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SEVENTY-EIGHTH REPORT

of the

Board of Directors

of the

Lehigh Valley Railroad Company

to the

Stockholders

For the Year Ended December 31, 1931

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For the Year Ended December 31, 1931

Lehigh Valley Railroad Company

Board of Directors

JAMES F. BELL	EDWARD S. MOORE
MORRIS L. CLOTHIER	EFFINGHAM B. MORRIS, JR.
ALAN C. DODSON	GEORGE T. SLADE
ARTHUR C. DORRANCE	JOHN R. SPROUL
FRED M. KIRBY	ALFRED H. SWAYNE
THOMAS H. McINNERNEY	HARRY C. TREXLER
EDWARD E. LOOMIS, Ex-Officio	

Officers

E. E. LOOMIS.....	PRESIDENT
C. E. HILDUM.....	EXECUTIVE VICE PRESIDENT
JOHN DUFFY.....	VICE PRESIDENT—TRAFFIC
G. H. FOSTER.....	VICE PRESIDENT—OPERATION
R. W. BARRETT.....	VICE PRESIDENT AND GENERAL COUNSEL
D. G. BAIRD.....	SECRETARY AND TREASURER
A. F. BAYFIELD.....	COMPTROLLER

LEHIGH VALLEY RAILROAD COMPANY

Seventy-eighth Report

Philadelphia, Pa., May 2, 1932.

To the Stockholders of the Lehigh Valley Railroad Company:

The Board of Directors submits herewith its report for the year ended December 31, 1931.

INCOME

Total Operating Revenues.....	\$50,024,627.38
Total Operating Expenses.....	40,979,422.21
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Net Operating Revenue.....	\$ 9,045,205.17
Railway Tax Accruals.....	\$3,156,030.74
Uncollectible Railway Revenues.....	23,083.57
Equipment Rents—Net	1,057,972.49
Joint Facility Rents—Net.....	206,398.13
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	4,443,484.93
Net Railway Operating Income.....	\$ 4,601,720.24
Other Income	979,773.61
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Total Income	\$ 5,581,493.85
Deductions from Income.....	7,842,539.07
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Net Income	\$ 2,261,045.22

PROFIT AND LOSS

Balance, December 31, 1930.....	\$58,458,595.42
Transferred from Income.....	2,261,045.22
Miscellaneous Items—Net	2,689,817.65
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	\$53,507,732.55
Dividends:—	
2½%, or \$1.25 per \$50 share—	
Common	\$1,512,542.50
10%, or \$5.00 per \$50 share—	
Preferred	10,630.00
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	1,523,172.50
Balance, December 31, 1931.....	\$51,984,560.05

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 \$32,171,305.30, and, in addition, the following securities of its own issue:

General Consolidated Mortgage Bonds.....	\$17,067,000
Consolidated Real Estate Co. Bonds (assumed).....	2,600,000
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	\$19,667,000

Since September 30, 1903, the date of the General Consolidated Mortgage, expenditures of approximately \$76,000,000 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.

Your Company has assumed the Equipment Trust Obligations on account of 500 coal cars purchased from the Pennsylvania Coal and Coke Corporation. The amount outstanding is \$318,000, payment to be made serially during the next six years. The total funded obligations of the Lehigh Valley Railroad Company and its subsidiaries in the hands of the public as of December 31, 1931, amount to \$139,077,658.96. The average interest rate is 4.56%.

At the close of the year, your Company had outstanding bank loans amounting to \$5,000,000, to secure which General Consolidated 5% Mortgage bonds, heretofore held in the Treasury, have been pledged as collateral. Loans in this form were necessary because of bond market conditions.

ROAD AND EQUIPMENT

Expenditures for Additions and Betterments to road and equipment during 1931, including expenditures on subsidiary properties, amounted to \$3,191,333.74. Full details are shown on page 14.

Notwithstanding the necessity of curtailing operating expenses, as far as possible, the usual high standards of maintenance of roadbed, structures, and equipment were continued throughout the year. Repairs and improvements, calculated to effect savings, were made to locomotives, freight and passenger cars, work and marine equipment.

Two high-speed locomotives for use in handling maximum tonnage fast freight trains between the Niagara Frontier and Jersey City, were built and delivered during the year. Dynamometer car tests of their operation demonstrated that numerous economies could be effected by the use of this type of locomotive, and orders were placed for twenty similar engines which will be delivered early in 1932. These engines,

LEHIGH VALLEY RAILROAD COMPANY

known as the "Wyoming" type, are the largest and most powerful fast freight engines in the East.

One oil-electric and two gas-electric locomotives were purchased and placed in yard service at the Jersey City Terminal. Since the first of this year, two additional oil-electric engines have been added to this equipment. This substitution for steam service has resulted in substantial economies.

Five hundred 50-ton capacity steel coal cars were added to the freight car equipment during 1931.

Fifty-eight hundred tons of 136-pound steel rail—equivalent to 27 track miles—were laid during the year. The main line is now ninety-six per cent. laid with this heavy rail.

During the year, 165,219 creosoted ties were placed in tracks. Eighty-six per cent. of all ties in main tracks and sidings are now creosoted.

Additions and alterations were made to freight handling facilities at Pier 66, North River, and at East 124th Street Station, in New York City.

All of the improvements at Poinier Street Freight Terminal, Newark, N. J., were completed, including a large concrete coal handling plant for commercial purposes.

GENERAL REMARKS

The year was one of stress and difficulty. The major world-wide depression had a serious effect upon the revenues of your property. Merchandise freight and passenger business showed abnormal declines and the movement of anthracite also materially decreased. The mild winter of 1930-31 and the increased use of anthracite substitutes substantially reduced this traffic. The winter of 1931-32 in anthracite burning territory was the mildest in sixty years and this served to bring about a further reduction.

Earnings of all railroads have suffered seriously along with those of other lines of industry during this period of depression. Much has been said of the need of increased railroad purchases to stimulate business, but those who urge such a program forget that the railroads are merely transportation agencies, dependent upon industrial traffic. Return of confidence will increase consumption and this will increase production. Only then will the railroads be in position to resume purchases in volume.

On June 17, 1931, the railroads of the country made application to the Interstate Commerce Commission for an increase of fifteen per cent.

LEHIGH VALLEY RAILROAD COMPANY

in freight rates. After lengthy hearings, the Commission authorized increases in rates on certain commodities amounting to approximately three and one-half per cent. effective January 4, 1932, and expiring March 31, 1933, revenues derived from these increases to be segregated for the benefit of rail carriers unable to pay their fixed charges. Further negotiations with the Commission resulted in the establishment of what is known as the Marshalling and Distributing Plan, and the organization of the Railroad Credit Corporation. The latter has entered into agreements with practically all of the rail carriers to be benefited by the increased rates, including your Company, for the purpose of collecting, receiving and administering the fund growing out of the increases allowed by the Commission. From the fund thus established, the Corporation will make loans to roads requiring financial assistance.

Despite prevailing conditions, your Company paid dividends for the first half of the year, but, in order to conserve the Company's resources, it was necessary to discontinue these payments in July.

Construction of the sixteen-story Starrett-Lehigh Building above your Company's team-track yard at West Twenty-seventh Street and Thirteenth Avenue, New York City, has been completed. The street level of the building is occupied by your Company as a loading and delivery yard, with a track capacity of 56 cars. Two electric traveling cranes of twenty and thirty-ton capacity, which may be connected to lift fifty tons, have been installed. Despite abnormal conditions, important space has been leased by tenants, all of whom will receive and forward freight via your road.

Your Company negotiated in 1931 for a one-half interest in the Owasco River Railway, having a line of railroad four miles long within the City of Auburn, N. Y., and serving local industries. The matter was concluded in the early part of 1932 and the road is now owned jointly with the New York Central Railroad.

Fifty-nine new industries were located along the line of the Lehigh Valley during the year. The Industrial Department of your Company maintains a list of sites available for the location of industrial plants.

Deductions from the pay of all officers and a considerable number of employes were made during the year. In accordance with the terms of an agreement reached between representatives of the railroads and various labor organizations, as a result of conferences held in Chicago, effective February 1, 1932, a ten per cent. deduction was made from the earnings of such employes.

The officers and employes of your Company have worked hard and faithfully during a trying year and thanks are due them for their loyalty and co-operation.

E. E. LOOMIS,
President.

LEHIGH VALLEY RAILROAD COMPANY

GENERAL BALANCE SHEET

ASSETS		
INVESTMENTS:		
In road..... (See Note below)	\$40,271,667.83	.....
In equipment.....	68,898,466.13	.....
Improvements on leased railway property	.....	\$109,170,133.96
Miscellaneous physical property.....	.....	2,346,949.96
Investments in affiliated companies:	.....	120,207.64
Stocks	\$93,583,537.57	.....
Bonds	20,856,130.00	.....
Advances	8,228,006.67	.....
Other investments:	.....	122,667,674.24
Stocks	\$1,181,309.45	.....
Bonds	50,557.00	.....
Miscellaneous	557,923.00	.....
Total investments.....	.....	1,789,789.45
.....	.....	\$236,094,755.25
CURRENT ASSETS:		
Cash	\$3,141,564.48	.....
Special deposits.....	4,835.59	.....
Loans and bills receivable.....	925.53	.....
Traffic and car-service balances receivable	493,705.53	.....
Net balance receivable from agents and conductors	610,931.87	.....
Miscellaneous accounts receivable.....	682,309.92	.....
Material and supplies.....	3,067,977.20	.....
Interest and dividends receivable.....	112,827.50	.....
Rents receivable.....	44,112.66	.....
Other current assets.....	202,595.08	.....
Total current assets.....	.....	8,361,785.36
DEFERRED ASSETS:		
Working fund advances.....	\$123,623.49	.....
Insurance and other funds.....	90,852.10	.....
Other deferred assets.....	40,875.95	.....
Total deferred assets.....	.....	255,351.54
UNADJUSTED DEBITS:		
Rents and insurance premiums paid in advance	\$29,214.98	.....
Other unadjusted debits.....	2,251,213.37	.....
Total unadjusted debits.....	.....	2,280,428.35
TOTAL ASSETS.....	.....	\$246,992,320.50

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 \$268,634,285.07.

LEHIGH VALLEY RAILROAD COMPANY

DECEMBER 31, 1931

LIABILITIES

Stock:		
Common stock.....	\$60,501,700.00	.....
Preferred stock.....	106,300.00	.....
Total stock outstanding.....		\$60,608,000.00
Grants in aid of construction.....		36,473.37
LONG-TERM DEBT:		
Funded debt.....	\$117,936,000.00	.....
Less—Funded debt held in treasury or pledged	28,000,000.00	.....
	89,936,000.00	.....
Liability under sub-lease of equipment, December 16, 1930.....	318,000.00	.....
State of New York grade crossing elimination	84,658.96	.....
Total long-term debt outstanding...		90,338,658.96
CURRENT LIABILITIES:		
Loans and bills payable.....	\$5,000,000.00	.....
Traffic and car-service balances payable.....	75,667.72	.....
Audited accounts and wages payable....	2,890,716.72	.....
Miscellaneous accounts payable.....	190,858.99	.....
Interest matured unpaid.....	377,385.00	.....
Dividends matured unpaid.....	31,066.53	.....
Funded debt matured unpaid.....	1,000.00	.....
Unmatured dividends declared.....	2,657.50	.....
Unmatured interest accrued.....	603,230.00	.....
Unmatured rents accrued.....	503,824.76	.....
Other current liabilities.....	223,642.21	.....
Total current liabilities.....		9,900,049.43
DEFERRED LIABILITIES:		
Liability for provident funds.....	\$29,280.66	.....
Other deferred liabilities.....	148,145.69	.....
Total deferred liabilities.....		177,426.35
UNADJUSTED CREDITS:		
Tax liability.....	\$1,680,773.42	.....
Accrued depreciation—Equipment	29,848,266.14	.....
Accrued depreciation—Miscellaneous physical property	106,928.59	.....
Other unadjusted credits.....	2,001,906.64	.....
Total unadjusted credits.....		33,637,874.79
CORPORATE SURPLUS:		
Additions to property through income and surplus.....	\$309,277.55	.....
Profit	51,984,560.05	.....
Total corporate surplus.....		52,293,837.60
TOTAL LIABILITIES.....		\$246,992,320.50

LEHIGH VALLEY RAILROAD COMPANY

INCOME STATEMENT For the Years Ended December 31, 1931 and 1930

	1931	1930	INCREASE OR Decrease
AVERAGE MILES OF ROAD OPERATED.....	1,361.72	1,361.75	.03
OPERATING REVENUES:			
Anthracite coal freight revenue....	\$14,516,307.23	\$17,305,031.03	\$2,788,723.80
Bituminous coal freight revenue...	1,261,871.27	1,465,939.61	204,068.34
Merchandise freight revenue.....	25,875,557.64	31,516,974.59	5,641,416.95
Passenger revenue.....	4,192,211.41	5,512,485.92	1,320,274.51
Mail revenue.....	344,635.33	368,806.05	24,170.72
Express revenue.....	611,764.89	962,166.19	350,401.30
Other transportation revenue.....	2,310,340.17	2,398,100.51	87,760.34
Incidental revenue.....	911,939.44	1,134,683.82	222,744.38
Total Operating Revenues.....	\$50,024,627.38	\$60,664,187.72	\$10,639,560.34
OPERATING EXPENSES:			
Maintenance of way and structures.	\$4,664,229.28	\$5,925,265.52	\$1,261,036.24
Maintenance of equipment.....	11,447,869.46	13,198,354.08	1,750,484.62
Traffic expenses.....	1,549,137.58	1,699,014.43	149,876.85
Transportation expenses.....	21,479,506.93	25,285,943.66	3,806,436.73
Miscellaneous operations.....	279,557.95	339,451.04	59,893.09
General expenses.....	1,569,967.57	1,706,823.83	136,856.26
Transportation for investment—Cr.	10,846.56	10,197.68	648.88
Total Operating Expenses.....	\$40,979,422.21	\$48,144,654.88	\$7,165,232.67
NET OPERATING REVENUE.....	\$9,045,205.17	\$12,519,532.84	\$3,474,327.67
DEDUCTIONS FROM REVENUE:			
Railway tax accruals.....	\$3,156,030.74	\$2,679,976.86	\$476,053.88
Uncollectible railway revenues.....	23,083.57	12,367.02	10,716.55
Equipment rents—net.....	1,057,972.49	1,194,483.89	136,511.40
Joint facility rents—net.....	206,398.13	94,897.19	111,500.94
NET RAILWAY OPERATING INCOME	\$4,601,720.24	\$8,537,807.88	\$3,936,087.64
OTHER INCOME:			
Misc. non-operating physical property	\$164,723.35	\$249,174.44	\$84,451.09
Separately operated properties-profit	124,942.00	176,926.81	51,984.81
Dividend income.....	391,462.00	676,548.17	285,086.17
Income from funded securities.....	78,050.88	204,381.14	126,330.26
Income from unfunded securities and accounts.....	57,722.84	111,938.00	54,215.16
Miscellaneous income.....	162,872.54	61,545.43	101,327.11
Total Other Income.....	\$979,773.61	\$1,480,513.99	\$500,740.38
Total Income.....	\$5,581,493.85	\$10,018,321.87	\$4,436,828.02
DEDUCTIONS FROM INCOME:			
Rent for leased roads.....	\$2,342,696.56	\$2,342,710.97	\$14.41
Miscellaneous rents.....	365,098.09	298,095.93	67,002.16
Miscellaneous tax accruals.....	500,493.55	475,091.52	25,402.03
Interest on funded debt.....	4,054,010.74	4,034,855.00	19,155.74
Interest on unfunded debt.....	163,906.44	76,180.92	87,725.52
Miscellaneous income charges.....	416,333.69	268,116.72	148,216.97
Total Deductions from Income....	\$7,842,539.07	\$7,495,051.06	\$347,488.01
Net Income.....	\$2,261,045.22	\$2,523,270.81	\$4,784,316.03

LEHIGH VALLEY RAILROAD COMPANY

Statement of Funded Debt, December 31, 1931

DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	IN TREASURY OF THE COMPANY OR PLEDGED	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
			.....	2,538,000	4½%	June and Dec.	114,210.00
*General Consolidated Mtg. Bonds.	Sept. 30, 1903	May 1, 2003	{ \$1,000,000 †24,400,000	39,639,000	4%	May and Nov.	1,585,560.00
CONSOLIDATED REAL ESTATE COMPANY:							
First Mortgage Bonds.....	Feb. 1, 1906	Feb. 1, 1956	2,600,000	.....	4%	Feb. and Aug.	.....
Equipment Obligations .....	.....	Nov. 15, 1937	.....	318,000	5½%	May and Nov.	.....
State of New York—Grade Crossing Eliminations .....	.....	.....	.....	84,659	.....	.....	.....
Total Funded Debt and Interest	.....	.....	\$28,000,000	\$90,338,659	.....	.....	\$4,054,010.74

* Amount of authorized issue, \$150,000,000.
 † Excludes interest on securities in the Treasury.
 ‡ \$8,333,000 pledged.

Guaranties and Rentals, Year Ended December 31, 1931

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
			{ 4,000,000	5%	April and Oct.	200,000.00
Penna. & N.Y. Canal & RR. Co., Consol. Mtg. Bonds	Nov. 13, 1888	April 1, 1939	1,500,000	4½%	April and Oct.	67,500.00
			3,000,000	4%	April and Oct.	120,000.00
The Lehigh Valley Rail Way Co., First Mtg. Bonds	June 23, 1890	July 1, 1940	15,000,000	4½%	Jan. and July	675,000.00
Middlesex Valley Railroad Co., First Mtg. Bonds..	Aug. 26, 1892	Nov. 1, 1942	190,000	5%	May and Nov.	9,500.00
The Lehigh & Lake Erie RR. Co., First Mtg. Bonds	Mar. 1, 1907	Mar. 1, 1957	3,000,000	4½%	Mar. and Sept.	135,000.00
Lehigh Valley Harbor Ter. Ry. Co., First Mtg. Bonds	Feb. 1, 1924	Feb. 1, 1954	10,000,000	5%	Feb. and Aug.	500,000.00
MAJORITY CAPITAL STOCK OWNED:						
Lehigh & N. Y. Railroad Co., First Mtg. Bonds.....	Aug. 24, 1895	Sept. 1, 1945	2,000,000	4%	Mar. and Sept.	80,000.00
Total .....	.....	.....	\$48,739,000	.....	.....	\$2,289,200.00
RENTALS—LINES NOT OWNED:						
State Line and Sullivan Railroad Co.....	.....	.....	.....	.....	.....	40,000.00
Raritan Terminal and Transportation Co.....	.....	.....	.....	.....	.....	2,000.00
New York Central Railroad Co.....	.....	.....	.....	.....	.....	11,496.56
Total Interest and Rentals.....	.....	.....	.....	.....	.....	\$2,342,696.56

LEHIGH VALLEY RAILROAD COMPANY

General Operating Results for the Years Ended December 31, 1931 and 1930

	1931	1930	Increase or Decrease	Per Cent.
TRAIN AND LOCOMOTIVE MILEAGE				
Revenue freight train miles—locomotive....	5,003,289	5,608,317	605,028	10.79
Revenue passenger train miles—locomotive.	2,322,056	2,541,524	219,468	8.64
Revenue milk and express train miles— locomotive	763,698	865,458	101,760	11.76
Revenue mixed train miles—locomotive....	106,483	107,719	1,236	1.15
Revenue special train miles—locomotive....	1,437	1,355	82	6.05
Total revenue service train miles—loco- motive	8,196,963	9,124,373	927,410	10.16
Revenue passenger train miles—motor....	984,247	1,020,189	35,942	3.52
Revenue mixed train miles—motor.....	29,020	10,185	18,835	184.93
Total revenue service train miles— motor	1,013,267	1,030,374	17,107	1.66
Total revenue service train miles.....	9,210,230	10,154,747	944,517	9.30
Helping and light freight locomotive miles..	795,166	1,101,899	306,733	27.84
Helping and light passenger locomotive miles	236,956	312,832	75,876	24.25
Helping and light mixed locomotive miles..	1,390	1,375	15	1.09
Helping and light special locomotive miles.	495	636	141	22.17
Total revenue service locomotive miles, ex- cluding switching and motor.....	9,230,970	10,541,115	1,310,145	12.43
Switching locomotive miles.....	4,564,454	5,059,936	495,482	9.79
Total revenue service locomotive miles, excluding motor.....	13,795,424	15,601,051	1,805,627	11.57
Non-revenue service locomotive miles.....	321,481	404,382	82,901	20.50
Per cent. helping and light of revenue service locomotive miles, excluding switching and motor	11.20	13.44	2.24	16.67
CAR MILEAGE				
Freight car mileage—loaded.....	153,175,052	177,427,717	24,252,665	13.67
Freight car mileage—empty.....	90,558,166	99,745,972	9,187,806	9.21
Freight car mileage—caboose.....	5,388,485	6,054,972	666,487	11.01
Total freight car miles.....	249,121,703	283,228,661	34,106,958	12.04
Average number of loaded freight cars per train	30.13	31.17	1.04	3.34
Average number of empty freight cars per train	17.81	17.52	.29	1.66
Average number of all freight cars per train	49.01	49.75	.74	1.49
Per cent. loaded of total car miles.....	61.49	62.64	1.15	1.84
Per cent. empty of total car miles.....	36.35	35.22	1.13	3.21
Per cent. caboose of total car miles.....	2.16	2.14	.02	.93
Passenger car miles—including Pullman....	16,773,470	18,182,637	1,409,167	7.75
Baggage, dining, mail, express and milk car miles	16,098,495	16,727,113	628,618	3.76
Total passenger car miles.....	32,871,965	34,909,750	2,037,785	5.84
Average number of passenger train cars per passenger train	8.01	7.84	.17	2.17
Special revenue service car miles.....	21,345	24,555	3,210	13.07
Non-revenue service car miles.....	523,570	591,282	67,712	11.45

LEHIGH VALLEY RAILROAD COMPANY

General Traffic Results for the Years Ended December 31, 1931 and 1930

	1931	1930	INCREASE OR Decrease	PER CENT.
Average miles of road operated.....	1,361.72	1,361.75	.03	....
FREIGHT TRAFFIC				
Tons of revenue freight carried.....	21,181,622	25,592,021	4,410,399	17.23
Tons of company freight carried.....	1,961,877	2,409,866	447,989	18.59
Tons of all freight carried.....	23,143,499	28,001,887	4,858,388	17.35
Tons of revenue coal carried one mile.....	1,343,602,622	1,584,449,374	240,846,752	15.20
Tons of revenue merchandise carried one mile	2,399,337,999	2,822,956,773	423,618,774	15.01
Tons of company freight carried one mile...	144,746,038	204,300,475	59,554,437	29.15
Tons of all freight carried one mile.....	3,887,686,659	4,611,706,622	724,019,963	15.70
Tons of revenue freight carried one mile per mile of road	2,748,686	3,236,575	487,889	15.07
Average distance revenue freight carried—in miles	176.71	172.22	4.49	2.61
Revenue from freight	\$41,653,736.14	\$50,287,945.23	\$8,634,209.09	17.17
Average revenue per ton carried.....	\$1.96-650	\$1.96-499	\$00-151	.08
Average revenue per ton per mile—in cents	1.113	1.141	.028	2.45
Freight revenue per mile of road operated..	\$30,589.06	\$36,928.91	\$6,339.85	17.17
Freight revenue per revenue freight train mile	\$8.19-426	\$8.83-040	\$.63-614	7.20
Tons of revenue freight per revenue freight train	736.32	774.21	37.89	4.89
Tons of all freight per revenue freight train	764.80	810.10	45.30	5.59
Tons of all freight hauled per revenue service locomotive, excluding switching miles.	658.22	676.27	18.05	2.67
Average number of tons of all freight in each loaded car	25.38	25.99	.61	2.35
PASSENGER TRAFFIC				
Revenue passengers carried	1,519,235	2,147,503	628,268	29.26
Revenue passengers carried one mile.....	149,358,955	190,557,369	41,198,414	21.62
Revenue passengers carried one mile per mile of road	109,684	139,936	30,252	21.62
Average distance carried—in miles.....	98.31	88.73	9.58	10.80
Revenue from passengers	\$4,192,211.41	\$5,512,485.92	\$1,320,274.51	23.95
Average revenue per passenger—in cents...	275.942	256.693	19.249	7.50
Average revenue per passenger per mile—in cents	2.807	2.893	.086	2.97
Average revenue from passengers per passenger train mile (excluding milk and express)	\$1.24-701	\$1.53-330	\$0.28-629	18.67
Passenger service train revenue	\$6,888,572.97	\$8,577,661.49	\$1,689,088.52	19.69
Passenger service train revenue per mile of road	\$5,058.73	\$6,299.00	\$1,240.27	19.69
Passenger service train revenue per train mile (including milk and express).....	\$1.66-975	\$1.92-297	\$0.25-322	13.17
Average revenue passengers per car.....	9	10	1	10.00
Average revenue passengers per train (including mixed)	44	53	9	16.98
REVENUES AND EXPENSES				
Freight and passenger revenue.....	\$45,845,947.55	\$55,800,431.15	\$9,954,483.60	17.84
Freight and passenger revenue per mile of road	\$33,667.68	\$40,977.00	\$7,309.32	17.84
Total operating revenues	\$50,024,627.38	\$60,664,187.72	\$10,639,560.34	17.54
Total operating revenues per mile of road..	\$36,736.35	\$44,548.70	\$7,812.35	17.54
Operating expenses	\$40,979,422.21	\$48,144,654.88	\$7,165,232.67	14.88
Ratio of operating expenses to operating revenues	81.92%	79.36%	2.56%	3.23
Operating expenses per mile of road.....	\$30,093.87	\$35,354.99	\$5,261.12	14.88
Net operating revenue	\$9,045,205.17	\$12,519,532.84	\$3,474,327.67	27.75
Net operating revenue per mile of road.....	\$6,642.49	\$9,193.71	\$2,551.22	27.75

LEHIGH VALLEY RAILROAD COMPANY

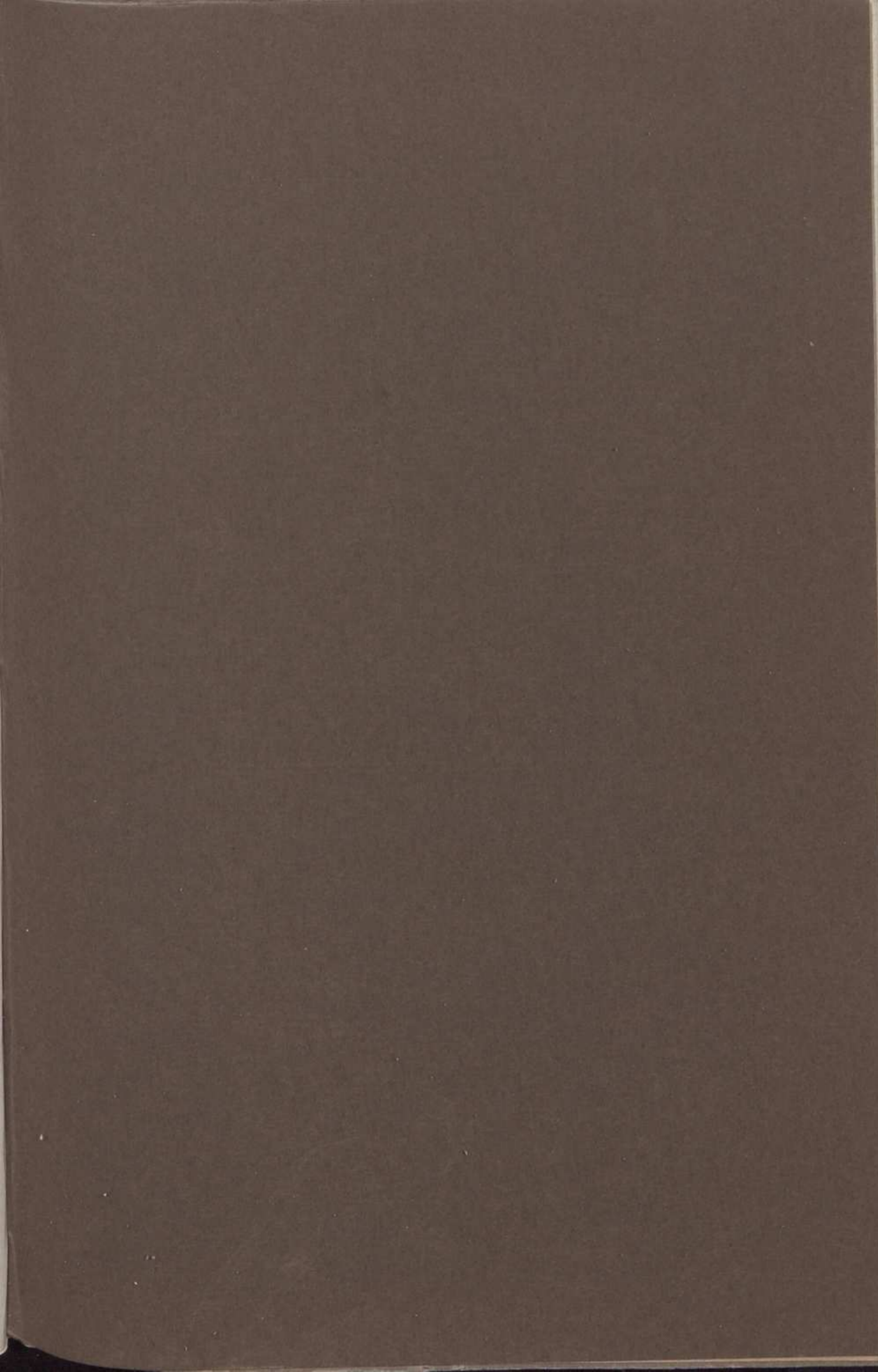
Additions and Betterments, Entire System, Year Ended December 31, 1931

	EXPENDITURES AND CHARGES	RETIREMENTS	NET AMOUNT
Engineering	\$32,128.03	\$776.04	\$31,351.99
Land for transportation purposes	227,723.79	78,194.77	149,529.02
Grading	464,889.70	.....	464,889.70
Bridges, trestles and culverts.....	68,435.20	1,471.25	66,963.95
Ties	32,984.47	23,066.11	9,918.36
Rails	150,917.25	23,284.29	127,632.96
Other track material.....	384,524.46	18,327.45	366,197.01
Ballast	74,773.76	1,625.08	73,148.68
Track laying and surfacing.....	88,570.52	22,523.21	66,047.31
Right-of-way fences.....	113.40	.....	113.40
Snow and sand fences and snowsheds	1,655.15	.....	1,655.15
Crossings and signs.....	292,825.88	8,135.19	284,690.69
Station and office buildings.....	15,114.80	256,083.12	271,197.92
Roadway buildings	1,607.61	6,582.33	4,974.72
Water stations.....	10,382.41	8,662.02	19,044.43
Fuel stations	6,156.12	.....	6,156.12
Shops and engine houses.....	5,975.19	1,553.38	7,528.57
Grain elevators.....	232.96	.....	232.96
Wharves and docks.....	5,805.00	.....	5,805.00
Coal and ore wharves	2,853.20	74,978.37	72,125.17
Telegraph and telephone lines.....	49,267.05	8,827.45	40,439.60
Signals and interlockers.....	1,274.38	56,914.89	55,640.51
Power distribution systems.....	13,200.88	25.29	13,175.59
Power line poles and fixtures.....	3,285.29	59.18	3,344.47
Miscellaneous structures.....	2,446.54	.....	2,446.54
Roadway machines.....	10,846.92	8,159.08	2,687.84
Assessments for public improvements.	21,193.37	74.60	21,118.77
Other expenditures—road.....	751.10	.....	751.10
Shop machinery	50,527.66	71,941.95	21,414.29
Power plant machinery.....	1,159.94	5,752.16	4,592.22
Steam locomotives	440,789.36	2,175,186.30	1,734,396.94
Other locomotives.....	165,111.31	.....	165,111.31
Freight train cars	515,445.13	284,260.18	231,184.95
Passenger train cars.....	12,560.33	135,899.34	123,339.01
Motor equipment of cars.....	1,719.37	.....	1,719.37
Work equipment	105,490.81	9,937.80	95,553.01
Miscellaneous equipment	4,207.95	3,974.80	233.15
General expenditures	10,325.33	380.49	9,944.84
Total	\$3,191,333.74	\$3,286,656.12	\$95,322.38

LEHIGH VALLEY RAILROAD COMPANY

Classification of Tonnage for the Years Ended December 31, 1931 and 1930

COMMODITIES	1931		1930	
	TONS	PER CENT.	TONS	PER CENT.
Products of Agriculture.....	1,747,897	8.25	1,907,253	7.45
Animals and Products.....	535,405	2.53	517,664	2.02
Products of Mines.....	12,095,440	57.10	14,559,905	56.89
Products of Forests.....	369,917	1.75	469,409	1.84
Manufactures and Miscellaneous.....	5,979,882	28.23	7,596,301	29.68
Grand Total, Carload Traffic.....	20,728,541	97.86	25,050,532	97.88
All L.C.L. Freight.....	453,081	2.14	541,489	2.12
Grand Total Carload and L.C.L. Traffic	21,181,622	100.00	25,592,021	100.00



1931