to December 1, 1896. The carrier owned the entire capital stock, \$8,000,000 of the coal and iron company and had made loans and advances to the coal and iron company which amounted to approximately \$68,154,678.99 in 1896. One of the principal causes which resulted in the Reading Companies being placed in the hands of receivers in 1893 was the inability of the railroad company to obtain funds to provide the coal and iron company with sufficient capital to carry on the coal business. (1893 report, p. 12, White Exhibit No. 5.)

The results of the operations of the Philadelphia & Reading Coal & Iron Company as shown by its annual reports to shareholders, White Exhibit No. 5, generally resulted in deficits. The deficits between 1890 and 1896 were as follows:

1890.....	\$973,284.35	1894.....	\$1,035,601.85
1891.....	332,860.68	1895.....	1,875,991.39
1892 (surplus).....	24,339.40	1896.....	870,460.79
1893.....	195,649.32		

35 I. C. C.

It thus appears that the total deficit for the said years was \$5,249,508.98.

The practices of the carrier in providing the coal company with capital and current working funds are further shown by the following statements in the annual reports of the Philadelphia & Reading Railroad Company (White Exhibit No. 5):

Page 7, 1892 report: It will be noticed that the operations of the coal and iron company have left the entire net earnings of the railroad available for application to the interest on the income bonds, without requiring an appropriation by the railroad company from its earnings to pay the interest and sinking fund charges on the divisional mortgage bonds of the coal and iron company as in previous years.

Page 8, 1892 report: The floating debt of the railroad company was somewhat increased during the year, mainly for necessary advances of money, and by the use of the company's credit in aid of the coal and iron company, which, on account of its enlarged operations, required a very considerable increase of working capital. Under the methods of conducting the business which have prevailed in the past, a large amount of the working capital and current earnings have been invested in the business of the coal company.

Page 7, 1895 report: As the coal and iron company did not earn its operating expenses, it became necessary for the railroad company to advance to it the money required to pay so much of its interest as is guaranteed by the railroad company, which is \$656,270.

It also appears that whenever the coal company did not realize remunerative prices for the sale of its product the loss was borne by the railroad company, in that the railroad company reduced its freight rates for the transportation of the coal in conformity with the low selling prices of coal.

Page 32, 1879 report: The average rate for the seven years (1869-1875) is \$1.39, and there is no reason whatever to doubt that with the improved prospects of the coal trade, and the greatly increased prosperity of the iron trade, the company will be able to realize, in the present year, a rate of transportation equal to the above average, although in the detailed estimates hereafter given \$1.35 per ton is assumed as the average gross receipts per ton of coal to be transported during the coming year. Roughly stated, the total net earnings of the railroad company, for the past year, were equal to 50 cents per ton for each ton of coal transported, and the losses of the coal and iron company were 17 cents per ton for each ton mined.

Page 11, 1895 report: The company's coal business resulted in a loss of \$699,809.21, being 8.1 cents per ton of coal mined, whereas the business of 1894 showed a profit of \$268,552.89, or 3.3 cents per ton; so that the result for 1895 was 11.4 cents per ton worse than in the previous year. This comparative loss was caused by the low prices realized for coal, which with the exception of the year 1886, were less than those of any year since 1879.

While the business was a losing one for the coal and iron company, this loss was more than made up by the gain to the railroad company from the additional tonnage produced, which was carried at freight rates which yielded a profit.

Page 8, 1895 report: Coal traffic shows a gain in revenue of \$205,573.38 over that for the previous year, but a large loss, \$1,337,979.61, as compared with the earnings of 1893. The tonnage was larger than ever before, being 988,795 tons 6 cwt. larger than in 1894, and 391,324 tons 01 cwt. larger than in 1893, which was hitherto the year of heaviest tonnage. The diminution of revenue from this source as compared with 1893 was caused by a decrease in the freight rate, which was forced down by the low price realized for coal in the various markets of the country.

Subsequent to December 1, 1896.—As a result of the reorganization of the Reading properties in 1896 the holding company, Reading Company, owns the entire capital stocks of the coal and iron company and of the several Reading railway lines. The large earnings of the railway lines accrue to the holding company through the payment of dividends, rents, and interest charges, and enable the holding company to waive the collection of large amounts of interest which should be paid by the coal and iron company to the holding company. Thus the burden of the coal and iron company's interest charges is provided for by the income of the Reading railways.

The attitude of the interests in control of the Reading Companies as to the importance of operating the Reading properties (the railways and the coal company) as an entirety is shown on pages 25-26 of the annual report, for the year 1894, of the Philadelphia & Reading Railroad Company, as follows:

For the last quarter of a century the maintenance of the integrity of the Reading system as a whole, and the preservation of the franchises of both the railroad and coal & iron companies, so as to develop and operate the properties of both companies to advantage, have been regarded as of cardinal importance to all interested, either as creditors or as stockholders.

This provision is the best evidence of the opinion entertained by all concerned in the reorganization of 1888, as to the proper manner in which to deal with the property, in case it should prove necessary to sell under foreclosure; and the concessions at that time to the holders of the securities of the Susquehanna &

Schuylkill Canal companies, and other unproductive properties, were only made because of the value attached to the preservation of the franchises and of the unity of the system.

It is thus manifest that any plan for the reorganization of the affairs of the Reading companies must be based upon the maintenance of the property as an entirety, and as a going concern; and this being so, it is essential that provision should be made for: 1. The payment of the interest upon the general mortgage bonds; 2, The payment of the liabilities incurred in the purchase of equipment; and 3, The funding of the floating indebtedness, including the receiver's certificates.

These views they have felt it their duty to impress, so far as they were able, upon the Olcott committee, and other representatives of the creditors of the company.

THE REORGANIZATION.

On December 14, 1895, the committee representing Reading security holders submitted a plan and agreement for the reorganization of the Philadelphia & Reading Railroad Company and the Philadelphia & Reading Coal & Iron Company. This plan (White Exhibit No. 1) was adopted, and the firm of J. P. Morgan & Company was selected by the committee to act as manager and carry out the plan. In the subsequent proceedings of sale and reorganization Charles H. Coster and Francis Lynde Stetson represented the managing firm.

The railroad company's property, assets and franchises (including the capital stock, amounting to \$100,000, and the charter of the National Company) and the coal lands and property of the Philadelphia & Reading Coal & Iron Company, included under the general mortgage of 1888, were sold by the trustee in that mortgage by virtue of the powers conferred by the mortgage and of the decree of the circuit court of the United States for the eastern district of Pennsylvania, on September 23, 1896, to Charles H. Coster and Francis Lynde Stetson. Coster and Stetson purchased the property for the sum of \$20,500,000, and it passed to them, subject to certain prior liens and mortgages.

The following description of the reorganized Reading companies was shown in the first report of the Reading Company:

In order to arrive at a correct understanding of the business affairs of the several companies, it will be desirable to outline, in a general way, their organization and scope.

In the report of the receivers of the Philadelphia & Reading Railroad Company and the Philadelphia & Reading Coal & Iron Company for the year ending November 30, 1896, it is stated that the general mortgage of the Philadelphia & Reading Railroad Company and the Philadelphia & Reading Coal & Iron Company had been foreclosed, and that under the direction of the circuit court of the United States all the properties and estates of these companies had been sold by the trustee of the general mortgage and by the receivers, and that the purchasers of the properties at that sale had organized a new company, Philadelphia & Reading Railway Company, to which, and to the Reading Company and the Philadelphia & Reading Coal & Iron Company, possession was transferred at midnight on the 30th of November, 1896.

The Reading Company owns practically the whole capital stock of the Philadelphia & Reading Railway Company and of the Philadelphia & Reading Coal & Iron Company, and all of the other stocks and securities which were acquired by the purchasers under the sale made by the trustee and the receivers. It also owns the \$20,000,000 purchase money mortgage bonds issued by the Philadelphia & Reading Railway Company, the locomotives, cars, steam colliers, tugs, and barges, constituting the railway and marine equipment, and all the real estate of the old Philadelphia & Reading Railroad Company, which was not appurtenant to the railroad itself. This, of course, does not include depots, rights of way, etc., which belong to the Railway Company.

The Philadelphia & Reading Railway Company which was organized under the act of the legislature of Pennsylvania of May 31, 1887, owns all the railroads formerly belonging to the Philadelphia & Reading Railroad Company; and it controls the roads heretofore leased to that Company, either by transfer of the old leases or by new leases made since November 30, 1896. It leases from the Reading Company the railway and marine equipment which it uses in the conduct of its business, and a number of wharves and warehouses on the Delaware River between South street and Queen street, Philadelphia.

Under the foreclosure sale, the charter of the Philadelphia & Reading Coal & Iron Company was preserved, and it was purchased at the sale. The purchasers, after the acquisition of the charter and franchises, conveyed all of the coal lands and collieries which they had acquired at the sale, to the Philadelphia & Reading Coal & Iron Company. Its business consists exclusively of the mining and sale of coal.

HISTORY OF THE HOLDING COMPANY.

It was created by an act of assembly of the state of Pennsylvania, approved May 24, 1871, under the name of Excelsior Enterprise Company. It was given power by vote of stockholders to change the name of the company and to designate the loca-

tion of its general office. On March 31, 1873, its name was changed to that of National Company. During the last receivership of the Reading properties, February 20, 1893, to December 1, 1896, the entire capital stock of the National Company, \$100,000, was owned by the Philadelphia & Reading Railroad Company. At the said sale it was acquired by Coster and Stetson. On December 7, 1896, the name of the National Company was changed to Reading Company. Its capital stock was increased from \$100,000 to \$40,000,000, and on December 18, 1896, its capital stock was further increased to \$140,000,000, these increases, of course, being necessary in order to mold it into the holding company which now owns and controls the Reading Railway Company and the coal and iron company.

The following concerning the holding company is quoted from the opinion of H. C. McCormick, attorney general of the state of Pennsylvania, given under date of January 2, 1897:

The charter under consideration grants powers of the most comprehensive character, and, if valid, enables the company to control and to engage in almost any business except that of a bank of issue.

Upon examination of the records in the auditor general's office it was learned that this corporation, although created in 1871, and constantly keeping up its organization, had practically done little or no business since the year 1875.

The obvious purpose of this part of the scheme of reorganization seemed to be to escape from that provision of the constitution of 1874 which forbids any incorporated company doing the business of a common carrier to directly or indirectly engage in mining or manufacturing articles for transportation over its lines; or, stated differently, the union of the coal company with the railroad company.

The balance sheet of the holding company on the date it became possessed of the extensive and valuable Reading properties on December 1, 1896, and also on the date June 30, 1913, is here shown.

Balance sheet.

	As of Dec. 1, 1896.	As of June 30, 1913.
ASSETS.		
Locomotives, engines, and cars.....	\$16,950,000.00	\$37,459,916.17
Floating equipment.....	1,450,000.00	3,644,009.20
Real estate.....	16,000,000.00	16,646,088.35
Leased equipment.....		5,997,796.19
New equipment.....		4,261,324.09
Uncompleted equipment.....		85,550.41
Mortgages and ground rents.....	266,594.16	240,848.32
Bonds:		
Philadelphia & Reading Ry. Co.....	20,000,000.00	20,000,000.00
Bonds of other companies.....	14,266,936.00	26,414,493.75
Stocks:		
Philadelphia & Reading Ry. Co.....	20,000,000.00	42,481,700.00
Philadelphia & Reading Coal & Iron Co.....	8,000,000.00	8,000,000.00
Stocks of other companies.....	25,182,310.00	53,313,452.89
Philadelphia & Reading Coal & Iron Co.....	¹ 68,154,678.99	72,980,171.62
Book debts, due by sundry railroads, etc.....	3,343,382.87	4,057,967.30
Current assets.....		3,520,488.31
Total assets.....	193,613,902.02	299,103,806.60
LIABILITIES.		
General mortgage loan, 1897-1907.....	50,369,000.00	² 99,394,000.00
Real estate bonds, mortgages, etc.....	767,491.65	1,024,658.56
Delaware River terminal bonds.....	700,000.00	500,000.00
Delaware River terminal extension bonds.....	809,000.00	809,000.00
Wilmington & Northern stock trust certificates.....		1,295,000.00
Reading Co.-Jersey Central collateral gold bonds.....		23,000,000.00
Railroad equipment trust certificates, series E.....		2,090,000.00
Bonds: Mortgage new shops, Reading.....		1,200,000.00
First preferred stock.....	28,000,000.00	28,000,000.00
Second preferred stock.....	42,000,000.00	42,000,000.00
Common stock.....	70,000,000.00	70,000,000.00
Contingent account.....	968,410.37	1,539,296.58
Current liabilities.....		3,414,543.59
Sinking fund—general mortgage loan.....		485.61
New equipment to be purchased, etc.....		360.46
Profit and loss balance.....		24,836,461.80
Total liabilities.....	193,613,902.02	299,103,806.60

¹ Advances for cost of its property in excess of its capital stock.

² Total issued less \$6,389,000 bonds purchased for sinking fund and canceled.

INTEREST ON CAPITAL INVESTED IN THE PHILADELPHIA & READING COAL & IRON COMPANY.

The items of \$68,154,678.99 in the 1896 balance sheet and \$72,980,171.62 in the 1913 balance sheet represent the indebtedness of the coal and iron company to the holding company. This indebtedness consisted principally of funds advanced by the Philadelphia & Reading Railroad Company to the coal and iron company prior to December 1, 1896, in order to furnish the coal and iron company with funds to purchase its large holdings of coal-producing lands and mining equipment. The items of indebtedness of the coal and iron company on December 1, 1896, were as follows:

1. Mortgage bond of the coal and iron company, dated July 1, 1874	\$30,000,000.00
2. Mortgage bond of the coal and iron company, dated December 28, 1876.....	10,000,000.00
3. Loan account representing cash advances made by the railroad company to the coal and iron company.....	24,879,336.16
4. Current business account approximating.....	3,275,342.83
	<hr/>
	68,154,678.99

Further financial transactions extending over the period from December 1, 1896, to October 17, 1913, between the holding company and the coal and iron company which increased the said indebtedness of the coal and iron company to \$74,980,171.62 in October, 1913, are shown in the following statement (White Exhibit No. 10):

Philadelphia & Reading Coal & Iron Company in account with Reading Company.

DEBIT.

December 1, 1896, balance due P. & R. R. Co. acquired by Reading Company by purchase under foreclosure sale.....	\$68,154,678.99
June, 1897, to June, 1911, divisional coal-land bonds purchased and canceled.....	12,037,000.00
June, 1898, to February, 1913, sinking-fund bonds purchased and canceled.....	691,962.20
June, 1899, judgment Dawes-Wilson Coal Company	2,696.98
July, 1906, to October, 1913, cash advanced.....	10,200,000.00
June 30, 1898, amounts previously credited, now charged back for interest on receiver's certificates, etc., coal and iron company having been reimbursed.....	203,513.33
	<hr/>
	91,289,851.50

CREDIT.

June 30, 1897, interest on funded debt of P. & R. Coal & Iron Company, charged to contingent account.....	\$248,315.53
June 30, 1897, deficit in operations December 1, 1896, to June 30, 1898	1,195,224.64
October, 1906, to October, 1913, cash advances repaid.....	8,200,000.00
June, 1908, to January, 1913, general mortgage bonds purchased and canceled.....	6,389,000.00
June, 1901, to September, 1908, reduction in capital stock of Fulton Coal Company and Locust Gap Improvement Company.....	17,578.35
May, 1902, to August, 1910, deposits with Central Trust Company of New York, trustee, account real estate sold.....	255,622.86
March, 1901, amount erroneously used by Central Trust Company, trustee, for purchase of general mortgage bonds.....	3,938.50
	<hr/>
	16,309,679.88
Balance October 17, 1913.....	74,980,171.62

And further to show how the holding company has furnished the coal and iron company with current working funds, the following statement (White Exhibit No. 13) shows cash advances made by the holding company to the coal and iron company during the period 1906 to October, 1913:

35 I. C. C.

Amounts advanced by Reading Company to the Philadelphia & Reading Coal & Iron Company, commercial loans.

August 16, 1906	\$100,000	August 25, 1911	\$100,
August 27, 1906.....	100,000	August 30, 1911	100,000
August 29, 1906.....	150,000	September 12, 1911	300,000
September 11, 1906	100,000	September 23, 1911	600,000
September 14, 1906	100,000	October 13, 1911	300,000
August 27, 1908	200,000	August 13, 1913	200,000
November 19, 1908	1,700,000	August 21, 1913	500,000
November 20, 1908	600,000	August 22, 1913.....	500,000
September 1, 1909	700,000	September 9, 1913	250,000
October 5, 1909	300,000	September 10, 1913	250,000
August 30, 1910	100,000	October 6, 1913	200,000
September 12, 1910	600,000	October 7, 1913	200,000
September 30, 1910	300,000	October 8, 1913	100,000
October 29, 1910	350,000		
July 20, 1911	500,000	Total	10,200,000
August 24, 1911	700,000		

SUMMARY.

Amount advanced on commercial loans from August 16, 1906, to October 31, 1913.....	\$10,200,000
Less amount paid off per statement attached.....	8,200,000
Balance due Reading Company.....	2,000,000

PHILADELPHIA, November 17, 1913.

Reading Company's balance sheet for the year 1913 shows that it had issued its 4 per cent general mortgage bonds to the amount of \$105,783,000. Deducting bonds of this issue, which were purchased back by the holding company for a sinking fund (\$6,389,000) and canceled, there was outstanding on the date June 30, 1913, \$99,394,000 of these bonds bearing 4 per cent annual interest. The total authorized issue of this series of bonds of the holding company is \$135,000,000, secured by Reading Company's general mortgage of the date January 5, 1897. The following paragraph in the agreement of the Reading Company with Charles H. Coster and Francis Lynde Stetson, purchasers, and J. P. Morgan & Company, managers, made under date of December 23, 1896, shows the property which constitutes security for the payment of the said mortgage bonds:

The company (Reading Company) either alone or jointly with the Philadelphia & Reading Coal & Iron Company as coobligor, will make, execute and deliver bonds for the aggregate principal sum of \$135,000,000 bearing interest at the rate of 4 per cent per annum, payable semiannually, both principal and interest being payable in gold coin of the United States of the present standard of weight and fineness, and the principal payable on the 1st day of January, 1997; and the company will make, execute and deliver a mortgage or deed of trust, granting, conveying, and pledging, as security for the payment of all such bonds, all its assets of every name or nature, now owned or hereafter acquired, and all its franchises, it being intended to include under such mortgage (either directly or by collateral trust), substantially all the property formerly of the Philadelphia & Reading Railroad Company (subject to such deductions therefrom or changes therein as the purchasers or their assigns, for business reasons, may decide not to include under such mortgage) and also the capital stock of the Philadelphia & Reading Railway Company and of the said The Philadelphia & Reading Coal & Iron Company.

The sinking fund provisions of the general mortgage bonds are contained in section 12 of the general mortgage, which reads as follows:

Sec. 12. The Reading Company shall not, and will not, in any year declare or pay dividends upon its stock, either common or preferred, until or unless prior to, or simultaneously with, such declaration, it shall deliver to the trustee a statement in writing under its corporate seal showing the amount of anthracite coal mined, from lands owned by the coal company and mortgaged hereunder, during the year next preceding the declaration of such dividend, and simultaneously shall pay to the trustee hereunder a sum equal to 5 cents per ton on all coal so mined in such next preceding year, if the aggregate of dividends so declared shall be equal to or shall exceed such sum, and otherwise such lesser sum as shall be equal to the aggregate of dividends so declared.

35 I. C. C.

The following appears in the deed of Coster and Stetson to the Philadelphia & Reading Coal & Iron Company under date of November 18, 1896:

And whereas, the parties of the first part (Coster and Stetson) did also purchase, and now own and possess, certain claims or demands for an aggregate principal sum exceeding \$69,000,000, formerly of the Philadelphia & Reading Railroad Company against the party of the second part (Philadelphia & Reading Coal & Iron Company), as follows, to wit:

- | | |
|---|-----------------|
| (1) A mortgage bond of the party of the second part, dated July 1, 1874, for the sum of..... | \$30,000,000.00 |
| (2) A mortgage bond of the party of the second part, dated December 28, 1876, for the sum of. | 10,000,000.00 |
| (Subject to all prior charges and claims against said two mortgage bonds.) | |
| (3) Loan account, representing cash advances..... | 24,879,336.16 |
| (4) Current business account, approximating..... | 4,300,000.00 |

And whereas, it is the desire and intention of the parties hereby to vest in and to transfer to the party of the second part the titles to the several properties hereinafter described, free and discharged from the four claims before mentioned, which four claims (subject to a prior pledge of said two mortgage bonds) are hereby transferred to the party of the second part;

Now, therefore, in consideration of the premises and of the execution and expected performance of a certain agreement of even date herewith, made, executed, and delivered by the party of the second part to the said Charles H. Coster and Francis Lynde Stetson, and of the sum of one dollar to them in hand paid, the receipt whereof is hereby acknowledged and confessed, the parties of the first part have granted, bargained, sold, aliened, released, remised, and confirmed, and by these presents do grant, bargain, sell, alien, release, remise, and confirm unto said the Philadelphia & Reading Coal & Iron Company and its successors and assigns forever:

First. All and singular the coal lands, coal leases, iron-ore lands, furnace properties, and other real estate, etc.

The following appears in the agreement of the Philadelphia & Reading Coal & Iron Company with Coster and Stetson under date of November 18, 1896:

First. When and as requested by the purchasers or by their assigns (either individual or corporate), by them from time to time designated, the company (the Philadelphia & Reading Coal & Iron Company) will join in the execution, as coobligor, of bonds for the aggregate principal sum of \$135,000,000, bearing interest at the rate of 4 per cent per annum, payable semiannually, both principal and interest being payable in gold coin of the United States of the present standard of weight and fineness, and the principal payable on the 1st day of January, 1897.

To summarize these facts, the Philadelphia & Reading Railroad Company had advanced \$68,154,679 to the coal and iron company prior to December 1, 1896, to enable the coal and iron company to purchase coal properties, make the necessary improvements thereon, and conduct its mining and selling operations. Two items of this amount, \$30,000,000 and \$10,000,000, had been secured by mortgages on the property of the coal and iron company. To carry out the plan of the reorganization it was desired to free and discharge the properties of the coal and iron company from liability under the said mortgages of \$30,000,000 and \$10,000,000, so that the new general mortgage bonds (authorized issue \$135,000,000 as heretofore described) of the holding company could attach to, and be secured by, the coal lands and property of the coal and iron company. This transaction was simply a refunding operation whereby the coal properties were relieved of the two prior mortgages, the holding company accepting in lieu thereof an unsecured claim, for the said two amounts and for the other amounts as heretofore described, against the coal and iron company on condition, which was fulfilled, that the coal and iron company should become coobligor on the new mortgage and bonds (authorized \$135,000,000) of the Reading Company. The new bonds of the holding company were accordingly issued from time to time commencing on January 5, 1897. The total amount issued to June 30, 1913, was \$105,783,000, on which the holding company paid 4 per cent annual interest.

The foregoing facts show how the financial requirements of the coal and iron company have been supplied by the holding company and that the holding company pays 4 per cent interest on its general mortgage bonds. Now, taking up the reimbursement the holding company receives from the coal and iron company, it appears that the coal and iron company has never paid any dividends on its \$8,000,000 capital stock which is owned by the holding company; also that the coal and iron company has

35 I. C. C.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL. 309

paid very low rates of interest on its indebtedness to the holding company, which has ranged from \$68,154,679 in December, 1906, to \$74,980,171 in October, 1913. Computing interest on this indebtedness at the rate of 4 per cent per annum, the rate which the holding company pays on its own general mortgage bonds, it is apparent that the payments of interest made by the coal and iron company to the holding company on its said indebtedness during the period from December 1, 1896, to June 30, 1913, were \$34,662,722.91 less than such interest payments would have been when computed at 4 per cent per annum. Had these interest payments been made, the coal and iron company's balance sheet for June 30, 1912, instead of a surplus balance of \$1,459,694.14, would have shown actually a deficit balance of \$32,561,494.66. The following statement shows the rates and amounts of interest actually paid by the coal and iron company to the holding company during the said period:

Year ended June 30—	Rate of interest paid.	Amount of interest paid by the P. & R. C. & I. Co.	Amount of interest at 4 per cent computed on balance due Reading Co. June 30.	Difference between columns 3 and 4.
(1)	(2)	(3)	(4)	(5)
Dec. 1, 1896, to June 30, 1897.....	(1)	(1)	\$2,726,187.16	\$2,726,187.16
June 30, 1898.....	(1)	(1)	3,084,346.09	3,084,346.09
1899.....	(1)	(1)	3,091,213.97	3,091,213.97
1900.....	1½	\$884,850.18	3,146,133.97	2,261,283.79
1901.....	1½	886,504.62	3,151,946.15	2,265,441.53
1902.....	1½	888,780.61	3,160,108.82	2,271,328.21
1903.....	2	1,582,334.41	3,164,668.82	1,582,334.41
1904.....	2	1,582,477.77	3,164,955.53	1,582,477.76
1905.....	2	1,582,255.21	3,165,430.42	1,583,175.21
1906.....	2	1,583,304.53	3,166,609.06	1,583,304.53
1907.....	2	1,583,914.05	3,167,828.10	1,583,914.05
1908.....	2	1,584,485.40	3,009,650.79	1,425,165.39
1909.....	1.25	935,003.19	2,992,010.19	2,057,007.00
1910.....	.995	743,957.87	2,992,010.19	2,248,052.32
1911.....	.505	375,572.60	2,976,952.70	2,601,380.10
1912.....	1.176	864,083.91	2,938,661.19	2,074,577.28
1913.....	3.11	2,269,405.15	2,919,206.86	649,801.71
Total.....		17,346,929.50	52,017,920.01	34,670,990.51

¹ No interest paid.

And further the holding company assumed a deficit of \$1,195,224.54 resulting from the operations of the coal and iron company during the period December 1, 1896, to June 30, 1898.

It is apparent from the foregoing that during the last four years concessions in interest charges were granted by the holding company to the coal and iron company in the following amounts:

For the year 1910.....	\$2,239,785
For the year 1911.....	2,601,380
For the year 1912.....	2,074,577
For the year 1913.....	649,802

The coal and iron company shipped and sold amounts of anthracite coal as stated in the following:

	Tons.
For the year ended June 30, 1910.....	9,564,217
For the year ended June 30, 1911.....	10,094,467
For the year ended June 30, 1912.....	10,194,690
For the year ended June 30, 1913.....	10,248,603

So that it is apparent that the said concessions in interest charges amount to 23.4 cents per ton on each ton of anthracite coal shipped and sold by the coal and iron company during the year ended June 30, 1910; 25.8 cents per ton on its shipments 35 I. C. C.

during the year ended June 30, 1911; 20.4 cents per ton on its shipments during the year ended June 30, 1912; and 6 cents per ton on its shipments during the year ended June 30, 1913.

The following is a statement of the income of the Reading Company for the years ended June 30, 1912, and June 30, 1913:

JUNE 30, 1912.

Interest, dividends, and rents from Philadelphia & Reading Ry. Co.....	\$11,070,499.90
Dividends from Central Railroad Co. of New Jersey.....	1,740,480.00
Dividends from Port Reading R. R.....	240,000.00
Interest and dividend receipts from—	
Other Reading railway lines.....	315,045.64
Its own (Reading Co.) securities.....	22,845.00
Interest on debt of Philadelphia & Reading Coal & Iron Co.....	864,083.91
Other income.....	204,363.31
	14,457,317.76

JUNE 30, 1913.

Interest, dividends, and rents from Philadelphia & Reading Ry. Co.....	\$11,138,057.84
Dividends from Central Railroad Co. of New Jersey.....	1,740,480.00
Dividends from Port Reading R. R.....	240,000.00
Interest and dividend receipts from—	
Other Reading railway lines.....	288,391.07
Its own (Reading Co.) securities.....	23,140.25
Interest on debt of Philadelphia & Reading Coal & Iron Co.....	2,269,405.15
Other income.....	297,646.77
	15,997,121.08

The above statement of income shows that with the exception of the amounts received from the coal and iron company in payment of interest charges, which have been shown to be inadequate, the holding company derived \$204,363.31 income in 1912, and \$297,646.77 income in 1913 from sources other than Reading railway lines. So that it is apparent that practically all of the holding company's income is derived from the railway earnings.

This holding company owns the majority of the capital stock of the Central Railroad Co. of New Jersey and all the stock of the two other railroads; so that the large dividends of the carriers are not paid to the public but to the holding company and are absorbed by the unprofitable operations of the coal and iron company. The dividends paid by the holding company are at a much lower rate than those of the carriers. The rates of dividends paid by the holding company to its stockholders in recent years were as follows:

Year.	First preferred stock.	Second preferred stock.	Common stock.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
1897.....	(1)		
1898.....	(1)		
1899.....	(1)		
1900.....	1½		
1901.....	2½		
1902.....	4		
1903.....	3		
1904.....	4	3½	
1905.....	4	4	1½
1906.....	4	4	4
1907.....	4	4	4
1908.....	4	4	4
1909.....	4	4	4
1910.....	4	4	5
1911.....	4	4	6
1912.....	4	4	6
1913.....	4	4	7

¹ No dividends.

35 I. C. C.

The outstanding stock and accrued surplus of the holding company on June 30, 1912, was:

First preferred stock.....	\$28,000,000.00
Second preferred stock.....	42,000,000.00
Common stock.....	70,000,000.00
	<hr/>
	140,000,000.00
Accrued surplus.....	24,836,461.80

INCOME OF HOLDING COMPANY FROM RAILWAYS.

Although the general mortgage bonds of the holding company bear 4 per cent interest, the Philadelphia & Reading Railway Company is obligated to pay 6 per cent annual interest on \$20,000,000 of purchase money mortgage bonds owned by the holding company. It has regularly paid this interest to the holding company.

The holding company owns all the equipment which is used in the railway company's operations. At the time of the reorganization the locomotives, cars, and floating equipment used in the railway operations were inventoried and found to be of the value \$18,444,556.19. At this value they were leased to the Philadelphia & Reading Railway Company. The lease obligated the carrier to pay to the trustee under Reading Company's general mortgage bonds, or to Reading Company, as an annual rental for the use of the said equipment, the sum of \$1,472,000 in semiannual installments; and the lease further provided that the railway company should keep the equipment in good order and repair, and replace such equipment as might become unfit for use, or be lost or destroyed. This rental constitutes 8 per cent per annum of the value of the equipment. The said rental provision of the lease reads as follows:

To have and to hold, the same to the said Philadelphia & Reading Railway Company, its successors and assigns for and during the full term of 49 years and 11 months from the date hereof, upon condition, and not otherwise, that in and during each and every year of the continuance of this lease the Philadelphia & Reading Railway Company shall pay to the trustee as the annual rental of the engines, vehicles, and vessels hereby presently leased, the sum of \$1,472,000 payable in equal semiannual installments on the 1st days of July and January in each year during each and every year of such term; and also as the annual rental for the engines, vehicles, and vessels from time to time hereafter to be brought within the terms of this lease a sum equal to eight per cent of the value of each and every such engine, vehicle, and vessel as set forth in the inventory thereof to be hereunto annexed; all such rentals to be paid in gold coin of the United States of the standard of weight and fineness of the year 1896, or at the option of the trustee, in United States currency equivalent to such gold coin.

This rate of rental which the carrier pays the holding company appears excessive when compared with the rate of interest, 4½ per cent, which the holding company pays on its equipment trusts. The lease obligates the carrier to keep the equipment in good order and to repair and replace that "which shall be destroyed or lost by wreck or otherwise." In carrying out these provisions of the lease the carrier has from time to time paid to the holding company sums of money which were used to purchase new equipment to replace such units of equipment as were destroyed or had become obsolete. Many of the units of equipment described in the lease were replaced in later years by units of larger capacity and of greater cost. Title to this new equipment was in the holding company. The sums so advanced by the railway company were charged to its operating expenses. These charges unduly burdened its operating expenses, inasmuch as the new equipment so purchased included a large element of additions and betterments to the property of the holding company. As to the replacement of destroyed and obsolete equipment, the lease reads as follows:

Third. The railway company shall and will, from time to time and at all times, pay and discharge any and all taxes and other governmental charges that may lawfully be imposed upon or collected on account of any of the said engines, vehicles or vessels.

Fourth. And the railway company, from time to time and at all times, will keep in good order and repair any and all of the said engines, vehicles, and vessels, and from time to time will replace each and every of the same which shall become unfit for use, or which shall be destroyed or lost by wreck or otherwise, which replacement shall be on the following basis, to wit:

(1) As to railroad cars, they shall be replaced by cars of the capacity and efficiency which at the time of said replacement shall be found the most convenient and economical; but the aggregate carrying capacity

of the new cars shall not be less than the aggregate carrying capacity than those worn out, destroyed, or lost, whose place they take; it being distinctly understood and agreed that all cars shall be replaced on the basis of carrying capacity and that the total carrying capacity of all the cars, irrespective of the number, shall be equivalent to the carrying tonnage capacity of the cars hereby leased.

(2) As to engines, each and every engine shall be replaced by one of the capacity and efficiency found at the time of said replacement to be most effective and economical; provided, however, that with the assent of the Reading Co., from time to time, two or more engines may be replaced by one or more engines whose aggregate efficiency and capacity shall be equivalent to that of the larger number of displaced engines.

(3) As to vessels, each and every vessel shall be replaced by one of the capacity and efficiency found at the time of said replacement to be most effective and economical; provided, however, that with the assent of the Reading Co., from time to time, two or more vessels may be replaced by one or more vessels, whose aggregate efficiency and capacity shall be equivalent to that of the larger number of displaced vessels.

Fifth. At the termination of this lease, by expiration of time or for any cause, the railway company, subject only to the foregoing provisions, will surrender all of the said engines, vehicles and vessels in good order and condition.

The increase in cost of units of equipment is described in the annual report of the Reading Company to stockholders for the year ended June 30, 1913, as follows:

As of June 30, 1913, in comparison with December 1, 1896, the average value of all locomotives had increased from \$4,906 to \$9,479; the average value of freight cars producing revenue had grown from \$383 to \$799; the average value of the passenger cars had grown from \$2,916 to \$4,236; the sea tugs, etc., whose average value in 1896 was \$41,533, was on June 30, 1913, \$61,343, and the average value of sea barges, etc., which was \$7,930 had increased to \$21,463. This increase of average value of the several items has resulted from the fact that in each class of equipment the new locomotives, cars, tugs, or barges are larger and more costly than the old ones. The total value of the rolling equipment in our possession, including that owned by Reading Company, and that covered by equipment leases, has increased from \$16,990,856.19, as of December 1, 1896, to \$47,548,361.65 as of June 30, 1913, and the value of floating equipment has increased during the same period from \$1,439,850 to \$3,814,684, making a total increase in value of \$32,932,339.46.

The obligation of the railway company contained in the leases under which it holds all of the equipment, to keep the same in good order and repair and to make replacements of such as may become unfit for use, or which may be destroyed, has been complied with during the past fiscal year in every respect. The cost of this work has been included in the general operating expenses of the company under the head of maintenance of equipment.

It is shown (Morgan Exhibit No. 12) that the element of additions and betterments to the equipment owned by the holding company which was charged to the operating expenses of the carrier, amounted to \$6,092,094.25 during the period from December 1, 1896, to June 30, 1913, or an average of \$367,362.47 each year excessive charge to the operating expenses of the carrier.

PROPORTIONS OF FREIGHT RATES ALLOWED PORT READING RAILROAD COMPANY.

The Port Reading Railroad extends from Port Reading Junction to Port Reading, N. J., a distance of 21.04 miles. It is the tide-water terminal line of the Philadelphia & Reading Railway system. Its construction was promoted by the Philadelphia & Reading Railroad Company in 1890-1891 (p. 17, P. & R. Report 1890; p. 11, P. & R. Report 1891, White Exhibit No. 5) and its cost of construction was \$1,525,000.00 (Hansen, p. 7514). Its entire capital stock is owned by Reading Company.

After deducting the shipping allowance the Philadelphia & Reading Railway's rates on anthracite coal per gross ton from the Schuylkill region to Port Reading, N. J., the proportion of these rates which is allowed and paid to the Port Reading Railroad is shown (Morgan Exhibit No. 15) to be as follows:

	Net rate.	Port Reading R. R. proportion of rate.	Port Reading R. R. percentage of net rate.
			<i>Per cent.</i>
Prepared sizes.....	\$1.55	\$0.45	29
Pea.....	1.40	.42	30
Buckwheat No. 1.....	1.25	.39	31
Buckwheat No. 2.....	1.10	.36	32

35 I. C. C.

The Port Reading Railroad Company received from 29 to 32 per cent of the anthracite rates for performing the terminal switching and 10.7 per cent of the haul, leaving the Philadelphia & Reading Railway Company but 68 to 71 per cent of the rates for performing the assembling services and 89.3 per cent of the haul. That the proportion of the rates allowed the Port Reading Railroad Company is excessive is shown by the fact that its operating costs for handling all traffic for the year ending June 30, 1913, were but 12.8 cents per ton, and its ratio of operating expenses to operating revenues was but 35.82 per cent. For the same year the ratio of operating expenses to operating revenues of the Philadelphia & Reading Railway was 60.41 per cent. It is further shown by the fact that the Port Reading Railroad Company pays 12 per cent dividends to Reading Company and accumulates each year a large profit and loss surplus (\$131,114 in 1912 and \$239,055 in 1913) equal to an additional 12 per cent on its capital stock. Its total profit and loss surplus on June 30, 1913, was \$1,560,402.85.

The record, (Hansen, pp. 7514, 7777, 7785) shows that the bonds issued by the Port Reading Railroad, \$1,525,000, paid its cost of construction; so that the dividends described above are all paid on bonus stock. The large allowance paid out of the freight rates of the Philadelphia & Reading Railway to the Port Reading Railroad depletes the earnings of the Philadelphia & Reading Railway and inflates the earnings of the Port Reading Railroad by a corresponding amount.

THE PHILADELPHIA & READING TERMINAL RAILROAD COMPANY.

It is shown (White Exhibit No. 6) that in 1891 the Philadelphia & Reading Railroad Company issued \$8,500,000 5 per cent 50-year gold bonds for the construction of the railroad, buildings, right of way, etc., which constitute the Philadelphia & Reading terminal in Philadelphia, Pa. Title to this property was vested in the Philadelphia & Reading Terminal Railroad Company. To reimburse the railroad company the terminal company issued its capital stock amounting to \$8,500,000, and the railroad company deposited the stock as security for its 50-year gold bonds (Heebner, p. 1014).

An agreement was entered into between the terminal railroad company and the Philadelphia & Reading Railroad Company, whereby the Philadelphia & Reading Railroad Company operated its trains over the tracks of and into the terminal of the terminal railroad company.

The stock of the Philadelphia & Reading Terminal Railroad was acquired by Coster and Stetson at the receiver's sale, and on December 23, 1896 (p. 199, White Exhibit No. 7), Coster and Stetson deeded the \$8,500,000 capital stock of the Philadelphia & Reading Terminal Railroad Company to the holding company, Reading Company. It appears (p. 29, annual report of the Reading Company for the year 1913, White Exhibit No. 6) that Reading Company has continued to own this \$8,500,000 stock to this date, and has each year carried it as an asset of \$8,500,000 on its balance sheets. The Philadelphia & Reading Railway Company succeeded the Philadelphia & Reading Railroad Company as lessee of the property.

The Philadelphia & Reading Railway Company, as shown by its annual reports (White Exhibit No. 6), has paid \$425,000 per annum interest charges on the bonds, which amount, under the terms of the said lease, was to constitute the rental paid for the use of the Philadelphia & Reading Terminal Railroad Company property.

Although Reading Company owns the entire capital stock of the Philadelphia & Reading Terminal Railroad Company, the Philadelphia & Reading Railway Company has each year since 1896 carried the bonds as a liability of \$8,500,000, and, as it had no corresponding asset, it has recently (White, p. 994) increased its cost of road \$8,500,000 in order to assume this liability. The situation presented is that the Philadelphia & Reading Railway Company has assumed a liability of \$8,500,000 for which it has received no corresponding asset. The Reading Company owns the entire capital stock of the Philadelphia & Reading Terminal Railroad Company, and when

the bonds become due and are paid off by the railway company the Reading Company will own the property, free and discharged from its mortgage debt, and the railway company by paying the bonds which represent the entire cost of the property will not acquire title to the property. It appears that there is no doubt as to the intention of the railway company to pay the principal of the bonds when they become due, as is shown by the testimony of Comptroller White of the Philadelphia & Reading Railway Company (p. 992):

Q. The Philadelphia & Reading Railway, we understand you to testify, would pay the bonds when they become due.

Mr. WHITE. Yes, sir.

OPERATIONS OF SEAGOING TUGS AND BARGES.

The Philadelphia & Reading Railway Company maintains this service between Port Richmond, Pa., and New England coast points. It reported the following profits resulting from this service: For the year ending June 30, 1909, \$154,048.57; for 1910, \$63,181.82; for 1911, \$129,590.81; for 1912, \$85,837.17; and for 1913, \$110,987.72.

In computing the profits it did not charge the tug and barge service with the rental for the equipment used. This rental amounts to from \$158,000 to \$178,000 per year. The rental for the tugs and barges was charged to the income of the Philadelphia & Reading Railway Company. If this rental had been charged to the seagoing tugs and barge service, that service would have shown net losses from operation of \$24,491.07 in 1909, \$111,714.74 in 1910, \$29,339.03 in 1911, \$73,087.67 in 1912, and \$64,207.68 in 1913, instead of the said profits.

It is shown (White Exhibit No. 16) that 75.19 per cent of the traffic transported from Port Richmond in the seagoing tugs and barges consisted of anthracite coal shipped by Philadelphia & Reading Coal & Iron Company to Lynn, Mass., Boston, Mass., Bangor, Me., Portland, Me., and other New England points at a blanket rate of 75 cents per ton. The rate of 75 cents per ton on anthracite coal shipped by the Philadelphia & Reading Coal & Iron Company applies to all New England points east of Long Island Sound which are reached by the sea tugs and barge service, and the rate has been continued many years despite repeated deficits resulting from the operation of the barge service. It is shown (White Exhibit No. 16) that shipments of bituminous coal were forwarded to Bangor, Me., Portland, Me., Charlestown, Mass., and other New England points on which a rate of 85 cents per ton was assessed. This application of a rate on anthracite coal lower than on bituminous coal presents a contrast to the rail rate structure in which anthracite rates are higher than rates on bituminous coal. The rates are not filed with the Commission.

PAYMENT OF DIVIDENDS, INTEREST, AND RENTS IN ADVANCE BY THE PHILADELPHIA & READING RAILWAY COMPANY TO READING COMPANY.

It is shown (Morgan Exhibit No. 14) that the Philadelphia & Reading Railway Company pays to Reading Company dividends on its stock prior to the date the dividends are declared by the board of directors of the railway company. This exhibit also shows that the railway company paid to Reading Company large sums in payment of interest and rental charges several months in advance of the date such payments were due.

The dependance of the holding company on the railway earnings is further indicated by Reading Company's annual report to stockholders, year 1909, page 19, referring to the dividends of the Reading Iron Company, a manufacturing corporation at Reading, Pa., as follows:

On January 4, 1909, the Reading Iron Company paid an extra dividend upon its capital stock to Reading Company of \$1,500,000. The receipt of this dividend of \$1,500,000 relieved Reading Company from the necessity of requiring as large a dividend from the Philadelphia & Reading Railway during the past fiscal year as had previously been paid and left the Philadelphia & Reading Railway free to pay out of its earnings the expense of the elevation of the tracks in Philadelphia without greatly reducing its surplus.

35 I. C. C.

It has been asserted that the capitalization of the Philadelphia & Reading Railway Company is at a nominal figure much less than its true and actual value and this constitutes the reason for its large earnings. This contention is not supported by the record in this case. Morgan exhibit No. 10 shows that at the time it was organized, in December, 1896, the cost of road of the Philadelphia & Reading Railway Company was fixed at \$79,999,849.20, the par value of certain securities which the railway company was required to assume.

The Philadelphia & Reading Railway Company now operates the railroad which was operated by the Philadelphia & Reading Railroad Company prior to December 1, 1896. On November 30, 1896, the cost of road of the Philadelphia & Reading Railroad was \$80,750,732.89. The record in this case shows that this cost included an arbitrary write-up or increment in value in 1888 amounting to \$26,000,000. (Hansen, pp. 7490-7492, 7702-7703; Ludlam, 7922-7946.) As the railroad passed to the Philadelphia & Reading Railway in 1896 at a value increased to the extent of \$26,000,000 by an arbitrary write-up in 1888, it is apparent that the actual cost of road was \$25,000,000 less than the par value of the securities at which its cost was fixed December 1, 1896. At the reorganization in 1896 the railroad properties were divested of assets having approximately the same value as the liability from which the railroad properties were relieved.

The record shows that the Philadelphia & Reading Railway Company, at its Port Richmond, Pa., office, furnished a representative of the sales department of the Philadelphia & Reading Coal & Iron Company, each morning, copies of the carrier's reports of all carload shipments of coal handled through the carrier's yards at Port Richmond, Pa. (Woolverton, pp. 1053-1066, Commission's Exhibit L.) These records gave the coal and iron company information as to the shipments made by its competitors. This practice was discontinued in August, 1913, as result of an investigation by the Commission's examiners.

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY.

The control of the Central Railroad Company of New Jersey was acquired by Reading Company in 1901. The following is quoted from page 13 of Reading Company's report to stockholders for the year 1901:

In January, 1901, Reading Company purchased 145,000 shares out of a total of 272,138 shares of the capital stock of the Central Railroad Company of New Jersey, the price paid being \$160 per share. This sum was paid by the sale of 60,353 first preferred shares and 34,275 second preferred shares, and the issue of \$23,000,000 4 per cent collateral trust bonds due in 1951, which were secured by the deposit of 145,000 shares of the capital stock of the Central Railroad Company of New Jersey, 29,900 shares of the capital stock of the Perkiomen Railroad, and 4,400 shares of the capital stock of the Port Reading Railroad Company.

The acquisition of the control of the Jersey Central is not only of enormous advantage because of the additional facilities given to the system, but through this acquisition the Reading system now owns and controls about 63 per cent of all the unmined anthracite coal in the state of Pennsylvania.

On April 12, 1901, the president of the Reading system was elected president of the Central Railroad Company of New Jersey.

Approximately 87 per cent of the anthracite coal shipped from collieries on the lines of railway operated by the above respondent in the month of November, 1912, was shipped by two coal companies, the Lehigh & Wilkes-Barre Coal Company, which shipped 58 per cent, and the Lehigh Coal & Navigation Company, which shipped 29 per cent of the total tonnage of shipments made. The respondent owns practically the entire capital stock, \$8,491,150, of the Lehigh & Wilkes-Barre Coal Company (hereinafter called the coal company). For the years 1910, 1911, 1912, and 1913 the coal company paid to the respondent annual dividends on its stock at the rate of 13 per cent. The coal company paid no dividends on its stock prior to the year 1910. The respondent acquired this stock during the period 1874 to 1909 at a cost of \$6,324,275.08, and has written down \$3,785,719.41 of the cost by charges to profit

35 I. C. C.

and loss surplus. In addition to its investment in the stocks of the coal company the respondent made the following advances to the coal company:

Year.	Amount advanced during year.	Amount received during year in payment of advances.	Book value of balance due at close of year.
1890			\$797,937.27
1891	\$180,000.00		977,937.27
1892	422,015.63	\$542,015.63	857,937.27
1893	726,275.00		1,584,212.27
1894	1,454,263.93	100,000.00	2,938,476.19
1895	86,748.61		3,025,224.80
1896			3,025,224.80
1897			3,025,224.80
1898			3,025,224.80
1899			3,025,224.80
1900			3,025,224.80
1901			3,025,224.80
1902		469,817.27	2,555,407.53
1903			
1904		810,793.44	1,744,614.09
1905		995,278.74	749,335.35
1906		749,335.35	

Further, as to financial assistance extended by the respondent to the coal company it appears that the coal company's income bonds B were issued November 1, 1881, to the respondent, amounting to \$2,353,000 and bearing interest at 7 per cent per annum if earned, in payment of cash advances and other indebtedness. In 1889 interest amounting to \$329,420 was paid on these bonds. This was the only payment of interest on the bonds made by the coal company during the period 1881 to 1900, inclusive. The respondent also held the 7 per cent consolidated mortgage bonds issued by the coal company on April 27, 1875, amounting to \$6,116,000, due in 1900. Up to the date of maturity of these bonds only a small portion of the interest had been paid. In 1900 the accrued interest was added, which increased the principal to \$12,175,000. The rate of interest was reduced to 4½ per cent per annum and the bond issue was so carried until refunded by the coal company's bond issue of June 1, 1910. Most of the matured funded debt of the coal company was refunded by its issue of 4 per cent consolidated gold loan bonds on June 1, 1910, amount, \$16,996,000. The respondent is guarantor of the payment of the principal and interest of these bonds of the coal company.

The officers and directors of the respondent who are also officers and directors of the coal company are as follows:

George F. Baer was president and director of both companies until his death which occurred in June, 1914.

George F. Baker is chairman of the executive committee of the respondent and is a director of the respondent and coal company.

E. T. Stotesbury is a director of both respondent and coal company.

George O. Waterman is secretary and treasurer of both respondent and coal company.

TRANSMISSION OF MESSAGES BY TELEGRAPH.

The record in this case shows that the telegraph wires of respondent, the Central Railroad Company of New Jersey, up to the date of hearings in this case were used to transmit messages sent by the Lehigh & Wilkes-Barre Coal Company relating to the purchase and sale of anthracite coal and not to transportation matters. The coal company was not required to pay any charges for the transmission of the telegrams. Counsel for the respondent stated that the practice had been discontinued.

LEHIGH COAL & NAVIGATION COMPANY.

The Lehigh Coal & Navigation Company (hereinafter termed the navigation company) was incorporated under the laws of the state of Pennsylvania and is engaged in

35 I. C. C.

the mining of anthracite coal in the Panther Creek district of the Lehigh region. Its coal product is approximately 3,500,000 tons of anthracite coal annually, and 75 per cent of this production is shipped to market over the railway lines of the Central Railroad Company of New Jersey. The navigation company owns the lines of railway which are operated by the respondent extending westward from Phillipsburg, N. J., on the Delaware River to the mining regions. The principal lines are known as the Lehigh & Susquehanna Railroad and branches and are leased to the respondent during the continuance of the charters of the said companies and of any renewals of the same, provided, however, that the term of the lease of the Nesquehoning Railroad shall not extend beyond a term of 999 years from the 4th day of November, 1868, less one day. A copy of the lease was filed with the Commission in 1892. The compensation fixed in the lease provided in the first paragraph is as follows:

First. That they the parties of the second part (Central Railroad Company of New Jersey) shall and will take and well and efficiently operate at their own cost and risk the said demised premises, and all such extensions and additions as may be hereafter made of and to the same under the provisions of this agreement; and shall and will pay to the parties of the first part (navigation company) for the use of the same, at the times hereinafter mentioned, one-third of the gross receipts from the traffic or business of the said demised premises and extensions and additions thereto, without any other deductions therefrom than are hereinafter mentioned.

The lease further provides that the minimum rental to be paid by respondent shall not be less than \$1,414,400 annually, and the maximum rental to be paid is fixed at \$2,043,000, together with a further sum in each year equal to 7 per cent of the amounts which shall be charged after December 31, 1882, upon the books of the Lehigh Coal & Navigation Company for payments for right of way or for expenditures for additions and betterments to the property of the Lehigh & Susquehanna Railroad. The lease obligates the navigation company to ship 75 per cent of its coal production over the Lehigh & Susquehanna Railroad. The value of the Lehigh & Susquehanna Railroad was \$16,010,304.11 on December 31, 1912, as shown by the balance sheet of the navigation company. Owing to the large volume of traffic hauled over the Lehigh & Susquehanna Railroad the maximum rate of rental has accrued to its owners during each of the past four years, which compensated the navigation company by upwards of 10 per cent on its investment.

In addition to the rental paid to the navigation company by respondent, the respondent was obligated by the said lease to apply on all the anthracite coal shipped by the navigation company and transported by respondent a certain basis of rates which is described in the tenth covenant of the lease, as follows:

Tenth. The parties of the second part (Central Railroad Company of New Jersey) further covenant and agree, that on coal delivered for transportation by the parties of the first part (navigation company) on sidings at the northern end of the Nesquehoning Tunnel, the rates of transportation shall not exceed the rates charged at the same time from Penn Haven to the same points, on coal from the Lehigh region, either by the parties of the second part or by the Lehigh Valley Railroad Company.

It appears that the basis of rates which the respondent was obligated to apply on the shipments of the navigation company in accordance with the said tenth covenant of the lease was a lower basis of rates than the respondent published in its tariffs and filed with this Commission, and in order to reduce its filed and published rates to the basis described in the tenth covenant of the lease the respondent refunded to the navigation company from 11 to 21 cents per ton on each ton of anthracite coal shipped by the navigation company through Hauto, Pa., and from 14 to 23 cents per ton on each ton of anthracite coal shipped by the navigation company from Nesquehoning, Pa., over the lines of railway of the respondent. These refunds were termed by the respondent "lateral allowances." They varied as to the different sizes of coal and as to the point to which the coal was transported. On coal shipped from Nesquehoning to points on the central division of the respondent the allowances paid were 23 cents per ton on prepared sizes, 20 cents per ton on pea size, and 17 or 18 cents per ton on the smaller sizes of coal. On coal shipped from Nesquehoning to tidewater the allow-

35 I. C. C.

ances paid were 19.18 cents per ton on prepared sizes, 17½ cents on pea size, and 14.7 cents per ton on buckwheat sizes of coal. The allowances paid on coal shipped via Hauto were 2 cents per ton less than the allowances paid on the shipments from Nesquehoning. During the 30 months period, July, 1910, to December 31, 1912, the allowances so paid averaged \$37,568 per month. The shipper employed its own locomotives in moving the empty cars from Hauto to the collieries and in assembling the loaded cars at Hauto. The respondent, the Central Railroad Company of New Jersey, performed all the switching services on the shipments from Nesquehoning. No transportation service whatever was rendered by the shipper at this point. The allowances paid on coal shipped from Nesquehoning amounted to \$11,232 for the month of November, 1912.

The tariffs of the respondent filed with this Commission make reference to the lateral allowances in the following manner:

In compliance with the tenth covenant of the lease from the Lehigh Coal & Navigation Company, under which the Central Railroad Company of New Jersey operates the Lehigh & Susquehanna Railroad, a lateral allowance is made out of the herein-named rates to the Lehigh Coal & Navigation Company, on all anthracite coal originating on the latter's tracks in the Panther Creek, Nesquehoning, and Hackelbarnie districts, mined and shipped by it, when coming via Hauto, Nesquehoning, and Mauch Chunk gateways.

The covenant referred to is set forth in the lease of March 31, 1871, and recorded in Deed Book No. 262, page 480, of Luzerne county, and Deed Book No. 43, page 339, of Lackawanna county, Pennsylvania.

The respondent's tariffs do not, and have not published the rates which it assessed on shipments of anthracite coal it transported for the navigation company. The tariffs did not inform the Commission of the rates actually charged the navigation company nor did they inform any competing shippers of the rates assessed by the respondent on the coal shipped by the navigation company. Most of the shipments of anthracite coal shipped by the navigation company and transported by the respondent were interstate shipments.

Up to and including the month of December, 1910, the respondent paid to the Lehigh Coal & Navigation Company 10.8 cents per ton on prepared sizes of anthracite coal and 9 cents per ton on smaller sizes of anthracite coal for services rendered at Elizabethport in transferring the navigation company's own shipments and the shipments of others from cars to vessels. This allowance was not published in the carrier's tariffs.

The following figures show the allowance made by the carrier on each ton (2,240 pounds) of anthracite coal shipped by the navigation company in November, 1912:

Destined to—	Size.	From Hauto, Pa.	From Nesquehoning, Pa.
		<i>Cents.</i>	<i>Cents.</i>
P. R. R. points.....	Various.....	21	23
N. P. R. R. points, Bethlehem Steel Co.....	{ Various.....	21	23
	{ Culm.....		23
P. & R., Allentown-Bound Brook division.....	Prepared.....	16	
L. & S. division below Mauch Chunk.....	Various.....	21	23
N. J. Zinc Co., Hazard, Pa.....	Culm.....	11	13
L. & H. Ry. points.....	{ Various.....	21	
	{ Prepared.....		23
	{ Prepared.....	21	23
	{ Pea.....	18	20
Central division points.....	{ Buckwheat.....	16	18
	{ Culm.....	15	17
West Shore R. R. points.....	{ Prepared.....	21	
	{ Pea.....	18	20
N. Y. C. & H. R. R. R. points.....	Prepared.....	21	
	{ Prepared.....	21	23
	{ Pea.....	18	20
Long Island R. R. points.....	{ Buckwheat.....		18
	{ Prepared.....	19.18	19.18
Elizabethport, N. J., tidewater.....	{ Pea.....	17.5	17.5
	{ Buckwheat.....	14.7	14.7

35 I. C. C.

BURNS BROTHERS LEASE.

In a lease dated June 15, 1910, for a period of 10 years, the respondent leased to Burns Brothers, a corporation, engaged in selling coal in New York and surrounding district, four parcels of property situated in Jersey City, N. J., and owned by the respondent. These properties consisted of the Manhattan Yard coal trestle, Pier 8, and two retail coal trestles. The Manhattan Yard coal trestle is a large concrete structure with inclosed pockets and storage bins. Its cost of construction to the respondent was \$181,482 in 1910. It is situated near respondent's ferry line to New York City, and the trucks of Burns Brothers take on coal from the chutes of this trestle and deliver the coal to consumers in New York City and the surrounding district. At the docks known as Pier 8, operated by Burns Brothers, large quantities of coal are transferred from cars to vessels for delivery in New York harbor. For these several properties Burns Brothers, in accordance with the lease, pays \$30,000 per annum rental. For the services rendered by Burns Brothers in transferring coal from cars to vessels at the docks, as provided in the sixth and seventh paragraphs of the lease, the respondent pays out of its rates to Burns Brothers 12 cents per ton on all bituminous coal and steam sizes of anthracite coal so handled, and 15 cents per ton on all prepared sizes of anthracite coal so handled. These paragraphs and the second paragraph of the lease read as follows:

Sixth. It is mutually covenanted and agreed that the lessor, as a part of its transportation duty, will, during the continuance of this demise, deliver all coal and coke (so consigned) by placing the loaded cars upon the trestles or pier situate upon the demised premises and remove the empty cars therefrom without charge.

Seventh. The lessee will, at its own sole cost and expense, furnish all the labor and other services required to unload and ship the coal, but at the pier on parcel IV the lessor agrees to pay to the lessee for such labor and services the sum of twelve (12) cents per ton on all bituminous coal and steam sizes of anthracite coal, and the sum of fifteen (15) cents per ton on all prepared sizes of anthracite coal.

In the second paragraph of the lease Burns Brothers did covenant and agree—

To purchase all anthracite coal handled at and on said demised premises from points north or west from Mauch Chunk, Carbon county, Pa., to cause all coal so there purchased to be transported thence over the lines of railroad owned, controlled, or operated by the Lessor, and to purchase all bituminous coal or coke handled at and on said demised premises from points in the bituminous coal-producing regions tributary to lines having joint rates and forming through routes with the lessor and its railroad, to the end that the lessor shall obtain the greatest possible haul over its line, and, to the extent of the said lessee's power and control, direct the shipments of said bituminous coal and coke by way of Hauck's Switch, Allentown, or Buttonwood, Pa., or Bound Brook, N. J., and thence over the lines owned, controlled, or operated by the lessor, and to so annually purchase and cause to be transported to, and handled at, the said Demised Premises each and every year during the continuance of this lease not less than five hundred thousand (500,000) gross tons of coal and coke, giving preference on equal terms to coal of the Lehigh & Wilkes-Barre Coal Company; it being understood and agreed that the said annual tonnage shall be computed from the 1st day of July to and including the next ensuing 30th day of June in each and every year during the continuance hereof. This agreement to purchase said amount of coal is further conditioned upon its being purchaseable at average market prices ruling from time to time at shipping ports in New York Harbor.

The allowances paid to Burns Brothers in accordance with the sixth and seventh paragraphs of the above lease amounted to \$31,793.88 for the year ended June 30, 1911, \$37,240.77 for the year ended June 30, 1912, and \$30,023.20 for the year ended June 30, 1913. In each year they exceeded the rental paid by Burns Brothers for the four properties, and a large part of the allowances were paid on shipments consigned to Burns Brothers. The Commission's examiners found that it cost the respondent 3.514 cents per gross ton for handling coal over its Elizabethport docks and 3.147 cents per gross ton for handling coal over its Port Johnston docks. While a much larger quantity of coal is handled over the last-mentioned docks than is handled by Burns Brothers, the figures show that the carrier could itself perform the service Burns Brothers are performing on Pier 8 for much less than the allowance it pays to Burns Brothers. The allowance paid to Burns Brothers is not published in the carrier's tariffs.

PENNSYLVANIA RAILROAD COMPANY—NORTHERN CENTRAL RAILWAY COMPANY.

The record shows that on June 30, 1913, the Pennsylvania Railroad Company and the Northern Central Railway Company owned the entire capital stocks of the following companies that are engaged in mining or selling anthracite coal—the Susquehanna Coal Company, the Mineral Railroad & Mining Company, and the Summit Branch Mining Company. The stock of these companies owned by the Pennsylvania Railroad Company was as indicated below:

	Par value.	Original cost to P. R. R. Co.	Book value.
Mineral Railroad & Mining Co.....	\$100,002	\$100,002	\$1
Summit Branch Mining Co.....	25,000		1
Susquehanna Coal Co. ¹	2,136,800	2,136,800	716,600

¹The Susquehanna Coal Co. ships and sells in the markets the coal production of the two other coal companies.

The Pennsylvania Railroad Company carries the value of the stock of the Mineral Railroad & Mining Company in its books at \$1, having charged \$100,001 of the cost of the said stock to its profit and loss account. It carries the stock of the Susquehanna Coal Company in its accounts at a book value of \$716,600, having charged off \$1,420,200 of its original cost to profit and loss and income.

The Northern Central Railway Company owns \$199,998 par value of the stock of the Mineral Railroad & Mining Company, which it acquired previous to the year 1891 at a cost of \$199,998, and it carries this stock in its accounts at a book value of \$1, having charged off \$199,997 of its cost, viz, \$35,000 to income and \$164,997 against premium realized on the sale of its own (Northern Central Railway Company) stock.

No dividends have been declared by these coal companies, nor have the carriers received any dividends from the said stocks since the year 1897, excepting a dividend of 4 per cent which was declared by the Susquehanna Coal Company the latter part of the year 1912, some time after the commencement of this investigation.

It appears that the Pennsylvania Railroad Company and the Northern Central Railway Company have made the following advances to the anthracite coal companies named below and have charged such advances off to profit and loss or to income:

ADVANCES MADE BY PENNSYLVANIA RAILROAD COMPANY.

Year ended June 30--	Company.	Amount.	Account to which charged.
1898.....	Summit Branch Coal Co.....	\$42,529.07	Profit and loss.
1899.....	do.....	255,940.19	Do.
1901.....	do.....	52,880.23	Do.
1902.....	do.....	266,457.81	Do.
1904.....	Summit Branch Mining Co.....	328,942.43	Do.
1905.....	do.....	103,919.29	Do.
1912.....	do.....	69,453.70	Do.
Total.....		1,120,122.72	

ADVANCES MADE BY NORTHERN CENTRAL RAILWAY COMPANY.

1894.....	Mineral R. R. & Mining Co.....	\$126,000.00	Profit and loss.
1895.....	do.....	124,000.00	Income.
1896.....	do.....	175,000.00	Do.
1897.....	do.....	47,000.00	Do.
Total.....		472,000.00	

35 I. C. C.

There were no outstanding bond issues of the three said coal companies on December 31, 1912, but the Susquehanna Coal Company was indebted to the Pennsylvania Railroad Company to the amount of \$6,000,000, which was represented by a certificate of indebtedness given by the coal company to the carrier. This loan was not secured by a mortgage on the property of the coal company, the only security being, as testified by Vice President Ross of the Coal Company (page 678), the good faith of the coal company. Up to the month of April, 1911, the Susquehanna Coal Company deposited its receipts with the Treasurer of the Pennsylvania Railroad Company. The record shows (page 681) that the Pennsylvania Railroad Company furnished the Susquehanna Coal Company with the funds it required for its current operations, and that such moneys were repaid at times suiting the convenience of the coal company. The Susquehanna Coal Company furnished the two other coal companies with current working funds.

COAL MINED BY MINERAL RAILROAD & MINING COMPANY.

The record shows that the Susquehanna Coal Company takes the entire output of coal produced from collieries of the Mineral Railroad & Mining Company, and it is therefore the shipper of this production. It also, as before indicated, assumes all deficits resulting from the operations of the Mineral Railroad & Mining Company.

The Northern Central Railway Company owns 4,948 acres of anthracite coal producing lands situated near Shamokin, Pa. Under a lease dated July 10, 1878, to run for 10 years, which was subsequently extended to run for a period of 999 years computed from and after the date February 27, 1863, the carrier leased the said lands to the said mining company. The compensation to be paid to the carrier by the mining company for said property is set forth in the following manner in the original lease:

And it is understood and agreed, That this lease shall not convey the title to the ownership of any of the lands in question. For and in consideration of the rights and valuable privileges herein conveyed to them the parties of the second part agree to pay for each and every gross ton of coal of 2,240 pounds weight, mined and sold by them from the lands in question on or after January 1, 1878, but not including any coal used or to be used by the lessees for mining purposes, the sum of 20 cents for all prepared sizes and 10 cents for nut coal and all smaller sizes. Such payments to be made hereafter not later than the 25th day of each and every month for such coal sold during the previous month.

The supplementary agreement which extended the period of the said lease to run for 999 years increased the rate of royalty to be paid on such coal mined after the date January 9, 1892, to 28 cents per gross ton, as follows:

The said extended term is to be upon the same terms and conditions as the said original lease, dated July 10, 1878, in all respects except only the stipulation in the last clause thereof respecting the payment of money by the lessee to the lessor, which stipulation has been performed, and also except the royalties reserved as rentals in said lease, which shall from and after the commencement of the term hereby granted be at the rate of 28 cents per ton for every gross ton of coal of all sizes of 2,240 pounds weight mined and sold by the lessee or its subtenants from the said premises.

The comptroller of the Northern Central Railway Company (pp. 733-736) testified that the carrier had not presented any bills to the lessee for the said royalties in recent years, and that the carrier had not collected any royalties which accrued under the said lease. The testimony of Vice President Ross of the mining company (pp. 687-688) on this point was as follows:

Q. Has the railway ever asked the coal mining company to pay that royalty?

Mr. Ross. They asked about every year. They asked what we are going to do. We say, "We have not got anything with which to pay you."

Q. For how many years have they been asking and getting that answer?

Mr. Ross. I should judge for six or seven years.

Q. Are the operations of the Mineral Railroad & Mining Company profitable?

Mr. Ross. They about break even.

Q. Without paying any royalty?

Mr. Ross. Yes. If they paid the royalty they would be in a hole, and the sheriff would get them, I guess.

35 I. C. C.

The Pennsylvania Railroad Company owns the capital stock, \$2,000,000, of the Manor Real Estate & Trust Company and its mortgage of \$546,125. The carrier has advanced to the real estate company from time to time large sums of money. The amount due the Pennsylvania Railroad Company for such advances was \$1,312,416.51 on December 31, 1913. The Northern Central Railway Company has also advanced large sums of money to the real estate company. The balance due the Northern Central Railway Company for such advances was \$894,868.78 on December 31, 1913.

The Manor Real Estate & Trust Company holds title to approximately 924 acres of anthracite coal producing lands in Northumberland county in the Schuylkill region. In a lease, of the date February 17, 1891, the real estate and trust company leased these lands to the Mineral Railroad & Mining Company for a period of 971 years, fixing the compensation therefor at 28 cents per ton for each ton of coal mined and sold from the premises by the lessee.

While large quantities of coal have been mined from the lands no royalties have been collected from the lessee. The real estate company has waived collection of royalty earnings on the coal mined in a manner similar to the action of the Northern Central Railway Company in waiving collection of royalty earnings.

The amount of royalty earnings which accrued for coal mined by the mining company from the lands of the Northern Central Railway Company and the Manor Real Estate & Trust Company during recent years, no part of which was collected, was as follows:

Year.	Manor Real Estate & Trust Co.		Northern Central Ry. Co.		Total accrued royalty earnings.
	Tons.	Amount.	Tons.	Amount	
1909.....	271,896	\$76,130.88	1,488,508	\$416,782.24	\$492,913.12
1910.....	285,488	79,936.64	1,533,974	429,512.72	509,449.36
1911.....	335,542	93,951.76	1,682,893	471,210.04	565,161.80
1912.....	326,222	91,342.16	1,618,164	453,085.92	544,428.08
1913.....	360,938	101,062.64	1,841,456	515,607.68	616,670.32
Total.....	1,580,086	442,424.08	8,164,995	2,286,198.60	2,728,622.68

The taxes paid by the Northern Central Railway Company on the properties so leased to the Mineral Railroad & Mining Company amounted to \$20,784.30 during the year 1912. From the testimony it appears that no royalty charges have been collected for the coal mined from these coal-producing lands since the year 1905.

THE DELAWARE & HUDSON COMPANY.

Most of the coal-producing lands owned by the Delaware & Hudson Company (hereinafter termed the respondent) were acquired previous to 1870. Stocks and bonds of the respondent were issued for that purpose. The bonds were subsequently paid off (pp. 13-19), so that the investment is now represented by stock issues of the respondent. The respondent has since 1908 invested \$5,687,260.53 in coal-producing lands in the Schuylkill region. Title to the lands in the Schuylkill region is vested in the Shanferoke Coal Company and in the Schuylkill Coal & Iron Company, to whom the respondent advanced the said sums for the purchase of the lands. This sum the respondent raised from the proceeds of its 4 per cent first and refunding gold mortgage bonds authorized on May 12, 1908. The Schuylkill lands are not reached by the rails of the respondent, and they are undeveloped. The respondent had derived no income from the properties in the Schuylkill region up to the time hearings were had in this case.

35 I. C. C.

The Delaware & Hudson Company on June 30, 1912, owned the entire capital stocks of the following anthracite coal companies:

Company.	Par value.	Book value.
Hudson Coal Co.....	\$2,500,000	\$2,400,001
Northern Coal & Iron Co.....	1,500,000	1,500,000

The Northern Coal & Iron Company owns extensive tracts of anthracite coal producing lands and about 22 miles of railroad extending between Green Ridge, Pa., Wilkes-Barre, Pa., and Buttonwood, Pa. The respondent owns all the stock of the Northern Coal & Iron Company and advanced the funds it required for the acquisition of its property and in the construction of its railroad. The Delaware & Hudson Company operates the railroad and the coal lands of the Northern Coal & Iron Company.

THE HUDSON COAL COMPANY PREVIOUS TO JULY, 1909.

On March 9, 1901, the Delaware & Hudson Company purchased the charter of the Hudson Coal Company for \$27,500. At that time the Hudson Coal Company owned no properties, and it was not an active corporation. It possessed a valuable charter. After purchasing the said charter, the Delaware & Hudson Company advanced to the Hudson Coal Company \$150,000 in March, 1901. During the year 1901 the Delaware & Hudson Company purchased anthracite coal properties, expending therefor approximately \$1,500,000, and it transferred the title to the property to the Hudson Coal Company, accepting in payment therefor the same amount (\$1,500,000) debenture bonds of the Hudson Coal Company. In May, 1902, the Delaware & Hudson Company guaranteed the payment of the principal and interest of \$1,850,000 four per cent bonds issued by the Hudson Coal Company. The coal company used the proceeds of this bond issue for the purchase of additional coal properties.

During the period from 1901 to July, 1909, the Delaware & Hudson Company mined the production of anthracite coal both from the properties of the Hudson Coal Company and from its own properties. The respondent transported and sold this coal production in the markets. The respondent (p. 1313) paid the interest and yearly installments of principal on the said bonds of the coal company during the said period, giving the coal company credit for the coal mined from its lands. Any deficiency in the amount required for the principal and interest on the securities of the coal company was advanced by the Delaware & Hudson Company. As testified to by a competent witness, all receipts and disbursements of both companies went into and came out of a common treasury. The coal company did not issue any capital stock until February 1, 1911, and on that date it issued \$2,400,000 capital stock, which was acquired by the Delaware & Hudson Company, as hereafter noted.

THE HUDSON COAL COMPANY SUBSEQUENT TO JULY, 1909.

After the decision by the Supreme Court in the *Commodities case* in 1909, the sales operations of the Delaware & Hudson Company were assumed by the Hudson Coal Company. Under two agreements, dated June 1, 1909, between the Delaware & Hudson Company and the Hudson Coal Company, the Delaware & Hudson Company has mined the anthracite coal from the properties owned by the Delaware & Hudson Company and from those properties title to which is vested in the Hudson Coal Company, and the coal company has purchased the entire output at the pit mouth; that is, before the coal is passed through the breakers. The coal company operates the

35 I. C. C.

breakers and markets the coal. At the time of entering into these agreements the respondent sold to the coal company the entire stock of anthracite coal which it had on hand and in storage at various points on its line.

There were considerable sums of money due the respondent in June, 1909, from purchasers of its coal; that is, unpaid customers' accounts, which the respondent transferred to the Hudson Coal Company and accepted in payment therefor the capital stock of the Hudson Coal Company of the par value \$2,400,000. The stock was not issued until February, 1911.

The respondent is guarantor of the payment of principal and interest on \$1,075,000 bonds of the Hudson Coal Company.

THE ERIE RAILROAD COMPANY.

The Erie Railroad Company owns the entire capital stock of the following anthracite coal companies:

	Par value.
Hillside Coal & Iron Co.....	\$1,000,000
Pennsylvania Coal Co.....	5,000,000

It also owns \$145,700 of the capital stock of the Temple Iron Company. No dividends have been received by the carrier on the stock of the Hillside Coal & Iron Company or the Temple Iron Company.

In 1901 the carrier purchased from J. P. Morgan & Company [the capital stock of the following companies:

Company.	Shares.	Par value.
Pennsylvania Coal Co.....	100,000	\$5,000,000
Erie & Wyoming Valley R. R. Co.....	15,200	760,000
Delaware Valley & Kingston R. R. Co.....	2,500	250,000
		6,010,000

In payment for these properties the carrier issued to J. P. Morgan & Company \$5,000,000 of its first preferred stock and \$32,000,000 of its 4 per cent Pennsylvania collateral 50-year gold bonds. The carrier previous to this purchase owned 49 per cent of the stock of the Erie & Wyoming Valley Railroad Company, and by this purchase it acquired the remainder of the stock of the Erie & Wyoming Valley Railroad Company. The Delaware Valley & Kingston Railroad Company was to be a new railway line to tidewater. Its construction was promoted by the Pennsylvania Coal Company, but was discontinued as a result of this purchase. The premium, \$29,259,626, paid by the respondent, Erie Railroad, for these properties was charged to the respondent's cost of road.

In 1898 the Erie Railroad Company acquired the entire capital stock of the New York, Susquehanna & Western Railroad by issuing, in exchange therefor, its own capital stock, preferred \$13,000,000 and common \$13,000,000, in exchange for the capital stock of the New York, Susquehanna & Western Railroad Company, thus acquiring the control of a competing railway line to tidewater. Of the capital stock of the New York, Susquehanna & Western Railroad Company, 51 per cent is pledged as security for the \$32,000,000 4 per cent bonds mentioned.

It is not possible to ascertain what the Erie Railroad Company paid for its interest in the Hillside Coal & Iron Company. In answer to a request for such information the respondent, Erie Railroad Company, gave the following answer:

NOTE A.—These securities were received from the reorganization committee of the New York, Lake Erie & Western Railroad Company as part of the railroad and property acquired by the Erie Railroad Company as a result of the foreclosure and reorganization of the New York, Lake Erie & Western Railroad Company, and were entered on the Erie books at the amounts stated.

35 I. C. C.

The balance sheets of the Hillside Coal & Iron Company show a profit and loss deficit of \$2,500,800 on June 30, 1912, and it was larger during the three preceding years.

The operations of the Hillside Coal & Iron Company resulted in deficits previous to the year 1909 as indicated in the following figures:

1904.....	\$251,426.08
1905.....	179,034.39
1906.....	41,658.26
1907.....	141,483.10
1908.....	176,369.63

The funds required for the said deficits in the operations of the Hillside Coal & Iron Company in those years were provided by the Erie Railroad Company. Interest has been paid by the coal company on the loans.

NEW YORK, ONTARIO & WESTERN RAILWAY COMPANY.

The New York, Ontario & Western Railway Company owns the entire capital stock of the Scranton Coal Company and the Elk Hill Coal & Iron Company, and also certain bonds of the two coal companies. Its ownership of securities of these coal companies on June 30, 1912, was as follows:

	Principal or par value.
Elk Hill Coal & Iron Company:	
Capital stock.....	\$60,000.00
Bond, first mortgage and supplemental first mortgage, 5 per cent.....	1,400,000.00
Bond and second mortgage, 5 per cent.....	2,400,000.00
Scranton Coal Company:	
Capital stock.....	200,000.00
Bond and second mortgage, 5 per cent.....	1,170,000.00
Mortgage on property of Riverside Coal Company, assumed by Scranton Coal Company.	116,333.87

Under an agreement dated February 1, 1899, between the New York, Ontario & Western Railway Company and the Scranton Coal Company the railway company advanced to the coal company \$3,975,000 to provide the coal company with funds for the purchase of coal properties of the Lackawanna Iron & Steel Company. As security for the amount so advanced the coal company gave to the railway company its first-mortgage bonds to the amount of \$2,500,000 and its second-mortgage bonds to the amount of \$1,475,000.

In 1900 the coal company reduced the principal of the second-mortgage bonds to \$1,170,000 by the payment of \$305,000. Previous to 1902 the coal company paid interest on the second-mortgage bonds at the rate of 5 per cent, and from 1902 to 1907 it paid interest at the rate of 4 per cent. Since 1907 the coal company has not paid any interest on the said second-mortgage bonds. The accrued unpaid interest amounted to \$253,500 on June 30, 1912.

Under an agreement dated November 30, 1900, the New York, Ontario & Western Railway Company advanced to the Elk Hill Coal & Iron Company the sum of \$5,900,000 to provide the coal and iron company with funds to purchase various anthracite coal producing properties. As security for the amount so advanced the coal and iron company gave to the railway company its first-mortgage bonds to the amount of \$3,500,000 and its second-mortgage bonds to the amount of \$2,400,000.

Previous to July 1, 1901, the coal and iron company paid interest on its second-mortgage bonds at the rate of 5 per cent, and from July 1, 1901, to June 1, 1906, it paid interest at the rate of 4 per cent per annum. No interest has been paid on the second-mortgage bonds since June 1, 1906, and the accrued interest unpaid on June 30, 1912, amounted to \$584,000. The agreements obligate the two coal companies to ship their entire output over the railway lines of the New York, Ontario & Western Railway Company.

35 I. C. C.

As shown (Morgan Exhibit No. 32), the accrued and unpaid interest due from the coal companies to the railway company was \$837,500 on June 30, 1912. The coal companies have also been accorded extended credit for transportation charges, and the carrier has borrowed funds in recent years on short-time loans, which is in part due to the funds it has invested in the coal companies on which it receives no income.

The Scranton Coal Company under a contract operates the property of the Elk Hill Coal & Iron Company, ships its product from the mines, and sells it in the markets. The operations of the Scranton Coal Company have generally resulted in deficits (Morgan Exhibit No. 34). In 1907 its operations resulted in a profit of \$56,690.14, but in succeeding years the following deficits resulted from its operations: in 1908, \$252,400.30; in 1909, \$493,574.52; in 1910, \$387,799.46; in 1911, \$411,142.35; in 1912, \$67,648.26. On June 30, 1912, the accrued deficit of the Scranton Coal Company was \$1,025,399. As the accrued and unpaid interest due from the Scranton Coal Company to the carrier on June 30, 1912, was \$865,420.13, and considering the extended credit granted by the carrier to the coal company as hereinafter described, it is apparent that the carrier has furnished the Scranton Coal Company with the funds it requires to sustain the said deficits.

On December 18, 1910, the Scranton Coal Company entered into a contract with the Hudson Coal Company whereby it purchased from the Hudson Coal Company 1,000,000 tons of coal annually, which is sold mostly at tidewater, thereby succeeding to the contract on which it has heretofore been shown that the Hillside Coal & Iron Company sustained a loss of 19.31 cents per gross ton. This contract was to run for four years on and after the date April 1, 1911. The Scranton Coal Company commenced to take this coal in April, 1911. The New York, Ontario & Western Railway Company has paid the Delaware & Hudson Company the following proportions of the joint rates to tidewater:

	Cents.
Prepared sizes.....	60
Pea.....	52
Buckwheat, No. 1.....	45
Smaller sizes.....	40

The coal is moved from the mines to Jermyn, Pa., by the Delaware & Hudson Company, thence to tidewater (Weehawken, N. J.) by the New York, Ontario & Western Railway. The New York, Ontario & Western Railway Company hauls the coal from Jermyn to Weehawken, 202 miles, for the remaining proportions of the joint rate, \$1 on prepared sizes, 93 cents on pea, 85 cents on buckwheat, and 75 cents per gross ton on smaller sizes. Approximately 73,500 gross tons of this Delaware & Hudson coal was so transported by the New York, Ontario & Western Railway to tidewater in November, 1912, for an average revenue of 96½ cents per gross ton.

The maximum rates applicable from Delaware & Hudson collieries to Dickson, Pa., and Jermyn, Pa., as published in Delaware & Hudson local tariff, I. C. C. 11232, are 50 cents per gross ton on prepared sizes, 45 cents per gross ton on pea coal, and 40 cents per gross ton on smaller sizes.

CREDIT FOR TRANSPORTATION CHARGES.

The carrier grants extensive periods of credit to the Scranton Coal Company for transportation charges on its shipments. This practice is indicated in the payments of freight charges stated below:

35 I. C. C.

Shipments, month of—	Freight charges.	Time of payment.	
		Month.	Amount.
December..... 1911.	3475,511.60	1912. February...	\$330,000.00
January..... 1912.	493,413.60	March.....	145,511.60
February.....	605,889.65	March.....	403,413.60
March.....	547,926.00	April.....	90,000.00
April.....	6,795.23	April.....	335,889.65
May.....	114,671.82	May.....	250,000.00
June.....	393,782.40	June.....	20,000.00
July.....	435,093.08	June.....	112,926.00
August.....	431,483.62	July.....	270,000.00
September.....	403,476.72	April.....	25,000.00
October.....	381,643.08	August.....	140,000.00
November.....	372,418.29	August.....	6,795.23
		August.....	114,671.82
		August.....	8,782.40
		September..	240,000.00
		October.....	145,000.00
		October.....	150,000.00
		November..	285,093.08
		November..	86,483.62
		December...	345,000.00
		December...	108,476.72
		1913.	
		January.....	295,000.00
		January.....	256,643.08
		February...	125,000.00
		February...	372,418.29

THE LEHIGH VALLEY RAILROAD COMPANY.

The Lehigh Valley Railroad Company owns the entire capital stock of the Lehigh Valley Coal Company, and Coxe Brothers & Company, Incorporated. Its ownership of securities of anthracite coal companies on June 30, 1912, was as follows:

Company securities.	Par value.	Cost to L. V. R. R. Co.	Book value.
Lehigh Valley Coal Co. stock.....	\$1,965,000	\$1,956,112.90	\$1,422,005.43
Lehigh Valley Coal Co. bonds.....	7,500,000	7,695,910.11	7,500,000.00
Coxe Brothers & Co., Inc., stock.....	2,910,150	17,440,000.00	12,440,000.00
Highland Coal Co. stock.....	120,000	117,000.00	117,000.00
Packer Coal Co. stock.....	3,800	36,756.40	3,800.00
Temple Iron Co. stock.....	570,900	570,900.00	570,900.00
New York & Middle Coal Field Railroad & Coal Co. stock.....	1,216,325	634,585.01	546,850.50

In order to reduce the cost of the above securities to the book value indicated above, the Lehigh Valley Railroad has written off \$2,877,752.09 to profit and loss and \$3,000,000 to reserves; that is, \$534,107.47 of the cost of Lehigh Valley Coal Company's stock and \$2,000,000 of the cost of Coxe Brothers & Company's stock was so charged to profit and loss, and \$3,000,000 of the cost of the stock of Coxe Brothers & Company was charged off to reserves.

35 I. C. C.

LOANS AND ADVANCES TO THE LEHIGH VALLEY COAL COMPANY.

The advances made by the respondent were as follows:

Year ended June 30—	Amount advanced during year.	Amount paid respondent during year in settlement for sums advanced.	Book value of balance due on June 30.
1890.....	\$1,977,213.69	\$855,000.00	\$10,342,401.24
1891.....	2,888,619.31	1,651,546.72	11,579,445.61
1892.....	930,116.65	930,116.65	11,579,445.61
1893.....	1,027,287.46	11,057,076.46	1,549,656.61
1894.....	1,338,594.25	450,000.00	2,438,250.86
1895.....	1,465,412.42	-----	3,307,038.28
1896.....	2,697,454.90	246,953.33	5,166,889.85
1897.....	2,470,000.00	5,970,000.00	1,079,914.87
1898.....	1,750,000.00	399,914.87	1,596,650.00
1899.....	1,250,000.00	428,200.00	1,596,650.00
1900.....	900,000.00	1,170,950.00	500,000.00
1901.....	2,200,000.00	374,300.00	1,500,000.00
1902.....	500,000.00	1,587,150.00	-----
1903.....	250,000.00	-----	-----
1904.....	550,000.00	550,000.00	-----
1905.....	2,180,000.00	2,180,000.00	-----

The following sums of principal or interest advanced by the railroad company to the coal company have been charged off to the profit and loss or income accounts of the respondent; that is, the coal company was not required to pay these sums to the respondent:

1895.....	\$596,625.00	1901.....	\$825,700.00
1896.....	590,650.00	1902.....	412,850.00
1897.....	586,974.98	1903.....	250,000.00
1898.....	833,350.00		
1899.....	833,250.00	Total.....	5,755,099.98
1900.....	825,700.00		

The respondent is guarantor of the principal and interest on \$11,514,000 bonds of the Lehigh Valley Coal Company, and \$463,000 bonds of the Temple Iron Company.

The Lehigh Valley Railroad Company also purchased the capital stock and properties of the following anthracite coal companies and sold the properties to the Lehigh Valley Coal Company:

Year purchased.	Company.	Cost to L. V. R. R. Co.	Selling price to L. V. Coal Co. July 19, 1905.
1901.....	Connell Coal Co.....	\$900,000	\$412,000
1901.....	Seneca Coal Co.....	1,000,000	773,000
1902.....	Righter Coal Co.....	270,000	292,000
1904.....	Warrior Run Mining Co.....	1,000,000	998,000
	Total.....	3,170,000	2,475,000

On July 19, 1905, the Lehigh Valley Railroad Company sold the above securities and other properties to the Lehigh Valley Coal Company, as follows:

The above companies.....	\$2,475,000
Wyoming Coal & Land Co.....	130,000
Hazleton Coal Co. bonds canceled.....	724,000
Lehigh Valley Co. bonds, 5 per cent bonds canceled.....	5,000,000
Lehigh Valley Co. bonds, 5 per cent 10-year bonds.....	2,050,000
Wyoming Coal & Land Co. mortgage, first mortgage bonds paid off.....	60,000
Discount on \$1,400,000 Lehigh Valley Coal Co. first mortgage bonds sold by Lehigh Valley R. R. Co.....	98,000
Total.....	10,537,000

35 I. C. C.

In payment of this sum (\$10,537,000) the Lehigh Valley Coal Company gave to the Lehigh Valley Railroad Company its certificates of indebtedness. No interest was paid on these certificates of indebtedness prior to February, 1912. The failure on the part of the carrier to collect interest from the coal company was commented on in the Commission's opinion in the *Meeker case*, 21 I. C. C., 129, 23 I. C. C., 480.

The following letter, dated June 30, 1905, from Treasurer J. W. Platten, addressed to General Auditor G. N. Wilson, shows it was the intention of the carrier that the coal company should not pay any interest on the said \$10,537,000:

Copy of my letter of this date to Mr. Alderson, sending him the following certificates of indebtedness from the Lehigh Valley Coal Company to the Lehigh Valley Railroad Company: Connell, \$412,000; Seneca, \$773,000; Righter, \$292,000; Warrior Run, \$998,000; Wyoming Coal & Land Company, \$130,000; total, \$7,384,000.

For your information and guidance: These certificates of indebtedness should not appear as a bonded debt of the Lehigh Valley Coal Company. They should be brought on the books of the Lehigh Valley Railroad Company as certificates of indebtedness due from the Lehigh Valley Coal Company and on the books of the Lehigh Valley Coal Company as certificates of amount due the Lehigh Valley Railroad Company. They are not to bear any specific rate of interest and none is to be paid thereon.

You will note they will be deposited with the Girard Trust Company, trustee, later on.

The respondent on February 29, 1912, collected interest charges on the certificates of indebtedness and the certificates were retired in the following manner, as shown in the respondent's annual report to shareholders for the year 1912:

The certificates of indebtedness of the Lehigh Valley Coal Company, amounting to \$10,537,000, issued by that company to the Lehigh Valley Railroad Company some years ago to represent its indebtedness for advances made to it for capital expenditures, were redeemed on March 1. The Lehigh Valley Coal Company paid off \$3,037,000 of the same in cash at par and in exchange for the balance issued \$7,500,000 fifty-year gold debenture obligations bearing interest at the rate of 4 per cent per annum, payable semiannually on the 1st days of March and September. These debentures were deposited with the trustee of the general consolidated mortgage, the certificates of indebtedness having been so held. The Lehigh Valley Coal Company further paid all arrearages of interest on the certificates of indebtedness up to March 1, 1912. The amount applying prior to the present fiscal year was credited to profit and loss and the balance, \$280,986.67, was included in the income of the present year. In addition, the income account of the Lehigh Valley Railroad Company is being credited with interest on the \$7,500,000 debentures as the same accrues and is paid by the coal company.

The respondent collected simple interest \$2,809,866.67 on the certificates of indebtedness, computed at 4 per cent per annum, during the period 1905 to February 29, 1912.

PURCHASE OF COXE BROTHERS & COMPANY, INCORPORATED.

On November 1, 1905, the Lehigh Valley Railroad Company issued \$19,000,000 of its 4 per cent bonds, principal due in semiannual installments of \$500,000 (\$1,000,000 per year) each year from the said date to February 1, 1926. The proceeds of this bond issue were used to purchase the capital stock of Coxe Brothers & Company, Incorporated (par value \$2,910,150), and the capital stock of the Delaware, Susquehanna & Schuylkill Railroad Company (par value, \$1,500,000). The carrier paid \$17,440,000 for the capital stock of Coxe Brothers & Company, Incorporated, which was \$299.64 for each share having a par value of \$50 or a premium of \$14,529,850 for the stock. The balance sheet of Coxe Brothers & Company, Incorporated, shows its liabilities exceeded its assets by \$30,476 on June 30, 1912. The coal produced from the properties of Coxe Brothers & Company is sold to the Lehigh Valley Coal Company at the breakers.

Morgan Exhibit No. 23 shows that the disbursements of the Lehigh Valley Railroad Company in interest charges on its bond issue exceeded its income from Coxe Brothers & Company by the sum of \$1,102,032.79 from the date of the said purchase to June 30, 1912. In addition to this loss resulting from the payment of interest charges the carrier has retired \$6,909,000 of the principal of the bonds during the said period. It has charged to profit and loss each year \$1,000,000 of the said premium it paid. The \$5,000,000 value of the Coxe Brothers & Company property, charged off to profit and loss, was for the purpose of charging off the said premium, or, stated in other words, to

35 I. C. C.

provide for depreciation resulting from the mining of coal from the property of Coxe Brothers & Company, as indicated in the following statement on page 14 of the annual report of carrier to shareholders for the year 1912:

To provide fully for such depreciation as may have resulted from mining from the property of Coxe Brothers & Company, Incorporated, the entire capital stock of which is owned by the Lehigh Valley Railroad Company, the book value thereof was reduced by \$1,000,000 which amount was charged to profit and loss. A similar reduction was made in the book value of this property in each of the four preceding years.

The officers and directors of the Lehigh Valley Coal Company and their affiliations with the Lehigh Valley Railroad Company for the years 1912 and 1913, are shown in the following lists:

The Lehigh Valley Coal Company.—Directors, 1912, 1913: F. M. Chase, D. G. Reid (also director of the Lehigh Valley Railroad Company, 1912-13), L. D. Smith (also vice president of the Lehigh Valley Railroad Company, 1912-13), I. A. Stearns, E. T. Stotesbury (also director of the Lehigh Valley Railroad Company, 1912-13), F. W. Wheaton.

Officers, 1912, 1913: E. B. Thomas, president (also president Lehigh Valley Railroad Company, 1912-13); F. M. Chase, vice president and general manager; H. J. McQuade, secretary and treasurer; L. A. Tompkins, general auditor.

In April, 1911, the Supreme Court of the United States held:

By operation and effect of the commodities clause [of the Hepburn act], there is a duty cast upon a railroad company proposing to carry in interstate commerce the product of a producing, etc., corporation in which it has a stock interest not to abuse such power so as virtually to do by indirection that which the commodities clause prohibits, a duty which plainly would be violated by the unnecessary commingling of the affairs of the producing company with its own so as to cause them to be one and inseparable. *U. S. v. L. V. R. R. Co.*, 220 U. S., 257, 274.

Soon thereafter the Lehigh Valley Coal Sales Company was created and was incorporated in New Jersey. A contract was drawn bearing the date March 1, 1912, between the Lehigh Valley Coal Company and the Lehigh Valley Coal Sales Company, whereby the coal sales company accepted at the mines all the coal production of the Lehigh Valley Coal Company, shipped it and disposed of it in the markets.

The following is quoted from page 13 of the annual report of the Lehigh Valley Railroad Company to shareholders for the year 1912:

In January the Lehigh Valley Coal Company, which has, since its incorporation, been engaged in the mining, shipping and selling of anthracite coal, caused to be organized a new company with the name Lehigh Valley Coal Sales Company, for the purpose of purchasing at the mines and shipping and selling all coal which it mined and purchased. The new company was created with an authorized capital stock of \$10,000,000, of which \$6,060,800, or 121,216 shares, with a par value of \$50 each, were immediately issued and the balance reserved for future needs. The privilege was accorded stockholders of the Lehigh Valley Railroad Company of subscribing to stock of the sales company for an amount equivalent to ten per cent of their holdings. The sales company formally commenced business March 1, 1912. Neither the Lehigh Valley Railroad Company nor the Lehigh Valley Coal Company has any ownership in the stock of the sales company or any interest, direct or indirect, in the coal transported.

At about the same time the Lehigh Valley Railroad Company paid to its shareholders an extra dividend in cash, amounting to the exact par value of the stock issued by the coal sales company. This extra dividend was in addition to regular dividends of substantial sums. The regular dividends and extra dividends paid were as follows:

Five per cent on preferred stock, paid July 15, 1911.....	\$5,315
Five per cent on common stock, paid July 15, 1911.....	3,025,085
Five per cent on preferred stock, paid January 13, 1912.....	5,315
Five per cent on common stock, paid January 13, 1912.....	3,025,085
Special 10 per cent on preferred stock, paid February 26, 1912.....	10,630
Special 10 per cent on common stock, paid February 26, 1912.....	6,050,170
Five per cent on preferred stock, due July 13, 1912.....	5,315
Five per cent on common stock, due July 13, 1912.....	3,025,085
	15,152,000

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY.

The Delaware, Lackawanna & Western Railroad Company owns large tracts of anthracite coal producing lands, and operates a large number of collieries on its lands

35 I. C. C.

in the Wyoming region. Previous to August 2, 1909, the carrier conducted the mining operations, transported coal, and sold it in the markets. Since August 2, 1909, the carrier has continued the mining operations, but has sold the output of its collieries at the breakers to the Delaware, Lackawanna & Western Coal Company; the coal company since that time has sold the carrier's anthracite coal production in the markets. Concerning the formation and the functions of the Delaware, Lackawanna & Western Coal Company, the following is quoted from pages 10 and 11 of the carrier's annual report to shareholders for the year 1909:

In rearranging its affairs in conformance with the decision of the United States Supreme Court in what is known as the *Commodities case*, the company declared an extra dividend of 50 per cent, which was payable in cash, the stockholders, however, being given the option to use one-half of this extra dividend in purchasing stock of the Delaware, Lackawanna & Western Coal Company, which was organized and took over the merchandizing of this company's coal on August 1, 1909. At the same time a stock dividend of 15 per cent was declared and paid to the stockholders of the company. As a result, its capital stock was increased to \$30,277,000. * * * In conformance with the decision rendered by the United States Supreme Court that railroad companies can not lawfully transport in interstate commerce coal owned by themselves, the sales division of the coal department of the Delaware, Lackawanna & Western Railroad was discontinued August 1, 1909, and a coal selling company was organized under the laws of the state of New Jersey. Therefore, the annual report of the coal department covers but seven months—for January to July, inclusive—of the sales end of the business. A contract was entered into with the new coal company, whereby the railroad agreed to sell its coal on board cars at the mines on the same basis as generally prevails in the anthracite region, or what is known as the 65 per cent basis of Tidewater prices; and also to sell and turn over all stocks of coal along its lines and on western docks, and to lease its trestles to the coal company.

It appears (Loomis, p. 1216) that the Delaware, Lackawanna & Western Coal Company, a New Jersey corporation, was organized by officials of the carrier in 1909, and that it issued \$6,500,000 of capital stock and sold it at par to shareholders of the carrier, as indicated above. In order to enable its shareholders to purchase the coal company's stock the carrier declared and paid a dividend of 50 per cent in cash (\$13,000,000), which was available to them for that purpose. It therefore appears that the coal company started its business with a paid-in capital of \$6,500,000, which was provided by the carrier.

On August 2, 1909, the carrier entered into two agreements with the coal company whereby the carrier obligated itself to sell its entire output of anthracite coal to the coal company at the prevailing 65 per cent contract prices, and it leased to the coal company its various coal stocking plants, coal storage plants, coal pockets, and retail delivery trestles, amounting to 184 separate pieces of property, owned by the carrier and located at various points on the carrier's line and at Chicago, Ill., Detroit, Mich., and other places. The properties had theretofore been used by the carrier in the conduct of its sales operations. The rental reserved by the carrier for the said properties was \$74,000 per year. Other conditions of the agreement read as follows:

(1) The seller (Delaware, Lackawanna & Western Railroad Company), agrees to sell to the buyer (Delaware, Lackawanna & Western Coal Company), and the buyer agrees to buy of the seller all mined, marketable coal wherever situated now owned by the seller and either stored, held at various points, or in the course of transportation, except such coal as the seller elects to retain for its use in the conduct of its business as a common carrier. The buyer shall pay the seller therefor in cash within 30 days from the date hereof as follows, viz, for all of the coal in transit, at prices to include the full tariff charges of the seller and of all other carriers whose charges have been paid by the seller for the transportation of such coal from the mines, together with the market value thereof at the mines as fixed herein at prices prevailing for the month of July, 1909:

(3) Subject to the conditions of this paragraph, and at the prices herein stated, the seller agrees during the term of this contract to sell to the buyer all coal hereafter mined by it from all coal lands owned or leased by it, together with all coal it may purchase. The buyer agrees to purchase all such coal at such prices and to pay the seller therefor in cash on the 20th of each month for all coal delivered to it by the seller f. o. b. cars at the mines during the preceding month. The buyer also agrees on the 15th of each month to pay the seller in cash all tariff charges of its owned, leased, and controlled lines and all moneys advanced by it to other carriers for the transportation of said coal during the preceding month. The amount of coal to be so delivered and sold to the buyer by the seller shall be at the absolute option of the seller as its interest may determine, and the seller shall be subject to no liability whatsoever for failure to supply the buyer with such amount of coal as it may desire.

35 I. C. C.

The buyer agrees that except to enable it to comply with the terms of the existing hereinbefore recited sales agency and other sales contracts of the seller in the event of the failure of the seller to sell it coal it will purchase all coal to be sold by it from the seller and will purchase no coal from any other person or corporation except with the written consent of the seller.

(6) The buyer agrees that it will conduct the business of selling the coal of the seller in such manner as best to conserve the interests of, and preserve the good will and markets of the coal mined by the seller, and to continue to fill the orders of all responsible present customers of the seller even though as to some of such customers the sales may be unprofitable; it being understood and agreed that at the prices above quoted, the entire business of the buyer will be conducted at a profit.

(9) This contract shall become in effect on the beginning of the day of the date hereof. Upon written notice by either party to the other prior to August 1, 1910, of its intention to cancel this contract, it shall expire at midnight on the 28th day of February, 1911. Should no such notice be served, the contract shall continue to be operative until the expiration of six months after either party shall notify the other in writing of its intention to cancel the contract, in which event it shall expire at midnight of the last day of the six months named in the notice of cancellation.

Upon the expiration of this contract, the buyer agrees to sell to the seller, or to whomever the seller shall nominate, and it agrees to buy or cause to be bought, all coal then stored or in transit purchased of the seller by the buyer, at prices to be agreed upon; or in case the parties can not agree, to be fixed by arbitration as herein provided.

It appears that the coal company sells each year coal to the value of approximately \$35,000,000. Its balance sheet shows considerable cash and current assets, such as coal on hand, sums due from customers, etc., but the only property which it owns in addition to the said cash and current assets is property and fixtures valued at \$169,070.83. It is therefore apparent that practically all the facilities required by the coal company for the conduct of its business have been furnished to it by, and are owned by, the carrier; and it appears that under the ninth paragraph of the lease and contract the carrier can, by serving the prescribed six months notice, take away from the coal company all its assets and stock in trade except property and fixtures to the value of \$169,070.83.

STOCKS OF COAL IN STORAGE OWNED BY THE CARRIER.

One of the conditions of the said agreements provided that the carrier should sell the coal company all coal stored by the carrier at various points, as follows:

* * * For all coal stored, of all sizes, at points west and north of Buffalo, N. Y., the sum of \$5.50 per gross ton;

For prepared sizes of coal stored at Buffalo and at other points along the lines of the owned, leased, and controlled lines of the seller, the sum of \$4 per gross ton.

For sizes smaller than prepared sizes so stored at Buffalo and points east, along the lines of the seller, not including that stored at or about the mines of the seller, the sum of \$1 per gross ton.

The selling price of coal f. o. b. the mines established by the 65 per cent contract, at the time the above sale was made, were for the following sizes of anthracite coal per ton of 2,240 pounds:

Lump.....	\$2.60	Grate.....	\$2.75
Egg.....	3.08	Stove.....	3.08
Pea.....	1.82	Chestnut.....	3.08
Rice.....	.55	Buckwheat.....	1.19
Barley.....	.30		

The freight rate to Buffalo on prepared sizes was \$2 per gross ton; so that by adding the freight rate to the f. o. b. mine price, the value of prepared sizes of anthracite coal on hand at Buffalo was, per gross ton:

Lump.....	\$4.60	Grate.....	\$4.75
Egg.....	5.08	Stove.....	5.08
Chestnut.....	5.08		

and such sizes were sold under the above contract for \$4 per gross ton.

The f. o. b. mine price on pea coal was \$1.82 and the freight rate to Buffalo was \$1.75, which would make the value of this size of coal at Buffalo \$3.57. It was sold for \$1 per gross ton, as shown in the contract, or 75 cents per ton less than the freight rate. Further, the contract provided that all sizes smaller than prepared sizes on hand at points on the line east of Buffalo should be sold for \$1 per gross ton, which was less than the freight rates to most all points on such sizes of coal.

35 I. C. C.

Owing to the many matters covered in this investigation it has not been possible to ascertain the amount of the concession that was granted to the coal company by the carrier at the time it sold its large stock of coal to the coal company, but the following letter written by Mr. Hustis, the general auditor of the respondent, to President Truesdale indicates that the carrier's officials were aware of the fact that the coal company was being granted a substantial concession in the price it was required to pay for the coal:

DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY
New York, August 27, 1909.

Mr. TRUESDALE: Referring to conversation on the 25th instant:
I hand you herewith a statement showing the number of tons of pea coal and under, in stock at line points July 31, 1909, as per reports rendered to us by the coal department, and have shown the freight rate on same plus the cost of coal on the 65 per cent basis, and have deducted from the total the amount charged them on bill No. 144997, which leaves a balance of \$98,413.36. You only requested this information for M. & E. points, but I have shown the entire system and we can make any subdivision that you desire. As you observed, the contract rate of \$1 does not give us anything for the coal and is not equal to the freight rate.

I also attach another statement showing the same sizes of coal in stock at M. & E. points, amounting to 17,466.17 tons, which was charged for at \$1 and the amount we should have received in excess if this had been considered as coal at Port Morris, and the rate of 25 cents per ton charged when it moved out, would be \$4,336.71.

(Signed) G. E. HUSTIS.

The tonnage of anthracite coal sold to the Delaware, Lackawanna & Western Coal Company in the said sale was 793,622.19 tons, 471,264.01 tons being on hand at western agencies, 166,333.17 tons being on hand at points on the carrier's railway lines, and 156,025.01 tons in transit. Exception is not taken to the price at which the carrier sold the "in-transit coal"; the concession was granted in the sale of the coal on hand, at western agencies, and on the respondent's railway lines. The following figures show the tonnage on hand at western agencies and at line points so sold to the Delaware, Lackawanna & Western Coal Company:

On hand at western agencies.

	Gross tons.
Montreal, Quebec.....	55,743.13
E. L. Hedstrom, Chicago, Ill.....	56,347.02
Milwaukee & Western Fuel Co.....	144,121.03
Northwestern Fuel Co., Chicago.....	12,808.05
Northwestern Fuel Co., Lake Superior.....	149,201.08
S. C. Schenck, Chicago, Ill.....	48,892.09
S. C. Schenck, Toledo, Ohio.....	4,150.01
	471,264.01

On hand at points on line.

	Above pea.	Pea and under.
	<i>Gross tons.</i>	<i>Gross tons.</i>
Buffalo, N. Y.....	16,841.09	2,381.13
Summit, N. J.....	582.13	177.04
Newark, N. J.....	2,424.04	1,667.00
Harrison, N. J.....	856.01	4,987.06
Bloomfield, N. J.....	708.15	5,785.13
Paterson, N. J.....	2,379.13	4,849.14
Syracuse, N. Y.....	2,840.11	1,167.07
Dover, N. J.....	58,147.00	.....
Port Morris, N. J.....	.....	60,537.14
	84,780.06	81,553.11

The carrier has defended the prices at which this coal was sold by making the claim that the degradation and loss on coal in stock warranted the lower selling price, but no attempt was made to ascertain the extent of this degradation until some time during the year 1913.

35 I. C. C.

COAL STOCKING PLANTS, STORAGE PLANTS, TRESTLES, ETC.

It also appears that the carrier leased to the coal company 184 separate pieces of property consisting of coal-stocking plants, coal-storage plants, retail delivery trestles, etc., located at various points on its lines and at points west of Buffalo, for an annual rental of \$74,407.84. It has not been possible for the Commission's examiners to inspect or examine all of these properties during this investigation. They are located at various points on the carrier's lines and at Chicago, Ill., Detroit, Mich., and other points west of Buffalo. The carrier has not filed a statement showing the value of each of the 184 pieces of property separately. It has taken refuge in the statement that all of the said properties were rented at a lump sum of \$74,407.84. The testimony of the carrier's vice-president, E. E. Loomis, January 16, 1914, who is also president of the coal company (pp. 1219, 1227) is to the effect that, although the coal company had not paid a fair return in rental to the carrier for the said properties, an appraisal of the properties was being made by outside engineers, and as soon as the results of the appraisal were available the coal company would be required to pay the carrier a reasonable rental for the said properties.

Respondent's counsel (pp. 7334-7340) on October 10, 1914, stated that the carrier had collected from the coal company \$110,611.52 undercharges which accrued for the rental of these properties, and a new lease and agreement was entered into which provided for a material increase in the rental to the carrier.

It appears that five retail trestles owned by the respondent, in Buffalo, under the said lease dated August 1, 1909, were rented to the coal company at an annual rental of \$48. The value of these trestles was and is \$185,700.

TWO SCHEDULES OF RATES TO TIDEWATER.

In the month of November, 1912, there were in effect on the Delaware, Lackawanna & Western Railroad two schedules of freight rates per gross ton on anthracite coal transported to tidewater:

	First basis.	Second basis.
Prepared sizes.....	\$1.58	\$1.33
Pea.....	1.43	1.24
Buckwheat.....	1.28	1.09
Smaller than buckwheat.....	1.13	1.13

The first basis is the well-known and established basis of rates which has been in effect for many years.

The second basis is the basis to which the carrier's anthracite rates were reduced as a result of the Interstate Commerce Commission's finding in *Marian Coal Co. v. Delaware, Lackawanna & Western Railroad Company*, Docket 3592. The second basis of rates became effective on November 1, 1912, in supplement No. 1 to Delaware, Lackawanna & Western Railroad tariff, I. C. C. 8088, and in supplement No. 2, effective November 11, 1912, and applied only from Taylor, Pa., and intermediate points which included the following collieries and washeries:

Collieries and washeries.	Operated by—	Output, November, 1912.
Bellevue.....	Delaware, Lackawanna & Western R. R.....	Gross tons. 47,021
Bellevue washery.....	do.....	
Dodge.....	do.....	25,097
Taylor.....	do.....	33,088
Marian washery.....	Individual.....	
Holden.....	Delaware, Lackawanna & Western R. R.....	21,056
Pyne.....	do.....	40,506
Sibley.....	Individual.....	
National.....	Delaware, Lackawanna & Western R. R.....	25,334
Schrager.....	Individual.....	

35 I. C. C.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL. 335

During the months of November and December, 1912, the Delaware, Lackawanna & Western Coal Company shipped only seven carloads of anthracite coal to tidewater at the lower basis of rates, viz:

Date.	Waybill.	Car.	Gross tons.	Size.	From colliery.
Nov. 12.....	X-30339.....	D. L. & W. 73069..	39.17	Buckwheat.	Dodge.
Dec. 2.....	E-9271.....	D. L. & W. 19090..	29.08	Chestnut....	National.
Do.....	E-9265.....	D. L. & W. 15688..	24.19	Stove.....	Do.
Dec. 4.....	G-51692.....	D. L. & W. 74836..	39.17	.....do.....	Taylor.
Dec. 9.....	I-9751.....	D. L. & W. 70465..	37.10	Egg.....	Bellvue.
Do.....	I-9758.....	D. L. & W. 75820..	39.04	.....do.....	Do.
Do.....	I-9771.....	D. L. & W. 76670..	38.13	.....do.....	Do.

In the months of November and December, 1912, the Delaware, Lackawanna & Western Coal Company shipped the following tonnage of anthracite coal to tidewater at the higher basis of rates:

	Nov., 1912.	Dec., 1912.
Grate.....	2,406.15	.....
Egg.....	2,111.11	16,670.12
Stove.....	276.18	14,470.16
Chestnut.....	77.02	10,550.09
Pea.....	10,128.16	8,153.03
Buckwheat.....	16,828.18	25,973.15
Total.....	31,830.00	75,818.15

TRANSPORTATION OF MINE SUPPLIES.

Large quantities of carload shipments and less-than-carload shipments are used by the carrier each month to supply the collieries which it operates. For many years the carrier has performed free transportation services in the movement of these supplies over its lines to the collieries (Morgan Exhibit No. 18). It is apparent that such a practice is equally as discriminative against the individual operators, who must pay freight charges on their shipments of supplies, as the free transportation of coal produced from the collieries would be. This practice also burdens the carrier's operating expenses, because no revenue for such transportation services is entered in the carrier's income account. The practice was discontinued during this investigation.

TRANSMISSION OF MESSAGES BY TELEGRAPH.

The Delaware, Lackawanna & Western Railroad Company Exhibit No. 4 shows a number of telegraph messages sent by officials and employees of the Delaware, Lackawanna & Western Coal Company to officials and employees of the Delaware, Lackawanna & Western Coal Company, transmitted by the wires of the carrier, relating to the purchase and sale of anthracite coal and not to transportation matters. No charges were assessed or collected by the carrier for the transmission of the said messages. The practice was discontinued during this investigation.

PROVISION FOR DIVIDENDS AND FOR ADDITIONS AND BETTERMENTS BY RESPONDENTS' INCOME AND ACCRUED SURPLUS.

Statement showing capital stock outstanding as of June 30 of years stated.

Carrier.	1904	1908	1913
C. R. R. Co. of N. J.....	\$27,418,800	\$27,436,800	\$27,436,800
P. & R. Ry. Co.....	20,000,000	20,000,000	42,481,700
D. L. & W. R. R. Co.....	26,200,000	26,200,000	36,315,200
D. & H. Co.....	41,123,600	42,400,000	42,503,000
L. V. R. R. Co.....	40,441,100	40,441,100	60,608,000
P. R. R. Co.....	296,504,550	314,594,650	495,508,622
N. C. Ry. Co.....	11,462,300	19,342,550	19,342,550
Erie R. R. Co.....		176,271,300	176,271,300
N. Y., S. & W. R. R. Co.....	26,000,000	26,000,000	26,000,000
W. B. & E. R. R. Co.....	3,000,000	3,000,000	3,000,000
N. Y., O. & W. Ry. Co.....	58,117,983	58,117,983	58,117,983

The dividends paid by the respondents during the past 20 years are set forth in the following tables:

Central Railroad Company of New Jersey.

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1894.....	7	\$1,574,790.00	1904.....	8	\$2,193,464.00
1895.....	5	1,124,850.00	1905.....	8	2,193,704.00
1896.....	5	1,124,850.00	1906.....	8	2,194,424.00
1897.....	4	899,880.00	1907.....	8	2,194,844.00
1898.....	4	899,880.00	1908.....	8	2,194,944.00
1899.....	4½	1,104,483.50	1909.....	8	2,194,944.00
1900.....	5	1,355,615.00	1910.....	12	3,292,416.00
1901.....	5½	1,570,516.00	1911.....	12	3,292,416.00
1902.....	(1)		1912.....	12	3,292,416.00
1903.....	12	3,289,816.00	1913 ²	12	3,292,416.00

¹ Figures for 1903 cover period of 18 months, Dec. 31, 1901, to June 30, 1903.

² This stock was quoted on the New York market during the year 1913 at from \$275 to \$362 per share, based on a par value of \$100 per share.

Philadelphia & Reading Railway Company.

[Commenced operations Dec. 1, 1896.]

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1897.....	(1)		1906.....	30	\$6,000,000.00
1898.....	(1)		1907.....	30	6,000,000.00
1899.....	(1)		1908.....	30	6,000,000.00
1900.....	(1)		1909.....	25	5,000,000.00
1901.....	(1)		1910.....	25	5,000,000.00
1902.....	(1)		1911.....	25	5,000,000.00
1903.....	(1)		1912.....	15	6,372,255.00
1904.....	12	\$2,400,000.00	1913.....	15	6,372,255.00
1905.....	20	4,000,000.00			

¹ None declared.

35 I. C. C.

Delaware, Lackawanna & Western Railroad Company.

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1894.....	7	\$1,834,000.00	1904.....	7	\$1,834,000.00
1895.....	7	1,834,000.00	1905.....	17 ¹	4,650,500.00
1896.....	7	1,834,000.00	1906.....	20	5,240,000.00
1897.....	7	1,834,000.00	1907.....	20	5,240,000.00
1898.....	7	1,834,000.00	1908.....	20	5,240,000.00
1899.....	7	1,834,000.00	1909.....	20	5,240,000.00
1900.....	7	1,834,000.00	1910.....	85	123,058,786.00
1901.....	7	1,834,000.00	1911.....	20	6,028,800.00
1902.....	7	1,834,000.00	1912.....	55	16,579,200.00
1903.....	7	1,834,000.00	1913 ²	20	6,028,800.00

¹ Included in this amount is a 15 per cent stock dividend.

² This stock was quoted on the New York market during the year 1913 at from \$380 to \$445 per share, based on a par value of \$100 per share.

Delaware & Hudson Company.

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1894.....	7	\$2,100,000.00	1904.....	7	\$2,524,585.00
1895.....	7	2,362,500.00	1905.....	7	2,871,288.00
1896.....	7	2,450,000.00	1906.....	7	2,866,053.75
1897.....	7-5	2,100,000.00	1907.....	7-9	3,341,457.50
1898.....	5	1,750,000.00	1908.....	9	3,815,988.75
1899.....	5	1,750,000.00	1909.....	9	3,816,000.00
1900.....	5	1,745,000.00	1910.....	9	3,825,090.00
1901.....	5-7	2,083,037.00	1911.....	9	3,825,225.00
1902.....	7	2,420,566.75	1912.....	9	3,825,234.00
1903.....	7	2,411,997.00	1913 ¹	9	3,825,234.00

¹ This stock was quoted on the New York market during the year 1913 at from \$147¹/₂ to \$167 per share based on a par value of \$100 per share.

Lehigh Valley Railroad Company.

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1894.....	(1)	.....	1907 ² {common.....	5	\$2,016,740.00
1895.....	(1)	.....	{preferred.....	10	10,630.00
1896.....	(1)	.....	1908 {common.....	6	2,420,088.00
1897.....	(1)	.....	{preferred.....	10	10,630.00
1898.....	(1)	.....	1909 {common.....	6	2,420,088.00
1899.....	(1)	.....	{preferred.....	10	10,630.00
1900.....	(1)	.....	1910 {common.....	6	2,420,088.00
1901.....	(1)	.....	{preferred.....	10	10,630.00
1902.....	(1)	.....	1911 {common.....	8	4,235,129.00
1903.....	(1)	.....	{preferred.....	10	10,630.00
1904.....	(1)	.....	1912 {common.....	25	³ 15,125,425.00
1905 {common.....	3	\$1,210,044.00	{preferred.....	25	⁴ 26,575.00
{preferred.....	15	15,945.00	1913 ⁴ {common.....	10	6,050,170.00
1906 {common.....	4	1,613,392.00	{preferred.....	10	10,630.00
{preferred.....	10	10,630.00			

¹ Common, none; preferred, none.

² Cumulative, \$116,674.

³ Five per cent of this dividend has fallen in the accounts for year ended June 30, 1912, by reason of a change in accounting methods.

⁴ This stock was quoted on the New York market during the year 1913 at from \$141¹/₂ to \$168³/₈ per share, based on a par value of \$100 per share.

35 I. C. C.

Pennsylvania Railroad Company.

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1894.....	5	\$6,464,647.50	1904.....	6	\$17,933,034.00
1895.....	5	6,465,011.25	1905.....	6	18,113,977.50
1896.....	5	6,465,122.50	1906.....	6½	19,869,660.75
1897.....	5	6,465,170.00	1907.....	7	21,908,435.50
1898.....	5	6,465,236.25	1908.....	6	18,875,680.50
1899.....	5	6,465,266.25	1909.....	6	19,173,742.50
1900.....	6	8,781,170.75	1910.....	6	24,410,859.75
1901.....	6	10,857,672.00	1911.....	6	25,950,857.25
1902.....	6	12,262,491.00	1912.....	6	27,232,673.25
1903.....	6	14,792,931.00	1913 ¹	6	27,193,919.50

¹ This stock was quoted on the New York market during the year 1913 at from \$106 to \$123½ per share, based on a par value of \$100 per share.

Northern Central Railway Company.

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1894.....	7	\$526,267.00	1904.....	8	\$1,146,224.00
1895.....	7	526,267.00	1905.....	8	1,375,468.00
1896.....	7	526,267.00	1906 ¹	8	1,375,468.00
1897.....	7	526,267.00	1907.....	8	1,547,214.00
1898.....	7	526,267.00	1908.....	8	1,547,400.00
1899.....	7	526,267.00	1909.....	8	1,547,400.00
1900.....	7	684,033.00	1910.....	8	1,547,400.00
1901.....	8	916,980.00	1911.....	8	1,547,400.00
1902.....	8	916,980.00	1912.....	8	1,547,400.00
1903.....	8	916,980.00	1913.....	8	1,547,400.00

¹ Stock dividend of 12½ per cent declared Dec. 11, 1906, payable to stockholders of record Dec. 31, 1906, \$2,149,168.75.

Erie Railroad Company.¹

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1901 first preferred.....	1½		1906 (first preferred.....	4	\$1,915,696.00
1902 first preferred.....	3		(second preferred.....	2	640,000.00
1903 first preferred.....	3½	\$1,676,234.00	1907 (first preferred.....	4	1,915,696.00
1904 first preferred.....	4	1,915,696.00	(second preferred.....	2	640,000.00
1905 (first preferred.....	4	1,915,696.00			
(second preferred.....	2	640,000.00			

¹ The New York, Susquehanna & Western Railroad Company, and the Wilkes-Barre & Eastern Railroad Company did not pay any dividends during the 20-year period. Erie stock was quoted on the New York market during the year 1913 at from \$20½ to \$32½ per share, based on a par value of \$100 per share.

New York, Ontario & Western Railway Company.

Year.	Rate.	Amount.	Year.	Rate.	Amount.
	<i>Per cent.</i>			<i>Per cent.</i>	
1894.....	(1)		1907 (common.....	2	\$1,162,092.00
1895.....	(1)		(preferred.....	6	210.00
1896.....	(1)		1908 (common.....	2	1,162,098.00
1897.....	(1)		(preferred.....	6	210.00
1898.....	(1)		1909 (common.....	2	1,162,112.00
1899.....	(1)		(preferred.....	6	210.00
1900.....	(1)		1910 (common.....	2	1,162,118.00
1901.....	(1)		(preferred.....	6	210.00
1902.....	(1)		1911 (common.....	2	1,162,126.00
1903.....	(1)		(preferred.....	6	210.00
1904.....	(1)		1912 (common.....	None.	
common.....	3	\$1,743,090.00	(preferred.....	6	210.00
1905 (common.....	1½	871,555.50	1913 ² (common.....	2	1,162,130.00
preferred.....	90	3,150.00	(preferred.....	6	210.00
preferred.....	6	210.00			
1906 (common.....	2	1,162,086.00			
preferred.....	6	210.00			

¹ Common, none; preferred, none.

² This stock was quoted on the New York market during the year 1913 at from \$25½ to \$33½ per share, based on a par value of \$100 per share.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

339

Road.	Year ended June 30—	Additions and betterments, new lines, etc.	Net surplus at end of year.	
			Amount.	Amount per mile of line.
C. R. R. Co. of N. J.....	1904	\$665,146	\$8,739,227	\$12,565
	1905	1,072,702	9,211,227	13,987
	1906	1,954,444	9,515,632	14,382
	1907	2,362,062	9,579,874	14,479
	1908	2,000,000	10,583,306	15,841
	1909	2,000,000	10,939,487	16,380
	1910	4,000,000	12,596,346	18,817
	1911	3,000,000	13,519,634	20,121
	1912	2,000,000	13,969,878	20,867
	1913	4,040,466	14,137,857	20,911
P. & R. Ry. Co.....	1904	1,173,765	7,028,368	6,929
	1905	979,643	10,387,530	10,321
	1906	3,539,352	9,772,002	9,842
	1907	1,847,934	9,816,427	9,798
	1908	937,660	10,162,066	10,095
	1909	1,805,722	9,721,612	9,494
	1910	2,070,661	11,372,906	11,127
	1911	3,353,559	9,655,987	9,518
	1912	2,629,740	8,765,930	8,635
	1913	2,391,562	11,560,086	11,329
D., L. & W. R. R. Co.....	1904	3,629,166	22,583,928	28,296
	1905	3,446,719	25,457,140	31,183
	1906	5,087,486	24,777,404	30,350
	1907	4,651,619	28,274,901	34,594
	1908	3,540,120	31,922,627	35,740
	1909	1,676,375	39,819,591	44,594
	1910	2,471,020	32,072,279	34,483
	1911	2,554,375	35,362,685	38,021
	1912	1,763,875	26,484,396	28,027
	1913	1,961,984	32,088,524	33,480
D. & H. Co.....	1911	.....	10,157,589	12,053
	1912	.....	11,384,277	13,366
	1913	.....	15,469,920	18,123
L.V. R. R. Co.....	1904	1,465,290	5,914,797	4,247
	1905	1,411,551	8,657,325	6,211
	1906	2,570,227	11,380,915	7,963
	1907	3,318,590	14,009,283	9,707
	1908	1,775,264	16,516,905	11,410
	1909	582,643	19,212,252	13,290
	1910	843,877	27,219,780	18,899
	1911	980,549	30,330,647	21,176
	1912	340,944	23,444,703	16,273
	1913	.....	25,066,231	17,275
P. R. R. Co.....	1904	.....	22,000,020	5,797
	1905	.....	21,506,245	5,532
	1906	.....	24,477,406	6,233
	1907	.....	24,725,484	6,219
	1908	.....	24,725,484	6,145
	1909	.....	25,690,905	6,395
	1910	15,743,789	29,879,203	7,526
	1911	10,334,523	27,210,027	6,540
	1912	7,259,215	26,265,477	6,532
	1913	9,439,669	28,627,727	7,101
N. C. Ry. Co.....	1904	908,484	3,528,323	7,636
	1905	2,430,013	3,524,820	7,628
	1906	827,721	3,957,377	8,565
	1907	1,100,583	2,225,543	4,816
	1908	500,000	2,920,721	6,306
	1909	600,000	2,971,594	6,372
	1910	1,022,478	9,772,152	20,756
	1911	173,022	9,721,203	20,596
	1912	293,474	9,318,727	19,690
	1913	250,689	9,358,392	19,820
Erie R. R. Co.....	1904	1,508,865	11,043,352	5,865
	1905	1,302,588	11,490,591	6,108
	1906	1,795,633	11,979,462	6,367
	1907	1,545,407	13,633,577	7,178
	1908	567,339	13,979,909	7,352
	1909	367,732	16,061,170	8,182
	1910	717,489	20,589,593	10,500
	1911	1,351,812	24,099,533	12,078
	1912	445,420	25,850,482	13,003
	1913	578,281	31,889,199	16,040

35 I. C. C.

Road.	Year ended June 30—	Additions and betterments, new lines, etc.	Net surplus at end of year.	
			Amount.	Amount per mile of line.
N. Y., S. & W. R. R. Co.....	1904	\$26,462	\$1,263,502	\$8,321
	1905	115,202	1,240,815	8,171
	1906	114,380	1,101,704	7,255
	1907	209,659	895,284	5,896
	1908	62,700	714,860	4,720
	1909	13,320	809,324	5,344
	1910	1,809	1,108,497	7,292
	1911	163,904	1,471,649	9,682
	1912	88,118	1,509,496	9,775
	1913	87,783	1,129,518	7,315
N. Y., O. & W. Ry. Co.....	1904	1,048,397	6,099,388	11,122
	1905	.....	4,836,145	8,819
	1906	.....	4,907,961	8,991
	1907	.....	5,136,336	9,409
	1908	.....	5,451,155	9,986
	1909	.....	5,706,795	10,454
	1910	.....	5,893,139	10,796
	1911	.....	5,646,142	9,982
	1912	.....	5,929,599	10,484
	1913	.....	4,899,977	8,663

VOLUME OF ANTHRACITE COAL TONNAGE.

One of the elements which results in low transportation costs for hauling anthracite coal is the large volume of the tonnage and the substantial regularity of movement. In the case *In re Advances on Coal to Lake Ports*, 22 I. C. C., 620, the Commission held:

Much of the profitable freight carried by the railroads of the United States, and perhaps this might be made broader and it could be truthfully said that most of the freight which pays the carriers the best is that which yields the lowest rate per ton-mile. This arises out of many facts which the traffic manager takes into consideration, the volume of the traffic, the heavy load per car, and the regularity of movement.

A rate should decrease as the density of traffic increases. *In re Advances in Rates—Eastern case*, 20 I. C. C., 243, 275.

Since the present basis of flat rates on anthracite coal was established in 1901 the tonnage of anthracite coal hauled by the respondents has increased to a very large extent. In former years the earnings of several of the respondents were greatly dependent on the revenue they derived from the transportation of anthracite coal, but in recent years they have developed a large tonnage of other traffic, which now assists in bearing the burdens of operating expenses, maintenance, and fixed charges. The tonnage of anthracite coal and other freight transported by the respondents and the revenue derived therefrom since the years 1880 and 1890 is shown in the following:

Statement of anthracite tonnage and revenue for the years 1880, 1890, 1900, 1910, and 1913.

Year.	Anthracite coal.		Other freight.	
	Tons.	Revenue.	Tons.	Revenue.
C. R. R. Co. of N. J.:				
1890.....	7,463,529	\$6,725,696	6,401,801	\$3,955,710
1900.....	6,252,628	5,959,623	10,004,193	5,913,859
1910.....	9,255,913	8,089,546	20,265,477	10,334,444
1913.....	10,783,014	10,081,112	23,425,308	11,822,333
P. & R. Ry. Co.:				
1900.....	11,953,263	9,552,961	19,276,502	11,568,843
1910.....	12,241,165	11,628,868	38,090,594	23,632,060
1913.....	14,403,303	13,359,972	44,599,766	27,673,492
D., L. & W. R. R. Co.:				
1890.....	7,241,671	9,069,065	4,470,907	6,224,421
1900.....	7,574,092	9,635,419	6,296,845	6,643,305
1910.....	10,298,870	14,544,751	11,304,979	12,244,565
1913.....	10,403,262	14,737,580	14,429,926	14,880,858

35 I. C. C.

Statement of anthracite tonnage and revenue for the years 1880, 1890, 1900, 1910, and 1913—
Continued.

Year.	Anthracite coal.		Other freight.	
	Tons.	Revenue.	Tons.	Revenue.
D. & H. Co.:				
1900.....	6,874,905	\$4,140,646	5,780,242	\$3,789,493
1910.....	7,431,054	7,043,310	10,532,447	8,994,793
1913.....	9,160,915	9,842,087	11,282,335	10,262,260
L. V. R. R. Co.:				
1900.....	9,478,753	9,395,731	9,875,426	9,500,747
1910.....	11,513,475	14,237,029	15,668,062	16,342,568
1913.....	14,732,949	18,556,161	17,634,847	18,168,977
P. R. R. Co.:				
1880.....	3,871,880	.....	22,179,211	.....
1890.....	7,245,512	.....	42,602,841	.....
1900.....	10,002,875	.....	69,970,792	.....
1910.....	10,668,852	8,238,634	110,484,019	110,171,748
1913.....	11,019,787	8,551,317	131,545,444	124,501,266
N. C. Ry. Co.:				
1890.....	3,221,945	.....	8,677,362	.....
1900.....	5,230,222	.....	12,689,769	.....
1910.....	5,816,693	2,125,030	16,090,062	7,769,232
1913.....	6,183,035	2,346,429	17,614,890	7,618,890
Erie R. R. Co.:				
1900.....	6,687,301	.....	20,260,591	.....
1910.....	8,703,669	10,151,745	28,926,628	24,339,835
1913.....	10,135,940	12,848,977	29,891,046	27,271,624
W.-B. & E. R. R. Co.:				
1910.....	1,532,571	591,955	224,520	62,653
1913.....	1,306,662	563,746	308,138	92,503
N. Y., S. & W. R. R. Co.:				
1910.....	2,849,189	893,886	1,769,125	854,483
1913.....	3,488,719	976,931	1,899,649	1,031,718
N. Y. O. & W. Ry. Co.:				
1890.....	329,279	163,510	626,279	1,125,213
1900.....	2,157,553	2,223,464	1,259,053	1,746,650
1910.....	3,443,130	3,903,739	2,237,651	2,745,896
1913.....	4,501,295	4,651,871	1,908,522	2,659,256

Statement showing the average daily production, carloads, of collieries served by the Delaware, Lackawanna & Western Railroad, month of November, 1912.

Colliery.	Anthracite coal mined and shipped during month.	Average number of carloads shipped each day.
	<i>Gross tons.</i>	
Woodward.....	88,258.04	96.2
Truesdale.....	87,830.16	95.8
Storrs.....	68,868.07	75.1
Bellevue.....	47,021.09	51.2
Archbald.....	43,480.19	47.4
Diamond.....	42,708.07	46.5
Pyne.....	40,506.14	44.1
Sloan.....	39,313.17	42.8
Bliss.....	37,227.10	40.5
Hyde Park.....	33,958.10	37.0
Taylor.....	33,088.00	36.0
Kingston No. 2.....	27,699.04	30.2
National.....	25,334.03	27.6
Dodge.....	25,097.00	27.3
Mount Lookout.....	24,575.09	26.8
Continental.....	22,030.17	24.0
Brisbin.....	21,376.13	23.3
Holden.....	21,056.05	22.9
Auchincloss.....	19,766.00	21.5
Cayuga.....	15,970.11	17.4
Hampton (washery).....	14,972.14	16.3
Mount Jessup.....	13,860.03	15.1
Archbald (washery).....	12,964.18	14.1
Hallstead.....	11,115.18	12.1
Hyde Park (washery).....	11,532.16	12.5
Avondale.....	11,049.17	12.0
Sibley.....	10,890.01	11.8

35 I. C. C.

Statement showing the average daily production, carloads, of collieries served by the Delaware, Lackawanna & Western Railroad, month of November, 1912—Continued.

Colliery.	Anthracite coal mined and shipped during month.	Average number of carloads shipped each day.
	<i>Gross tons.</i>	
Dodson.....	10,651.00	11.6
Pettebone.....	8,868.11	9.6
Black Diamond.....	8,582.15	9.3
North American (washery).....	8,084.17	8.8
Storrs (washery).....	7,474.04	8.1
Stackhouse (washery).....	6,853.16	7.4
Schrager (washery).....	5,377.14	5.8
East Boston.....	5,180.03	5.6
Chauncey.....	5,178.12	5.6
Cayuga (washery).....	4,729.10	5.1
People's Coal Co.....	3,960.10	4.3
Loomis.....	3,103.11	3.3
Pancoast.....	2,892.14	3.1
Lackawanna.....	1,956.06	2.1
Mount Pleasant.....	1,256.12	1.3
Carney & Brown.....	1,078.02	1.1

Statement showing the average daily production, carloads, of collieries served by the Erie Railroad, month of November, 1912.

Colliery.	Anthracite coal mined and shipped daily during month.	Average number of carloads shipped each day.
	<i>Gross tons.</i>	
Old Forge.....	3,000	74.35
No. 14.....	3,000	74.35
No. 9.....	3,000	74.35
Ewen.....	2,500	61.96
Butler.....	2,200	54.52
No. 1.....	2,200	54.52
Sterrick Creek.....	2,000	49.57
Forest City.....	2,000	49.57
No. 6.....	2,000	49.57
Central.....	1,500	37.17
Lackawanna.....	1,200	29.74
Barnum.....	1,200	29.74
No. 5.....	1,200	29.74
Dolph.....	1,100	27.26
North West.....	650	16.11
Wayne (washery).....	500	12.39
Green Ridge.....	450	11.15
Nay Aug.....	400	9.91
Spencer.....	300	7.43
Sunnyside.....	300	7.43
Bradley.....	200	4.96
Stillwater.....	50	1.24
Swingle (washery).....	50	1.24

35 I. C. C.

Statement showing the average daily production, carloads, of collieries served by the Central Railroad of New Jersey, month of November, 1912.

Colliery.	Anthracite coal mined and shipped during month.	Average number of carloads shipped each day.
	<i>Gross tons.</i>	
Nesquehoning.....	72,079.02	73.4
Honey Brook.....	63,049.01	64.2
Nottingham.....	59,086.19	60.2
Stanton.....	54,495.04	55.5
Maxwell.....	49,830.13	50.8
Wanamie.....	41,043.00	41.8
Lance.....	34,606.15	35.2
Sugar Notch.....	30,457.11	31.0
Buttonwood.....	27,146.01	27.6
Hollenback.....	25,959.16	26.4
South Wilkes-Barre.....	25,911.04	26.4
Alden.....	23,349.12	23.8
Plymouth.....	19,788.13	20.1
Beaver Brook.....	17,847.01	18.1
Upper Lehigh.....	17,176.15	17.5
Lee or Melville.....	17,022.09	17.3
Red Ash.....	16,076.19	16.3
Mary D.....	12,853.17	13.1
Empire (washery).....	10,839.03	11.0
Sandy Run.....	9,420.09	9.6
Lee or Melville.....	8,343.18	8.5
Coleraine.....	3,453.13	3.5
Red Ash.....	1,275.04	1.3
Ridgewood.....	1,020.11	1.0
Hadleigh.....	38.06	.0

The average loading per carload of anthracite coal (in tons of 2,240 pounds) destined to tidewater and to Buffalo in November, 1912, was 36.67 tons for the Delaware, Lackawanna & Western Railroad Company, 40.35 tons for the Erie Railroad Company, and 39.23 tons for the Central Railroad Company of New Jersey. These averages have been used as a basis for the foregoing carload computations.

To further set forth the facts showing the volume of the anthracite coal tonnage of the respondents in comparison with the volume of their other classes of freight traffic and the proportion of both anthracite coal and other commodities received by the respondents from connecting carriers, the following figures, taken from respondents' annual reports for the year ended June 30, 1913 (excluding company's material), are of interest:

	Freight originating on line of respondent.	Freight received by respondent originating on other lines.	Total freight tonnage.	
			Tons.	Per cent.
C. R. R. Co. of N. J.:	<i>Tons.</i>	<i>Tons.</i>		
Products of agriculture.....	195,615	329,703	525,318	1.53
Products of animals.....	103,052	152,162	255,214	.75
Products of mines—				
Anthracite coal.....	9,806,599	976,415	10,783,014	31.52
Bituminous coal.....	7,966	6,112,599	6,120,565	17.89
Coke.....	28,863	394,599	423,462	1.24
Ores.....	229,718	766,534	996,252	2.91
Other products of mines.....	1,152,080	598,065	1,750,145	5.12
Products of forests.....	136,616	381,372	517,988	1.51
Manufactures.....	2,552,811	2,448,126	5,000,937	14.62
Other commodities.....	2,010,243	5,825,179	7,835,427	22.91
Total tonnage.....	16,223,568	17,984,754	34,208,322	100.00

35 I. C. C.

	Freight originating on line of re- spondent.	Freight received by re- spondent originating on other lines.	Total freight tonnage.	
			Tons.	Per cent.
P. & R. Ry. Co.:				
Products of agriculture.....	324,847	1,671,967	1,996,814	3.59
Products of animals.....	286,811	535,191	822,002	1.49
Products of mines—				
Anthracite coal.....	12,651,776	208,316	12,860,092	23.16
Bituminous coal.....		16,115,418	16,115,418	29.02
Coke.....	17,250	1,498,036	1,515,286	2.73
Ores.....	60,261	2,158,267	2,218,528	4.00
Other products of mines.....	1,396,818	1,406,636	2,803,454	5.05
Products of forests.....	294,820	1,706,089	2,000,909	3.60
Manufactures.....	4,806,966	4,736,589	9,543,555	17.18
Other commodities.....	2,083,594	3,564,297	5,649,891	10.18
Total tonnage.....	21,925,143	33,600,806	55,525,949	100.00
D., L. & W. R. R. Co.:				
Products of agriculture.....	1,073,849	1,335,418	2,409,267	9.70
Products of animals.....	96,853	291,144	387,997	1.56
Products of mines—				
Anthracite coal.....	10,333,944	69,318	10,403,262	41.89
Bituminous coal.....		2,156,225	2,156,225	8.68
Coke.....		319,258	319,258	1.29
Ores.....	106,310	22,867	129,177	.52
Other products of mines.....	1,308,975	741,752	2,050,727	8.26
Products of forests.....	225,952	491,247	717,199	2.89
Manufactures.....	2,016,477	1,934,725	3,951,202	15.91
Other commodities.....	1,470,893	837,981	2,308,874	9.30
Total tonnage.....	16,633,253	8,199,935	24,833,188	100.00
D. & H. Co.:				
Products of agriculture.....	158,570	838,471	997,041	4.88
Products of animals.....	63,564	173,689	237,253	1.16
Products of mines—				
Anthracite coal.....	9,098,936	61,979	9,160,915	44.81
Bituminous coal.....		2,243,865	2,243,865	10.98
Coke.....		158,963	158,963	.78
Ores.....	97,913	706,434	804,347	3.93
Other products of mines.....	614,567	125,397	739,964	3.62
Products of forests.....	246,606	821,795	1,068,401	5.23
Manufactures.....	1,324,552	1,383,105	2,707,657	13.24
Other commodities.....	495,836	1,829,008	2,324,844	11.37
Total tonnage.....	12,100,544	8,342,706	20,443,250	100.00
L. V. R. R. Co.:				
Products of agriculture.....	549,905	2,519,127	3,069,032	9.48
Products of animals.....	254,824	469,268	724,092	2.24
Products of mines—				
Anthracite coal.....	14,679,793	53,156	14,732,949	45.52
Bituminous coal.....	601,252	2,128,969	2,730,221	8.43
Coke.....	9,067	423,170	432,237	1.34
Ores.....	14,107	711,377	725,484	2.24
Other products of mines.....	1,239,397	809,965	2,049,362	6.33
Products of forests.....	297,075	648,301	945,376	2.92
Manufactures.....	2,144,151	2,233,379	4,377,530	13.52
Other commodities.....	1,352,279	1,229,234	2,581,513	7.98
Total tonnage.....	21,141,850	11,225,946	32,367,796	100.00
P. R. R. Co.:				
Products of agriculture.....	1,657,341	4,725,756	6,383,097	4.49
Products of animals.....	341,120	1,040,038	1,381,158	.95
Products of mines—				
Anthracite coal.....	2,979,558	8,040,229	11,019,787	7.73
Bituminous coal.....	43,777,541	3,845,217	47,622,758	33.40
Coke.....	13,277,117	3,336,839	16,613,956	11.65
Ores.....	2,028,147	2,585,244	4,613,391	3.24
Other products of mines.....	9,225,151	2,315,745	11,540,896	8.09
Products of forests.....	1,819,993	3,703,960	5,523,953	3.87
Manufactures.....	13,964,008	9,149,993	23,114,006	16.23
Other commodities.....	8,958,001	5,794,228	14,752,229	10.35
Total tonnage.....	98,027,977	44,537,254	142,565,231	100.00

35 I. C. C.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

345

	Freight originating on line of re- spondent.	Freight received by re- spondent originating on other lines.	Total freight tonnage.	
			Tons.	Per cent.
N. C. Ry. Co.:				
Products of agriculture.....	Tons. 241,970	Tons. 2,055,269	2,297,239	9.66
Products of animals.....	23,805	247,896	271,791	1.14
Products of mines—				
Anthracite coal.....	3,418,200	2,764,835	6,183,035	25.98
Bituminous coal.....	8,713	5,068,433	5,077,146	21.33
Coke.....		566,250	566,250	2.38
Ores.....	270,104	645,562	915,666	3.85
Other products of mines.....	270,120	633,005	903,125	3.79
Products of forests.....	135,681	1,128,292	1,263,973	5.31
Manufactures.....	500,647	3,103,482	3,604,129	15.15
Other commodities.....	832,498	1,883,073	2,715,571	11.41
Total tonnage.....	5,701,828	18,096,097	23,797,925	100.00
Erie R. R. Co.:				
Products of agriculture.....	787,530	2,248,159	3,035,689	7.57
Products of animals.....	202,662	397,924	600,586	1.50
Products of mines—				
Anthracite coal.....	8,329,500	1,806,440	10,135,940	25.32
Bituminous coal.....	461,270	6,822,870	7,284,140	18.20
Coke.....		1,207,134	1,207,134	3.02
Ores.....	1,503,500	1,738,711	3,242,211	8.10
Other products of mines.....	1,124,171	1,131,804	2,255,975	5.64
Products of forests.....	538,807	1,009,604	1,548,411	3.87
Manufactures.....	3,441,692	3,014,841	6,456,533	16.13
Other commodities.....	2,525,331	1,735,036	4,260,367	10.65
Total tonnage.....	18,914,463	21,112,523	40,026,986	100.00
W.-B. & E. R. R. Co.:				
Products of agriculture.....	3,155	23,992	27,147	1.68
Products of animals.....	76	266	342	.03
Products of mines—				
Anthracite coal.....	565,840	740,822	1,306,662	80.92
Bituminous coal.....		1,169	1,169	.07
Coke.....		275	275	.02
Ores.....				
Other products of mines.....	654	3,629	4,283	.26
Products of forests.....	18,349	17,891	36,240	2.24
Manufactures.....	4,194	36,057	40,251	2.50
Other commodities.....	178,175	20,256	198,431	12.28
Total tonnage.....	770,443	844,357	1,614,800	100.00
N. Y., S. & W. R. R. Co.:				
Products of agriculture.....	37,443	256,077	293,520	5.44
Products of animals.....	3,096	3,329	6,425	.11
Products of mines—				
Anthracite coal.....		3,488,719	3,488,719	64.75
Bituminous coal.....		194,956	194,956	3.62
Coke.....		3,399	3,399	.06
Ores.....	2,300	90,881	93,181	1.73
Other products of mines.....	47,229	31,081	78,310	1.46
Products of forests.....	31,425	74,620	106,045	1.97
Manufactures.....	186,947	309,309	496,256	9.21
Other commodities.....	327,864	299,693	627,557	11.65
Total tonnage.....	636,304	4,752,064	5,388,368	100.00
N. Y., O. & W. Ry. Co.:				
Products of agriculture.....	67,193	269,489	336,682	5.25
Products of animals.....	160,573	23,905	184,478	2.88
Products of mines—				
Anthracite coal.....	2,964,115	1,537,180	4,501,295	70.22
Bituminous coal.....	33	303,058	303,091	4.73
Coke.....	2	133	135	.....
Ores.....	34,349	8,676	43,025	.67
Other products of mines.....	132,783	54,363	187,146	2.93
Products of forests.....	172,248	88,569	260,817	4.07
Manufactures.....	294,767	218,422	513,189	8.01
Other commodities.....	64,729	15,230	79,959	1.24
Total tonnage.....	3,890,792	2,519,025	6,409,817	100.00

35 I. C. C.

Average tractive power of locomotives, and average capacities of coal cars.

Year.	Average tractive power, locomotives.	Average capacity, coal cars.	Year.	Average tractive power, locomotives.	Average capacity, coal cars.
C. R. R. Co. of N. J.:	<i>Pounds.</i>	<i>Pounds.</i>	P. R. R. Co.—Contd.	<i>Pounds.</i>	<i>Pounds.</i>
1895.....	18,223	(1)	1905.....	33,466	78,005
1900.....	21,478	(1)	1910.....	36,472	94,506
1901.....	22,015	(1)	1912.....	37,748	96,948
1905.....	25,939	66,783	N. C. Ry. Co.:		
1910.....	27,700	82,980	1895.....	21,012	49,570
1912.....	28,356	83,036	1900.....	22,479	51,528
P. & R. Ry. Co.:			1901.....	22,902	52,699
1900.....	19,062	54,132	1905.....	29,638	63,902
1901.....	19,704	55,669	1910.....	32,763	82,837
1905.....	29,398	58,366	1912.....	34,868	88,865
1910.....	32,064	66,790	Erie R. R. Co.:		
1912.....	33,037	71,195	1900.....	27,100	53,000
D., L. & W. R. R. Co.:			1901.....	27,225	53,156
1900.....	20,624	50,398	1905.....	32,375	63,948
1901.....	22,509	53,150	1910.....	37,074	83,812
1905.....	26,400	65,021	1912.....	37,598	87,455
1910.....	28,912	71,736	W.-B. & E. R. R. Co.:		
1912.....	30,921	73,765	1900.....	26,893	49,961
D. & H. Co.:			1901.....	26,922	50,000
1895.....	16,291	41,050	1905.....	26,922	50,000
1900.....	19,210	55,166	1910.....	26,930	50,000
1901.....	19,534	63,009	1912.....	26,930	50,000
1905.....	30,181	67,294	N. Y., S. & W. R. R. Co.:		
1910.....	36,294	79,582	1900.....	24,580	45,340
1912.....	39,053	80,563	1901.....	24,580	45,559
L. V. R. R. Co.:			1905.....	24,586	49,931
1895.....	20,972	26,341	1910.....	24,466	81,275
1900.....	24,696	60,296	1912.....	24,832	82,868
1901.....	25,838	60,312	N. Y., O. & W. Ry. Co.:		
1905.....	29,947	60,959	1895.....	21,883	50,600
1910.....	31,607	80,445	1900.....	22,544	57,200
1912.....	31,988	80,567	1901.....	24,366	61,000
P. R. R. Co.:			1905.....	26,742	63,600
1895.....	20,269	53,587	1910.....	27,777	63,200
1900.....	24,039	60,252	1912.....	30,445	70,000
1901.....	25,879	64,423			

No record.

Train tonnage.

	Year ended June 30—	Average tons per train-mile.	Average cars per train-mile.	Average tons per loaded car-mile.
C. R. R. Co. of N. J.....	1903	465.27	32.71	23.25
	1913	547.20	32.55	27.91
P. & R. Ry. Co.....	1903	336.96	32.57	25.86
	1913	535.38	31.89	18.78
D., L. & W. R. R. Co.....	1903	405.90	40.45	22.97
	1913	641.22	25.76	20.85
D. & H. Co.....	1903	366.90	31.38	26.04
	1913	530.89	37.54	19.44
L. V. R. R. Co.....	1903	485.52	36.10	24.42
	1913	592.22	36.62	23.48
P. R. R. Co.....	1903	552.59	39.77	27.63
	1913	700.80	32.04	18.70
N. C. Ry. Co.....	1903	397.03	32.43	24.45
	1913	546.96	33.74	17.80
Erie R. R. Co.....	1903	408.49	38.25	20.21
	1912	533.39	21.46	21.63
W.-B. & E. R. R. Co.....	1903	235.63	20.52	36.46
	1913	400.86	18.60	18.54
N. Y., S. & W. R. R. Co.....	1903	196.42	18.68	30.33
	1913	325.60	18.21	21.70
N. Y., O. & W. Ry. Co.....	1903	238.17	20.84	23.98
	1913	308.01		

35 I. C. C.

LARGE TONNAGE OF ANTHRACITE COAL LOADED IN EACH CAR.

The respondents' anthracite-coal tariffs generally provide a high minimum carload weight. To meet varying conditions of equipment due to the use of wooden box cars for the western trade, and to provide for the use of equipment other than coal cars, the tariffs provide—

that the minimum weight shall be 15 gross tons, 20 gross tons, marked capacity of cars, cars must be loaded full; for cars of a capacity over 75,000 pounds the minimum carload weight shall be 75,000 pounds—

and similar requirements, all tending to compel loading to the maximum carrying capacity of each car.

The large tonnage of anthracite coal loaded in each car tends toward lower transportation costs for the reason that in hauling all classes of traffic the percentage of the weight hauled for which no revenue is earned (the weight of the car) is a very large element. In the following pages certain traffic other than coal will be indicated which averaged from 5 to 30 tons loaded in each car. For each carload of such traffic handled it is evident that the nonrevenue tonnage constituted a much larger proportion of the total tonnage hauled than the revenue tonnage.

In 252 trains of anthracite coal moved from the Schuylkill region to Port Richmond and Port Reading over the Philadelphia & Reading Railway in October, 1913, the total tonnage (weight of car and contents) averaged 2,964 tons per train, the weight of the cars averaged 1,158 tons per train, and the weight of the cargo (anthracite coal) averaged 1,806 tons. Thus it appears that 60.9 per cent of the total tonnage hauled earned revenue while 39.1 per cent earned no revenue.

An analysis of the tonnage transported in 10 eastbound trains of the Central Railroad Company of New Jersey and 6 eastbound trains of the Delaware, Lackawanna & Western Railroad in November, 1912, which contained anthracite coal only (Morgan's Exhibits 41 and 42) shows that the weight of car constituted 30 per cent and the weight of contents constituted 70 per cent of the total weight of the cars and contents. The weight of the coal hauled in the Central and the Lackawanna trains averaged 2,000 tons of 2,000 pounds each, per train.

AVERAGE TONNAGE LOADED PER CAR.

Among many expert railroad men the revenue per car of freight is recognized as one of the safest criterions as to earnings. In other words, a freight car, whether loaded heavy or light, has the same tare weight. Therefore, that commodity which will load the heaviest is most profitable to the carrier. *Thompson Lumber Co. v. I. C. R. R.*, 13 I. C. C., 657, 665.

To further set forth the average load per car obtained in the transportation of various classes of commodities, the following table shows the average net tons cargo loaded in each car.

	Net tons.
Anthracite coal, mines to tidewater (Morgan Exhibit 39), average for all the respondents in this case.....	42.9
Anthracite coal, mines to Buffalo, average for the L. V. R. R., D., L. & W. R. R., Erie R. R., and P. R. R.....	42.2
Anthracite coal, tonnage hauled by the D. & H. Co. in September and October, 1913 (Williams, p. 1663).....	40.5
Bituminous coal, tonnage hauled by the D. & H. Co. in September and October, 1913 (Williams, p. 1663).....	43.7
Other revenue freight (exclusive of coal) hauled by the D. & H. Co. in September and October, 1913 (Williams, p. 1663).....	19.92
4,883 cars westbound merchandise loaded at Croxton transfer on the Erie R. R. Co. in October, 1913.....	5.7
2,896 cars westbound merchandise loaded at Elizabethport transfer on the C. R. R. Co. of N. J. in October, 1913.....	5.25
6,808 cars westbound merchandise loaded at Waverly transfer on the P. R. R. Co. in October, 1913.....	7.62
3,067 cars westbound merchandise loaded at New York transfer on the D., L. & W. R. R. Co. in October, 1913.....	5.29
2,748 cars westbound merchandise loaded at Oak Island transfer on the L. V. R. R. Co. in October, 1913.....	5.50
35 I. C. C.	

	Net tons.
896 cars eastbound merchandise loaded at Buffalo Lake freight house on the Erie R. R. Co. in October, 1913.....	21.5
6,175 cars eastbound merchandise loaded at Pittsburgh transfer on the P. R. R. Co. in October, 1913.....	6.00
580 cars eastbound merchandise loaded at Buffalo Lake on the D., L. & W. R. R. Co. in October, 1913.....	14.85
1,293 cars eastbound merchandise loaded at Buffalo Lake freight house on the L. V. R. R. Co. in October, 1913.....	22.64

Average tons per loaded car, through traffic, hauled by Delaware & Hudson Company in April and October, 1911.

[D. & H. Exhibit 24.]

Coke.....	36	Marble.....	25
Brick.....	31	Slate.....	24
Cement.....	31	Lime.....	22
Iron and steel articles.....	24	Paper.....	22
Sulphur.....	30	Household goods and furniture.....	7
Lumber.....	23	Pulp wood.....	24
Wood pulp.....	29	Grain and grain products.....	23
Hay.....	12	Fruit and vegetables.....	15

COST OF TRANSPORTING ANTHRACITE COAL FROM THE MINES TO TIDEWATER.

For use in this case operating costs of transporting anthracite coal from the mines to tidewater were compiled by the Commission's examiners. The costs so compiled were submitted in evidence as exhibits on January 17, 1914, as follows:

Morgan Exhibit 41.—Costs of transporting anthracite coal from mines to tidewater over the railway lines of the Central Railroad Company of New Jersey in the month of November, 1912. The costs shown in this exhibit include all operating expenses in connection therewith.

Morgan Exhibit 42.—A compilation of assignable expenses arising from the transportation of anthracite coal from mines to tidewater over the railway lines of the Delaware, Lackawanna & Western Railroad Company in the month of November, 1912.

Morgan Exhibit 15.—Statement showing entire operating expenses of the Port Reading Railroad for the year ended June 30, 1913, the tonnage handled, and the cost per ton.

All the figures making up the costs as shown in Morgan Exhibits 41 and 42 were listed in great detail in schedules termed working papers. (Record, p. 7213, vol. 46.) The respondents were furnished copies of the exhibits and were permitted to take the working papers to their offices and check them with their records. That the respondents availed themselves of this opportunity is indicated by the able and exhaustive cross-examination of Mr. Morgan on October 7, 8, and 9, 1914, by counsel for the respondents, over eight months after the cost figures were received in evidence.

The anthracite coal traffic of the respondents presents an opportunity to compile more accurate transportation costs than it is possible to compile for the transportation of most other commodities. The large volume of the anthracite coal tonnage, the manner in which it is handled, and the fact that it is strictly carload traffic originating on the respondents' lines, make it possible to accurately assign the operating expenses chargeable to this traffic.

Preliminary to the compilation of the operating costs a thorough inspection was made of the physical conditions, the facilities used, and the transportation customs and practices in the producing regions, in the yards en route, and at the tidewater terminal yards and piers, and also line transportation conditions. A thorough analysis was made of the train movements and the traffic handled in the month of November, 1912.

Morgan Exhibit 41.—The compilation of these figures was commenced on January 1, 1913, and was based on traffic which moved in the month of November, 1912. This month was chosen for the reason that it was the latest month for which the records were complete, also that the total operating expenses for that month were a fair monthly average of the total operating expenses of the Central Railroad Company of New Jersey for the period of five years immediately prior to January 1, 1913.

35 I. C. C.

The volume of the anthracite coal traffic compared with other freight traffic, also the revenue derived from each, on the Central Railroad Company of New Jersey, are shown by the following figures:

YEAR ENDED JUNE 30, 1913 (MORGAN EXHIBIT 38).

	Ton-mileage of revenue freight.		Revenue.	
	<i>Ton-miles.</i>	<i>Per cent.</i>		<i>Per cent.</i>
Anthracite coal.....	1,204,222,211	48.5	\$10,081,112	46
All other freight.....	1,278,065,781	51.5	11,822,333	54
Total.....	2,482,287,992	100	21,903,445	100
Average per month, anthracite coal.....	100,351,851		840,093	

MONTH OF NOVEMBER, 1912 (MORGAN EXHIBIT 37).

Anthracite coal.....	107,435,304	49.7	\$851,367	46.7
All other freight.....	108,608,373	50.3	972,173	53.3
Total.....	216,043,677	100	1,823,540	100

The anthracite coal traffic of the Central Railroad Company of New Jersey originates in the Wyoming, Upper Lehigh, and Lehigh regions. The loaded cars are assembled at Ashley, White Haven, and Mauch Chunk, respectively, and the empty cars are distributed to the various collieries from these points.

The first line haul of the tidewater anthracite coal from the Wyoming and Upper Lehigh regions is from Penobscot and White Haven to Mauch Chunk yard. The anthracite coal from the Lehigh region is assembled at the Mauch Chunk yard. The distances from Penobscot yard and White Haven to Mauch Chunk are 38 and 24 miles, respectively. The anthracite coal from the Wyoming region is handled over the Ashley planes from the assembling point (Ashley) to Penobscot. From Mauch Chunk all tidewater anthracite coal is handled in through trains to the tidewater terminal yards (New York harbor) or by short runs to intermediate points and from thence to tidewater. The distance from Mauch Chunk to the various tidewater terminal yards varies from 108 to 118 miles.

During the month of November, 1912, 15,985 cars of anthracite coal were hauled to tidewater terminal yards (p. 6889, vol. 46; working papers, Exhibit B, schedule 3, sheet 1). Of these cars, 13,896, or 86.9 per cent, were hauled in through trains from Mauch Chunk to tidewater terminal yards, 209 were picked up en route by these through trains, and 1,880 were handled by short-run trains from intermediate points between Mauch Chunk and tidewater terminals.

The 13,896 cars of anthracite coal were handled from Mauch Chunk to tidewater terminals in 432 trains. The total number of cars which were moved in these trains is as follows:

	Mauch Chunk to tidewater.			Mauch Chunk to intermediate points.		
	Anthra-cite.	Other freight.	Empty.	Anthra-cite.	Other freight.	Empty.
102 extra trains, anthracite only.....	<i>Cars.</i> 4,744		2	<i>Cars.</i> 102		
49 scheduled trains, anthracite and other freight.....	319	1,386	109	22	678	7
281 extra trains, anthracite and other freight.....	8,833	2,220	30	239	174	1
432 trains.....	13,896	3,606	141	363	852	8

	Intermediate points to intermediate points.			Intermediate points to tidewater.		
	Anthracite.	Other freight.	Empty.	Anthracite.	Other freight.	Empty.
	Cars.	Cars.	Cars.	Cars.	Cars.	Cars.
102 extra trains, anthracite only.....				30		
49 scheduled trains, anthracite and other freight.....		64		78	203	10
281 extra trains, anthracite and other freight.....	5	500	4	101	2,126	76
432 trains.....	5	564	4	209	2,329	86

Of the 13,896 cars of anthracite coal hauled in through trains from Mauch Chunk to tidewater, 13,577 cars were handled in 383 so-called extra freight trains. Anthracite coal was the only commodity hauled in 102 extra freight trains, and such trains are referred to in the cost figures as solid trains of anthracite coal. In the remaining 281 extra freight trains both anthracite coal and other commodities were hauled, and such trains are referred to in the cost figures as mixed trains.

In order that the cost figures may be more readily understood a brief explanation of some of the items which were included in the cost figures will be helpful. Costs were computed and assigned as follows:

1. Assignable expenses of assembling the loaded cars and distributing the empty cars in the mining region.
2. Assignable expenses of the line haul in selected trains, viz: Ten trains of loaded cars, Ashley to Mauch Chunk; 10 trains of empty cars, Mauch Chunk to Ashley; 10 trains of anthracite coal only, Mauch Chunk to tidewater; 36 trains of anthracite coal and other freight, Mauch Chunk to tidewater; 30 trains of empty cars, tidewater to Mauch Chunk.
3. Assignable expenses of handling in intermediate yards and over planes.
4. Assignable expenses of handling in tidewater yards.
5. Assignable expenses of unloading at docks.

There remained certain items of operating expenses which could not be directly assigned to specific operations. Such expenses were divided between passenger service, anthracite coal traffic, and other freight traffic, as shown in section 30 following. The amount so assigned to anthracite coal is referred to as the "unallocated cost."

In this case, as in several other cases where operating costs have been computed, one of the principal criticisms directed to the costs is that it is impossible to allocate or separate accurately the expenses which are chargeable to freight service and the expenses which are chargeable to passenger service. For many years the carrier made a separation of operating expenses which are common to the freight and passenger services by dividing such expenses in accordance with the relative revenue produced by each of the two services. This basis was followed in the compilation of the figures in this exhibit. It is obvious that such a basis would not in all cases produce accurate costs, but because of conditions peculiar to the Central Railroad its use did not operate to understate the cost of transporting anthracite coal. The division of expenses so made and used in this exhibit resulted in charging 30 per cent of the common expenses to passenger service and 70 per cent to freight service. If the revenue locomotive mileage basis had been used it would have resulted in charging 35 per cent of the common expenses to passenger service and 65 per cent to freight service. If the revenue train mileage basis had been used it would have resulted in charging 48 per cent of the common expenses to passenger service and 52 per cent to freight service.

If the entire amount of such common expenses (\$339,691.29) was charged to freight service it would only increase the amount chargeable to the transportation of anthracite coal forty-four hundredths of 1 mill per ton-mile.

Morgan Exhibit 42.—This exhibit shows assignable costs of transporting anthracite coal from the mines to tidewater compiled from the records of the Delaware, Lacka-

wanna & Western Railroad Company, month of November, 1912. It was not possible to compile from the records of the Delaware, Lackawanna & Western Railroad Company as complete costs of transportation of anthracite coal from the mines to tidewater as was accomplished in Morgan Exhibit 41. The assignable costs shown in Morgan Exhibit 42 were compiled in substantially the same manner as those shown in Morgan Exhibit 41. The total of such costs covering the movement of anthracite coal from the Wyoming region to tidewater via the Delaware, Lackawanna & Western Railroad Company is 33.64 cents per ton (2,000 pounds). The assignable costs from mines to tidewater via the Central Railroad Company of New Jersey are shown to be 31.33 cents per ton (2,000 pounds) and the "unallocated cost" to be 21.59 cents per ton (2,000 pounds) in Morgan Exhibit 41.

It was not possible to determine the "unallocated cost" on this traffic, as the records of the Delaware, Lackawanna & Western Railroad Company were not kept in such form and detail as to permit this being done.

Morgan Exhibit 15.—The Port Reading Railroad is the New York harbor tidewater terminal line of the Reading Railway system. It does not handle any passenger traffic and 95 per cent of its total freight tonnage consists of anthracite and bituminous coal. The tonnage of freight handled by the Port Reading Railroad Company and its operating expenses for the year ended June 30, 1913, are shown in the following figures (tons of 2,000 pounds):

Tonnage handled:	Tons.
Anthracite coal.....	2,012,443
Bituminous coal.....	2,139,211
Merchandise.....	223,256
Total freight.....	4,374,910
Operating expenses:	
Maintenance of way and structures.....	\$132,070.25
Maintenance of equipment.....	3,210.33
Traffic expenses.....	365.25
Transportation expenses.....	423,396.82
General expenses.....	1,669.08
Total.....	560,711.73
Cost per ton.....	.128

The operating expenses shown above include all the expenses of a line haul from Port Reading Junction to Port Reading, distance 20 miles, and all terminal expenses at Port Reading, N. J. The services performed at this terminal are similar in character to the yard, docks, and other terminal services performed at the tidewater terminals by the other anthracite carriers. The cost of 12.8 cents per ton (2,000 pounds) includes all operating expenses of the Port Reading Railroad, and as this carrier does not handle passenger traffic the costs are not subject to criticisms because of any inaccuracies arising from the apportionments made of operating costs between freight service and passenger service.

The costs of transporting anthracite coal from the mines to tidewater via the Central Railroad Company of New Jersey, as shown in Morgan Exhibit 41, are:

From the Wyoming region:	Cents.	Mills.
Total cost per ton (2,000 pounds).....	52.91727	.....
Total cost per ton (2,240 pounds).....	59.26734	.....
Total cost per ton (2,000 pounds) per mile.....		3.30733
From the Lehigh region:		
Total cost per ton (2,000 pounds).....	39.59923	.....
Total cost per ton (2,240 pounds).....	44.35119	.....
Total cost per ton (2,000 pounds) per mile.....		3.29994
From the Upper Lehigh region:		
Total cost per ton (2,000 pounds).....	43.78495	.....
Total cost per ton (2,240 pounds).....	49.03914	.....
Total cost per ton (2,000 pounds) per mile.....		3.12749

The average revenue derived by the Central Railroad Company of New Jersey for the transportation of anthracite coal from the mines to tidewater is 9.54 mills per ton (2,000 pounds) per mile. It therefore appears that the carrier's profit over operating expenses is approximately 6.2 mills per ton (2,000 pounds) per mile, or 190 per cent.

The revenue derived by the respondents from the transportation of anthracite coal to tidewater is shown in the following figures:

Carrier.	Average distance.	Average revenue per ton (2,240 pounds).	Average revenue per ton (2,000 pounds).	Average revenue per ton-mile (2,240 pounds).	Average revenue per ton-mile (2,000 pounds).
	<i>Miles.</i>			<i>Mills.</i>	<i>Mills.</i>
C. R. R. Co. of N. J.....	139.3	\$1.489	\$1.329	10.69	9.54
L. V. R. R. Co.....	157	1.484	1.325	9.45	8.44
N. Y., O. & W. Ry. Co.....	209	1.447	1.292	6.92	6.18
Erie R. R. Co. (including N. Y., S. & W. R. R. Co.)..	167.5	1.407	1.256	8.40	7.50
P., & R. Ry. Co.....	183.3	1.338	1.195	7.30	6.52
D., L. & W. R. R. Co.....	147	1.300	1.161	8.84	7.90
P., R. R. Co.....	213.4	1.310	1.190	6.10	5.58

Operating costs of transporting anthracite coal from the mines to tidewater over the railway lines of the Central Railroad Company of New Jersey in the month of November, 1912, are here set forth in detail.

CENTRAL RAILROAD COMPANY OF NEW JERSEY.

Section 1. Cost of transporting anthracite coal to tidewater, November, 1912.

FROM WYOMING REGION.

Allocated cost:	Cents per net ton.
Assembling loads at Penobscot and distributing empties (section 2).....	5.21417
Line haul to and from Mauch Chunk (section 24).....	6.06418
Handling at Mauch Chunk yard (section 7).....	.74043
Line haul, Mauch Chunk to and from tide (section 24).....	14.43562
Handling at tidewater yards (section 12).....	1.57848
Handling at Elizabethport and Port Johnston docks (section 16).....	3.29815
	<u>31.33103</u>
Unallocated cost:	
Cost per net ton-mile, 1.34914 mills (section 19).	
Average haul, 160 miles.	
Cost per net ton (160 x 1.34914 mills).....	21.58624
Total cost:	
Allocated cost, as above.....	31.33103
Unallocated cost, as above.....	21.58624
Total cost per net ton.....	<u>52.91727</u>
Total cost per gross ton (2,240 pounds).....	59.26734
Total cost per net ton-mile, 3.30733 mills.	

FROM LEHIGH REGION.

Allocated cost:	
Assembling loads at Mauch Chunk and distributing empties (section 2).....	3.35687
Handling at Mauch Chunk yard (section 7).....	.74048
Line haul, Mauch Chunk to and from tide (section 24).....	14.43562
Handling at tidewater yards (section 12).....	1.57848
Handling at Elizabethport and Port Johnston docks (section 16).....	3.29815
	<u>23.40960</u>
Unallocated cost:	
Cost per net ton-mile, 1.34914 mills (section 19).	
Average haul, 120 miles.	
Cost per net ton (120 x 1.34914 mills).....	16.18968

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

353

	Cents per net ton.
Total cost:	
Allocated cost, as above.....	23.40960
Unallocated cost, as above.....	16.18968
	<hr/>
Total cost per net ton.....	39.59928
	<hr/>
Total cost per gross ton (2,240 pounds).....	44.35119
	<hr/>
Total cost per ton-mile, 3.29994 mills.	

FROM UPPER LEHIGH REGION.

Allocated costs:	
Assembling loads at White Haven and distributing empties (section 11).....	.87951
Line haul to and from Mauch Chunk ¹	3.96475
Handling at Mauch Chunk yard (section 7).....	.74048
Line haul, Mauch Chunk to and from tide (section 24).....	14.43562
Handling at tidewater yards (section 12).....	1.57848
Handling at Elizabethport and Port Johnston docks (section 16).....	3.29815
	<hr/>
	24.89699
	<hr/>
Unallocated costs:	
Cost per net ton-mile, 1.34914 mills (section 19).	
Average haul, 140 miles.	
Cost per net ton (140 x 1.34914 mills).....	18.88790
	<hr/>
Total costs:	
Allocated cost, as above.....	24.89699
Unallocated cost, as above.....	18.88790
	<hr/>
Total cost per net ton.....	43.78495
	<hr/>
Total cost per gross ton.....	49.03914
Total cost per net ton-mile, 3.12749 mills.	

Section 2. Total allocated cost of concentration of anthracite coal and distribution of empties, November, 1912.

WYOMING REGION.

	Cents per net ton.
Cost of assembling loads at Ashley and distributing empties to collieries (section 3).....	2.63843
Handling over planes (section 4).....	1.67312
Handling in Penobscot yard (section 5).....	.51576
Car cost (section 6).....	.38686
	<hr/>
Total cost in cents per net ton.....	5.21417

LEHIGH REGION.

Cost of assembling loads at Mauch Chunk and distributing empties:	
Tresckow branch (section 9).....	\$1,924.93
Nesquehoning Valley branch (section 8).....	7,942.43
Maryd (section 10).....	2,036.38
	<hr/>
	11,903.74
Net tons handled, 354,608.5.	
Total cost in cents per net ton.....	3.35687

UPPER LEHIGH REGION.

Cost of assembling loads at White Haven and distributing empties:	
Handling, White Haven yard (section 11).....	.87951
	<hr/>
Total cost in cents per net ton.....	.87951

¹ The line haul from Ashley to Mauch Chunk and return averages 1.6249 mills per net ton-mile (section 24). The distance from White Haven to Mauch Chunk is 24.4 miles. The line-haul cost from White Haven to Mauch Chunk and return equals 3.96475 cents (24.4 x 1.6249 mills).

35 I. C. C.

Section 3. Allocated cost of assembling loads at Ashley and distributing empties at collieries, November, 1912.

Steam locomotives, repairs.....	\$2,898.82
Steam locomotives, depreciation.....	403.06
Station employees.....	1,108.59
Yardmasters and clerks.....	677.00
Yard conductors and brakemen.....	4,172.14
Yard switch and signal tenders.....	200.02
Yard supplies and expenses.....	113.84
Yard enginemen.....	3,759.84
Enginehouse expenses, yard.....	1,401.09
Fuel for yard locomotives.....	3,713.57
Water for yard locomotives.....	256.07
Lubricants for yard locomotives.....	87.63
Other supplies, yard locomotives.....	60.66
Road enginemen.....	296.66
Enginehouse expenses, road.....	75.60
Fuel for road locomotives.....	301.11
Water for road locomotives.....	22.46
Lubricants, road locomotives.....	7.42
Other supplies, road locomotives.....	8.41
Road trainmen.....	123.15
Total allocated cost.....	<u>19,687.14</u>
Proportion chargeable to anthracite coal, based on number of cars handled, 60.8 per cent.....	11,969.78
Net tons anthracite handled.....	453,669
Cost in cents per net ton.....	2.63843

Section 4. Allocated cost of handling anthracite coal over Ashley planes, November, 1912.

Steam locomotives:	
Repairs.....	\$212.16
Depreciation.....	39.98
Other expenses (maintenance of equipment).....	1,629.44
Yard conductors and brakemen.....	579.29
Yard enginemen.....	394.95
Enginehouse expenses, yard.....	92.00
Fuel for yard locomotives.....	232.90
Water for yard locomotives.....	17.10
Lubricants, yard locomotives.....	7.84
Other supplies, yard locomotives.....	12.30
Other expenses (transportation).....	6,602.25
Total.....	<u>9,820.17</u>
Gross tonnage, all freight handled.....	880,353
Gross tonnage, anthracite handled.....	633,449
Percentage of anthracite handled.....	71.959
Cost of handling anthracite.....	\$7,066.50
Net tonnage anthracite handled.....	446,323
Cost in cents per net ton.....	1.58329
Weighmaster Solomon's Gap scales.....	448.00
Tonnage of anthracite weighed:	
Revenue net tons.....	446,323
Nonrevenue net tons.....	52,381
Total.....	<u>498,704</u>
Cost in cents per net ton.....	<u>.08983</u>
Total cost in cents per net ton.....	1.67312

Section 5. Allocated cost of handling anthracite coal in Penobscot yard, November, 1912.

Steam locomotives:	
Repairs.....	\$433.42
Depreciation.....	79.29
Station employees.....	70.00
Yardmasters and their clerks.....	215.87
Yard conductors and brakemen.....	1,330.41

35 I. C. C.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

355

Yard switch and signal tenders.....		\$62.07
Yard enginemen.....		781.49
Enginehouse expenses, yard.....		26.93
Fuel for yard locomotives.....		631.17
Water for yard locomotives.....		42.71
Lubricants, yard locomotives.....		12.84
Other supplies, yard locomotives.....		11.30
Total.....		<u>3,697.50</u>
Number of cars all freight handled.....	\$16,700	
Number of cars anthracite handled.....	10,397	
Percentage of anthracite handled.....	62.258	
Cost of handling anthracite coal.....		\$2,301.99
Tonnage handled, net tons.....	446,323	
Cost in cents per net ton.....		0.51576

Section 6. Allocated car cost in Wyoming concentration region, November, 1912.

Loaded car-miles anthracite coal collieries to Penobscot via Ashley yard and planes.....		87,185
Empty car-miles Ashley yard to collieries.....		38,321
(Mileage from Penobscot to Ashley via back track included in selected train costs.)		
Total car-miles.....		<u>125,506</u>
125,506 car-miles, at 1.37577 cents per car-mile.....		\$1,726.67
Net tons handled.....	446,323	
Cost in cents per net ton.....		0.38686

Section 7. Allocated cost of handling anthracite coal at Mauch Chunk yard, November, 1912.

Steam locomotives:		
Repairs.....		\$856.06
Depreciation.....		275.61
Station employees.....		223.00
Yardmasters and clerks.....		1,152.36
Yard conductors and brakemen.....		4,347.01
Yard, switch, and signal tenders.....		490.38
Yard supplies and expenses.....		25.18
Yard enginemen.....		1,975.72
Enginehouse expenses, yard.....		427.71
Fuel for yard locomotives.....		1,286.11
Water for yard locomotives.....		103.22
Lubricants for yard locomotives.....		29.60
Other supplies for yard locomotives.....		60.04
Total.....		<u>11,252.00</u>
Total cars handled.....	69,164	
Cost in cents per car, loaded.....	16.26857	
Cost in cents per car, empty.....	16.26857	
Total cost per car anthracite, loaded and empty, in cents.....	32.53714	
Average load per car, net tons.....	43.94	
Cost in cents per net ton.....		0.74048

Section 8. Allocated cost of handling anthracite coal on Neshquehoning Valley branch, November, 1912.

Steam locomotives:		
Repairs.....		\$1,879.97
Depreciation.....		305.06
Station employees.....		63.00
Yard conductors and brakemen.....		74.85
Yard, switch, and signal tenders.....		19.20
Yard supplies and expenses.....		5.44
Yard enginemen.....		83.06
Road enginemen.....		2,197.31
Enginehouse expenses, yard and road.....		433.10
Fuel for yard and road locomotives.....		3,078.15
Water for yard and road locomotives.....		216.06
Lubricants for yard and road locomotives.....		39.61

35 I. C. C.

Other supplies for yard and road locomotives.....	\$72.50
Road trainmen.....	2,571.51
Total.....	<u>11,043.82</u>
Gross ton-miles all freight.....	15,547,296
Gross ton-miles anthracite.....	7,267,220
Percentage of anthracite to total.....	46.743
Proportion of above chargeable to anthracite.....	\$5,162.21
Salaries of weighmasters and their clerks at Hauto and Neshquehoning all chargeable to anthracite.....	307.00
Car costs:	
Car-miles, loaded, 89,885	
Car-miles, empty, 89,885	
Total, 179,770, at 1.37577 cents per car-mile.....	<u>2,473.22</u>
Total cost of handling anthracite coal.....	7,942.43

Section 9. Allocated cost of handling anthracite coal on Tresckow branch, November, 1912.

Steam locomotives:	
Repairs.....	\$460.07
Depreciation.....	40.32
Station employees.....	102.50
Yardmasters and their clerks.....	67.50
Yard conductors and brakemen.....	404.35
Yard enginemen.....	398.14
Enginehouse expenses, yard.....	63.90
Fuel for yard locomotives.....	543.89
Water for yard locomotives.....	39.42
Lubricants, yard locomotives.....	13.07
Other supplies, yard locomotives.....	6.68
Total.....	<u>2,139.84</u>
Number of cars of all freight handled.....	2,249
Number of cars of anthracite handled.....	1,683
Percentage of anthracite to total.....	74.835
Proportion of above chargeable to anthracite coal.....	\$1,601.35
Car costs:	
Car-miles, loaded, 11,760	
Car-miles, empty, 11,760	
Total, 23,520, at 1.37577 cents per car-mile.....	<u>323.58</u>
Total cost of handling anthracite coal.....	1,924.93

Section 10. Allocated cost of handling coal from Maryd Coal Company to Hauto, Pa., November, 1912.

Amount paid to the L. C. & N. Co., voucher 84425.....	\$1,928.08
Car costs:	
Car-miles, loaded, 3,936	
Car-miles, empty, 3,936	
Total, 7,872, at 1.37577 cents per car-mile.....	<u>108.30</u>
Total cost.....	2,036.38

Section 11. Allocated cost of handling anthracite coal on Upper Lehigh branch and at White Haven yard, November, 1912.

Steam locomotives:	
Repairs.....	\$659.40
Depreciation.....	62.00
Yardmasters and clerks.....	15.00
Yard conductors and brakemen.....	199.54
Yard enginemen.....	181.08
Enginehouse expenses, yard.....	47.03
Fuel for yard locomotives.....	185.99
Water for yard locomotives.....	13.94
Lubricants, yard locomotives.....	4.59

35 I. C. C.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

357

Other supplies, yard locomotives.....	\$4.57
Road enginemen.....	183.54
Enginehouse expenses, road.....	77.88
Fuel for road locomotives.....	541.70
Water for road locomotives.....	39.98
Lubricants, road locomotives.....	5.34
Other supplies, road locomotives.....	5.63
Road trainmen.....	218.07
	<u>2,446.18</u>
Net tons handled.....	29,788
Cost per net ton, in cents.....	0.87951

Section 12. Allocated cost of handling anthracite coal at Jersey City, Bayonne, and Elizabethport terminals, November, 1912.

Steam locomotives:	
Repairs.....	\$7,055.35
Depreciation.....	1,568.99
Station employees.....	5,404.83
Yardmasters and their clerks.....	5,018.31
Yard conductors and brakemen.....	21,194.71
Yard, switch, and signal tenders.....	559.08
Yard supplies and expenses.....	304.41
Yard enginemen.....	13,566.45
Enginehouse expenses, yard.....	2,433.13
Fuel for yard locomotives.....	8,944.16
Water for yard locomotives.....	630.91
Lubricants, yard locomotives.....	209.10
Other supplies, yard locomotives.....	402.50
Total.....	<u>67,291.93</u>
Cars handled:	
Jersey City.....	94,183
Bayonne.....	27,491
Elizabethport.....	72,367
Total.....	<u>194,041</u>
Cost per car, in cents.....	34.67923
Cost of handling 1 load and 1 empty, anthracite coal, in cents.....	69.35846
Average load per car, net tons.....	43.94
Cost, in cents, per net ton.....	1.57848

Section 13. Allocated cost of handling anthracite coal at Elizabethport terminal, November, 1912.

Steam locomotives:	
Repairs.....	\$1,976.28
Depreciation.....	442.35
Station employees.....	871.00
Yardmasters and their clerks.....	1,522.63
Yard conductors and brakemen.....	5,267.94
Yard, switch, and signal tenders.....	45.00
Yard supplies and expenses.....	131.03
Yard enginemen.....	3,591.55
Enginehouse expenses, yard.....	549.02
Fue for yard locomotives.....	3,253.33
Water for yard locomotives.....	220.97
Lubricants, yard locomotives.....	70.06
Other supplies, yard locomotives.....	182.70
Total.....	<u>18,123.86</u>
Cars handled.....	72,367
Cost per car, in cents.....	25.04437
Cost of handling 1 load and 1 empty, anthracite coal, in cents.....	50.08874
Average load per car, net tons.....	43.94
Cost, in cents, per net ton.....	1.13993

35 I. C. C.

Section 14. Allocated cost of handling anthracite coal at Jersey City, N. J., November, 1912.

Steam locomotives:	
Repairs.....	\$4,356.07
Depreciation.....	941.28
Station employees.....	3,406.57
Yardmasters and their clerks.....	2,790.69
Yard conductors and brakemen.....	14,424.37
Yard, switch, and signal tenders.....	514.08
Yard supplies and expenses.....	156.85
Yard enginemen.....	8,800.48
Enginehouse expenses, yard.....	1,554.62
Fuel for yard locomotives.....	4,896.08
Water for yard locomotives.....	346.97
Lubricants, yard locomotives.....	124.76
Other supplies, yard locomotives.....	175.68
Total.....	42,488.50
Cars handled..... 94,183	
Cost per car, in cents.....	45.1127
Cost of handling 1 load and 1 empty, anthracite coal, in cents.....	90.2254
Average load per car, net tons.....	43.94
Cost, in cents, per net ton.....	2.05337

Section 15. Allocated cost of handling anthracite coal at Bayonne terminal, November, 1912.

Steam locomotives:	
Repairs.....	\$723.00
Depreciation.....	185.36
Station employees.....	1,127.26
Yardmasters and their clerks.....	704.99
Yard conductors and brakemen.....	1,502.40
Yard, switch, and signal tenders.....	
Yard supplies and expenses.....	16.53
Yard enginemen.....	1,174.42
Enginehouse expenses, yard.....	329.49
Fuel for yard locomotives.....	794.75
Water for yard locomotives.....	62.97
Lubricants, yard locomotives.....	14.28
Other supplies, yard locomotives.....	44.12
Total.....	6,679.57
Cars handled..... 27,491	
Cost per car, in cents.....	24.29730
Cost of handling 1 load and 1 empty, anthracite coal, in cents.....	48.59460
Average load per car, net tons.....	43.94
Cost, in cents, per net ton.....	1.10593

Section 16. Allocated cost of handling anthracite coal at Port Johnston and Elizabethport docks, November, 1912.

Cost:	
Port Johnston (section 18).....	\$5,545.09
Elizabethport (section 17).....	4,327.32
Total.....	9,872.41
Tonnage:	
Port Johnston (section 18).....	176,182
Elizabethport (section 17).....	123,149
Total.....	299,331
Cost, in cents, per net ton.....	3.29815

35 I. C. C.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL. 359

*Section 17. Allocated cost of handling anthracite coal over docks at Elizabethport,
November, 1912.*

Repairs of buildings.....	\$180.10
Repairs to docks and wharves.....	550.99
Repairs, steam locomotives.....	272.46
Depreciation, steam locomotives.....	53.25
Coal and ore docks.....	2,416.43
Yard conductors and brakemen.....	552.73
Yard enginemen.....	408.36
Enginehouse expenses, yard.....	67.83
Fuel for yard locomotives.....	393.76
Water for yard locomotives.....	27.43
Lubricants, yard locomotives.....	10.34
Other supplies, yard locomotives.....	18.55
Injuries to persons.....	9.67
Insurance.....	66.19
Total.....	5,028.09
<hr/>	
Tonnage handled:	
Bituminous.....	19,943
Anthracite.....	123,149
Total.....	143,092
Cost, in cents per net ton.....	3.51388
Total cost of handling anthracite coal based on above tonnage.....	4,327.35

*Section 18. Allocated cost of handling anthracite coal over dock at Port Johnston,
November, 1912.*

Repairs to buildings.....	\$258.37
Repairs to docks and wharves.....	464.73
Repairs, steam locomotives.....	214.63
Depreciation, steam locomotives.....	49.79
Coal and ore docks.....	3,436.39
Yard conductors and brakemen.....	321.30
Yard enginemen.....	236.66
Enginehouse expenses, yard.....	79.16
Fuel for yard locomotives.....	207.23
Water for yard locomotives.....	16.29
Lubricants, yard locomotives.....	3.42
Other supplies, yard locomotives.....	7.54
Injuries to persons.....	151.39
Insurance.....	98.19
Total.....	5,545.09
<hr/>	
Tonnage handled.....	176,182
Cost, in cents per net ton.....	3.14736

Section 19. Unallocated cost of transporting anthracite coal, November, 1912.

Proportion of amount of unallocated accounts chargeable to anthracite coal (section 30).....	\$133,887.31
Proportion of cost of transporting company freight for accounts represented in allocated costs chargeable to anthracite coal (section 20).....	11,057.48
Total.....	144,944.79
<hr/>	
Tons 1 mile anthracite coal (section 23).....	107,435,304
Cost per net ton-mile for all unallocated expenses, mills.....	1.34914

35 I. C. C.

Section 20. Cost of transporting company freight for accounts represented in allocated costs, November, 1912.

AMOUNTS OF ALLOCATED ACCOUNTS ASSIGNED TO FREIGHT (C. R. R. OF N. J. METHOD).

Maintenance of equipment:	
Steam locomotives—	
Repairs.....	\$82,887.30
Depreciation.....	13,652.96
Freight train cars—	
Repairs.....	94,704.83
Renewals.....	496.00
Depreciation.....	61,323.46
Other expenses.....	1,629.44
Total.....	<u>254,693.99</u>
Transportation expenses:	
Station employees (section 30).....	7,339.92
Yardmasters and clerks.....	9,484.87
Yard conductors and brakemen.....	48,160.63
Yard switch and signal tenders.....	2,069.21
Yard supplies and expenses.....	815.95
Yard enginemen.....	34,251.69
Enginehouse expenses, yard.....	6,116.69
Fuel for yard locomotives.....	29,266.05
Water for yard locomotives.....	1,651.37
Lubricants, yard locomotives.....	471.21
Other supplies, yard locomotives.....	786.02
Road enginemen.....	45,540.63
Enginehouse expenses, road.....	9,911.18
Fuel for road locomotives.....	85,270.10
Water for road locomotives.....	4,537.46
Lubricants, road locomotives.....	1,482.04
Other supplies, road locomotives.....	1,267.39
Road trainmen.....	55,224.45
Train supplies and expenses (section 30).....	1,694.36
Other expenses.....	6,272.12
Total.....	<u>351,613.34</u>
Grand total.....	<u>606,307.33</u>
Company freight proportion, 5.45 per cent ¹ (section 21).....	33,043.75
Less passenger proportion, 27.85 per cent ²	9,202.68
	<u>23,841.07</u>
Anthracite proportion, 46.38 per cent (section 21).....	<u>11,057.48</u>
Assigned by Central Railroad Co. to:	
Passenger service, 27.85 per cent.....	374,183.55
Freight service, 72.15 per cent.....	969,382.59
Total.....	<u>1,343,566.14</u>

Section 21. Gross ton-mileage, November, 1912.

Tare ton-miles:	
Anthracite coal (revenue)—	
Loaded car-miles (section 22).....	2,445,045
Empty car-miles (section 22).....	2,445,045
	<u>4,890,090</u>
4,890,090 at 18 tons per car, 42.86 per cent.....	88,021,620
Other revenue freight—	
Loaded car-miles (section 22).....	4,763,374
Empty car-miles (section 22).....	1,756,288
	<u>6,519,662</u>
6,519,662 at 18 tons per car, 57.14 per cent.....	117,353,916
	<u>205,375,536</u>

¹ Based on gross ton mileage.

² Based on Central Railroad of New Jersey division of all operating expenses between passenger and freight, i. e., total operating expenses, \$1,343,566.14.

RATES FOR TRANSPORTATION OF ANTHRACITE COAL. 361

Tons 1 mile (load):	
Anthracite coal (revenue), 49.73 per cent (section 23).....	\$107,435,304
Other revenue freight, 50.27 per cent (section 23).....	108,608,373
	<u>216,043,677</u>
Gross ton-miles (revenue):	
Anthracite coal—	
Load.....	\$107,435,304
Tare, 46.3806 per cent.....	88,021,620
	<u>195,456,924</u>
Other freight—	
Load.....	108,608,373
Tare, 53.6194 per cent.....	117,353,916
	<u>225,962,289</u>
	<u>421,419,213</u>
Gross ton-miles, company freight:	
Loaded car-miles (section 22).....	337,845
Empty car-miles (section 22).....	267,482
	<u>605,327</u>
605,327 at 18 tons per car.....	10,895,886
Tons 1 mile, load (section 23).....	13,415,501
	<u>24,311,387</u>
Gross ton-miles, all freight:	
Revenue freight, 94.55 per cent.....	421,419,213
Company freight, 5.45 per cent.....	24,311,387
	<u>445,730,600</u>

Section 22. Car-mileage, November, 1912.

Revenue car-miles (including company freight):¹	
Loaded.....	7,546,264
Empty.....	4,468,815
Total.....	<u>12,015,079</u>
Loaded car-miles:	
Anthracite coal (revenue) ²	2,445,045
Other revenue freight.....	4,763,374
Company freight:	
Anthracite coal ³	191,654
Bituminous coal.....	75,828
Other freight ⁴	70,363
	<u>337,845</u>
Total loaded car-miles.....	<u>7,546,264</u>
Empty car-miles:	
Anthracite coal (revenue) ⁴	2,445,045
Other revenue freight.....	1,756,288
Company freight ⁵	267,482
Total empty car-miles.....	<u>4,468,815</u>
Revenue car-miles (excluding company freight):	
Loaded—	
Anthracite coal, 33.92 per cent.....	2,445,045
Other freight, 66.08 per cent.....	4,763,374
	<u>7,208,419</u>
Empty—	
Anthracite coal, 58.20 per cent.....	2,445,045
Other freight, 41.80 per cent.....	1,756,288
	<u>4,201,333</u>

¹ From carrier's records.
² Obtained by dividing anthracite ton-miles (section 23) by 43.94 net tons (the average load per car).
³ Allowing 24 tons to car.
⁴ Same as loaded movement.
⁵ Obtained by allowing empty movement equal to loaded movement anthracite and bituminous company coal.

Section 23. Tonnage handled, November, 1912.

	Tons.	Tons 1 mile.	Average haul.
Revenue tonnage:			
Other than coal—			<i>Miles.</i>
Local.....	346,911	15,387,625	44.35
Through.....	1,124,284	68,596,022	61.01
Total.....	1,471,195	83,983,647	57.08
Bituminous coal.....	482,373	24,624,726	51.05
Total other than anthracite.....	1,953,568	108,608,373	55.60
Anthracite coal.....	951,161	107,435,304	112.95
Total.....	2,904,729	216,043,677	74.38
Company freight:			
Anthracite coal.....		8,421,260	.....
Bituminous coal.....		3,305,527	.....
Other company freight.....		1,688,714	.....
Total.....		13,415,501	.....

Section 24. Allocated line haul cost, anthracite coal, November, 1912.

Mauch Chunk to tide:	
Total cost allocated to anthracite coal in 46 selected loaded trains (section 25).....	\$6,581.56
Total car-miles anthracite coal in these trains (section 25).....	211,325
Cost per car-mile empty movement, tidewater to Mauch Chunk, based on figures for 30 selected trains of empty cars (section 25), cents.....	2.51241
Allowing a return empty movement of 100 per cent, the cost of returning the empty cars on account of this loaded movement would be 211,325 car-miles, at 2.51241 cents per mile.....	5,309.35
Total allocated cost (loaded and empty).....	11,890.91
Net tons anthracite handled.....	82,372
Loaded net ton mileage (section 25).....	9,236,164
Cost per net ton-mile, mills.....	1.2874
Average haul per ton, miles.....	112.13
Cost per net ton, cents.....	14.43562
Ashley to Mauch Chunk:	
Total cost allocated to anthracite coal in 10 selected loaded trains (section 25).....	\$575.82
Total cars anthracite coal in these trains.....	482
Mileage, Mauch Chunk to Ashley via back track, miles.....	51
Allowing a return empty movement of 100 per cent, the return car-mileage on account of the loaded movement would be, car-miles.....	24,582
Cost per car-mile, empty movement, based on figures for 10 selected trains of empty cars (section 25), cents.....	2.86048
Cost of empty movement on account of this loaded movement would be 24,582 car-miles, at 2.86048 cents per mile.....	703.16
Total allocated cost (loaded and empty).....	1,278.98
Net tons anthracite handled.....	21,092
Loaded net ton mileage (section 25).....	787,106
Cost per net ton-mile, mills.....	1.6249
Average haul per ton (load), miles.....	37.32
Cost per net ton, cents.....	6.06413

35 I. C. C.

Section 25. Statement showing method of arriving at allocated cost of line haul in transporting anthracite coal from the Wyoming and Lehigh regions to tide (loaded and empty movements).

Commodity and class of train.	Cabooses miles. (a)	Ton-miles.			Wages, engine and train crews. (g)	Locomotive costs. (h)	Cabooses costs (at 1.37577 cents per car-mile). (i)	Total—wages, locomotive costs, and cabooses costs. (j)	Car costs (at 1.37577 cents per car-mile). (k)	Total allocated costs.					
		Net. (c)	Tare. (d)	Gross. Amount. (e)						Per cent. (f)	Amount. net ton-mile (mills). (m)	Average per ton-car-mile (cents). (n)	(l)	(o)	(p)
LOADED MOVEMENT, MAUCH CHUNK, PA., TO TIDE.															
Solid anthracite trains (10):	1,153	2,379,620	983,314	3,362,934	100	\$230.44	\$15.86	1,920.04	\$759.29	\$1,079.33	0.7057	3.04282			
Anthracite coal.....															
Mixed trains (30):	156,135	6,856,544	2,798,636	9,655,180	82.4118			2,749.05	2,148.06	4,897.11	.7142	3.13646			
Anthracite coal.....	21,977	941,792	354,039	1,225,831	11.3166			377.49	302.35	679.84	.7219	3.09341			
Bituminous coal.....	17,577	418,637	316,128	734,765	6.2716			209.21	241.82	451.03	1.0774	2.56602			
Other freight.....															
Total.....	4,111	8,216,973	3,498,803	11,715,776	100	1,072.46	56.56	3,335.75	2,692.23	6,027.98	.7336	3.18039			
All trains (40):	211,325	9,236,164	3,781,950	13,018,114	86.3344			3,674.21	2,907.35	6,581.56	.7126	3.11443			
Anthracite coal.....	21,977	941,792	354,039	1,325,831	8.7927			374.20	302.35	676.55	.7184	3.07845			
Bituminous coal.....	17,577	418,637	316,128	734,765	4.8729			207.38	241.82	449.20	1.0730	2.55501			
Other freight.....															
Total.....	5,264	10,596,593	4,482,117	15,078,710	100	1,352.90	72.42	4,255.79	3,451.52	7,707.31	.7273	3.07212			
EMPTY MOVEMENT, TIDE TO MAUCH CHUNK, PA.															
30 trains.....	3,410	183,229				684.22	1,351.52	46.91	2,082.65	2,520.81	4,603.46	2.51241			
LOADED MOVEMENT, ASHLEY, PA., TO MAUCH CHUNK, PA.															
Mixed trains (10):	17,992	787,106	320,248	1,107,354	98.6039			328.29	247.53	575.82	.7316	3.20042			
Anthracite coal.....	356	10,373	6,446	16,819	1.4961			4.99	4.90	9.89	.9634	2.77809			
Other freight.....															
Total.....	510	797,479	326,694	1,124,173	100	136.65	189.61	7.02	1,333.28	252.43	.7345	3.19223			
EMPTY MOVEMENT, MAUCH CHUNK, PA., TO ASHLEY, PA.															
10 trains.....	510	26,298				142.48	240.95	7.02	390.45	361.80	752.25	2.86048			

¹ Divided between commodities on basis of gross ton mileage, column (f).

Section 26. Recapitulation of 10 selected solid anthracite trains moving from Mauch Chunk, Pa., to tide during November, 1912.

Date.	Train.	Locomotive No.	Caboose miles.	Wages of engine and train crews.	Locomotive costs.	Anthracite coal.			
						Car-miles.	Net ton-miles.	Tare ton-miles.	Gross ton-miles.
1912.									
Nov. 27	Extra	480	118	\$27.37	\$60.87	5,640	256,212	102,030	358,242
Nov. 20	do.	458	114	33.67	61.93	5,432	232,094	96,169	328,263
Nov. 23	do.	684	118	28.30	69.85	5,310	224,749	94,494	319,243
Nov. 21	do.	474	113	24.98	59.26	5,311	227,700	95,005	322,711
Nov. 15	do.	678	114	25.75	58.32	5,650	235,074	99,657	334,731
Nov. 12	do.	450	114	26.20	59.26	5,538	232,371	98,826	331,197
Nov. 10	do.	443	114	31.27	66.12	5,264	222,583	92,927	315,510
Nov. 9	do.	455	112	27.95	68.00	5,429	234,342	96,851	331,193
Nov. 22	do.	438	116	26.15	61.77	5,496	238,351	97,643	335,994
Nov. 14	do.	469	120	28.80	58.56	6,120	276,138	109,712	385,850
Total			1,153	280.44	623.74	55,190	2,379,620	983,314	3,362,934

Section 27. Recapitulation of 36 selected mixed trains moving from Mauch Chunk, Pa., to tide during November, 1912.

Date.	Train.	Loco-motive No.	Ca-boose-miles.	Wages of engine and train crews.	Loco-motive costs.	Anthracite coal.			Bituminous coal.			Other freight.					
						Car-miles.	Tare ton-miles.	Gross ton-miles.	Car-miles.	Tare ton-miles.	Gross ton-miles.	Car-miles.	Net ton-miles.	Tare ton-miles.	Net ton-miles.	Tare ton-miles.	Gross ton-miles.
1912.	Extra	455	118	\$27.00	\$64.22	4,912	215,987	87,283	303,270	472	21,240	8,478	29,718	930	29,931	16,043	46,574
Nov. 9.	Do.	446	114	29.33	61.33	4,065	173,758	71,772	245,530	114	4,731	1,858	6,589	464	9,882	8,149	18,031
Nov. 8.	Do.	450	114	26.55	59.12	5,426	235,209	97,284	332,493	234	9,909	4,381	14,290	330	7,150	5,648	12,798
Do.	Do.	676	113	27.52	62.45	4,905	216,758	90,868	307,626	550	23,925	9,616	33,541	787	9,861	16,056	25,917
Nov. 12.	Do.	438	114	25.29	57.59	4,290	184,853	76,490	261,343	.....	.....	.....	.....	1,044	19,836	19,113	38,949
Nov. 18.	Do.	471	118	31.07	64.84	4,560	200,378	83,750	284,128	.....	.....	.....	.....	1,114	3,420	1,897	5,307
Nov. 26.	Do.	468	114	30.77	65.81	4,408	190,113	79,048	269,161	1,140	50,160	20,263	70,423	759	17,624	13,066	30,690
Nov. 12.	Do.	432	114	33.47	62.53	4,364	192,575	77,464	270,039	1,638	68,691	28,360	97,051	220	5,060	3,542	8,602
Nov. 11.	Do.	446	118	31.89	65.51	2,742	126,470	48,624	175,094	1,330	11,385	4,565	15,950	1,036	22,174	17,830	40,004
Nov. 20.	Do.	470	114	29.24	58.67	4,908	206,557	86,161	292,718	.....	.....	.....	.....	.....	.....	.....	.....
Nov. 13.	Do.	678	114	29.65	62.41	4,944	201,543	82,353	283,896	1,852	75,567	32,424	107,991	696	8,410	11,469	19,879
Nov. 22.	Do.	456	118	26.36	59.97	3,451	157,734	61,595	219,329	302	11,784	5,013	16,797	156	2,613	2,512	5,125
Nov. 14.	Do.	444	116	32.32	65.36	4,946	216,591	90,648	307,239	1,080	45,954	18,887	64,841	880	20,020	15,768	35,788
Nov. 11.	Do.	456	112	28.68	56.50	3,888	174,204	69,417	243,621	.....	.....	.....	.....	981	22,879	16,378	39,257
Do.	Do.	439	114	30.62	61.71	5,052	218,035	90,689	308,724	220	11,055	4,174	15,229	1,001	22,321	18,269	40,590
Nov. 30.	Do.	468	114	28.36	62.13	4,400	184,844	77,500	262,344	.....	.....	.....	.....	644	19,306	11,461	30,767
Nov. 8.	Do.	683	114	27.54	52.90	5,431	237,372	96,846	334,218	116	4,872	2,076	6,948	658	8,348	11,560	19,908
Nov. 28.	Do.	442	114	26.82	63.45	4,399	192,602	80,109	272,711	1,188	51,840	20,474	72,314	812	3,850	2,502	6,352
Nov. 12.	Do.	676	112	27.58	58.30	3,478	154,796	63,035	217,831	1,620	65,826	29,749	96,575	308	5,966	6,686	12,652
Nov. 17.	Do.	440	112	28.88	59.87	3,701	157,064	64,663	221,727	.....	.....	.....	.....	.....	.....	.....	.....
Nov. 10.	Do.	470	114	31.49	56.21	4,732	202,843	83,156	285,999	63	2,551	1,118	3,669	644	19,306	11,461	30,767
Nov. 12.	Do.	469	120	28.34	58.70	5,720	259,886	103,073	362,959	480	21,840	7,806	29,706	.....	.....	.....	.....
Nov. 9.	Do.	462	110	32.91	62.71	4,303	185,175	77,440	262,615	.....	.....	.....	.....	.....	.....	.....	.....
Do.	Do.	430	114	29.56	60.77	4,290	187,159	76,455	263,614	900	32,175	13,524	45,699	.....	.....	.....	.....
Do.	Do.	444	112	32.00	59.87	3,820	176,215	69,121	245,336	896	38,304	16,283	54,587	110	3,850	2,502	6,352
Nov. 15.	Do.	478	112	34.79	69.25	3,024	140,233	54,394	194,627	1,512	67,338	26,985	94,323	812	17,890	14,033	31,923
Do.	Do.	434	120	30.76	61.50	2,090	89,655	38,929	128,584	.....	.....	.....	.....	.....	.....	.....	.....
Nov. 15.	Do.	451	112	30.12	59.64	4,644	206,874	82,817	289,691	756	34,884	13,667	48,551	3,275	99,638	58,972	158,610
Nov. 23.	Do.	462	114	29.42	64.64	4,278	190,518	76,304	266,822	480	17,820	8,016	25,836	582	18,258	11,023	29,281
Nov. 27.	Do.	453	112	25.17	60.55	5,040	224,952	90,491	315,443	672	30,408	11,883	42,291	.....	.....	.....	.....
Nov. 28.	Do.	439	112	34.67	62.30	3,780	168,523	68,316	236,839	1,296	62,748	23,717	86,465	60	2,883	1,041	3,924
Nov. 17.	Do.	456	112	27.85	56.82	4,092	182,010	73,050	255,060	972	40,500	17,225	57,725	.....	.....	.....	.....
Nov. 13.	Do.	430	112	32.23	58.24	4,570	198,702	81,303	280,005	540	25,002	9,715	34,717	108	1,836	1,668	3,504
Nov. 10.	Do.	450	116	27.68	62.87	4,872	210,622	88,009	298,631	580	31,436	10,863	42,299	232	3,132	4,629	7,761
Nov. 16.	Do.	462	114	32.34	64.45	4,728	206,800	85,293	292,093	.....	.....	.....	.....	.....	.....	.....	.....
Nov. 23.	Do.	679	114	33.19	65.54	4,182	189,004	74,796	263,800	1,554	66,207	27,261	93,468	.....	.....	.....	.....
Total.	.....	.....	4,111	1,072.46	2,206.73	156,135	6,856,544	2,798,636	9,655,180	21,977	941,792	384,039	1,325,831	17,577	418,637	316,128	734,765

Section 28. Recapitulation of 30 selected empty trains moving from tide to Mauch Chunk, Pa., during November, 1912.

Date.	Train Index No.	Locomotive No.	From—	To—	Caboose-miles.	Car-miles.	Wages, train and engine men.	Locomotive costs.
Nov. 7, 1912.	1	469	Jersey City.....	Mauch Chunk.....	118	6,372	\$25.04	\$42.86
Nov. 8	3	681	do.....	do.....	118	6,608	23.79	46.35
Nov. 13	23	430	do.....	do.....	118	6,608	26.28	48.94
Nov. 18	32	468	do.....	do.....	118	6,490	26.14	49.97
Nov. 22	57	681	do.....	do.....	118	6,490	26.07	47.50
Nov. 27	65	457	do.....	do.....	118	6,254	22.11	48.23
Nov. 24	72	681	do.....	do.....	118	6,490	24.16	46.35
Nov. 25	76	456	do.....	do.....	118	5,900	22.11	46.47
Nov. 27	95	469	do.....	do.....	118	6,608	23.77	42.86
Nov. 29	107	684	do.....	do.....	118	5,900	22.83	52.47
Nov. 12	16	683	East Twenty-second street, Bayonne.....	do.....	112	6,272	20.11	42.29
Nov. 13	20	478	do.....	do.....	112	6,105	20.40	46.40
Nov. 8	4	434	do.....	do.....	112	6,508	20.85	42.42
Nov. 14	29	477	do.....	do.....	112	6,160	20.42	43.34
Nov. 19	46	455	do.....	do.....	112	6,160	20.66	42.80
Nov. 23	69	456	do.....	do.....	112	6,160	20.21	41.08
Nov. 25	78	437	do.....	do.....	112	5,600	21.21	45.40
Nov. 20	84	478	do.....	do.....	112	5,936	20.40	46.40
Nov. 26	88	677	do.....	do.....	112	6,712	20.93	44.07
Nov. 27	92	443	do.....	do.....	112	6,160	21.04	47.82
Nov. 25	80	679	do.....	do.....	112	6,940	27.12	44.11
Nov. 23	71	458	do.....	do.....	112	5,940	28.40	45.06
Nov. 22	62	460	do.....	do.....	112	5,940	21.94	46.92
Nov. 19	48	452	West Eighth street, Bayonne.....	do.....	111	5,940	24.31	44.18
Nov. 18	43	677	do.....	do.....	111	5,940	21.37	42.69
Nov. 11	10	476	do.....	do.....	108	5,616	22.66	43.97
Nov. 28	98	475	do.....	do.....	111	6,105	26.90	40.27
Nov. 25	82	440	do.....	do.....	111	6,105	21.37	43.25
Nov. 22	60	473	do.....	do.....	111	5,994	21.12	42.87
Nov. 11	11	455	do.....	do.....	111	6,216	20.40	43.98
Total.....					3,410	183,229	684.22	1,351.62

Section 29a. Recapitulation of 10 selected mixed trains moving from Ashley, Pa., to Mauch Chunk, Pa., during November, 1912.

Date.	Train.	Loco-motive No.	Ca-boose miles.	Wages of engine and train crews.	Loco-motive costs.	Anthracite coal.				Other freight.			
						Car-miles.	Net ton-miles.	Tare ton-miles.	Gross ton-miles.	Car-miles.	Net ton-miles.	Tare ton-miles.	Gross ton-miles.
1912.	Extra.	651	51	\$14.40	\$19.09	1,748	78,281	31,259	109,540	38	1,710	684	2,394
Nov. 28	do.	652	51	13.82	18.10	1,862	79,791	32,933	112,724				
Nov. 19	do.	656	51	19.16	19.84	1,724	77,574	31,189	108,763				
Nov. 28	do.	656	51	11.90	19.84	1,938	85,181	34,780	119,961				
Nov. 20	do.	657	51	13.06	19.54	1,788	77,598	31,599	109,197				
Nov. 12	do.	661	51	13.44	17.88	1,800	70,688	31,630	111,618	36	1,620	720	2,340
Nov. 14	do.	662	51	12.28	18.41	1,836	83,210	32,849	116,059				
Nov. 15	do.	662	51	12.65	18.41	1,900	80,324	33,497	113,821				
Nov. 16	do.	662	51	13.45	18.41	1,704	74,925	31,448	106,373				
Nov. 10	do.	663	51	12.49	20.09	1,634	70,534	28,764	99,298	262	7,043	5,942	12,085
Total			510	136.65	189.61	17,992	787,106	320,248	1,107,354	356	10,373	6,446	16,819

Section 29b. Recapitulation of 10 selected empty trains moving from Mauch Chunk, Pa., to Ashley, Pa., during November, 1912.

Date.	Train.	Loco-motive No.	Ca-boose miles.	Wages of engine and train crews.	Loco-motive costs.	Anthracite coal-car-miles.
1912.	Extra.	651	51	\$14.29	\$23.87	2,703
Nov. 10	do.	651	51	16.09	23.49	2,805
Nov. 15	do.	653	51	14.33	28.21	2,550
Nov. 19	do.	654	51	16.03	23.53	2,601
Nov. 23	do.	656	51	13.15	26.36	2,499
Nov. 28	do.	656	51	12.00	19.84	2,229
Nov. 16	do.	660	51	14.81	24.26	2,856
Nov. 15	do.	662	51	14.76	22.81	2,703
Nov. 10	do.	663	51	14.58	24.87	2,751
Nov. 12	do.	664	51	12.44	23.66	2,601
Total			510	142.48	240.95	26,298

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

II. MAINTENANCE OF EQUIPMENT.		5,345.47	1,223.04	1,223.04	4,122.43	4,122.43	2,210.43	2,210.43	1,912.00	1,912.00
24. Superintendence.....	5,345.47									
25. Steam locomotives, repairs.....	107,478.34	107,478.34								
27. Steam locomotives, depreciation.....	17,703.52	17,703.52								
31. Passenger-train cars, repairs.....	16,693.68	16,693.68	16,693.68							
33. Passenger-train cars, depreciation.....	8,630.88	8,630.88	8,630.88							
34. Freight-train cars, repairs.....	94,704.83	94,704.83								
35. Freight-train cars, renewals.....	496.00	496.00								
36. Freight-train cars, depreciation.....	61,323.46	61,323.46								
43. Work equipment, repairs.....	1,041.05	1,041.05	217.33	217.33	823.72	823.72	441.67	441.67	382.05	382.05
44. Work equipment, renewals.....	100.00	100.00	20.87	20.87	79.13	79.13	42.43	42.43	36.70	36.70
45. Work equipment, depreciation.....	886.97	886.97	185.17	185.17	701.80	701.80	376.30	376.30	325.50	325.50
46. Shop machinery and tools.....	8,165.41	8,165.41								
48. Injuries to persons.....	276.50	276.50	1,868.25	1,868.25	6,297.16	6,297.16	3,376.50	3,376.50	2,920.66	2,920.66
49. Stationery and printing.....	464.05	464.05	71.08	71.08	205.42	205.42	110.13	110.13	95.29	95.29
50. Other expenses.....	1,629.44	1,629.44	106.17	106.17	357.88	357.88	191.90	191.90	165.98	165.98
51. Maintaining joint-minals, Dr.....	965.22	965.22	595.06	595.06	370.16	370.16	198.48	198.48	171.68	171.68
Total.....	325,904.82	283,335.59	42,569.23	25,324.56	12,957.70	12,957.70	6,947.84	6,947.84	6,009.86	6,009.86
III. TRAFFIC EXPENSES.		10,409.02	412.93	3,287.13	256.87	7,121.89	3,818.71	3,818.71	3,303.18	3,303.18
53. Superintendence.....	10,409.02	2,874.20	412.93	3,287.13	\$6,865.02	7,121.89	3,818.71	3,818.71	3,303.18	3,303.18
54. Outside agencies.....	6,091.65	1,995.98		1,995.98	4,095.67	4,095.67	4,095.67	4,095.67		
55. Advertising.....	6,287.66	6,287.66	6.85	6.85	65.14	69.40	37.21	37.21	32.19	32.19
56. Traffic associations.....	76.25	76.25								
57. Fast freight lines.....	1,531.42	1,531.42			1,531.42	1,531.42	1,531.42	1,531.42		
59. Stationery and printing.....	1,900.35	222.74	40.63	263.37	1,611.71	1,636.98	877.75	877.75	759.23	759.23
60. Other expenses.....	1,752.18	1,752.18		1,752.18						
Total.....	28,048.53	13,132.76	460.41	13,593.17	14,168.96	286.40	4,733.67	4,733.67	4,094.60	4,094.60

1 Represents assignment made by Central Railroad Company of New Jersey of expenses common to passenger service and freight service.
 2 Represents assignment on gross ton mileage basis of freight expenses common to anthracite coal and other freight

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

77. Operating joint yards and terminals. Dr.	16,849.68	16,849.68	9,882.46	9,882.46	6,967.22	6,967.22	3,735.78	3,735.78	3,231.44	3,231.44
78. Operating joint yards and terminals, Cr.	5,147.48	5,147.48	479.74	479.74	4,667.74	4,667.74	2,502.81	2,502.81	2,164.93	2,164.93
80. Road enginesmen.	77,008.59	77,008.59								
81. Engine-house expenses, road.	18,085.37	18,085.37								
82. Fuel for road locomotives.	152,214.16	152,214.16								
83. Water for road locomotives.	8,177.85	8,177.85								
84. Lubricants, road locomotives.	2,695.99	2,695.99								
85. Other supplies, road locomotives.	2,331.47	2,331.47								
88. Road trainmen.	84,939.98	84,939.98								
89. Train supplies and expenses.	15,207.61	15,207.61	10,837.14	10,837.14						
90. Interlockers, etc., operation.	18,641.11	18,641.11	4,258.48	4,258.48	14,382.63	14,382.63	7,711.88	7,711.88	6,670.75	6,670.75
91. Crossing flagmen and gatemen.	7,713.44	7,713.44	1,900.00	1,900.00	5,813.44	5,813.44	3,117.13	3,117.13	2,696.31	2,696.31
92. Drawbridge operation.	2,727.95	2,727.95	902.94	902.94	1,825.01	1,825.01	978.56	978.56	846.45	846.45
93. Clearing wrecks.	2,543.09	2,543.09	47.07	47.07	2,496.02	2,496.02	1,338.35	1,338.35	1,157.67	1,157.67
94. Telegraph and telephone operation.	2,028.25	2,028.25	484.23	484.23	1,544.02	1,544.02	827.89	827.89	716.13	716.13
97. Stationery and printing.	11,520.96	11,520.96	130.01	130.01	438.14	438.14	1,390.43	1,390.43	1,202.72	1,202.72
98. Other expenses.	6,280.49	6,280.49	8.22	8.22	8.78	8.78	4.71	4.71	4.07	4.07
99. Loss and damage, freight.	13,038.51	13,038.51								
100. Loss and damage, baggage.	65.00	65.00	65.00	65.00	13,038.51	13,038.51	13,015.05	13,015.05	23.46	23.46
101. Damage to property.	15,091.07	15,091.07	369.71	369.71	7,438.01	7,438.01	4,188.37	4,188.37	3,622.93	3,622.93
102. Damage to stock.	1.97	1.97	60.60	60.60	1.37	1.37	72.73	72.73	.64	.64
103. Injuries to persons.	18,822.03	18,822.03	161.06	161.06	53.27	53.27	4,676.15	4,676.15	4,044.85	4,044.85
104. Operating joint tracks, etc., Dr.	5,273.05	5,273.05	1,569.40	1,569.40	3,703.65	3,703.65	1,985.87	1,985.87	1,717.78	1,717.78
105. Operating joint tracks, etc., Cr.	1,447.71	1,447.71	288.78	288.78	968.93	968.93	514.17	514.17	444.76	444.76
Total.	741,726.17	741,726.17	507,758.07	507,758.07	233,968.10	233,968.10	49,618.01	49,618.01	44,865.69	44,865.69
			82,053.84	82,053.84	94,459.97	94,459.97	55,157.04	55,157.04	23.46	23.46
					151,914.26	151,914.26	107,025.11	107,025.11		

• Represents assignment made by Central Railroad Company of New Jersey of expenses common to passenger service and freight service.
 * Represents assignment on gross ton mileage basis of freight expenses common to anthracite coal and other freight.

Section 30. Statement of operating expenses showing distribution of amounts not represented in "allocated costs," November, 1912—Continued.

Account.	Total charge to account. (a)	Amounts re- pre- sented in "Allo- cated costs." (b)	Charges to passenger service.			Charges to freight service.												
			Total amount. (c)	Direct. (d)	Propor- tion of common. ¹ (e)	Total. (f)	All freight.		Assigned to other freight.		Assigned to anthracite coal.							
							Direct. (g)	Propor- tion of common. ¹ (h)	Direct. (i)	Propor- tion of common. ¹ (k)	Direct. (m)	Propor- tion of common. ² (n)	Total. (o)					
V. GENERAL EXPENSES.																		
106. Salaries and ex- penses, general officers.....	\$5,923.41		\$513.55	\$968.99	\$1,482.54	\$862.75	\$3,578.12	\$4,440.87	\$624.25	\$1,918.57	\$2,542.82	\$238.50	\$1,659.55	\$1,898.05				
107. Salaries and ex- penses, clerks, etc.	18,020.22		2,945.76	1,541.14	4,486.90	7,842.45	5,690.87	13,533.32	7,064.63	3,051.41	10,116.04	777.82	2,639.46	3,417.28				
108. General office sup- plies and expenses	1,438.44		295.45	139.68	435.13	487.51	515.80	1,003.31			537.97		465.34	465.34				
109. Law expenses.....	7,283.75			1,552.16	1,552.16		5,731.59	5,731.59			3,073.24		2,658.35	2,658.35				
110. Insurance.....	1,804.44	\$164.38		334.76	334.76		1,305.30	1,305.30			699.89		605.41	605.41				
112. Pensioners.....	2,681.58			571.44	571.44		2,110.14	2,110.14			1,131.44		978.70	978.70				
113. Stationery and printing.....	2,537.20		193.51	276.24	469.75	1,047.38	1,020.07	2,067.45			1,108.55		958.90	958.90				
114. Other expenses.....	84.86			18.08	18.08		66.78	66.78			35.81		30.97	30.97				
115. General adminis- tration joint tracks, etc., Dr.	3,305.60			2,037.90	2,037.90		1,267.70	1,267.70			679.73		587.97	587.97				
116. General adminis- tration joint track, etc., Cr.....	4.00			.86	.86		3.14	3.14			1.68		1.46	1.46				
Total.....	43,075.50	164.38	3,948.27	7,439.53	11,387.80	10,240.09	21,283.23	31,523.32	7,688.88	12,234.93	19,923.81	1,016.32	10,583.19	11,599.51				
RECAPITULATION OF EX- PENSES.																		
I. Maintenance of way and structures...	204,811.12	1,454.19		58,265.74	58,265.74		145,091.19	145,091.19			77,797.00		67,294.19	67,294.19				
II. Maintenance of equipment.....	325,904.82	283,335.59		25,324.56	29,611.53		12,957.70	12,957.70			6,947.84		6,009.86	6,009.86				
III. Traffic expenses.....	28,048.53			13,132.76	13,593.17		286.40	14,465.36			5,627.09		4,094.50	4,094.50				
IV. Transportation ex- penses.....	741,726.17	507,758.07	233,968.10	49,618.01	82,053.84	94,459.97	57,454.23	151,914.26	55,157.04	51,858.07	107,025.11	23.46	44,865.69	44,865.69				
V. General expenses.....	43,075.50	164.38		3,948.27	11,387.80	10,240.09	21,283.23	31,523.32	7,688.88	12,234.93	19,923.81	1,016.32	10,583.19	11,599.51				
Total.....	1,343,566.14	792,712.23	550,853.91	92,023.60	194,912.08	118,869.02	237,072.81	355,941.83	168,473.01	153,581.51	222,054.52	1,039.78	132,841.33	132,841.33				

¹ Represents assignment made by Central Railroad Company of New Jersey of expenses common to passenger service and freight service.
² Represents assignment on gross ton mileage basis of freight expenses common to anthracite coal and other freight.

32 I. C. C.

BALANCE SHEETS OF THE LARGE COAL COMPANIES.

Lehigh & Wilkes-Barre Coal Company.

General balance sheet June 30, 1912. Capital stock owned by the Central Railroad Company of New Jersey.

ASSETS.		LIABILITIES.	
Property and equipment.....	\$28,136,335.13	Capital stock.....	\$9,212,500.00
Current assets.....	6,278,298.86	Funded debt.....	19,687,000.00
Deferred accounts.....	150,219.12	Current liabilities.....	1,026,481.57
Trustees sinking fund, consolidated loan.....	932,743.23	Deferred accounts.....	680,190.85
Material and supplies.....	347,396.88	Colliery improvement fund.....	1,694,090.19
Securities owned.....	1,063,596.96	Sinking fund, accruals, consolidated loan.....	971,076.56
		Suspense account.....	17,560.00
		Profit and loss.....	3,569,691.01
	<hr/>		<hr/>
	36,858,590.18		36,858,590.18

Philadelphia & Reading Coal & Iron Company.

General balance sheet June 30, 1912. Capital stock owned by Reading Company, which also owns the capital stock of the Philadelphia & Reading Railway Company.

ASSETS.		LIABILITIES.	
Property and equipment.....	\$67,960,012.14	Capital stock.....	\$8,000,000.00
Securities owned of and loans to companies controlled.....	9,863,914.75	P. & R. colliery sinking fund loan... ..	1,110,000.00
Current assets.....	8,750,395.22	Reading Company (loan).....	73,466,529.72
Stocks, bonds, and mortgages.....	73,201.24	Current liabilities.....	1,925,559.52
		Miners' beneficial fund.....	37,869.72
		P. & R. current account.....	647,870.25
		Profit and loss.....	1,459,694.14
	<hr/>		<hr/>
	86,647,523.35		86,647,523.35

The Hudson Coal Company.

General balance sheet June 30, 1912. Capital stock owned by the Delaware & Hudson Company.

ASSETS.		LIABILITIES.	
Cost of property.....	\$2,139,689.78	Capital stock.....	\$2,500,000.00
Securities owned.....	6,000.00	Debenture bonds.....	1,075,000.00
Advanced royalties paid on unmined coal.....	243,073.34	Sinking-fund account.....	159,371.40
Coal on hand.....	81,971.65	Accounts payable.....	3,331,273.33
Accounts receivable.....	3,305,438.52	Profit and loss.....	381,921.42
Notes receivable.....	1,536,793.21		
Cash.....	84,599.65		
	<hr/>		<hr/>
	7,447,566.15		7,447,566.15

Northern Coal & Iron Company.

General balance sheet June 30, 1912. Capital stock owned by the Delaware & Hudson Company.

ASSETS.		LIABILITIES.	
Real estate.....	\$100,290.00	Capital stock.....	\$1,500,000.00
Coal lands.....	3,260,850.10	The Delaware & Hudson Co.....	5,676,016.96
Railroad construction.....	3,814,876.86		
	<hr/>		<hr/>
	7,176,016.96		7,176,016.96

Hillside Coal & Iron Company.

Condensed balance sheet June 30, 1912. Capital stock owned by Erie Railroad Company.

ASSETS.		LIABILITIES.	
Value of property.....	\$2,988,539.85	Capital stock.....	\$1,000,000.00
Miscellaneous securities owned.....	5.00	Special fund for depreciation of lands.....	2,088,105.74
Advanced royalties.....	129,442.77	Reserve funds, miscellaneous.....	96,807.91
Current assets.....	390,845.23	Individuals and companies.....	1,992,605.04
Deficit.....	2,500,800.93	Current liabilities.....	832,115.09
	<hr/>		<hr/>
	6,009,633.78		6,009,633.78

Pennsylvania Coal Company.

Condensed balance sheet June 30, 1912. Capital stock owned by the Erie Railroad Company.

ASSETS.		LIABILITIES.	
Value of property	\$4,509,920.87	Capital stock	\$5,000,000.00
Miscellaneous securities owned.....	500,006.00	Mortgages on real estate.....	30,000.00
Advanced royalties.....	213,165.12	Interest accrued, not due.....	850.00
Current assets.....	5,216,529.12	Special fund for depreciation of lands.....	183,773.57
		Reserve funds, miscellaneous.....	137,804.84
		Current liabilities.....	1,303,235.46
		Dividend.....	1,500,000.00
		Profit and loss.....	2,283,957.24
	10,439,621.11		10,439,621.11

New York, Susquehanna & Western Coal Company.

Condensed balance sheet June 30, 1912. Capital stock owned by the New York, Susquehanna & Western Railroad Company.

ASSETS.		LIABILITIES.	
Value of property.....	\$1,438,732.55	Capital stock.....	\$1,229,500.00
Securities owned.....	25,000.00	Bonded debt.....	28,000.00
Current assets.....	190,261.19	Bills payable.....	25,000.00
		Special fund for depreciation of lands.....	35,561.51
		Reserve funds.....	230.09
		Current liabilities.....	137,764.28
		Interest accrued, not due.....	745.83
		Profit and loss.....	197,192.03
	1,653,993.74		1,653,993.74

The Lehigh Valley Coal Company.

General balance sheet June 30, 1912. Capital stock owned by the Lehigh Valley Railroad Company.

ASSETS.		LIABILITIES.	
Property and plant.....	\$22,130,799.32	Capital stock.....	\$1,965,000.00
Securities owned.....	200,000.00	Funded debt.....	20,296,000.00
Advances for coal-mining rights...	4,497,100.78	Current liabilities.....	2,604,477.07
Sinking funds in hands of trustees..	2,290,058.72	Deferred and suspended liabilities...	1,375,205.03
Insurance fund.....	56,143.04	Reserve accounts.....	2,883,544.36
Current assets.....	3,359,621.65	Profit and loss.....	3,486,636.86
Deferred and suspended assets.....	77,139.81		
	32,610,863.32		32,610,863.32

Coxe Brothers & Company, Incorporated.

General balance sheet June 30, 1912. Capital stock owned by the Lehigh Valley Railroad Company.

ASSETS.		LIABILITIES.	
Property and plant.....	\$2,910,150.00	Capital stock.....	\$2,910,150.00
Advanced for coal-mining rights...	69.32	Current liabilities.....	371,185.17
Current assets.....	411,515.70	General reserve fund.....	78,757.90
Deferred assets.....	7,881.90		
Deficit.....	30,476.15		
	3,360,093.07		3,360,093.07

Scranton Coal Company.

General balance sheet December 31, 1912. Capital stock owned by the New York, Ontario & Western Railway Company.

ASSETS.		LIABILITIES.	
Cost of property (book value).....	\$2,259,722.91	Capital stock.....	\$200,000.00
Investments in other companies...	133,259.00	Funded debt.....	1,170,000.00
Current assets.....	1,424,477.22	Mortgages payable.....	174,270.58
Royalty paid in advance.....	164,991.12	Current liabilities.....	3,527,285.49
Due by Elk Hill Coal & Iron Co...	41,249.35		
Suspense account.....	22,457.47		
Deficit.....	1,025,399.00		
	5,071,556.07		5,071,556.07

35 I. C. C.

Elk Hill Coal & Iron Company.

General balance sheet December 31, 1912. Capital stock owned by the New York, Ontario & Western Railway Company.

ASSETS.		LIABILITIES.	
Cost of property (book value).....	\$3,790,513.09	Capital stock.....	\$60,000.00
		Funded debt.....	3,600,000.00
		Amount due Scranton Coal Co.....	41,249.35
		Profit and loss account.....	89,263.74
	<hr/>		<hr/>
	3,790,513.09		3,790,513.09

Susquehanna Coal Company.

General balance sheet December 31, 1912. Capital stock owned by the Pennsylvania Railroad Company.

ASSETS.		LIABILITIES.	
Property and equipment.....	\$2,545,834.43	Capital stock.....	\$2,136,800.00
Securities owned.....	289,788.60	Funded debt.....	6,000,000.00
Current assets.....	8,074,090.51	Current liabilities.....	1,716,238.14
Advances to other companies.....	512,000.00	Profit and loss.....	1,570,975.63
Depreciation and surface lots.....	23.72		
Prepaid insurance.....	2,276.51		
	<hr/>		<hr/>
	11,424,013.77		11,424,013.77

Summit Branch Mining Company.

General balance sheet December 31, 1912. Capital stock owned by the Pennsylvania Railroad Company and the Northern Central Railway Company.

ASSETS.		LIABILITIES.	
Cost of railroad, real estate, machinery, etc.....	\$50,182.50	Capital stock.....	\$25,000.00
Securities owned.....	2.00	Current liabilities.....	544,143.06
Current assets.....	4,175.72	Lykens Valley Coal Co.....	24,706.63
Deficit.....	2,580,476.08	Due other companies.....	2,040,986.61
	<hr/>		<hr/>
	2,634,836.30		2,634,836.30

Mineral Railroad & Mining Company.

General balance sheet December 31, 1912. Capital stock owned by the Pennsylvania Railroad Company and the Northern Central Railway Company.

ASSETS.		LIABILITIES.	
Current assets.....	\$1,046,930.23	Capital stock.....	\$300,000.00
Deficit.....	257,032.78	Current liabilities.....	295,213.01
	<hr/>	Due other companies.....	412,500.00
		Due other companies for interest.....	296,250.00
	<hr/>		<hr/>
	1,303,963.01		1,303,963.01

Delaware, Lackawanna & Western Coal Company.

General balance sheet December 31, 1912.

ASSETS.		LIABILITIES.	
Land, trestles, and buildings.....	\$157,341.04	Capital stock.....	\$6,590,700.00
Furniture and fixtures.....	11,729.79	Accrued rentals.....	37,783.34
Coal on hand.....	1,416,280.05	Accounts payable.....	3,168,776.23
Due from agents.....	4,317,351.36	Reserve (depreciation, insurance)....	164,168.85
Bills receivable.....	434,306.40	Past due dividends.....	332.50
Accounts receivable (sundry).....	21,191.00	Dividends payable January 15.....	164,767.50
Cash on hand and in banks.....	8,191,017.93	Surplus.....	4,498,382.75
Stocks in treasury.....	75,693.60		
	<hr/>		<hr/>
	14,624,911.17		14,624,911.17

35 I. C. C.

The Lehigh Coal & Navigation Company.

General balance sheet December 31, 1912.

ASSETS.		LIABILITIES.	
Lehigh & Susquehanna R.-R.....	\$16,010,304.11	Capital stock.....	\$26,557,950.00
Panther Creek R. R. and equip- ment.....	1,099,113.56	Funded debt.....	21,409,333.00
Coal lands.....	4,891,231.97	Deferred and suspended accounts..	116,919.12
Coal improvements.....	7,111,753.96	Current liabilities.....	1,660,321.44
Productive work.....	648,610.00	Reserves.....	1,471,204.23
Mining equipment.....	825,725.43	Profit and loss, surplus.....	1,655,465.94
Lansford shops, power house, and equipment.....	466,373.10		
Lehigh navigation and shipping im- provements.....	2,001,517.46		
Canal and marine equipment.....	657,546.23		
Landed property and improve- ments.....	1,421,667.25		
Securities owned by company.....	10,422,195.31		
Advances made to subsidiary com- panies.....	1,065,338.33		
Mortgages, ground rents, and judg- ments.....	13,392.92		
Deferred and suspended accounts..	227,552.43		
Current assets.....	3,734,813.92		
Coal at shipping points.....	219,608.39		
Materials and supplies on hand....	477,922.81		
Prepaid insurance.....	77,951.61		
Accrued income.....	27,370.71		
Insurance fund, securities and cash.	388,639.46		
Coal sinking fund, securities and cash.....	1,082,564.77		
	52,871,193.73		52,871,193.73

This company owns the lines of railway which are operated by the Central Railroad Company of New Jersey and extend westward from the Delaware River at Phillipsburg, N. J., into the mining districts. It also owns the capital stock of the Lehigh & New England Railroad.

35 I. C. C.

TABLE I.—Condensed income statement per mile of line, averaged by periods.

	Income.			Expenses and fixed charges.			Net corporate income.
	Operating revenues.	Other income.	Total.	Operating expenses.	Fixed and other charges.	Total.	
C. R. R. Co. of N. J.:							
5 years, 1909-1913.....	\$37,265	\$3,623	\$40,888	\$21,398	\$9,489	\$30,887	\$10,001
5 years, 1904-1908.....	33,807	1,906	35,713	18,936	9,051	27,987	7,726
10 years, 1904-1913.....	35,536	2,764	38,300	20,166	9,270	29,436	8,864
P. & R. Ry. Co.:							
5 years, 1909-1913.....	43,741	629	44,370	26,908	9,032	35,940	8,430
5 years, 1904-1908.....	38,454	941	39,395	22,457	9,385	31,842	7,553
10 years, 1904-1913.....	41,117	784	41,901	24,699	9,207	33,906	7,995
D., L. & W. R. R. Co.:							
5 years, 1909-1913.....	38,981	5,564	44,545	23,124	7,930	31,054	13,491
5 years, 1904-1908.....	37,829	5,160	42,989	20,993	8,075	29,068	13,921
10 years, 1904-1913.....	38,439	5,374	43,813	22,120	7,999	30,119	13,694
D. & H. Co.:							
3 years, 1911-1913.....	25,992	3,064	29,056	15,832	6,447	22,279	6,777
L. V. R. R. Co.:							
5 years, 1909-1913.....	25,929	1,185	27,114	16,574	5,290	21,864	5,250
5 years, 1904-1908.....	23,282	609	23,901	14,369	4,606	18,975	4,926
10 years, 1904-1913.....	24,620	899	25,519	15,479	4,951	20,430	5,089
P. R. R. Co.:							
4 years, 1910-1913.....	41,447	4,293	45,740	29,696	6,477	36,173	9,567
N. C. Ry. Co.:							
5 years, 1909-1913.....	26,764	3,278	30,042	22,243	3,532	25,775	4,267
5 years, 1904-1908.....	24,611	2,124	26,735	19,131	2,640	21,771	4,964
10 years, 1904-1913.....	25,697	2,707	28,404	20,701	3,090	23,791	4,613
Erie R. R. Co.:							
5 years, 1909-1913.....	24,339	1,911	26,250	16,101	7,586	23,687	2,563
5 years, 1904-1908.....	23,393	1,170	24,563	16,349	6,315	22,664	1,899
10 years, 1904-1913.....	23,877	1,549	25,426	16,222	6,966	23,188	2,238
W. B. & E. R. R. Co.:							
5 years, 1909-1913.....	7,157	499	7,656	4,813	2,843	7,656	.....
5 years, 1904-1908.....	6,481	86	6,567	4,392	2,175	6,567	.....
10 years, 1904-1913.....	6,819	293	7,112	4,603	2,509	7,112	.....
N. Y., S. & W. R. R. Co.:							
5 years, 1909-1913.....	18,304	995	19,299	11,276	6,420	17,696	1,603
5 years, 1904-1908.....	15,104	499	15,603	9,916	5,383	15,299	304
10 years, 1904-1913.....	16,710	748	17,458	10,599	5,903	16,502	956
N. Y., O. & N. Ry. Co.:							
5 years, 1909-1913.....	15,832	571	16,403	11,140	3,296	14,436	1,967
5 years, 1904-1908.....	13,728	830	14,558	9,492	2,677	12,169	2,389
10 years, 1904-1913.....	14,790	699	15,489	10,324	2,990	13,314	2,175

35 I. C. C.

TABLE II.—Condensed income and profit and loss statement.

CENTRAL RAILROAD COMPANY OF NEW JERSEY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.						Total. (l)
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)		
1913.....	\$28,405,757	\$65,611	\$221,345	\$1,818,254	\$220,247	\$30,599,992	\$16,404,861	\$1,521,495	\$2,697,793	\$2,206,460	\$436,501	\$23,267,110	
1912.....	25,887,738	10,093	131,344	1,807,025	150,320	27,986,520	15,348,779	1,502,671	2,636,120	2,229,371	250,917	21,967,558	
1911.....	24,799,235	75,286	263,162	1,658,351	346,108	27,142,142	14,199,996	1,161,314	2,576,436	2,253,453	249,350	20,439,549	
1910.....	23,851,511	93,772	93,768	1,618,622	2,668,250	28,138,979	13,268,483	1,174,924	2,212,057	2,276,377	249,350	19,181,191	
1909.....	22,068,279	241	110,957	654,235	463,655	23,296,885	12,560,517	1,067,772	2,539,956	2,307,267	283,417	18,758,929	
1908.....	22,614,936	667,281	305,546	822,553	68,184	24,478,500	13,161,679	1,065,725	2,452,183	2,339,517	335,955	19,355,059	
1907.....	25,554,015	.....	.....	1,132,865	56,401	26,743,301	14,044,363	1,112,558	2,842,773	2,618,890	341,838	20,960,423
1906.....	23,017,491	.....	.....	1,065,181	75,647	24,158,319	12,689,899	556,710	2,463,940	2,538,176	253,889	18,496,614
1905.....	21,544,931	.....	.....	910,522	176,993	22,632,446	11,841,825	458,040	2,604,891	2,419,171	276,097	17,600,024
1904.....	20,705,307	.....	.....	907,752	205,923	21,818,082	11,802,793	473,951	2,478,714	2,401,132	335,288	17,491,878
1903.....	18,322,116	.....	.....	949,572	194,728	19,466,416	11,616,277	415,887	2,527,868	2,386,488	385,120	17,331,620

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913.....	\$7,332,882	26.73	\$13,969,878	\$731,371	\$22,034,131	12	\$3,292,416	\$563,392	\$7,896,274	\$14,137,857	
1912.....	6,018,662	21.94	13,519,634	41,360	19,579,656	12	3,292,416	317,362	5,609,778	13,969,878	
1911.....	6,702,593	24.43	12,596,346	987,169	20,286,108	12	3,292,368	474,106	6,766,474	13,519,634	
1910.....	8,957,788	32.65	10,939,487	192,111	20,089,386	12	3,292,368	200,672	7,493,040	12,596,346	
1909.....	4,537,956	16.54	10,583,306	550,577	15,671,839	8	2,194,912	537,440	4,732,852	10,939,487	
1908.....	5,123,441	18.67	9,579,874	626,070	15,329,385	8	2,194,844	551,167	4,746,079	10,583,306	
1907.....	5,782,878	21.08	9,515,632	.....	15,298,510	8	2,194,844	1,161,730	5,718,636	9,579,874
1906.....	5,659,705	20.63	9,211,227	212,923	15,083,855	8	2,194,424	1,419,355	5,568,223	9,515,632	
1905.....	5,032,422	18.35	8,739,227	330,994	14,102,633	8	2,183,704	1,625,000	4,891,406	9,211,227	
1904.....	4,326,204	15.78	8,840,881	.....	13,167,085	8	2,193,464	1,569,248	4,427,868	8,739,227
1903.....	2,134,796	7.79	8,962,224	.....	11,097,020	8	2,193,264	665,146	2,256,139	8,840,881

Deficits in italics.

TABLE II.—*Condensed income and profit and loss statement—Continued.*

PHILADELPHIA & READING RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.							Expenses and fixed charges.					Total.
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)	
1913.....	\$50,562,717	\$411,432	1,278,899	.....	\$102,737	1,551,355,785	\$30,547,341	\$1,300,478	15,407,182	\$1,999,470	\$11,144	1,839,265,615
1912.....	44,556,815	305,161	138,908	.....	100,374	45,101,253	28,516,878	512,896	5,474,495	2,003,387	455,019	36,902,675
1911.....	44,446,189	325,794	143,478	\$6,999	45,495	44,967,955	27,675,842	656,472	5,208,741	3,155,405	608,400	37,304,950	
1910.....	44,283,708	259,453	199,999	7,130	146,443	44,896,733	26,563,618	579,345	5,245,006	3,348,895	456,833	36,103,697	
1909.....	39,060,234	363,700	42,299	55,264	274,711	39,796,208	23,825,679	430,000	5,264,756	3,349,809	560,696	33,430,940	
1908.....	39,878,882	853,596	117,590	141,759	172,106	41,163,933	25,468,296	380,660	4,583,978	3,319,329	90,592	33,873,065	
1907.....	42,548,882	.....	.....	99,166	922,398	43,567,446	25,889,331	439,391	3,630,420	3,326,687	2,389,258	35,675,087
1906.....	39,579,811	.....	.....	87,453	940,885	40,608,149	22,137,172	357,723	3,556,581	3,326,687	2,305,078	31,683,241
1905.....	36,845,608	.....	.....	4,500	686,047	37,536,155	19,480,350	267,709	3,611,645	3,326,687	2,510,959	29,197,350
1904.....	34,279,025	.....	.....	10,400	688,906	34,978,331	19,818,929	262,961	3,596,876	3,326,687	2,482,848	29,488,301
1903.....	31,745,071	.....	.....	2,625	721,267	32,466,963	19,092,084	232,494	3,670,763	3,326,687	2,600,699	28,922,687

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913.....	\$12,090,170	28.46	\$8,765,980	.....	\$20,886,150	15	\$6,372,255	\$2,391,562	\$532,247	\$9,296,064	\$11,560,086
1912.....	8,136,578	19.16	9,665,987	\$44,061	17,838,626	15	6,372,255	2,629,740	70,651	9,072,646	8,765,980
1911.....	7,663,005	18.04	11,372,906	98,260	19,134,171	25	5,000,000	3,353,559	1,124,625	9,478,184	9,665,987
1910.....	8,703,036	43.51	9,721,612	82,618	18,507,266	25	5,000,000	2,070,661	63,699	7,134,360	11,372,906
1909.....	6,365,268	31.83	10,162,066	.....	16,527,334	25	5,000,000	1,805,722	.....	6,805,722	9,721,612
1908.....	7,290,878	36.45	9,816,427	.....	17,107,305	30	6,000,000	937,660	7,579	6,945,239	10,162,066
1907.....	7,892,359	39.46	9,772,002	.....	17,664,361	30	6,000,000	1,847,934	.....	7,847,934	9,816,427
1906.....	8,924,908	44.62	10,357,530	.....	19,312,438	30	6,000,000	3,539,352	1,084	9,540,436	9,772,002
1905.....	8,338,805	41.69	7,028,368	.....	18,367,173	20	4,000,000	979,643	.....	4,919,643	10,357,530
1904.....	5,490,030	27.45	5,112,103	.....	10,602,133	12	2,400,000	1,173,765	.....	3,573,765	7,028,368
1903.....	3,546,276	17.73	2,794,587	.....	6,340,863	.....	.....	1,228,760	.....	1,228,760	5,112,103

¹ Figures for this item as shown in Morgan Exhibit No. 36 have here been changed to agree with adjustments authorized in report subsequent to filing that exhibit.

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—Condensed income and profit and loss statement—Continued.

DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.						Total. (l)
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)		
1913.....	\$40,518,045	\$562,375	\$325,425	\$1,277,964	\$2,772,918	\$45,476,727	\$25,283,232	\$1,748,340	\$5,975,989	\$6,486	\$728,484	\$33,742,531	
1912.....	35,492,527	451,264	379,781	609,679	3,331,129	40,324,380	22,994,061	2,014,640	5,044,889	6,486	29,403	30,889,479	
1911.....	35,947,066	295,524	362,578	655,835	21,139	37,282,142	21,627,942	1,640,665	5,459,606	6,486	16,393	28,751,092	
1910.....	36,005,988	280,672	317,116	689,611	42,233	37,335,620	19,292,769	1,510,000	5,479,456	6,486	52,272	26,346,983	
1909.....	33,553,436	304,036	287,161	812,493	323,172	35,280,298	18,477,713	1,094,400	5,500,646	.....	.....	25,072,759
1908.....	33,810,254	245,165	198,591	822,964	361,328	35,438,302	19,622,043	1,290,300	5,500,860	.....	.....	26,448,734
1907.....	34,572,807	.....	.....	826,324	3,976,483	39,575,614	18,760,270	292,051	6,475,145	35,531	.....	25,887,116
1906.....	30,280,734	.....	.....	618,290	2,890,501	33,789,525	17,361,502	382,082	5,987,219	211,214	148,436	24,088,539
1905.....	29,889,281	.....	.....	569,705	3,431,091	33,890,077	15,814,222	347,143	5,688,798	209,330	148,406	22,220,203
1904.....	28,111,918	.....	.....	514,675	3,302,555	31,929,148	15,381,339	389,465	5,606,471	212,890	147,160	21,738,546
1903.....	25,866,666	.....	.....	322,552	3,136,435	29,325,553	14,253,730	327,869	5,599,023	214,409	146,889	20,541,920

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
		<i>Per cent.</i>			<i>Per cent.</i>						
1913	\$11,734,196	38.93	\$26,484,396	\$2,324,643	\$40,543,235	20	\$6,028,800	\$1,961,984	\$463,927	\$8,454,711	\$32,088,524
1912	9,634,901	31.82	35,362,685	27,254	45,024,840	55	16,579,200	1,763,875	197,369	18,540,444	26,484,396
1911	8,531,050	28.18	32,072,279	3,370,656	43,973,985	20	6,028,800	2,554,375	28,125	8,611,300	35,362,685
1910	10,988,637	36.29	39,819,591	6,841,190	57,649,418	85	23,058,786	2,471,020	47,333	25,577,139	32,072,279
1909	10,207,539	38.96	31,922,627	4,651,068	46,781,234	20	5,240,000	1,676,375	45,268	6,961,643	39,819,591
1908	8,989,568	34.31	28,274,901	3,614,063	40,878,532	20	5,240,000	3,540,120	175,785	8,955,905	31,922,627
1907	13,488,428	51.48	24,777,404	.....	38,268,902	20	5,240,000	4,651,619	99,382	9,991,001	28,274,901
1906	9,700,986	37.03	23,457,140	.....	35,158,126	20	5,240,000	5,087,488	53,236	10,380,722	24,777,404
1905	11,669,874	44.54	22,583,928	11	34,253,813	13 1/2	4,847,000	3,446,719	602,954	8,796,673	25,457,140
1904	10,190,602	38.89	18,660,979	749	28,852,330	7	1,834,000	3,629,166	805,236	6,268,402	22,583,928
1903	8,783,633	33.52	15,470,660	.....	24,254,293	7	1,834,000	3,748,148	11,166	5,593,314	18,660,979

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—*Condensed income and profit and loss statement—Continued.*

DELAWARE & HUDSON COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.					Expenses and fixed charges.					Total. (l)	
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. ² (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)		Miscellaneous. (k)
1913.....	\$23,999,532	\$72,595	\$489,174	\$1,602,904	\$1,245,376	\$27,264,393	\$14,656,690	\$606,938	\$2,297,868	\$2,536,258	\$188,100	\$20,285,854
1912.....	21,242,929	31,774	359,346	1,796,087	83,510	23,513,646	12,966,950	604,500	2,303,128	2,544,458	32,968	18,452,002
1911.....	20,985,075	3,183	398,236	1,222,112	634,184	23,257,424	12,717,796	543,367	2,260,390	2,478,529	30,487	18,030,569
1910.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1909.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1907.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1906.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1905.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1904.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1903.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
1913	\$8,978,539	<i>Per cent.</i> 16.42	\$11,384,277	\$962,508	\$19,325,324	9	\$3,825,234	\$30,170	\$3,855,404	\$15,469,920	
1912	5,061,644	11.91	10,157,589	33,119	15,252,352	9	3,825,234	42,841	3,868,075	11,384,277	
1911	5,226,855	12.30	9,223,398	76,292	14,526,545	9	3,825,189	543,767	4,368,956	10,157,589	
1910	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1909	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1908	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1907	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1906	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1905	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1904	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1903	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Deficits in *italic*.
² Net operations of coal mining department is included: \$996,772 net income in 1913; \$268,175 net loss in 1912; \$62,494 net loss in 1911; after taxes are deducted, \$364,093, \$160,890, and \$250,696, respectively.

TABLE II.—Condensed income and profit and loss statement—Continued.

LEHIGH VALLEY RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913.....	\$43,043,372	\$230,210	\$703,276	\$1,430,442	\$552,041	\$45,448,921	\$29,107,820	\$1,447,205	\$2,819,799	\$3,127,360	\$184,909	\$36,687,093
1912.....	36,905,935	291,239	388,857	1,451,821	593,574	39,048,948	24,720,250	1,087,738	3,101,492	3,107,635	158,813	32,235,928
1911.....	37,687,403	990,170	335,052	965,094	581,058	39,248,477	23,407,318	800,195	3,069,220	3,306,268	257,329	30,840,330
1910.....	30,167,398	146,333	409,014	779,058	282,682	37,491,819	21,684,147	773,469	2,937,153	3,806,486	266,783	29,467,998
1909.....	33,137,832	163,288	292,630	697,087	305,185	34,249,446	20,575,736	780,494	2,899,115	3,800,964	349,334	28,405,643
1908.....	35,510,154	216,590	509,581	586,542	336,366	37,159,233	22,203,705	680,501	2,706,356	3,755,251	272,986	29,788,659
1907.....	35,068,432	.....	.....	524,961	420,177	37,013,570	22,074,253	660,501	2,347,253	3,660,295	177,725	28,920,027
1906.....	32,789,857	.....	.....	458,780	350,072	33,598,709	20,112,211	468,849	2,455,286	3,366,920	173,632	26,576,898
1905.....	31,276,843	.....	.....	227,819	225,191	31,728,853	18,889,701	538,933	2,410,967	2,895,649	189,164	24,924,414
1904.....	29,891,738	.....	.....	230,731	242,656	30,355,125	18,830,301	471,262	2,402,306	2,755,861	174,545	24,634,275
1903.....	26,654,503	.....	.....	523,654	328,693	27,506,850	18,940,180	289,996	2,727,328	2,777,676	394,422	25,129,602

35 I. C. C. Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. ¹ (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)					Common stock.
			Rate. (r')	Amount. (s')							
1913.....	\$8,761,828	14.46	\$23,444,703	\$105,784	\$32,312,315	Per cent.	\$6,050,170	\$1,185,284	\$7,246,084	\$25,066,231	
1912.....	6,813,020	11.24	30,330,647	2,957,997	40,101,664	10	15,125,390	8340,944	16,656,961	23,444,703	
1911.....	8,408,147	13.87	27,219,780	1,085,545	36,713,472	25	4,235,104	980,549	6,382,825	30,330,647	
1910.....	8,023,821	19.84	19,212,252	3,655,003	30,891,076	10	2,420,073	843,877	3,871,296	27,219,780	
1909.....	5,843,803	14.45	16,516,805	16,315	22,377,023	10	2,420,073	151,425	3,164,771	19,212,252	
1908.....	7,370,574	18.23	14,009,283	62,074	21,441,931	6	2,420,073	582,643	4,925,026	16,516,805	
1907.....	8,093,543	20.01	11,380,915	2,659	19,477,117	6	2,016,740	1,775,264	5,200	14,009,283	
1906.....	7,021,811	17.36	8,657,325	10,028	15,689,164	5	1,613,392	3,318,590	114,000	4,308,249	
1905.....	6,804,439	16.82	5,914,797	19,629	12,738,865	4	1,210,044	1,411,551	4,081,540	11,380,915	
1904.....	5,720,860	14.15	1,620,682	38,555	7,380,087	15	.....	1,465,290	.....	8,657,325
1903.....	2,377,248	5.88	3,978,147	3,881,763	2,886,864	3	.....	1,266,182	.....	5,914,797

¹ Deficits in italics.

² Includes \$116,674 of cumulative dividend charged to profit and loss, in addition to regular 10 per cent dividend of \$10,630.

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—Condensed income and profit and loss statement—Continued.

PENNSYLVANIA RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.						Total. (l)
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)	
1913 ²	\$181,830,903	\$1,409,535	\$2,484,853	\$14,188,030	\$2,831,959	\$199,876,210	\$133,755,027	\$7,305,323	\$6,363,678	\$9,558,036	\$2,039,671	\$159,021,735	
1912.....	164,191,846	1,451,132	2,699,447	14,327,718	1,690,168	181,458,047	118,098,295	6,988,030	6,238,266	10,124,605	2,505,320	148,954,516	
1911.....	157,284,107	1,875,030	2,498,662	14,748,873	1,236,773	174,443,395	113,437,467	5,678,996	6,596,406	10,421,483	3,926,020	139,790,372	
1910.....	159,960,806	1,319,383	2,385,097	13,460,348	1,702,698	176,140,166	109,890,246	5,012,150	8,389,089	12,248,364	9,551,182	136,091,031	
1909.....	138,449,119	304,624	855,286	11,646,509	3,007,502	153,653,892	97,107,751	3,593,975	8,936,988	14,917,217	9,143,650	133,699,581	
1908.....	149,356,912	.....	1,714,569	11,304,952	4,504,388	166,842,235	107,676,569	2,351,557	11,374,668	13,489,142	6,922,344	141,814,080
1907.....	157,473,389	.....	.....	10,433,919	753,927	168,642,235	110,255,028	1,947,491	12,009,607	9,599,835	13,220,499	147,032,460
1906.....	141,752,621	.....	.....	12,381,201	254,248	154,388,070	96,944,383	3,052,336	12,595,348	7,235,185	11,837,753	131,766,045
1905.....	123,337,991	.....	.....	9,474,567	948,154	133,760,712	85,856,726	863,215	11,641,790	6,221,760	10,135,480	114,718,951
1904.....	118,834,505	.....	.....	9,592,706	839,977	129,317,188	83,406,170	1,858,220	11,091,243	6,229,597	14,367,525	116,962,735
1903.....	119,073,569	.....	.....	8,717,431	879,388	128,670,438	81,701,614	1,645,510	11,506,187	6,169,531	15,820,307	116,843,149

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year.		
	Net income for year.		Surplus at beginning of year.	Miscellaneous credits.	Total.	Dividends declared.		Provisions for additions and betterments, new lines, etc.		Miscellaneous deductions.	Total.
	Amount.	Ratio to capital stock.				Rate.	Amount.				
	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)
1913	\$40,854,475	Per cent.	\$26,265,477	\$655,428	\$67,775,390	Per cent.	\$27,198,919	\$9,439,669	\$2,509,965	\$39,147,653	\$28,927,727
1912	37,593,531	8.26	27,210,027	834,630	65,548,188	6	27,156,165	7,259,215	4,867,331	39,282,711	26,265,477
1911	34,683,023	7.69	29,879,203	569,362	66,131,588	6	24,746,866	10,334,523	2,840,172	37,921,561	27,210,027
1910	40,049,135	9.71	25,690,905	26,116,160	91,856,200	6	21,746,166	15,743,739	24,487,042	61,976,997	29,879,203
1909	19,954,311	6.34	24,725,484	1,134,711	45,814,505	6 ¹	18,876,075	.....	1,247,526	20,123,601	25,690,905
1908	25,066,741	7.97	24,725,484	3,583,125	53,375,350	7	20,439,491	.....	8,210,375	28,649,866	24,725,484
1907	21,609,775	6.93	24,477,406	20,648,942	66,736,123	7	21,609,775	.....	20,406,864	42,010,639	24,477,406
1906	22,622,065	7.40	21,506,248	11,424,098	55,552,408	6	18,242,088	.....	12,832,834	31,075,002	21,506,248
1905	19,041,761	6.29	22,900,020	.....	41,941,781	6	18,077,106	.....	2,358,430	20,435,536	22,900,020
1904	12,364,433	4.17	36,979,019	11,819,347	61,162,799	6	17,556,009	.....	20,706,770	38,262,779	36,979,019
1903	11,827,289	5.24	28,530,169	8,884,235	49,241,693	6	12,262,674	.....	.....	12,262,674	.....

¹ Deficits in italics.
² Based on answers to the Commission's circular dated October 4, 1913, in Docket 4914, Anthracite Coal Investigation.
 NOTE.—No attempt has been made to adjust variations in the classification of certain items from year to year caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—Condensed income and profit and loss statement—Continued.

NORTHERN CENTRAL RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.						Total. (l)
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)	
1913.....	\$13,334,943	\$6,194	\$383,274	\$932,834	\$289,932	\$14,947,177	\$11,368,579	\$497,614	\$653,418	\$363,303	\$119,695	\$13,002,699	
1912.....	12,548,667	5,726	449,261	929,364	169,698	14,102,716	10,911,837	458,929	791,314	369,040	70,161	12,601,381	
1911.....	12,868,160	6,334	486,256	912,335	130,884	14,403,969	11,033,677	407,693	819,556	372,989	105,430	12,739,345	
1910.....	12,732,681	7,972	473,976	938,025	110,560	14,283,214	9,988,996	374,783	804,912	375,683	91,287	11,635,661	
1909.....	11,534,905	7,043	299,785	903,908	255,222	13,000,923	9,070,141	310,852	817,242	354,721	157,473	10,710,429	
1908.....	12,322,307	.....	503,271	903,306	125,997	13,854,881	9,665,484	284,636	917,000	347,315	146,713	11,361,148
1907.....	12,712,474	.....	.....	942,964	43,706	13,699,144	9,916,374	255,888	440,065	347,315	61,954	11,020,596
1906.....	11,308,077	.....	.....	825,189	46,675	12,179,941	8,439,497	396,042	465,965	347,315	28,937	9,677,756
1905.....	10,395,752	.....	.....	709,481	55,153	11,160,386	8,235,671	72,829	347,445	347,315	22,599	9,025,859
1904.....	10,148,494	.....	.....	682,327	72,363	10,903,184	7,965,352	150,909	460,285	470,195	182,770	9,238,511
1903.....	9,404,301	.....	.....	636,855	10,828	10,051,984	7,080,186	169,777	482,275	490,955	62,362	8,281,655

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913.....	\$1,944,478	10.05	\$9,318,727	\$30,302	\$11,283,567	8	\$1,547,400	\$250,689	\$137,086	\$1,685,175	\$9,358,392
1912.....	1,501,335	7.76	9,721,203	27,885	11,250,423	8	1,547,400	283,474	90,822	1,931,696	9,318,727
1911.....	1,664,024	8.61	9,772,152	24,413	11,491,189	8	1,547,400	173,022	19,564	1,739,986	9,721,203
1910.....	2,647,553	13.69	2,971,594	6,722,883	12,342,030	8	1,947,400	1,022,478	.....	2,569,878	9,772,152
1909.....	2,290,494	11.84	2,920,721	2,268	5,213,483	8	1,547,400	600,000	94,489	2,241,889	2,971,594
1908.....	2,493,733	12.89	2,225,543	248,783	4,968,059	8	1,547,338	500,000	.....	2,047,338	2,920,721
1907.....	2,678,548	13.85	3,937,377	300,680	6,936,605	20½	3,610,479	1,100,583	.....	4,711,062	2,225,543
1906.....	2,502,185	14.55	3,524,820	133,561	6,160,566	8	1,375,468	827,721	.....	2,203,189	3,937,377
1905.....	2,134,527	12.42	3,528,323	1,667,451	7,330,501	8	1,375,468	2,430,013	.....	3,865,481	3,524,820
1904.....	1,664,673	14.52	3,690,371	.....	5,355,044	8	916,980	908,484	1,257	1,826,721	3,528,323
1903.....	1,770,429	15.45	3,692,622	18,452	5,481,503	8	916,980	700,000	174,152	1,791,132	3,690,371

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—Condensed income and profit and loss statement—Continued.

ERIE RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.						Total. (l)
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)	
1913 ²	\$53,071,813	\$314,229	\$992,925	\$3,049,231	\$2,127,016	\$59,826,686	\$35,379,385	\$1,768,396	\$3,391,324	\$9,341,305	\$1,919,818	\$51,800,318	
1912	48,438,088	205,360	688,717	1,848,884	1,355,576	52,125,912	33,022,262	1,662,559	3,470,185	9,041,997	1,700,736	48,897,739	
1911	48,526,288	176,172	565,617	1,550,906	1,104,152	51,571,791	31,514,035	1,244,666	2,212,274	9,833,618	1,287,446	46,192,039	
1910	46,678,552	235,336	539,659	2,041,911	1,135,752	50,160,538	30,370,386	1,240,057	2,101,152	10,088,592	573,406	44,373,593	
1909	43,224,800	85,566	512,850	1,151,660	1,083,925	46,060,891	29,037,614	1,235,766	1,746,129	9,912,423	1,195,509	43,127,441	
1908	42,599,731	266,073	519,349	1,691,171	49,464	44,564,642	32,701,775	929,228	1,460,571	9,469,464	1,635,491	46,186,529	
1907	49,405,480	.....	.....	395,620	1,555,511	51,516,611	33,184,454	1,282,558	1,108,742	9,555,650	578,171	45,709,575
1906	45,673,746	.....	.....	291,628	1,692,210	47,760,971	31,188,031	876,454	1,112,257	9,047,678	651,247	42,576,667
1905	41,963,546	.....	.....	289,444	2,302,417	44,557,591	28,910,368	845,493	1,116,807	8,537,377	779,918	39,058,963
1904	41,286,122	.....	.....	269,444	2,023,426	43,578,992	28,422,438	839,900	1,127,404	8,276,682	391,972	40,208,963
1903	41,861,553	.....	.....	176,866	2,772,447	44,810,866	25,937,195	831,154	1,157,871	8,199,021	271,777	36,397,018

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. ¹ (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
		<i>Per cent.</i>									
1913.....	\$8,028,368	<i>Per cent.</i>	\$25,850,482	\$660,506	\$34,537,356	<i>Per cent.</i>		\$578,281	\$2,069,876	\$2,648,157	\$31,889,199
1912.....	3,228,173	1.83	24,099,533	14,219	27,341,925			445,420	1,046,023	1,491,443	25,850,482
1911.....	5,379,752	3.06	20,589,593	7,123	25,976,468			1,351,812	525,123	1,876,935	24,099,533
1910.....	5,786,945	3.28	16,081,170	119,115	21,967,230			1,717,489	660,148	2,377,637	20,589,593
1909.....	2,933,450	1.86	13,979,909	467,221	17,380,580			367,732	961,678	1,319,410	16,081,170
1908.....	1,631,687		13,633,577	2,927,817	14,929,507			567,339	382,259	949,598	13,979,909
1907.....	6,807,036	3.29	11,979,462	3,661	17,790,159			1,545,407	55,479	4,156,582	13,633,577
1906.....	4,885,304	2.77	11,490,591	5,306	16,381,201			1,795,633	50,410	4,401,739	11,979,462
1905.....	4,348,628	2.47	11,048,352	7,529	15,399,509			1,302,588	50,634	3,908,918	11,490,591
1904.....	4,520,598	2.56	9,645,143	337,159	14,502,900			1,508,965	34,987	3,459,546	11,043,352
1903.....	8,413,848	4.77	8,449,615	37,244	16,863,707			4,219,303	1,323,022	7,218,564	9,645,143

¹ Deficits in italics.
² Based on data in answers to the Commission's order, dated October 4, 1913; in Docket 4914, Anthracite Coal Investigation.
³ Represents a dividend of 4 per cent on first preferred stock \$1,915,696 and of 2 per cent on second preferred stock \$640,000. The 1908 profit and loss is credited with \$1,597,848 (representing 2 per cent on first preferred and 4 per cent on second preferred stock) of the dividends declared in 1907.
⁴ Represents dividend on first preferred stock.

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—Condensed income and loss statement—Continued.

WILKES-BARRE & EASTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913.....	\$663,144	.....	\$63,427	.....	.....	\$726,571	\$403,295	\$5,594	\$22,118	\$150,000	\$145,564	\$726,571
1912.....	641,849	.....	46,911	.....	4,199	692,959	441,644	12,851	48,749	150,000	39,715	692,959
1911.....	686,750	.....	47,603	.....	4,210	747,563	437,055	1,550	50,173	150,000	118,765	747,563
1910.....	659,314	.....	35,025	.....	1,551	695,890	436,455	5,794	40,660	150,000	12,981	695,890
1909.....	645,117	.....	25,920	.....	1,639	672,676	464,343	4,781	33,045	150,000	20,507	672,676
1908.....	686,058	\$1,554	13,580	.....	15,851	717,043	550,053	6,284	10,706	150,000	47,553	717,043
1907.....	616,876	.....	.....	.....	.....	616,876	413,619	4,454	1,250	150,000	.....	616,876
1906.....	519,465	.....	.....	.....	.....	519,465	368,399	4,334	4,250	150,000	.....	519,465
1905.....	578,035	.....	.....	.....	8,518	579,553	345,196	5,136	7,250	150,000	71,453	579,553
1904.....	586,337	.....	.....	.....	.....	586,337	347,246	5,314	10,250	150,000	73,527	586,337
1903.....	612,940	.....	.....	.....	.....	612,940	305,103	6,381	13,250	150,000	138,291	612,940

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
		<i>Per cent.</i>		<i>Per cent.</i>							
1913.....											
1912.....											
1911.....											
1910.....											
1909.....											
1908.....											
1907.....											
1906.....											
1905.....											
1904.....											
1903.....											

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—Condensed income and profit and loss statement—Continued.

NEW YORK, SUSQUEHANNA & WESTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					Total. (l)
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	
1913.....	\$2,926,926	\$17,986	\$80,824	\$3,202	\$177,309	\$3,170,275	\$1,981,258	\$171,457	\$158,324	\$651,140	.....	\$2,962,179
1912.....	2,862,098	24,696	60,953	6,003	100,669	3,004,787	1,781,917	196,726	201,495	651,315	\$440	2,831,893
1911.....	2,972,984	17,276	60,851	3,202	159,713	3,214,006	1,738,117	147,178	174,371	619,365	440	2,679,469
1910.....	2,696,729	35,688	39,860	20,964	46,979	2,788,386	1,614,051	139,172	175,483	649,486	440	2,578,632
1909.....	2,530,979	9,705	17,586	22,460	31,479	2,592,799	1,502,650	148,346	160,302	660,215	1,099	2,472,612
1908.....	2,479,106	\$7,747	27,678	22,460	6,005	2,507,502	1,771,329	56,768	87,235	660,185	16,291	2,591,808
1907.....	2,506,283	.....	.....	20,606	60,056	2,586,945	1,714,662	145,749	28,840	680,265	84,190	2,588,706
1906.....	2,238,461	.....	.....	17,102	17,435	2,272,998	1,500,692	48,826	28,607	680,265	52,940	2,297,330
1905.....	2,164,100	.....	.....	17,107	94,612	2,275,719	1,383,124	46,836	28,639	671,665	52,940	2,183,204
1904.....	2,073,453	.....	.....	22,157	101,273	2,196,883	1,149,130	48,288	28,711	674,566	52,940	1,953,635
1903.....	2,070,088	.....	.....	21,826	150,332	2,242,246	1,110,119	47,639	28,547	675,255	52,940	1,914,500

Year ended June 30--	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. ¹ (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. ¹ (s)				
		<i>Per cent.</i>			<i>Per cent.</i>						
1913.....	\$208,096	0.80	\$1,509,496	\$49,344	\$1,766,936	.....	\$87,783	\$549,635	\$637,418	\$1,129,518
1912.....	172,894	.67	1,471,649	57	1,644,600	.....	88,118	46,986	135,104	1,509,496
1911.....	534,537	2.06	1,108,497	13,742	1,656,776	.....	163,904	21,223	185,127	1,471,649
1910.....	189,754	.73	809,324	173,474	1,172,552	.....	1,809	62,246	64,055	1,108,497
1909.....	120,187	.46	714,860	106,739	941,786	.....	13,320	119,142	132,462	809,324
1908.....	84,306	.....	895,284	.....	810,978	.....	62,700	33,418	96,118	714,860
1907.....	3,239	.01	1,101,704	.....	1,104,943	.....	209,659	.....	209,659	895,284
1906.....	24,532	.....	1,240,815	.....	1,216,483	.....	114,380	399	114,779	1,101,704
1905.....	92,515	.36	1,263,502	.....	1,356,017	.....	115,202	.....	115,202	1,240,815
1904.....	243,248	.94	1,024,189	22,527	1,289,964	.....	26,462	.....	26,462	1,263,502
1903.....	327,746	1.26	720,475	1	1,048,222	.....	22,083	1,950	24,033	1,024,189

¹ Deficits in italics.

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE II.—Condensed income and profit and loss statement—Continued.

NEW YORK, ONTARIO & WESTERN RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.					Expenses and fixed charges.							Total. (l)
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. ¹ (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)		
1913.....	\$9,454,349	\$2,319	\$22,003	\$182,493	\$8,289	\$9,634,315	\$6,499,040	\$231,092	\$432,011	\$1,202,926	\$58,113	\$8,423,182	
1912.....	8,527,944	55,411	17,584	345,333	.....	8,857,450	6,508,541	221,926	416,126	1,190,786	46,342	8,383,721
1911.....	9,295,702	52,610	16,413	367,729	.....	9,627,234	6,531,619	214,990	564,313	1,136,610	36,766	8,484,298
1910.....	8,578,783	45,842	12,567	390,750	.....	8,938,258	5,882,147	211,693	421,644	1,086,670	23,306	7,825,460
1909.....	8,290,170	56,321	20,283	412,517	4,190	8,682,259	5,943,102	189,160	393,573	960,420	152,877	7,339,132	
1908.....	8,121,494	56,890	51,246	432,217	8,130	8,559,937	5,418,980	167,972	327,953	955,531	165,912	7,039,348	
1907.....	8,309,653	.....	.....	453,717	.....	8,763,370	5,557,260	194,378	283,506	901,560	171,884	7,108,588
1906.....	7,299,136	.....	.....	453,217	.....	7,752,353	5,093,168	174,197	232,529	891,663	173,295	6,584,852
1905.....	7,137,487	.....	.....	451,217	.....	7,588,704	4,938,499	158,848	211,949	808,507	189,624	6,807,427
1904.....	6,671,338	.....	.....	471,647	.....	7,142,985	4,947,459	144,332	208,968	718,449	236,948	6,256,156
1903.....	6,176,518	.....	.....	401,937	.....	6,578,455	4,407,499	149,587	202,870	713,769	243,759	5,717,484

Year ended June 30—	Gross surplus.			Deductions from surplus.					Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate on common. (r)	Amount. (s)				
1913	\$1,211,633	Per cent. 2.08	\$5,929,599	\$28,476	\$7,169,708	Per cent. 2	\$1,162,340		\$1,107,391	\$2,269,731	\$4,899,977
1912	473,729	.82	5,646,142	1,367	6,121,238	2	210		191,429	191,639	5,929,599
1911	1,142,936	1.97	5,893,139	44,508	7,080,583	2	1,162,336		272,105	1,434,441	5,646,142
1910	1,312,798	2.26	5,706,795	68,536	7,088,129	2	1,162,322		32,662	1,194,990	5,893,139
1909	1,343,127	2.31	5,451,155	75,758	6,870,040	2	1,162,308		923	1,163,245	5,706,795
1908	1,520,389	2.62	5,136,336	79,836	6,730,761	2	1,162,296		117,298	1,278,606	5,451,155
1907	1,654,782	2.85	4,907,961	63,680	6,626,423	2	1,162,296		327,785	1,490,087	5,136,336
1906	1,187,501	2.04	4,836,145	53,300	6,076,946	2	1,162,296		6,689	1,168,985	4,907,961
1905	1,281,277	2.21	6,099,388	75,985	7,456,650	4½	2,618,006		23,489	2,620,505	4,836,145
1904	888,829	1.53	6,142,935	141,510	7,171,274			\$1,048,397	23,489	1,071,886	6,099,388
1903	860,371	1.48	5,763,237	37,777	6,661,955			423,214	95,836	519,050	6,142,935

¹ Deficit in italics.

NOTE.—No attempt has been made to adjust variations in the classification of certain items caused by changes in the form for annual report and by the promulgation of the uniform system of accounts.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement.

CENTRAL RAILROAD COMPANY OF NEW JERSEY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913.....	\$42,016	\$97	\$328	\$2,689	\$326	\$45,262	\$24,265	\$2,250	\$3,991	\$3,264	\$645	\$34,415
1912.....	38,672	15	196	2,699	224	41,806	22,929	2,244	3,938	3,331	374	32,816
1911.....	39,124	119	415	2,616	546	42,820	22,400	1,833	4,065	3,555	383	32,246
1910.....	36,632	759	140	2,418	3,986	42,037	19,822	1,756	3,305	3,400	372	28,653
1909.....	33,044	.....	166	980	694	34,884	18,807	1,599	3,803	3,455	424	28,088
1908.....	33,849	899	457	1,231	102	36,638	19,700	1,595	3,670	3,501	503	28,969
1907.....	38,624	.....	.....	1,712	85	40,421	21,228	1,681	4,297	3,958	517	31,681
1906.....	34,789	.....	.....	1,610	114	36,513	19,174	842	3,724	3,836	384	27,980
1905.....	32,716	.....	.....	1,382	269	34,367	17,982	696	3,955	3,673	419	26,725
1904.....	29,769	.....	.....	1,305	285	31,369	16,969	682	3,564	3,452	482	25,149
1903.....	26,364	.....	.....	1,366	280	28,010	16,714	598	3,638	3,434	554	24,938
Revised 1911 ²	36,909	112	392	2,468	515	40,396	21,132	1,728	3,835	3,355	371	30,421

Year ended June 30—	Net income for year.			Gross surplus.			Deductions from surplus.				Net surplus at end of year.	
	Amount.	Ratio to capital stock.	Total.	Surplus at beginning of year.	Miscellaneous credits.	Total.	Dividends declared.		Provisions for additions and betterments, new lines, etc.	Miscellaneous deductions.		Total.
							Rate.	Amount.				
	(m)	(n)	(q)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)
1913.....	\$10,847	<i>Per cent.</i>	\$32,591	\$20,664	\$1,080	\$32,591	<i>Per cent.</i>	\$4,870	\$5,977	\$833	\$11,680	\$20,911
1912.....	8,990	.....	29,247	20,195	62	29,247	.....	4,918	2,988	474	8,380	20,867
1911.....	10,574	.....	32,004	19,872	1,558	32,004	.....	5,194	4,733	748	10,675	21,329
1910.....	13,382	.....	30,011	16,342	287	30,011	.....	4,918	5,976	300	11,194	18,817
1909.....	6,796	.....	23,467	15,847	824	23,467	.....	3,287	2,995	805	7,087	16,380
1908.....	7,669	.....	22,945	14,339	937	22,945	.....	3,285	2,994	825	7,104	15,841
1907.....	8,740	.....	23,123	14,383	.....	23,123	.....	3,317	3,571	1,756	8,644	14,479
1906.....	8,553	.....	22,798	13,923	322	22,798	.....	3,317	2,954	2,145	8,416	14,382
1905.....	7,642	.....	21,415	13,270	503	21,415	.....	3,331	1,629	2,468	7,428	13,987
1904.....	6,220	.....	18,931	12,711	.....	18,931	.....	3,153	956	2,257	6,366	12,565
1903.....	3,072	.....	15,968	12,896	.....	15,968	.....	3,156	.....	90	3,246	12,722
Revised 1911 ²	9,975	.....	30,192	18,748	1,469	30,192	.....	4,900	4,465	706	10,071	20,121

¹ Deficits in italics.

² The average mileage operated as reported for 1911 omits mileage for the New York & Long Branch Railroad, which was included both prior and subsequently thereto. The figures here given are based on mileage, including that of the road named.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

PHILADELPHIA & READING RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913.....	\$49,553	\$403	\$273	.....	\$101	\$50,330	\$29,937	\$1,275	\$5,299	\$1,960	\$10	\$38,481
1912.....	43,891	301	137	.....	99	44,428	28,092	505	5,393	1,973	448	36,411
1911.....	43,811	321	141	7	45	44,325	27,280	648	5,134	3,110	600	36,772
1910.....	43,326	254	196	.....	143	43,926	25,989	567	5,132	3,276	447	35,411
1909.....	38,144	355	41	54	268	38,862	23,267	420	5,141	3,270	548	32,646
1908.....	39,617	848	117	141	171	40,894	25,291	378	4,564	3,328	90	33,631
1907.....	42,466	.....	.....	98	921	43,485	25,841	439	3,623	3,320	2,385	35,608
1906.....	39,862	.....	.....	88	948	40,898	22,295	360	3,582	3,350	2,322	31,909
1905.....	36,607	.....	.....	4	682	37,293	19,354	266	3,588	3,305	2,495	29,008
1904.....	33,795	.....	.....	10	679	34,484	19,539	259	3,546	3,280	2,448	29,072
1903.....	31,347	.....	.....	3	712	32,062	18,852	230	3,625	3,285	2,568	28,560

Year ended June 30—	Gross surplus.				Deductions from surplus.					Net surplus at end of year. (w)	
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)	Miscellaneous deductions. (u)		Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913.....	\$11,849		\$8,591		\$20,440	Per cent.	\$6,245	\$2,344	\$522	\$9,111	\$11,329
1912.....	8,017		9,512		17,572	.....	6,277	2,590	70	8,937	8,635
1911.....	7,553		11,211	\$43	18,861	.....	4,929	3,306	1,108	9,343	9,518
1910.....	8,515		9,511	81	18,107	.....	4,892	2,026	62	6,980	11,127
1909.....	6,216		9,924		16,140	.....	4,883	1,763		6,646	9,494
1908.....	7,243		9,752		16,995	.....	5,961	1,932	7	6,900	10,095
1907.....	7,577		9,754		17,631	.....	5,989	1,844		7,833	9,798
1906.....	8,989		10,461		19,450	.....	6,043	3,564	1	9,608	9,542
1905.....	8,285		6,983		15,268	.....	3,974	573		4,947	10,321
1904.....	5,412		5,040		10,452	.....	2,366	1,157		3,523	6,929
1903.....	3,502		2,760		6,262	.....		1,214		1,214	5,048

35 I. C. C.

TABLE III.—Per mile of line averages of items in the condensed income and loss statement—Continued.

DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913.....	\$42,275	\$608	\$340	\$1,333	\$2,893	\$47,449	\$26,380	\$1,824	\$6,235	\$7	\$760	\$35,206
1912.....	37,560	477	402	709	3,525	42,673	24,333	2,132	5,974	7	31	52,477
1911.....	38,649	318	390	705	22	40,084	23,254	1,764	5,870	7	17	30,912
1910.....	38,712	302	341	742	45	40,142	20,743	1,630	5,891	7	56	28,327
1909.....	37,577	340	321	910	362	39,510	20,693	1,226	6,160	.....	.....	28,079
1908.....	37,854	275	222	921	405	39,677	21,969	1,444	6,159	40	.....	29,612
1907.....	42,300	.....	.....	1,011	4,865	48,176	22,953	357	7,922	259	182	31,673
1906.....	37,091	.....	.....	757	3,541	41,389	21,266	468	7,334	256	182	29,506
1905.....	36,611	.....	.....	698	4,203	41,512	19,371	425	6,980	261	180	27,217
1904.....	35,222	.....	.....	645	4,138	40,005	19,272	488	7,025	268	184	27,237
1903.....	32,400	.....	.....	404	3,930	36,743	17,859	411	7,015	269	184	25,738

Year ended June 30—	Gross surplus.			Deductions from surplus.				Net surplus at end of year. (w)			
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.			Provisions for additions and betterments, new lines, etc. (t)	Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
1913	\$12,243	Per cent.	\$27,633	\$2,425	\$42,301	Per cent.	\$6,290	\$2,047	\$484	\$8,821	\$53,480
1912	10,196	.....	37,422	29	47,647	.....	17,545	1,866	209	19,620	28,027
1911	9,172	.....	34,483	3,624	47,279	.....	6,482	2,746	30	9,258	36,021
1910	11,815	.....	42,812	7,355	61,982	.....	24,792	2,657	50	27,499	34,483
1909	11,431	.....	35,750	5,208	52,390	.....	5,868	1,877	51	7,706	44,684
1908	10,065	.....	31,656	4,046	46,767	.....	5,867	3,963	197	10,027	36,740
1907	16,503	.....	30,315	.....	46,818	.....	6,411	5,691	122	12,224	34,594
1906	11,883	.....	31,182	.....	43,065	.....	6,418	6,232	65	12,715	30,350
1905	14,295	.....	27,663	.....	41,958	.....	5,937	4,222	616	10,775	31,183
1904	12,788	.....	23,381	1	36,150	.....	2,298	4,547	1,009	7,854	28,296
1903	11,005	.....	19,384	.....	30,389	.....	2,298	4,686	14	7,008	23,381

35 I. C. C.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

DELAWARE & HUDSON COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.					Expenses and fixed charges.					Total.	
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)		Miscellaneous. (k)
1913.....	\$28,115	\$85	\$573	\$1,878	\$1,459	\$31,940	\$17,170	\$711	\$2,692	\$2,972	\$220	\$23,765
1912.....	24,942	87	422	2,109	98	27,608	15,225	710	2,704	2,887	39	21,665
1911.....	24,902	4	473	1,450	776	27,597	15,091	645	2,682	2,941	36	21,395
1910.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1909.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1907.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1906.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1905.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1904.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1903.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913.....	\$8,175		\$13,337	\$1,128	\$22,640	Per cent.	\$4,482	\$35	\$4,517	\$18,123	
1912.....	5,943		11,926	39	17,908	.....	4,492	50	4,542	13,366
1911.....	6,202		10,944	91	17,237	.....	4,539	645	5,184	12,053
1910.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1909.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1907.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1906.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1905.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1904.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1903.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

* Deficits in italics.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

LEHIGH VALLEY RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.					Expenses and fixed charges.					Total. (l)	
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)		Miscellaneous. (k)
1913.....	\$29,665	\$193	\$485	\$986	\$380	\$31,323	\$20,061	\$998	\$1,044	\$2,155	\$127	\$25,285
1912.....	25,616	802	270	1,008	412	27,104	17,159	755	2,153	2,198	110	22,375
1911.....	26,313	225	234	674	406	27,402	16,342	559	2,143	2,308	180	21,532
1910.....	25,112	702	284	542	196	26,032	15,056	537	2,039	2,643	185	20,460
1909.....	22,922	706	203	461	211	23,991	14,232	540	2,005	2,629	242	19,648
1908.....	24,529	150	352	406	232	25,669	15,338	587	1,869	2,594	189	20,577
1907.....	24,991	.....	.....	364	201	25,646	15,295	458	1,626	2,536	123	20,038
1906.....	22,943	.....	.....	321	245	23,509	14,072	328	1,718	2,356	122	18,586
1905.....	22,438	.....	.....	163	162	22,763	13,552	387	1,729	2,077	136	17,881
1904.....	21,456	.....	.....	166	174	21,796	13,521	338	1,725	1,979	125	17,688
1903.....	19,146	.....	.....	376	236	19,758	13,605	208	1,959	1,986	233	18,031

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913.....	\$6,038		\$16,158	\$73	\$22,269	Per cent.	\$4,177	\$817	\$4,994	\$17,275	
1912.....	4,729		21,053	2,053	27,835	.....	10,517	808	11,562	16,273
1911.....	5,870		19,004	758	25,632	.....	2,964	685	4,456	21,176
1910.....	5,572		13,338	2,538	21,448	.....	1,688	586	2,549	18,899
1909.....	4,043		11,424	12	15,479	.....	1,681	403	2,189	13,290
1908.....	5,092		9,677	48	14,812	.....	1,679	1,226	3,402	11,410
1907.....	5,608		7,886	2	13,496	.....	1,486	2,299	3,789	9,707
1906.....	4,913		6,058	7	10,978	.....	1,136	1,799	3,015	7,963
1905.....	4,882		4,243	14	9,139	.....	1,880	1,012	2,928	6,211
1904.....	4,408		1,164	27	5,299	.....	.....	.....	1,052	4,247
1903.....	1,707		2,422	2,788	2,073	.....	.....	.....	1,909	1,164

Deficits in italics.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

PENNSYLVANIA RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.					Expenses and fixed charges.					Total. (l)	
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)		Miscellaneous. (k)
1913 ²	\$45,101	\$550	\$604	\$3,519	\$702	\$49,576	\$33,176	\$1,612	\$1,578	\$2,371	\$506	\$39,443
1912.....	40,832	561	671	3,563	420	45,125	29,369	1,738	1,551	2,518	623	35,799
1911.....	39,523	520	628	3,707	311	43,849	28,515	1,427	1,658	2,620	911	35,131
1910.....	40,287	532	538	3,390	429	44,362	27,677	1,262	2,113	3,084	139	34,275
1909.....	34,464	76	213	2,899	749	38,249	24,173	895	2,225	3,713	2,276	33,282
1908.....	37,118	.....	427	2,810	1,119	41,474	26,760	584	2,827	3,352	1,721	35,244
1907.....	39,607	.....	.....	2,624	.....	42,416	27,731	490	3,020	2,415	3,325	36,981
1906.....	36,095	.....	.....	3,153	65	39,313	24,686	777	3,207	1,843	3,040	33,553
1905.....	31,728	.....	.....	2,437	244	34,409	22,086	220	2,995	1,602	2,608	29,511
1904.....	30,097	.....	.....	2,428	213	32,738	21,116	470	2,808	1,577	3,637	29,608
1903.....	31,469	.....	.....	2,304	233	34,006	21,592	435	3,041	1,631	4,181	30,880

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
1913.....	\$10,133	<i>Per cent.</i>	\$6,515	\$163	\$16,811	<i>Per cent.</i>	\$6,746	\$2,342	\$622	\$9,710	\$7,101
1912.....	9,326	.....	6,767	208	16,301	.....	6,753	1,806	1,210	9,769	6,532
1911.....	8,718	.....	7,511	143	16,372	.....	6,220	2,598	7,714	9,532	6,840
1910.....	10,087	.....	6,470	6,578	23,135	.....	5,477	3,965	6,167	15,609	7,526
1909.....	4,907	.....	6,156	282	11,405	.....	4,699	.....	311	5,010	6,395
1908.....	6,230	.....	6,145	890	13,265	.....	5,080	.....	2,040	7,120	6,145
1907.....	5,435	.....	6,156	5,194	16,785	.....	5,435	.....	5,131	10,566	6,219
1906.....	5,760	.....	5,476	2,910	14,146	.....	4,645	.....	3,268	7,913	6,233
1905.....	4,898	.....	5,891	.....	10,789	.....	4,650	.....	3,607	5,257	5,532
1904.....	3,130	.....	9,362	2,992	15,484	.....	4,444	.....	5,687	9,687	5,797
1903.....	3,126	.....	7,540	2,348	13,014	.....	3,241	.....	.....	3,241	9,773

* Mileage basis taken from monthly report of revenues and expenses.

† Deficits in italics.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

NORTHERN CENTRAL RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913.....	\$28,241	\$13	\$812	\$1,976	\$614	\$31,656	\$24,077	\$1,054	\$1,384	\$770	\$253	\$27,538
1912.....	26,515	12	949	1,904	359	29,799	23,057	1,970	1,672	780	148	26,627
1911.....	27,263	13	1,030	1,933	278	30,517	23,376	865	1,736	790	223	26,990
1910.....	27,044	17	1,007	2,035	235	30,338	21,217	796	1,710	798	194	24,716
1909.....	24,733	15	643	1,938	548	27,877	19,448	667	1,752	761	338	22,966
1908.....	26,602	.....	1,086	1,950	273	29,911	20,866	614	1,980	750	317	24,527
1907.....	27,613	.....	.....	2,041	95	29,649	21,459	555	952	752	134	23,852
1906.....	24,473	.....	.....	1,786	101	26,360	18,265	857	1,008	752	63	20,945
1905.....	22,498	.....	.....	1,535	119	24,152	17,823	158	752	752	48	18,533
1904.....	21,962	.....	.....	1,477	157	23,586	17,238	327	996	1,037	395	19,993
1903.....	20,909	.....	.....	1,416	24	22,349	15,755	377	1,072	1,092	117	18,413

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent. (r)	Per cent. (s)							
1918.....	\$4,118	Per cent.	\$19,736	\$64	\$23,918	Per cent.	\$3,277	\$531	\$290	\$4,098	\$19,820
1912.....	3,172	.....	20,541	69	23,772	.....	3,270	620	192	4,082	19,690
1911.....	3,527	.....	20,704	52	24,283	.....	3,278	367	42	3,687	20,596
1910.....	5,623	.....	6,312	14,279	26,214	.....	3,287	2,171	.....	5,458	20,766
1909.....	4,911	.....	6,263	5	11,179	.....	3,318	1,287	202	4,807	6,372
1908.....	5,384	.....	4,805	537	10,726	.....	3,340	1,080	.....	4,420	6,306
1907.....	5,797	.....	3,565	650	16,012	.....	7,814	2,382	.....	10,196	4,816
1906.....	5,415	.....	7,629	289	13,333	.....	2,977	1,791	.....	4,768	8,565
1905.....	4,619	.....	7,636	3,609	15,864	.....	2,977	5,259	.....	8,236	7,628
1904.....	3,603	.....	7,986	.....	11,589	.....	1,984	1,966	.....	3,953	7,636
1903.....	3,936	.....	8,210	41	12,187	.....	2,039	1,556	387	3,982	8,205

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

ERIE RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913 ²	\$27,147	\$158	\$499	\$1,534	\$1,070	\$30,092	\$17,795	\$889	\$1,706	\$4,699	\$966	\$26,055
1912.....	24,364	108	346	930	682	26,219	16,610	836	1,746	4,548	855	24,595
1911.....	24,319	88	284	777	553	25,845	15,793	624	1,109	4,978	645	23,149
1910.....	23,806	180	275	1,041	579	25,581	15,489	632	1,072	5,145	292	22,630
1909.....	22,020	43	261	587	553	23,464	14,792	629	890	5,030	609	21,970
1908.....	22,402	166	273	889	26	23,436	17,197	488	768	4,980	860	24,293
1907.....	26,013	.....	.....	262	819	27,124	17,472	675	584	5,051	305	24,067
1906.....	24,277	.....	.....	210	899	25,386	16,577	466	591	4,809	348	22,789
1905.....	22,304	.....	.....	155	1,224	23,683	15,367	449	593	4,548	415	21,372
1904.....	21,826	.....	.....	143	1,074	23,143	15,994	446	599	4,395	208	20,742
1903.....	22,226	.....	.....	94	1,472	23,792	18,772	441	615	4,353	144	19,325

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. ¹ (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
1913	\$4,037	<i>Per cent.</i>	\$13,003	\$332	\$17,372	<i>Per cent.</i>		\$201	\$1,041	\$1,332	\$16,040
1912	1,624		12,122	7	13,753			224	526	750	13,003
1911	2,696		10,319	3	13,018			677	263	940	12,078
1910	2,951		8,191	61	11,203			366	337	703	10,500
1909	1,494		7,122	238	8,854			187	485	672	8,182
1908	1,868		7,169	1,540	7,851			298	201	499	7,352
1907	3,057		6,307	2	9,366			814	29	2,188	7,178
1906	2,597		6,107	3	8,707			954	27	2,340	6,367
1905	2,311		5,870	4	8,185			692	27	2,077	6,108
1904	2,401		5,122	179	7,702			801	19	1,837	5,865
1903	4,467		4,486		8,953			2,240	702	3,882	5,121

* Mileage basis taken from monthly report of revenues and expenses.

¹ Deficits in italics.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.
WILKES-BARRE & EASTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					
	Operating revenues. (a)	Outside operations, net. (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	Total. (l)
1913.....	\$7,180	.....	\$687	.....	.....	\$7,867	\$4,367	\$61	\$239	\$1,624	\$1,576	\$7,867
1912.....	6,950	.....	508	.....	.....	7,503	4,782	139	528	1,624	430	7,503
1911.....	7,533	.....	515	.....	46	8,094	4,624	17	543	1,624	1,286	8,094
1910.....	7,139	.....	370	.....	17	7,535	5,267	63	440	1,624	1,141	7,535
1909.....	6,985	.....	280	.....	18	7,283	5,027	52	358	1,624	222	7,283
1908.....	7,428	.....	147	.....	172	7,764	5,956	68	116	1,624	.....	7,764
1907.....	6,679	.....	.....	.....	.....	6,679	4,478	48	14	1,624	.....	6,679
1906.....	5,494	.....	.....	.....	90	5,584	3,896	56	45	1,587	515	5,584
1905.....	6,104	.....	.....	.....	.....	6,104	3,639	54	77	1,581	753	6,104
1904.....	6,751	.....	.....	.....	.....	6,751	3,998	61	118	1,727	847	6,751
1903.....	7,057	.....	.....	.....	.....	7,057	3,513	73	153	1,727	1,591	7,057

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913.....											
1912.....											
1911.....											
1910.....											
1909.....											
1908.....											
1907.....											
1906.....											
1905.....											
1904.....											
1903.....											

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

NEW YORK, SUSQUEHANNA & WESTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.					Total. (l)
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)	
1913.....	\$18,954	\$116	\$523	\$22	\$1,148	\$20,531	\$12,830	\$1,110	\$1,025	\$4,218	.....	\$19,183
1912.....	18,535	161	395	38	1,652	19,459	11,539	1,274	1,305	4,218	.....	18,339
1911.....	19,539	114	400	21	1,051	21,145	11,435	968	1,147	4,075	3	17,628
1910.....	17,741	234	259	138	309	18,213	10,619	915	1,155	4,273	3	16,965
1909.....	16,713	64	116	148	208	17,121	9,922	980	1,059	4,359	7	16,327
1908.....	16,370	183	183	148	40	16,558	11,697	375	1,576	4,359	108	17,115
1907.....	16,505	.....	.....	136	395	17,036	11,292	960	190	4,348	225	17,015
1906.....	14,741	.....	.....	113	115	14,969	9,922	322	188	4,348	349	15,129
1905.....	14,252	.....	.....	113	622	14,987	9,108	308	189	4,424	349	14,378
1904.....	13,655	.....	.....	146	667	14,468	7,565	318	189	4,442	349	12,566
1903.....	13,656	.....	.....	144	992	14,792	7,323	314	188	4,455	349	12,629

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. ¹ (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
1913.....	\$1,348	Per cent.	\$9,775	\$320	\$11,443	Per cent.	\$569	\$3,559	\$4,128	\$7,315	
1912.....	1,120	.....	9,530	.....	10,650	.....	571	304	875	9,775
1911.....	3,517	.....	7,283	90	10,900	.....	1,078	140	1,218	9,682
1910.....	1,248	.....	5,325	1,141	7,714	.....	12	410	422	7,292
1909.....	794	.....	4,720	705	6,219	.....	88	787	875	5,344
1908.....	567	.....	5,912	.....	5,355	.....	414	221	635	4,720
1907.....	21	.....	7,256	.....	7,277	.....	1,381	.....	1,381	5,896
1906.....	180	.....	8,171	.....	8,011	.....	753	.....	756	7,255
1905.....	609	.....	8,321	.....	8,930	.....	759	.....	759	8,171
1904.....	1,602	.....	6,745	148	8,495	.....	174	.....	174	8,321
1903.....	2,163	.....	4,752	.....	6,915	.....	146	.....	159	6,756

¹ Deficits in italics.

TABLE III.—Per mile of line averages of items in the condensed income and profit and loss statement—Continued.

NEW YORK, ONTARIO & WESTERN RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission.]

Year ended June 30—	Income.						Expenses and fixed charges.						Total. (l)
	Operating revenues. (a)	Outside operations, net. ¹ (b)	Rents. (c)	Income from securities. (d)	Miscellaneous. ¹ (e)	Total. (f)	Operating expenses. (g)	Taxes. (h)	Rents. (i)	Interest on funded debt. (j)	Miscellaneous. (k)		
1913.....	\$16,715	67	\$38	\$323	\$15	\$17,034	\$11,490	\$409	\$764	\$2,127	\$102	\$14,892	
1912.....	15,077	69	31	611	.....	15,660	11,507	322	786	2,105	82	14,822
1911.....	16,435	68	29	650	.....	17,021	11,548	380	998	2,009	65	15,000
1910.....	15,715	80	23	716	.....	16,374	10,776	388	772	1,991	42	13,969
1909.....	15,187	66	37	755	8	15,905	10,338	347	721	1,759	280	13,445	
1908.....	14,878	68	94	792	15	15,681	9,927	308	601	1,758	304	12,896	
1907.....	15,223	.....	.....	831	.....	16,054	10,180	356	519	1,682	315	13,022
1906.....	13,372	.....	.....	830	.....	14,202	9,330	319	426	1,634	317	12,026
1905.....	13,015	.....	.....	823	.....	13,838	9,005	260	387	1,474	346	11,502
1904.....	12,165	.....	.....	860	.....	13,025	9,022	263	381	1,310	432	11,408
1903.....	11,263	.....	.....	733	.....	11,996	8,037	273	370	1,302	444	10,126

Year ended June 30—	Gross surplus.				Deductions from surplus.				Net surplus at end of year. (w)		
	Net income for year.		Surplus at beginning of year. (o)	Miscellaneous credits. (p)	Total. (q)	Dividends declared.		Provisions for additions and betterments, new lines, etc. (t)		Miscellaneous deductions. (u)	Total. (v)
	Amount. (m)	Ratio to capital stock. (n)				Rate. (r)	Amount. (s)				
			Per cent.	Per cent.							
1913	\$2,142	Per cent.	\$10,484	\$50	\$12,676	Per cent.	\$2,055	\$1,958	\$4,013	\$8,663	
1912	838	.....	9,982	2	10,822	.....	.....	338	338	10,484
1911	2,021	.....	10,419	78	12,518	.....	.....	481	2,536	9,982
1910	2,405	.....	10,454	126	12,985	.....	.....	60	2,159	10,796
1909	2,460	.....	9,986	139	12,585	.....	.....	2	2,131	10,454
1908	2,785	.....	9,409	136	12,330	.....	.....	215	2,344	9,986
1907	3,032	.....	8,991	116	12,139	.....	.....	601	2,730	9,409
1906	2,176	.....	8,859	97	11,132	.....	.....	12	2,141	8,991
1905	2,336	.....	11,122	139	13,597	.....	.....	4	4,778	8,819
1904	1,617	.....	11,202	258	13,077	.....	.....	43	1,955	11,122
1903	1,570	.....	10,509	69	12,148	.....	.....	174	1,946	11,202

¹ Deficits in italics.

TABLE IV.—Statement for comparison of certain statistical data, anthracite carriers and other carriers, year ended June 30, 1913.

[Based on data in annual reports of the carriers named to the Interstate Commerce Commission, except where noted.]

Name of road.	Passenger service train revenue.			Freight revenue.			Total operating revenue.			Total operating expenses.			Net corporate income.			
	Amount. (a)	Ratio to total operating revenue. (b)	Average per mile of road. (c)	Average per train-mile. (d)	Amount. (e)	Ratio to total operating revenue. (f)	Average per mile of road. (g)	Average per train-mile. (h)	Amount. (i)	Average per mile of road. (j)	Amount. (k)	Average per mile of road. (l)	Ratio to total operating revenue. (m)	Amount. (n)	Amount per mile of road. (o)	Ratio to capital stock. (p)
New York Central & Hudson River R. R. Co.	\$42,924,910	37.30	\$12,453	\$1,551.4	\$68,806,941	59.79	\$18,484	\$3.02822	\$115,087,952	\$30,776	\$84,120,197	\$22,495	73.09	\$15,790,330	\$4,222	7.00
Baltimore & Ohio R. R. Co.	19,247,278	18.95	4,319	1.16709	80,194,490	78.97	17,996	3.47362	101,556,132	22,789	73,779,638	16,556	72.65	13,382,111	3,003	6.35
Buffalo, Rochester & Pitts- burgh Ry. Co.	1,299,923	11.87	2.270	0.91858	9,411,879	85.97	16,433	3.27533	10,947,246	19,113	7,665,891	13,384	70.03	2,126,994	3,714	12.89
Boston & Maine R. R.	18,467,245	38.07	8,202	1.48375	28,692,689	59.14	12,743	3.07423	48,518,507	21,548	36,101,425	16,921	78.54	121,284	54	.28
Michigan Central R. R. Co.	11,248,180	31.79	6,163	1.59300	23,018,013	65.06	12,653	3.01214	35,379,498	19,448	24,906,203	13,691	70.40	3,299,094	1,813	17.61
Pittsburgh, Cincinnati, Chicago & St. Louis Ry. Co.	11,286,907	25.36	7,667	1.37394	31,463,208	70.69	21,372	2.77005	44,510,900	30,236	34,981,707	23,762	78.59	3,518,360	2,387	5.43
Hocking Valley Ry. Co.	1,106,771	14.16	3,149	1.22608	6,365,735	81.43	18,110	4.32588	7,817,644	22,241	4,863,843	14,179	63.75	1,917,645	5,486	17.43
Chicago & Alton R. R. Co.	4,993,136	32.73	4,868	1.43061	9,908,251	64.95	9,660	2.70906	15,254,865	14,872	12,940,072	12,518	84.17	1,833,291		
Chicago, Indiana & Southern R. R. Co.	371,157	8.42	1,128	0.72227	3,936,915	89.32	11,612	2.82095	4,407,458	12,283	3,429,995	9,559	77.82	177,890	496	.89
Illinois Central R. R. Co.	16,760,538	26.07	3,519	1.20309	42,589,299	66.25	8,942	2.34734	64,280,903	13,487	50,048,912	10,509	77.86	6,575,113	1,381	5.51
Louisville & Nashville R. R. Co.	15,474,890	26.02	3,211	1.42058	42,924,952	72.18	8,906	2.29488	59,468,689	12,338	44,810,880	9,297	75.96	8,680,944	1,791	11.99
Atlantic Coast Line R. R. Co.	10,941,433	30.29	2,373	1.23599	24,497,523	67.82	5,312	2.69589	36,123,072	7,833	24,635,532	5,342	68.20	7,889,203	1,711	11.47
Virginian Ry. Co.	407,519	6.97	880	0.75361	5,350,849	91.58	10,895	4.56657	5,842,684	11,896	3,374,156	6,870	57.75	1,018,435	2,074	1.72
Chesapeake & Ohio Ry. Co.	7,039,686	20.06	3,036	1.34832	27,549,696	78.52	11,880	3.47102	35,085,278	15,129	24,451,560	10,544	69.69	3,298,503	1,422	5.25
Norfolk & Western Ry. Co.	5,692,627	13.01	2,814	1.32355	37,588,024	85.94	18,582	3.24200	43,739,921	21,623	28,956,813	14,122	65.31	11,106,641	5,491	9.02

INITIAL ANTHRACITE CARRIERS.

Central R. R. Co. of New Jersey.....	\$6,150,379	21.65	\$9,097	\$1,320,566	\$21,903,446	77.11	\$32,398	\$4,828,47	\$28,405,757	\$42,016	\$16,404,861	\$24,265	57.75	\$7,332,833	\$10,846	26.73
Philadelphia & Reading Ry. Co.....	8,451,658	16.72	8,283	1,216,43	41,033,465	81.15	40,214	4,023,14	50,562,717	49,553	30,547,341	29,937	60.41	12,060,170	11,849	28.46
Delaware, Lackawanna & Western R. R. Co.....	10,340,522	25.52	11,267	1,674,17	29,618,439	73.10	30,928	4,440,42	40,518,045	42,275	25,283,232	26,380	62.40	11,734,196	12,243	38.93
Lehigh Valley R. R. Co.....	5,658,665	13.15	3,900	1,150,41	36,725,138	85.32	25,311	3,741,89	43,043,372	29,865	20,107,820	20,061	67.62	8,761,828	6,039	14.46
Delaware & Hudson Co.....	3,597,304	14.99	4,214	1,263,64	20,104,347	83.77	23,552	3,526,94	23,999,532	28,115	14,656,690	17,170	61.07	6,978,539	8,175	16.42
Erie R. R. Co.....	12,337,246	22.86	6,206	1,026,22	40,120,601	74.34	20,185	3,586,89	53,971,813	27,151	35,379,385	17,798	61.93	8,026,368	4,038	4.55
New York, Susquehanna & Western R. R. Co.....	842,929	28.80	5,459	1,189,35	2,008,649	68.63	13,008	3,989,66	2,926,926	18,954	1,981,257	12,830	67.69	208,096	1,348	.80
Wilkes-Barre & Eastern R. R. Co.....	5,096	.77	55	0,136,52	656,249	98.96	7,105	3,407,19	663,144	7,180	403,295	4,367	60.82	.....	.....	.....
New York, Ontario & Western Ry. Co.....	1,962,648	20.76	3,470	1,094,80	7,311,127	77.33	12,926	2,413,28	9,454,349	16,715	6,499,040	11,490	68.74	1,211,633	2,142	2.08
Pennsylvania R. R. Co.....	45,556,592	23.05	11,300	1,625,44	133,032,534	73.17	33,002	4,087,17	181,830,903	45,101	133,755,028	33,176	73.56	40,854,475	10,133	18.94
Northern Central Ry. Co.....	3,138,915	23.54	6,648	1,329,09	9,965,319	74.73	21,105	3,173,57	13,334,943	28,241	11,368,579	24,077	85.25	1,944,478	4,118	10.05

* Allowance made in basis for issue of stock in May, 1913.

TABLE IV.—Statement for comparison of certain statistical data, anthracite carriers and other carriers, year ended June 30, 1913—Continued.
 [Based on data in annual reports of the carriers named to the Interstate Commerce Commission, except where noted.]

Name of road.	Dividends declared.				Profit and loss and surplus at end of year. ¹	Average receipts per ton per mile.			Average haul per ton.			Average number of tons per loaded car-mile, freight.	Average tonnage per car, water, anthracite coal.*	Average freight revenue per loaded car-mile.
	Common stock.		Preferred stock.			All freight.	Anthracite coal.	Bituminous coal.	All freight.	Anthracite coal.	Bituminous coal.			
	Rate.	Amount.	Rate.	Amount.										
(q)	(r)	(s)	(t)	(v)	(w)	(x)	(y)	(z)	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)
N. Y. C. & Hudson River R. R. Co.	P. ct.	\$11,171,975	P. ct.		\$14,049,189	Miles.	Miles.	Miles.	Miles.	Miles.	497.84	18.25		11.10
Baltimore & Ohio R. R. Co.	5	9,120,976	4	\$2,354,891	87,410,162	6.08	4.59	3.63	203.52	159.37	212.55	25.41		14.24
Buffalo, Rochester & Pittsburgh R. R. Co.	6	630,000	6	360,000	\$448,796	5.60	5.01	3.97	197.53	171.66	206.60	34.61		15.96
Boston & Maine R. R.	3	1,185,150	6	188,988	1/4 296	4.61	4.94	4.15	163.35	95.07	176.68	291.56		16.56
Michigan Central R. R. Co.	6	1,124,154			13,612,813	10.54			106.82			15.70		11.09
Pitts., Cinn., Chi. & St. L. Ry Co.	5	1,858,650	5	1,374,070	410,080	0.42	3.80	6.22	158.46	184.03	70.31	22.22		12.97
Hocking Valley Ry. Co.	11 1/2	1,264,943			2,125,164	5.84	(*)	(*)	123.51	(*)	(*)	36.28		15.89
Chicago & Alton R. R. Co.					8,769,855	5.61	7.46	3.77	130.04	46.77	148.19	22.34		12.52
Chicago, Ind. & Southern R. R. Co.					2,559,280	4.34	2.84	3.08	103.54	93.03	104.18	25.64		11.12
Illinois Central R. R. Co.	6	6,557,711		267,682	1,696,462	5.77	4.34	3.08	103.54	93.03	104.18	25.64		11.12
Louisville & Nashville R. R. Co.	7	4,618,733			40,338,581	7.79	6.34	4.76	171.00	119.14	160.23	20.26		11.11
Atlantic Coast Line R. R. Co.	7	4,580,237	5	9,925	27,895,987	12.03	4.22	6.31	156.27	328.43	159.58	13.19		15.87
Virginian Ry. Co.					928,341	3.43	6.67	3.07	353.47	102.22	389.72	45.06		15.46
Chesapeake & Ohio Ry. Co.	5	3,139,080			2,514,681	4.12	0.19	3.15	265.94	133.93	278.46	29.77		12.25
Norfolk & Western Ry. Co.	6	5,786,736	4	919,668	1,553,088	4.24			270.81		763.84	30.57		12.98

¹ Deficits in italics.
² Based on answers to question No. 36 of Commission's order of December 23, 1912, in Docket 4914, which calls for this average for certain tidewater points only.
³ Anthracite and bituminous together average 4.02 miles.
⁴ Anthracite and bituminous together average 109.48 miles.

TABLE V.—Statement of mileage and traffic statistics.
CENTRAL RAILROAD COMPANY OF NEW JERSEY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.				Average mileage operated during the year. (f)	Passenger miles per mile of road. (g)	Average haul per passenger. (h)	Average passenger train revenue. (i)		Average number of passenger receipts per passenger mile. (k)	Average number of passengers. (l)		Average number of passenger cars per train-mile. (m)	Average number of passenger cars per train-mile. (n)	Average tractive power of locomotives in freight service. ¹ (o)	Average capacity of cars in freight service. (p)		Ratio of operating expenses to operating revenue. (r)
	Single track. (a)	Second track. (b)	Third and fourth tracks. (c)	Yard track and sidings. (d)				All tracks. (e)	Per mile of road. (i)		Per train-mile. (j)	Per train-mile. (l)				Per car-mile. (m)	Coal cars. ¹ (p)		All cars. (q)
1913.....	676	262	72	737	676	556,902	15.53	\$9,097	\$1,32056	1.463	81	27	4.35	Per ct. 57.75
1912.....	669	262	72	699	669	552,927	15.21	8,962	1,28382	1.469	79	27	4.26	28,356	.....	76,817	57.29
1911.....	634	225	72	612	634	513,735	14.09	8,315	1,24708	1.453	77	27	4.18	28,086	83,031	74,594	57.26	
1910.....	669	263	71	620	669	474,624	13.86	7,506	1,21880	1.406	77	21	4.24	27,700	82,980	74,330	55.63	
1909.....	668	216	71	553	668	453,485	13.66	7,090	1,17801	1.405	75	21	4.18	27,358	79,986	71,368	56.92	
1908.....	668	213	71	543	668	453,442	13.56	7,098	1,16604	1.414	74	21	4.11	27,358	77,324	70,263	58.20	
1907 ²	667	213	71	528	667	486,107	14.63	7,998	1,19833	1.478	73	.....	4.20	27,353	72,516	67,564	54.96
1906 ²	666	213	71	497	666	447,728	14.54	7,198	1,12700	1.476	70	.....	4.09	26,912	69,486	65,231	55.11
1905 ²	658	213	71	472	658	391,005	13.91	6,404	1,12593	1.493	69	.....	4.33	25,939	66,783	63,161	54.96
1904 ²	695	213	70	471	695	349,511	13.97	5,774	1,08799	1.507	66	.....	4.28	26,133	65,185	62,110	57.00
1903 ²	695	211	69	455	695	318,906	14.10	5,355	1,01850	1.540	61	.....	4.18	24,834	62,898	59,571	63.40

Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight.	Average haul per ton, all freight.	Average freight revenue.		Average receipts per ton-mile, all freight.	Average number of tons.		Average number of cars per train-mile.		
	Anthracite coal.		All freight.			Per mile of road.	Per train-mile.		Per load- ed car-mile.	Loaded.	Empty.	Total.	
	Tons.	Ratio to total tonnage.											
													(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)
1913	10,783,014	31.52	23,425,308	34,208,322	72.56	\$4,82847	832,398	8.82	547.20	27.91	19.61	12.05	32.55
1912	9,574,542	30.70	21,613,832	31,188,374	70.87	4,42370	28,441	8.61	513.78	27.17	18.91	11.48	31.31
1911	10,205,142	33.19	20,545,087	30,750,229	71.80	4,59997	29,568	8.49	541.89	27.44	19.74	12.75	33.41
1910	9,256,181	31.36	20,265,209	29,521,300	72.39	4,37648	27,005	8.45	517.36	27.15	19.06	11.77	31.74
1909	9,242,137	35.19	17,018,390	26,260,527	75.28	4,32087	24,839	8.39	514.89	27.09	19.01	13.03	32.97
1908	9,664,552	36.83	16,576,003	26,240,555	78.84	4,38874	26,144	8.44	519.78	27.16	19.13	13.17	33.22
1907 ¹	8,776,936	31.28	19,286,209	28,063,145	73.78	4,27472	27,195	8.52	501.49	25.91	19.36	12.18	31.54
1906 ²	7,830,237	30.81	17,585,902	25,416,139	76.09	4,26206	24,611	8.48	502.40	24.68	20.34	12.85	33.20
1905 ³	8,010,380	35.07	14,833,049	22,843,429	81.59	4,24218	23,692	8.37	506.73	24.25	20.89	13.97	34.86
1904 ⁴	7,682,329	36.04	13,631,648	21,313,977	82.15	4,28134	21,473	8.53	501.93	24.00	20.91	13.92	34.83
1903 ⁵	5,847,963	29.93	13,691,760	19,539,723	78.25	4,00245	18,928	8.60	465.27	23.25	20.01	12.70	32.71

¹ From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.

² Adjusted to basis used in 1909 and succeeding years.

³ Water line operations (reported as outside operations since 1903) omitted in computing "per mile of road" and like averages.

TABLE V.—Statement of mileage and traffic statistics—Continued.

PHILADELPHIA AND READING RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.					Average mileage operated during the year.	Passenger miles per mile of road.	Average haul per passenger.	Average passenger revenue.			Average number of passengers.	Average number of passenger cars per train-mile.	Average number of passenger cars per train-mile.	Average number of passenger cars per train-mile.	Average tractive power of locomotives in freight service. ¹	Average capacity of cars in freight service.		Ratio of operating expenses to operating revenue.
	Single track.	Second track.	Third and fourth tracks.	Yard track and sidings.	All tracks.				Per mile of road.	Per train-mile.	Per car-mile.						Coal cars. ¹	All cars.		(p)	(q)	(r)
1913.....	1,020	519	104	1,156	2,799	1,020	402,581	14.87	\$8,283	\$1.21164	1.729	59	17	4.33	33,037	71,195	74,856	60.41	
1912.....	1,015	519	101	1,176	2,811	1,015	392,704	14.77	8,034	1.17164	1.733	57	17	4.17	32,379	70,341	72,024	64.00	
1911.....	1,015	519	92	1,136	2,762	1,015	404,840	14.25	8,088	1.18782	1.703	59	17	4.21	32,064	66,790	68,248	62.27	
1910.....	1,022	520	82	1,104	2,728	1,022	402,220	13.12	7,971	1.22972	1.717	62	18	4.27	31,619	65,308	66,029	59.99	
1909.....	1,024	508	82	1,097	2,711	1,024	362,578	14.92	7,007	1.11247	1.665	58	17	4.16	31,481	64,480	65,227	61.00	
1908.....	1,007	508	82	1,075	2,672	1,007	363,427	15.28	7,216	1.10651	1.698	56	17	4.06	31,395	61,665	62,486	63.84	
1907.....	1,002	504	70	1,065	2,641	1,002	403,135	13.48	7,118	1.06135	1.584	60	.....	4.10	31,097	61,606	60.85	
1906.....	993	477	52	1,055	2,577	993	391,936	13.13	6,949	1.06246	1.597	60	.....	4.05	29,398	58,366	55.93	
1905.....	1,007	460	37	1,092	2,512	1,007	359,337	12.69	6,322	.99384	1.581	56	.....	3.95	28,277	58,366	52.87	
1904.....	1,014	443	25	1,092	2,474	1,014	344,207	12.63	6,067	.91627	1.581	52	.....	3.78	28,277	58,366	57.82	
1903.....	1,013	439	13	988	2,453	1,013	325,691	12.76	5,716	.87282	1.587	50	.....	3.85	27,449	58,898	60.14	

35 I. C. C. Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight. (w)	Average haul per ton, all freight. (x)	Average freight revenue.		Average receipts per ton- mile, all freight. (aa)	Average number of tons.		Average number of cars per train-mile.			
	Anthracite coal.		All freight. (v)			Per train mile. (z)	Per load- ed car- mile. (cc)		Loaded. (dd)	Empty. (ee)	Total. (ff)			
	Tons. (s)	Ratio to total tonnage. (t)										Other freight. (u)	Per mile of road. (y)	Per train- mile. (bb)
1913.....	12,860,092	23.16	42,665,857	5,351,454	88.34	\$40,214	\$4,02314	Miles 7.51	535.38	20.70	11.01	32.57		
1912.....	11,224,945	23.03	37,518,014	4,721,168	98.33	35,010	3,77250	7.42	508.72	20.25	11.21	32.37		
1911.....	11,675,406	24.42	36,132,369	4,598,215	97.58	34,875	3,76967	7.58	497.02	20.14	11.61	32.58		
1910.....	10,929,612	23.04	36,501,651	4,451,263	97.12	34,499	3,65496	7.65	477.49	19.86	11.13	31.85		
1909.....	11,586,840	28.53	29,027,202	3,816,635	98.23	30,512	3,63584	7.99	454.80	19.54	12.28	32.65		
1908.....	13,537,464	31.05	30,066,122	4,164,131	96.13	31,870	3,50152	7.65	457.51	18.86	11.68	31.35		
1907.....	13,223,781	27.09	35,604,564	4,430,151	90.90	35,024	3,16646	7.91	490.52	(*)	(*)	(*)		
1906.....	11,856,872	26.53	32,841,443	4,132,711	91.81	32,649	2,96465	7.90	375.25	(*)	(*)	(*)		
1905.....	12,029,459	30.14	27,879,614	3,717,099	93.74	30,005	2,93914	8.07	364.11	(*)	(*)	(*)		
1904.....	11,324,624	31.44	24,692,463	3,289,776	92.65	27,481	2,84957	8.35	341.37	(*)	(*)	(*)		
1903.....	7,932,891	22.93	26,665,286	3,181,775	93.19	25,377	2,68581	7.97	336.96	(*)	(*)	(*)		

* From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.

† Adjusted to basis used in 1909 and succeeding years.

‡ No data.

TABLE V.—Statement of mileage and traffic statistics—Continued.
DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.				Average mileage operated during the year. (f)	Passenger-miles per mile of road. (g)	Average haul per passenger. (h)	Average passenger-traffic revenue. (i)		Average receipts per passenger-mile. (k)	Average number of passengers. (l, m)		Average number of passenger-cars per train-mile. (n)	Average age of power-tractives in freight service. ¹ (o)	Average capacity of cars in freight service. (p, q)		Ratio of operating expenses to operating revenues. (r)
	Single track. (a)	Second track. (b)	Third and fourth tracks. (c)	Yard and tracks and sidings. (d)				All tracks. (e)	Per mile of road. (i)		Per train-mile. (j)	Per train-mile. (l)			Per car-mile. (m)	Coal cars. ¹ (p)		All cars. (q)
1913.....	960	541	.....	1,028	2,599	2,958	575,448	20.69	\$11,267	1.646	86	22	6.07	30,921	73,705	67,193	62.40
1912.....	959	540	.....	1,029	2,528	2,945	595,839	19.35	\$11,240	1.606	85	22	6.54	29,523	72,565	66,186	64.79
1911.....	930	512	.....	995	2,437	2,930	607,374	19.17	\$11,368	1.511	85	22	6.46	28,912	71,736	65,733	60.17
1910.....	930	512	.....	993	2,395	2,930	609,328	18.98	\$10,574	1.386	87	23	6.41	28,598	70,637	65,319	63.58
1909.....	893	512	.....	899	2,304	2,893	610,676	19.46	\$10,592	1.373	84	23	6.24	27,958	69,655	64,404	55.07
1908.....	893	512	.....	880	2,285	2,893	584,979	20.33	\$10,334	1.399	83	22	6.30	27,418	68,481	63,535	54.26
1907.....	817	480	.....	838	2,135	817	543,480	19.70	9,975	1.432	78	.....	6.34	27,101	66,707	62,115	57.34
1906.....	816	480	.....	804	2,100	816	500,501	19.91	9,261	1.435	73	.....	6.30	26,400	66,021	60,960	52.91
1905.....	816	480	.....	767	2,063	816	463,517	20.48	8,486	1.421	69	.....	5.94	25,814	63,568	59,875	54.71
1904.....	798	480	.....	715	1,993	798	452,674	20.32	8,230	1.421	67	.....	5.82	25,071	56,999	54,722	55.10
1903.....	798	473	.....	695	1,966	798	415,212	19.62	7,592	1.443	64	.....	.....	.....	.....	.....	.....

RATES FOR TRANSPORTATION OF ANTHRACITE COAL.

431

Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight.	Average haul per ton, all freight.	Average freight revenue.		Average receipts per mile, all freight.	Average number of tons.		Average number of cars per train-mile.			
	Anthracite coal.		All freight.			Per mile of road.	Per train-mile.		Per loaded car-mile.	Loaded.	Empty.	Total.		
	Tons.	Ratio to total tonnage.											Other freight.	Per train-mile.
			(s)			(t)	(u)		(v)	(w)	(x)	(y)			(z)	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)
1913	10,403,262	41.89	14,429,926	24,833,188	4,466,173	172.23	\$30,928	\$4,44042	6.93	641.22	22.97	27.92	11.49	40.45
1912	9,087,463	42.82	12,132,828	21,220,291	3,819,443	170.08	27,042	4,05440	7.08	574.05	21.79	26.35	12.07	39.45
1911	9,044,864	44.73	11,919,951	21,663,915	3,915,923	168.90	28,027	4,12316	7.10	576.08	21.93	26.27	12.16	39.47
1910	10,238,870	47.67	11,304,979	21,603,849	3,951,580	170.13	28,803	3,97343	7.29	545.14	22.38	24.36	11.55	36.87
1909	10,033,827	52.66	9,019,869	19,053,696	3,766,323	176.50	27,810	3,72472	7.38	504.44	22.24	22.68	11.50	35.24
1908	9,870,547	52.55	9,001,672	18,972,219	3,886,814	182.98	28,165	3,48382	7.25	480.77	22.52	21.35	10.62	33.02
1907	10,788,930	51.42	10,132,882	20,981,912	4,291,316	167.16	31,521	3,51913	7.34	478.10	21.07	22.74	9.68	32.42
1906	9,461,269	51.60	8,873,918	18,335,187	3,733,956	166.26	27,441	3,33151	7.35	453.33	20.17	22.48	10.37	33.05
1905	11,010,957	62.15	6,702,893	17,713,850	3,733,178	172.05	27,680	3,36185	7.41	453.41	20.65	21.96	10.96	32.92
1904	9,527,234	56.17	7,433,075	16,960,309	3,552,624	167.18	26,610	3,27682	7.49	437.49	19.83	22.07	10.67	32.74
1903	7,443,425	51.29	7,067,898	14,511,323	2,990,692	164.49	24,354	3,30536	8.14	405.90	18.78	21.61	10.28	31.89

1 From answers to the Commissioner's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.
 2 Represents freight mileage operated during the year.
 3 Based on passenger mileage operated during the year as follows: 917.79 in 1913; 843.61 in 1912; 823.74 in 1911; 828.75 in 1910; 790.89 in 1909; and 807.43 in 1908.
 4 Adjusted to basis used in 1909 and succeeding years.

TABLE V.—Statement of mileage and traffic statistics—Continued.

DELAWARE & HUDSON COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.					Average mileage operated during the year.	Passenger-miles per mile of road.	Average haul per passenger.	Average passenger-train revenue.		Average receipts per passenger-mile.	Average number of passengers.		Average number of passenger-cars per train-mile.	Average tractive power of locomotives in freight service. ¹	Average capacity of cars in freight service.		Ratio of operating expenses to operating revenues.
	Single track.	Second track.	Third and fourth tracks.	Yard tracks and sidings.	All tracks.				Per mile of road.	Per train-mile.		Per train-mile.	Per car-mile.			Coal cars. ¹	All cars.		(p)	(q)	(r)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1913.....	854	328	39	648	1,869	854	182,027	18.94	\$4,214	\$1,20364	1.990	55	16	5.54	39,053	80,563	74,441	61.07
1912.....	852	326	40	610	1,828	852	171,095	18.49	3,982	1,20855	2.044	52	15	4.64	37,838	80,294	73,818	61.04
1911.....	852	326	40	601	1,819	843	168,385	17.78	3,903	1,18474	2.055	51	16	4.57	36,290	79,582	72,934	60.60
1910.....	819	304	40	596	1,759	819	168,263	19.11	3,943	1,19367	2.081	51	16	4.45	34,280	79,105	72,529	58.03
1909.....	843	304	41	621	1,809	843	151,647	19.04	3,645	1,11434	2.126	46	15	4.38	33,585	78,763	72,259	58.32
1908.....	845	296	41	614	1,796	845	161,341	19.02	3,879	1,06597	2.139	44	14	4.45	32,944	76,785	71,111	58.29
1907.....	845	288	18	590	1,741	845	158,858	17.98	3,794	.95947	2.116	40	.....	4.45	31,289	69,873	65,651	60.63
1906.....	843	283	21	551	1,698	843	150,637	17.55	3,633	.88347	2.129	37	.....	4.41	30,181	67,294	63,447	63.41
1905.....	843	282	18	524	1,667	843	138,071	17.45	3,366	.88188	2.156	36	.....	4.42	26,282	66,305	61,550	61.22
1904.....	821	253	19	478	1,571	821	138,104	17.60	3,427	.84455	2.197	34	.....	4.20	25,502	64,642	61,550	60.69
1903.....	718	250	19	428	1,415	718	147,304	17.40	3,817	.95324	2.297	37	.....	4.51	25,502	64,642	58,465	59.48

Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight. (w)	Average haul per ton, all freight. (x)	Average freight revenue.		Average receipts per ton-mile, all freight. (aa)	Average number of tons.		Average number of cars per train-mile.			
	Anthracite coal.		Other freight. (u)			All freight. (v)	Per mile of road. (y)		Per train mile. (z)	Per train-mile. (bb)	Per loaded car-mile. (cc)	Loaded. (dd)	Empty. (ee)	Total. (ff)
	Tons. (s)	Ratio to total tonnage. (t)												
1913.....	9,160,915	Per cent. 44.81	11,282,335	20,443,250	Miles. 148.03	\$23,552	\$3,52694	Miles. 6.64	530.89	26.04	20.38	10.04	31.38	
1912.....	7,829,209	41.34	11,109,154	18,838,363	138.72	20,638	3,19244	6.69	477.11	24.84	19.21	8.95	29.11	
1911.....	9,071,818	46.19	10,569,001	19,640,819	128.80	20,674	3,08771	6.89	448.33	24.11	18.59	8.41	27.95	
1910.....	7,431,034	41.37	10,532,447	17,963,501	135.96	19,571	2,80826	6.57	427.65	24.15	17.70	7.03	26.26	
1909.....	8,482,199	47.64	9,322,762	17,804,961	127.01	18,507	2,77252	6.90	401.66	24.25	16.56	8.94	26.46	
1908.....	9,806,154	51.36	9,286,215	19,092,369	120.74	19,089	2,80782	7.00	409.72	25.16	16.28	8.62	24.90	
1907.....	9,803,760	49.03	10,192,093	19,995,763	118.04	17,893	2,85738	6.40	458.69	25.07	18.29	7.80	26.10	
1906.....	8,645,437	48.80	9,071,643	17,717,080	118.45	15,574	2,88927	6.26	461.91	24.00	19.24	8.48	27.72	
1905.....	8,604,698	51.60	8,070,791	16,676,489	116.36	14,984	2,75737	6.51	423.62	23.38	18.12	8.60	26.72	
1904.....	.....	.....	.....	15,635,052	111.37	14,013	2,75064	6.87	400.41	22.23	18.02	8.82	26.84
1903.....	.....	.....	.....	12,768,695	109.24	13,026	2,45932	6.70	366.90	20.85	17.60	8.17	25.76

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.
 2 Adjusted to basis used in 1909 and succeeding years.

TABLE V.—Statement of mileage and traffic statistics—Continued.

LEHIGH VALLEY RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.				Average mileage operated during the year.	Passenger-miles per mile of road.	Average haul per passenger.	Passenger-train revenue.		Average receipts per passenger mile.	Average number of passengers.		Average number of passenger cars per train-mile.	Average age of locomotives in freight service. ¹	Average capacity of cars in freight service.		Ratio of operating expenses to operating revenues.	
	Single track.	Second track.	Third and fourth tracks.	Yard tracks and sidings.				All tracks.	Per mile of road.		Per train-mile.	Per train-mile.			Per car-mile.	Coal cars. ¹		All cars.	(p)	(q)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1913.....	1,439	596	137	1,183	3,355	1,451	187,248	40.23	3,900	\$1.15041	1.792	55	15	5.25	.....	72,763	67.62
1912.....	1,454	606	111	1,173	3,344	1,441	183,933	49.53	3,792	1.10769	1.775	54	15	5.22	80,567	72,834	66.98	
1911.....	1,430	597	101	1,143	3,271	1,432	180,105	48.13	3,704	1.08321	1.771	53	14	5.20	80,487	72,780	62.11	
1910.....	1,433	597	90	1,141	3,261	1,440	171,912	47.86	3,539	1.11024	1.749	54	15	5.30	80,445	72,863	59.96	
1909.....	1,441	588	84	1,128	3,241	1,446	154,466	45.79	3,199	1.03522	1.749	50	14	5.15	80,063	71,475	62.09	
1908.....	1,446	588	84	1,110	3,228	1,443	170,648	50.15	3,345	1.09443	1.684	56	16	5.25	79,205	70,690	62.53	
1907.....	1,440	579	77	1,067	3,163	1,443	173,640	48.34	3,486	1.13836	1.742	57	.....	5.38	71,097	65,314	61.20
1906.....	1,445	577	44	1,068	3,134	1,429	159,085	45.56	3,236	1.08933	1.747	54	.....	5.24	68,869	61,520	61.34
1905.....	1,393	576	36	999	3,003	1,394	144,961	44.55	2,954	1.01434	1.737	* 52	.....	5.20	60,959	60,163	60.40
1904.....	1,385	574	28	984	2,971	1,393	130,952	43.43	2,678	.94924	1.730	* 49	.....	5.01	50,808	59,272	63.02
1903.....	1,392	574	21	967	2,954	1,392	122,198	41.01	2,673	.91280	1.876	* 45	.....	4.82	60,709	59,014	71.06

35 I. C. C. Year ended June 30—	Tons carried.		Ton-miles of road, all freight.	Average haul per ton, all freight.	Freight revenue.		Average receipts per ton- mile, all freight.	Average number of cars per train-mile.					
	Anthracite coal.	All freight.			Per mile of road.	Per train- mile.		Loaded.	Empty.	Total.			
	Tons. (s)	Ratio to total tonnage. (t)	Other freight. (u)	(v)	(x)	(y)	(z)	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)
1913.....	14,732,940	<i>Per cent.</i> 45.52	17,634,847	32,367,796	<i>Miles.</i> 179.57	\$25,311	\$3,741.89	<i>Miles.</i> 6.32	592.22	24.42	24.25	10.91	36.10
1912.....	11,627,086	41.50	16,386,214	28,013,300	170.81	21,442	3,606.04	6.46	558.55	22.84	24.46	11.06	36.48
1911.....	12,597,800	44.18	15,914,512	28,512,312	171.30	22,232	3,500.79	6.52	536.97	22.69	23.66	11.08	35.70
1910.....	11,513,475	42.36	15,668,062	27,181,537	174.26	21,232	3,459.47	6.46	535.85	22.65	23.66	10.27	34.90
1909.....	11,144,452	44.83	13,714,753	24,859,205	176.91	19,454	3,378.66	6.39	528.34	22.85	23.12	11.55	35.62
1908.....	12,551,587	47.40	13,928,574	26,480,161	181.08	20,852	3,218.68	6.30	511.28	23.40	21.85	10.59	33.87
1907.....	11,870,690	42.16	16,283,250	28,153,950	169.43	20,861	3,322.38	6.31	526.38	21.83	24.11	10.92	35.03
1906.....	10,238,999	40.05	15,329,252	25,568,251	169.85	19,020	3,152.76	6.26	503.70	20.46	24.62	11.70	36.38
1905.....	10,574,642	44.48	13,199,645	23,774,287	172.61	18,627	3,168.07	6.33	500.76	20.31	24.66	11.79	36.45
1904.....	9,980,647	45.60	11,918,450	21,909,097	177.85	17,829	3,087.92	6.37	488.15	19.76	24.60	12.23	36.83
1903.....	7,700,608	38.66	12,219,524	19,920,132	182.35	15,598	2,902.35	5.98	485.52	19.44	24.97	12.57	37.54

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.

2 Adjusted to the basis used in 1909 and succeeding years.

3 Basis excludes express-train mileage.

TABLE V.—Statement of mileage and traffic statistics—Continued.

PENNSYLVANIA RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.				Average mileage operated during the year.	Passenger-miles per mile of road.	Average haul per passenger.	Passenger-train revenue.		Average receipts per passenger-mile.	Average number of passengers.		Average number of passenger cars per train-mile.	Average age of tractive power of locomotives in freight service. ¹	Average capacity of cars in freight service.		Ratio of operating expenses to operating revenues.	
	Single track.	Second track.	Third and fourth tracks.	Yard tracks and sidings.				All tracks.	Per mile of road.		Per train-mile.	Per train-mile.			Per car-mile.	Coal cars. ¹		All cars.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1913.....	4,032	1,475	917	3,936	10,360	4,032	474,214	25.26	\$11,300	\$1.62544	1.921	68	17	5.75	.....	.....	.....	73.56
1912.....	4,021	1,452	917	3,877	10,267	4,021	440,145	25.54	10,636	1.52304	1.935	63	16	5.55	37,748	96,948	90,688	71.93
1911.....	3,978	1,405	910	3,729	10,022	3,978	427,110	25.01	10,366	1.50923	1.947	62	16	5.56	37,351	96,214	89,786	72.15
1910.....	3,971	1,366	901	3,639	9,877	3,971	409,919	24.06	9,897	1.55459	1.925	64	16	5.66	36,472	94,806	88,765	68.70
1909.....	4,017	1,359	919	3,616	9,911	4,017	307,489	24.83	9,014	1.50017	1.949	61	16	5.60	36,072	92,307	86,995	70.14
1908.....	4,024	1,343	877	3,582	9,826	4,024	394,415	25.08	9,348	1.50231	1.919	63	* 16	5.52	35,068	90,966	85,811	72.09
1907.....	4,012	1,334	863	3,549	9,758	3,976	391,251	24.47	9,248	1.47377	1.967	62	.....	5.54	34,838	89,683	84,524	70.01
1906.....	3,927	1,286	856	3,381	9,450	3,927	353,919	23.96	8,612	1.45330	2.027	60	.....	5.49	34,754	84,402	80,514	68.38
1905.....	3,887	1,216	844	3,132	9,079	3,887	323,529	24.18	7,714	1.37030	2.000	57	.....	5.51	33,466	78,005	76,898	69.61
1904.....	3,949	1,117	805	2,825	8,696	3,950	309,467	23.60	7,704	1.40992	2.020	57	.....	5.40	31,971	76,764	73,917	70.16
1903.....	3,784	1,097	761	2,667	8,209	3,784	321,691	23.80	7,930	1.46919	2.016	60	.....	5.33	30,812	73,714	71,370	68.61

Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight. (w)	Average haul per ton, all freight. (x)	Freight revenue.		Average receipts per ton-mile, all freight. (aa)	Average number of tons.		Average number of cars per train-mile.			
	Anthracite coal.		Other freight. (u)			All freight. (v)	Per ton-mile of road. (y)		Per train-mile. (z)	Per train-mile. (bb)	Per load-car-mile. (cc)	Loaded. (dd)	Empty. (ee)	Total. (ff)
	Tons. (s)	Ratio to total tonnage. (t)												
1913	11,019,787	Per cent. 7.73	131,545,444	142,565,231	Miles. 160.02	\$33,002	\$4,08717	Miles. 5.83	700.80	27.63	25.37	13.43	39.77	
1912	10,740,296	8.53	115,207,049	125,947,345	162.87	29,595	3,92306	5.80	676.20	26.83	25.20	13.75	39.93	
1911	11,074,141	9.99	105,187,823	116,861,964	167.67	28,586	3,84220	5.80	661.99	26.71	24.78	13.19	38.98	
1910	10,668,852	8.81	110,484,019	121,152,871	168.43	29,882	3,76833	5.80	649.41	26.90	24.14	12.73	37.84	
1909	9,902,825	9.75	91,726,515	101,629,340	174.31	24,982	3,60171	5.67	635.76	26.99	23.56	13.34	37.87	
1908	10,483,317	9.73	97,248,393	107,731,710	176.44	26,937	3,32330	5.70	582.79	27.46	21.23	12.12	34.33	
1907	10,821,418	8.64	114,438,485	125,239,903	159.07	26,888	3,24393	5.87	552.30	26.91	20.53	11.84	32.37	
1906	9,088,988	8.05	103,773,197	112,862,185	149.80	23,334	3,00872	5.88	514.01	25.15	20.44	11.87	32.31	
1905	9,739,833	9.72	90,447,219	100,187,052	146.25	22,017	3,10927	6.04	497.79	24.05	20.69	11.79	32.48	
1904	9,103,384	9.23	88,994,641	98,098,025	147.59	23,170	3,30366	6.06	512.92	23.81	21.54	12.03	33.57	
1903	6,624,257	6.67	92,732,868	99,367,125				5.98	552.59	23.48	23.54	13.08	36.62	

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.

2 Represents average capacity of hopper cars and "Gs" cars, excluding plain gondolas.

3 Adjusted to basis used in 1909 and succeeding years.

4 Operations of Jersey City ferries and Pennsylvania annex included, except for column (g) "Passenger miles per mile of road." These operations for subsequent years not included in bases for averages here given.

TABLE V.—Statement of mileage and traffic statistics—Continued.
NORTHERN CENTRAL RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.				Average mileage operated during the year.	Passenger-miles per mile of road.	Average haul per passenger.	Passenger-train revenue.		Average receipts per passenger-mile.	Average number of passengers.		Average number of passenger cars in freight service. ¹	Average capacity of cars in freight service.	Ratio of operating expenses to operating revenues.		
	Single track.	Second track.	Third and fourth tracks.	Yard tracks and sidings.				All tracks.	Per mile of road.		Per train-mile.	Per train-mile.				Per car-mile.	Coal cars. ¹	All cars.
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1913.....	472	159	50	428	1,107	208,055	23.75	\$6,648	\$1.32909	1.981	54	16	5.01	34,868	88,865	87,073	85.25
1912.....	473	159	51	421	1,104	241,887	23.12	6,118	1.23636	2.017	49	14	4.94	33,821	85,951	84,246	86.96
1911.....	472	160	51	415	1,098	237,785	22.52	6,051	1.23660	2.031	49	14	5.00	32,763	82,837	81,513	85.74
1910.....	471	159	49	414	1,093	229,994	21.22	5,702	1.20534	1.967	49	14	4.91	32,597	80,463	78,453	78.45
1909.....	466	154	50	393	1,063	216,689	22.27	5,439	1.15983	1.988	46	14	4.75	31,694	75,296	76,656	78.63
1908.....	463	151	50	314	978	227,728	21.48	5,655	1.13489	1.985	46	14	4.63	31,598	74,552	76,148	78.44
1907.....	462	151	40	326	979	224,250	20.86	5,394	1.08737	2.017	45	.....	4.74	30,272	71,801	73,238	78.00
1906.....	462	149	40	318	969	198,659	19.86	5,022	1.05132	2.124	42	.....	4.83	29,638	63,902	66,797	74.63
1905.....	462	149	27	310	948	185,567	19.84	4,559	.99815	2.072	40	.....	4.73	28,473	61,809	63,191	79.22
1904.....	462	141	2	306	911	169,681	15.22	4,495	.96788	2.243	36	.....	4.26	28,473	61,809	63,191	78.49
1903.....	450	140	2	276	868	175,427	13.37	4,652	.98469	2.278	37	.....	4.31	25,313	57,431	60,726	75.35

Year ended June 30—	Tons carried.			Ton-miles of road, all freight.	Average haul per ton, all freight.	Freight revenue.		Average receipts per ton-mile, all freight.	Average number of tons.		Average number of cars per train-mile.				
	Anthracite coal.		All freight.			Per mile of road.	Per train-mile.		Per train-mile.	Per load- ed car-mile.	Loaded.	Empty.	Total.		
	Tons.	Ratio to total tonnage.												(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)
1913	6,183,035	25.98	17,614,880	23,797,925	3,637,413	72.17	\$21,105	\$3,17357	5.80	546.96	24.45	22.37	9.10	32.43	
1912	5,776,863	26.53	16,000,088	21,776,931	3,403,384	73.96	19,998	2,99075	5.88	508.98	23.05	22.05	8.74	31.76	
1911	6,472,743	28.78	16,015,597	22,488,340	3,496,653	73.39	20,855	3,15447	5.96	528.80	23.55	22.46	9.56	32.99	
1910	5,816,693	26.55	16,090,052	21,006,755	3,493,316	75.08	21,015	3,24098	6.02	538.74	23.67	22.76	9.30	33.03	
1909	5,559,687	28.40	14,013,909	19,573,596	3,059,925	72.91	18,982	3,02656	6.20	487.88	23.33	20.91	10.14	31.99	
1908	5,948,516	26.47	16,523,874	22,472,390	3,399,972	70.08	20,614	3,08925	6.06	509.52	24.30	20.97	10.54	32.48	
1907	5,754,611	24.56	17,578,537	23,433,148	3,504,520	69.10	21,396	2,98542	6.11	489.00	22.91	21.35	11.04	32.39	
1906	4,745,331	22.93	15,947,105	20,692,436	2,934,410	65.53	18,545	2,80754	6.32	444.24	20.84	21.32	11.13	32.45	
1905	5,034,393	27.45	13,303,833	18,338,226	2,652,335	66.83	17,441	2,73018	6.58	415.19	19.03	21.82	12.44	34.26	
1904	4,647,619	25.61	13,502,342	18,149,961	2,647,373	67.40	16,988	2,56878	6.42	398.75	19.65	20.26	10.76	31.02	
1903	3,455,277	19.76	14,038,581	17,493,858	2,530,839	65.07	15,803	2,47919	6.24	397.03	18.70	21.24	10.80	32.04	

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.
 2 Represents average capacity of hopper cars and "Gs" cars, excluding plain gondolas.
 3 Adjusted to basis used in 1909 and succeeding years.

TABLE V.—Statement of mileage and traffic statistics—Continued.

ERIE RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.					Average mileage operated during the year.	Passenger miles per mile of road.	Average haul per passenger.	Average passenger-train revenue.		Average number of passenger-train miles.	Average number of passenger cars per train-mile.	Average number of passenger cars per train-mile.	Average age of passenger cars per train-mile.	Average age of locomotives in freight service. ¹	Average capacity of freight service.		Ratio of operating expenses to operating revenue.
	Single track.	Second track.	Third and fourth tracks.	Yard tracks and sidings.	All tracks.				Per mile of road.	Per train-mile.						Coal cars. ¹	All cars.		Pounds.	Pounds.	Per ct.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1913.....	1,988	940	37	1,562	4,527	1,988	287,847	22.32	\$5.845	\$1.27118	1.561	63	18	5.95	37,598	87,455	77,340	68.17
1911.....	1,995	901	36	1,528	4,460	1,995	230,872	23.35	6.108	1.29765	1.553	65	18	5.90	37,416	84,655	76,371	64.94
1910.....	1,961	852	35	1,567	4,415	1,961	297,072	23.52	5.712	1.27421	1.489	66	19	5.95	37,074	83,812	74,867	65.06
1909.....	1,963	857	33	1,498	4,351	1,963	280,406	23.45	5.332	1.20834	1.472	64	18	5.90	36,759	81,481	73,543	67.18
1908.....	1,905	794	33	1,491	4,223	1,902	308,173	25.45	5.739	1.26993	1.476	68	19	5.65	36,822	78,077	71,816	76.77
1907.....	1,899	786	33	1,472	4,190	1,899	310,950	25.06	5.328	1.26338	1.460	74	.....	5.65	35,535	73,214	68,491	67.17
1906.....	1,881	743	33	1,440	4,097	1,881	294,478	24.87	5.193	1.24115	1.484	70	.....	5.41	35,411	70,723	65,426	68.28
1905.....	1,881	723	33	1,400	4,037	1,881	279,227	25.96	4.828	1.14225	1.464	66	.....	5.29	32,375	63,948	59,686	68.89
1904.....	1,883	711	33	1,323	3,950	1,883	269,784	25.56	4.626	1.12259	1.452	65	.....	5.26	31,756	58,502	55,736	68.84
1903.....	1,886	679	23	1,288	3,876	1,883	260,797	25.09	4.592	1.11687	1.500	63	.....	28,842	56,538	54,556	61.96	

Year ended June 30—	Tons carried.			Ton-miles of road, all freight.	Average haul per ton, all freight.	Average freight revenue.		Average receipts per ton-mile, all freight.	Average number of tons.		Average number of cars per train-mile.			
	Anthracite coal.		Other freight.			Per mile of road.	Per train-mile.		Per train-mile.	Per load- ed car-mile.	Loaded.	Empty.	Total.	
	Tons.	Ratio to total tonnage.												All freight.
			(s)			(t)	(u)		(v)	(w)	(x)	(y)	(z)		(aa)	(bb)	(cc)	(dd)	(ee)	(ff)
1913.....	9,113,862	25.64	26,430,758	35,544,620	2,955,855	165.33	17,958	3.24050	6.08	533.39	20.21	23.39	10.86	38.25
1912.....	9,387,927	26.27	26,914,153	36,502,080	2,942,306	160.84	17,989	3.22886	6.12	527.51	20.50	25.74	10.15	36.88
1911.....	8,703,669	23.13	28,926,628	37,630,297	2,808,448	146.34	17,591	3.11309	6.26	497.02	20.32	24.46	8.92	34.38
1910.....	9,331,192	29.16	22,669,550	37,000,752	2,677,239	164.23	16,326	2.86330	6.10	469.56	20.66	22.73	9.15	32.86
1909.....	9,058,591	27.57	23,301,907	32,860,438	2,594,860	150.16	16,307	2.90296	6.28	461.93	20.34	22.72	8.41	32.12
1908.....	8,622,910	22.57	29,578,753	38,201,663	2,906,883	144.52	18,658	3.00427	6.37	468.05	19.63	23.84	9.78	33.62
1907.....	7,437,475	20.99	27,997,109	35,434,584	2,762,462	146.67	17,283	2.88909	6.21	467.00	18.72	24.41	10.97	35.38
1906.....	7,088,120	23.02	23,703,613	30,791,733	2,422,141	147.99	15,750	2.70648	6.45	416.21	17.74	23.47	10.90	34.37
1905.....	6,966,503	24.63	22,025,790	28,992,293	2,405,206	156.22	15,803	2.62792	6.52	399.97	17.41	22.98	10.63	33.61
1904.....	5,905,949	19.31	24,680,794	30,586,743	2,503,878	154.18	16,088	2.62119	6.37	408.49	17.80	22.94	10.80	33.74

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.
 2 Based on average passenger mileage operated during year of 1,902.63 miles.
 3 Adjusted to basis used in 1909 and subsequent years.

35 I. C. C.

TABLE V.—Statement of mileage and traffic statistics—Continued.

WILKES-BARRE & EASTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.				Average mileage operated during the year.	Passenger miles per mile of road.	Average haul per passenger.	Average passenger-train revenue.		Average receipts per passenger-mile.		Average number of passengers.		Average number of passenger cars per train-mile.	Average number of passenger cars per train-mile.	Average capacity of freight service.	Average capacity of freight service.	Ratio of operating expenses to operating revenues.
	Single track.	Second track.	Third and fourth tracks.	Yard tracks and sidings.				All tracks.	Per mile of road.	Per train-mile.	Per passenger-mile.	Per train-mile.	Per car-mile.						Coal cars.^{1}	All cars.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1913.....	92	.....	.....	33	125	92	2,074	19.15	\$55	13652	2.398	5	4	1.28	.....	.....	.....	60.82
1912.....	92	.....	.....	33	125	92	2,289	20.03	61	15066	2.430	6	4	1.40	26,930	50,000	56,341	68.81
1911.....	92	.....	.....	33	125	92	2,357	19.47	60	14785	2.357	6	4	1.52	26,930	50,000	50,000	61.38
1910.....	92	.....	.....	32	124	92	2,248	18.70	47	11674	1.968	6	3	1.69	26,930	50,000	50,000	73.78
1909.....	92	.....	.....	32	124	92	2,660	20.27	109	26771	1.967	7	4	1.65	26,970	50,000	50,000	71.98
1908.....	92	.....	.....	32	124	92	2,445	21.10	109	26500	2.154	6	4	1.34	26,970	50,000	50,000	80.18
1907.....	92	.....	.....	32	124	92	2,294	21.70	114	32224	2.492	7	4	1.52	26,940	50,000	50,000	67.05
1906.....	94	.....	.....	32	126	94	2,386	23.10	116	36479	2.561	7	.....	1.64	26,940	50,000	49,975	70.92
1905.....	95	.....	.....	30	125	95	2,726	24.72	123	40788	2.512	9	.....	1.60	26,922	50,000	49,978	59.22
1904.....	* 87	.....	.....	30	117	* 87	3,445	25.98	139	44824	2.293	11	.....	2.05	26,922	50,000	49,980	59.22
1903.....	* 87	.....	.....	30	117	* 87	2,731	27.35	123	49937	2.313	11	.....	3.87	26,922	50,000	49,980	49.78

Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight. (w)	Average haul per ton, all freight. (x)	Average freight revenue.		Average receipts per ton-mile, all freight. (aa)	Average number of tons.		Average number of cars per train-mile.			
	Anthracite coal.		All freight. (v)			Per mile of road. (y)	Per train-mile. (z)		Per train-mile. (bb)	Per loaded car-mile. (cc)	Loaded. (dd)	Empty. (ee)	Total. (ff)	
	Tons. (s)	Ratio to total tonnage. (t)												Other freight. (u)
1913	1,306,662	80.92	308,138	1,614,800	Miles. 47.81	\$7,105	\$3,407.19	Miles. 8.50	400.86	36.46	11.00	8.72	20.52	
1912	1,330,600	82.90	274,485	1,605,085	47.35	6,877	3,032.38	8.36	362.82	35.13	10.33	8.57	19.76	
1911	1,488,688	82.92	306,602	1,795,290	46.63	7,467	2,984.06	8.24	362.31	35.01	10.09	8.07	18.99	
1910	1,532,571	87.23	224,520	1,757,091	46.69	7,088	2,966.95	7.98	321.67	36.45	8.83	6.99	16.68	
1909	1,609,592	86.55	250,086	1,859,678	39.31	6,873	2,521.43	8.68	290.38	34.48	8.42	7.02	16.30	
1908	1,481,588	84.57	270,301	1,751,979	49.34	7,312	2,089.76	7.81	267.48	33.89	7.89	6.70	15.38	
1907	1,209,995	79.99	302,641	1,512,636	52.03	6,545	2,210.87	7.68	287.83	29.72	9.68	7.22	16.12	
1906	1,054,344	80.21	267,414	1,351,758	46.92	5,357	2,084.07	7.99	260.98	25.25	10.33	8.79	19.10	
1905	1,160,351	86.32	185,871	1,344,222	50.32	5,957	2,489.00	8.85	297.96	23.63	12.67	11.55	24.22	
1904	1,065,410	83.58	209,289	1,274,699	51.83	6,490	2,032.93	8.53	238.32	21.96	10.85	10.86	21.71	
1903	1,005,323	83.25	202,261	1,207,584	54.18	6,848	2,141.77	9.09	235.63	21.63	10.89	10.57	21.46	

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.
 2 Apparently the mileage operated under trackage rights is omitted; note increase in following year.

TABLE V.—Statement of mileage and traffic statistics—Continued.
NEW YORK, SUSQUEHANNA & WESTERN RAILROAD COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.					Average mileage operated during the year. (f)	Passenger miles per mile of road. (g)	Average haul per passenger. (h)	Average passenger-traffic revenue. (i)		Average receipts per passenger mile. (k)	Average number of passengers. (l)		Average number of passenger cars per train-mile. (m)	Average number of passenger cars per train-mile. (n)	Average power of locomotives in freight service. ¹ (o)	Average capacity of freight service. (p)		Ratio of operating expenses to operating revenues. (r)
	Single track. (a)	Second track. (b)	Third and fourth tracks. (c)	Yard tracks and sidings. (d)	All tracks. (e)				Per mile of road. (i)	Per train-mile. (j)		Per train-mile. (l)	Per car-mile. (m)				Coal cars. ¹ (p)	All cars. (q)		Per ct. (r)
1913.....	157	30	.....	80	277	154	319,640	15.20	\$5,459	1.157	70	22	4.55	.....	.....	.....	93,498	67.69
1912.....	154	30	.....	87	271	154	333,542	15.21	6,611	1.142	72	23	4.62	24,832	.....	.....	92,987	62.26
1911.....	152	26	.....	84	262	152	360,342	15.14	5,695	1.091	76	23	4.65	24,466	.....	.....	82,668	58.46
1910.....	152	26	.....	116	294	152	403,131	15.66	5,957	1.047	86	25	4.81	24,466	.....	.....	81,275	59.85
1909.....	151	26	.....	82	259	151	377,206	15.88	5,592	1.043	84	25	4.71	25,123	.....	.....	72,843	59.37
1908.....	151	26	.....	82	259	151	366,139	16.03	5,474	1.024	84	26	4.64	25,123	.....	.....	63,475	71.45
1907.....	152	26	.....	80	258	152	362,605	16.15	3,917	1.013	92	.....	3.64	24,626	.....	.....	61,013	68.41
1906.....	152	25	.....	78	255	152	318,794	16.08	3,646	1.034	86	.....	3.44	24,593	.....	.....	56,527	67.31
1905.....	152	25	.....	72	249	152	292,952	16.15	3,307	1.034	75	.....	3.30	24,586	.....	.....	49,931	63.91
1904.....	152	25	.....	71	248	152	297,052	16.53	3,230	1.033	82	.....	3.47	24,586	.....	.....	45,701	55.42
1903.....	152	25	.....	69	246	152	244,155	16.20	2,951	1.095	72	.....	3.49	24,586	.....	.....	45,601	53.63

Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight. (w)	Average haul per ton, all freight. (x)	Average freight revenue.		Average receipts per ton-mile, all freight. (aa)	Average number of tons.		Average number of cars per train-mile.		
	Anthracite coal.		All freight. (v)			Per mile of road. (y)	Per train-mile. (z)		Per train-mile. (bb)	Per loaded car-mile. (cc)	Loaded. (dd)	Empty. (ee)	Total. (ff)
	Tons. (s)	Ratio to total tonnage. (t)												Other freight. (u)
1913.....	3,488,719	64.75	1,899,646	1,061,559	30.42	\$13,008	\$3,989,966	1.225	325.60	30.33	10.73	7.05	18.68
1912.....	3,304,116	64.92	1,784,970	1,027,806	31.18	12,455	3,737,15	1.212	308.40	30.29	10.18	7.12	18.22
1911.....	3,467,800	65.55	1,822,658	1,176,490	33.80	13,497	3,680,21	1.147	320.79	31.78	10.09	6.80	17.80
1910.....	2,849,189	61.69	1,769,125	1,105,442	36.38	11,502	2,802,84	1.041	269.37	31.26	8.62	5.38	14.93
1909.....	2,255,040	58.75	1,583,131	961,258	37.93	10,847	2,697,47	1.128	239.05	29.24	8.18	6.38	14.50
1908.....	2,551,085	64.69	1,392,649	1,073,199	41.21	10,594	2,340,78	0.987	237.13	30.43	7.79	5.61	14.35
1907.....	2,609,996	63.38	1,508,312	1,023,873	37.83	11,842	2,543,98	1.147	220.39	25.06	8.79	5.76	14.55
1906.....	2,257,016	64.12	1,263,208	883,078	38.09	10,476	2,373,99	1.180	200.12	21.93	9.11	6.50	15.61
1905.....	2,063,459	67.40	1,937,043	875,502	43.44	10,210	2,429,51	1.161	208.34	20.17	10.33	7.47	17.80
1904.....	1,760,270	68.01	1,823,221	818,721	48.31	9,565	2,361,60	1.163	202.14	18.94	10.68	8.47	19.15
1903.....	1,536,741	60.49	1,003,607	817,472	48.75	10,100	2,428,85	1.228	196.42	18.54	10.59	8.01	18.60

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.
 2 Adjusted to basis used in 1909 and succeeding years.

35 I. C. C.

TABLE V.—Statement of mileage and traffic statistics—Continued.

NEW YORK, ONTARIO & WESTERN RAILWAY COMPANY.

[Based on data in annual reports to the Interstate Commerce Commission, except where noted.]

Year ended June 30—	Mileage operated on June 30.				Average mileage operated during the year. (f)	Passenger-miles per mile of road. (g)	Average haul per passenger. (h)	Average passenger-train revenue. (i)		Average receipts per passenger-mile. (k)	Average number of passenger-cars per train-mile. (l)		Average number of passenger-cars per train-mile. (n)	Average tractive power of locomotives in freight service. ¹ (o)	Average capacity of cars in freight service. (p)		Ratio of operating expenses to operating revenue. (r)
	Single track. (a)	Second track. (b)	Third and fourth tracks. (c)	Yard tracks and sidings. (d)				All tracks. (e)	Per mile of road. (i)		Per train-mile. (j)	Per train-mile. (l)			Per car-mile. (m)	Coal cars. ¹ (p)		All cars. (q)	Per cent. (r)
1913.....	566	207	237	1,010	154,427	38.90	\$3,470	1.934	49	16	4.09	70,000	73,295	68.74	
1912.....	566	206	.....	230	1,002	152,359	39.18	3,351	1.896	49	17	3.99	30,445	69,200	76.32	
1911.....	566	202	.....	221	989	152,450	39.17	3,336	1.886	48	17	3.94	30,365	67,353	70.26	
1910.....	546	181	.....	226	953	156,383	39.72	3,382	1.865	49	17	3.93	27,777	62,969	68.56	
1909.....	546	177	.....	218	941	147,640	38.02	3,193	1.869	46	16	3.85	27,686	61,300	68.07	
1908.....	546	170	.....	213	929	157,304	42.81	3,255	1.799	50	17	3.95	26,917	60,637	66.72	
1907.....	546	171	.....	206	923	149,964	41.44	3,178	1.888	36	.....	3.02	26,742	58,800	66.88
1906.....	546	166	.....	199	911	133,489	38.92	2,832	1.888	33	.....	2.94	26,742	63,600	69.78
1905.....	549	143	.....	195	887	115,077	36.44	2,460	1.859	32	.....	3.00	26,310	62,960	69.19
1904.....	549	114	.....	208	871	102,274	34.24	2,168	1.860	30	.....	2.88	25,400	61,843	74.16
1903.....	549	63	.....	212	824	96,473	35.08	2,032	1.854	29	.....	2.85	25,227	63,200	71.36

Year ended June 30—	Tons carried.			Ton-miles per mile of road, all freight. (w)	Average haul per ton, all freight. (x)	Average freight revenue.		Average receipts per ton-mile, all freight. (as)	Average number of tons.		Average number of cars per train-mile.			
	Anthracite coal.		Other freight. (u)			All freight. (v)	Per mile of road. (y)		Per train mile. (z)	Per train-mile. (bb)	Per loaded car-mile. (cc)	Loaded. (dd)	Empty. (ee)	Total. (ff)
	Tons. (s)	Ratio to total tonnage. (t)												
1913.....	4,501,295	70.22	1,908,522	6,409,817	Miles. 145.58	\$12,926	\$2.41328	Miles. 7.53	308.01	23.98	12.55	7.54	20.84	
1912.....	4,027,868	67.76	1,916,631	5,944,499	145.29	11,573	2.21064	7.58	291.68	23.27	12.54	7.11	20.12	
1911.....	4,654,242	70.30	1,966,499	6,620,741	146.62	12,940	2.23108	7.54	295.93	23.92	12.37	7.39	20.23	
1910.....	3,753,298	66.07	1,927,483	5,680,781	147.46	12,182	2.14330	7.94	270.00	21.23	12.72	6.99	20.18	
1909.....	3,979,731	69.44	1,751,537	5,731,538	143.23	11,845	2.10383	7.87	267.11	21.45	12.46	7.14	20.32	
1908.....	3,905,160	69.98	1,675,555	5,580,715	132.68	11,459	2.23773	8.45	264.89	20.94	12.65	7.19	20.06	
1907.....	3,553,041	66.93	1,755,025	5,308,066	136.31	11,590	2.16330	8.74	247.42	22.44	11.02	7.49	18.51	
1906.....	3,060,375	65.24	1,630,598	4,690,973	141.05	10,240	2.02856	8.45	240.13	21.87	10.98	7.48	18.46	
1905.....	3,411,538	72.81	1,273,814	4,685,350	148.41	10,245	2.04611	8.08	253.23	22.77	11.12	7.76	18.88	
1904.....	3,181,418	73.72	1,134,006	4,315,422	146.20	9,765	2.04944	8.49	241.45	21.85	11.05	7.59	18.64	
1903.....	.....	.....	.....	3,972,561	146.10	9,053	2.03724	8.55	238.17	21.70	10.98	7.23	18.21

1 From answers to the Commission's order of December 23, 1912, in Docket 4914, Anthracite Coal Investigation.
 2 Adjusted to the basis used in 1909 and succeeding years.

TABLE VI.—Statement of revenues and expenses of anthracite coal and other freight transported by the roads named during the years ended June 30, indicated.

[Based on answers to questions in Interstate Commerce Commission's orders, dated December 23, 1912, and October 4, 1913, in Docket 4914, Anthracite Coal Investigation.]

	Operating revenues.										Operating expenses.		
	Freight revenue.					Total freight revenue.					Total operating revenues.	Amount.	Ratio to total operating revenue.
	Anthracite coal revenue.		Other freight revenue.			Ratio to total freight revenue.	Ratio to total operating revenue.	Total freight revenue.		Other revenue.			
	Amount.	Ratio to total freight revenue.	Amount.	Ratio to total freight revenue.	Ratio to total operating revenue.			Amount.	Ratio to total operating revenue.				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)		
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	
Central Railroad Co. of New Jersey:													
1913	\$10,081,112	46.0	35.5	\$11,822,333	54.0	41.6	\$21,903,445	77.1	\$6,502,311	\$28,405,756	\$16,404,860	57.75	
1912	8,188,584	43.0	31.0	10,850,839	57.0	41.9	19,039,423	73.5	6,848,315	25,887,738	15,348,779	59.29	
1911	8,718,427	45.7	33.9	10,377,927	54.3	40.3	19,096,354	74.2	6,657,153	25,753,507	14,958,962	58.09	
1910	8,089,546	43.9	32.6	10,334,444	56.1	41.7	18,423,990	74.3	6,372,562	24,796,552	13,925,506	56.16	
1909	8,210,431	43.9	35.7	8,698,694	51.4	37.9	16,909,125	73.6	6,077,458	22,986,583	13,203,884	57.44	
1908	9,149,866	51.5	39.0	8,608,049	48.5	36.6	17,757,915	75.6	5,734,380	23,492,295	13,789,517	58.70	
1905	7,831,739	50.8	.....	7,670,407	49.2	.....	15,602,146	.....	.....	.....	.....	.....
1900	5,959,623	50.2	.....	5,913,859	49.8	.....	11,873,482	.....	.....	.....	.....	.....
1890	6,725,696	63.0	.....	3,955,710	37.0	.....	10,681,406	.....	.....	.....	.....	.....
Philadelphia & Reading Ry. Co.:													
1913	13,359,972	32.6	26.4	27,673,492	67.4	54.8	41,033,464	81.2	9,529,253	50,562,717	30,547,340	60.41	
1912	11,543,641	32.5	25.9	23,997,585	67.5	54.0	35,541,226	79.0	8,935,299	44,476,525	28,516,878	64.11	
1911	12,107,841	34.2	27.3	23,273,107	65.8	52.4	35,380,948	79.7	8,984,494	44,365,442	27,675,842	62.38	
1910	11,628,868	33.0	26.3	23,632,060	67.0	53.4	35,260,928	79.7	8,953,987	44,214,915	26,563,618	60.08	
1909	12,185,555	39.0	31.2	19,039,399	61.0	46.8	31,244,954	80.0	7,815,280	39,060,234	23,825,679	61.00	
1908	13,026,031	38.4	32.6	19,054,167	59.4	47.8	32,080,198	80.4	7,798,684	39,878,882	25,468,296	63.84	
1905	12,368,786	41.0	.....	17,831,101	59.0	.....	30,199,887	.....	.....	.....	.....	.....
1900	9,552,961	45.2	.....	11,568,843	54.8	.....	21,121,805	.....	.....	.....	.....	.....
Delaware, Lackawanna & Western R. R. Co.:													
1913	14,737,580	49.8	36.4	14,880,858	50.2	36.7	29,618,438	73.1	10,899,606	40,518,044	25,283,231	62.40	
1912	12,704,507	49.7	35.8	12,849,493	50.3	36.2	25,554,000	72.0	9,938,527	35,492,527	22,994,062	64.79	
1911	13,637,852	52.3	37.9	12,429,864	47.7	34.6	26,067,756	72.5	9,879,310	35,947,066	21,627,942	60.17	
1910	14,544,751	54.3	40.4	12,244,565	45.7	34.0	26,789,316	74.4	9,216,672	36,005,988	19,292,769	53.58	
1909	14,500,031	58.4	43.2	10,332,556	41.6	30.8	24,832,587	74.0	8,720,849	33,553,436	18,477,713	55.07	
1908	14,559,869	57.9	43.1	10,596,680	42.1	31.3	25,156,549	74.4	8,653,705	33,810,254	19,622,042	58.04	

35 I. C. C.

1905	13,828,631	61.2	8,760,745	38.8	22,589,376	85.3	6,318,233	43,043,371	29,107,819	67.62
1900	9,635,419	59.2	6,643,305	40.8	16,278,724	83.7	6,013,579	36,905,935	24,720,230	66.98
1890	9,069,065	59.3	6,224,421	40.7	15,293,486		5,844,578	37,987,403	23,407,318	62.10
Lehigh Valley R. R. Co.:										
1913	18,556,161	50.5	18,168,977	49.5	36,725,138	85.3	6,318,233	43,043,371	29,107,819	67.62
1912	14,312,165	48.3	16,580,391	53.7	30,892,556	83.7	6,013,579	36,905,935	24,720,230	66.98
1911	15,440,118	41.0	16,402,707	51.5	31,842,825	84.5	5,844,578	37,987,403	23,407,318	62.10
1910	14,237,029	39.4	16,342,568	53.4	30,579,597	84.6	5,587,801	36,167,398	21,684,147	59.95
1909	13,457,709	47.9	14,665,793	52.1	28,123,502	84.9	5,014,330	33,137,832	20,575,736	62.09
1908	14,908,923	49.4	15,277,619	50.6	30,186,582	85.0	5,323,572	35,610,154	22,203,705	62.52
1905	12,562,966	48.4	13,399,925	51.6	28,962,920					
1900	9,395,731	49.7	9,500,747	50.3	18,896,478					
1890 ²					13,312,065					
Delaware & Hudson Co.:										
1913	9,842,087	49.0	10,282,260	51.0	20,104,347	83.8	3,895,185	23,999,532	14,656,690	61.07
1912	7,681,924	43.7	9,896,081	56.3	17,578,065	82.7	3,664,923	21,242,929	12,966,950	61.04
1911	8,167,009	38.9	9,255,493	53.1	17,422,502	83.0	3,563,573	20,986,075	12,717,796	60.60
1910	7,043,310	43.9	8,994,793	56.1	16,038,103	80.7	3,830,696	19,868,799	11,531,037	58.03
1909	7,506,217	39.7	8,103,966	51.9	15,610,183	82.6	3,297,762	18,907,945	11,027,202	58.32
1908 ³	8,167,212	50.6	7,987,743	49.4	16,134,955	82.1	3,511,239	19,646,194	11,451,372	58.29
1905	5,723,219	45.3	6,906,993	54.7	12,630,212					
1900	4,140,646	45.2	4,789,493	47.8	9,432,163					
1890 ⁴					8,057,247					
Erie R. R. Co.:										
1913	12,848,977	32.0	27,271,624	68.0	40,120,601	74.3	13,851,212	53,971,813	35,379,385	65.55
1912	10,607,327	29.7	25,094,537	70.3	35,701,864	73.7	12,736,232	48,438,096	33,022,262	68.17
1911	11,757,320	24.2	24,157,267	67.3	35,914,587	74.0	12,611,701	48,526,288	31,514,035	64.04
1910	10,151,745	29.4	24,339,835	70.6	34,491,580	73.9	12,186,973	46,678,553	30,370,386	65.08
1909	10,231,317	31.9	21,815,720	68.1	32,047,637	74.1	11,177,853	43,224,880	29,037,614	67.18
1908	10,700,764	34.5	20,308,670	65.5	31,009,434	72.8	11,590,237	42,599,731	32,701,775	76.77
1905	8,383,948	28.5	21,026,862	71.5	29,410,810					

¹ For year ended December 31.
² For year ended November 30.
³ Prior to September 1, 1907, a nominal charge, considerably less than the commercial freight rate was assessed for all company material used in operation and maintenance.
⁴ Covers period September 1, 1899, to June 30, 1900, only.

TABLE VI.—Statement of revenues and expenses of anthracite coal and other freight transported by the roads named during the years ended June 30, indicated—Continued.

[Based on answers to questions in Interstate Commerce Commission's orders dated December 23, 1912, and October 4, 1913, in Docket 4914, Anthracite Coal Investigation.]

	Operating revenues.										Operating expenses.		
	Anthracite coal revenue.					Freight revenue.					Total operating revenues.	Amount.	Ratio to total operating revenue.
	Other freight revenue.		Total freight revenue.		Ratio to total freight revenue.	Ratio to total operating revenue.	Amount.	Ratio to total operating revenue.	Other revenue.	Total operating revenues.			
	Amount.	Ratio to total freight revenue.	Amount.	Ratio to total operating revenue.							Per cent.	Per cent.	Per cent.	(l)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)		
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.		
New York, Susquehanna & Western R. R. Co.:													
1913.....	\$976,931	48.6	33.4	\$1,031,718	51.4	35.2	\$2,008,649	68.6	\$918,276	\$2,926,925	\$1,981,257	67.69	
1912.....	894,680	46.5	31.3	1,028,571	53.5	35.9	1,923,251	67.2	938,847	2,862,098	1,781,917	62.26	
1911.....	973,589	47.5	32.7	1,077,967	52.5	36.3	2,051,556	69.0	921,408	2,972,964	1,738,117	58.46	
1910.....	893,886	51.1	33.1	854,483	48.9	31.7	1,748,369	64.8	948,360	2,696,729	1,614,051	59.85	
1909.....	791,597	48.2	31.3	851,083	51.8	33.6	1,642,680	64.9	888,299	2,530,979	1,502,680	59.37	
1908.....	914,601	57.0	36.9	689,709	43.0	27.8	1,004,310	64.7	874,796	2,479,106	1,771,329	71.45	
1905.....	866,411	56.2	.....	676,503	43.3	.....	1,542,914	.....	.....	.....	.....	.....
Wilkes-Barre & Eastern R. R. Co.:													
1913.....	563,746	85.9	85.0	92,503	14.1	14.0	655,249	99.0	6,895	663,144	403,295	60.82	
1912.....	558,535	87.9	87.0	76,627	12.1	12.0	635,162	98.0	6,687	641,849	441,644	68.81	
1911.....	613,195	88.9	88.1	70,438	11.1	11.0	689,633	99.1	6,117	695,750	427,055	61.38	
1910.....	391,955	90.4	89.8	62,653	9.6	9.5	654,608	99.3	4,706	659,314	486,455	73.78	
1909.....	570,676	89.9	88.5	64,076	10.1	9.9	634,752	98.4	10,365	645,117	464,343	71.98	
1908.....	604,869	89.6	88.1	70,497	10.4	10.3	675,366	98.4	10,692	686,058	550,053	80.18	
1905.....	514,661	91.1	.....	50,388	8.9	.....	565,049	.....	.....	.....	.....	.....
New York, Ontario & Western Ry. Co.:													
1913.....	4,651,871	63.6	49.2	2,659,256	36.4	28.1	7,311,127	77.3	2,143,222	9,454,349	6,499,040	68.74	
1912.....	3,843,962	58.7	45.1	2,701,815	41.3	31.7	6,545,777	76.8	1,982,167	8,527,944	6,508,541	76.32	
1911.....	4,597,202	62.8	49.4	2,721,752	37.2	29.3	7,318,954	78.7	1,976,748	9,295,702	6,531,619	70.26	
1910.....	3,903,739	58.7	45.5	2,745,896	41.3	32.0	6,649,635	77.5	1,929,148	8,578,783	5,882,147	68.56	
1909.....	3,875,583	59.9	46.8	2,690,418	40.1	31.2	6,465,999	78.0	1,824,171	8,290,170	5,643,102	68.07	
1908.....	3,777,751	60.4	46.5	2,477,458	39.6	30.5	6,255,209	77.0	1,866,285	8,121,494	5,420,329	66.74	
1905.....	3,380,843	60.2	.....	2,237,540	39.8	.....	5,618,383	.....	.....	.....	.....	.....
1900.....	2,223,464	56.0	.....	1,746,650	44.0	.....	3,970,114	.....	.....	.....	.....	.....
1890.....	163,510	12.7	.....	1,125,213	87.3	.....	1,288,723	.....	.....	.....	.....	.....

Year	8,551,317	6.4	4.7	124,501,216	93.6	68.5	133,052,533	73.2	48,778,370	181,830,993	133,755,027	73.63
1913	7,813,214	6.6	4.8	111,192,606	93.4	67.7	119,005,820	72.5	46,186,026	164,191,846	118,098,295	71.93
1912	8,851,022	7.8	5.6	104,873,991	92.2	66.7	113,725,013	72.3	43,569,994	157,234,107	113,437,467	72.16
1911	8,238,634	7.0	5.1	110,171,748	93.0	68.9	118,410,392	74.0	41,550,424	159,960,806	109,890,246	68.70
1910	7,673,855	7.6	5.6	92,682,305	92.4	66.9	100,356,160	72.5	38,092,959	138,449,119	97,107,751	70.14
1909	8,753,222	8.1	5.9	99,636,686	91.9	66.7	108,389,918	72.6	40,966,994	149,556,912	107,676,569	72.09
1908	8,185,781	7.8		97,408,984	92.2		105,594,794					
1905 ¹							90,709,301					
1900 ¹							57,966,361					
1890 ¹							45,632,959					
1880 ¹							29,750,292					
Northern Central Ry. Co.:												
1913	2,346,429	23.5	17.6	7,618,890	76.5	57.1	9,965,319	74.7	3,369,623	13,334,942	11,368,578	85.25
1912	2,121,318	22.4	16.9	7,342,955	77.6	58.5	9,464,273	75.4	3,084,394	12,548,667	10,911,937	86.96
1911	2,369,432	24.1	18.4	7,474,240	75.9	58.1	9,443,672	76.5	3,024,488	12,868,160	11,033,677	85.74
1910	2,125,030	21.5	16.7	7,769,232	78.5	61.0	9,894,262	77.7	2,838,419	12,732,681	9,988,996	78.45
1909	2,089,408	23.6	18.1	6,763,318	76.4	58.6	8,852,726	76.7	2,682,179	11,534,905	9,070,141	78.63
1908	2,267,388	23.7	18.4	7,281,136	76.3	59.1	9,548,524	77.5	2,773,783	12,322,307	9,665,484	78.44
1906 ²	1,730,124	20.2		6,838,765	79.8		8,568,899					
1905 ²							8,059,215					
1900 ²							6,065,475					
1890 ²							5,061,165					
1880 ²							4,131,008					

¹ Switching tons, mileage, and revenue included 1906 and prior years. Records not in existence from which details could be procured.
² For year ended December 31.
³ Switching tons, mileage, and revenue included 1906 and prior years. Records not in existence from which details could be procured. Company material carried free not included.

TABLE VII.—Statement of tonnage, ton-mileage, etc., of anthracite coal and other freight transported by the roads named during the years ended June 30, indicated.

[Based on answers to questions in Interstate Commerce Commission's orders dated December 23, 1912, and October 4, 1913, in Docket 4914, Anthracite Coal Investigation.]

	Tonnage (net).				Ton-mileage (net).				Average receipts per (net) ton per mile.				
	Anthracite coal.		Other freight.		Anthracite coal.		Other freight.		Anthracite coal.		Other freight.		
	Number of tons.	Ratio to total tonnage.	Number of tons.	Ratio to total tonnage.	Ton-miles.	Ratio to total.	Ton-miles.	Ratio to total.	Miles.	(l)	(m)	(n)	
	(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(k)	(l)	(m)	(n)	(p)
Central R. R. Co. of New Jersey:													
1913.....	10,788,014	Per ct.	31.523,425,308	Per ct.	1,204,222,211	48.5	1,278,065,781	51.5	8.37	9.25	8.82	111.68	54.56
1912.....	9,574,532	30.721,613,842	69.331,188,374	69.331,188,374	1,014,926,361	45.9	1,105,373,396	54.1	8.06	9.07	8.61	106.00	55.30
1911.....	9,255,913	31.420,265,477	68.629,521,390	68.629,521,390	1,028,474,558	47.8	1,124,985,053	52.2	7.86	9.18	8.55	111.11	55.51
1909.....	8,007,406	35.114,836,023	64.922,843,429	64.922,843,429	980,136,321	52.6	883,557,866	47.4	8.09	8.68	8.37	122.40	59.55
1906.....	6,252,628	38.510,004,193	61.516,256,821	61.516,256,821	675,926,108	53.1	598,128,461	46.9	8.81	9.88	9.31	108.10	59.78
1900.....	7,463,529	53.86,401,801	46.213,865,330	46.213,865,330	654,865,379	65.7	342,040,924	34.3	10.27	11.56	10.71	87.74	53.42
Philadelphia & Reading Ry. Co.:													
1913.....	14,403,303	24.444,699,706	75.659,003,009	75.659,003,009	1,514,318,773	25.8	4,362,131,457	74.2	8.82	6.34	6.98	105.14	97.81
1912.....	12,671,938	24.239,294,760	75.851,866,699	75.851,866,699	1,342,433,070	26.0	3,819,827,211	74.0	8.60	6.28	6.88	106.78	97.21
1911.....	12,241,165	24.338,090,594	75.750,331,760	75.750,331,760	1,285,559,671	26.0	3,667,323,462	74.0	9.05	6.44	7.12	105.02	96.28
1909.....	13,472,994	31.728,981,744	68.342,454,738	68.342,454,738	1,360,744,700	33.8	2,670,528,650	66.2	9.09	6.68	7.49	101.00	92.15
1905.....	11,953,263	38.319,276,502	61.731,229,766	61.731,229,766	1,180,499,530	41.5	1,665,097,570	58.5	8.09	6.95	7.42	98.76	86.38
Delaware, Lackawanna & Western R. Co.:													
1913.....	10,403,282	41.914,429,926	58.124,833,188	58.124,833,188	1,990,776,060	46.5	2,286,254,379	53.5	7.40	6.51	6.92	191.36	158.44
1912.....	9,087,463	42.812,132,828	57.221,220,291	57.221,220,291	1,701,576,159	47.1	1,907,645,144	52.9	7.46	6.73	7.08	187.24	157.23
1911.....	10,298,870	47.711,304,979	52.321,603,849	52.321,603,849	1,923,304,534	52.5	1,746,060,043	47.5	7.53	7.01	7.28	187.33	154.45
1910.....	10,298,870	47.711,304,979	52.321,603,849	52.321,603,849	1,923,304,534	52.5	1,746,060,043	47.5	7.53	7.01	7.28	187.33	154.45

1909	10,025,807	56.6	7,688,043	43.4	17,713,850	1,793,223,866	58.8	1,254,505,657	41.2	3,047,729,523	7.71	6.98	7.41	178.86	163.17	172.05
1905	7,574,062	54.6	6,296,845	45.4	13,870,937	1,163,249,615	53.8	1,000,654,800	46.2	2,163,904,424	8.28	6.63	7.52	153.58	158.91	156.00
1900	7,241,671	61.8	4,470,907	38.2	11,712,578	931,533,290	54.4	779,884,123	45.6	1,711,417,413	9.73	7.98	8.93	128.63	174.43	146.11
Lehigh Valley R.R. Co.																
1913	14,732,949	45.5	17,634,847	54.5	23,367,796	2,609,877,447	44.9	3,202,507,470	55.1	5,812,384,917	7.11	5.67	6.32	177.15	181.60	179.57
1912	11,627,086	41.5	16,386,214	58.5	28,013,300	1,955,494,366	40.9	2,829,583,020	59.1	4,785,077,386	7.32	5.86	6.46	168.18	172.68	170.81
1911	11,613,475	42.4	16,668,062	57.6	27,181,537	1,898,352,105	40.1	2,838,205,859	59.9	4,736,557,964	7.50	5.76	6.45	164.88	181.14	174.25
1909																
1908																
1905	10,574,642	44.5	13,193,645	55.5	23,774,287	1,729,466,828	42.1	2,374,309,113	57.9	4,103,775,941	7.26	5.64	6.32	163.55	179.87	172.61
1900	9,478,753	49.0	9,875,428	51.0	19,354,179	1,284,527,047	37.1	2,179,398,367	62.9	3,463,925,414	7.31	4.36	5.45	135.51	220.69	178.97
1890 ¹					14,459,888					1,706,620,458			7.80			118.02
Delaware & Hud. Co.																
1913	9,160,915	44.8	11,282,335	55.2	20,443,250	1,304,738,640	43.1	1,721,466,766	56.9	3,026,205,406	7.54	5.96	6.64	142.42	152.58	148.03
1912	7,829,209	41.3	11,109,154	58.7	18,938,363	962,117,122	36.6	1,664,919,113	63.4	2,627,036,235	7.98	5.94	6.69	122.88	149.86	138.71
1911																
1910	7,431,054	41.4	10,532,447	58.6	17,963,501	922,410,430	37.8	1,519,949,611	62.2	2,442,360,041	7.64	5.92	6.56	124.13	144.31	135.96
1909																
1908 ³																
1905 ²	8,604,688	51.6	8,070,791	48.4	16,675,489	845,260,249	43.6	1,085,146,316	56.4	1,940,406,565	6.77	6.30	6.50	98.23	135.69	116.36
1900 ³	6,874,905	54.3	5,780,242	45.7	12,655,147	429,739,272	43.3	456,249,385	56.7	1,190,302,642	49.64	6.74	7.92			
1890 ³										820,962,343			9.81			

¹ For year ended December 31.
² For year ended November 30.
³ Prior to September 1, 1907, a nominal charge considerably less than the commercial freight rate was assessed for all company material used in operation and maintenance.
⁴ Covers period of September 1, 1899, to June 30, 1900.

TABLE VII.—Statement of tonnage, ton-mileage, etc., of anthracite coal and other freight transported by the roads named during the years ended June 30, indicated—Continued.

[Based on answers to questions in Interstate Commerce Commission's orders dated December 23, 1912, and October 4, 1913, in Docket 4914, Anthracite Coal Investigation.]

	Tonnage (net).				Ton-mileage (net).				Average receipts per (net) ton per mflc.				Average haul per (net) ton.			
	Anthracite coal.		Other freight.		Anthracite coal.		Other freight.		Anthracite coal.		Other freight.		Anthracite coal.		Other freight.	
	Number of tons.	Ratio to total tonnage.	Number of tons.	Ratio to total tonnage.	Ton-miles.	Ratio to total.	Ton-miles.	Ratio to total.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.	Miles.
	(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
Erle R. R. Co.:																
1913.....	10,135,940	25.3	29,891,048	74.7	40,028,986	2,153,951,380	32.3	4,507,501,089	67.7	6,661,452,449	5.96	6.05	6.02	212.51	150.80	166.42
1912.....	9,113,862	25.6	26,430,768	74.4	35,544,620	1,698,057,046	28.9	4,178,508,676	71.1	5,876,565,722	6.24	6.00	6.07	186.31	158.09	165.32
1911.....	8,703,669	23.1	28,926,628	76.9	37,630,297	1,659,139,805	30.1	3,847,665,806	69.9	5,506,805,611	6.11	6.32	6.26	190.62	133.01	146.33
1909.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1905.....	7,088,120	23.0	23,703,613	77.0	30,791,733	1,229,886,791	27.0	3,327,074,109	73.0	4,556,960,900	6.81	6.31	6.45	173.51	140.36	147.99
New York Susquehanna & Western R. R. Co.:																
1913.....	3,488,719	64.7	1,899,649	35.3	5,388,368	109,368,131	66.7	54,557,821	33.3	163,925,952	8.93	18.91	12.25	31.35	28.72	30.42
1912.....	3,304,116	64.9	1,784,970	35.1	5,089,086	105,336,190	66.4	53,377,556	33.6	158,713,746	8.49	19.27	12.11	31.88	29.90	31.18
1911.....	2,849,189	61.7	1,769,125	38.3	4,618,314	118,781,052	70.7	49,246,318	29.3	168,027,370	7.52	17.35	10.40	41.69	27.83	36.38
1909.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1905.....	2,063,459	67.4	997,043	32.6	3,060,502	101,723,619	76.5	31,221,380	23.5	132,944,999	8.52	21.67	11.61	49.30	31.31	43.44
Wilkes-Barre & Eastern R. R. Co.:																
1913.....	1,306,662	80.9	308,138	19.1	1,614,800	66,642,714	86.3	10,565,605	13.7	77,208,319	8.46	8.76	8.50	51.00	34.29	47.81
1912.....	1,830,600	82.9	274,485	17.1	1,605,085	66,166,669	87.1	9,829,690	12.9	75,996,359	8.44	7.79	8.36	49.73	35.81	47.35
1911.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1910.....	1,532,571	87.2	224,520	12.8	1,757,091	74,198,375	90.5	7,831,173	9.5	82,029,548	7.98	8.00	7.98	48.41	34.88	46.68
1909.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1908.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1905.....	1,160,351	86.3	189,871	13.7	1,344,222	61,380,547	90.8	6,251,564	9.2	67,642,111	8.33	8.06	8.35	52.91	34.00	50.32

RATES FOR TRANSPORTATION OF ANTHRACITE COAL. . 455

Year	Revenue	Tonnage	Average Rate	Revenue	Tonnage	Average Rate	Revenue	Tonnage	Average Rate	Revenue	Tonnage	Average Rate	Revenue	Tonnage	Average Rate	Revenue	Tonnage	Average Rate
1913	4,501,295	70.2	1,908,522	6,409,817	719,288,743	77.1	213,866,081	22.9	933,144,824	12.43	7.83	159.80	112.05	145.58				
1912	3,794,171	63.8	2,180,328	5,944,499	630,418,521	73.0	233,264,621	27.0	863,683,142	11.58	7.58	166.15	108.48	145.29				
1910	3,443,130	60.6	2,237,651	5,690,781	578,787,211	69.1	258,885,689	30.9	837,672,900	10.61	7.94	168.10	115.69	147.45				
1909	3,141,260	67.0	1,544,090	4,685,350	513,804,224	73.9	181,528,355	26.1	695,352,579	6.58	8.08	163.56	117.56	148.40				
1908	2,157,553	63.1	1,259,053	3,416,606	350,382,302	72.0	136,060,338	28.0	486,442,640	6.35	8.16	162.40	108.06	142.37				
1890	329,279	34.5	626,279	955,558	19,409,558	18.7	84,473,795	81.3	103,883,353	8.42	12.41	58.94	134.88	108.71				
1913	11,019,787	7.7	131,545,444	1,427,845,221	6,321,885,727,059	6.3	722,813,572,280	93.7	22,512,522,816	5.82	5.83	129.57	162.57	160.02				
1912	10,740,296	8.5	115,207,049	1,384,992,567	6,819,127,530,249	6.8	19,520,512,522,816	93.2	20,512,522,816	5.81	5.80	128.95	166.03	162.86				
1911	10,638,852	8.8	110,484,019	1,500,988,461	7,418,904,968,296	7.4	18,904,968,296	92.6	20,405,956,757	5.49	5.80	140.69	171.11	168.43				
1909	10,560,851	9.4	102,501,334	1,491,953,469	8,316,461,501,537	8.3	17,953,455,006	91.7	17,953,455,006	5.49	5.88	141.27	160.91	159.07				
1908	9,739,833	9.7	90,447,219	1,000,187,052	15,007,739,721	15.0	11,491,414,817	91.7	11,491,414,817	6.05	6.05	149.80	149.80	149.80				
1900	10,002,875	12.5	69,970,792	79,973,667	6,908,119,896	6.6	6,908,119,896	6.61	6,908,119,896	6.61	6.61	138.58	138.58	138.58				
1890	7,245,512	14.5	62,802,841	49,848,353	3,292,991,330	3.3	3,292,991,330	9.03	3,292,991,330	9.03	9.03	120.19	120.19	120.19				
1880	3,871,880	14.9	22,179,211	27,399,173	85.1	85.1	85.1	85.1	85.1	85.1	85.1	85.1	85.1	85.1				
1913	6,183,035	26.0	17,614,890	23,797,925	389,817,083	22.7	1,327,686,629	77.3	1,717,513,712	6.02	5.80	63.05	75.37	72.17				
1912	5,776,863	26.5	16,000,068	21,776,931	366,393,417	22.7	1,244,291,927	77.3	1,610,635,344	5.79	5.87	63.42	77.76	73.96				
1911	5,816,693	26.6	16,090,052	21,906,755	376,418,760	22.9	1,268,269,500	77.1	1,644,638,260	5.64	6.01	64.71	78.82	75.07				
1909	4,745,331	22.9	15,947,105	20,692,436	277,940,833	20.6	1,078,032,589	79.5	1,355,873,422	6.23	6.32	58.55	67.60	65.52				
1908	5,034,393	27.5	13,303,833	18,338,226	72,518,338,226	72.5	1,225,691,340	6.57	1,225,691,340	6.57	6.57	66.83	66.83	66.83				
1900	5,230,222	29.2	12,689,769	20,817,919,991	1,171,251,294	1.2	835,600,161	835.6	835,600,161	835.6	835.6	70.22	70.22	70.22				
1890	3,221,945	27.1	8,677,362	9,460,229	461,904,456	461.9	461,904,456	461.9	461,904,456	461.9	461.9	48.82	48.82	48.82				

1 Switching tons, mileage and revenue, included 1906 and prior years. Records not in existence from which details could be procured.

2 For year ended December 31.

3 Tonnage duplicated. This company had three grand divisions and if a ton of freight moved over all three divisions it was considered 3 tons in 1880.

4 Based on 26,051,091 tons which excludes the tonnage mentioned in note 5.

5 Includes 1,348,082 tons moved over Delaware & Karitan Canal, of which no detail is available.

6 Switching tons, mileage, and revenue included 1906 and prior years. Records not in existence from which details could be procured. Company material carried free not included.