



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

28
M 84

FOURTH

ANNUAL REPORT

OF THE

BOARD OF MANAGERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co.

TO THE STOCKHOLDERS.

JANUARY, 1857.

NEW-YORK.

GEORGE F. NESBITT & CO., PRINTERS

1857.



1911

1912

1913

1914

1915

1916

OFFICERS

OF THE

Delaware, Lackawanna & Western Rail-Road Co. FOR 1857.

DRAKE MILLS,.....PRESIDENT.
GEORGE BULKLEY,.. *Vice-President*.
WILLIAM E. WARREN,... *Treasurer*.
ANDREW J. ODELL,..... *Secretary*.

MANAGERS.

JOHN J. PHELPS,	HENRY YOUNG,
WILLIAM E. DODGE,	SAMUEL WILLETS,
GEORGE BULKLEY,	WILLIAM E. WARREN,
JOHN I. BLAIR,	THOMAS McELRATH,
GEORGE W. SCRANTON,	SAMUEL L. MITCHILL,
ROSWELL SPRAGUE,	RUFUS R. GRAVES,
MOSES TAYLOR,	HOWELL L. WILLIAMS.

STANDING COMMITTEES.

<i>Executive Committee.</i>	<i>Finance Committee.</i>
GEORGE BULKLEY,	JOHN J. PHELPS,
ROSWELL SPRAGUE,	MOSES TAYLOR,
WILLIAM E. DODGE,	SAMUEL WILLETS,
RUFUS R. GRAVES,	JOHN I. BLAIR,
JOHN I. BLAIR.	HOWELL L. WILLIAMS.
<i>Coal Committee.</i>	<i>Committee on Accounts.</i>
WILLIAM E. DODGE,	HENRY YOUNG,
SAMUEL L. MITCHILL,	THOMAS McELRATH,
JOHN J. PHELPS,	RUFUS R. GRAVES,
JOHN I. BLAIR,	HOWELL L. WILLIAMS.
HOWELL L. WILLIAMS.	

PROCEEDINGS

AT THE

ANNUAL MEETING OF THE STOCKHOLDERS,

JANUARY 22D, 1857.

AT the annual meeting of the Stockholders of the Delaware, Lackawanna and Western Rail-Road Company, held, in pursuance of public notice, at the General Office of the Company, No. 51 Wall-street, in the city of New-York, on Tuesday, the 27th day of January, A. D. 1857:—DRAKE MILLS, Vice-President, occupied the chair, and ANDREW J. ODELL acted as Secretary.

The meeting having been called to order, the Secretary read the minutes of the last previous meeting, which, on motion, were approved.

The VICE-PRESIDENT remarked that the resignation of the late President had devolved on him the duty of occupying the executive chair on this occasion, and of laying before the Stockholders a statement of the operations of the Company for the past year. He first congratulated them on the occurrence of an event since the last annual meeting, the most interesting in the history of every rail-road—THE OPENING—which took place on the 27th of May last, when the great work on which the Company had so long labored, was virtually achieved, and its final completion placed beyond contingency. He referred to the policy adopted by the Board, of stocking the Coal Depot at Ithaca to its full capacity, in the Autumn of 1855, in order that the entire

motive power and rolling stock might be available for operating the Southern Division on its opening—then expected in the month of February following. That event was delayed by a tunnel on the Warren Rail-Road, which no force that could be brought to bear on the work, could so far complete as to admit of the laying of the track to open the Road a day sooner than it was—and even then not in a condition to run heavy trains before the 1st of July last.

The Vice-President farther alluded to the late opening of navigation on the Erie Canal, the frequent breaks when opened, and the protracted interruptions to business on its Western Division which followed; that these causes combined had almost suspended the coal operations the first five months of the year, by which the mines were disorganized and the miners scattered, so that two months were required to reorganize and man them after the road was opened.

Such were the more prominent impediments to the operations the past year. They were detailed with so much particularity for the simple object of preparing the way for the Annual Report of the Treasurer, which would now be submitted. If the general result is less favorable than anticipated at the commencement of the year, he trusted it was satisfactory under the circumstances that had existed, and such as to indicate the business of the year on which they had just entered, under the ordinary favor of Providence, to be of a character to convince the most doubting that they had an enterprise worthy their best care; and that the stock of this Company would speedily be ranked in the first-class of permanent dividend-paying stocks.

The TREASURER presented a Report of the business of the past year, prefaced by some remarks on the impracticability of obtaining perfect and full statements in the short time that intervened between the close of the year and the annual meeting. The imperfection in the details of the reports submitted to previous meetings had been noticed, and also

the causes to which it was due. The difficulty will, of course, continue and increase, as the business increases. In this instance, the recent unprecedented storm, which had entirely suspended communication for one week, had added to the difficulty, by preventing the transmission of the necessary *data* from the various departments at Scranton. Several methods were suggested to obviate the inconvenience mentioned above as recurring yearly. Many reasons conspire to make it inexpedient to set back the beginning of the fiscal year to the 1st of December, or still earlier. The embarrassment and expense attending an application to the Legislature of Pennsylvania for a change in the day for holding the annual meeting, discourage that resort. He, therefore, respectfully submitted whether anything better can be done for the present, than to make such Exhibit at the annual meeting as is found practicable—leaving, as heretofore, the full and exact statement to be published as soon thereafter as may be; or, if preferred, to be first submitted at an adjourned meeting of the Stockholders, and then published. The imperfect reports thus made at former annual meetings had been regarded as abstracts of the matured and full reports, which have been subsequently printed under the direction of the Board of Managers. The Report of the Treasurer was then read, exhibiting the financial condition of the Company, the receipts and expenses of the transportation and coal departments, the expenditures for construction, and various other statements, the months of November and December having been partially estimated.

On motion of SAMUEL MARSH, Esq., the Treasurer's Report was accepted.

The General Agent, Mr. ARCHBALD, read a report of the practical operation of the Rail-Road and Coal Mines for the year ending 31st December last—their present capacity and condition, and the amount of motive power and number of cars on hand; also giving an estimate of the business for the ensuing year.

On motion of GEO. D. PHELPS, Esq., the General Agent's Report was accepted.

Several questions having been propounded informally to the Board of Managers, JOHN J. PHELPS, Esq., stated that they were considered proper questions to be answered at a meeting of the Stockholders; and that the answers he would give to the various questions might be considered as the answers of the Board. In reply to said questions, Mr. PHELPS then stated the terms of the existing contracts for the transportation of coal and other freight—which contracts, it was estimated, would occupy one-half of the capacity of a single track; that the policy of the Company as to the remaining capacity was yet undetermined; that it was not advisable to make any further contracts at a less price, until it was ascertained that the Company could do this and pay a dividend; that the rate charged was believed to be fair for the service performed, and as much as the coal business would warrant; that there were no contracts for the transportation of lumber; that the amount of money needed to complete the Road could not now be stated, but that it was not in contemplation at present to issue any more bonds or stock; and that no necessity existed for more officers and clerks; although, as the business extends, an additional number of the latter, will undoubtedly be wanted.

Some discussion took place relative to the change of the fiscal year, or the establishment of another day for the annual meeting, in order to allow the Treasurer ample time to make up his Report to the Stockholders from correct *data*. It having been suggested that this purpose might be served on this occasion by adjournment to some later day, it was, on motion of Mr. ROBERT,

Resolved, That when this meeting adjourns, it adjourn to meet at this place on the first Tuesday of March next, (3d,) at 12 o'clock, M., to receive the complete Report of the Officers and Managers for the year terminating 31st December last, previous to publication.

Mr. GEORGE D. PHELPS, in reply to a question previously asked, read a clause of the act of incorporation, prohibiting the Company from purchasing coal, when the rate of transportation of coal from Scranton to Elizabeth Port shall exceed two cents per ton per mile.

He added some remarks relative to his resignation of the office of President; and then, on behalf of Mr. JAMES S. ASPINWALL, presented the draft of a series of by-laws, for the government of the Company; which, on motion of Mr. JEREMIAH WILBUR, attorney for Messrs. GILLIATT & Co., was referred to a committee of three, to report at the adjourned meeting, on the 3d of March.

The Chairman nominated Messrs. JAMES S. ASPINWALL, JAMES BROWN and CHRISTOPHER R. ROBERT, as such committee; which was approved.

The meeting then adjourned, for the purpose of voting for Officers and Managers for the ensuing year.

DRAKE MILLS, *Chairman.*

A. J. ODELL, *Secretary.*

In pursuance of adjournment of their regular meeting, on 27th January, the Stockholders met at the general office, No. 51 Wall-street, New-York, on Tuesday, 3d March, 1857, at 12 o'clock, M.:—DRAKE MILLS, President, in the chair, and ANDREW J. ODELL, Secretary, acting as Clerk.

The minutes of the regular meeting were read and approved.

The Annual Report to the Stockholders, by the Board of Managers, was then read; and at the suggestion of Mr. GEORGE D. PHELPS, was amended by erasing the words, "was tendered by the Lackawanna Iron and Coal Company and others," and substituting therefor the words, "was ob-

tained," in the article relating to the procurement of the right of way for the "Keyser Valley Branch." On motion of Mr. GEORGE D. PHELPS, it was then

Resolved, That the blanks in said Report be filled, and that it be printed and distributed to the Stockholders, under direction of the Board of Managers.

The General Agent's Report was read, and ordered to be printed in connection with the Annual Report of the Board of Managers.

On motion—

Resolved, That, inasmuch as the Reports of the Officers and Heads of Department on the line of the Road will be incorporated in the Annual Report, and distributed to the Stockholders, the reading thereof at this meeting be dispensed with.

Mr. JOHN J. PHELPS, Chairman of the Finance Committee, submitted some calculations, based upon the business of the last six months of last year, demonstrating the success of the enterprise; explained the financial condition and prospects of the Company; and stated that it had become expedient to dispose of the balance of the "Second Mortgage Convertible Bonds," amounting to \$491,500.

It having been determined to receive subscriptions from the Stockholders present, the terms were stated to be, 75 per cent. on their par value—payable 20 per cent. in cash, and the balance equally in 2, 4, 6 and 8 months. Interest calculated from 1st March instant, for which notes to be given.

The names of parties signifying their subscription on those terms were registered, and the whole amount (\$491,500) was taken.

The Special Committee, of which JAMES S. ASPINWALL, Esq., was Chairman, to whom was referred the draft of By-Laws for the government of the Company, presented a written report, which was read.

The By-Laws, as reported, were then submitted, and ordered to be read, with the understanding that such articles

as were not objected to when read, should be considered adopted.

Mr. GEORGE D. PHELPS having objected to the 5th Article, proceeded to explain his reasons, in the course of which he imputed to the Officers and Managers improper management, and other delinquencies ; whereupon, on motion of Mr. JOHN J. PHELPS, seconded by Mr. CHRISTOPHER R. ROBERT, it was

Resolved, That a Committee of Stockholders be appointed to investigate the charges made by Mr. GEORGE D. PHELPS, and report at a special meeting, to be called at such time as said Committee may determine.

Mr. GEORGE D. PHELPS being desired to name the members of the Committee, designated Messrs. CHRISTOPHER R. ROBERT and JAMES BROWN as two of said members ; to whom the meeting added Messrs. WILLIAM S. WETMORE, JOHN E. WILLIAMS and GEORGE N. MILLER.

On motion, the report of the Committee on By-Laws was accepted.

The remainder of the By-Laws were then read, and on motion were, together with the Report, ordered to be printed, under the direction of the Special Committee by whom they were reported, in connection with the By-Laws now in force, and distributed to the Stockholders, preparatory to action thereon at the Special Meeting to be hereafter called.

Adjourned.

DRAKE MILLS, *Chairman*.

A. J. ODELL, *Secretary*.

REPORT.

In conformity with established usage, the President and Board of Managers present to the Stockholders their Fourth Annual Report; exhibiting the operations of the Company during the past year, and its present condition and prospects.

They are happy to be able to announce the opening of the Southern Division of the Road, on the 27th of May last. This auspicious event was celebrated by an excursion from the city of New-York to Scranton, on which occasion the Managers and Stockholders were honored with the presence of numerous distinguished guests, from Pennsylvania, New-York, New Jersey, and other States.*

The Board will be pardoned for expressing their great gratification with this result, which has been so long and so ardently looked for, and which has been reached only through difficulties and embarrassments of a most formidable kind. Though the Road upon this Division is not yet completed, it is sufficiently advanced to admit of constant use, and opens the whole line of the route from Elizabeth Port to Ithaca, according to the original design of its projectors. It had indeed been hoped and predicted that the event would be reached at an earlier date, but unforeseen hindrances made it impossible; the chief of which was encountered at the Vaas Gap Tunnel, on the Warren Rail-Road, near the Delaware River.

* As an evidence of the interest felt by those in attendance on this occasion, we subjoin the following resolutions, which were unanimously adopted at a meeting held by them on their return from the excursion:—

Resolved, That we have viewed with the greatest interest the magnificent and solid works which connect New-York with a coal-field of Pennsylvania of 200 square miles in extent, and containing a supply of coal equal to 25,000 tons per acre, and which cannot be exhausted in centuries.

Resolved, That the gratitude and thanks of the community are eminently due to the Companies for the wisdom which planned their great avenues of transportation, and for the energy displayed in their completion, and for the skillful and successful adaptation of the Central Rail-Road of New Jersey to such connection and intercommunications with the Warren Rail-Road, and the Delaware, Lackawanna and Western, as will enable those Roads to co-operate in the great business of transportation, and thus realize the large results so confidently and justly anticipated by the patriotic projectors of those important works, and by the public.

Resolved, That, as guests of the Delaware, Lackawanna and Western Rail-Road, we offer to that Company our sincere thanks for the pleasure afforded us on this occasion, on which we have had high speed with entire safety, with the opportunity of observing the costly viaducts and tunnels of those roads; of inspecting the various mines; of seeing celebrated Delaware Water Gap, and the Falls of Roaring Brook, and the extensive picturesque views from the summit of the Pocono Mountain, with the other scenery unrivaled grandeur in New Jersey and Pennsylvania."

NORTHERN DIVISION.—The expenditures upon this Division, during the year, were mainly for the construction of embankments at the several hollows originally crossed by trestlings, all of which have been completed, and it will be seen, by reference to the Report of the General Agent, (p. 35,) that this portion of the Road, which has heretofore required a large annual outlay, may now be considered as very nearly finished.

KEYSER'S VALLEY BRANCH.—This lateral Road, extending southward from the main track at Fuller's Hollow, about $2\frac{1}{4}$ miles, and passing west of the village of Hyde Park, has been completed. The right of way for this Branch was obtained free of charge. This Road, as intimated in the last Annual Report, affords access to the coal lands of this Company lying in the rear of the "Griffin Farm" and Diamond Mines property, and furnishes important facilities for carrying forward the mining operations in that valley. The cost of this Road, as shown in the above table, was \$45,912 53.

SOUTHERN DIVISION.—The track upon this Division was laid nearly a year ago, still, much remained to be done to put it in a proper condition for use. On account of this, and of the delay upon the Warren Rail-Road, heretofore mentioned, active business on this Division was not commenced until July. The Report of the General Agent shows the present condition of this portion of the Road, and the work yet remaining to be done upon it.

WARREN RAIL-ROAD.—This Road, though located in another State, and constructed under a separate charter, is, in fact, an integral portion of our line, and is properly noticed as such in this place. Its length, from the crossing of the Delaware River to its junction with the Central Rail-Road of New Jersey, at New Hampton, is $18\frac{7}{10}$ miles, which is increased by the temporary track at Van Ness Gap, $2\frac{2}{10}$ miles—making the whole length, at present, $21\frac{4}{10}$ miles.

The construction of this Road was necessary as a connecting link between the two roads mentioned; but from the peculiar natural features of the country traversed by it, became unavoidably expensive. The route is almost a continuous succession of hills and deep, broad valleys, requiring, besides two tunnels, a corresponding succession of deep cuts, and high and lengthy embankments and bridges.

In accordance with an agreement between this Company, the Central Rail-Road Company of New Jersey, and the Warren Rail-Road Company, dated January 27th, 1854, this Company engaged to furnish a portion of the means for the construction of the Warren Rail-Road, by subscribing \$150,000 to its capital stock, and by guaranteeing \$300,000 of its bonds. The Central Company were to take \$150,000 of its stock, and guarantee, in like manner, \$250,000 of its bonds. These sums, with the amount of stock taken by Contractors, and others, constituted the means for building the Road, and it was supposed would be sufficient for that purpose. It was stipulated that this Company should receive a lease of the Road when completed, and operate it as a part of their own line, paying, as rent for the same, the interest upon the cost of the Road, as represented by the stock and bonds issued.

The following table exhibits the cost of the Warren Rail-Road to December 31, 1856, including interest and discount on the sale of \$568,300 of its bonds:—

RAIL-ROAD.

Office Expenses and Stationery.....	\$12,994 66
Engineer Department.....	19,247 79
Agency.....	1,888 58
Land, Land Damages, and Fences,	56,190 99
Grading,	806,758 79
Truss Bridges.....	62,920 57
Superstructure,	62,315 44
Iron.....	187,509 02
Contingencies,	5,408 10

BUILDINGS.

Engine and Car Houses.....	1,091 46
Machine and Work Shops.....	28 25

Freight and Passenger Stations,.....	\$12,034 37
Water Stations, and Wood Sheds,.....	4,747 32
Telegraph,.....	25 42
Wharves and Coal Schutes at Washington,.....	5,059 43
Interest,*	89,189 32
Discount on Sale of \$568,300 Bonds,.....	67,421 72
Total,	\$1,394,831 18

The means of the Warren Rail-Road Company having been exhausted, and a considerable debt incurred, application was made by them to this Company for aid to enable them to complete their Road. It was therefore resolved by this Board, under sanction of the Resolution adopted by the Stockholders at the annual meeting, in January, 1856, to advance to said Company, in cash or obligations, such sums as they might need, from time to time, for said purpose, upon the requisition of their President, approved by our Executive Committee.

In pursuance of this resolution, there was advanced to that Company, for work done prior to the first of October, 1856, including one-half the cost of constructing the Delaware Bridge \$73,600; in settlement for which, there was received an equal amount of their capital stock at par.

This Company having, by the joint agreement before mentioned, undertaken to pay the interest upon the cost of the Warren Rail-Road, it was deemed proper, before commencing said payments, to subject the accounts for its construction to careful examination, although it had been constructed under the superintendence of one of our own largest Stockholders, and a member of our Board from the first. Accordingly, our Finance Committee were instructed to perform this service, and the result was highly satisfactory. Their report and the resolutions thereupon adopted by the Board, are given at length on pages 27, 28 and 29.

Although this Road began to be used by us in June last, yet the work of construction has been continued upon it by that Company. They have recently made a formal surren-

* The sum here stated includes Interest on the Stock and Bonds to December 31st, 1856.

der of it to us, and the remaining unfinished work will be done under the superintendence of our own officers. Upon said surrender, the indebtedness of that Company, amounting to \$116,000, was settled by our acceptances, payable at an average of six months' time. The resources of the Company for completing their Road, consist of \$111,500, of their capital stock, not yet issued, (the whole amount of stock authorized by charter, being \$800,000,) and \$31,700 of first mortgage bonds unsold. If necessary, a further issue of bonds may be made.

By a recent contract of that Company, the construction of the Van Ness Gap Tunnel, a work of some magnitude, and of much importance to us, will be continued as fast as their means will permit.

EASTERN DIVISION.—This head, as was explained in the last Annual Report, was adopted to designate the expenditures for Depot grounds and improvements at Elizabeth Port, or elsewhere on the Central Rail-Road of New Jersey. The plan of our improvements at Elizabeth Port was also exhibited in the same report. Owing to the delay in opening the Road, the work of grading and otherwise preparing the grounds for stocking and shipping coal at this place was not commenced until late in the last season. The title to the land has been obtained, and the works are now far advanced towards completion. The expenditures on this Division during the year, including cost of land, as shown in the preceding tabular statement, were \$163,032 03.

The laying of a third rail upon the Central Rail-Road to accommodate our wide-gauge cars, was finished in season for our use, and the construction of a second track of similar width is nearly completed. It would much facilitate the coal business of this Company, if broad gauge switches were furnished upon the Central Rail-Road at several points where there are markets for our coal.

GENERAL EXPENDITURE.—This head, as heretofore ex-

plained, embraces the *equipment* of the Road, and such items as are not properly chargeable to any particular division.

Our rolling stock has been increased during the year as stated in the annexed Report of the Acting Manager of the Machine and Car Shops, at Scranton.

LOCOMOTIVES,	
Of all kinds, (No. 27 to No. 58 inclusive,).....	32
CARS,	
Made by us, of all kinds,.....	527
Purchased do.,	182
	<hr/>
	709
Deduct three Cars sold L. & B. R. R. Co.,....	3
	<hr/>
	706

COAL DEPARTMENT.

CONSTRUCTION.—The cost of opening mines, and erecting machinery for the same during the year, has been as follows:

Coal Lands,.....	\$	
Opening Mines,.....	33,046	83
Mine Railway and Cars,.....	6,093	76
Horses, Mules, and Harness,.....	5,435	87
Coal-Breakers and Engines,.....	26,020	69
Miners' Tools, Implements, &c.,....	1,411	23
Coal-Yards and Offices,.....	176	55
Scales, Tools, &c., for Yards,.....	47	52
Expenses of General Office,.....	1,000	00
Miners' Tenements,.....	763	95
Buildings,.....	16	00
Contingencies,.....	394	89
	<hr/>	
	\$74,407	29
Deduct received for sale of lot at Bellevue,....	\$462	90
“ “ “ Smith lot,.....	11,230	00
	<hr/>	
	\$62,714	39

By an act of the Legislature, approved March 22, 1855, the Company was authorized to purchase coal lands to the amount, in all, of 2,000 acres; but they have not yet availed themselves in full of this privilege. During the year, that part of our coal estate called the “Smith Lot,” which was inconveniently situated for working by this Company, was sold at a considerable advance upon its cost—the difference being credited to “Coal Department Fund.” The extent and capacity of the present mines of the Company will appear from the Report of the General Agent.

MINING AND COAL SHIPMENTS.—The Report of the General Coal Agent exhibits the operations in this department of our business.

The total sales during the year, amounted to 276,221 4-20 tons, producing the gross sum of.....		\$955,125 81
Amount received for Rents,.....		4,538 92
Value of Coal on hand Dec. 31, 1856, (28,605¼ tons),...		101,299 70
		<hr/>
		\$1,060,964 43
Value of Coal on hand Dec. 31, 1855, (36,932 19-20 tons),.....		\$127,906 07
Stock at Diamond Mines,....		735 00
		<hr/>
		\$128,641 07
Sundry deductions, &c.,.....		50 00
Total Expenses for mining, repairs of fixtures, transportation, superintendence, &c., during the year,.....		784,065 83
		<hr/>
		912,756 90
Showing the net revenue,.....		<hr/>
		\$148,207 53

The high character heretofore borne by our coal is still maintained in the Northern and Western markets, and it has given good satisfaction also wherever it has been introduced at the East. The demand for it in New-York and New England, during the year, greatly exceeded our ability to supply it—a demand which is likely to be increased the coming season.

TRANSPORTATION DEPARTMENT.

The Reports of the several officers connected with this Department will exhibit the operations of the same during the year:—

The gross earnings of the year amounted to		\$814,575 90
From Rents,.....		631 00
		<hr/>
		\$815,206 90
The expense of operating and repairs of the Road, repairs of cars and machinery, superintendence, &c.,.....		\$434 305 92
Less expenditures on the Cayuga Division, for renewal of bridges and track, charged to "Account of personal property received from C. and S. R. R. Co.,".....		29,238 19
		<hr/>
		405,067 73
Showing net revenue,.....		<hr/>
		\$410,139 17

In consequence of the expensive character of the Road, it was deemed necessary, upon the opening of the Southern Division, to adopt a tariff of freights higher than were charged on some other Roads, and, as subsequent experience demonstrated, somewhat too high for the attainment of the largest business. Accordingly, they were, in the autumn, reduced to such rates as, while they afford a fair income to the Company, are, it is believed, entirely satisfactory to the public. In respect to passenger fares, the rates adopted seem to have been rightly graded from the outset. The amount of travel has even exceeded our expectations. The attractiveness of the scenery along this Road, together with the convenience of travel afforded by it, will, it is believed, greatly increase that amount hereafter—making it one of the most popular frequented routes in the country.

MACHINE AND CAR SHOPS, AND FOUNDRY.

The annexed Report of the Acting Manager, Mr. Marvin, shows the amount and kinds of work done at these establishments during the year.

FINANCIAL CONDITION.

The financial condition of the Company, at the close of the year, will appear from the Balance-Sheet of the Treasurer, in its proper place, page 30. The following are some of its most important items:—

1.—CAPITAL STOCK.

The amount of paid up Capital Stock, Dec. 31, 1855, was \$3,051,622 50
There has been issued during the year 1856 in payment for

Locomotives and Cars, and for work done on Southern Division, &c.,	241,150 00
Still due from several Stockholders.....	1,377 50

Present Capital, (65,883 Shares, at \$50 each,).....	\$3,294,150 00
--	----------------

The number of Stockholders is.....	348
------------------------------------	-----

The largest amount standing in the name of any one Stockholder is 2.062 Shares, equal to.....	\$103,100
Average to each Stockholder.....	9,460

2.—GENERAL ACCOUNT, DR.

To Cost of Construction and Equipment of the Rail-Road,	\$8,013,761	08
“ “ Coal Lands and Mining Improvements,.....	395,227	66
“ “ Materials on hand, including Wood for fuel, Oil, and stock of Materials at the Shops,..	134,669	31
“ Value of Coal on hand, (28,605¼ tons,).....	101,299	70
“ Real Estate in New-York,.....	24,181	33
“ Stock of the Warren Rail Road Company,.....	136,808	00
“ “ Lackawanna and Bloomsburg R. R. Co.....	134,300	00
“ Bonds of do. do. do. (\$50,000,) cost.....	40,000	00
“ Bills and Accounts Receivable,.....	991,349	56
“ Cash on hand,.....	23,417	45
	<u>\$9,995,014</u>	09

CR.

By Capital Stock, amount paid in,.....	\$3,292,772	50
“ Mortgage Bonds of 1871,.....	900,000	00
“ Eastern Extension Bonds of 1875,.....	1,500,000	00
“ Convertible Mortgage Bonds of 1881,....	\$2,600,000	
Less on hand, unsold,.....	491,500	
	<u>2,108,500</u>	00
“ Interest accrued on Bonds to Dec. 31, 1856,....	94,473	06
“ do. do. Capital Stock,.....	102,990	80
“ do. do. Bonds & Stock of the Warren R.R.,	28,905	23
“ Bills and Accounts Payable,.....	1,680,051	32
By Account of Personal property received from the C. & S. R. R.,.....	\$92,938	43
Less renewals and repairs of the C. & S. R. R., in 1855,..	\$20,366	00
“ “ 1856,....	29,238	19
	<u>48,334</u>	24
“ Renewal Fund,.....	133,526	60
“ Coal Department Fund,.....	51,896	53
“ Income Account,.....	58,563	81
	<u>\$9,995,014</u>	09

3.—INCOME ACCOUNT, CR.

The Balance remaining to the credit of this account, Dec. 31, 1855, was.....	\$23,642	21
Net Revenue for 1856, viz. :—		
From Transportation,.....	\$410,139	17
“ Coal,.....	148,207	53
	<u>558,346</u>	70
	<u>\$581,988</u>	91

Amount brought forward,..... \$581,988 91

Dr.

To Interest on Funded Debt,...	\$229,087 56	
“ “ Floating “ ...	43,231 55	
“ “ Capital Stock,..	192,248 34	
		\$464,567 45
Less Interest on Cost of Southern Division for first half of the year, until it began to be productive,.....	100,483 65	
		\$364,083 80
To Rent of Warren Rail Road,.....	38,073 91	
“ “ Cayuga and Susquehanna R. R.,	70,000 00	
“ Renewal Fund appropriation, for 1856,	51,267 39	
		523,425 10
Balance,.....		\$58,563 81

4.—FLOATING DEBT.

The whole amount of outstanding bills and accounts payable, including interest on stocks and bonds, as above stated, is.....\$1,906,420 41

DEDUCT.

Bills and Accounts Receivable, including sundry advances to contractors, and others,	\$955,913 76	
Materials on hand,.....	134,669 31	
Coal “	101,299 70	
Cash “	23,417 45	
Vessel Property in New-York,.....	17,016 39	
Real Estate “ “	24,181 33	
Coal-Yard, 15th St., “	1,558 57	
Stock in the Warren Rail-Road Co.,.....	136,808 00	
“ “ Lackawanna and Bloomsburg R. R. Co.,.....	134,300 00	
Bonds “ “ “ “	40,000 00	
Coal Department Expenses, advanced on account of business of 1857,.....	16,860 84	
		1,586,025 35

Balance of Floating Debt, (against which we have
\$491,500 Bonds on hand, unsold,)..... \$320,395 06

5.—RENEWAL FUND.

The amount appropriated to the credit of this Fund previous to December 31, 1855, was.....	\$61,893 21
To which should have been added the amount of expenditure for renewals, &c., on the Cayuga and Susquehanna Rail-Road in 1855, which were charged to Transportation Expenses for that year, instead of the “ Account of Personal Property received from the Cayuga and Susquehanna Rail-Road Co.”.....	20,366 00
Appropriation from Transportation Earnings in 1856,....	51,267 39
	\$133,526 60

The maintenance of the Road and its equipment has been charged to the current Transportation Expenses, and thus far we have had no occasion to draw upon this fund for extraordinary repairs—leaving it, in consequence, to accumulate for the purposes in view in its creation.

6.—COAL DEPARTMENT FUND.

The amount to the credit of this Fund, Dec. 31, 1855, was	\$28,976 53
Appropriation from the sale of Coal Lands, (see page 18,) in place of the usual annual assessment upon the sales of coal,.....	22,920 00
	<hr/>
	\$51,896 53

No occasion has yet arisen for drawing upon this fund. The expenses incurred for opening mines, &c., have been reckoned in the ordinary expenses of the year. Still, the wisdom of the policy by which this and the Renewal Fund were established, becomes more and more apparent to the Board, as a part of those conservative measures which have been adopted as leading principles in their administration.

In our last Annual Report it was stated that application had been made for legislative authority to execute a second mortgage on the Road for \$2,600,000, for the security of a new issue of Bonds to that amount; but as some delay might occur in obtaining the law, the Board had resolved to issue \$1,200,000 of the amount in the shape of Convertible Income Bonds—the latter to be exchanged for the former as soon as practicable. There were taken of these by the Stockholders, on the terms specified in a circular of the Treasurer, dated Dec. 29, 1855, the sum of \$482,500. The act authorizing said second mortgage passed in March, 1856, and the mortgage was thereupon executed, dated April 1, 1856, Samuel Willets and Samuel L. Mitchill being Trustees. The proposed issue of income bonds was, therefore, not made, the mortgage bonds to the above amount being substituted in their place. The balance of the bonds was offered at auction soon after the opening of the Southern Division, June 4th, and sales

were effected to the amount of \$790,500. In addition to which, there were subscribed for by the Stockholders, in pursuance of resolutions of the Board of August 29 and Sept. 16, a further amount of \$835,500; leaving on hand, unsold, \$491,500. The wants of our Treasury will require that these remaining bonds be sold whenever a favorable opportunity shall occur; the proceeds from such sales will be sufficient for our present necessities.

The preceding statements show, that, besides paying the interest on the debt of the Company, and the rent of the Cayuga and Susquehanna and Warren Rail-Roads, and making the usual appropriation to the credit of the "Renewal Fund," the Board have been enabled to pay interest upon the capital stock, as heretofore.

In respect to future dividends, the Board feel warranted, from their experience, in predicting that the earnings will hereafter show a large and gratifying increase. If in the infancy of our business, with an unfinished road and inadequate equipment, such results have already been gained, it cannot be deemed presumptuous to expect with confidence a large and gratifying increase in the revenues of the Company, when its business shall have reached its maturity, and our full capacity for its performance shall have been attained.

Reference has been made in preceding annual reports to the policy of the Company respecting Coal Transportation. The Board see no cause thus far for departing from or altering that policy. The rates established are as high, it is believed, as the coal business will warrant, and, though less than the maximum allowed by law, such, on the whole, as to secure the largest revenue to the Company.

At the last Annual Meeting of the Stockholders, a resolution was adopted, directing that no further subscription to Capital Stock, nor endorsement of the Bonds of other Companies, be made by this Company, except such as might be necessary for the completion of the Warren Rail-Road, without

the previous approval of the Stockholders. This resolution has been complied with. The subscription made pursuant to a resolution of the Board of November 7, 1855, for \$50,000, at 80 per cent., of the Bonds of the Lackawanna and Bloomsburg Rail-Road Co., to aid them in completing their Road, was settled on the 25th November last, in our acceptances, payable in three and five months, and the bonds are now in our possession.*

The distrust which pervades the community in relation to the management of Rail-Road Companies and other corporations, arising from the defalcations and abuses of trust so lamentably common during the past few years, makes it proper to advert, ere closing this report, to the manner in which the office business of this Company is conducted. All the accounts and financial affairs of the Company, and books of transfer, are subject to the constant supervision and scrutiny of the Auditing Committee—at present consisting of Messrs. Young, McElrath, Graves and Williams—who report in writing, monthly, to the Board.† The Board of Managers, while they express their own confidence in the faithfulness and fidelity of their officers, would especially invite, as do the officers themselves, the fullest examination of the affairs of the Company, by any Stockholder, to whom ample facilities for that purpose will be afforded.

The Board of Managers are proud to have been engaged

* As this Company has now a large pecuniary interest in the Lackawanna and Bloomsburg Rail-Road, the annexed letter from the Treasurer, Mr. Pettebone, and statement of their affairs, will be interesting to our stockholders.

† The following is an extract from the last monthly Report of the Auditing Committee upon their review of the accounts of the year 1856 :—

"In concluding the examination of the Books and Accounts in the charge and under the supervision of the Treasurer, the Committee take great pleasure in testifying to their uniform correctness, and systematic arrangement. In the monthly discharge of their duties, they have frequently been impressed with the united simplicity, comprehensive-ness and facility of reference, which characterizes the system of Accounts devised and introduced by the Treasurer, Mr. Wm. E. Warren; and the purpose of exhibiting the business of the Company, in every detail, and in the clearest possible manner, is so fully subserved thereby, that they have deemed it proper to record in this official manner, their satisfaction and approbation.

"The Committee also take pleasure in commending the distinctness, and peculiar neatness, with which the General Book-keeper, Mr. Abram S. Peet, has recorded the various transactions, and filed the numerous vouchers and papers therewith connected. These praiseworthy features have enabled the Committee to make their examination with ease and dispatch."

in the prosecution of an enterprise of such magnitude and public utility. From the outset, they have had the fullest confidence in its ultimate success—a confidence which they, in common with others, have ever been free to attest by the advancement of their personal means to meet the exigencies of the work. Delays, indeed, there have been, and sometimes disappointments, but these have sprung from incidents of the enterprise, wholly unavoidable, and not from the essential character of the enterprise itself. To the Stockholders they would express their thanks for their patience under the delays, and for the promptness and zeal with which they have co-operated in the work; and they beg leave to congratulate them in being able to point to a line of works so important in itself, and which ranks not least among the public enterprises that reflect honor upon our country

Respectfully submitted,

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
WILLIAM E. DODGE,
GEORGE BULKLEY,
JOHN I. BLAIR,
GEORGE W. SCRANTON,
ROSWELL SPRAGUE,

MOSES TAYLOR,
HENRY YOUNG,
SAMUEL WILLETS,
WILLIAM E. WARREN,
THOMAS McELRATH,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES.

EXTRACTS from the Minutes of the Board of Managers and Finance Committee of the Delaware, Lackawanna and Western Rail-Road Company, in relation to the Accounts of the Warren Rail-Road Company.

Board of Managers, July 25, 1856. Minutes, page 441.

Whereas, by the terms of a Joint Contract between this Company, the Central Rail-Road Company of New Jersey, and the Warren Rail-Road Company, dated 27th January, 1854, provision is made for the Lease of said Warren Rail-Road to this Company; and whereas it has been recommended to said Warren Rail-Road Company to make a settlement, so far as possible, of their affairs, and submit a statement of their condition to this Board; therefore—

Resolved, That the Finance Committee of this Board be instructed to receive such statement, to ascertain and certify to its correctness, to negotiate the terms of the contemplated Lease, and prepare, for the final action of this Board, all such documents as may be necessary for completing the transfer of said Road to this Company.

Resolved, further, That said Committee be instructed to report to this Board the amount of the floating debt contracted by the said Warren Rail-Road Company in the construction of their Road, with the means in possession of said Company for its payment; and what further amount will be required beyond said means for said purpose; and to recommend suitable means for providing the same.

Finance Committee, Dec. 20, 1856. Minutes, page 57.

The object of the meeting being to receive the Report of Mr. Groves, the accountant appointed to examine the books and vouchers of the Warren Rail-Road Company, Mr. Groves appeared before the Committee, and stated verbally the result of his examination, so far as made, which was satisfactory; and on motion it was

Resolved, That Mr. Groves be requested to complete his examination, and prepare a written report of the result, to be submitted to this Committee.

Mr. J. W. Wyckoff, Treasurer of the Warren Rail-Road Company, also appeared before the Committee, by request, and explained various transactions and entries in the books, to which his attention was called.

Finance Committee, Dec. 26, 1856. Minutes, page 63.

Mr. Phelps submitted the Report of Mr. H. E. E. Groves, accountant, (page 28), giving the result of his examination of the books and vouchers of the Warren Rail-Road Company, appended to which is a balance-sheet, taken from the books of said Company by their Treasurer, (Mr. J. W. Wyckoff,) and a list of the stockholders of said Company, according to the stock ledger kept at Belvidere; which, having been read and discussed, on motion it was

Resolved, That said Report be accepted and adopted, subject to the correction of any clerical or other errors which may have been made therein.

The Chairman presented a document,* dated December 24th, 1856, signed "The Warren Rail-Road Company, by J. I. Blair, President," surrendering the

* The following is a copy of said Document:—

"The Warren Rail-Road of New Jersey, being now completed, according to a certain contract, dated January 27, 1854, it is now, from this date, surrendered to the Delaware, Lackawanna and Western Rail-Road Company, as stipulated by said contract—and the undersigned agrees to execute a Lease, to be approved by the Board of Directors of the Warren Rail-Road Company, so soon as the same can be prepared by counsel, as provided for in said agreement.

(Signed,)

THE WARREN RAIL-ROAD COMPANY,
by J. I. BLAIR, President.

December 24, 1856.

Warren Rail-Road to this Company from that date, as stipulated in the contract dated January 27th, 1854, and agreeing to execute a Lease, to be approved by the Board of Directors of the Warren Rail-Road Company, so soon as the same can be prepared by counsel, as provided in said contract. On motion, said Document was accepted and referred to the Board.

Board of Managers, Dec. 26, 1856. Minutes, page 492.

Mr. Blair made some verbal statements concerning the Warren Rail-Road, and presented a written Report on its cost, &c. On motion, said Report was accepted and placed on file.

Resolved, That the thanks of this Board are eminently due, and are hereby tendered to John I. Blair, Esq., for his liberality in conveying to the Warren Rail-Road Company, free of charge, the land for depot grounds, side tracks, &c., &c., at Delaware Station; also for the valuable services rendered by him in organizing and carrying forward the measures which have resulted in the opening of said Road.

Resolved, That this Board are highly gratified to learn from the report of their Finance Committee, that the accounts and vouchers for the expenditures on said Road are found to have been kept with systematic correctness.

Resolved, That the Secretary be instructed to furnish to Mr. Blair a copy of the foregoing resolutions.

REPORT OF EXAMINATION OF THE BOOKS AND VOUCHERS OF THE WARREN RAIL-ROAD COMPANY, BY H. E. GROVES, ACCOUNTANT.

NEW-YORK, 22d December, 1856.

JOHN J. PHELPS, ESQ.,

Chairman of the Finance Committee of the Del., Lac. and W. R. R. Co.

SIR:—In compliance with your request, made some weeks since, that I would make a very thorough and careful examination of the Accounts, Vouchers and Books of the Warren Rail-Road Company, for the purpose of ascertaining the correctness of the same, I have now the honor to submit the following Report:—

By arrangement with the Treasurer of the Warren Rail-Road Company, Mr. John W. Wyckoff, the books and vouchers were brought by him to New-York, where I commenced the examination early in November, and have continued the same from time to time, as settlements were made with contractors and others, up to this date. Mr. Wyckoff has afforded me every facility to make the examination, and has freely, and apparently without reservation, answered all inquiries in relation to the accounts and business of the Company. The Books have been kept in a systematic manner, and Vouchers taken for all disbursements made, according to the entries therein, which Vouchers were produced by Mr. Wyckoff, and personally examined by me.

Every entry in the Books has been examined, as well as the postings from the journal to the ledger; and the additions in the journal and ledger have been proved.

The result of the whole is shown by the annexed Balance-Sheet, taken from the books by the Treasurer, which exhibits a true statement of the affairs of the Company, at this date, so far as transactions have been recorded in the books.

Very respectfully,

H. E. GROVES,
Accountant

THE WARREN RAIL-ROAD COMPANY.—BALANCE-SHEET.

Page.			
3.	Construction, to October 1, 1856,	\$1,276,722 41	
14.	Bills Receivable,	3,261 90	\$119,529 79
18.	Cash,	278 29	4,815 63
26.	Rutter & Dupuy,	5,532 62	688,200 00
34.	Team and Horse Account,	707 23	322 46
40.	Interest on Capital Stock, September 30,		240 95
42.	John I. Blair,	5,793 95	568,300 00
43.	Interest Account,	86,535 27	500 00
400.	John G. Johnston,	630 32	170 00
405.	A. E. Menardi,	7 08	254 05
406.	Patrick Mooney,	6 34	
406.	John Spallen,	46 77	
504.	Samuel L. Taylor,	30 00	
504.	Cornelius Stewart,	1,550 00	
505.	C. T. Shelton, (N. A. Stone Dressing Co.,)	554 83	
509.	Imila Drake,	300 00	
510.	Victor Castnor,	50 00	
512.	Turning Lathe,	325 00	
		<u>\$1,382,332 88</u>	<u>\$1,382,332 88</u>
12.	Bills Payable,		
22.	D., L. & W. Rail-Road Co.,		
28.	Capital Stock,		
39.	Interest on Capital Stock, due June 30, 1856,		
30.	John W. Wyckoff,		
303.	Mortgage Bonds,		
500.	John K. Wyckoff,		
505.	Hugh and Andrew Miller,		
514.	J. A. & A. J. Skinner,		

E. E. BELVIDERE, N. J., December 22, 1856.
(Signed,)

JNO. W. WYCKOFF,

Treasurer.

The above is the Balance-Sheet referred to in the preceding Report.

(Signed,)

H. E. E. GROVES.

THE DELAWARE LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.
BALANCE-SHEET, DECEMBER 31, 1856.

Page	To CONSTRUCTION.	10.	By CAPITAL STOCK.	Page
196.	Amount to December 31, 1855, as per last Annual Report, page 80,.....\$6,022,666 97		65,848 Shares paid in full.....\$3,292,150 00	
	Expenditures in 1856, as stated on page 18,.....1,991,084 11		40 " " on which has been paid,.....622 50	
			60,838 "	\$3,292,773 50
	" COAL DEPARTMENT—CONSTRUCTION,		" MORTGAGE BONDS OF 1871,.....	900,000 00
	Amount to Dec. 31, 1855,.....\$892,518 37		" EASTERN EXTENSION BONDS, OF 1875,.....	1,500,000 00
	Expenditures in 1856, (see page 18),.....62,714 39		" CONVERTIBLE MORTGAGE BONDS OF 1851,....	\$2,600,000 00
			Less amount on hand,.....491,500 00	
5.	" CASH.—Amount on hand,.....	\$8,018,761 08	" BILLS PAYABLE,	2,108,500 00
	" MATERIALS ON HAND,		" Total, due at various dates,.....	1,143,883 50
63.	Wood Account,.....\$35,798 34		" ACCOUNTS PAYABLE,	13,000 00
128.	Machine Shop, (Scranton),.....84,280 98		Loan Account,.....	262,765 83
133.	Machinery purchased,.....879 46		" Notes Receivable Discounted,.....	
143.	Oil Account,.....1,804 83		" INTEREST ON MORTGAGE BONDS, 1871,.....	\$31,500 00
209.	Illness Shop,.....4,686 91		" Payable January 1, 1857,.....	70 00
213.	Fuel Account, (Oxyuga Division),.....8,219 29	184,689 81	" " previous to " ".....	
			" INTEREST ON EASTERN EXTENSION BONDS, 1875,	31,570 00
150.	" COAL ACCOUNT, 1857,	101,299 70	" Payable April 1, 1857,.....\$94,250 00	
	28,605 tons of coal on hand,.....		" " previous to Jan. 1, 1857,....	27,737 50
24.	" BILLS RECEIVABLE,	569,354 92	" INTEREST ON CONY'LE MORTGAGE BONDS, 1851,	
	Total, due at various dates,.....		" Payable March 1, 1857,.....\$34,750 24	
	" ACCOUNTS RECEIVABLE,		" " previous to Jan. 1, 1857,....	35,165 56
73.	George W. Scranton, General Agent,.....\$3,650 24		" INTEREST ON STOCK,	
91.	J. J. Albright, General Coal Agent,.....24,757 20		" For 6 months ending Dec. 31, 1856, \$97,786 66	
110.	Horatio W. Nicholson,.....660 63		Balance due previously,.....5,204 14	
119.	Cayuga and Susquehanna R. R. Company,....			473,299 69
158.	Lackawanna R. R. and Coal Company,.....2,384 90		" RENT OF WARREN RAIL-ROAD,	
162.	Warren R. R. Company,.....5,322 75		" Accrued to Dec. 31, 1856,.....	38,905 33
201.	Reuben A. Henry, General Freight Agent,....		" MISCELLANEOUS ACCOUNTS,.....	261,901 99
240.	The U. S. Post Office Department,.....7,270 66		" ACCOUNT OF PERSONAL PROPERTY RECEIVED	
	Coal Ledger, due from sundry persons,....		FROM C. & S. R. R. Co.,.....	43,334 24
	Miscellaneous Accounts,.....15,949 18		" COAL DEPARTMENT FUND,.....	51,396 53
			" RENEWAL FUND,.....	133,526 60
			" INCOME ACCOUNT, per Exhibit "A".....	58,068 81
				\$2,995,014 09
71.	COAL DEPTN'TN' EXP' advanced on acct of 1857,			
250.	VESSEL PROPERTY IN NEW-YORK,.....	384,556 84		
403.	REAL ESTATE IN NEW-YORK,.....16,860 84			
407.	STOCK OF THE WARREN R. R. Co.,.....17,016 89			
407.	STOCK OF THE LACKA & BLOOMER'S R. R. Co.,	124,181 83		
407.	BONDS OF THE LACKA & BLOOMER'S R. R. Co.,	186,906 00		
407.	COAL YARD, 15TH STREET, NEW-YORK,.....	184,800 00		
500.		40,000 00		
		1,558 57		
		\$2,995,014 09		

(අ) (ආ)

WM E. WARREN, Treasurer.

EXHIBIT "B."

TRANSPORTATION, 1856.

To TRANSPORTATION EXPENSES:		By PASSENGER EARNINGS,	\$122,960 79
cost of operating, repairs of		" FREIGHT "	678,160 45
road, repairs of machinery,		" TRANSP'N OF MAIL,	6,843 97
superintendence, prop. ex-		" USE OF LOCOMOTIVES,	2,597 98
penses Gen'l Office, &c., &c.	\$405,067 78	" " CARS,	9,411 98
" INCOME ACCOUNT—apparent		" STORAGE,	100 78
profits for the year,	410,189 17	" RENTS,	681 00
	<u>\$815,206 90</u>		<u>\$815,206 90</u>

EXHIBIT "C."

COAL ACCOUNT, 1856.

To Value of Coal on hand Dec.		By COAL SALES, viz:	
81st, 1855, 36,933 tons,	\$127,906 07	January,.....	\$20,662 91
" Value of 1,470 tons stocked at		February,.....	16,598 27
Diamond Mines, Dec. 81, 1855,	785 00	March,.....	17,215 26
" COAL DEPARTMENT EXPENSES,		April,.....	17,621 00
including mining, transporta-		May,.....	49,482 12
tion, coal purchased, superin-		June,.....	86,474 05
tendence, agents and clerks,		July,.....	115,468 82
use of coal cars on connecting		August,.....	183,768 75
roads, taxes, repairs, prop. ex-		September,....	153,172 25
penses General Office, &c., &c.,	784,065 88	October,.....	145,056 18
" SUNDRY DEDUCTIONS,	50 00	November,....	122,648 41
" INCOME ACCOUNT—apparent		December,.....	72,018 29
profits for the year,	148,207 58		<u>\$955,125 81</u>
		By RENTS,	4,538 92
		" Coal on hand Dec. 81, 1856,	
		28,605 5-20 tons, val'd at	101,299 70
	<u>\$1,060,964 48</u>		<u>\$1,060,964 48</u>

COAL TONNAGE ACCOUNT, 1856.

1856.	Mined.	Purchased.	Total.	Grand Total.	1856.
Jan. 1st, To amount on hand, this date.....				36,932 19	By SALES OF COAL, viz:
January, ... 5,326 13	2,658 17	7,980 10		January,....	6,835 07
February, ... 4,480 16	2,632 01	7,112 17		February, ..	4,602 06
March,..... 4,095 05	2,595 19	6,691 04		March,.....	4,821 08
April,..... 5,645 03	2,676 09	8,321 12		April,.....	4,665 09
May,..... 8,617 17	4,284 04	12,902 01		May,.....	14,823 03
June,..... 11,914 08	8,033 04	19,947 10		June,.....	25,492 16
July,..... 16,169 15	9,893 03	26,062 13		July,.....	33,558 13
August,.... 18,641 17	15,960 04	34,602 01		August,....	39,792 09
September, 19,070 06	17,867 16	36,938 02		September, .	44,212 16
October,.... 17,911 14	20,933 01	38,844 15		October,....	41,766 08
November, . 17,568 06	17,559 18	35,127 04		November,...	37,557 11
December,.. 15,590 01	18,217 15	33,807 16		December,..	19,092 18
			267,893 10		<u>276,231 04</u>
145,081 19	122,861 11			By STOCK ON HAND,	
				Dec. 31, 1856,	
				At Ithaca, ..	7,878 07
				" Great Bend	556 05
				" Scranton, .	2,452 14
				" Eliz'port,	15,592 13
				" Manhat'n	
				Yard, N. Y.,	2,635 01
					<u>28,605 05</u>
				Tons,	304,826 09
				<u>304,826 09</u>	

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

SUMMARY OF LIABILITIES AND ASSETS AT THE SEVERAL DATES STATED.

	December 31, 1882.	December 31, 1883.	December 31, 1884.	December 31, 1885.	December 31, 1886.
LIABILITIES.					
Capital Stock,.....	\$1,459,850 00	\$1,953,507 50	\$2,845,175 24	\$3,051,000 00	\$3,392,773 50
Funded Debt,.....	900,000 00	900,000 00	900,000 00	2,400,000 00	4,505,500 00
Bills Payable,.....	831,223 93	110,034 10	633,613 87	1,187,473 74	1,143,333 50
Accounts Payable,.....	39,871 89	114,763 11	173,928 23	293,823 04	590,093 06
Interest on Bonds,.....	31,640 00	31,500 00	31,745 00	99,244 71	123,373 39
Interest on Stock,.....		70,247 03	81,154 27	94,614 43	102,990 80
Renewal Fund,.....				61,893 31	123,226 60
Coal Department Fund,.....				23,970 53	51,396 06
Balance to the Credit of Income Account,.....	\$2,782,035 82	\$3,135,051 74	\$4,733,890 66	\$7,133,615 71	\$9,323,450 33
		32,896 66	105,851 15	23,643 31	55,063 51
	\$2,782,035 82	\$3,217,948 40	\$4,839,741 81	\$7,207,257 99	\$9,395,014 09
ASSETS.					
Construction, (R. R. and equipment),.....	\$2,338,037 63	\$2,737,839 45	\$4,140,315 77	\$4,022,666 97	\$3,013,761 03
Coal Department—Construction,.....	121,998 34	145,422 01	244,622 07	392,513 27	393,227 66
Materials on hand at Shops,.....	45,865 46	39,691 69	60,927 11	76,631 53	90,531 63
Wood on hand,.....	15,130 45	11,444 43	3,990 09	9,149 83	44,017 63
Coal on hand,.....	36,533 99	9,117 15	24,172 05	123,641 07	101,299 70
Bills Receivable,.....	192,646 40	126,756 33	58,447 06	112,108 23	569,354 93
Accounts Receivable,.....	20,967 54	57,641 96	131,822 57	173,943 39	421,994 64
Cash on hand,.....	10,591 01	90,035 33	181,381 76	41,471 27	24,417 45
Capital Stock of other Companies,.....				250,250 00	271,103 00
Real Estate in New York,.....				24,181 33	94,181 33
Bonds of other Companies, (\$50,000),.....					40,000 00
	\$2,782,035 82	\$3,217,948 40	\$4,839,741 81	\$7,207,257 99	\$9,395,014 09

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

STATEMENT SHOWING THE EARNINGS AND EXPENSES OF THE TRANSPORTATION DEPARTMENT, THE REVENUES FROM THE COAL DEPARTMENT, AND OTHER SOURCES, IN EACH YEAR.

Year.	TRANSPORTATION DEPARTMENT.				COAL DEPARTMENT.	R.Y. OTHER SOURCES.	TOTAL.
	Earnings.	Expenses.	Net Revenue.	Total Amount.			
1883.....	\$191,920 61	\$95,633 65	\$96,286 96	\$1,043 40	\$73,739 16	\$171,063 53	
1884.....	267,405 39	127,809 95	139,595 44	8,467 76	140,808 57	258,866 77	
1885.....	528,911 24	269,647 90	259,263 34	7,515 51	167,105 13	484,188 98	
1886.....	815,206 90	405,067 73	410,139 17		143,307 53	556,846 70	

STATEMENT SHOWING THE AMOUNT OF INTEREST PAID ON DEBT AND STOCK, AND CONTRIBUTIONS TO THE RENEWAL FUND AND COAL DEPARTMENT FUND IN EACH YEAR.

Year.	On Floating Debt.	On Bonds.	On Capital Stock.	Rent of Other Roads.	Contributions to Renewal Fund.*	Contributions to Coal Dept. Fund.*	Total.
1888.....	\$4,924 83	\$63,000 00	\$70,247 03	—	—	—	\$188,171 86
1884.....	7,730 79	63,000 00	140,151 49	—	—	—	310,883 33
1885.....	41,454 97	132,575 16	180,728 05	\$70,000 00	\$61,939 31	\$23,976 53	515,923 93
1886.....	43,231 55	229,087 56	192,243 84	108,073 91	51,267 39	23,920 00	546,845 10†

* For the objects of these Funds, see Second Annual Report, (January, 1885,) pp. 24 and 25.

† Of the whole amount paid this year, (\$616,898 75), the sum of \$100,433 65, being the interest on the Southern Division for the first half of the year, until the Road was ready for business, was charged to the Construction Account of that Division.

GENERAL AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN R. R. COMPANY,

SCRANTON, January 23, 1857.

DRAKE MILLS, ESQ.,

Vice-President Delaware, Lackawanna and Western R. R.

DEAR SIR:—The following Report being intended mainly for the information of the Stockholders, I have aimed to place before them, as briefly as possible, the present condition of the Company's works, and preparation for future business, referring for more minute details to Reports of the several Departments, commencing with the

COAL DEPARTMENT.

The Company have, during the year, resumed the entire control of their own Mines, which, therefore, can now be worked more in accordance with the convenience of the Rail-Road and wants of the market.

These Mines are now in condition to deliver one thousand tons per day, should this amount be required.

Other parties, from whom we purchase Coal, have contracted to deliver, during the year, an aggregate of half a million tons. And, in addition, the Lackawanna Rail-Road Company and the Union Iron and Coal Company expect each to send one hundred thousand tons more; making a total, including our own Mines, exceeding one million of tons, which we would remove if prepared to transport it. There need not, therefore, be any fear, or even doubt, of a full supply of Coal.

Notwithstanding this, I believe it to be our best policy to carry forward to completion the work now in progress for increasing our ability of supply, as a liberal provision in this respect may prevent derangement of our business, should other parties fail to perform. It will also be found to have a good effect in regulating the price of what we have to purchase.

At the commencement of 1856, the work in progress for opening Coal was one Slope, one single and one double Shaft. The Slope is now finished, and in good working condition. The single Shaft is finished down to the Coal—machinery complete, and gangways commenced; can soon deliver Coal. The double Shaft is still in progress, and will be put in working condition during the year. This Shaft is intended to work two seams, and, when in operation, can deliver 600 tons per day. In addition to this, we have made two Gang-

ways into an upper Coal, (of good quality, six feet in thickness.) This Coal is all above water level, and therefore profitable to work. It must be taken out before the lower Coals; otherwise we will find it difficult, if not impossible, to mine it.

The estimate of expenditure to complete what I would deem necessary during the year, will probably be \$70,000.

In my last report I adverted favorably to the comparative quality of our Coal. In evidence of which, we have sold during the year twenty-one thousand tons along the line of the Morris Canal, and much more would have been sold if the sizes wanted could have been supplied. I consider, therefore, as certain, that our Coal will soon successfully compete with the Lehigh for general use.

Having established beyond all reasonable doubt that the supply of Coal will be ample, it becomes important to ascertain how much can be sold and sent to market in 1857. There has been sold West and North the past year 188,000 tons; we may, therefore, safely say that this market will require 200,000 tons in 1857. This amount can readily be supplied, and may, therefore, be assumed as certain.

The Eastern market, however, is more difficult to estimate, and therefore I assume that we can sell all that we can transport over the Southern Division of our Road. Taking, therefore, into consideration such aid as we shall get from portions of the second track now in progress, and the telegraph line which is completed, we shall be able to send East some half a million of tons. Including what is sent by the Lackawanna and Union Companies our Coal business for the year, East and West, will be 700,000 tons. This may appear a small estimate; but it must be kept in view that, in addition, we are doing a large freight business, which in 1856 amounted to some 130,000 tons, exclusive of coal: and this year it will in all probability reach 200,000 tons.

The Passenger business occupies also a portion of the capacity of the Road, so that, all things considered, the estimate of Coal transit is not so small as may appear at first sight.

The gross Revenue from Passengers in 1856, is	-	-	\$122,984 99
Estimated amount for do. in 1857,	-	-	180,000 00

Having hastily glanced at the amount of business that we expect to accomplish during the present year, I will proceed to describe, in general terms, the condition of the several Divisions of the Road that this traffic has to pass over.

1st.—CAYUGA AND SUSQUEHANNA.

This Division is in better condition than it was in 1856—all the Bridges having been rebuilt upon an improved and more durable plan. A new and enlarged Piling-ground, together with increased facilities for the loading of boats, has been constructed at Ithaca since the close of navigation; so that this Division could do a much larger business than will be required from it.

2D.—NORTHERN DIVISION.

This has also been improved during the year by the filling up of all the *trestlings* with earth; thus making a permanent and safe road-bed. Three and a half miles of old rails have been taken up, and replaced with new ones of larger pattern—thus finishing the distance from Scranton to Clark's Summit (seven miles) with a track of the most permanent kind, where most used and wanted. The drainage of the road-bed upon this Division has been put in very good condition, and two and a half miles of switch-track has been added during the year—making in all fifteen (15) miles; this, however, includes the switches at Great Bend, Scranton, Diamond Mines, &c. &c. This Division has, therefore, all necessary facilities for doing its business with economy and dispatch. It may be proper here to suggest, that, in view of the work that will still have to be done to these embankments, after the Spring rains has settled them, it might be advisable to make an appropriation of ten thousand dollars, to finish up the construction account of this Division, so that for all future expenditures the Board would make special provision.

3D.—KEYSER VALLEY BRANCH.

This Branch has been constructed during the year, and connects the Hampton and other Mines with the Northern Division. It is now in good working condition. Its length is about three miles. The coal from these mines is of very good quality, and is conveniently situated for the Western market.

4TH.—SOUTHERN DIVISION.

This Division is sixty-four miles in length, extending from Scranton to the Delaware River. The Bridges, Tunnels, Culverts, &c., are all constructed for double track, and the road-bed is also far advanced towards completion, with reference to the same result. This portion of your Road has always been looked upon as destined to become the great avenue of transit from the Coal-fields of the Lackawanna and Wyoming Valleys to tide-water. And hence great pains have been taken to make it one of the best Roads in the country.

At this time one track is so far finished that it is in very good condition, the superstructure being laid upon a foundation of broken stone, or gravel, and well ballasted. The iron rails weigh 75 lbs. per yard. Six miles of the second track is laid, extending from Scranton to Greenville; while six and one-half miles more is put down at different points, as switches for the passing of trains. In all twelve and a-half ($12\frac{1}{2}$) miles of the second track is in a measure finished. There are iron rails and cross-ties purchased for twenty-five miles more of this second track, which we hope to lay down during the summer.

Under all the circumstances, therefore, and in view of the great amount of tonnage that will press to market faster than we can provide for it, there can, it seems to me, be but one opinion in reference to finishing the second track the whole of the way, whenever the Company can provide the means without too much sacrifice.

5TH.—THE WARREN RAIL-ROAD.

This Road being now in the control of this Company, it is proper here to say, in reference to its condition, that full one-half is ballasted with gravel and broken stone, and is in good order. That portion not ballasted will require this to be done as early in the spring as the season will permit.

More switch room will be necessary along this Road, for the convenient passing of trains, more particularly at its junction with the Central Railroad of New Jersey. Here we have a turn-table, and engine-house with six stalls, and a commodious boarding-house for the men employed upon the trains. There is still wanted a small work-shop, (which will be attached to the engine-house,) for the repairs of engines and cars, as also a passenger-car house. And, in connection with the Central Company, there needs to be built a convenient Dépôt, where passengers can be kept with comfort in the event of missing a connection with the trains.

At Washington, upon the Morris Canal, we erected some schutes, for the loading of boats from the cars. But inasmuch as our business is expected to be enlarged at this point, it is intended to construct, during the coming spring, a piling-ground similar to that at Ithaca, with the addition of pockets, from which boats can be loaded with dispatch, as we find this an important inducement for them to stop and take in loading. The sales for the year at this point are estimated at from thirty to forty thousand tons.

6TH.—ELIZABETH PORT.

Here we have completed the three Piers that were in progress in 1855, and, in addition, are preparing a large deposit ground, to prevent the delay of cars when vessels are not on hand. It is anticipated that these provisions will be sufficient for the business of 1857. But as this will be largely increased the coming year, it may be found necessary to construct another pier during the summer.

ROLLING STOCK.

For the details of this portion of our business, see the Report of Mr. Marvin, Acting Manager of Machine and Car Shops and Foundries.

The number of engines and cars now on hand, together with those in progress of construction, will be equal to the accomplishment of all the business that is contemplated.

I have thus given, as briefly as possible, a general view of the condition of the Company's Works, and their capacity for the business we intend to do. The views expressed are mainly concurred in by the present Superintendents, and we hope to show that they may be relied upon.

Respectfully submitted,

JAMES ARCHBALD,

General Agent.

GENERAL COAL AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO

OFFICE,—COAL DEPARTMENT, }
Scranton, January 20, 1857. }

JAMES ARCHBALD, Esq., *General Agent.*

SIR:—I submit the following Report of the business of the Coal Department for the year 1856:—

DIAMOND MINES.—These mines have been worked by Mr. Thompson Peckens, under his contract, up to the first of September, when it became necessary for the Company to take possession of them. Since then, they have been worked, on Company's account, in a satisfactory manner. The yield for the year has been 108,794¹³ tons.

The construction of the No. 2. or Double Shaft, has not been pushed with any degree of rapidity, as there was no immediate necessity for doing so; nor did the Managers urge its early completion.

The "C.," or 5 feet Vein of Coal has been opened above water level, by two drifts, both of which we are now working. This coal is of good quality, and is run to the old Crackers without hoisting, and is there broken, and screened. We are now prepared to do a considerably increased business at these mines.

The entire expenditure at the Diamond Mines, on Construction Account, has been \$38,461 26, including amounts paid for mules, implements, &c., necessary for working the mines on Company account. The estimated expenditure for the current year, 1857, is \$57,000. This amount is calculated to cover the whole expense to be incurred in finishing the No. 2 Shaft, and to pay for all the mine-cars, mules, &c., that will be needed for an increased business.

BELLEVUE MINES.—These mines have been worked on Company account, as heretofore, and 36,237⁴ tons have been sent to market from them. The No. 1 Shaft and Coal-breaker have been completed. We are now driving the headings for mining. The entire expenditure chargeable to Construction Account has been \$37,285 88. The estimated cost for 1857 is \$9,000, including amount required for mules, mine-cars, strap-rails, &c.

We are now exploring the "E," or Diamond Vein of Coal, by boring, &c., and it may be desirable to commence the mining of this Vein during the year. Should this be done, the above estimate must be increased by an amount sufficient to pay for the necessary openings, machinery, &c.

COAL PURCHASED.

There has been received, during the year, as follows:—

From Clark's Mines,.....	tons, 59,749.05
" Swetland's Mines, (Lewis & Howell, Contractors),....	" 20,942.17
" New-York and Pa. Coal Co. Mines,.....	" 14,037.17
" Luzerne Coal Co. Mines,.....	" 22,215.02
" Hampton Mines. (G. H. Coursen),	" 5 674.04
" National Anthracite Coal Co. Mines,.....	" 242.06

" 122,861.11

RECAPITULATION.

From purchased as above,.....	tons, 122,861.11
Coal mined by the Company, viz. :—	
From Diamond Mines,.....	108,794.13
" Bellevue " 	36,237.06
	<hr/>
	145,031.19
Total,.....	" 267,893.10
Total, in 1855,.....	" 188,865.09
	<hr/>
Equal to an increase of 42 per cent.,.....	" 79,028.01

SALES AND STOCK REMAINING ON HAND.

The Stock of Coal on hand, December 31, 1855, was,....	tons, 36,932.19
Amount (as above) forwarded in 1856,.....	267,893.10

304,826.09

Of which there was sold and delivered,.....	280,508.01
---	------------

Leaving Stock on hand, December 31, 1856,.....	tons, 24,318.08
--	-----------------

The Coal sold as above was delivered as follows:—

At Scranton, and on the line of the Northern Division,.....	17,200.07
" Binghamton, for supply of points on Chenango Canal,.....	51,665.08
" Ithaca—(for Rochester, Buffalo, &c. &c.),.....	84,986.18
" Various points on N. Y. & E., and connecting roads,.....	33,881.19
" Elizabeth Port,.....	64,109.07
" Washington Basin, on Morris Canal,.....	21,558.08
" Line of Southern Division and Central R. R. of N. J.,.....	7,105.14

Total,.....280,508.01

Total, in 1855,.....160,714.15

Increase,.....119,793.06

More Coal could readily have been mined, sent off, and sold, if facilities for its transportation had been more ample, particularly from the Company's mines.

The sales of our Coal to the North, and West, as compared with those in 1855, have increased equal to 17 *per cent.*, and would readily have reached the estimate made in my former report, of 25 *per cent.*, had it not been for the delay in boating, during the early part of the season, caused by the extraordinary detention on both the Erie and the Chenango Canals. I have good reason to believe that had it not been for these difficulties, we would have exceeded the estimate then made. Our sales in this direction, for 1857, may be set down at about 210,000 tons.

It is with renewed pleasure I am able to state that the collections have been made with the usual promptness, and it must be gratifying to the Company to know, that we have met with no losses, save for a very few car loads.

The farms and tenements of the Company, in my charge, have been rented, upon satisfactory terms, and have been kept in good condition and repair.

Further contracts for the purchase of Coal have been made during the year which, with former contracts, and the increased supply reasonably expected from the Company's mines, together with that which will be forwarded by parties on private account, will furnish a quantity adequate to the supply of the market.

Respectfully yours,

JOS. J. ALBRIGHT,

General Coal Agent.

Statement of SCRANTON COAL sent to market, and the Mines from whence received, in each year, on account of the Delaware, Lackawanna, and Western Rail-Road Company.

Year.	Company's Mines.	Lackawan na Iron and Coal Co.	Seasland Mines.	Clark's Mines.	New York and Penna. Co.	Luzerne Co.	Hampton Mines.	National Anthracite Co.	Total.
1851	.....	6,000	.....	.....	.....	.....	.....	.....	6,000
1852	65,825	1,662	.....	.....	.....	.....	.....	.....	67,487
1853	69,042	21,891	6,425	.....	.....	.....	.....	.....	97,358
1854	97,240	23,533	2,920	5,867	.....	.....	.....	.....	138,965
1855	117,867	19,750	.....	51,748	.....	.....	.....	.....	188,865
1856	145,082	.....	20,943	59,749	14,088	22,215	5,674	242	267,693
Total.	494,506	77,841	30,188	116,864	14,088	22,215	5,674	242	761,568

REPORT OF SUPERINTENDENT OF CAYUGA DIVISION.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

OFFICE SUPERINTENDENT OF CAYUGA DIVISION, }
Ithaca, N. Y., January, 1857. }

TO JAMES ARCHBALD, Esq., *General Agent.*

SIR:—The general characteristics of this Division remain the same as last year.

No extensions have been made during the year in main or side tracks.

The whole number of passengers carried is 24,495; of whom 12,452½ were carried northward, and 12,042½ were carried southward

Total carried one mile, 574,349.

The whole amount of freight, of all kinds, transported is 75,988 tons; of which 65,708½ tons were carried northward, and 10,280 tons southward.

Total number of tons carried one mile is 2 359,922.

The revenue derived from transportation during the year is as follows, viz:—

From Passengers.....	\$19,571 71
“ Freight and Express.....	65,407 83
“ Mail.....	1,825 00
“ Storage.....	6 32
“ Rents.....	623 00
Total.....	\$87,433 86

For more minute details respecting the Freight and Passengers transported, reference is made to the Reports of the General Freight Agent, (page 53,) and General Ticket Agent, (page 60.)

The transportation expenses for the year have been as follows:—

Office and Station Expenses.....	\$6,297 38
Cost of Running.....	19,621 94
General Expenses.....	3,439 98
Repairs of Engines and Cars.....	10,457 11
“ of Track and Roadway.....	41,804 97
“ of Buildings.....	295 04
Miscellaneous.....	3,875 39
Total.....	\$85,791 81

The foregoing statement presents the expenses, in aggregate, of transportation; but, inasmuch as the business of this Division is more or less mingled with the business of the other Divisions of the Road, particularly as to loading and unloading freight, repairs of cars, &c., any analysis of the statement of expenses above set forth, would fail to give exactly the cost of carrying one passenger or one ton of freight one mile; or the exact cost of running trains per mile.

The engines mentioned below, have run exclusively on this Division. The following tables show, in detail, the miles run by each engine, and the cost for enginemen and firemen, oil, tallow and waste used, repairs and fuel, and the total cost per mile run by engines.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

OIL, TALLOW AND WASTE.

Engines.	Miles Run.	Cost for Enginemen and Firemen.	OIL, TALLOW AND WASTE.					Cost per Mile for O., T. and W.
			Gallons of Oil.	Miles Run to 1 Pint Oil.	Pounds of Tallow.	Pounds of Waste.	Cost for Oil, Tallow and Waste.	
Soranton,	8,363	\$494 46	79	13 24-100	188½	187	\$121 33	01.45-100
Lackawanna,	16,999	898 47	119½	17 74-100	384½	247	2:3 14	01.25-100
De Witt,	17,083	902 82	160	21 28-100	290½	22½	183 31	01.08-100
Tunkhannock,	8,307	472 87	84½	12 25-100	275½	129	151 32	01.82-100
Oayuga,	9,558	579 88	122½	19 75-100	350½	184½	202 43	02.12-100
Pocono,	9,116	600 56	78½	14 52-100	201	179	186 07	01.49-100
Wyalusing,	6,580	448 86	68	12 10-100	156½	165	120 07	01.82-100

ENGINES.	REPAIRS.		FUEL.			TOTAL WAGES OIL, REPAIRS AND FUEL.	
	Cost for Repairs of Engines.	Cost per Mile Run.	Cords of Wood	Cost of Wood.	Cost per Mile, Wood.	Total Cost.	Total Cost per Mile Run.
Scranton,	\$587 35	07 02-100	380	\$755 97	09 61-100	\$1,899 11	22 69-100
Lackawanna,	728 56	04 29-100	726	1,461 93	08 60-100	3,297 10	19 40-100
De Witt,	952 97	05 59-100	795	1,590 46	09 34-100	3,627 06	21 31-100
Tunkhannock,	818 96	03 34-100	668½	1,266 67	15 25-100	2,209 82	26 60-100
Cayuga,	951 97	09 96-100	627	1,256 16	18 14-100	2,969 99	31 28-100
Pocono,	518 09	05 68-100	708	1,400 90	15 87-100	2,655 64	29 13-100
Wyalusing,	516 64	07 85-100	504	1,066 70	15 80-100	2,092 27	31 80-100

The largest item of expenses is for maintenance of way—which includes repairs of road-bed, track, and renewal of bridges. The amount expended in renewals of tracks and bridges was \$29,238 19, which sum, it is suggested, should be charged against the "Account of Personal Property received from the C. and S. R. R. Co.," as well as the amount expended last year, (\$20,366,) for the like purposes.

Seven hundred and seventy-eight feet of entire new truss bridges have been built during the year; and three hundred and sixty feet of first-class trestle work.

All this work has been done in the most substantial manner, and with the best materials.

The bridges mentioned have all been well covered, and carefully protected from the weather, and well painted. Aside from accidents by fire or flood, these bridges can be relied on for twelve years.

Five thousand one hundred and sixty-eight 12-100 dollars have been spent in renewal of iron rails.

Nine thousand three hundred and eighty-one new ties, and two thousand five hundred and sixty-four new chairs have been placed in the track.

The whole Division is at present in most excellent working condition, as regards engines, track, and road-bed; and in these respects it will compare favorably with any first-class road in the country.

The motive power now on this Division is ample beyond question for the business that will offer for this year.

Without undertaking to make a full estimate, in detail, of the expenditures for the coming year, the following items will require to be incurred in way of renewals, &c., viz:—Fifteen thousand cross-ties, at 50 cents each, laid; fifteen hundred chairs, at 60 cents; one hundred tons of rails; ten thousand lbs. of spikes. The Turn-Table in the Ithaca Engine-House must be renewed, and more side tracks are required at Ithaca, for the accommodation of the coal trains.

Respectfully submitted,

W. R. HUMPHREY,

Superintendent Cayuga Division.

REPORT OF ACTING MANAGER OF MACHINE AND CAR SHOPS AND FOUNDRIES AT SCRANTON.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

MACHINE AND CAR SHOPS, AND FOUNDRIES.

OFFICE—Scranton, January 10, 1857.

D. H. DOTTERER, Esq., *Superintendent.*

DEAR SIR:—The accompanying statements exhibit the operations of this Department for the past year:—

The stock of materials on hand Dec. 31, 1855, as per last Annual Report, (page 55,) was	\$73,230 49
The amount of iron, lumber, and other materials purchased and received during the year was,	\$181,100 58
The amount paid for labor	121 103 21
	<u>302 203 79</u>
	\$375,434 28
The total amount of work done (labor and materials) during the year, was,	\$295,139 18
The stock of materials on hand at the close of the year,	83,177 06
	<u>378,316 24</u>
Balance,	\$2,881 96

The following table shows the results of the year's business, in comparison with 1855:—

	1855.	1856.	Increase.
Stock of materials at commencement of the year	\$60,054 64	\$73,230 49	\$13,175 85
Amount paid for materials	171,933 18	181,100 58	9,167 40
“ “ labor	85,910 95	121,103 21	35,192 26
“ of work done	250,284 52	295,189 18	44,854 66
Stock of materials at close of the year	73,230 49	83,177 06	9,946 57

The amount paid for materials and labor, and the amount of work done for the various departments in each month, will appear from the following tables:—

EXPENDITURE FOR LABOR AND MATERIALS DURING THE YEAR 1856.

Month.	For Labor.	For Materials.	Total.
January	\$7,742 63	\$8,764 98	\$16,507 66
February	7,907 43	9,677 42	17,584 90
March	8,333 59	9,893 57	18,227 16
April	8,534 28	9,834 66	18,368 94
May	9,058 81	9,779 88	18,838 69
June	9,462 82	26,189 18	35,652 00
July	11,651 57	19,837 01	31,488 58
August	12,320 64	23,647 52	35,968 16
September	12,184 81	18,979 68	31,164 49
October	12,249 84	13,082 78	25,332 62
November	10,710 37	14,275 81	24,986 18
December	10,847 02	15,133 14	25,980 16
Totals	\$121,103 21	\$181,100 58	\$302,203 79

VALUE OF WORK DONE (LABOR AND MATERIALS) IN 1856.

Month.	Eastern Division.	Southern Division.	General Expenditure	Northern Division. and Keyser Valley Br.	Transport'n Expenses.	Coal Dep't, Construct'n.	Coal Dep't, Expenses.	Ithaca Shop.	Cay. Div. Transport'n Expenses.	Sundry Persons.	Total Amount.
January.....		\$1,719 89	\$8,224 52	\$471 71	\$6,560 40	\$979 78	.		\$282 75	\$472 72	\$18,561 27
February.....		1,780 60	8,628 08	226 07	5,114 88	444 29			214 09	284 25	16,587 16
March.....		2,884 82	18,548 20	411 92	6,776 48	1,261 70			230 00	506 62	25,179 24
April.....		3,485 15	12,817 79	240 78	4,684 44	1,187 68	42 65	60 43	375 78	755 21	23,649 91
May.....	271 30	3,027 25	6,800 07	1,195 65	5,009 92	1,457 60	4 00		47 80	1,081 97	18,892 56
June.....	594 46	1,990 63	10,644 24	790 49	6,827 84	1,225 88	15 11		477 82	777 10	22,848 12
July.....	67 50	1,469 43	16,480 41	435 12	10,828 26	2,261 62	55 97	207 18	115 00	1,008 74	32,429 18
August.....	94 25	1,819 11	14,645 81	1,258 15	12,144 17	756 58	104 64	14 88		850 16	31,182 25
September.....	15 40	1,798 68	12,700 89	8,189 24	9,846 68	1,242 77	280 22	38 30	172 50	987 62	30,212 25
October.....		1,740 87	6,848 85	1,580 83	11,252 95	1,828 49	70 99	105 85	52 00	649 63	28,184 50
November.....	86 86	1,817 29	13,082 80	694 06	8,718 54	549 57	109 41	34 65	52 00	269 58	25,284 56
December.....	18 02	1,995 87	13,341 01	389 61	8,065 08	146 88	54 72	587 25	144 00	2,442 79	27,190 18
Totals.....	\$1,142 79	\$24,478 59	\$187,301 42	\$10,758 18	\$94,829 09	\$12,742 78	\$737 71	\$1,108 49	\$2,118 74	\$10,086 89	\$295,139 18

From the foregoing it will be seen that the amount of work done on account of "Construction Northern Division," which was for repairs of engine and cars for gravel trains, work on trestles, making switches, chairs and frogs for side tracks, and for Keyser Valley Branch..... \$10,758 18

On account of "Construction Southern Division," in making and repairing gravel cars and tools, and repairs of engines for grading, constructing water stations, switches, furnishing chairs, &c., &c., was..... 24,473 59

For "Eastern Division," in work for Elizabeth Port docks and piers, 1,142 79

The work for General Expenditure was, in fitting up locomotives and tenders, building passenger and baggage cars, freight and coal cars, and machinery and tools, and amounted to..... 137,201 42

We have built, during the past year, on this account, the following cars, viz:—

2	eight	wheeled	mail and express	cars.
17	"	"	platform	freight cars.
29	"	"	side-dump	coal cars.
34	"	"	bottom-dump	coal cars.
430	four	"	"	" "
14	"	"	caboose	"
1	eight	"	wreck	"

527.

The cost of these was..... \$132,976 60

Cost of machinery and tools,..... 907 38

Work done on locomotives and tenders,..... 3,317 44

\$137,201 42

The amount of work done, chargeable to "Transportation Expenses," being for repairs of locomotives and tenders, passenger, freight and coal cars, stations, track, &c., was..... 94,829 09

For "Coal Department," the work has been in the construction of machinery and cars,..... \$12,742 78

And for sundry repairs made,..... 737 71

13,480 49

For "Cayuga Division," in furnishing castings and other materials for repairs of engines, cars, track, &c.,..... 3,217 23

The amount of work for "Sundry Persons" was mostly for the Warren Rail-Road Company, and for contractors on our own road, in furnishing materials, &c..... 10,036 39

\$295,139 18

I annex statements showing the operations of our brass and iron foundries, from which it will be seen we have made, during the past year—

1,268,709 lbs. castings for cars, engines, &c.

488,595 lbs. frogs and chairs for track.

35,478 lbs. brass and other composition castings.

These, it will be seen, have been furnished at reasonable rates, which has aided in doing our work economically in the other departments.

I also annex a table, showing the number of locomotive engines employed, the service performed, and cost of repairs. These have been more particularly under the charge of Mr. Watts Cooke, Master Machinist, whose energy and ability are manifested in the economy of their service.

Very respectfully yours,

H. L. MARVINE.

MACHINE AND CAR SHOPS IN ACCOUNT WITH BRASS FOUNDRY.

1856. To sundry Castings made during the year, viz:—

	Brass at 82c.	White Metal at 27c.	Composition Metal, at 28c.	Tin, at 85c.	Lead, at 9c.	Zinc, at 7c.	Amount.
January.....	1,887½	569½	Lbs.	Lbs.	Lbs.	Lbs.	\$725 56
February.....	1,681½	223½					598 43
March.....	1,896½	617½		14	6	90	625 84
April.....	1,451	803½		1½	91		659 97
May.....	2,012	595½		85	114	77	883 88
June.....	1,824	854½			68	65	825 07
July.....	2,674	1,116½					1,157 14
August.....	8,243½	785½					1,287 51
September.....	9,573½	458	29	11	65	350½	959 79
October.....	2,818	1,053	60		110		1,310 57
November.....	9,859½	694½	126				978 04
December.....	2,290½	310			87		820 00
Totals.....	26,171½	7,906½	215	111½	881	692½	\$10,691 25

To Stock of Materials on hand Dec. 31, 1856, as per Inventory..... 525 47

\$11,216 72

1855, Dec. 31. By amount of materials on hand... \$764 09
 1856. " " materials and labor during the year, viz:—

	Copper and other Materials.	Wages of Laborers, Pattern-makers and Moulders.	Total.
January.....	\$ 253 48	\$ 96 14	\$ c. 349 62
February.....	682 07	78 75	760 82
March.....	488 66	84 70	573 36
April.....	718 99	67 25	786 24
May.....	153 16	83 84	236 50
June.....	1,536 19	92 23	1,628 42
July.....	1,037 84	117 72	1,155 56
August.....	793 82	121 88	915 70
September.....	610 97	112 69	723 66
October.....	1,291 84	112 69	1,404 53
November.....	730 81	110 86	841 67
December.....	664 14	107 41	771 55
Totals.....	\$8,940 97	\$1,785 61	\$10,726 58

By Balance, (apparent profit)..... 826 05

F. E. \$11,216 72

H. L. MARVINE, Clerk.

MACHINE AND CAR SHOPS IN ACCOUNT WITH IRON FOUNDRY.

1856. To sundry Castings made during the year:—

	Various, at 2½c.	Pigs, Chills, &c., at 2¼c.	Amount.
January.....	Lbs. 67,259	Lbs. 18,373	\$ 2,388 12
February.....	72,784	21,838	2,492 91
March.....	67,992	61,347	3,800 69
April.....	119,213	56,772	4,555 73
May.....	114,394	26,074	3,732 70
June.....	109,719	51,208	4,169 45
July.....	161,059	62,695	4,190 59
August.....	114,507	57,330	4,213 87
September.....	122,067	89,738	4,250 95
October.....	131,041	55,633	4,355 37
November.....	114,171	83,860	4,002 80
December.....	114,473	19,222	3,859 50
Totals.....	1,298,769	488,595	\$45,882 88

To amount Pig and Scrap Metal on hand..... 8,065 81

\$48,948 19

1855, Dec. 31. By amount of materials on hand..... \$2,460 01

1856, " " materials and labor during
the year, viz.:—

	Pig Metal, &c.	Wages of Pattern-makers and Laborers.	Amount.
January.....	\$ 1,460 02	550 51	\$ 9316 53
February.....	1,475 25	965 16	2,448 44
March.....	1,254 52	1,230 81	2,555 83
April.....	2,839 12	1,382 76	3,722 47
May.....	1,919 25	1,114 66	3,088 81
June.....	4,999 72	1,101 44	6,101 16
July.....	2,932 57	1,126 70	4,059 27
August.....	2,945 81	1,106 90	4,055 21
September.....	2,139 28	1,256 41	3,356 64
October.....	2,397 82	1,295 71	3,693 53
November.....	1,217 72	1,009 88	2,227 55
December.....	5,241 91	929 49	6,171 40
Totals.....			\$44,066 84

By Balance..... 9,421 84

\$48,948 19

E. E. SCRANTON, Dec. 31, 1856.

H. L. MARVINE, Clerk.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD COMPANY.

List of Locomotive Engines in use on the Northern and Southern Divisions, and Warren Rail-Road, and Statement of the cost of Repairs thereof, and service performed by them, during the year 1886.

NAME.	CLASS.	MAKERS.	Time on the Road.	No. miles run in 1886.	Cost of Repairs.	Cost per mile run. Cents.	CONDITION AT CLOSE OF THE YEAR.
1 Pioneer,	Fourth.	Unknown.	5 " 7 mo.	245	\$1,684 13	6.75	Now used as a stationary Engine, pumping water.
2 Spitfire,	"	Englehard.	5 " 2 "	19,786	1,711 76	8.67	Yard up in ordinary.
3 Wyoming,	Second.	Rogers, Ketchum & Grosvenor.	5 " 2 "	18,646	2,484 60	13.31	In order.
4 Capouse,	First.	Ditto.	5 " 2 "	14,679	1,168 79	7.90	Ditto.
5 Montrose,	Second.	Ditto.	5 " 1 "	7,495	2,580 71	3.83	Under repairs.
6 Ithaca,	"	Ditto.	5 " 1 "	10,565	597 59	5.85	In order.
7 Keystone,	First.	William Swinburne.	4 " 9 "	14,133	864 83	6.13	Ditto.
8 Ontario,	"	Rogers, Ketchum & Grosvenor.	4 " 7 "	50,925	1,875 75	8.	Ditto.
9 Niagara,	"	Ditto.	4 " 6 "	17,004	1,383 85	7.48	In service; tire needs turning.
10 Genesee,	"	Ditto.	4 " 6 "	18,174	1,669 04	9.18	In order.
11 Buffalo,	"	Ditto.	4 " 5 "	1,687	81 78	1.87	On Cayuga Division.
12 Wyalusing,	"	Danforth, Cooke & Co.	3 " 6 "				Ditto.
13 Pocono,	"	Ditto.	3 " 2 "				In order.
14 Anthracite,	"	Ditto.	3 " 5 "	9,851	2,497 15	25.84	Under Repair.
15 Moosic,	Second.	N. J. Locomotive Co.	3 " 5 "	19,694	1,807 29	6.81	In order.
16 Lackawanna,	First.	Danforth, Cooke & Co.	3 " 4 "	23,559	1,167 01	4.49	In order.
17 Susquehanna,	"	Ditto.	2 " 3 "	19,063	1,869 60	7.18	Ditto.
18 Tobyhanna,	"	N. J. Locomotive Co.	2 " 3 "	8,864	1,746 88	19.70	Under repair; needs new tire.
19 Carbon,	"	Ross Winans.	3 " 3 "	6,439	1,451 70	22.58	Ditto, " drivers.
20 Lehigh,	"	N. J. Locomotive Co.	1 " 7 "	7,324	387 96	5.86	Ditto, altering furnaces.
21 Samson,	Third.	Danforth, Cooke & Co.	1 " 5 "	11,956	881 71	6.95	In order.
22 Wilkesbarre,	Second.	N. J. Locomotive Co.	1 " 5 "	90,480	1,023 74	5.01	Ditto.
23 Plymouth,	"	Ditto.	1 " 5 "	50,597	1,106 48	5.83	Ditto.
24 Hercules,	Third.	Danforth, Cooke & Co.	1 " 4 "	12,458	804 19	6.48	Ditto.
25 Kittatinny,	First.	Rogers, Ketchum & Grosvenor.	1 " 4 "	13,701	685 19	5.38	Ditto.
26 Superintendent,	Third.	Danforth, Cooke & Co.	1 " 3 "	13,757	836 00	2.80	Ditto.
27 Delaware,	First.	Ditto.	1 " 1 "	11,266	1,848 05	16.40	Ditto.
28 New-York,	"	N. J. Locomotive Co.	10 "	11,714	750 98	6.41	In service; broken frame.
29 Ananookink,	"	Rogers, Ketchum & Grosvenor.	8 "	16,489	143 88	.87	Under repairs; broken cylinder.
30 Aquachicola,	"	Ditto.	8 "	17,497	247 23	1.41	Ditto, needs new tire.
31 Drake Mills,	"	N. J. Locomotive Co.	8 "	8,300	769 67	9.37	Ditto, broken cylinder.

33 Pennsylvania,	First.	N. J. Locomotive Co.	8 mos.	10,557	754 85	7.48	Under repair; repairing fines.
38 Meenesink,	"	Rogers, Ketchum & Grosvenor.	7 "	10,769	925 88	9.10	In order.
34 Indiana,	Third.	Danforth, Cooke & Co.	7 "	19,687	515 90	1.70	Ditto.
35 Maryland,	First.	Ross Winans.	7 "	12,979	631 60	5.06	Ditto.
36 Pittsburgh,	"	Rogers, Ketchum & Grosvenor.	6 "	9,094	955 43	9.88	Ditto.
37 Virginia,	"	Ross Winans.	6 "	4,885	1,789 85	37.01	Ditto.
38 Ohio,	Third.	Danforth, Cooke & Co.	6 "	6,100	82 94	1.36	Ditto.
39 Oregon,	First.	N. J. Locomotive Co.	6 "	6,045	494 45	6.39	Under repairs; altering furnaces.
40 California,	"	Ditto.	6 "	8,344	441 93	5.91	In order.
41 Vermont,	"	Ross Winans.	6 "	10,109	600 21	5.94	Ditto.
42 Illinois,	Third.	Danforth, Cooke & Co.	6 "	6,043	905 00	8.39	Ditto.
43 Massachusetts,	First.	Rogers' L. and M. Co.	6 "	5,258	311 81	2.56	Ditto.
44 Phelps,	Second.	N. J. Locomotive Co.	5 "	12,203	115 61	.90	Ditto.
45 Connecticut,	First.	Ross Winans.	5 "	8,634	397 86	3.78	Ditto.
46 Black Hawk,	"	Danforth, Cooke & Co.	5 "	6,951	250 11	4.08	Ditto.
47 Choconut,	"	Rogers' L. and M. Co.	4 "	9,608	67 06	.70	Ditto.
48 Michigan,	"	Ross Winans.	4 "	7,374	262 78	3.61	Under repairs, from collision.
49 Indiana,	Fourth.	N. J. Locomotive Co.	4 "	—	17 18	—	In order.
50 Economy,	"	Ditto.	4 "	—	46 63	1.45	Ditto.
51 Success,	"	Ditto.	4 "	3,231	46 63	1.45	Ditto.
52 Pequest,	First.	Rogers' L. and M. Co.	3 "	2,760	17 81	.61	Ditto.
53 Frugality,	Third.	Danforth, Cooke & Co.	3 "	5,695	46 08	.81	Ditto.
54 Water Gap,	"	Ditto.	3 "	8,270	29 88	.90	Ditto.
55 Roaring Brook,	First.	Rogers' L. and M. Co.	2 "	1,853	20 66	1.53	Ditto.
56 Wind Gap,	"	Danforth, Cooke & Co.	1 "	1,903	—	—	Ditto.
57 Experiment,	Third.	N. J. Locomotive Co.	1 "	490	—	—	Ditto.
58 Vase Gap,	"	Danforth, Cooke & Co.	1 "	—	—	—	Ditto.
				565,956	\$41,175 14	7.26	Average per mile.

RECAPITULATION, AND DISTRIBUTION OF ENGINE REPAIRS.

Repairs of Passenger Engines,	\$5,916 71
" Freight "	8,448 47
" Coal "	19,163 84
" Southern Division Grading Engines,	4,794 17
" Superstructure Engines,	1,780 41
" Northern Division Grading Engines,	1,137 54
	<u>\$41,175 14</u>

WATTS COOKE, M. M.

GENERAL LAND AGENT'S REPORT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

OFFICE OF COUNSEL AND GENERAL LAND AGENT, }
Scranton, Pa., December 31st, 1856. }

DRAKE MILLS, Esq., *President.*

SIR:—At the close of the year 1855, there remained, unsettled, twenty-seven right of way cases—eight on the Northern and nineteen on the Southern Division. Since that time, seven of those on the Northern, and eleven on the Southern Division, have been amicably adjusted, upon terms fair both to the Company and the claimants, leaving but one case on the Northern and eight on the Southern Division unsettled. In two of the cases on the Southern Division, legal proceedings have been instituted by the land owners. It is believed that all the other cases, and perhaps those two, will be settled without difficulty, upon reasonable terms.

The Company is not involved in any legal controversies worthy of special mention. Three or four suits are depending against them, in which the parties that have commenced them will probably come to the sensible conclusion, before they are brought to trial, that they will be subserving their own interests by withdrawing their suits, and accepting the terms which have been offered. And I can truthfully state, that there is no Corporation, of which I have any knowledge, that sustains a higher character for probity and fair dealing in the community where their business is transacted, or one less liable to receive injustice at the hands of a jury, than this Company; and although the new position and duties which I am about to assume, as the Superintendent of your road, will render it necessary for me, to some extent, to commit to other hands the transaction of the legal business, I intend to give to this department enough attention to protect the Company from unnecessary and expensive litigation.

Very respectfully, yours,

J. BRISBIN,
Counsel and General Land Agent.

GENERAL FREIGHT AGENT'S REPORT.

DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD.

TRANSPORTATION DEPARTMENT.

GENERAL FREIGHT OFFICE, }
Scranton, February 7, 1857. }

TO JAMES ARCHBALD, Esq., *General Agent.*

SIR:—The following Annual Report for the year 1856, of the Tonnage, and Mileage, also the Revenue from Freight, with accompanying statistical tables, is respectfully submitted to you:—

The tonnage of Freight of all kinds, except Coal, transported, was.....	129,270 tons.
The aggregate mileage of which is equal to tons carried one mile,.....	6,293,683 "
The total amount of Coal carried,.....	319,855 "
The aggregate mileage of which is equal to tons carried one mile,.....	22,951,305 "
The total tonnage of Coal and other Freight,.....	449,125 "
Total tons carried one mile,.....	29,244,988 "
Total Revenue, including the sum of \$44,150 10 earned on connecting Roads,.....	\$674,329 37

TABLE SHOWING THE PROPORTIONS OF THE ABOVE GENERAL RESULTS
DUE TO EACH OF THE SEVERAL DIVISIONS OF THE ROAD.

	DIVISIONS			
	Cayuga.	Northern.	Southern.	Warren R. R.
Freight, other than Coal, carried,.....Tons,	19,998	77,098	86,760	27,947
" " " " one mile,.....	512,323	3,693,001	1,731,468	451,973
Coal carried,.....	53,991	187,078	183,773	180,364
" " " " one mile,.....	1,847,700	10,083,612	3,484,746	2,583,946
Total tons of Freight of all kinds carried,.....	75,989	264,176	168,533	168,181
" " " " one mile,.....	2,359,923	12,661,614	10,906,204	3,017,518
Revenue,.....Doll'rs,	\$65,411 73	\$346,485 61	\$330,105 71	\$60,168 14

In addition to the Revenue from Freight, amounting to.....\$674,329 37
Less,—refunded for errors and overcharges..... 1,968 92
\$673,160 45

There has been received as follows:—

For use of Locomotives on other Roads,.....\$2,597 98
" " Freight and Coal Cars " 9,411 93
" Storage,..... 100 78
" Transportation of Mail,..... 6,343 97
\$18,454 66

Total for Transportation, exclusive of Passenger Earnings,, \$691,615 11

MONTHLY EARNINGS OF THE CAYUGA DIVISION, FOR 1856.

Months.	PASSENGERS.		FREIGHT.				Transp'n of Mail.	Use of Locomo'ts.	Use of Freight Cars.	Storage.	Totals.
	Fares.	Extra Baggage.	Coal.	Merchan- dise.		Express.					
				\$ c.	\$ c.						
January.....	1,091 80	3 50	1,272 22	1,589 41	185 11	152 00				31	4,193 94
February...	1,013 93	62	2,094 45	1,961 57	43 54	152 08				50	5,271 74
March.....	1,403 25	1 25	1,839 26	1,996 17	75 71	152 08					5,467 72
April.....	1,848 48	3 18	2,613 58	1,940 67	50 85	152 09				1 25	6,610 10
May.....	1,437 03	8 77	3,272 67	2,405 06	86 16	152 08				68	7,357 40
June.....	1,534 58	9 70	2,538 57	1,886 80	91 06	152 08				50	6,463 29
July.....	1,754 47	3 00	3,335 14	1,425 86	22 90	152 09				75	6,694 21
August....	1,807 11	3 05	4,103 44	2,123 16		152 08				68	8,189 43
September..	2,315 24	1 60	6,046 13	1,923 36	9 82	152 08					10,443 23
October....	2,173 12	1 88	6,024 34	1,498 33	129 03	152 09					
November..	1,620 72	3 80	6,214 24	2,076 20		152 08				1 75	10,068 88
December..	1,463 48	3 50	2,843 30	1,982 71	105 96	152 08					6,071 08
Totals,	19,632 76	88 95	41,997 34	22,709 80	705 14	1,825 00				6 82	86,914 81

MONTHLY EARNINGS OF NORTHERN DIVISION, IN 1856.

Months.	PASSENGERS.			FREIGHT.			Transp'n of Mail.		Use of Locomo's.		Use of Freight Cars.		Storage.		Totals.	
	Fares.	Extra Baggage.	Coal.	Merchandise.		Express.	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
				\$	c.											
January....	2,788 54	4 95	6,478 43	5,831 28	128 60	178 29	749 98	620 73	25	16,726 35						
February....	2,418 84	11 17	6,403 81	4,716 29	113 20	178 53	555 50	165 62		14,563 51						
March.....	3,379 97	6 64	7,630 67	5,069 53	127 52	178 58	545 63	905 07		17,848 61						
April.....	4,422 53	10 40	8,427 83	8,994 52	161 91	178 59	746 92	908 72		23,551 47						
May.....	3,769 18	13 74	12,442 85	10,407 10	216 52	178 53		547 65	6 80	27,553 51						
June.....	3,464 59	14 79	14,412 41	9,984 98	144 29	178 58		444 36	16 00	28,660 00						
July.....	4,914 06	30 44	14,624 01	8,790 41	121 43	178 59		829 34	8 95	28,997 23						
August.....	4,847 64	6 62	18,593 80	8,919 98	93 76			247 78	29 14	32,783 73						
September..	4,995 13	13 17	21,931 02	9,050 08	54 45	473 91		297 57	6 97	36,921 25						
October....	4,800 27	8 50	24,885 44	11,293 15	62 30	240 00		963 64	19 33	42,163 63						
November...	3,846 70	10 85	20,611 71	9,535 92	79 43	240 00		854 48	28	35,209 42						
December..	3,756 26	5 19	10,618 13	5,496 71	82 09	240 00		513 88	6 16	20,748 43						
Totals,	47,543 21	136 46	167,010 16	93,089 90	1,835 55	2,448 00	2,597 98	6,063 89	93 96	325,374 11						

MONTHLY EARNINGS OF THE SOUTHERN DIVISION FOR 1856.

Months.	PASSENGERS.		FREIGHT.					Transp'n of Mail.	Use of Locomo's.	Use of Freight Cars.	Storage.	Totals.
	Fares.	Extra Baggage.	Coal.	Merchan- dise	Express.							
January,....	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
February,...			652 15	53 70								705 88
March,.....			829 87	125 16								455 03
April,				1,835 88								1,835 88
May,.....			29 71	587 50								617 21
June,.....	1,083 12		984 84	1,711 22								8,779 18
July,.....	8,666 53	9 47	10,460 58	5,847 78								19,484 41
August,.....	6,803 48	5 78	19,641 20	5,676 55								31,687 31
September,...	7,369 45	11 11	27,465 04	6,824 27	54 61							41,724 43
October,...	7,857 91	18 36	26,994 06	7,966 96	167 64	603 08						43,602 31
November,...	7,464 28	5 46	24,249 14	11,289 64	170 91	820 00						43,499 43
December,...	6,111 16	9 01	23,641 88	8,803 11	185 42	820 00						39,070 53
Totals.	5,807 70	4 30	83,642 82	9,959 56	255 91	830 00					50	49,990 29
	45,663 68	58 49	168,090 79	60,180 43	834 49	1,563 08					50	276,891 46

MONTHLY EARNINGS OF THE WARREN RAIL-ROAD FOR 1856.

Months.	PASSENGERS.			FREIGHT.					Transp'n of Mail.	Use of Locomo'ts.	Use of Freight Cars.	Storage.	Totals.	
	Fares.	Extra Baggage.	Coal.	Merchan- dis.		Expres.								
				\$ c.	\$ c.		\$ c.	\$ c.						
January,...														2 57
February,...			2 57											23 55
March,.....														
April,....														
May,.....						204 61	17 66							223 27
June,.....	744 35					8,079 23	1,603 46							5,493 03
July,.....	1,378 63					6,284 43	1,753 14							9,416 19
August, ...	1,757 86					8,790 49	2,363 46	18 21						12,960 02
September,...	1,970 86	25				8,271 95	2,446 61	50 04	197 89					12,937 80
October,....	1,756 88	25				7,215 52	8,460 28	62 08	105 00					12,600 01
November,...	1,255 29	2 26				6,864 08	2,923 59	66 49	105 00					11,316 71
December,...	1,134 43	5 40				10,393 55	3,185 59	92 56	105 00					14,916 53
Totals,	9,993 28	8 16				51,086 42	17,842 34	269 38	519 89					79,657 47

It is confidently expected that the recent modification in our Freight Tariff will largely increase the Revenue from transportation of Merchandise, as well as prove highly satisfactory to the public.

Very respectfully, yours,

R. A. HENRY,
Gen'l Fr't Agent.

REPORT OF THE GENERAL TICKET AGENT.

THE DELAWARE, LACKAWANNA AND WESTERN RAIL-ROAD CO.

TRANSPORTATION DEPARTMENT.

GENERAL TICKET OFFICE, }
Scranton, Pa., Jan. 19th, 1857. }

JAMES ARCHBALD, Esq., *General Agent.*

DEAR SIR:—I submit herewith a Statement of the Earnings of the Company from the Transportation of Passengers, with the usual statistics of this branch of our business, for the year just closed.

As the books of this Office are kept so as to show not only the aggregate amount of Passenger Earnings, but also the amount of the same on each of the four Divisions of the Road, I am enabled to give the following details, viz:—

The whole number of Passengers carried by the Company during the year was....	114,060½
The distance traveled by them equal to....	8 720,744 miles.
Or.....	8 720 744 Passengers carried one mile.
And the Revenue derived from the same....	\$122,934 09
Being an average of.....	3 30 100ths cents per Passenger per mile.
Of this whole number.....	24,495 were carried on Cayuga Division.
Equal to.....	574,349 Passengers carried one mile.
For which the Revenue was.....	\$19,571 91
At an average of.....	3 40-100ths cents each per mile.
Of the whole number, as above.....	52,933½ were carried on Northern Divis.
Equal to.....	1,432,871 Passengers one mile.
The Revenue therefrom was.....	\$47,654 67
Averaging.....	3 33 100ths cents per passenger per mile.
During seven months.....	36,102 were carried on Southern Divis.
Equal to.....	1,438,122 Passengers carried one mile.
Revenue derived therefrom was.....	\$45,722 77
Or an average of.....	3 24-100ths cents per Passenger per mile.
During the same term.....	24 197 Pas'gers carried on Warren R. R.
Equivalent to.....	810,482 Passengers carried one mile.
For which we received.....	3 22-100ths cents per Passenger per mile.

The earnings of the *Cayuga* and *Northern* Divisions, compared with last year, are as follows, viz:—

CAYUGA DIVISION.

	Number carried.	Number carried one mile.	Amount of Revenue.	Average Rate per mile per passenger.
1855....	28,487	693,234	\$20,554 76	3 4 100ths cents.
1856....	24,495	574,349	19,571 71	3 40-100ths "
Decrease, 3,992		120,885	\$983 05	

NORTHERN DIVISION.

	Number carried.	Number carried one mile.	Amount of Revenue.	Average rate per mile per passenger.
1856....	52,933½	1,432,871	\$47,684 67	3 33-100ths cents
1855....	51,188	1,347,510	44,039 60	3 27-100ths "
Increase, 1,795½		85,361	\$3,645 07	

The details of the above are shown by the following Tables:—

**COMPARATIVE STATEMENT OF THE MONTHLY PASSENGER
EARNINGS ON THE NORTHERN AND CAYUGA DIVISIONS
IN THE YEARS 1855 AND 1856.**

NORTHERN DIVISION.					CAYUGA DIVISION.				
In 1855.		In 1856.			In 1855.			In 1856.	
Mo's.	No. of pas'srs.	Revenue.	No. of pas'srs.	Revenue.	Mo's.	No. of pas'srs.	Revenue.	No. of pas'srs.	Revenue.
Jan..	3,656	\$2,906 25	3,219	\$2,738 49	Jan..	2,156	\$1,524 36	1,821	\$1,094 80
Feb..	2,620	2,104 29	2,566	2,429 51	Feb..	1,413	1,000 06	1,201	1,014 60
Mar..	3,821	3,165 08	4,171	3,596 61	Mar..	2,008	1,363 68	1,730	1,404 50
April	4,080	3,511 58	5,044	4,482 98	April	2,244	1,725 41	2,370	1,351 66
May	4,257	3,929 71	4,124	3,752 92	May	2,351	1,610 93	1,946	1,490 80
June	4,047	3,711 98	3,923	3,479 85	June	2,143	1,524 15	2,976	1,544 28
July	5,176	4,177 96	5,019	4,944 50	July	2,604	1,766 22	2,207	1,757 47
Aug.	4,670	4,041 74	5,214	4,854 26	Aug.	2,572	1,783 20	2,218	1,810 17
Sept.	4,964	4,400 24	5,483	5,008 30	Sept.	2,900	2,068 50	3,217	2,316 81
Oct..	5,537	5,163 04	4,914	4,908 77	Oct..	3,691	2,677 50	2,575	2,175 00
Nov.	4,223	3,499 64	4,187	3,357 55	Nov.	2,354	1,901 09	1,929	1,624 61
Dec.	4,132	3,393 09	4,262	3,791 45	Dec.	2,018	1,608 76	1,802	1,456 98
Total	51,188	\$44,039 60	52,983	\$47,684 67	Total	28,487	\$20,554 76	24,495	\$19,571 71

RECAPITULATION.

	No. carried.	Revenue.
Northern Division, 1856,.....	52,983½	\$47,684 67
" " 1855,.....	51,188	44,039 60
Increase in 1856,.....	1,795½	\$3,645 07
Cayuga Division, 1855,.....	28,487	\$20,554 76
" " 1856,.....	24,495	19,571 71
Decrease in 1856,.....	3,992	\$983 05
Total in 1856, Northern Division,.....	52,983½	\$47,684 67
" " Cayuga " 	24,495	19,571 71
Total,	77,478½	\$67,256 38
Total in 1855, Northern Division,.....	51,188	\$44,039 60
" " Cayuga " 	28,487	20,554 76
Total,	79,675	\$64,594 36
Aggregate in 1856,.....	77,478½	\$67,256 38
" in 1855,.....	79,675	64,594 36
Decrease in number carried,	2,196½	
Increase in Revenue,.....		\$2,662 02

	No. carried.	Revenue.
The total business of the Southern Division in seven months, since it was opened through, was,.....	36,102	\$45,722 17
Warren Rail-Road, for the same time,.....	24,197	10,006 44
Total on both in seven months,.....	60,299	\$55,728 61

The Southern Division and Warren Rail-Road having been in operation but seven months, of course no comparative statement can be made of the earnings of this portion of the Road with the previous year; but from the fact that \$55,728 61 was earned on this portion of the Road in seven months, and \$50,225 09 of the amount in six months, (July and December inclusive,) we may safely calculate the business of the Southern Division and Warren Rail-Road at \$110,000 in all the year 1857; and with the same ratio of increase in the aggregate earnings of the Northern and Cayuga Divisions for the coming year, we shall have a total of \$70,000—making the entire passenger earnings for 1857, \$180,000.

The connection with the Belvidere Delaware Railroad, at Bridgeville, is daily increasing in importance as the route becomes more extensively known; and the average number of passengers, per month, since the commencement of the arrangement, is about 1,500. But we have reason to apprehend the loss of that portion of the travel from the Wyoming Valley, unless the Belvidere Delaware Rail Road Company can be induced to extend their Road to some favorable point of connection with ours; for the recent opening of the North Pennsylvania Rail Road opens a shorter route between Wilkesbarre and Philadelphia, via the North Pennsylvania and Lehigh Valley Rail-Roads, than our present one, to which the four miles of staging is a serious objection, as it renders the connection somewhat uncertain: and there is no doubt but this Philadelphia connection would equal our New-York connection, if we had direct Rail-Road communication.

We have nineteen Stations on our Southern Division and Warren Rail-Road, at ten of which we have no Agents; consequently quite a large proportion of our passenger business on that portion of the Road must necessarily be done by the Conductors, which, experience shows, has its disadvantages. I would, therefore, suggest that, in all cases, where practicable, the Telegraph Operators act as Ticket Agents at all Stations where we have no Agents.

I am happy to be able to state that we have transported the 114,060 passengers 3,720,744 miles, without the slightest injury to "Life or Limb;" and also, that from the opening of the Road to the present time, (five years,) we have never been obliged to pay one dollar for loss or damage to passengers' baggage. And this is due, in a great measure, to the care manifested, and interest felt, for the welfare of the Company, by our Agents, Conductors, and others engaged in this branch of our business. And I venture to say that no Company have been more favored in this respect than our own.

Respectfully yours,

WM. N. JENKS,

General Ticket Agent.

**LETTER FROM THE TREASURER OF THE LACKAWANNA AND
BLOOMSBURG RAILROAD CO.**

OFFICE OF THE LACKAWANNA AND BLOOMSBURG RAIL-ROAD CO., }
Wyoming, Pa., February 21st, 1857. }

WM. E. WARREN, Esq., *Treasurer of the Delaware, Lackawanna and Western
Rail-Road Co., New-York.*

DEAR SIR:—The annexed Balance-Sheet will furnish you a general view of our accounts and financial condition.

You are already aware of the fact that some 25 miles of our Road is in working order, and as far as Kingston profitably employed. From the report of the Engineer I learn that of the remainder of the line, a distance of 22 miles is ready for the rails, leaving only about 10 miles on which grading remains to be done, and on all of which the work is in a state of forwardness warranting the conclusion that it *can* be completed by the first of May. It will not, however, in my judgment, be ready quite so soon.

With regard to our financial condition, you will notice that the paid up Capital Stock has been increased about one hundred thousand dollars since our last Annual Report.

Of the \$300,000 Bonds sold, as previously reported, only \$394,000 have been settled for and delivered, leaving \$106,000 on hand, which, added to our other assets, is considered sufficient to pay our liabilities and complete the grading, estimated yet to cost \$60,000.

Thus you observe that the \$400,000 of Bonds, (of the issue of \$900,000), set apart as a fund to furnish the rails for the Lower Division and equipment, are still untouched, and at our disposal, for those purposes, according to the original design.

The following statement exhibits the result of our Transportation business since we commenced operations.

Passenger Earnings,	\$15,716 98
Freight Earnings,	7,919 77
Express Freight,	361 59
Mail,	540 00
	\$24,568 34
Deduct Expenses,	7,698 94
Net Earnings,	\$16,869 40

Our Directors and Stockholders look forward with high expectations of business upon the opening of the whole line; and allow me to say, in this connection, that the Delaware, Lackawanna and Western, will reap a harvest from that event very much to the comfort and profit of its Stockholders.

Very respectfully yours,

P. PETTEBONE, *Treasurer.*

BALANCE-SHEET, DECEMBER 31, 1856.

(E. E.) PAYNE PETTEBONE, Treasurer.

PROCEEDINGS
AT A
SPECIAL MEETING OF THE STOCKHOLDERS,
APRIL 15, 1857.

A Special Meeting of the Stockholders of the Delaware, Lackawanna and Western Railroad Company was held at the general office, No. 51 Wall-street, New-York, on Wednesday, April 15, 1857.

DRAKE MILLS, President, in the Chair;
ANDREW J. ODELL, Secretary, acting as Clerk.

The meeting having been called to order, the minutes of the meeting on 3d March, ult., were read. Mr. JEREMIAH WILBUR (representing Messrs. J. K. Gilliatt & Co., of London) proposed an amendment, and a motion to adopt the same was lost. The minutes, as read, on motion of Mr. JOHNSTON, seconded by Mr. S. B. CHITTENDEN, were approved.

The Secretary read a copy of the notice convening the meeting, which stated its special object to be, to receive the report of the Select Committee, appointed at the adjourned meeting on 3d March last, to investigate the charges of mal-administration made by Mr. GEORGE D. PHELPS, against the Officers and Managers.

Mr. CHRISTOPHER R. ROBERT, Chairman of the Investigating Committee, then presented and read a report of their proceedings; in which the committee unanimously exonerate the Officers and Managers from each and all of the charges made by the Ex-President. On motion of Mr. VERMILYE, seconded by Mr. SAMUEL MARSH, said report was accepted.

A motion having been made to adopt the report of the committee, Mr. TILESTON made a few remarks, and concluded

by offering the following resolutions, which were adopted without dissent :—

Resolved, That the thanks of the Stockholders are due to the committee for the long, patient, and very thorough investigation which they have made of the affairs of the Company, and the fullness and explicitness of their report ; and that the Treasurer be hereby directed to pay any expenses which may have been incurred therein, the same being certified by the chairman of the committee.

Resolved, That the report of the committee as aforesaid, be adopted, and that the Board of Managers be requested to cause it, together with the proceedings of this meeting, to be printed and appended to their annual report for the last year.

The proposed By-Laws, which were reported at the meeting on 3d March, ult., and ordered to be printed and distributed preparatory to action at this meeting, being under consideration, on motion of Mr. STURGES, it was

Resolved, That the By-Laws reported by the Special Committee of which Mr. James S. Aspinwall was chairman, be laid on the table for the present ; and that the By-Laws adopted by the Board of Managers on the 18th March, 1856, be continued in force.

On motion, the meeting adjourned.

DRAKE MILLS, *Chairman*.

A. J. ODELL, *Secretary*.

REPORT OF THE INVESTIGATING COMMITTEE.

At an adjourned meeting of the Stockholders of the Delaware, Lackawanna and Western Rail-Road Company, held at the general office of the Company, No. 51 Wall-street, New-York, on Tuesday, 3d March, A. D. 1857, among other proceedings, the following transpired :—

"Mr. George D. Phelps having objected to the 5th Article, [of the By-Laws,] proceeded to explain his reasons, in the course of which he imputed to the Officers and Managers improper management, and other delinquencies ; whereupon, on motion of Mr. John J. Phelps, seconded by Mr. Christopher R. Robert, it was

Resolved, That a Committee of Stockholders be appointed to investigate the charges made by Mr. George D. Phelps, and report at a special meeting, to be called at such time as said Committee may determine.

"Mr. George D. Phelps, being desired to name the members of the Committee, designated Messrs. Christopher B. Robert and James Brown as two of said members; to whom the meeting added Messrs William S. Wetmore, John E. Williams and George N. Miller."

I certify that the foregoing is a full and true copy from the minutes.

(Signed,)

A. J. ODELL, *Secretary.*

Referring to the foregoing Preamble and Résolutions for their authority in the premises, the undersigned respectfully

R E P O R T :

That they organized very soon after receiving official notice of their appointment and concluded, in view of the circumstances of the case, it was best that the investigation should, as far as practicable, be conducted in writing. Therefore, on the 5th of March, Mr. George D. Phelps was informed that they were ready to receive, in writing, such charges, with the specifications, as he might deem it his duty to prefer, under the foregoing resolution, a copy of which was furnished him in a communication two days later.

The charges of Mr. George D. Phelps, the reply of the Managers and Mr. Blair, and the rejoinder of the Ex-President, with the various accompanying documents and exhibits—covering, in all, some 250 pages of manuscript—have been carefully read and examined, with sundry records of the Board and Committees, and entries in the books; besides which, several of the Managers and Officers have been closely interrogated on such points as it was supposed would shed light on the matters under review.

It is proper to state, that the reply of the Board is signed by all the Managers, individually, except Mr. George W. Scranton, who lives out of the city. In the letter accompanying the same, it is said, "Of course some of the facts stated in the document could only be known to a portion of the Board, but each member desires to express his belief in their correctness."

These brief preliminary details, the undersigned deem it necessary to place before the Stockholders; otherwise it might be inferred that there had not been that diligence in prosecuting the investigation, which the importance of the case required.

Although the first communication of Mr. Phelps is of such great length, (31 pages,) it contains but one direct charge—"extra-official acts of the Treasurer"—in which two members of the Board, Messrs. Blair and Mills, are implicated. The remainder of the communication above named, consists of three specifications, under the charge just stated; insinuations against several members of the Board; and arguments, so mingled, as greatly to add to the labors of the Committee, and render it difficult for them to classify the several matters brought under their consideration.

The first specification under the charge, is the payment of \$200 by the Trea-

sure to Mr. Blair, to which the latter was not entitled, on the 6th October, 1855, and the re-payment thereof by the Treasurer, on the 7th November following, after he knew that Mr. Blair had been constrained to return the amount.

Second specification: the payment to Mr. Blair, by the Treasurer, of \$800, when he knew, by the terms of the negotiation, which were distinctly made known to him, that Mr. Blair was not entitled to it.

Third specification: the taking, on the 7th January, 1856, of Drake Mills two acceptances of the Company, (one having four days, the other about three months to run, for \$5,104 65, and \$6 000, respectively,) at 7 per cent. per annum, in part payment for several bonds of the Company.

The facts as to the *first two specifications*, are these, and are narrated together, because they are, in the main, so closely connected as to make a ~~separate~~ statement impracticable, without repetition:—

On or about the 26th September, 1855, at a meeting of the Finance Committee of the Board, it was resolved to open a subscription to raise \$400,000 on the acceptances of the Company,—each subscriber to take \$20,000, endorse and raise the money, at “not exceeding 10 per cent., without first notifying “the Company. If the rate should be more than 10 per cent., the Company “may make their own negotiation.” In the caption of this subscription there are interlineations and erasures; 12 per cent. is inserted instead of 10 per cent. interest, and notice to the Company, if more than 10 per cent. was paid, and the reservation of the right to the Company to make their own negotiation, are struck out. Eight persons or firms signed the paper—all Managers, save one—each for \$20,000, except John I. Blair for \$40,000; and included George D. Phelps and Roswell Sprague for \$20,000 each. The former, and Mr. John J. Phelps, both state that Mr. John I. Blair agreed to take a part, or the whole, of Mr. Sprague's, and Mr. George D. Phelps' amount, at 8 per cent. per annum; that the latter engaged (being a salaried officer) not to charge anything for his endorsement; and that Mr. Sprague did not consent to give his name, unless Mr. Blair would furnish the money. On that day, Mr. Blair, as appears by the entries in the books, took two acceptances of \$10,000 each, endorsed by George D. Phelps and R. Sprague respectively, at 8 per cent. Mr. Blair states he then told the Treasurer, that although the rate for the time being was 8 per cent., that he was to be placed on the same footing as the other subscribers, when the rate was finally fixed; whether it was 6 per cent. or 10 per cent., he was content. This statement is confirmed by the Treasurer, who denies positively the affirmation of the Ex-President, that he gave him full information of the terms of the negotiation with Mr. Blair. On the 3d October, 1855, the Board resolved to issue the acceptances of the Company to an amount *not exceeding* \$500,000, and to raise the money thereon at *not over* 7 per cent. interest, and a commission of 2½ per cent. for each six months. This subscription was substituted for that of the 26th September, though not expressly so stated on its face. It is signed by

thirteen parties, including those on the first paper. The Treasurer says that, on the 6th October, Mr. Blair discounted the other endorsement of Mr. Sprague for \$10,000, and an equal amount of his own, at 12 per cent., as paid to others, and shown by the books. He then claimed to be allowed the difference between 8 and 12 per cent. on the \$20,000 discounted on the 26th of September, amounting to \$600. The Treasurer referred him to the President, who, the former understood, did not object to the \$400 on Mr. Sprague's endorsement, but declined to pay it on his own. The \$400 was allowed in the settlement. At a subsequent hour on the same day, Mr. Blair called, and took two other acceptances, payable to himself, for \$5,000 each, from the check for which he had deducted the \$200—the difference between 8 and 12 per cent. on the endorsement of Mr. George D. Phelps—which the Treasurer declined to accept; and Mr. Blair had an interview with the President, who again refused his assent to the payment. But from some remark made at the time (which he cannot repeat) the Treasurer was impressed with the belief that such refusal was not absolute, but that the matter would be held open for further consideration, or reference to the Finance Committee. Mr. Blair then made up the proceeds of the acceptances, by \$200 in notes of the Belvidere Bank. On the 7th November following, this \$200 was certified as correct by Mr. Taylor, a member of the Finance Committee, and was included in an account of disbursements by Mr. Blair, amounting in all to \$148 34. A check was then drawn for it, and countersigned by the President, whose attention was not specially called to its being in the account, by the Treasurer, he supposing, if the President desired to renew his objection, he would do so on inspecting the voucher, and presumed the matter was definitely settled, until about the 13th December, 1855, when he was first informed of the agreement to pay Mr. Sprague for endorsing the two acceptances of the Company for \$10,000 each. This \$200 was finally repaid by Mr. Blair, at a meeting of the Board, on the 29th February, 1856. It thus appears there was only one payment of this \$200, and one re-payment.

Looking at this matter, isolated from the attending circumstances, and as an abstract question, the undersigned do not think Mr. Blair had a right to the amount under the agreement with Messrs. Sprague and Phelps; but, when viewed in connection with what he said to the Treasurer soon after, on the same day, and with the new subscription raising the interest a few days subsequently, and as there is no doubt that he acted with entire good faith, it should have been allowed him; and the undersigned deem it just to state, that the course of the ex-President was very injudicious and uncourteous, especially as Mr. Blair had previously, at various times, loaned the Company large sums of money at not over legal rates. Entertaining the views he did, his proper course, in the judgment of the undersigned, would have been to have referred the question to the Board. With their decision, Mr. Blair, no doubt, would have been satisfied, and all the ill feeling arising from this matter would have been easily avoided. The propriety of this course is more apparent when it is considered

that the balance of Mr. Phelps' endorsement (\$10,000) was, with that of some of the other subscribers, negotiated with another member of the Board, at 12 per cent., a few weeks after. The undersigned believe the ex-President is entirely mistaken in his allegation that Mr. Blair and the Treasurer "*connived together*" to get this \$200. They exonerate both from any improper motives in the transaction; but they think it would have been a better and wiser course, (knowing the previous opposition of the Ex-President to allowing the amount,) if the Treasurer had called his special attention to this item in the voucher when presenting the check to be countersigned.

From the foregoing statement it will be seen that Mr. Blair received \$800 on Mr. Sprague's endorsement for \$20,000, or interest on that amount at 12 per cent., the maximum rate as set forth in the subscription of 3d October, 1855. Early in December, 1855, Mr. Sprague made a statement of what he considered due to him for services as Treasurer some time before; whereupon, at the suggestion of Mr. Mills, the ex-President directed the sum of \$800 to be paid to Mr. Sprague, subject to a future adjustment of all equitable claims by the parties interested.

Mr. Mills wrote Mr. Blair at or near the time the \$800 was paid to Mr. Sprague, and Mr. Blair says this was the first time he heard that Mr. Sprague thought he was entitled to a guarantee commission of 4 per cent. for endorsing the Company's acceptances. On or about the 11th of January, 1856, Mr. Blair returned the two acceptances endorsed by Mr. Sprague, in pursuance, as the Treasurer states, of some understanding with Mr. G. D. Phelps, who signed two other drafts of the same date and amount, payable to the order of Mr. Blair, thus retiring Mr. Sprague's name.

The third specification—the settlement with Mr. Mills—is based on the following facts:—

On the 7th of January, 1856, the Treasurer settled with Mr. Mills for \$16,000 of the bonds of the Company, which he had a short time before agreed to take at 75 per cent., amounting to \$12,000. The terms of the subscription were 10 per cent. on 10th January, 15 per cent. on 1st February, and for the balance of 75 per cent. the parties had the privilege of giving notes payable on the first days of April, May and June, respectively, averaging 8th April.

In the settlement, two acceptances of the Company were taken—one for \$5,104 65, due 11th January; the other for \$6,000, payable 12th April. The remainder was a dividend of about \$1,200, payable 10th January, making the average of the payments as on the 25th of February. Interest was calculated at 7 per cent.; and it thus appears that the Company received all the money forty-three days before they were entitled to it by the terms of payment, allowing only legal interest; and there cannot be a question that it was an equitable, just, and advantageous settlement for the Company. Therefore, the undersigned cannot comprehend how any person, conversant with business, can view it otherwise; and they must observe, that the perseverance of Mr. George

D. Phelps, in pressing this charge, has shown such a want of accurate perception, as to lead them to distrust his judgment, in regard to other matters, to which he also strenuously calls attention.

Great stress is laid, by the Ex-President, upon the importance of having an Auditor. The undersigned have not been able to discover that the Company has suffered any injury or loss from the want of one; and, for a while at least, they are of opinion that the Treasurer can perform the combined duties of the two departments, as he has hitherto done, with ability, fidelity, and entire satisfaction to the Managers, the Ex-President only excepted. As the business of the Company increases, probably it will be necessary to have a competent person for Auditor. The undersigned, with a view of seeing how the accounts were kept, have examined the Cash and Stock-transfer books, and those containing descriptive lists of accounts, classed under the different heads to which they severally belong; and they also compared several abstracts of accounts, and the entries in the books. They find the transfer books kept in the most approved manner. The cash is balanced daily; and the side books, in which the charges are analyzed, are full and complete, giving the amount of each specific expenditure, under its appropriate head, for every month, and each entire year. A complete balance-sheet is made out monthly, from the General Ledger, and recorded in a separate book kept for that purpose. The undersigned are unable to suggest any improvement in the system of keeping the accounts and books of the Company. It is simple and lucid, while the necessary checks seem to have been adopted, to secure strict accountability from all employed. On the 18th March, 1856, By-Laws were adopted, requiring monthly examinations of the accounts, by a committee of the Managers. Since that time, such examinations have been regularly made, up to the 1st of February last, and have since been omitted, owing to the necessary preparation of the Annual Report, and the calls upon the officers in the prosecution of this investigation.

The Ex-President dwells at great length on the fact, that several of the Managers are stockholders in other institutions having business relations with this Company; and to this cause he mainly attributes the difficulties which resulted in his resignation. Therefore, he takes the ground that no Manager of this Company should have permanent interests in other corporations transacting business with it. His theory on this subject may be very good, but, like many excellent theories, it would be very unwise, if not impossible, to put it in practice. Gentlemen qualified to manage interests of the magnitude of those of the stockholders, must have been years in acquiring that knowledge and experience which would qualify them for a proper discharge of the trust; and it would be strange, if, in obtaining that knowledge and experience, they had not received the usual reward of diligence and integrity, in conducting business on their own account—the accumulation of property—part of which would be invested in various enterprises of a public nature. Some of these would, probably, have business transactions with each other, and thus the several interests come in con-

fict, in the judgment of the Ex-President, who, while he raises the objection against a number of his associates, was a stockholder in three corporations, all in business connection with this Company; but he affirms that his interest in those was not paramount to that which he has in this Company, *Two Managers* are interested in the Union Iron and Coal Co.; *seven*, in the Lackawanna Iron and Coal Co.; *five*, in the Lehigh and Tobyhanna Land Co.; and *two* in the Oxford Furnace. Among the rules for the government of the Board, the undersigned find the following:—"Any Manager interested in any important question before the Board, shall withdraw while the same is under discussion, and until it is decided." And, on inquiry of several of the Managers, they are informed that the rule has been practically adhered to.

With these remarks on the general subject, the undersigned will now proceed to notice what the Ex-President alleges against those of his associates who were interested in two or three of these corporations, as, in his opinion, most obnoxious to censure, viz.:—*The Lehigh and Tobyhanna Land Co.*; as to which he makes this statement:—

"A few words in regard to the Lumber contract, and the response of the Board on that question. It is true it had not been *finally executed* when I left the Board; but it *had been* fully negotiated and agreed upon, and, if I mistake not, formally adopted and approved by the Board, and *that* after many months of anxious consultation and *some* unpleasant discussion. * * * *
 "The last I heard of that contract, was an application by the Land Company for a modification of its terms." He further charges "the Chief Engineer as being one of the eight proprietors of fifteen miles of land on the line of our road, and, as reported, containing 50,000 acres, at the same time he was superintending its construction; and I might suggest this latter circumstance as a reason for the frequent refusal of the Board to allow me a consulting Engineer." . . . The Managers state, that no contract has been made to transport lumber for the Land Company; and the undersigned cannot find any record of such contract, and the Secretary of the Board says there is none. The latter further states, that only a small quantity of lumber has been carried for the Land Company, at rates charged to other parties; and he knows of no understanding, that an allowance shall hereafter be made from those rates. The Managers say:—"These lands were originally purchased to save the Railroad Company from extortion, in the matter of the right of way. The Ex-President has greatly overrated the quantity of the land. It is not true that Mr. McNeill, the engineer, had an interest in them, until a considerable period after the railroad was under contract. It is not the first time the Ex-President has insinuated that the *line of the road might have been changed* to accommodate these lands." . . . This matter was fully reported upon by a Special Committee of the Board, (Messrs. Sprague, Young and Bulkley, who were not interested in the property,) on the 19th April, 1855, who state that, "after a careful examination of all the circumstances connected with the arrangements and agree-

"ments between the parties, they have come to the conclusion, that there has been nothing done on either side, that should cause dissatisfaction or distrust." This report is accompanied by documents, to which reference will be made, viz., an affidavit of Edwin McNeill, Engineer, dated 13th March, 1855, setting forth: "That during the summer of 1851, and prior to the opening of the Northern Division of the Delaware, Lackawanna and Western Rail-Road, he proceeded to survey and locate the line of the Delaware and Cobb's Gap Rail-Road, from Scranton to the River Delaware, under the direction of said last-named Company, and made and reported the location thereof;" and he adds, that "in no case has the location been changed over 200 feet from the original line." S. T. Scranton, in an affidavit, made 13th March, 1855, sets forth the origin of the purchase of the land, and that the first tracts were bought in the winter of 1852-3. In a communication, signed by S. T. Scranton, George W. Scranton, E. McNeill, John I. Blair, and John J. Phelps, it is stated that arrangements were made to buy these lands some twelve months after the road was located.

These documents, in the judgment of the undersigned, prove conclusively that there has been no change of the line of the road to accommodate these lands; and they have no hesitation in stating their belief, that the Company were saved great trouble and expense, in obtaining the right of way through these lands, in consequence of the purchase thereof by parties who were interested in this road, and who gave the right of way throughout their whole extent, free of charge.

In regard to the indirect charge of being frequently refused a consulting Engineer, the undersigned quote as follows from the reply of the Managers:

"The Board solemnly and unanimously assert, that this is the first intimation they have ever had, that the Ex-President desired or mentioned the subject of a consulting Engineer; the Committee will decide the question of fact between the parties."

On these conflicting statements respecting a consulting Engineer, the undersigned make no remarks, leaving the Stockholders to draw their own inferences.

Next in importance, is the contract with the *Union Iron and Coal Company*, in regard to which the Ex-President says:—

"Although I was a member of the Board at the time that contract was made, it is well known to all the Managers, (and especially to the Secretary and Mr. Bulkley), that, with some others, I constantly disapproved and strenuously opposed it, at all points wherein it differed from that previously made with the Lackawanna Coal and R. R. Co., which, when negotiated and ratified, was intended to be a model for all other and future contracts. It is well known to some of the same parties, what reluctance and regret I expressed at the necessity, as President, of signing the contract."

The only material difference between this contract and that with the Lackawanna R. R. Co. is, that in the former this Company agrees to keep the coal

cars in repair for \$10 each per annum, and furnish brakemen and oil for \$3,000 per annum, and is for three years; the other for twenty years. On reference to the minutes of the Board, the undersigned find no indication of the opposition of the Ex-President to this contract; and on examination of the Secretary, he states that no opposition was made to it, only a slight alteration being made, at the suggestion of the Ex-President; and Mr. Bulkley does not recollect the strenuous opposition of the Ex-President at the time it came up for final action in the Board.

The Ex-President has entered into a calculation based on the last Report of the Reading R. R. Co. as to the expense of repairing coal cars, showing that there must be a large loss to the D., L. & W. R. R. Co. from the sum named in the contract with the Union Iron and Coal Company for that purpose. The reasoning of the Ex-President is by no means conclusive; for nothing is said as to how long the cars referred to in the Report of the Reading R. R. Co. *had been in use*, what was the construction of the cars, the kind of wheels and axles used—very important elements in any comparative estimate of the cost of keeping coal cars in order. Besides, if the Ex-President refers to the above-named Report for cost of repairing cars, it is proper to refer to the same document, and compare the average freight on coal upon that road the past year with what this Company receives from the Union Iron and Coal Company. The contract should be judged as a whole. The average freight of coal last year on the Reading R. R., as shown by their Report, was 1 55-100 cents per ton per mile, and they furnished their own cars. This Company are to receive from the Union Iron and Coal Company, so long as coal does not average under \$4 25 per ton in this city for six months, from January to July, and from July to January, 2 cents per ton per mile; and when the average is less than \$4 25, the rate of freight is to be 1½ cents per ton per mile; the shippers furnishing their own cars, this Company keeping them in order for \$10 each per annum, and furnishing brakemen and oil for the yearly sum of \$3,000, as before stated. What should be allowed for the higher grades on this road, the undersigned cannot judge. With a view of ascertaining what had been the experience of this Company as to the expense of keeping coal cars in order, (believing that would afford the best basis for a calculation on the subject), the undersigned addressed a letter to Mr. Brisbin, the Superintendent at Scranton, containing a number of interrogatories bearing on the question; also, as to the expense of furnishing brakemen and oil. Mr. Brisbin forwards, with his reply, a statement (apparently prepared with great care) from Mr. Marvine, Clerk of the Machine shops. From this it appears that the cost of keeping the coal cars in order, (including the replacement of those destroyed by collision, or worn out,) was, in 1852, \$6 55 each; in 1853, \$7 65; in 1854, \$9 65; in 1855, \$13 64; in 1856, \$14 51; or an average, for the five years, of \$10 40; but as the contract with the Union Iron and Coal Company is for three years, with new cars, approved by this Company, only the three first years given in the report referred

to should be taken, and those give an average of \$7 82, or full \$2 under the price stipulated in the contract for repairs. This sum of \$7 82, Mr. Marvine judges will cover the expense of keeping the cars of the Union Iron and Coal Company in order; for, although it will cost more on the Southern and Eastern Divisions to keep cars in repair, than on the Northern Division, owing to the higher grades on the former, the Superintendent and Clerk are of opinion that the expense arising from the difference of grade will not more than equal the wear and tear caused by bringing return freight on the Northern Division of the road, which has been "*much more injurious to the cars than coal,*" and the expense has all been charged to repairs of coal cars. Mr. Marvine states the expense of brakemen and oil for coal trains the past three years has been an average of \$7 72 per car. What number of cars will be required to transport the coal stipulated in the contract with the Union Iron and Coal Company, the undersigned are not informed; but assuming the estimate of the Ex-President to be correct as to this point, viz., 481 for the present year, and 962 for the next, to transport 150,000 and 300,000, in those years respectively, there cannot be any material loss—apparently about \$5,000 on the two years; but if there is a gain of \$2 per car on the repairs, it would reduce this to about \$2,000. . . . So much for this calculation on the Ex-President's data. He is mistaken, however, as to the quantity of coal to be carried. It is stated in the contract at 75,000, 150,000 and 200,000, for the first, second and third years respectively. In a letter recently received from Mr. Brisbin, he gives the number of cars required to do the work stipulated in the agreement, at 166 the first year, 500 the second year, and 666 the third year; and the cost of repairs of cars, brakemen and oil, \$21,395 80 for the whole period, for which service this Company would receive \$20,320, or a loss of \$1,075 80; but he states that no coal was carried last year, and this season, up to 1st April, only 2,552 tons; and he adds, that from present indications, this Company will not be furnished with the quantity of coal called for by the contract; and, therefore, no loss will ensue from these stipulations on the part of this Company.

The undersigned have dwelt longer on this contract than they should have done, had not so much been said about it. They have read the instrument carefully, and think it a fair and equitable bargain for both parties, and do not think it would be wise to accept the offer of the Union Iron and Coal Company to cancel it, if the Stockholders of this Company so desire.

Several other contracts with Companies in which some of the Managers of this Company are interested, are referred to by the Ex-President; but as no very material objection is made to them by him, there is no occasion for more than this brief allusion to them.

In a way somewhat informal, the Ex-President refers to other matters, in substance charging his associates with doing things injurious to the interests of the Stockholders. Of these, the undersigned should not take notice, if they were confined to the paper before them; but knowing that some of them have

been mentioned to several, if not many persons, it seems fitting that they should be explained, at least the two most important, viz.: the voting of 150 shares (\$7500) of stock to George W. Scranton, and the releasing of him and his brother from a subscription for \$20 000, of the capital stock of the Company, made when the subscription was taken up, to make the Southern or Eastern division of the Road.

The former, the Ex-President states, was "against his remonstrance, on account of its *illegality* and *injustice* to the Stockholders." Reference to the minutes of the Board, shows that the Ex-President was present when the vote was taken, in regard to the said 150 shares of stock, and that it was *unanimous*. This action of the Board was taken on the 3d April, 1854. On the 11th of the same month, the Ex-President wrote Mr. Scranton thus:

"On arriving at the office on Monday morning, I found that the certificate of stock had been forwarded during my absence. There remains, therefore, nothing for me to do further, but to congratulate you, which I can do most sincerely, on your having merited, as well as having received, so generous and unanimous an expression of the kind and grateful sentiments of your associates in the Board. If I could but fancy even so noble an expression of approbation, I should feel willing to labor much longer in this cause, than I now expect to do."

Comment on this, the undersigned do not feel called upon to make: therefore, they will only add, that the grant was made to Mr. Scranton, as the Managers state, and as appears by the resolution of the Board, "in further compensation for services rendered by him to this Company," the Managers being of opinion that it was no more than his just due, he having served the Company with great diligence and ability, as its General Agent, for the small salary of \$1,500 per annum, and at this time had sent in his resignation,—his health being so much broken down, as to unfit him for attending to business.

As to the subscription of \$20,000, by the Messrs. Scranton, it was cancelled at a meeting of the Board, 23d December, 1853—the Ex-President being in the chair—and, as he affirms, in the following language:—"On the motion of the one just above named," (referring to the grant of stock,) "and through the influence of a present Manager, and a *special* friend of these two parties, and after I had exhausted all means short of litigation, to enforce the payment of that subscription." The facts of the case were stated by Mr. Daniel S. Miller, viz.: That Mr. Scranton said, when he made the subscription, he would be responsible for that amount,—either getting others to take it, or paying it himself. This statement is corroborated by Messrs. J. J. Phelps and W. E. Dodge; and by a recent letter of Mr. George W. Scranton, in which he says: "Mr. Phelps never, to my knowledge, spoke to me nor wrote to me, about that subscription." The Managers further state, that no letters can be found, making the least reference to the subject, until 3d and 17th December, 1853. The Board say, that Mr. Scranton added, by his "special efforts, over \$200,000 to the subscription."

These being the facts of the case, the Board would have been guilty of a

breach of good faith, if they had not cancelled the subscription, to which no objection appears on the record at the time it was done; and the Secretary states, most unequivocally, that the only allusion he can find to it, is in the Ex-President's letters of the 3d and 17th December, 1853, copies of which the undersigned have seen, and on those occasions the payment is not strenuously urged.

The Ex President draws a parallel between this Company and the New-York and New Haven Railroad Company, when he was a member of a committee, with one of his recent associates in this Board, to investigate the condition of that Company. The undersigned have not been able to discover any analogy, and should not advert to it, had it only been named in the papers brought before them; but knowing it to have been mentioned to several of the Stockholders, and being well calculated to cause alarm, it calls for a brief notice. So far as the undersigned recollect the facts of *that* case, the difficulty was, that the President had everything his own way. The Managers, as is thought by most persons, neglected their duties, in not looking after the officers, leaving the Company to be entirely managed by the President, who was at the same time an officer in one or more other companies, having, moreover, the entire charge of the Transfer books, without any check. But in *this* case, the main difficulty appears to have been, that the associates of the Ex-President would not permit him as much latitude as he desired; they did not sufficiently heed his suggestions. The analogy fails in another important respect; for if the undersigned are not mistaken, when the frauds in the New-York and New Haven Company were disclosed, the public were greatly surprised to learn that several of the most influential and responsible Directors owned very little stock, in some instances not more than sufficient to enable them to hold their seats at the Board. But in the case of this Company it is very different. The Managers are, some of them, the largest shareholders—a part of those who are represented as having important conflicting interests, holding the greatest amount. The persons composing the Board have standing, in their names, on the books, or in the names of firms in which they are partners, from 100 to upwards of 2,000 shares each, and in all, nearly \$600,000—not far from *one-fifth of the whole capital*. In addition to which, some of them have an indirect interest in upwards of \$150,000 more; besides which, they hold over half a million of the bonds of the Company, making their aggregate interest, direct and indirect, *more than one and a quarter millions of dollars*—a deeper stake, in the success of the enterprise, the undersigned believe, than is held by the Managers of any other company in this country.

More might be said, but this is deemed sufficient on this subject.

Insinuations are made that the Warren Rail-Road cost more than it ought to have done, from the circumstance, as is alleged by the Ex-President, that the construction thereof was left to the President, Mr. Blair, without much, if any, overlooking by the Directors, one of whom is a Manager of this Company;

and from the fact that a son of Mr. Blair was a partner with others for making nearly the whole line. The fact as to the latter, by an endorsement on the contract, appears to be this:—The contract was signed on the 15th December, 1854; and on the 15th February, 1855, Marcus Blair was admitted as a partner in it. As to the cost, the undersigned have examined all the contracts for the construction of the Warren Rail-Road; and some of those for the construction of this Company's Road: and caused the Secretary to make a certified statement of the average stipulated prices in all the contracts of each Company for excavation. From these statements it appears that the average contract prices on the Warren Rail-Road, (payable 1-3 in stock, and 2-3 in cash,) were, 23 3-7 cents per cubic yard for earth and loose rock, (the latter supposed not to be much,) and 77 1-10 cents per cubic yard for solid rock. On the Delaware, Lackawanna and Western Rail-Road the average prices (payable in cash) were, 24 cents for earth, 37 cents for loose rock, and 68½ cents for solid rock. But on referring to the minutes of the Board and Committees, it appears that to these rates very large additions were made, owing to the inability of the Contractors to complete their engagements as stipulated; and this is also mentioned in the Annual Reports for the three past years, as will be seen by referring to that for 1854, p. 9—for 1855, pp. 13, 37 and 39; and 1856, p. 37. From this statement, the undersigned are of opinion that the Stockholders in this Road have no cause to complain of the cost of the Warren Rail-Road.

In conclusion, the undersigned would remark, that every facility has been afforded them by the Officers and Managers in prosecuting the investigation; and they have thus gone over all the matters brought to their notice by the Ex-President, and they have endeavored to investigate them carefully and impartially; and they take great satisfaction in unanimously stating to the Stockholders that they discover nothing in the management of the affairs of the Company to excite suspicion or distrust. The Managers have, undoubtedly, during the past three or four years, expended much of their valuable time in attending to the affairs of the Company, and, as many of them are largely engaged in business on their own account, they must have made great sacrifices of their ease and comfort in attending to these public duties in addition to their own affairs; and they have not only given their time, but they have loaned their credit to the Company, (thus incurring heavy pecuniary liabilities,) without charge, in which the Ex-President, when he was in the Board, was the largest sharer. In this connection, lest it may be inferred from so much being said, in the preceding part of the Report, as to the high rates of interest, that it has cost a large sum to carry the floating debt, the undersigned remark, that it appears, from the second and third Annual Reports, (viz., for 1854 and 1855,) that the average interest paid on the sums borrowed *was under legal rates*, and for the past year it is only a fraction over 7 per cent., which certainly shows good financiering, when the state of the money market for the past two or three years is considered, and the exorbitant rates paid by similar enterprises in so many instances.

From the best information they can obtain, the undersigned fully believe, that if the Managers continue the same zeal and ability in conducting the affairs of the Company, (and of this they have no doubt), in future years, as they have in those past, *the stock will soon be one of the best in the country*; for, in the judgment of the undersigned, the Company have all the most essential elements of success, and it only requires good management for a year or two to fully develop them to the entire satisfaction of those interested.

All of which is respectfully submitted.

NEW-YORK, April 14th, 1857.

(Signed,)

C. R. ROBERT,
JAMES BROWN,
W. S. WETMORE,
GEORGE N. MILLER,
JOHN E. WILLIAMS,

Committee of Investigation.

ANALYTICAL TABLE OF CONTENTS.

PROCEEDINGS AT THE ANNUAL MEETING OF THE STOCKHOLDERS.

REMARKS OF THE VICE-PRESIDENT:—	PAGE
Announcement of opening of the Southern Division,.....	5
Preparations for business in anticipation of the opening,.....	5
Cause of delay,.....	6
Interruptions to Coal business during the year,.....	6
General results of business for 1856,.....	6
Favorable prospects,.....	6

ANNUAL REPORT OF THE TREASURER PRESENTED:—

Cause of imperfection in details of Reports when submitted at the Annual Meetings of Stockholders,	6
Remedies suggested,.....	7
Report accepted,.....	7
Annual Report of General Agent presented,.....	7
Ditto ditto accepted,.....	8
Remarks of Mr. John J. Phelps, in reply to various questions,.....	8
Proposed change in fiscal year,.....	8
Ditto of day for Annual Meeting,.....	8
Adjourned Meeting to be held on first Tuesday of March,.....	8
Remarks of Mr George D. Phelps,.....	9
Draft of By-Laws presented,.....	9
Committee appointed to report on same,.....	9

ADJOURNED MEETING.

Report of the Board of Managers submitted, read, and amended.....	9
Do. do. ordered to be printed and distributed,.....	10

	PAGE.
Report of the General Agent read and ordered to be printed,.....	10
Reports of the several Heads of Department do.	10
Remarks of Mr. J. J. Phelps on the Finances of the Company,.....	10
Balance of 2d Mortgage Conv'ble Bonds offered to and taken by the St'kholders present,	10
Report of Committee on proposed By-Laws,.....	10
Reading of ditto,.....	11
Remarks of Mr. G. D. Phelps on 5th Article of ditto,.....	11
Maladministration imputed by him,.....	11
Committee of Investigation appointed,.....	11
By-Laws ordered to be printed and distributed, preparatory to action at a future Meeting,....	11

ANNUAL REPORT OF BOARD OF MANAGERS.

Opening of the Southern Division,.....	12
Excursion, and Resolutions adopted by guests on that occasion, (<i>note</i>).....	12
Cause of delays in opening,.....	12
Tabular Statement of Expenditures for Construction of Rail-Road, Erection of Buildings, and purchase of Equipment, during the year,.....	13
NORTHERN DIVISION—Work upon it during the year,.....	14
KEYSER'S VALLEY BRANCH—Location, object, and cost of Construction,.....	14
SOUTHERN DIVISION—Condition, &c.,.....	14
WARREN RAIL-ROAD,.....	14
Characteristics of ditto,.....	14, 15
Subscription for Capital Stock of Warren R. R. Co.,.....	15
Endorsement of Bonds of ditto, ..	15
Agreement for Lease of Warren Rail-Road,.....	15
Table showing items embraced in cost of ditto,.....	15
Loans to Warren R. R. Co.,.....	16
Examination of Accounts of Warren R. R. Co.,.....	16
Resources and Liabilities of ditto, ..	17
Prosecution of work upon the Van Ness Gap Tunnel,.....	17
EASTERN DIVISION,....	17
Improvements at Elizabeth-Port,.....	17
Ditto on Central R. R. of N. Jersey,.....	17
GENERAL EXPENDITURE,.....	17
Locomotives and Cars procured during the year,.....	18
COAL DEPARTMENT,.....	18
Expenditures for opening Mines, &c.,.....	18
Quantity of Coal Lands held by Company,.....	18

	PAGE.
Sale of part of Coal Estate, ("Smith Lot").....	18
Receipts and Expenses of Coal Department for the year,	19
Character of, and demand for Scranton Coal,.....	19
TRANSPORTATION DEPARTMENT,.....	19
Receipts and Expenses for the year,.....	19
Tariff of Rates for Freight and Passengers adopted,.....	20
Prospective Increase of Business,.....	20
MACHINE AND CAR SHOPS, AND FOUNDRY,.....	20
FINANCIAL CONDITION,.....	20
(1.) Capital Stock Account,	20
(2.) General Account,.....	21
(3.) Income Account,	21, 22
(4.) Floating Debt,.....	22
(5.) Renewal Fund,.....	22
(6.) Coal Department Fund,.....	23
Legislative authority for issue of 2d Mortgage Bonds,.....	23
Proposed issue of Convertible Income Bonds,	23
Issue and disposal of 2d Mortgage Bonds,	23
Substitution of 2d Mortgage Bonds for Convertible Income Bonds,.....	23
Interest on Bonds and Stock earned and paid,.....	24
Gratifying Prospects,.....	24
Policy respecting Coal Transportation,.....	24
Subscription and settlement for Bonds of Lackawanna and Bloomsburg R. R. Co.,....	24
Manner of conducting the Office Business of the Co.,.....	25
Extract from Report of Auditing Committee,—(note),.....	25
Confidence of the Managers in the success of the Enterprise,.....	26
EXTRACTS FROM MINUTES OF THE BOARD OF MANAGERS AND FINANCE COMMITTEE in relation to the Warren Rail-Road Co.,.....	27
Finance Committee instructed to receive and examine Accounts, and prepare Lease of Warren Rail-Road,.....	27
Verbal Report by Mr. Groves on accounts of W. R. R. Co., to Finance Committee,	27
Surrender of Warren R. R. to D. L. and W. R. R. Co.,—(note),.....	27
Vote of thanks to J. I. Blair, Esq.,.....	28
Mr. Groves' Report on accounts of Warren R. R. Co.,.....	28
Balance-Sheet from Books of Warren R. R. Co.,.....	29
BALANCE-SHEET of Delaware, Lackawanna and Western R. R. Co.,....	30
Exhibit "A"—Income Account, 1856,.....	31
Exhibit "B"—Transportation Account, 1856,.....	32
Exhibit "C"—Coal Revenue Account, "	32

	PAGE
Coal Tonnage Account,.....	89
Summary of Liabilities and Assets at the several dates stated.....	88
Comparative Statement of Earnings and Expenses of Transportation and Coal Departments for 4 years,.....	84
Comparative Statement of Interest paid, and Contributions to "Renewal and Coal Department" Funds, for 4 years,.....	84

GENERAL AGENT'S REPORT.

COAL DEPARTMENT ,.....	85
Estimated product of Company's Mines for 1857,.....	85
Coal from other sources in 1857,.....	85
Prosecution of work in opening Mines,.....	85
Estimated Expenditure for opening mines in 1857,.....	86
Capacity of Rail-Road,.....	86
Estimated Passenger Earnings for 1857,.....	86
CATUGA DIVISION —Its condition,.....	86
NORTHERN DIVISION ,.....	87
Improvements during the year,.....	87
Closing of Construction Account,.....	87
KEYSER VALLEY BRANCH ,.....	87
SOUTHERN DIVISION ,.....	87
Characteristics and Condition,.....	87
Progress of double Track,.....	87
WARREN RAIL-ROAD ,.....	88
Condition and Improvements,.....	88
Works at Washington on the Morris Canal,.....	88
IMPROVEMENTS AT ELIZABETH PORT ,.....	88
ROLLING STOCK	88

GENERAL COAL AGENT'S REPORT.

DIAMOND MINES ,.....	89
Quantity and Quality of Coal produced, in 1856.....	89
Expenditures for new works,.....	89
BELLEVUE MINES ,.....	89
Works and Expenditures,.....	89
Statement of Coal purchased in 1856,.....	89
" " mine l " 	40
Statement of Sales and Stock on hand,.....	40

	PAGE.
Demand for Coal in Northern and Western markets,.....	40
Statement of Coal sent to market to 31st December, 1856,.....	41

REPORT OF SUPERINTENDENT OF CAYUGA DIVISION.

Revenue from Transportation on Cayuga Division in 1856,.....	42
Expenses of " " "	43
List of Engines in use on Cayuga Division, with cost of oil and waste, wages of Engine-men, Firemen, &c.,.....	43
" " " cost of Repairs, Fuel, &c.,.....	44
Repairs and Renewals on Cayuga Division during the year,.....	44

REPORT OF ACTING MANAGER OF MACHINE AND CAR SHOPS AND FOUNDRIES AT SCRANTON.

General Statement of Business for the year,.....	45
Business of 1856 compared with that of 1855,.....	45
Expenditure for Labor and Materials during the year, (each month).	45
Tabular Statement, showing amount of work done, and on what account,.....	46
Items explanatory of Tabular Statement on page 46,.....	47
Statement of Business of Brass Foundry,	48
" " Iron Foundry,.....	49
List of Locomotives on Northern and Southern Division, and Warren Rail Road, show- ing service and cost of repairs in 1856,.....	50, 51

GENERAL LAND AGENT'S REPORT.

Number of cases of Right of Way remaining unsettled,.....	52
Suits against the Company,.....	52

GENERAL FREIGHT AGENT'S REPORT.

Statement showing Revenue from Freight, with tonnage and mileage,.....	53
Do. of Revenue from the several Divisions of the Road,	54
Do. showing sources of Revenue on the Divisions of the Road and amount,....	55
Do. " monthly Freight Earnings of Cayuga Division in 1856,	56
Do. " " " of Northern " "	57
Do. " " " of Southern " "	58
Do. " " " of Warren Rail-Road, "	59

GENERAL TICKET AGENT'S REPORT.

	PAGE.
Statement showing Number of Passengers and Mileage on each Division, with Revenue derived therefrom,....	60
Passenger Earnings of Cayuga and Northern Division in 1856, compared with 1855,....	60
Comparative Statement of monthly Passenger Earnings of Cayuga and Northern Divisions, in 1855 and 1856,.....	61
Passenger business on Southern Division and Warren Rail-Road in 1856, and estimate for 1857,.....	62
Connection with Belvidere Delaware Rail-Road,.....	62
Facilities for Passenger business on Southern Division and Warren Rail-Road,.....	62
Gratifying results of Passenger business,.....	62

LETTER FROM THE TREASURER OF THE LACKAWANNA AND BLOOMSBURG RAIL-ROAD CO.	63
Progress and Condition of L. & B. R. R.,.....	63
Financial Condition of L. & B. R. R. Co.,.....	63
Receipts and Expenses of L. & B. R. R., since opening,.....	63
Prospects of L. & B. R. R. Co.,.....	62
Balance-Sheet of L. & B. R. R. Co., Dec. 31, 1756,.....	64

SPECIAL MEETING OF STOCKHOLDERS.

April 15, 1857.

	PAGE.
Reading and Approval of Minutes,.....	65
Object of Meeting stated,.....	65
Report of Committee of Investigation, presented and Read,.....	65
Acceptance of Report,.....	65
Vote of thanks to Committee,.....	66
Adoption of Report,.....	66
Proposed By-Laws laid on table,.....	66
Present By-Laws approved and continued in force,.....	66

REPORT OF INVESTIGATING COMMITTEE.

	PAGE.
Extract from Minutes of Proceedings at Adjourned Meeting of Stockholders, appointing Committee, and authorizing the Investigation,.....	66
Organization of Committee,.....	67
Extent of Documents submitted, and general statement of labors of Committee,.....	67
Contents of Communication from Ex-President,	67
Charge of "Extra Official Acts of the Treasurer,".....	67
1st Specification,.....	67
2d. Specification,	68
3d. Specification,.....	68
Facts regarding payment of \$200 Interest to Mr. Blair,.....	68, 69
Opinion of Committee thereon,.....	69, 70
Facts relative to commission of \$800 on Mr. Sprague's Endorsements,.....	70
Facts relative to settlement with Mr. Mills for Bonds,....	70
Opinion of Committee,.....	70
Auditor at present unnecessary,.....	71
Examination of Treasurer's Accounts by Committee of Investigation,.....	71
" " " by Auditing Committee,.....	71
Remarks of Committee in relation to interest of Managers in alleged conflicting Enterprises,.....	71
Rule of Board relative to action of Managers interested in important questions submitted to Board,.....	72
LEHIGH AND TOBYHANNA LAND COMPANY,	72
Ex-President's Statements,	72
Statements of the Board,.....	72
Extract from Report of Special Committee of Board on that subject,.....	72
Extracts from Affidavits of E. McNeill and S. T. Scranton,.....	72
Opinion of Committee,	72
CONSULTING ENGINEER,.....	72
CONTRACT WITH UNION IRON AND COAL COMPANY,.....	72
Statement of Ex-President,	72
Remarks of Committee,.....	72, 74
Cost of Repairs of Coal Cars,	74
Expense of Oil and Brakemen,.....	75
Opinion of Committee,	75
CAPITAL STOCK VOTED TO G. W. SCRANTON,.....	76
Ex-President's Alleged Opposition,.....	76
- Vote granting the same unanimous,.....	76
Copy of Ex-President's Letter to Mr. Scranton,.....	76

	PAGE.
Reason for Voting such Stock to Mr. Scranton,.....	76
Remarks of Committee,.....	76
SUBSCRIPTION FOR STOCK BY MESSRS. SCRANTON,.....	76
Statements of Ex-President,	76
Facts relative to the matter,.....	76
Opinion of Committee,.....	76, 77
PARALLEL DRAWN BY EX-PRESIDENT BETWEEN THIS COMPANY AND NEW-YORK AND NEW-HAVEN RAILROAD COMPANY,.....	77
Remarks of Committee,.....	77
PECUNIARY INTEREST OF MANAGERS IN SUCCESS OF THE COMPANY.....	77
COST OF WARREN RAILROAD COMPANY,.....	77
Average Prices paid for Work on W. R. R.,.....	78
Ditto. do. do. on D. L. & W. R. R.,.....	78
Remarks of Committee,.....	78
CONCLUDING STATEMENTS OF COMMITTEE,.....	78
Nothing discovered to occasion suspicion or distrust,	78
Sacrifices of the Managers,.....	78
Low Rates of Interest Paid,.....	78
Flattering Prospects of the Company,.....	79