THE PENNSYLVANIA RAILROAD COMPANY

GENERAL OFFICE, BROAD STREET STATION, PHILADELPHIA, February 28th, 1913.

The Board of Directors submit herewith to the Stockholders of The Pennsylvania Railroad Company a synopsis of their Annual Report for the year 1912:—

Rail operations—Revenues		$174,607,598.22
Rail operations—Expenses		126,637,944.59
Net revenue—Rail operations		$47,969,653.63
Auxiliary operations—deficit		1,147,985.23
Net Railway operating revenue		$46,821,668.40
Railway tax accruals		7,128,535.02
Railway operating income		$39,693,133.38
Other income:		
Income from securities	$14,527,491.56	
Hire of equipment, etc	4,762,241.75	19,289,733.31
Gross income		$58,982,866.69
Deductions from gross income		16,828,902.66
Net income		$42,153,964.03
Disposition of net income:		
Appropriations to sinking and other reserve funds	$1,138,627.92	
Portion of principal of equipment trust obligations	2,901,727.99	
Cash dividends	27,198,918.00	
Appropriations for Additions and Betterments	8,365,479.53	
Construction expenditures on branch roads	888,107.06	$40,492,860.50
Balance transferred to credit of Profit and Loss		$1,661,103.53

CONDENSED GENERAL BALANCE SHEET.
DECEMBER 31ST, 1912.

ASSETS.		
Property investment:		
Road	$282,948,637.64	
Equipment	154,130,678.53	
	$437,079,316.17	
Reserve for accrued depreciation—Cr	14,086,588.29	
		$422,992,727.88
Securities owned		331,909,154.32
Securities under lease of U. N. J. R. R. & C. Co		2,559,658.25
Miscellaneous investments		1,929,509.60
Cash		30,207,397.25
Materials and supplies		15,434,219.43
Cash and securities in sinking, insurance and other reserve funds		34,686,149.81
Cash and securities in Provident Funds		6,616,863.23
Other assets		39,843,342.50

By order of the Board,

SAMUEL REA, *President.*

STOCKHOLDERS MAY OBTAIN COPIES OF THE ANNUAL REPORT COMPLETE, BY APPLYING TO OR ADDRESSING

LEWIS NEILSON, SECRETARY,
BROAD STREET STATION, PHILADELPHIA, PA.

PRICES ADVANCED WITH CONFIDENCE

EVEN AT HIGHER RANGE SUPPLY OF STOCKS LIMITED.

Bear Traders Unable to Discover a Weak Spot of Importance—London Buying a Leading Factor in Rise—Quotations Scaled Down Toward Close on Profit-taking—Strong Tone in Money.

New York, March 3.—Operations on the long side of the stock market were conducted confidently today. For the present, at least, there is a reaction from the extreme pessimism of the last few weeks.

The supply of stocks was limited, even at a higher range of prices, and bear traders were unable to discover a weak spot of any importance in the list. No attempt was made to force up prices with a rush, but the slow, creeping advance went on virtually without interruption until many of the leading stocks had gained two or three points. The coppers, coalers, Pacifics and Steel were in especial demand. There was some profit-taking toward the close, which scaled down prices.

It was assumed that national politics would hold first place this week in the talk of the Street. Political considerations have played such a large part in the decline of the last few weeks that traders were inclined to await definite indications of the attitude of the new administration before entering upon extended new commitments.

An important factor in the day's advance was London buying. Amalgamated was in especially good demand from abroad, and there was considerable buying of Steel, Canadian Pacific and Erie.

The advance in the copper stocks was a sequence to the rise in the metal markets. London reported a considerably higher range of prices, and in the domestic market there was a stronger tone.

The worldwide demand for money and the poor showing of the banks last week were reflected in the strong tone of the money market. Call funds opened at 4½ per cent.

Rates for Money.

New York, March 3.—Money on call strong; 2a4½ per cent; ruling rate, 4⅜; closing bid, 3, offered at 3½.

Time loans strong; 60 days, 4½a5 per cent., and 90 days and six months, 4¾a5.

Prime mercantile paper 5a5¼ per cent.

Foreign Exchange.

New York, March 3.—Sterling exchange firm, with actual business in bankers' bills at 483.25 for 60-day bills, and at 487.65 for demand. Commercial bills, 482¾.

Alexander Brown & Sons report the sterling market firm, as follows: Bankers' sterling, posted rates, demand, 488; 60 days, 484. Actual rates for round amounts, demand 487¾; 60 days, 483½. Commercial, 60 days, 482½ to 483½. Bankers' francs, demand, 516⅞; 60 days, 520⅝; commercial, 60 days, 522½. Bankers' reichsmarks, demand, 95¼. 60 days, 94½; commercial, 60 days, 94¼; Bankers' guilders, demand, 40⅜; 60 days, 40⅛; commercial, 60 days, 39⅞.

Bar Silver.

New York, March 3.—Bar silver was quoted at 59⅝ per ounce. Mexican dollars, 48.

Closing Quotations at New York.

New York, March 3.—Closing quotations at the New York exchange were:

	Highest.	Lowest.	Closing.	Sales.
Amal Copper	71⅝	70	71⅜	43,800
Amer Agricul	--	--	52	----
Am Beet Sugar	36¼	36	36¼	400
American Can	36¾	34	34¼	15,100
do pfd	124¼	123	123½	1,600
Am Car & Fdy	51¼	51¼	51½	100
Am Cotton Oil	49⅛	49	48	200
Am Ice Secur	25	24⅜	24½	2,000
American Linseed	--	--	10¼	----
Am Locomotive	36¾	36	36⅜	600
Am Smlt & Rfg	71¼	70½	70¾	1,300

Chicago Futures.

	Opening.	Highest.	Lowest.	Closing.
OATS.				
July	34¼	34⅜	34	34
September	34¼	34¼	34	34
PORK.				
May	20.50	20.57½	20.40	20.45
July	20.30	20.32½	20.15	20.17½
LARD.				
May	10.85	10.90	10.82½	10.82½
July	10.82½	10.85	10.77½	10.77½
September	10.85	10.85	10.77½	10.77½
SHORT RIBS.				
May	10.77½	10.80	10.75	10.75
July	10.72½	10.75	10.70	10.70
September	10.70	10.70	10.70	10.72½

LOCAL STOCK EXCHANGE

BALTIMORE, March 3.

The market is allowed to drift along undisturbed by either buyers or sellers, both offerings and demand being of a negligible character. Price changes are of no moment and confined to small fractions. G.-B.S. Brewing 4s showed the largest change in a loss of a full point to 47½, the price having been pressed down by a comparatively large offering. Fidelity and Deposit, at 176, was ½ better. United Railways income bonds again crept upward a fraction to 63¼. On a small transaction U. S. Fidelity surrendered 1 point to 198.

Baltimore Stock Exchange Sales.

[Furnished by Whelan, Duer & Lanahan, bankers and brokers, Calvert Building.]

Sales on the Baltimore Stock Exchange were as follows:

MORNING SESSION.

20	shares Fidelity & Deposit	176
100	shares Houston Oil com tr ctfs	19⅝
150	shares Houston Oil com tr ctfs	19¾
50	shares United Railways com	23¾
5	shares U S Fid & Guar Co	198
$1,000	Ala Coal & Iron 5s	77
1,000	Cons Gas E L & P 4½s	89⅝
500	Houston Oil div ctfs	81

Short Term Notes.

		Bid.	Asked.
Erie Railroad 5s	Oct. 1, 1914	98½	99
Erie Railroad 6s	April 8, 1914	100⅜	100¾
Gen Motor 6s	Oct. 1, 1915	98½	98¾
Gen Rubber 4½s	July 1, 1915	96⅞	97¼
Ill Cent 4½s	July 1, 1914	99¼	99½
Int Gt North 5s	Aug. 1, 1914	98¼	98⅜
Int Harvester 5s	Feb. 15, 1915	100	100¼
Lack Steel 5s	Mar. 1, 1915	95	95⅛
M, K & T 5s	May 1, 1913	99⅞	100⅛
Missouri Pac 5s	June 1, 1914	97⅛	97⅜
N Y, N H & H 5s	Dec. 1, 1915	100	100¼
N Y Cent 4½s	Mar. 1, 1914	99⅜	99⅝
N Y Cent 4½s	Mar. 1, 1915	99¼	99½
St L & S F 6s	Sept. 1, 1914	99½	100
Westing Elec 6s	Aug. 1, 1913	100⅝	100¾

COMMERCIAL

BALTIMORE, March 3.

Some inquiry for flour, but market quiet. Wheat closed unchanged. Corn closed unchanged. Oats steady. Hay in fair demand. Straw firm.

Eggs steady. Poultry firm. Butter firm.

Quotations are for wholesale lots unless otherwise specified.

BREADSTUFFS.—FLOUR—Receipts, 6,419 barrels, including 4,939 barrels for through shipment, and 768 barrels coastwise. Some demand for spring wheat flours, but market quiet. We quote, per 196 lbs. in wood:

Comparative prices.	Today.	Year ago.
Winter extra	$3.90a4.15	$3.75a3.95
Winter clear	4.20a4.45	3.95a4.10
Winter straight	4.60a4.75	4.40a4.50
Winter patent	5.15a5.30	4.75a4.90
Spring clear	4.00a4.30	4.25a4.60
Spring straight	4.30a4.45	5.20a5.40
Spring patent	4.45a4.75	5.45a5.70
City Mills best winter patent	—a5.75	—a6.25
City Mills blended patent	—a5.60	—a5.25
City Mills high grade straight	—a5.45	—a4.95
City Mills choice family	—a5.15	—a4.55
City Mills extra	4.25a4.40	3.80a3.90
City Mills spring patent	5.25a—	—a—
Rye flour, medium to choice	3.75a4.00	5.00a5.25
Corn meal, per 100 lbs	1.30a1.40	1.70a1.80
Buckwheat flour, 100 lbs	—a—	2.75a2.80

WHEAT.—Receipts, 983 bushels Western. Shipments from elevators, 2,918 bushels. Stock in elevators, 865,443 bushels. Ready sale for all offerings of desirable lots of milling Southern wheat. The market for Western opened dull and lower. March, No. 2 red, 106½ nominal.

CORN.—... bu Southern; shipments from elevators, 395,606 bu; stock in elevators, 2,206,582 bu. Offerings of Southern are promptly taken and cargoes were sold of white on grade at 56¾c bu, and of a small lot of yellow corn, delivered, at 58c bu. Quote track yellow corn, for domestic delivery, at 56½c bu asked for car lots on spot. Cob corn is quotable at $2.95a3 brl for carloads prime nearby yellow on spot, with a fairly good demand for choice yellow. Market for Western opened

... eased off during the afternoon under realizing and local selling. The close was barely steady at a net advance of 2 to 8 points. The world's visible supply of coffee decreased 595,580 bags for February, against a decrease of 570,909 last year, making the visible as of March 1, 12,004,195 bags, against 12,589,247 last year.

Spot coffee steady; Rio No. 7, 12⅝c; Santos

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