

# **READING & COLUMBIA RAILROAD CO.**

(Controlled by Philadelphia & Reading Railway Co.)

Road owned, Columbia, Pa., to Sinking Spring, 40 miles; Lancaster Branch, 8 miles; Mount Hope Branch, 6 miles; branch leased, 6 miles; total, 60 miles.

Stock.....Par \$50.....Authorized, \$958,373.....Issued, \$958,373

Stock is transferred at the office of the company, Philadelphia.

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## FUNDED DEBT

1st mort., extended, 5 per cent., due March, 1912, March and Sept. ....	\$650,000
2d mort., extended, 4 per cent., due Sept., 1912, June and Dec. ....	350,000
Debtore bonds, 6 per cent., due Dec., 1917, June and Dec. ....	1,000,000
<b>Total</b> .....	<b>\$2,000,000</b>

The Reading Company owns \$788,200 of the stock, \$9,500 1st mortgage bonds, \$193,000 2ds and all of the \$1,000,000 debentures.

President, George F. Baer, Philadelphia. Secretary, W. R. Taylor, Philadelphia. Treasurer, Harry E. Paisley, Philadelphia. Comptroller, George Ziegler, Philadelphia.

Main office, Reading Terminal Building, Philadelphia. Annual meeting, second Monday in January, at Philadelphia. Books close sixty days previous.

**READING COMPANY**

## PHILADELPHIA &amp; READING RAILWAY CO.

## PHILADELPHIA &amp; READING COAL AND IRON CO.

The Reading Company is a corporation chartered by the Pennsylvania Legislature in 1871 as the Excelsior Enterprise Co., afterward the National Company; name changed to Reading Company in 1896 for the purpose of carrying out the reorganization of the Philadelphia & Reading Railroad Co. under plan of December, 1895. This company has power to hold the securities of the Philadelphia & Reading Railway Co. and of the coal companies and other properties, and to conduct the business of the entire system. It has by its charter the right to mine coal, which was confirmed by the Constitution of Pennsylvania adopted in 1873.

The Philadelphia & Reading Railway Co. was organized November 17, 1896, and on November 30, 1896, took possession of the railroad lines, leaseholds and railroad property of the old Philadelphia & Reading Railroad, sold in foreclosure (under the plan of reorganization) September 23, 1896. All the stock of the railway company is owned by the Reading Company.

Road owned and operated by the Philadelphia & Reading Railway Co., Philadelphia to Mount Carbon, 98 miles; branch, Reading to Harrisburg, 54 miles; other branches, 203 miles; total owned, 355 miles; leased, East Pennsylvania Railroad, Reading to Allentown, 35 miles; Mine Hill & Schuylkill Haven Railroad, 42 miles; Little Schuylkill Railroad, 31½ miles; Philadelphia, Germantown & Norristown Railroad, 39 miles; Chestnut Hill Railroad, 4 miles; Catawissa Railroad, 103 miles; North Pennsylvania Railroad, 87 miles; Delaware & Bound Brook Railroad, 34 miles; Wilmington & Northern Railroad, 88½ miles; other branches leased, 180 miles; total leased, 644 miles; all lines owned and leased, 999½ miles. In addition the Reading Company owns interests in and controls the following roads: Central Railroad of New Jersey, 648 miles; Reading & Columbia Railroad, 60 miles; Atlantic City Railroad, 168 miles; Gettysburg & Harrisburg Railway, 34 miles; Northeastern Pennsylvania Railroad, 26 miles; Perkiomen Railroad, 38 miles; Philadelphia & Chester Valley Railroad, 24 miles; Philadelphia, Newtown & New York Railroad, 22 miles; Port Reading Railroad, 21 miles; other branches controlled, 96 miles; total controlled, 1,138 miles; grand total of system, 2,137 miles, of which 863 miles are double track. Locomotives, 1,001; passenger cars, 892; freight cars, 40,970; service cars, 813; floating equipment, 133.

In January, 1901, a controlling interest, \$14,504,000, in the stock of the Central Railroad of New Jersey was purchased by the Reading Company.

The Philadelphia & Reading Coal and Iron Co.'s stock (\$8,000,000) is owned by the Reading Company. The Coal and Iron Co. owns and leases an extensive anthracite coal property, on which it operates and leases a large number of collieries. The Reading Company also has a controlling interest in the Reading Iron Co., which owns a rolling mill at Reading and several other iron works and blast furnaces. The property of the Coal and Iron Co. was sold at foreclosure September, 1896, and transferred to the new organization of the same name, which is controlled by the Reading Company.

In 1902-03 the Baltimore & Ohio Railroad Co. and the Lake Shore & Michigan Southern Railway Co. acquired large interests in the stock of this company, amounting, it was stated, to \$60,000,000, principally 1st and 2d preferred shares, but in 1905-06 these companies disposed of a considerable portion thereof.

The old Philadelphia & Reading Railroad Co. was twice reorganized, in 1887 and 1896, respectively. For details of the receiverships and reorganizations, see MANUAL for 1896 and 1900.

Stock. Par \$50. Authorized	{	com.,	\$70,000,000	}	Issued	{	com.,	\$70,000,000	}	\$140,000,000
		1st pref.,	28,000,000				1st pref.,	28,000,000		
		2d "	42,000,000				2d "	42,000,000		

The 1st preferred and 2d preferred stocks are both 4 per cent., non-cumulative. After 4 per cent. has been paid for two consecutive years on the first preferred the company may convert the second preferred into one-half common and one-half first preferred stock.

All the stock was held for five years, or until full 4 per cent. had been paid on preferred for two consecutive years, in a voting trust. Trustees, J. Pierpont Morgan, Frederic P. Olcott and C. S. W. Packard. The above conditions having been complied with in 1903, the voting trust was dissolved and stock certificates given in exchange for those of the voting trustees after December 1, 1904.

Transfer Agents, J. P. Morgan & Co., New York.

The first dividend on the 1st preferred stock of the company was  $1\frac{1}{2}$  per cent., paid March 8, 1900; a second dividend of  $1\frac{1}{2}$  per cent. was paid September 10, 1900, and on February 6, 1901, 2 per cent. semi-annual was paid, since which time the regular semi-annual dividends on the 1st preferred have been 2 per cent., March 10) and September, except the September, 1902, dividend, which was 1 per cent. only on account of a coal miners' strike.

The first dividend on the 2d preferred stock,  $1\frac{1}{2}$  per cent., was paid November 10, 1903, but in May and November, 1904, the dividends were 2 per cent. each, making the full 4 per cent. for the year, and 2 per cent. has since been regularly paid in May and November.

The first dividend on the common stock was  $1\frac{1}{4}$  per cent., paid February 1, 1905. In August, 1905, 2 per cent. was paid on the common, putting it on a 4 per cent. basis, which has been the regular rate to February 1, 1908, inclusive.

#### FUNDED DEBT

Reading Co. general mort., 4 per cent., due Jan., 1907, Jan. and July.....	\$73,909,000
" " Jersey Central col. trust, 4 per cent., due April, 1951, April and Oct....	23,000,000
" " Wil. & Northern collat. trust cfs., 4 per cent., quar., March.....	1,295,000
" " Del. Riv. terminal ex. mort., 5 per cent., due July, 1942, Jan. and July..	809,000
" " Del. Riv. terminal mort., 5 per cent., due May, 1942, May and Nov....	500,000
" " equipment trusts, A to D, $4\frac{1}{2}$ and 4 per cent., various.....	2,862,000
" " mortgage on new machine shops at Reading.....	1,200,000
" " Real estate mortgages and ground rents, Reading Co.....	1,253,205
" " Philadelphia subway mort., $3\frac{1}{2}$ per cent., due Feb., 1957, Feb. and Aug.	232,000
Railway Co. mortgage loan, sterling, 6 per cent., due July, 1910, Jan. and July.....	1,512,700
" " mortgage loan, dollar, 6 per cent., due July, 1910, Jan. and July.....	954,000
" " mortgage loan, convertible, $4\frac{1}{2}$ per cent., due July, 1910, Jan. and July.	79,000
" " mortgage loan, coupon, 5 per cent., due Oct., 1933, April and Oct.....	2,656,000
" " consolidated mort., 6 per cent., due June, 1911, June and Dec.....	8,162,000
" " consolidated mort., 7 per cent., due June, 1911, June and Dec.....	10,649,000
" " improvement mort., extended, 4 per cent., due April, 1947, April and Oct..	9,363,000
" " cons. mort., 1st series, ex., 4 per cent., due March, 1937, March and Sept.	5,766,717
" " term. mort., guar. by Term. Co., 5 per cent., due May, 1941, quar., Feb.	8,500,000
" " Philadelphia subway mort., $3\frac{1}{2}$ per cent., due 1904-23, Jan. and July..	2,293,500
P. & R. Coal & Iron, col. tr. gold loan, 4 per cent., due Feb., 1932, Feb. and Aug...	1,260,000
<b>Total.....</b>	<b>\$156,295,622</b>

A \$50,000,000 purchase-money 6 per cent. mortgage loan of 1896 of the Philadelphia & Reading Railway Co., due 1907, is all held by the Reading Company, and is pledged as security for the latter's general 4 per cent. mortgage. The general mortgage is also secured by deposit of \$13,766,686 bonds of other companies and \$18,383,875 stocks of other companies.

The general mortgage of the Reading Company of \$135,000,000, of which \$51,109,357 was reserved to take up underlying bonds of the railroad and coal property, and \$17,000,000 is reserved to be used for improvements at rate of \$1,500,000 per annum. These bonds have a sinking fund of 5 cents per ton on all coal mined in any year provided a dividend is paid on the stock, and if the aggregate of dividends exceeds that sum the sinking fund payment shall equal the dividends. Under this provision, \$3,411,000 of the bonds had been retired up to 1907 inclusive. On June 30, 1907, the Reading Co. held \$2,369,000 of the general mortgage bonds in its treasury. Trustee of the mortgage, Central Trust Co., New York. Interest is paid at the office of J. P. Morgan & Co., New York.

The Reading Company's Jersey Central collateral trust 4 per cent. bonds were created in 1901 to provide for the purchase of control of the Central Railroad of New Jersey. They are secured by deposit with the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, trustee, of \$14,504,000 stock of the Central Railroad Co. of New Jersey, \$1,495,000 stock of the Perkiomen Railroad Co., being all but \$5,000 of that stock, and \$440,000 stock of the Port Reading Railroad Co. The mortgage provides for the total issue of \$45,000,000, but additional bonds can be issued only to acquire further amounts of Jersey Central stock. The bonds can be redeemed at 105 and interest after April 1, 1906, on six months' notice.

The Reading Company's Wilmington & Northern collateral trust certificates were created in 1900. They are secured by deposit with Girard Trust Co., Philadelphia, of practically all the \$1,500,000 stock of the Wilmington & Northern Railroad Co., which road is leased to the Philadelphia & Reading Railway Co. under a guarantee of dividends of 3½ per cent. per annum on its stock. The bonds have no date of maturity, but are redeemable at 105 and interest.

The new company has reduced the rentals paid to the holders of the stocks of a number of the leased branches. Dividends on stock of Catawissa Railroad were reduced from 7 to 5 per cent.; Mine Hill & Schuylkill Haven, from 8 to 6 per cent.; Chestnut Hill Railroad, from 12 to 6 per cent., and Little Schuylkill, from 7 to 5 per cent.

## EARNINGS—PHILADELPHIA &amp; READING RAILWAY CO.

Year ending June 30

	Gross	Net	Charges	Surplus
1897-98.....	\$21,986,834	\$9,600,806	\$9,008,120	\$592,686
1898-99.....	23,002,581	9,122,423	8,897,679	224,744
1899-00.....	26,902,987	9,649,557	8,904,248	745,309
1900-01.....	28,344,169	9,777,817	9,211,196	566,620
1901-02.....	29,172,835	10,745,535	9,519,123	1,226,412
1902-03.....	32,429,791	11,836,527	9,519,011	2,317,515
1903-04.....	34,939,395	13,790,804	9,474,537	4,316,265
1904-05.....	37,495,719	17,004,933	9,645,769	7,359,162
1905-06.....	40,563,725	14,887,202	9,502,728	5,384,471
1906-07.....	43,528,936	15,791,671	9,747,246	6,044,425

Included in the net for 1901-02 is \$552,463 earnings from other sources; in 1902-03, \$721,267; in 1903-04, \$688,906; in 1904-05, \$663,648; in 1905-06, \$905,683, and in 1906-07, \$852,657 for the same item. Expenditures out of earnings for improvements are deducted in giving the net. This item in 1905-06 was \$3,539,352; in 1906-07, \$1,847,933.

The above statement is for the railroad company alone; the charges include all rentals, etc.

## INCOME ACCOUNT—READING COMPANY

Year ending June 30

	Gross	Net	Charges	Surplus
1905-06.....	\$7,020,401	\$6,924,806	\$4,334,713	\$2,590,092
1906-07.....	7,438,589	7,355,051	4,586,540	2,768,510

Dividend payments in 1903-04 were \$2,590,000; in 1904-05, \$5,250,000; in 1905-06, \$5,600,000; in 1906-07, \$5,600,000. On June 30, 1907, the surplus account of all three companies was \$22,523,416.

Total coal mined by the company and its tenants during the years ending June 30 have been: in 1897-98, 7,626,676 tons; in 1898-99, 8,183,644 tons; in 1899-1900, 9,219,764 tons; in 1900-01, 9,253,974 tons; in 1901-02, 8,198,274 tons; in 1902-03, 7,582,979 tons; in 1903-04, 10,410,849 tons; in 1904-5, 11,057,742 tons; in 1905-06, 10,659,053 tons; in 1906-07, 11,656,100 tons.

## PHILADELPHIA &amp; READING COAL &amp; IRON CO.—EARNINGS

Year ending June 30

	Gross	Net	Charges	Surplus
1901-02.....	\$26,519,529	\$1,125,107	\$419,858	\$705,248
1902-03.....	23,279,240	2,730,327	377,747	2,352,579
1903-04.....	35,251,173	4,542,204	317,224	4,224,980
1904-05.....	36,099,419	4,063,468	104,035	3,959,433
1905-06.....	34,038,540	3,160,604	118,466	3,042,138
1906-07.....	38,747,561	3,471,794	115,974	3,356,725

From the Coal & Iron Co.'s surplus for 1903-04 there was deducted \$1,273,035 for new work at collieries; \$454,241 for the depletion of coal lands fund, and \$1,582,477, being interest at the rate of 2 per cent. per annum for the company's debt to the Reading Company. In 1904-05 there were similar deductions, leaving a net surplus for the year of \$167,878. In 1905-06 the deductions were \$3,172,883 balance; deficit, \$130,745. In 1906-07, deductions, \$3,428,202; deficit, \$71,482.

The following gives the combined results, including the Reading Company, the Philadelphia & Reading Railway Co. and the Coal and Iron Co.:

## EARNINGS (ALL COMPANIES)

Year ending June 30

	Gross Earnings	Net	Charges	Surplus
1897-98.....	\$45,256,624	\$10,420,364	\$9,043,944	\$1,376,420
1898-99.....	46,882,907	10,239,061	9,073,852	1,165,508
1899-00.....	55,945,035	11,088,544	9,150,543	1,938,001
1900-01.....	58,755,880	12,154,842	9,491,755	2,663,087
1901-02.....	61,004,494	16,211,644	13,832,817	2,378,826
1902-03.....	62,140,743	19,325,281	14,127,498	5,197,783
1903-04.....	77,040,255	21,799,930	14,042,392	7,757,538
1904-05.....	80,561,157	24,242,855	14,683,967	9,558,888
1905-06.....	81,622,667	21,799,728	13,955,909	7,843,819
1906-07.....	89,715,086	23,190,315	14,448,860	8,741,453

## FREIGHT TRAFFIC STATISTICS

	Average Mileage	Total Tons (2,000 lbs.)	Tons Carried One Mile	Freight Density	Rate per Ton per Mile
1897-98.....	913	9,862,641	687,213,585	752,968	1.420c
1898-99.....	915	11,385,928	822,615,211	899,033	0.951
1899-00.....	1,000	14,192,019	1,004,500,621	1,004,500	0.971
1900-01.....	1,000	14,535,083	1,026,056,531	1,026,056	0.982
1901-02.....	1,003	16,413,700	1,113,015,544	1,109,686	0.974
1902-03.....	1,010	18,227,961	1,298,347,435	1,285,492	0.977
1903-04.....	1,011	16,633,220	1,155,981,454	1,143,404	1.032
1904-05.....	1,015	18,695,193	1,324,829,640	1,305,251	0.984
1905-06.....	999	22,353,845	1,585,638,240	1,587,225	0.959
1906-07.....	999	24,414,314	1,728,779,082	1,730,509	0.946

## COAL TRAFFIC STATISTICS

	Average Mileage	Total Tons (2,240 lbs.)	Tons Carried One Mile	Freight Density	Rate per Ton per Mile
1897-98.....	913	12,981,667	1,390,656,331	1,523,162	0.714c
1898-99.....	915	13,735,315	1,468,237,195	1,604,630	0.687
1899-00.....	1,000	15,212,275	1,643,836,143	1,643,836	0.692
1900-01.....	1,000	15,542,382	1,703,914,695	1,703,914	0.727
1901-02.....	1,003	15,553,041	1,710,792,217	1,705,575	0.705
1902-03.....	1,010	16,370,216	1,925,862,021	1,906,794	0.682
1903-04.....	1,011	19,383,867	2,180,936,831	2,157,207	0.730
1904-05.....	1,015	21,213,880	2,416,467,600	2,380,756	0.710
1905-06.....	999	22,344,470	2,517,896,071	2,520,410	0.683
1906-07.....	999	24,414,031	2,709,744,885	2,712,457	0.694

The railway company's report separates the statistics of general freight traffic and coal. The latter includes both anthracite and bituminous coal carried.

In 1901-02 the tons carried included 9,465,953 tons of anthracite and 6,087,088 tons of bituminous. In 1902-03 the figures were 7,932,891 tons of anthracite and 8,437,325 tons of bituminous. In 1903-04, 11,324,624 tons of anthracite and 8,059,243 tons of bituminous. In 1904-05, anthracite, 12,029,459 tons; bituminous, 9,184,421 tons. In 1905-06, anthracite, 11,856,871 tons; bituminous, 10,487,518 tons. In 1906-07, anthracite, 13,223,780 tons; bituminous, 11,190,250 tons.

President, George F. Baer, Philadelphia. Vice-President, Theodore Voorhees, (Railway Co.), Philadelphia. Vice-President, W. R. Taylor, Philadelphia. Vice-President, C. E. Henderson, (Railway Co.), Philadelphia. Secretary, W. R. Taylor, Philadelphia. Treasurer, Harry E. Paisley, Philadelphia. Comptroller, George Zeigler, Philadelphia.

Directors (Reading Co.)—George F. Baer, Philadelphia. Samuel Dickson, Philadelphia. Henry A. du Pont, Wilmington, Del. Henry C. Frick, Pittsburg. Joseph S. Harris, Philadelphia. Henry Pratt McKean, Philadelphia. Charles Steele, New York. Edward T. Stotesbury, Philadelphia. Hamilton McK. Twombly, New York.

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Main office, Reading Terminal, Philadelphia. Annual meeting, Reading Company, first Tuesday in June; Philadelphia & Reading Railway Co. and Philadelphia & Reading Coal & Iron Co., second Monday in October.