

The Importance of the Pennsylvania Railroad

1. Basic Problem for all Railroads:

- a. Prices Must be based on Actual Costs
- b. Use the Least Amount of Equipment Possible
- c. Cars Must be Fully Loaded
- d. Each Train Should have as Many Cars as the Engine can Handle

2. The Key to Profitability:

First, Know the Costs.

Second, given the Costs, Speed the Flow and Increase the Volume of Traffic

3. By 1865 the Pennsylvania Railroad was the Largest Private Business in the World in terms of Revenue, Employees, and the value of its Physical Assets.

4. The Pennsylvania was a *Mountain Railroad* which made its Achievements all the More Impressive:

- a. Required More Trains
- b. Short and Frequent Trains Required More Track Space (Engines, Caboose, Sidings, Yards)
- c. High Operating Costs -- Fuel, Men, Maintenance, Track, Snow