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SEVENTY-SEVENTH REPORT

of the

Board of Directors

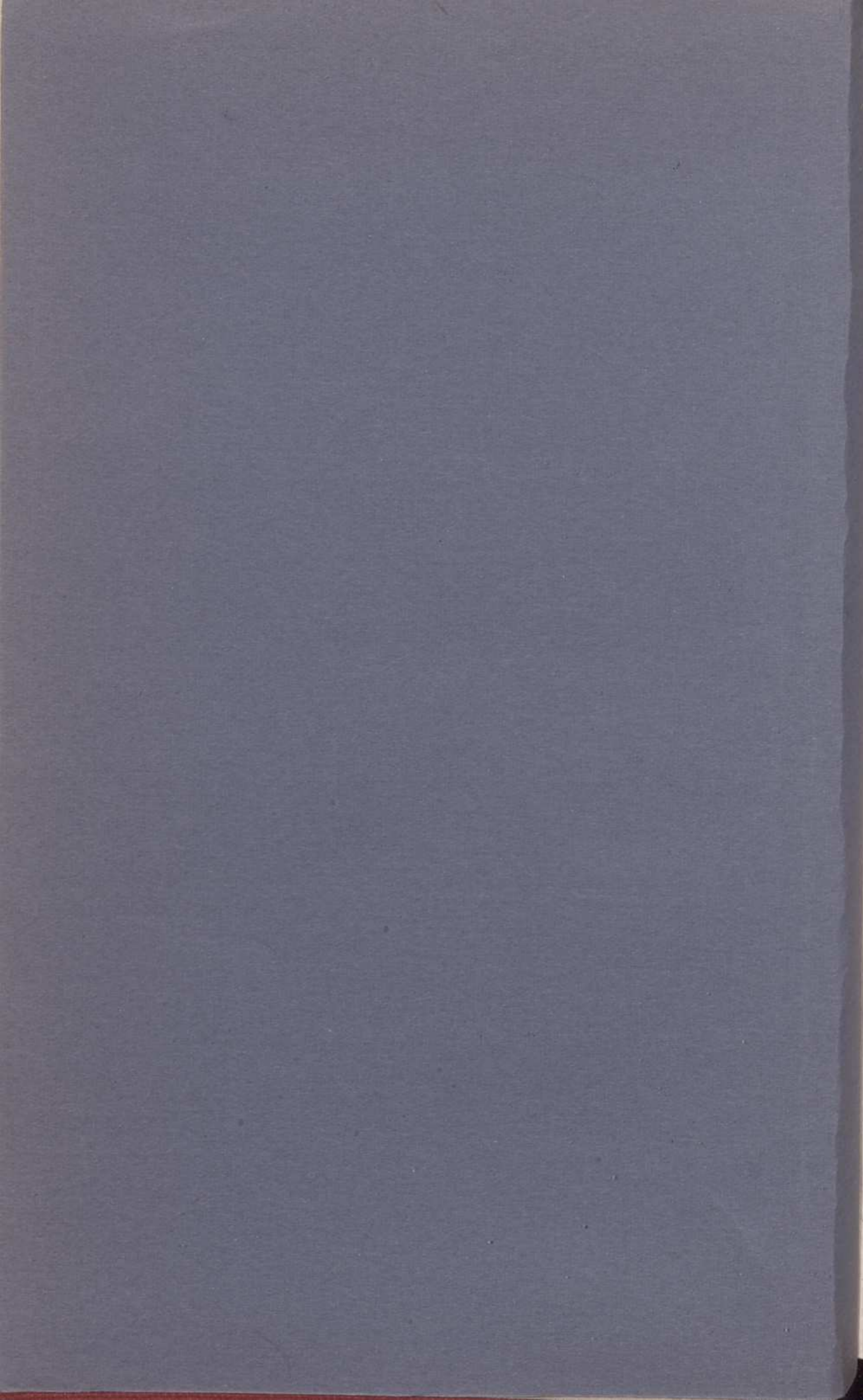
of the

Lehigh Valley Railroad Company

to the

Stockholders

For the Year Ended December 31, 1930



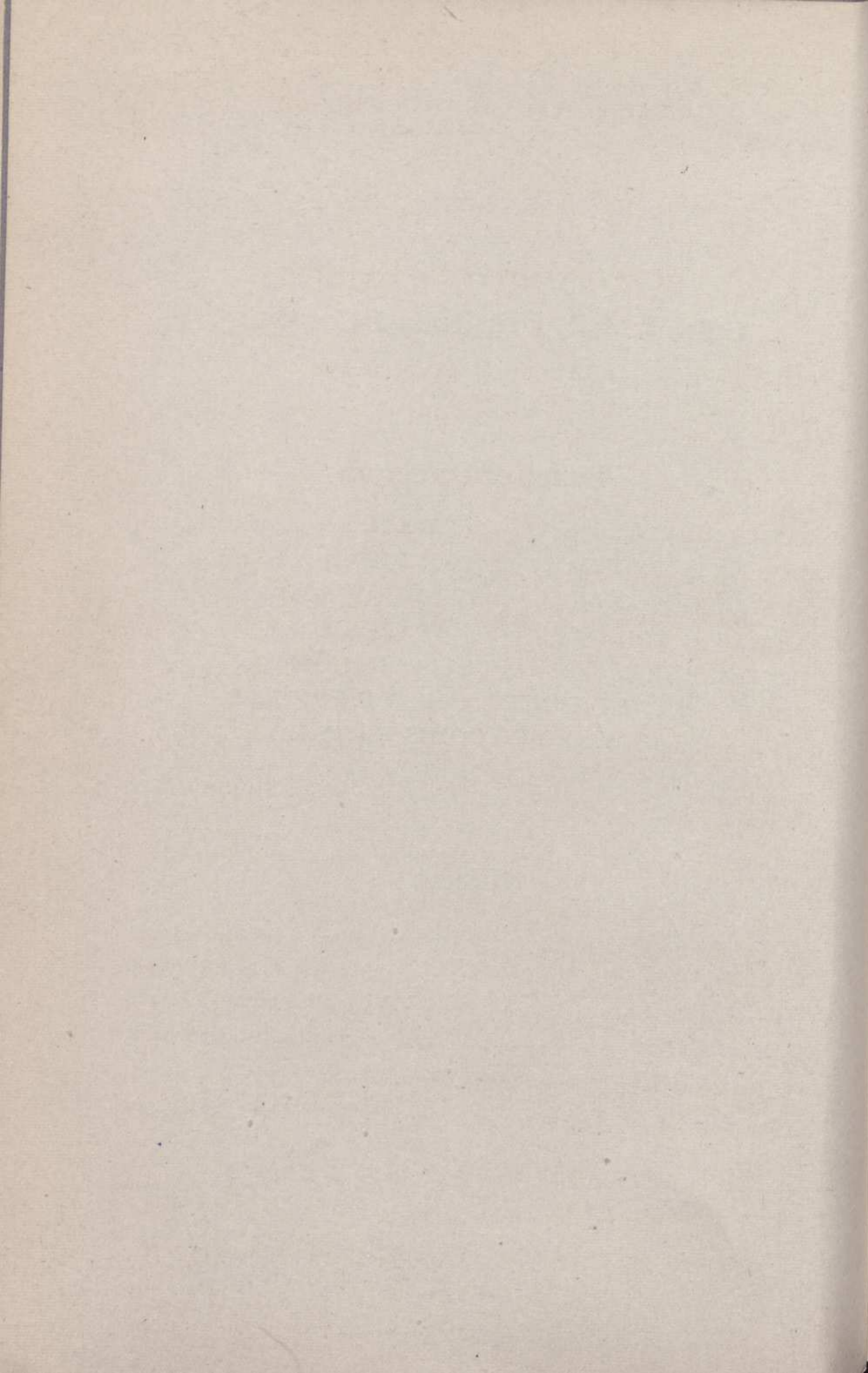
Lehigh Valley Railroad Company

Board of Directors

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ALAN C. DODSON	GEORGE T. SLADE
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THOMAS H. McINNERNEY	HARRY C. TREXLER
EDWARD E. LOOMIS, Ex-Officio	

Officers

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R. W. BARRETT.....	VICE PRESIDENT AND GENERAL COUNSEL
D. G. BAIRD.....	SECRETARY AND TREASURER



LEHIGH VALLEY RAILROAD COMPANY

Seventy-seventh Report

Philadelphia, Pa., April 1, 1931.

To the Stockholders of the Lehigh Valley Railroad Company:

The Board of Directors submits herewith its report for the year ended December 31, 1930.

INCOME

Total Operating Revenues.....	\$60,664,187.72
Total Operating Expenses.....	48,144,654.88
	\$12,519,532.84
Net Operating Revenue.....	\$12,519,532.84
Railway Tax Accruals.....	\$2,679,976.86
Uncollectible Railway Revenues.....	12,367.02
Equipment Rents—Net.....	1,194,483.89
Joint Facility Rents—Net.....	94,897.19
	3,981,724.96
Net Railway Operating Income.....	\$8,537,807.88
Other Income	1,480,513.99
	\$10,018,321.87
Total Income	\$10,018,321.87
Deductions from Income.....	7,495,051.06
	\$2,523,270.81
Net Income	\$2,523,270.81

PROFIT AND LOSS

Balance, December 31, 1929.....	\$61,201,503.11
Transferred from Income.....	2,523,270.81
Miscellaneous Items—Net	1,020,429.50
	\$62,704,344.42
Dividends:—	
Regular 7%, or \$3.50 per \$50 share—	
Common	\$4,235,119
Regular 10%, or \$5.00 per \$50 share—	
Preferred	10,630
	4,245,749.00
Balance, December 31, 1930.....	\$58,458,595.42

A comparative income statement in detail will be found on page 10.

LEHIGH VALLEY RAILROAD COMPANY

FINANCIAL

At the close of the year your Company held in its Treasury unpledged securities amounting to \$32,831,157.72, and, in addition, the following securities of its own issue:

General Consolidated Mortgage Bonds.....	\$25,400,000
Consolidated Real Estate Co. Bonds (assumed).....	2,600,000
	<hr/>
	\$28,000,000

Your Company has practically no maturities of outstanding obligations to meet for the next eight years, when an issue of \$8,500,000 becomes due, the refunding of which is provided for in the General Consolidated Mortgage.

Since September 30, 1903, the date of the General Consolidated Mortgage, expenditures of approximately \$78,000,000 have been made for Additions and Betterments to the property of your Company and for other capital purposes, against which no new or additional securities have been issued.

Since March 1, 1920, the end of Federal Control, the funded debt of your Company has been reduced \$2,912,000. During this period there has been a net increase in its property investment of \$58,000,000.

The bonds of the Lehigh Valley Railroad Company and its subsidiaries in the hands of the public, as of December 31, 1930, amounted to \$138,675,000. The average interest rate is 4.56 per cent.

Your Company has no equipment trust obligations.

ROAD AND EQUIPMENT

Expenditures for Additions and Betterments to road and equipment during 1930, including expenditures on subsidiary properties, amounted to \$7,283,201.80. Full details are shown on page 14.

A new double-track lift bridge across Newark Bay, used jointly by the Pennsylvania Railroad and your Company, construction of which was started in July, 1927, to comply with Federal regulations for proper clearances above high water, was completed. As a result of the increased

LEHIGH VALLEY RAILROAD COMPANY

elevation of the new bridge, it was necessary to reconstruct the yards at Oak Island, Newark, N. J. The bridge, with approaches, is 3,944 feet long, and has a clearance of 35 feet above high water. The yards have a capacity of 4,937 cars.

Improvements at your Company's principal Newark freight terminal at Poinier Street included remodeling the freight house, construction of an office building and installation of additional team tracks and a 30-ton electric crane. Work was also started at the Newark Terminal on a concrete coal handling plant for commercial purposes to replace the present coal trestle. This facility will have a capacity of 3,035 tons.

Similarly, at the Jersey City freight terminal at Grand Street additional team tracks and a 30-ton electrically operated traveling crane were added to the freight handling facilities. A new brick freight house and other improvements were completed at Bayonne, N. J.

More than 20,000 tons, equivalent to 94 track miles, of 136-pound rail, were laid during the year.

During the year 200,967 creosoted ties were placed in tracks, an average of 58 ties per track mile. Eighty-five per cent. of all ties in main tracks and sidings are now creosoted.

The telephone and telegraph pole lines on the western end of the railroad were completely rebuilt.

A number of bridges along the line of your railroad were rebuilt to permit operation of heavier locomotives.

Two new gas-electric motor cars and one trailer coach were added to passenger carrying equipment during the year.

GENERAL REMARKS

Despite the grave depression in business, 66 new industries were located along the line of the Lehigh Valley during the year and approximately 2.42 miles of new industrial side tracks were constructed. A list of locations available for industrial plants and full data on the subject is maintained by the Industrial Department.

LEHIGH VALLEY RAILROAD COMPANY

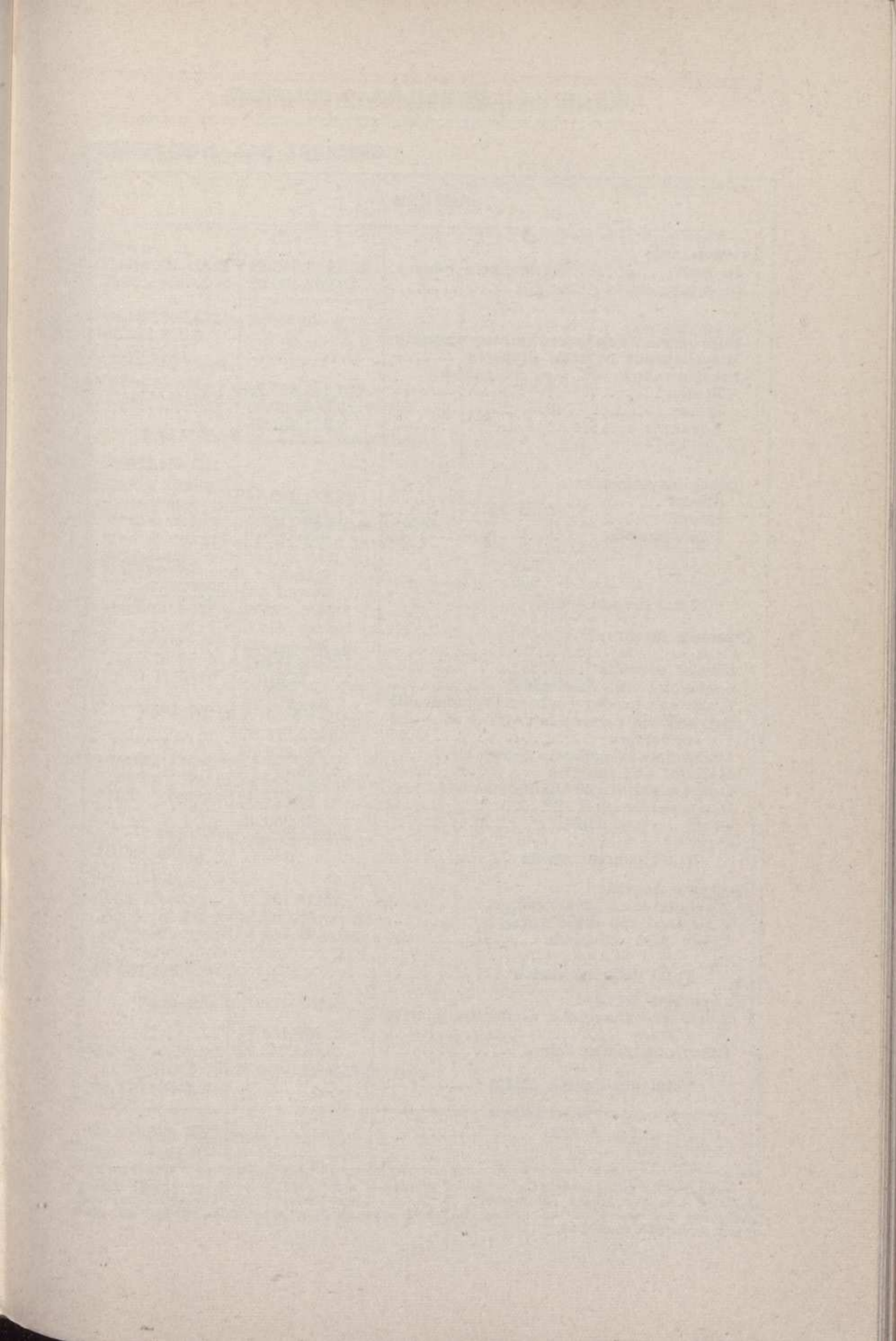
Your Company has leased Pier 38, North River, New York City, in place of Pier 34, and as a result has obtained a most desirable freight station, particularly suited to its requirements. Extensive improvements on Pier 38 have been completed and your Company has been enabled to furnish well equipped facilities for the prompt handling of dairy products and other traffic.

The site of the West 27th Street Yards, New York, which covers the area bounded by 26th and 27th Streets and Eleventh and Thirteenth Avenues, heretofore held by lease, was purchased by your Company. This property is immediately adjacent to Pier 66, North River, and is served by Lehigh Valley tracks. The Starrett-Lehigh Building, Inc., is erecting a 16-story warehouse, wholly owned by it, to be known as the Starrett-Lehigh Building, on this plot. The Lehigh Valley Railroad will continue to have a railroad yard on the street level, equipped with modern and adequate facilities to serve the public as well as the tenants of the building.

Mr. S. Brinckerhoff Thorne, a director of your Company for more than five years, died on June 3rd, and Mr. Henry B. Coxe, a member of the Board for almost nineteen years, died on October 13th. Mr. Thomas H. McInnerney and Mr. Arthur C. Dorrance were elected to fill the vacancies thus created.

Your organization has again served the Company's interest throughout the year with industry, loyalty and efficiency, which is a source of pleasure and pride to your management.

E. E. LOOMIS,
President.



LEHIGH VALLEY RAILROAD COMPANY

GENERAL BALANCE SHEET

ASSETS		
INVESTMENTS:		
In road (See Note below)	\$39,745,553.80	
In equipment	70,262,400.29	
		\$110,007,954.09
Improvements on leased railway property		2,279,119.39
Miscellaneous physical property		120,207.64
Investments in affiliated companies:		
Stocks	\$93,345,695.79	
Bonds	20,856,130.00	
Advances	8,232,331.08	
		122,434,156.87
Other investments:		
Stocks	\$1,181,309.45	
Bonds	1,202,372.27	
Miscellaneous	553,923.00	
		2,937,604.72
Total investments		\$237,779,042.71
CURRENT ASSETS:		
Cash	\$4,395,560.89	
Special deposits	5,773.59	
Loans and bills receivable.....	904.17	
Traffic and car-service balances receivable	534,254.16	
Net balance receivable from agents and conductors	852,578.67	
Miscellaneous accounts receivable	902,229.12	
Material and supplies	4,074,171.82	
Interest and dividends receivable.....	59,748.40	
Rents receivable	29,848.78	
Other current assets	231,930.01	
		11,086,999.61
Total current assets		11,086,999.61
DEFERRED ASSETS:		
Working fund advances	\$114,157.71	
Insurance and other funds	53,207.10	
Other deferred assets	23,745.89	
		191,110.70
Total deferred assets		191,110.70
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance	\$20,104.81	
Other unadjusted debits	2,244,243.79	
		2,264,348.60
Total unadjusted debits		2,264,348.60
TOTAL ASSETS		\$251,321,501.62

NOTE:—The item Investment in Road represents only road property of Lehigh Valley Railroad Company proper (Phillipsburg, N. J., to Wilkes-Barre, Pa.). The total road and equipment investment of the system, including transportation subsidiaries, owned by your Company, is \$270,630,172.58.

LEHIGH VALLEY RAILROAD COMPANY

DECEMBER 31, 1930

LIABILITIES

Stock:		
Common stock	\$60,501,700.00	.....
Preferred stock	106,300.00	.....
Total stock outstanding		\$60,608,000.00
LONG-TERM DEBT:		
Funded debt	\$117,936,000.00	.....
Less—Funded debt held in treasury ...	28,000,000.00	.....
Total long-term debt outstanding ...		89,936,000.00
CURRENT LIABILITIES:		
Loans and bills payable.....	\$3,000,000.00	.....
Traffic and car-service balances payable.	108,120.49	.....
Audited accounts and wages payable....	4,250,588.87	.....
Miscellaneous accounts payable.....	247,793.28	.....
Interest matured unpaid.....	392,262.50	.....
Dividends matured unpaid	28,547.21	.....
Funded debt matured unpaid	1,000.00	.....
Unmatured dividends declared.....	1,061,437.25	.....
Unmatured interest accrued.....	611,752.50	.....
Unmatured rents accrued	503,824.76	.....
Other current liabilities.....	262,114.83	.....
Total current liabilities.....		10,467,441.69
DEFERRED LIABILITIES:		
Liability for provident funds	\$18,749.07	.....
Other deferred liabilities	34,032.71	.....
Total deferred liabilities		52,781.78
UNADJUSTED CREDITS:		
Tax liability	\$1,795,774.16	.....
Accrued depreciation—Equipment	27,642,282.87	.....
Accrued depreciation—Miscellaneous physical property.....	97,927.90	.....
Other unadjusted credits.....	1,995,423.69	.....
Total unadjusted credits.....		31,531,408.62
CORPORATE SURPLUS:		
Additions to property through income and surplus.....	\$267,274.11	.....
Profit	58,458,595.42	.....
Total corporate surplus.....		58,725,869.53
TOTAL LIABILITIES.....		\$251,321,501.62

LEHIGH VALLEY RAILROAD COMPANY

INCOME STATEMENT

For the Years Ended December 31, 1930 and 1929

	1930	1929	INCREASE OR Decrease
AVERAGE MILES OF ROAD OPERATED.....	1,361.75	1,361.76	.01
OPERATING REVENUES:			
Anthracite coal freight revenue....	\$17,305,031.03	\$19,175,954.05	\$1,870,923.02
Bituminous coal freight revenue...	1,465,939.61	1,844,012.80	378,073.19
Merchandise freight revenue.....	31,516,974.59	38,339,440.45	6,822,465.86
Passenger revenue.....	5,512,485.92	6,506,172.51	993,686.59
Mail revenue.....	368,806.05	541,339.51	172,533.46
Express revenue.....	962,166.19	1,308,212.30	346,046.11
Other transportation revenue.....	2,398,100.51	2,749,432.29	351,331.78
Incidental revenue.....	1,134,683.82	1,258,171.22	123,487.40
Total Operating Revenues.....	\$60,664,187.72	\$71,722,735.13	\$11,058,547.41
OPERATING EXPENSES:			
Maintenance of way and structures.	\$5,925,265.52	\$6,110,455.96	\$185,190.44
Maintenance of equipment.....	13,198,354.08	15,014,837.92	1,816,483.84
Traffic expenses.....	1,699,014.43	1,718,254.37	19,239.94
Transportation expenses.....	25,285,943.66	28,501,634.73	3,215,691.07
Miscellaneous operations.....	339,451.04	390,073.43	50,622.39
General expenses.....	1,706,823.83	1,773,974.43	67,150.60
Transportation for investment—Cr.	10,197.68	8,097.04	2,100.64
Total Operating Expenses.....	\$48,144,654.88	\$53,501,133.80	\$5,356,478.92
NET OPERATING REVENUE.....	\$12,519,532.84	\$18,221,601.33	\$5,702,068.49
DEDUCTIONS FROM REVENUE:			
Railway tax accruals.....	\$2,679,976.86	\$3,688,875.83	\$1,008,898.97
Uncollectible railway revenues.....	12,367.02	9,563.06	2,803.96
Equipment rents—net.....	1,194,483.89	1,605,553.25	411,069.36
Joint facility rents—net.....	94,897.19	20,947.26	115,844.45
NET RAILWAY OPERATING INCOME	\$8,537,807.88	\$12,938,556.45	\$4,400,748.57
OTHER INCOME:			
Misc. non-operating physical property	\$249,174.44	\$220,029.78	\$29,144.66
Separately operated properties-profit	176,926.81	211,879.40	34,952.59
Dividend income.....	676,548.17	619,454.00	57,094.17
Income from funded securities.....	204,381.14	595,392.06	391,010.92
Income from unfunded securities and accounts.....	111,938.00	160,802.22	48,864.22
Miscellaneous income.....	61,545.43	69,624.12	8,078.69
Total Other Income.....	\$1,480,513.99	\$1,877,181.58	\$396,667.59
Total Income.....	\$10,018,321.87	\$14,815,738.03	\$4,797,416.16
DEDUCTIONS FROM INCOME:			
Rent for leased roads.....	\$2,342,710.97	\$2,342,782.16	\$71.19
Miscellaneous rents.....	298,095.93	377,332.02	79,236.09
Miscellaneous tax accruals.....	475,091.52	448,061.76	27,029.76
Interest on funded debt.....	4,034,855.00	4,034,855.00	
Interest on unfunded debt.....	76,180.92	26,844.40	49,336.52
Miscellaneous income charges.....	268,116.72	223,288.82	44,827.90
Total Deductions from Income....	\$7,495,051.06	\$7,453,164.16	\$41,886.90
Net Income.....	\$2,523,270.81	\$7,362,573.87	\$4,839,303.06

LEHIGH VALLEY RAILROAD COMPANY

Statement of Funded Debt, December 31, 1930

DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	IN TREASURY OF THE COMPANY	IN HANDS OF THE PUBLIC	INTEREST		
					RATE	PAYABLE	ACCRUED DURING THE YEAR
LEHIGH VALLEY RAILROAD COMPANY:							
First Mortgage Bonds.....	May 15, 1868	June 1, 1948	.....	\$5,000,000	4%	June and Dec.	\$200,000.00
Consolidated Mortgage Bonds.....	Nov. 13, 1873	{ Perpetual Perpetual	.....	10,062,000	6%	June and Dec.	603,720.00
*General Consolidated Mtg. Bonds.	Sept. 30, 1903	May 1, 2003	.....	2,538,000	4½%	June and Dec.	114,210.00
CONSOLIDATED REAL ESTATE COMPANY:							
First Mortgage Bonds.....	Feb. 1, 1906	Feb. 1, 1956	2,600,000	.....	4%	Feb. and Aug.	.....
Total Funded Debt and Interest			\$28,000,000	\$89,936,000			\$4,034,855.00

*Amount of authorized issue, \$150,000,000.
 † Excludes interest on securities in the Treasury.

Guaranties and Rentals, Year Ended December 31, 1930

GUARANTIES	DATE OF ISSUE	DATE OF MATURITY	IN HANDS OF THE PUBLIC	GUARANTIES AND RENTALS		
				RATE	PAYABLE	ACCRUED DURING THE YEAR
ENTIRE CAPITAL STOCK OWNED:						
Lehigh Valley Terminal Ry. Co., First Mtg. Bonds.	Oct. 1, 1891	Oct. 1, 1941	\$9,999,000	5%	April and Oct.	\$499,950.00
Easton & Northern Railroad Co., First Mtg. Bonds.	Oct. 7, 1895	Nov. 1, 1935	50,000	4½%	May and Nov.	2,250.00
Penna. & N.Y. Canal & RR. Co., Consol. Mtg. Bonds	Nov. 13, 1888	April 1, 1939	{ 4,000,000 1,500,000	5%	April and Oct.	200,000.00
The Lehigh Valley Rail Way Co., First Mtg. Bonds	June 23, 1890	July 1, 1940	3,000,000	4%	April and Oct.	67,500.00
Middlesex Valley Railroad Co., First Mtg. Bonds..	Aug. 26, 1892	Nov. 1, 1942	15,000,000	4½%	Jan. and July	120,000.00
The Lehigh & Lake Erie RR. Co., First Mtg. Bonds	Mar. 1, 1907	Mar. 1, 1957	190,000	5%	May and Nov.	675,000.00
Lehigh Valley Harbor Ter. Ry. Co., First Mtg. Bonds	Feb. 1, 1924	Feb. 1, 1954	3,000,000	4½%	Mar. and Sept.	9,500.00
MAJORITY CAPITAL STOCK OWNED:						
Lehigh & N. Y. Railroad Co., First Mtg. Bonds.....	Aug. 24, 1895	Sept. 1, 1945	2,000,000	5%	Feb. and Aug.	135,000.00
Total			\$48,739,000	4%	Mar. and Sept.	80,000.00
RENTALS—LINES NOT OWNED:						
State Line and Sullivan Railroad Co.....						
Raritan Terminal and Transportation Co.....						40,000.00
New York Central Railroad Co.....						2,000.00
Total Interest and Rentals						11,510.97
						\$2,342,710.97

LEHIGH VALLEY RAILROAD COMPANY

General Operating Results for the Years Ended December 31, 1930 and 1929

	1930	1929	Increase or Decrease	Per Cent.
TRAIN AND LOCOMOTIVE MILEAGE				
Revenue freight train miles—locomotive....	5,607,617	6,385,061	777,444	12.18
Revenue passenger train miles—locomotive.	2,541,524	2,659,584	118,060	4.44
Revenue milk and express train miles— locomotive	865,458	906,069	40,611	4.48
Revenue mixed train miles—locomotive....	107,719	102,374	5,345	5.22
Revenue special train miles—locomotive....	1,355	2,147	792	36.89
Total revenue service train miles—loco- motive	9,123,673	10,055,235	931,562	9.26
Revenue freight train miles—motor.....	2,158	708	1,450	204.80
Revenue passenger train miles—motor.....	1,029,218	1,057,244	28,026	2.65
Revenue mixed train miles—motor.....	8,039	3,732	4,307	115.41
Total revenue service train miles— motor	1,039,415	1,061,684	22,269	2.10
Total revenue service train miles.....	10,163,088	11,116,919	953,831	8.58
Helping and light freight locomotive miles..	1,102,599	1,432,712	330,113	23.04
Helping and light passenger locomotive miles	312,832	323,310	10,478	3.24
Helping and light mixed locomotive miles..	1,375	10,359	8,984	86.73
Helping and light special locomotive miles.	636	679	43	6.33
Total revenue service locomotive miles, ex- cluding switching and motor.....	10,541,115	11,822,295	1,281,180	10.84
Switching locomotive miles.....	5,059,936	5,427,298	367,362	6.77
Total revenue service locomotive miles, excluding motor.....	15,601,051	17,249,593	1,648,542	9.56
Non-revenue service locomotive miles.....	404,382	495,594	91,212	18.40
Per cent. helping and light of revenue service locomotive miles, excluding switching and motor	13.45	14.95	1.50	10.03
CAR MILEAGE				
Freight car mileage—loaded.....	177,427,717	207,726,117	30,298,400	14.59
Freight car mileage—empty.....	99,745,972	111,821,917	12,075,945	10.80
Freight car mileage—caboose.....	6,054,972	6,858,221	803,249	11.71
Total freight car miles.....	283,228,661	326,406,255	43,177,594	13.23
Average number of loaded freight cars per train	31.16	32.08	.92	2.87
Average number of empty freight cars per train	17.51	17.27	.24	1.39
Average number of all freight cars per train	48.67	49.35	.68	1.38
Per cent. loaded of total car miles.....	62.64	63.64	1.00	1.57
Per cent. empty of total car miles.....	35.22	34.26	.96	2.80
Per cent. caboose of total car miles.....	2.14	2.10	.04	1.90
Passenger car miles—including Pullman....	18,327,099	18,549,717	222,618	1.20
Baggage, dining, mail, express and milk car miles	16,583,407	17,062,896	479,489	2.81
Total passenger car miles.....	34,910,506	35,612,613	702,107	1.97
Average number of passenger train cars per passenger train	7.82	7.68	.14	1.82
Special revenue service car miles.....	24,555	35,426	10,871	30.69
Non-revenue service car miles.....	590,906	682,126	91,220	13.37

LEHIGH VALLEY RAILROAD COMPANY

General Traffic Results for the Years Ended December 31, 1930 and 1929

	1930	1929	INCREASE OR Decrease	PER CENT.
Average miles of road operated.....	1,361.75	1,361.76	.01	
FREIGHT TRAFFIC				
Tons of revenue freight carried.....	25,592,021	30,005,044	4,413,023	14.71
Tons of company freight carried.....	2,409,866	2,529,903	120,037	4.74
Tons of all freight carried.....	28,001,887	32,534,947	4,533,060	13.93
Tons of revenue coal carried one mile.....	1,584,449,374	1,716,522,002	132,072,628	7.69
Tons of revenue merchandise carried one mile	2,822,956,773	3,428,097,544	605,140,771	17.65
Tons of company freight carried one mile...	204,300,475	210,925,027	6,624,552	3.14
Tons of all freight carried one mile.....	4,611,706,622	5,355,544,573	743,837,951	13.89
Tons of revenue freight carried one mile per mile of road	3,236,575	3,777,919	541,344	14.33
Average distance revenue freight carried— in miles	172.22	171.46	.76	.44
Revenue from freight	\$50,287,945.23	\$59,359,407.30	\$9,071,462.07	15.28
Average revenue per ton carried.....	\$1.96-499	\$1.97-831	\$.01-332	.67
Average revenue per ton per mile—in cents	1.141	1.154	.013	1.13
Freight revenue per mile of road operated..	\$36,928.91	\$43,590.21	\$6,661.30	15.28
Freight revenue per revenue freight train mile	\$8.83-040	\$9.16-625	\$.33-585	3.66
Tons of revenue freight per revenue freight train	773.93	794.43	20.50	2.58
Tons of all freight per revenue freight train	809.80	827.00	17.20	2.08
Tons of all freight hauled per revenue service locomotive, excluding switching miles.	676.27	675.31	.96	.14
Average number of tons of all freight in each loaded car	25.99	25.78	.21	.81
PASSENGER TRAFFIC				
Revenue passengers carried	2,147,503	2,674,621	527,118	19.71
Revenue passengers carried one mile.....	190,557,369	222,438,119	31,880,750	14.33
Revenue passengers carried one mile per mile of road	139,936	163,346	23,410	14.33
Average distance carried—in miles.....	88.73	83.17	5.56	6.69
Revenue from passengers	\$5,512,485.92	\$6,506,172.51	\$993,686.59	15.27
Average revenue per passenger—in cents...	256.693	243.256	13.437	5.52
Average revenue per passenger per mile—in cents	2.893	2.925	.032	1.09
Average revenue from passengers per pass- enger train mile (excluding milk and express)	\$1.53-065	\$1.74-296	\$0.21-231	12.18
Passenger service train revenue	\$8,577,661.49	\$10,129,827.98	\$1,552,166.49	15.32
Passenger service train revenue per mile of road	\$6,299.00	\$7,438.78	\$1,139.78	15.32
Passenger service train revenue per train mile (including milk and express).....	\$1.92-029	\$2.18-367	\$0.26-338	12.06
Average revenue passengers per car.....	10	12	2	16.67
Average revenue passengers per train (in- cluding mixed)	53	60	7	11.67
REVENUES AND EXPENSES				
Freight and passenger revenue.....	\$55,800,431.15	\$65,865,579.81	\$10,065,148.66	15.28
Freight and passenger revenue per mile of road	\$40,977.00	\$48,367.98	\$7,390.98	15.28
Total operating revenues	\$60,664,187.72	\$71,722,735.13	\$11,058,547.41	15.42
Total operating revenues per mile of road..	\$44,548.70	\$52,669.15	\$8,120.45	15.42
Operating expenses	\$48,144,654.88	\$53,501,133.80	\$5,356,478.92	10.01
Ratio of operating expenses to operating rev- enues	79.36%	74.59%	4.77%	6.39
Operating expenses per mile of road.....	\$35,354.99	\$39,288.23	\$3,933.24	10.01
Net operating revenue	\$12,519,532.84	\$18,221,601.33	\$5,702,068.49	31.29
Net operating revenue per mile of road.....	\$9,193.71	\$13,380.92	\$4,187.21	31.29

LEHIGH VALLEY RAILROAD COMPANY

Additions and Betterments, Entire System, Year Ended December 31, 1930

	EXPENDITURES AND CHARGES	RETIREMENTS	NET AMOUNT
Engineering	\$74,052.10	\$469.21	\$73,582.89
Land for transportation purposes	1,913,198.88	26,119.24	1,887,079.64
Grading	895,735.78	13,659.97	882,075.81
Tunnels and subways.....	38,935.00	.....	38,935.00
Bridges, trestles and culverts.....	199,191.59	4,633.65	194,557.94
Ties	15,954.20	44,446.66	60,400.86
Rails	195,301.22	45,192.84	150,108.38
Other track material.....	431,339.48	26,339.75	404,999.73
Ballast	174,642.43	3,774.86	170,867.57
Track laying and surfacing.....	149,004.45	43,814.90	105,189.55
Right-of-way fences.....	386.20	.....	386.20
Crossings and signs.....	331,371.03	1,894.33	329,476.70
Station and office buildings.....	801,600.04	50,140.10	751,459.94
Roadway buildings	29,397.14	17,004.24	12,392.90
Water stations.....	58,707.86	11,575.84	47,132.02
Fuel stations	6,725.95	15,141.79	8,415.84
Shops and engine houses.....	54,537.03	74,984.47	20,447.44
Wharves and docks.....	8,781.02	.....	8,781.02
Coal and ore wharves	8,287.36	.....	8,287.36
Telegraph and telephone lines.....	145,976.44	366.66	145,609.78
Signals and interlockers.....	255,967.47	7,155.56	248,811.91
Power plant buildings.....	15,692.76	1,391.40	14,301.36
Power distribution systems.....	6,018.86	386.81	5,632.05
Power line poles and fixtures.....	1,030.94	870.12	160.82
Miscellaneous structures.....	382.09	.....	382.09
Roadway machines.....	8,749.75	32,883.80	24,134.05
Assessments for public improvements.	20,977.51	5,562.71	15,414.80
Other expenditures—road.....	8,187.00	.....	8,187.00
Shop machinery	66,778.96	47,682.67	19,096.29
Power plant machinery.....	1,076.04	4,055.06	2,979.02
Power sub-station apparatus	400.41	.....	400.41
Steam locomotives	502,565.41	6,151.34	496,414.07
Other locomotives.....	28,744.53	.....	28,744.53
Freight train cars	619,734.45	54,150.93	565,583.52
Passenger train cars.....	68,450.03	51,720.46	16,729.57
Motor equipment of cars.....	114,871.62	.....	114,871.62
Floating equipment.....	21,694.96	7,400.00	14,294.96
Work equipment	9,221.31	4,485.75	4,735.56
Miscellaneous equipment	7,663.63	8,557.56	893.93
General expenditures	40,351.99	163.79	40,188.20
Total	\$7,283,201.80	\$612,176.47	\$6,671,025.33

LEHIGH VALLEY RAILROAD COMPANY

Classification of Tonnage for the Years Ended December 31, 1930 and 1929

COMMODITIES	1930		1929	
	TONS	PER CENT.	TONS	PER CENT.
Products of Agriculture.....	1,907,253	7.45	2,103,626	7.01
Animals and Products.....	517,664	2.02	529,564	1.76
Products of Mines.....	14,559,905	56.89	16,750,431	55.82
Products of Forests.....	469,409	1.84	619,938	2.07
Manufactures and Miscellaneous.....	7,596,301	29.68	9,336,515	31.12
Grand Total, Carload Traffic.....	25,050,532	97.88	29,340,074	97.78
All L.C.L. Freight.....	541,489	2.12	664,970	2.22
Grand Total Carload and L.C.L. Traffic	25,592,021	100.00	30,005,044	100.00

GENERAL REMARKS TO RAILROAD STOCKHOLDERS

What appeared to be a minor decline in activity at the beginning of 1930 proved to be a prolonged business depression, which seriously affected the railroads of the entire country. Statistics for the year just ended indicate that volume of business handled by the railroads, as a whole, measured by ton miles, declined 13% compared with the previous year. The rate of return on property investment used for transportation purposes was but 3.41%. Both of these factors were the lowest for any year since 1922.

The business decline of 1930 has, no doubt, been exaggerated in the mind of the public as a result of comparison with the preceding year of 1929, during part of which unusual activity prevailed. This analogy, coupled with a lack of confidence generally through fear of future developments, has been an important influence in postponing a return to normal conditions. Fluctuations in business should be compared only with normal conditions, but lack of understanding of what normal conditions really are and proper methods of numerical comparison are everywhere apparent.

The Nation's business is now conducted on a basis which demands a new level of quality in rail service. The carriers are organized and equipped to handle a much larger volume of business than has been

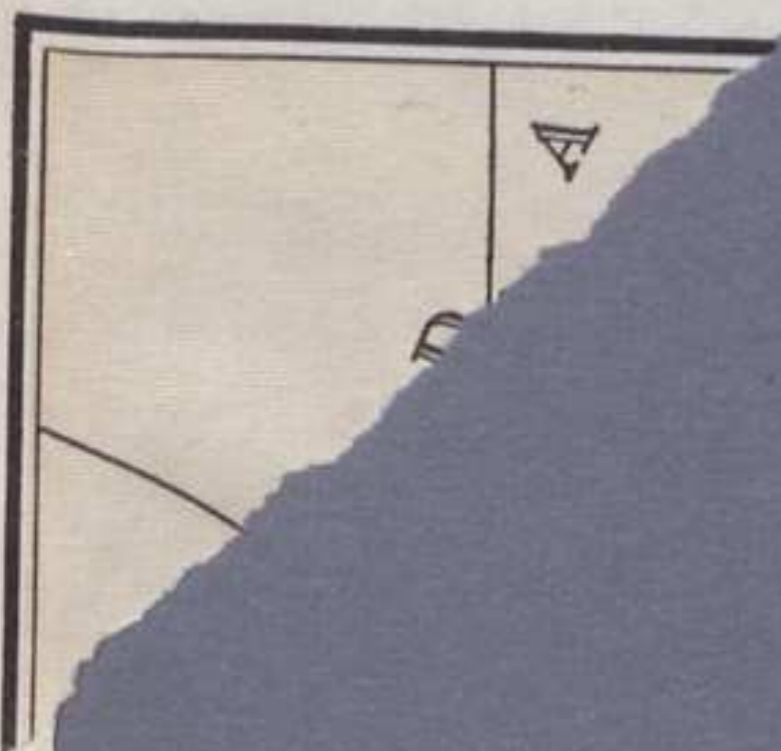
LEHIGH VALLEY RAILROAD COMPANY

offered for some time, and, anticipating an upward trend in business conditions, have been loath to curtail their expenditures for improvements.

Throughout the year the railways continued to feel the effects of increased competition from motor trucks and buses, inland waterways and pipe lines, most of which are unregulated and some of which enjoy Government subsidies. Some of these agencies have a legitimate field, but their expansion without regard to the Nation's transportation requirements is taking a large volume of business from the rail carriers, at a time when, because of economic conditions, the normal freight and passenger traffic of the railroads is already showing a marked decline.

The development of our country is closely associated with expansion and improvement in rail transportation and our people should not forget the highly essential service of the railways.

E. E. LOOMIS,
President.



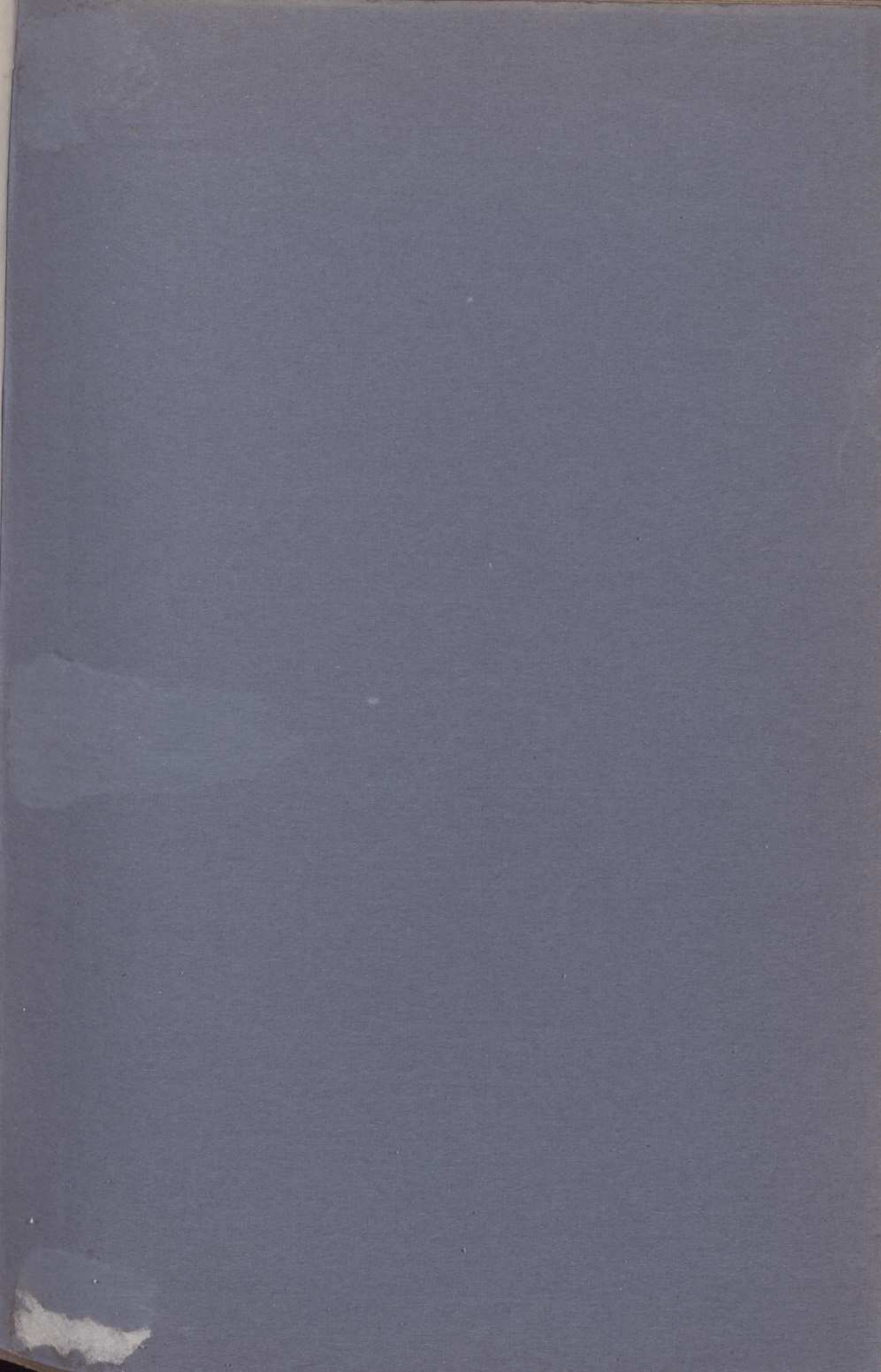
LEHIGH VALLEY RAIL

offered for some time, and, anticipating business conditions, have been loath to make improvements.

Throughout the year the railways continued to face increased competition from motor trucks and buses, and pipe lines, most of which are unregulated and some receive Government subsidies. Some of these agencies have a legal right to expand but their expansion without regard to the Nation's transportation requirements is taking a large volume of business from the railroads at a time when, because of economic conditions, the normal freight and passenger traffic of the railroads is already showing a marked decline.

The development of our country is closely associated with expansion and improvement in rail transportation and our people should not forget the highly essential service of the railways.

E. E. LOOMIS,
President.



1930