

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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### FILER

#### PRICE T ROWE NEW ERA FUND INC

CIK: **216907** | IRS No.: **520888855** | Fiscal Year End: **1231**  
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Business Address  
*100 E PRATT ST  
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3015472000*

## FELLOW SHAREHOLDERS

The stock market provided positive returns for both the fourth quarter and all of 1993. For both time periods, the New Era Fund substantially exceeded the broad market as measured by the unmanaged Standard & Poor's 500 Stock Index.

## PERFORMANCE COMPARISON

	Periods Ended 12/31/93	
	3 Months	12 Months
New Era Fund	5.7%	15.3%
S&P 500	2.3	10.1

Stock prices diverged substantially among industry groups during the quarter and year. During the first three quarters, your Fund lagged the natural resource groups, whose performance was driven by the strength of oil stocks. During the final quarter, however, oil prices and many oil stocks declined, and your Fund, benefiting from its wider diversification, outstripped the more narrowly focused natural resource funds. For the full year, however, New Era lagged the competitor average.

## YEAR-END DISTRIBUTION

On December 21, your Board of Directors declared an income dividend of \$0.38 per share, a long-term capital gain of \$0.92 per share, and a short-term gain of \$0.11 per share, each payable to shareholders of record on that date. A confirmation statement or check was mailed to you in early January, and Form 1099-DIV reporting these distributions and other 1993 tax information was mailed to you later in the month.

## ECONOMIC REVIEW

The economy compiled a respectable record for 1993, primarily due to the Federal Reserve's aggressively easy monetary policy. Aided by low interest rates, growth accelerated gradually over the course of the year.

The global scene was mixed. A number of foreign economies remained mired in recession; in particular, several important European countries and Japan continued to face difficult times. In contrast, many developing and newly industrialized countries, especially in the Pacific Rim, enjoyed strong growth.

Commodity prices were also mixed. Some industrial commodities related to construction and housing improved, but others more sensitive to worldwide economic trends, including metals such as aluminum, continued to decline. Oil prices fell sharply during the fourth quarter when OPEC failed to reach a production control agreement. Gold prices rose during the year, reflecting stronger demand and a reduction in some sources of supply, such as gold sales by central banks.

## MARKET AND PERFORMANCE RECAP

The table on page 3 measures the cents-per-share contribution of each major industry group to the change in the Fund's net asset value. Also shown is each sector's percentage contribution to total performance and its proportion of the Fund's net assets.

The best performing group by far last year was precious metals mining stocks. Gold prices rose almost continuously, increasing 17% during the 12 months ended December 1993. The bear market in gold appears to have finally ended, and gold shares reflected the improved outlook. Energy-related stocks also outperformed the market last year, despite the fourth quarter drop in oil prices, and natural gas prices remained stable at high levels throughout the year. Investors are clearly anticipating a rebound in the oil market.

The worst performing securities included some of the stable growth companies. WAL-MART stock declined for the first time in many years due to investor fears about price wars in its Sam's Wholesale Club division. Nevertheless, we believe investor perception of Wal-Mart will become more favorable next year.

We were net buyers of stocks during the fourth quarter, and several names appear in the portfolio for the first time, including the aluminum producers ALCOA and ALUMAX. Although the price of aluminum is depressed, we expect it to rise as capacity is curtailed and dumping from the former Soviet Union is reduced. We also purchased INCO on a similar premise, namely, that depressed nickel prices would improve considerably along with the world economy. Other new holdings include NORTHERN TELECOM and TVX GOLD. We were able to buy Northern Telecom, a major producer of telecommunications equipment, at what we believe was a favorable price due to its temporary earnings problems. The TVX

Gold purchase reflected a switch from some of the portfolio's slower-growing gold mining companies into a more dynamic producer with the capacity to increase production and reserves considerably over the next several years.

OUTLOOK

The overall economic environment is improving. Trade agreements affecting North America (NAFTA) and broader world markets (GATT) will definitely increase business opportunities over time and should boost investor confidence. Rising confidence along with continued accommodative monetary policy should result in stronger growth in the U.S.

The outlook is also encouraging for several foreign economies which have been stalled in recession. An improving global environment should be good for most natural resource producers. The more cyclical ones should benefit most from rising volumes and prices because of their previous, successful efforts to lower their cost structures.

As long as monetary policy remains expansive and there are no major disruptions in the international economies, we are optimistic that 1994 will be a rewarding year for investors in natural resource companies.

Respectfully submitted,

George A. Roche  
President and Chairman of the  
Investment Advisory Committee

January 24, 1994

OFFICERS AND DIRECTORS

George A. Roche, President/Director  
Leo C. Bailey, Director  
George J. Collins, Director  
David K. Fagin, Director  
Carter O. Hoffman, Director  
John K. Major, Director  
Hubert D. Vos, Director  
Stephen W. Boesel, Vice President  
Hugh M. Evans III, Vice President  
Henry H. Hopkins, Vice President  
Richard P. Howard, Vice President  
James A. C. Kennedy III, Vice President  
Charles M. Ober, Vice President  
David L. Rea, Vice President  
James S. Riepe, Vice President  
Alan R. Stuart, Vice President  
David J. Wallack, Vice President  
Lenora V. Hornung, Secretary  
Carmen F. Deyesu, Treasurer  
David S. Middleton, Controller

CONTRIBUTIONS TO THE NET ASSET VALUE PER SHARE

THREE MONTHS ENDED DECEMBER 31, 1993

TEN BEST CONTRIBUTORS

American Barrick Resources	17\ct\
Newmont Mining	16
IMC Fertilizer Group	12
Inco*	8
IBM	8
Freeport-McMoRan Copper & Gold	8
Scott Paper	6
Gannett	5
Northern Telecom*	5
Reuters	5
-----	
TOTAL	90\ct\

TEN WORST CONTRIBUTORS

Atlantic Richfield	-7\ct\
Murphy Oil	7
Schlumberger	6
Rouse	6
Mobil	4
Pennzoil	4

Amerada Hess	3
Chevron	3
Halliburton	3
Corning	2
-----	
TOTAL	-45\ct\
-----	

TWELVE MONTHS ENDED DECEMBER 31, 1993

TEN BEST CONTRIBUTORS	
American Barrick Resources	36\ct\
Newmont Mining	25
Mobil	21
LAC Minerals	17
Echo Bay Mines**	14
Royal Dutch Petroleum	11
British Petroleum	11
Reuters	9
Inco	8
Deere**	8
-----	
TOTAL	160\ct\

TEN WORST CONTRIBUTORS	
Wal-Mart	-38\ct\
Cyprus Amax Minerals	9
Atlantic Richfield	8
Bristol-Myers Squibb	5
Kimberly-Clark	4
Bowater**	3
Corning	3
Sun**	1
Amdahl	1
Pall	1
-----	
TOTAL	-73\ct\
-----	

\*Position added

\*\*Position eliminated

TWENTY-FIVE LARGEST HOLDINGS  
December 31, 1993

Company	Percent of Net Assets
Wal-Mart	6.8%
Mobil	4.6
Atlantic Richfield	4.3
Newmont Mining	4.2
DuPont	4.2
American Barrick Resources	3.8
Union Pacific	3.6
TVX Gold	2.6
Royal Dutch Petroleum	2.4
Rouse	2.2
Schlumberger	2.2
IMC Fertilizer Group	2.1
Reuters	1.9
Murphy Oil	1.8
Northern Telecom	1.8
Cyprus Amax Minerals	1.7
Placer Dome	1.7
Texaco	1.6
Kimberly-Clark	1.6
Bristol-Myers Squibb	1.5
Inco	1.5
Gannett	1.5
Scott Paper	1.5
IBM	1.4
GE	1.4
-----	
TOTAL	63.9%
-----	

PERFORMANCE CONTRIBUTIONS

Twelve Months Ended December 31, 1993

Sector	Percent of Net Assets	Cents-Per-Share Contribution
NATURAL RESOURCE-RELATED		
Building & Real Estate	4%	4\ct\
Forest Products	5	5
Integrated Petroleum	15	44
Petroleum Exploration & Production	5	16
Miscellaneous Energy	0	3
Energy Services	3	7
Precious Metals	14	122
Diversified Metals	6	5
Chemicals	8	14
Diversified Resources	9	31
TOTAL	69	251
CONSUMER & SERVICES		
Merchandising	8	-34
Consumer Durables	1	7
Miscellaneous	8	15
TOTAL	17	-12
SCIENCE & TECHNOLOGY		
MISCELLANEOUS	3	7
SUBTOTAL	92	250
RESERVES & INCOME	8	38
-----		
TOTAL PORTFOLIO	100%	288\ct\
-----		

Performance Comparison (chart) appears on printed page 5

TOTAL RETURN PERFORMANCE  
Periods Ended December 31, 1993

1 Year	5 Years*	10 Years*
15.33%	8.90%	11.41%

\*Average Annual Compound Total Return

Income return and principal value represent past performance and will vary.  
Shares may be worth more or less at redemption than at original purchase.

INVESTMENT RECORD  
T. Rowe Price New Era Fund

The table below shows the investment record of one share of the T. Rowe Price New Era Fund, purchased at the initial offering price of \$10.00, for the period 1/20/69 through 12/31/93. Over this time, stock prices in general have risen. The results shown should not be considered a representation of the income or capital gain or loss which may be realized from an investment made in the Fund today.

PER-SHARE DATA

<TABLE>  
<CAPTION>

Year Ended 12/31	With Capital Gains and Income Dividends Taken in Cash			Reinvested in Additional Shares			Annual Total Return On Investment % Change	
	Net Asset Value	Capital Gain Distributions	Income Dividends	Capital Gain Distributions	Income Dividends	Value of Investment	Fund	S&P500
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
19691	\$9.73	--	--	--	--	\$9.73	-2.7%	-6.6%
1970	9.49	--	\$0.16	--	\$0.16	9.65	-0.8	3.9
1971	10.33	--	0.16	--	0.16	10.68	10.6	14.3
1972	12.27	--	0.16	--	0.17	12.87	20.6	19.0
1973	11.79	\$0.14	0.10	\$0.15	0.11	12.62	-1.9	-14.7
1974	8.47	0.11	0.18	0.11	0.20	9.30	-26.3	-26.5
1975	9.94	--	0.29	--	0.31	11.28	21.3	37.2
1976	11.74	--	0.28	--	0.32	13.69	21.4	23.9
1977	11.00	0.03	0.24	0.03	0.28	13.14	-4.0	-7.1
1978	11.66	0.25	0.32	0.30	0.38	14.71	12.0	6.6

1979	17.45	0.38	0.39	0.48	0.49	23.53	59.9	18.6
1980	25.27	0.36	0.47	0.49	0.63	35.77	52.0	32.4
1981	19.34	1.48	0.68	2.10	0.96	30.11	-15.8	-5.0
1982	15.53	3.05	0.86	4.74	1.34	30.86	2.5	21.6
1983	18.44	0.07	0.81	0.14	1.61	38.71	25.5	22.6
1984	17.13	1.29	0.61	2.71	1.28	40.01	3.3	6.2
1985	18.67	1.41	0.68	3.29	1.59	49.38	23.4	31.7
1986	17.76	3.25	0.50	9.08	1.32	57.27	16.0	18.7
1987	18.08	1.77	0.98	5.90	3.26	67.49	17.8	5.3
1988	18.79	0.61	0.53	2.28	1.98	74.45	10.3	16.5
1989	21.73	1.05	0.56	4.16	2.22	92.54	24.3	31.6
1990	18.48	0.71	0.62	3.02	2.64	84.43	-8.8	-3.1
1991	19.86	0.73	0.55	3.34	2.51	96.88	14.7	30.3
1992	18.88	0.94	0.45	4.59	2.20	98.89	2.1	7.6
1993	20.35	1.03	0.38	5.39	1.99	104.05	15.3	10.1
TOTAL		\$18.66	\$10.96	\$52.30	\$28.11			

<FN>

1. From inception 1/20/69 to 12/31/69.

2. Includes short-term capital gains of \$0.01 in 1978; \$0.02 in 1979; \$0.03 in 1980; \$0.03 in 1981; \$0.05 in 1982; \$0.45 in 1984; \$0.67 in 1985; \$0.21 in 1987; \$0.26 in 1989; \$0.02 in 1990; and \$0.11 in 1993.

</TABLE>

STATEMENT OF NET ASSETS (VALUE IN THOUSANDS)

T. Rowe Price New Era Fund/December 31, 1993

COMMON STOCKS --92.5%

NATURAL RESOURCE-RELATED --68.8%

	Value
-----	
BUILDING & REAL ESTATE --3.6%	
200,000 shs. General Growth Properties.....	\$4,300
50,000 Hilton.....	3,037
940,000 *Rouse.....	16,685
243,000 Taubman Centers.....	2,825
	26,847
FOREST PRODUCTS--5.1%	
120,000 Albany International.....	2,295
100,000 International Paper.....	6,775
230,000 Kimberly-Clark.....	11,931
130,000 Mead.....	5,850
270,000 Scott Paper.....	11,104
	37,955
INTEGRATED PETROLEUM--15.0%	
308,300 Atlantic Richfield.....	32,448
140,000 British Petroleum, ADR.....	8,960
80,000 Chevron.....	6,970
440,000 Mobil.....	34,760
169,600 Royal Dutch Petroleum, ADR.....	17,702
190,000 Texaco.....	12,279
	113,119
PETROLEUM EXPLORATION & PRODUCTION--4.6%	
170,000 Amerada Hess.....	7,671
32,700 Cross Timbers Oil.....	466
340,000 Murphy Oil.....	13,600
400,000 Santa Fe Energy Resources.....	3,600
350,000 Unocal.....	9,756
	35,093
ENERGY SERVICES--3.2%	
180,000 Halliburton.....	5,738
280,000 Schlumberger.....	16,555
200,000 *Smith International.....	1,750
	24,043
PRECIOUS METALS--14.4%	
130,115 Amax Gold.....	895
1,000,000 American Barrick Resources.....	28,500
101,200 *Golden Star Resources.....	1,356
208,250 Homestake Mining.....	4,582
1,121,200 LAC Minerals.....	9,810
550,000 Newmont Mining.....	31,694
500,000 Placer Dome.....	12,437
3,000,000 *TVX Gold.....	19,500
	108,774
DIVERSIFIED METALS --5.8%	
50,000 shs. Alcoa.....	\$3,469

265,000	*Alumax.....	5,698
60,100	Brush Wellman.....	856
490,000	Cyprus Amax Minerals.....	12,679
370,000	Freeport-McMoRan Copper & Gold.....	9,250
430,000	Inco.....	11,556
		43,508
CHEMICALS --8.0%		
160,000	Dow Chemical.....	9,080
649,000	Du Pont.....	31,314
350,000	Geon.....	8,269
70,000	Monsanto.....	5,136
320,000	Pall.....	5,880
		59,679
DIVERSIFIED RESOURCES--9.1%		
255,000	*Dundee Bancorp.....	1,756
130,000	GATX.....	5,298
350,300	*IMC Fertilizer Group.....	15,895
140,000	Overseas Shipholding Group.....	3,307
125,000	Pennzoil.....	6,656
371,300	Pittston Minerals.....	8,865
430,000	Union Pacific.....	26,929
		68,706
TOTAL NATURAL RESOURCE-RELATED		517,724
CONSUMER & SERVICE --16.7%		
MERCHANDISING--8.2%		
360,000	Petrie Stores.....	10,485
2,052,640	Wal-Mart.....	51,316
		61,801
CONSUMER DURABLES--0.3%		
120,000	*Coltec Industries.....	2,250
MISCELLANEOUS--8.2%		
200,000	Bristol-Myers Squibb.....	11,625
150,000	Corning.....	4,200
170,000	Eli Lilly.....	10,094
195,000	Gannett.....	11,164
100,000	GE.....	10,488
180,000	Reuters, ADR.....	14,197
		61,768
TOTAL CONSUMER & SERVICE		125,819
SCIENCE & TECHNOLOGY--3.5%		
340,000	Amdahl.....	2,040
190,000	IBM.....	10,735
430,000	Northern Telecom.....	13,276
TOTAL SCIENCE & TECHNOLOGY		26,051

T. ROWE PRICE NEW ERA FUND / STATEMENT OF NET ASSETS

MISCELLANEOUS--3.5%		\$26,387
TOTAL COMMON STOCKS (COST--\$494,463)		695,981
SHORT-TERM INVESTMENTS--8.6%		
CERTIFICATES OF DEPOSIT--0.7%		
\$5,000,000	Banque Nationale de Paris, 3.39%, 5/3/94.....	4,999
COMMERCIAL PAPER--7.9%		
5,000,000	Abbey National North America, 3.20%, 3/18/94.....	4,919
639,000	BT Securities, 3.25%, 1/3/94.....	639
5,000,000	Citicorp, VRMTN, 3.55%, 12/7/94.....	4,997
4,000,000	Corporate Asset Fund, VRMTN, 3.40%, 12/12/94.....	3,999
5,000,000	Corporate Asset Funding, 3.20%, 3/7/94.....	4,923
5,000,000	Elf Aquitaine Finance USA, 3.30%, 1/27/94.....	4,958
5,000,000	General Electric Capital, 3.35%, 3/3/94.....	4,944
5,000,000	Goldman Sachs Group, VRNTS, 3.47%, 6/3/94.....	5,000
2,445,000	Kingdom of Denmark, 3.32%, 1/13/94.....	2,411
5,000,000	MCA Funding, 3.23%, 4/8/94.....	4,918
5,000,000	Merrill Lynch, VRMTN, 3.36%, 9/16/94.....	5,000
5,000,000	Morgan Stanley Group, VRMTN,	

4,000,000	3.475%, 3/15/95.....	5,000
4,000,000	PPG Holdings B.V., 3.35%, 2/2/94....	3,972
	Preferred Receivables Funding,	
	3.35%, 2/2/94.....	3,966
		59,646
TOTAL SHORT-TERM INVESTMENTS		
	(COST--\$64,645)	64,645
-----		
TOTAL INVESTMENTS IN SECURITIES--101.1%		
	(COST \$559,108)	760,626
-----		
Other Assets Less Liabilities--(1.1)%.....		\$(8,094)
-----		
NET ASSETS CONSISTING OF:		
Accumulated net investment income--		
	net of distributions.....	\$822
Accumulated realized gains/losses--		
	net of distributions.....	7,497
	Unrealized appreciation of investments..	201,518
Paid-in-capital applicable to		
	36,972,169 shares of \$1.00 par	
	value capital stock outstanding;	
	200,000,000 shares authorized.....	542,695
-----		
NET ASSETS--100.0%		\$752,532
-----		
NET ASSET VALUE PER SHARE		\$20.35
-----		
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\* Non-income producing  
VRMTN Variable Rate Medium Term Note  
VRNTS Variable Rate Notes

The accompanying notes are an integral part of these financial statements.

#### STATEMENT OF OPERATIONS

T. Rowe Price New Era Fund/Year Ended December 31, 1993

	Amounts in Thousands	
	-----	
INVESTMENT INCOME		
Income		
Dividends .....	\$17,164	
Interest .....	2,681	
	-----	
Total income .....		\$19,845
Expenses		
Investment management fees .....	4,366	
Shareholder servicing fees & expenses .....	1,102	
Custodian and accounting fees & expenses .....	157	
Prospectus & shareholder reports .....	81	
Registration fees & expenses .....	38	
Legal & auditing fees .....	32	
Directors' fees & expenses .....	23	
Miscellaneous .....	22	
	-----	
Total expenses .....		5,821
	-----	
Net Investment Income .....		14,024
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized gain .....	43,284	
Change in unrealized appreciation or depreciation .....	46,387	
	-----	
Net gain on investments .....		89,671
	-----	
INCREASE IN NET ASSETS FROM OPERATIONS		\$103,695
	-----	
	-----	

The accompanying notes are an integral part of these financial statements.



STATEMENT OF CHANGES IN NET ASSETS  
T. Rowe Price New Era Fund

	Year Ended December 31,	
	1993	1992
	Amounts in Thousands	
INCREASE (DECREASE) IN NET ASSETS		
Operations		
Net investment income.....	\$14,024	\$15,864
Net realized gain on investments.....	43,284	32,886
Change in unrealized appreciation or depreciation of investments.....	46,387	(35,094)
Increase in net assets from operations.....	103,695	13,656
Distributions to shareholders		
Net investment income.....	(13,203)	(15,658)
Net realized gain on investments.....	(35,786)	(32,708)
Decrease in net assets from distributions to shareholders.....	(48,989)	(48,366)
Capital share transactions		
Sold 4,573 and 4,525 shares.....	92,115	89,146
Distributions reinvested of 2,204 and 2,327 shares.	44,398	43,861
Redeemed 6,865 and 7,895 shares.....	(138,286)	(155,515)
Decrease in net assets from capital share transactions.....	(1,773)	(22,508)
Total increase (decrease).....	52,933	(57,218)
NET ASSETS		
Beginning of year.....	699,599	756,817
End of year.....	\$752,532	\$699,599

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price New Era Fund / December 31, 1993

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

T. Rowe Price New Era Fund (the Fund) is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company.

A) Valuation - Equity securities listed or regularly traded on a securities exchange are valued at the last quoted sales price on the day the valuations are made. A security which is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities that are not traded on a particular day are valued at a price within the limits of the latest bid and asked prices deemed by the Board of Directors or by persons delegated by the Board, best to reflect fair value. Securities regularly traded in the over-the-counter market are valued at the latest bid price. Short-term debt securities are valued at their cost which, when combined with accrued interest, approximates fair value.

Assets and liabilities for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by, or under the supervision of, the officers of the Fund, as authorized by the Board of Directors.

B) Other - Income and expenses are recorded on the accrual basis. Investment transactions are accounted for on the trade date. Realized gains and losses are reported on an identified cost basis. Dividend income and distributions to shareholders are recorded by the Fund on the ex-dividend date. Income and capital gain distributions are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles.

C) Accounting Change - Effective as of the beginning of the year, the Fund adopted a recently issued accounting standard related to shareholder distributions. This change resulted in a reclassification to paid-in-capital of permanent differences between tax and financial reporting of net investment income and net realized gains/losses. The cumulative effect of this change as of December 31, 1992 increased Accumulated net investment income - net of distributions by \$93,000, decreased Accumulated net realized gains/losses - net of distributions by \$586,000, and increased Paid-in-capital by \$493,000. The results of operations, shareholder distributions and net assets were not affected by this change.

NOTE 2 - PORTFOLIO TRANSACTIONS

Purchases and sales of portfolio securities, other than short-term and U.S. Government securities, aggregated \$160,243,000 and \$208,051,000, respectively, for the year ended December 31, 1993.

NOTE 3 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the Fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income.

At December 31, 1993, the aggregate cost of investments for federal income tax and financial reporting purposes was \$559,108,000 and net unrealized appreciation aggregated \$201,518,000, of which \$232,543,000 related to appreciated investments and \$31,025,000 to depreciated investments.

NOTE 4 - RELATED PARTY TRANSACTIONS

The investment management agreement between the Fund and T. Rowe Price Associates, Inc. (the Manager) provides for an annual investment management fee, computed daily and paid monthly, consisting of an Individual Fund Fee equal to 0.25% of average daily net assets and a Group Fee. The Group Fee is based on the combined assets of certain mutual funds sponsored by the Manager or Rowe Price-Fleming International, Inc. (the Group). The Group Fee rate ranges from 0.48% for the first \$1 billion of assets to 0.31% for assets in excess of \$34 billion. The effective annual Group Fee rate at December 31, 1993, and for the year then ended was 0.35%. The Fund pays a pro rata portion of the Group Fee based on the ratio of the Fund's net assets to those of the Group.

T. Rowe Price Services, Inc. (TRPS) and Retirement Plan Services, Inc. (RPS) are wholly owned subsidiaries of the Manager. TRPS provides transfer and dividend disbursing agent functions and shareholder services for all accounts. RPS provides subaccounting and recordkeeping services for certain retirement accounts invested in the Fund. The Manager, under a separate agreement, calculates the daily share price and maintains the financial records of the Fund. The Fund is one of several T. Rowe Price mutual funds (the Underlying Funds) in which the T. Rowe Price Spectrum Growth Fund (Spectrum) invests. In accordance with an Agreement between Spectrum, the Underlying Funds, the Manager and TRPS, expenses from the operation of Spectrum are borne by the Underlying Funds based on each Underlying Fund's proportionate share of assets owned by Spectrum. For the year ended December 31, 1993, the Fund incurred fees totalling approximately \$985,000 for these services provided by related parties. At December 31, 1993, these investment management and service fees payable were \$136,000.

FINANCIAL HIGHLIGHTS

T. ROWE PRICE NEW ERA FUND

<TABLE>  
<CAPTION>

For a share outstanding throughout each

	Year Ended December 31,				
	1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF YEAR.....	\$18.88	\$19.86	\$18.48	\$21.73	\$18.79
Investment Activities					
Net investment income.....	0.40	0.45	0.54	0.60	0.56
Net realized and unrealized gain (loss).....	2.48	(0.04)	2.12	(2.52)	3.99
Total from Investment Activities.....	2.88	0.41	2.66	(1.92)	4.55

Distributions					
Net investment income.....	(0.38)	(0.45)	(0.55)	(0.62)	(0.56)
Net realized gain.....	(1.03)	(0.94)	(0.73)	(0.71)	(1.05)
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Total Distributions.....	(1.41)	(1.39)	(1.28)	(1.33)	(1.61)
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NET ASSET VALUE, END OF YEAR.....	\$20.35	\$18.88	\$19.86	\$18.48	\$21.73
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RATIOS/SUPPLEMENTAL DATA

Total Return.....	15.3%	2.1%	14.7%	(8.8)%	24.3%
Ratio of Expenses to Average Net Assets.....	0.80%	0.81%	0.85%	0.83%	0.83%
Ratio of Net Investment Income to Average Net Assets.....	1.92%	2.22%	2.56%	2.81%	2.52%
Portfolio Turnover Rate.....	24.7%	16.9%	9.0%	9.0%	18.6%
Net Assets, End of Year (in thousands).....	\$752,532	\$699,599	\$756,817	\$707,548	\$826,582
Number of Shareholder Accounts, End of Year.....	36,000	41,000	47,000	52,000	55,000
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</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors  
of T. Rowe Price New Era Fund, Inc.

In our opinion, the accompanying statement of net assets and the related statements of operations and of changes in net assets and the selected per share data and information (which appears under the heading "Financial Highlights") present fairly, in all material respects, the financial position of T. Rowe Price New Era Fund, Inc. at December 31, 1993, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the selected per share data and information for each of the five years in the period then ended, in conformity with generally accepted accounting principles. These financial statements and selected per share data and information (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 1993 by correspondence with custodians and brokers and, where appropriate, the application of alternative auditing procedures for unsettled security transactions, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE

Baltimore, Maryland  
January 19, 1994

SHAREHOLDER SERVICES

To help shareholders monitor their current investments and make decisions that accurately reflect their financial goals, T. Rowe Price offers a wide variety of information and services--at no extra cost.

TELEPHONE SERVICES

ACCESS YOUR ACCOUNT 24 HOURS A DAY BY CALLING 1-800-638-2587.

Tele\*Access\r\n--Gives you your account balance, date and amount of your last transaction, latest dividend payment, and fund prices and yields.

TransactionLine\r\n--Lets you purchase, exchange, or redeem shares anytime.

SHAREHOLDER SERVICE REPRESENTATIVES ARE AVAILABLE FROM 8:00 A.M. TO 10:00 P.M., MONDAY\FRIDAY, AND SATURDAY FROM 9:00 A.M. TO 5:00 P.M., E.T. CALL 1-800-225-5132.

Shareholder Service Center--Call to exchange shares or move money between your bank and fund accounts.

#### ACCOUNT SERVICES

Checking--Write checks for \$500 or more on any money market, bond, or tax-free fund account.

Automatic Investing--Build your account over time by investing directly from your bank account or paycheck. A low, \$50 minimum makes it easy to get started.

Automatic Withdrawal--If you need money from your fund account on a regular basis, you can establish scheduled, automatic redemptions.

Dividend and Capital Gains Payment Options--Reinvest all or some of your distributions or take them in cash. We give you maximum flexibility and convenience.

#### INVESTMENT INFORMATION

Combined Statement--A comprehensive overview of your T. Rowe Price accounts. The summary page gives your earnings by tax category, provides total portfolio value, and lists your investments by type--stock, bond, and money market. Detail pages itemize account transactions by fund.

Quarterly Shareholder Reports--Portfolio managers review the performance of the funds in plain language and discuss T. Rowe Price's economic outlook.

The T. Rowe Price Report--A quarterly newsletter with relevant articles on market trends, personal financial planning, and T. Rowe Price's economic perspective.

Insights--A library of information that includes reports on mutual fund tax issues, investment strategies, and financial markets.

Detailed Investment Guides--Our widely acclaimed Asset Mix Worksheet, College Planning Kit, Retirees Financial Guide, Retirement Planning Kit (also available on disk for PC use) and Guide to Risk-Adjusted Performance can help you determine and reach your investment goals.

#### DISCOUNT BROKERAGE

Trade stocks, bonds, options, and precious metals at substantial savings over full-cost brokers.

Tele\*Trade--Call this automated phone service after business hours to place your orders.

Fax\*Trade--Buy and sell by simply faxing your order.

Tele\*Quote--Provides 24-hour access to stock and option quotes.

Money Fund Sweep Feature--Buy and sell securities and have your "sweep" account automatically debited or credited. Dividend and interest payments are credited daily.

If you have questions or would like to add a service to your account, please call our Shareholder Service Center.