# REPORT OF THE TREASURER

To the Members and Council of
The Historical Society of Pennsylvania:

It is the custom of The Historical Society of Pennsylvania and the specific order of Council, that the accounts and records of the Society for each year be examined by Certified Public Accountants. This has been done and the complete report of Charles S. Rockey & Co. is on file in the Treasurer's Office of the Society and may be examined by any member upon application.

The Treasurer has reviewed this complete report covering the operations of the Society for the year ended December 31, 1951. Based on the information contained therein and on other available data the following comparisons and comments are respectfully submitted as showing the results of the operations of the Society for the year 1951:

*Diversification of Investments*

*Based on Book Values*

| | *1951* | | *1950* | |
|---|---|---|---|---|
| | *Amount* | *Ratio* | *Amount* | *Ratio* |
| Mortgages | $45,889.10 | 2.78% | $57,841.60 | 3.56% |
| Real Estate[a] | 66,582.38 | 4.03 | 66,582.38 | 4.09 |
| Bonds | 357,760.74 | 21.68 | 292,192.64 | 17.98 |
| Stocks—Preferred | 357,209.17 | 21.64 | 1,208,793.81 | 74.37 |
| Stocks—Common | 823,153.74 | 49.87 | | |
| | $1,650,595.13 | 100.00% | $1,625,410.43 | 100.00% |

*Average Yields on Investments*

| | *1951* | *1950* | *1949* |
|---|---|---|---|
| Mortgages | 5.34% | 5.70% | 5.51% |
| Real Estate | 6.67 | 6.89 | 7.28 |
| Bonds | 3.72 | 4.53 | 4.64 |
| Stocks | 5.84 | 6.08 | 5.36 |
| | 5.45% | 5.81% | 5.32% |

[a] Does not include the Society's building, carried on our books at $164,457.43; appraised at $300,000.00.

*Mortgages*

The Finance Committee regrets that the number of our mortgages is decreasing. The Committee has this situation continually in mind, although good mortgages are difficult to obtain without paying a premium.

| | *1951* | *1950* |
|---|---|---|
| Number of Mortgages Held | 30 | 37 |
| Amount | $45,889.10 | $57,841.60 |
| Net Interest Received | 2,751.66 | 3,578.21 |
| Yield on Investment | 5.34% | 5.70% |

Following is a list of mortgages held as of December 31, 1951:

| *Mortgages* | *Face Value and Book Value 12-31-51* |
|---|---|
| Brown Street, 2706 | $2,200.00 |
| Christian Street, 1629 | 1,550.00 |
| Cobbs Creek Parkway, 6836 | 1,425.00 |
| Dakota Street, 3017 W. | 950.00 |
| Diamond Street, 637 | 1,200.00 |
| Diamond Street, 1623 | 2,200.00 |
| Dicks Avenue, 7234 | 2,075.00 |
| Fairmount Avenue, 3846 | 1,000.00 |
| Fitzwater Street, 2120, and Clymer Street, 2119 | 1,875.00 |
| Fitzwater Street, 2132 | 137.50 |
| Franklin Street, 449 N. | 1,200.00 |
| Franklin Street, 929 N. | 600.00 |
| Lambert Street, 2227 S. | 1,450.00 |
| Lehigh Avenue, 1617 W. | 4,000.00 |
| Marvine Street, 1921 N. | 775.00 |
| Susquehanna Avenue, 320 W. | 500.00 |
| Tasker Street, 534 | 1,450.00 |
| Thomas Avenue, 5609 | 2,200.00 |
| Walton Avenue, 5133 | 500.00 |
| Carried forward | $27,287.50 |

| *Mortgages* | *Face Value and Book Value 12-31-51* |
|---|---|
| Brought forward | $27,287.50 |
| 3d Street, 31 S. | 1,200.00 |
| 4th Street, 913 S. | 900.00 |
| 4th Street, 1327 N. | 1,600.00 |
| 13th Street, 1328 N. | 1,400.00 |
| 20th Street, 1913 N. | 49.10 |
| 27th Street, 865 N. | 2,840.00 |
| 32d Street, 2551 N. | 1,000.00 |
| 55th Street, 508 S. | 4,500.00 |
| 55th Street, 535 S. | 1,100.00 |
| 59th Street, 1238 N. | 1,462.50 |
| 62d Street, 2557 S. | 2,550.00 |
| Total | $45,889.10 |

*Real Estate*

The Society owns three properties adjacent to its building, on which the average yield for 1951 was 6.67%.

| | *1951* | *1950* |
|---|---|---|
| Number of Properties Owned | 3 | 3 |
| Book Value | $66,582.38 | $66,582.38 |
| Gross Rentals Collected | $7,080.00 | $7,080.00 |
| Expenses[b] | 3,064.12 | 2,874.95 |
| Net Income | $4,015.88 | $4,205.05 |
| Yield on Investment | 6.67% | 6.89% |

The following list shows the properties owned as of December 31, 1951:

Locust Street, 1314
Locust Street, 1316
13th Street, 236 S.

[b] Includes insurance, taxes, water rent, repairs, agent's commission, and all other expenses incidental to the operation of the properties.

*Stocks and Bonds*

The following is the present portfolio as of December 31, 1951:

| *Par Value* | *Bonds* | *Book Value 12-31-51* |
|---|---|---|
| 20,000 | U. S. Savings, Series F, 1961 | $14,800.00 |
| 50,000 | U. S. Savings Bonds, G 2½—1954 | 50,000.00 |
| 40,000 | U. S. Treasury Bonds, 2½—1972-67 | 40,000.00 |
| 15,000 | Baltimore & Ohio R.R. Co., S.W. Div., 1st mtge., 3½-5—1980 | 11,904.00 |
| 22,000 | Celanese Corp. of America, 3½—1976 | 22,000.00 |
| 30,000 | Chicago, Milwaukee, St. Paul & Pacific R.R. Co., 4½—2044 | 26,436.25 |
| 30,000 | Chicago & North Western Rwy. Co., 2d conv. inc. A, 4½—1999 | 28,353.00 |
| 30,000 | Cleveland, Cincinnati, Chicago & St. Louis Rwy., C.W. & M. Div., 1st mtge., 4—1991 | 27,175.00 |
| 20,000 | Gulf, Mobile & Ohio R.R., Series B, 4—2044 | 14,363.00 |
| 20,000 | Lit Brothers, sinking fund deb. 4—1970 | 20,005.00 |
| 10,000 | Morris & Essex R.R. Co., 1st ref. mtge., 3½—2000 | 5,825.00 |
| 10,500 | New York, New Haven & Hartford R.R. Co., 1st & ref. A, 4—2007 | 10,387.79 |
| 20,000 | Pennsylvania R.R. Co., 4½—1965 | 20,137.50 |
| 30,000 | Philadelphia Transportation Co., cons. mtge. A, 3-6—2039 | 25,800.00 |
| 20,000 | Southern Counties Gas Co. of Calif., 3½—1981 | 20,374.20 |
| 20,000 | Southern Pacific R.R. Co. (Oregon Lines) 4½—1977 | 20,200.00 |
| | Total Bonds | $357,760.74 |

| *Shares* | *Stocks* | |
|---|---|---|
| 200 | Alabama Power Co., $4.60 pfd. | $20,440.00 |
| 100 | Aluminium Limited | 9,975.00 |
| 300 | American Brake Shoe Co., com. | 10,891.48 |
| 500 | American Car & Foundry Co., com. | 29,837.83 |
| 300 | American Tobacco Co., com. | 20,273.18 |
| 400 | Armco Steel Co., com. | 17,497.91 |
| 400 | Atlantic Refining Co., com. | 28,588.84 |
| 300 | Best & Company, Inc., com. | 8,817.97 |
| 300 | Bethlehem Steel Corp., com. | 10,289.56 |
| 500 | Canadian Pacific Rwy. Co., com. | 9,981.20 |
| 500 | Carolina Power & Light Co., com. | 16,329.38 |
| 200 | Celanese Corp. of America, com. | 6,333.50 |
| | Carried forward | $189,255.85 |

| *Shares* | *Stocks* | *Book Value 12-31-51* |
|---|---|---|
| | Brought forward | $189,255.85 |
| 200 | Commercial Credit Co., com. | 11,752.68 |
| 300 | Commonwealth Edison Co., 1.32 cum. conv. pfd. | 9,527.25 |
| 1,000 | Consolidated Gas, Electric Light and Power Co., of Balt., com. | 25,413.44 |
| 400 | Curtis Publishing Co., $3 cum. prior pfd. | 24,598.21 |
| 200 | du Pont (E. I.) de Nemours & Co., com. | 15,742.68 |
| 1,000 | Electric Auto Lite Co., com. | 63,406.49 |
| 1,000 | Equitable Gas Co., com. | 22,414.35 |
| 300 | First National Bank of Philadelphia | 10,967.85 |
| 400 | Flintkote Co., com. | 15,818.04 |
| 200 | Food Fair Stores, Inc., $4.20 pfd. | 20,000.60 |
| 300 | General Electric Co., com. | 14,867.78 |
| 800 | Girard Trust Corn Exchange Bank | 39,056.35 |
| 700 | Great Northern Railway Co., non-cum. pfd. | 35,845.76 |
| 300 | Gulf Oil Corp., com. | 15,419.33 |
| 1,000 | Kansas Power & Light Co., com. | 16,192.58 |
| 300 | Kennecott Copper Corp., com. | 19,366.29 |
| 300 | Libbey-Owens-Ford Glass Co., com. | 10,808.64 |
| 300 | Louisville & Nashville R.R. Co., com. | 14,404.82 |
| 1,000 | Macy (R. H.) & Co., Inc., com. | 42,706.58 |
| 100 | Montgomery Ward & Co., com. | 7,162.16 |
| 200 | National Dairy Products Corp., com. | 8,495.14 |
| 50 | National Distillers Products Corp., 4¼% cum. pfd. | 5,000.00 |
| 700 | Niagara Mohawk Power Corp., com. | 16,376.12 |
| 200 | Northern States Power Co., 4.10% cum. pfd. | 20,500.00 |
| 1,000 | Ohio Edison Co., com. | 35,294.37 |
| 400 | Otis Elevator Co., com. | 15,306.44 |
| 1,000 | Pacific Gas & Electric Co., com. | 37,488.57 |
| 500 | Pacific Gas & Electric Co., 4.80% pfd. | 13,797.88 |
| 750 | Paramount Pictures Corp., com. | 26,172.41 |
| 200 | Pennsylvania Power Co., 4.24% pfd. | 20,429.00 |
| 400 | Pennsylvania Power & Light Co., com. | 10,363.01 |
| 400 | Pennsylvania Railroad Co., com. | 10,733.53 |
| 300 | Pfizer (Charles) & Co., Inc. (Del.), com. | 12,678.09 |
| 200 | Phelps Dodge Corp., com. | 10,295.36 |
| 300 | Philadelphia Electric Co., com. | 7,549.33 |
| 100 | Philip Morris Co., Ltd., 3.90% pfd. | 10,075.00 |
| 100 | Pittsburgh Coke & Chemical Co., 4.80% conv. pfd. | 10,000.00 |
| 400 | Pittsburgh & Lake Erie R.R. Co., com. | 24,629.29 |
| 100 | Public Service Electric & Gas Co., 4.08% cum. pfd. | 10,200.00 |
| 200 | Public Service Electric & Gas Co., 4.70% pfd. | 20,434.00 |
| | Carried forward | $950,545.27 |

| *Shares* | *Stocks* | *Book Value 12-31-51* |
|---|---|---|
| | Brought forward | $950,545.27 |
| 600 | Pullman, Inc., com. | 28,685.99 |
| 600 | Reading Co., 4% 2d pfd. | 24,547.00 |
| 200 | Safeway Stores, 4% cum. pfd. | 20,000.00 |
| 200 | Southern Railway Co., 5% non-cum. pfd. | 13,533.69 |
| 400 | Square D Co., com. | 6,262.40 |
| 300 | Standard Oil Co. (New Jersey), com. | 18,709.11 |
| 200 | Texas Company, com. | 7,014.47 |
| 200 | United Paramount Theatres, Inc., com. | 7,889.35 |
| 600 | Wabash Railroad Co., 4½% cum. pfd. | 41,463.88 |
| 200 | Western Pacific Railroad Co., com. | 11,045.18 |
| 200 | Western Pacific Railroad Co., 5% non-cum. pfd. "A" | 17,169.40 |
| 400 | Westinghouse Electric Corp., com. | 13,849.67 |
| 400 | York Corp., 4½% cum. pfd. | 19,647.50 |
| | Total Stocks | $1,180,362.91 |

*Ratio of Stocks and Bonds*

| | *Stocks* | | *Bonds* | |
|---|---|---|---|---|
| Railroad | $203,353.75 | 17.23% | $212,581.54 | 59.43% |
| Bank | 61,776.88 | 5.24 | .. | .. |
| Utility | 302,749.28 | 25.65 | 20,374.20 | 5.69 |
| Industrial | 612,483.00 | 51.88 | 20,005.00 | 5.59 |
| Government | .. | .. | 104,800.00 | 29.29 |
| Totals | $1,180,362.91 | 100.00% | $357,760.74 | 100.00% |

The book value of investments and available cash balances compares as follows:

| | *1951* | *1950* |
|---|---|---|
| Investments | $1,650,595.13 | $1,625,410.43 |
| Uninvested Principal Cash | 5,606.12 | 11,676.78 |
| General Fund Cash | 14,238.08 | 37,014.19 |
| Totals | $1,670,439.33 | $1,674,101.40 |

*Summary of Operation—General Fund, 1951*

The following is a statement of income and expenditures of the General Fund for the year ended December 31, 1951:

*Income:*

| | | | |
|---|---|---|---|
| Transferred from Trust Funds | $66,545.38 | | |
| Net income from investment in securities owned other than for principal account | 3,361.22 | $69,906.60 | |
| Annual Membership dues—amount received | | 13,280.00 | |
| Donations from Organizations for use of building | | 1,325.00 | |
| Sales of *Pennsylvania Magazine* and books | | 1,786.97 | |
| Sales of microfilm (*Pennsylvania Gazette* and *Chronicle*) | | 34.14 | |
| Sales of photostats and photographic prints | | 4,181.47 | |
| Gilpin Library Payment | | 1,850.00 | |
| Miscellaneous | | 1,696.78 | |
| TOTAL INCOME | | | $94,060.96 |

*Expenses—Operating:*

| | | | |
|---|---|---|---|
| Salaries | $63,792.26 | | |
| Less: Amounts provided from Trust Fund income | 2,197.60 | | |
| | $61,594.66 | | |
| Supplies and services | 3,955.51 | | |
| New equipment, furniture, and fixtures | 361.08 | | |
| Telephone and telegraph | 612.70 | | |
| Insurance | 684.50 | | |
| Fire alarm system | 729.00 | | |
| Postage | 384.05 | | |
| Entertainment | 698.98 | | |
| Hotels, meals, railroads, etc. | 7.50 | | |
| Legal and audit | 1,081.50 | | |
| Electricity | 1,460.26 | | |
| Gas | 53.83 | | |
| Fuel | 1,999.31 | | |
| Air-conditioning service | 532.00 | | |
| Maintenance and repairs | 1,887.48 | | |
| Publication of membership bulletin | 1,000.03 | | |
| Membership Drive | 166.75 | | |
| Photo-reproduction costs to Society | 174.19 | | |
| Miscellaneous | 95.42 | | |
| TOTAL OPERATING EXPENSES | | $77,478.75 | |

| | | |
|---|---|---|
| *Special Appropriations made by Council:* | | |
| Publication of *The Pennsylvania Magazine of History and Biography* | $4,296.49 | |
| TOTAL DEPARTMENTAL EXPENSES | | $81,775.24 |
| SURPLUS FOR 1951 | | $12,285.72 |
| Pension Fund Reserve | | $52,451.97 |

In 1950 the total income of the Society was $100,674.39, while in 1951 it was only $94,060.96. This difference is explained by the fact that during 1951 the Finance Committee continued its policy of strengthening the portfolio. Last year the over-all yield from investments was 5.81%. This year it was 5.45%, a difference of about $5,900. Unfortunately, there is no reason to suppose that the situation will improve in 1952. In fact, it is doubtful that it will be as good, because heavy taxes will tend to prevent many companies from paying extra dividends.

The total departmental expenses do not include bonuses to employees, the cost of the Cumulative Index, and other special expenditures which have regularly been charged to Surplus. In 1951 bonuses were $7,650, the Index was $7,520, and other special expenditures amounted to $7,971—a total of $23,141. In 1950 our total expenses, including such items, were $80,865.73, which compares, in 1951, with $81,775.24. When the special expenditures (above) of $23,141 are added to the 1951 budget expenditures of $81,775, the total amounts to $104,916, nearly $9,000 in excess of the 1951 income of $94,060. We estimate that expenses for 1952 will be $95,918. This increase in the 1952 budget is caused chiefly by salary increases of $4,220 and by the inclusion of the regular year-end bonus of $7,700, formerly charged to Surplus.

I can assure you that the Society is being economically run and that no money can be saved in our operating expenses without lowering our standard of service. It is not my function to dwell on the necessity of salary increases. All have been unanimously approved by Council.

We must recognize the possibility that unless something is done the Society may run at a small loss for 1952, irrespective of the Cumulative Index expenses. It is estimated that the Cumulative Index will cost approximately $10,800 in 1952, which will again be charged to Surplus. If 1952 sees the completion of the Index project, expenses attendant upon the publishing of the work will still have to be faced in 1953.

On the more favorable side we have an earned surplus of $41,235.01 and a special reserve of $50,000. However, based on the present need for $10,800 for the Index in 1952, and $5,000 for a possible loss in operating the Society, the Surplus can soon be exhausted. Furthermore, it should be emphasized that the estimated operating expenses do not provide for any major maintenance expenditures.

I wish to thank the Finance Committee, and Wm. C. Tuttle in particular, for their friendly co-operation.

F. R. KIRKLAND, *Treasurer*