

of \$709,817,000 gross revenues in 1926 and \$230,278,000 in 1916. Mileage was 10,527 compared with 4,536. This results from leasing of all important system members except Long Island R. R. and West Jersey & Seashore R. R., and in addition to interest on its own \$608,688,000 funded debt Pennsylvania pays a fixed charge of about \$28,390,000 upon some \$355,000,000 leased line securities actually outstanding, so that the stock has become 34% of a total true capitalization. Doubtless the sale of stock again, it having last been offered in 1913, will increase the proportion of equity capital.

Comparing 1926 with 1916, the whole Pennsylvania system, including Long Island and West Jersey & Seashore, had revenues increase 73.7%, rates per freight ton mile 63%, and expenses including rents and taxes 92.6% with wages 84.5% more. Partly to care for 5.5% gain in freight ton miles there was added 7.4% to freight car capacity and 27.4% to locomotive power, an increase of \$576,620,000 in gross property account comparing with \$297,567,000 in funded debt. Government valuation taken variously as of 1915 to 1918 for system roads indicated without depreciation allowance \$1,166,171,000 excess value over par for Pennsylvania stock, and company surplus earnings in nine years 1918 to 1926 were \$137,135,000 additional, suggesting about \$1,800,000,000 total equity or \$180 a share intrinsic value.

Representing 10% of all the railroad investment and business, Pennsylvania R. R. must travel along with the United States and the stock should continue or improve a remarkable investment record.

Peoples Gas Light & Coke Co.

Last year was the sixth in the new chapter of Peoples Gas Light & Coke Co. history, which opened in 1921 after four disastrous years due to war costs without rate relief. From 1897 to 1916 this company, from gas sales mostly for household cooking and illumination, paid annual dividends ranging from 5% to 8%, and from 1909 to 1916 its stock never sold under par. Then came the war cost period, dividends were suspended in 1917 not to be resumed until 1922, and the stock ranged from 32 to 64 for four years.

Earnings in past six years have been as follows:

1926.....	11.0%	1923.....	10.9%
1925.....	11.6	1922.....	8.5
1924.....	11.1	1921.....	11.7