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SIXTH
ANNUAL REPORT

OF THE

PRESIDENT AND MANAGERS

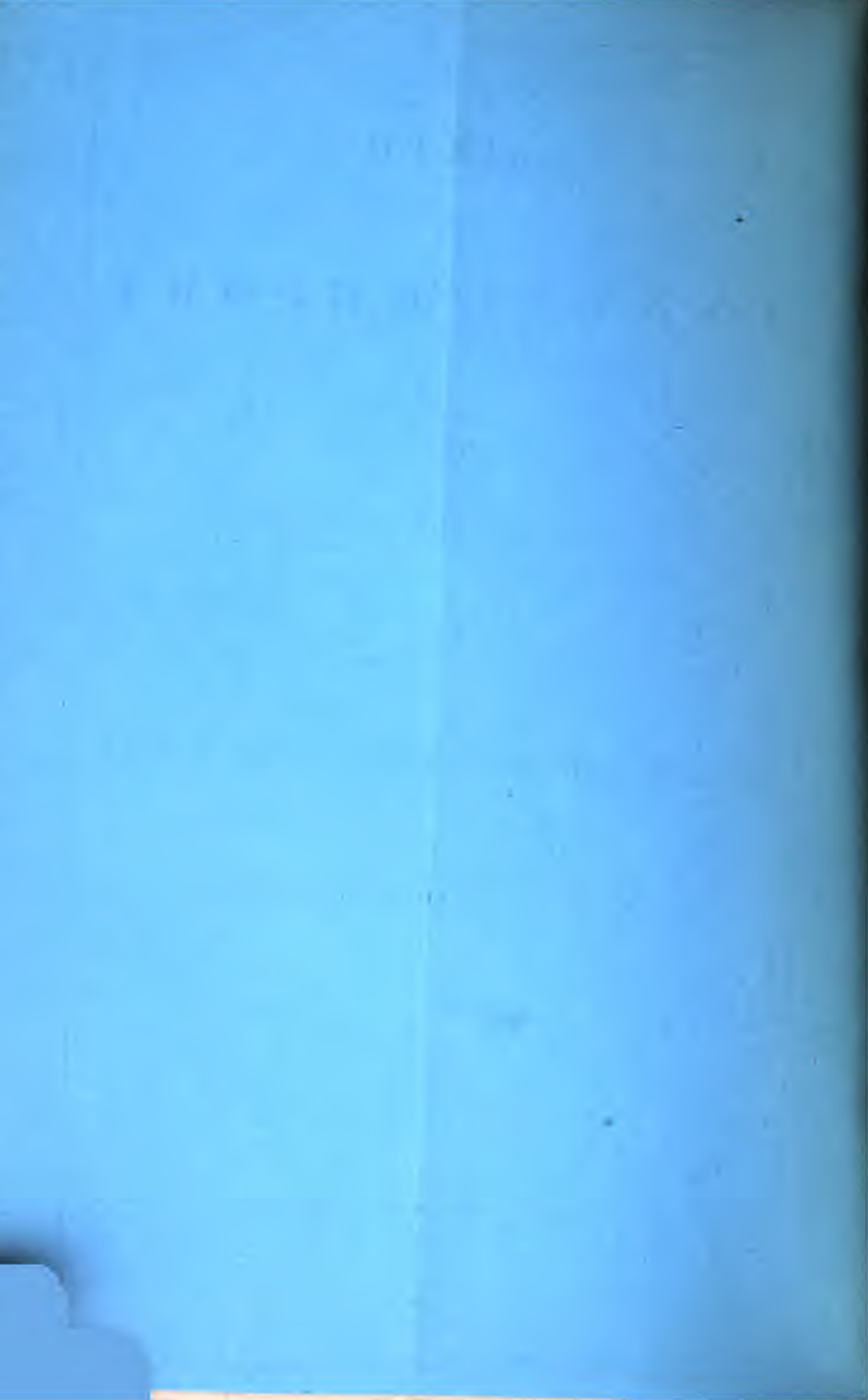
OF THE

Delaware, Lackawanna and Western Rail-Road Co.

TO THE STOCKHOLDERS.

NEW-YORK :
GEORGE F. NESBITT & CO., PRINTERS.

1859.



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1859.

OFFICERS

OF THE

Delaware, Lackawanna and Western Rail-Road Co.

FOR 1859.

CHRISTOPHER R. ROBERT,.....PRESIDENT.
RUFUS R. GRAVES,Vice-President.
ANDREW J. ODELL,Treasurer and Secretary.

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
DAVID S. DODGE,
MOSES TAYLOR,
GEORGE BULKLEY,
GEORGE W. SCRANTON,
JOHN I. BLAIR,

HENRY YOUNG,
CHARLES H. MARSHALL,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES,
LOWELL HOLBROOK,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE.

STANDING COMMITTEES.

Executive Committee.

JOHN J. PHELPS,
MOSES TAYLOR,
DRAKE MILLS,
GEORGE BULKLEY,
RUFUS R. GRAVES,
JOHN I. BLAIR.

Coal Committee.

DRAKE MILLS,
GEORGE BULKLEY,
JOHN I. BLAIR,
DAVID S. DODGE,
CHARLES H. MARSHALL,
LOWELL HOLBROOK.

Finance Committee.

MOSES TAYLOR,
JOHN J. PHELPS,
JOHN I. BLAIR,
SIMEON B. CHITTENDEN,
SAMUEL WETMORE.

Barge Committee.

GEORGE BULKLEY,
SAMUEL L. MITCHILL,
CHARLES H. MARSHALL,
DRAKE MILLS.

Committee on Accounts.

HENRY YOUNG,
RUFUS R. GRAVES,

LOWELL HOLBROOK,
SAMUEL WETMORE.

ANNUAL REPORT

FOR

1858.

[At a meeting of the Stockholders, held on 25th January, 1859, the following Report was submitted, and ordered to be published :—]

The Board of Managers respectfully submit the following statement, showing the operations of the Company, for the year ending 31st December, 1858 :—

1st.—TRANSPORTATION DEPARTMENT.

The gross income from this department was as follows :—

From Transportation of Coal,.....	\$1,032,999 39
“ “ “ Merchandise,.....	249,416 16
“ “ “ Express Freight,.....	4,417 48
“ “ “ Mails,.....	9,805 00
“ “ “ Passengers,.....	115,116 46
“ “ “ Extra Baggage,.....	231 22
“ Storage,.....	80 39
“ Telegraph,.....	589 73
“ Rents,.....	1,665 30
“ Use of Locomotives,.....	8,115 01
“ “ Cars,.....	8,075 82

\$1,430,511 96

The aggregate expenses were,..... 548,902 29

Net earnings from Transportation Department,.... \$881,609 67

The net earnings for 1857 were \$674,498 78; from which, however, for the purpose of a just comparison, the sum of \$75,000 should be deducted, being the apparent profit accrued from charging to Coal Department a higher rate over connecting roads than was actually paid. Such excessive rate has not been charged during the year 1858. Reference was made to the subject in the last Annual Report.

It is proper to add here that the aggregate expenses for the past year include not less than \$50,000 of expenditure, which has heretofore been considered as legitimately chargeable to Construc-

tion Account. A sum of \$16,000 is also included, which was paid for the alteration of eight locomotive engines. This was indispensable to the economical operation of the Road; for the engines, as originally constructed, were practically almost useless. They were built in 1855 and 1856.

The Superintendent states in his report to the Board, that while he has endeavored to exercise a judicious economy in every branch of this department, it has in no instance been carried to the extent of permitting the Rolling Stock, Roadway, or Buildings to deteriorate; and in making repairs, he has adopted the policy of having them *well done*. As a result of this policy, the track and bridges for the whole distance from Great Bend to the Junction, as well as the equipment, are now in a better condition than at the close of any preceding year; and from present indications, no extraordinary expenditures will be required during the present year, except for filling the Tobyhanna Trestle, which ought to be completed without unnecessary delay.

In reference to the business of the Transportation Department, it is not improper to state that 100,000 to 120,000 tons more of coal could have been easily moved without any increase of equipment, if sale had been made of it. This would have increased the net revenue from transportation to \$950,000 or \$1,000,000.

The Superintendent reports that not a person has been injured on our passenger trains; nor have they lost a single connection during the year. He also remarks that men more devoted to the interests of their employers can nowhere be found, than those in the service of the Company; and he attributes a great share of his success in managing the operations of the Road to their uniform faithfulness and good conduct.

2D.—COAL DEPARTMENT.

The amount received for Coal in 1858, was,.....	\$1,944,121 60	
" " Rents "	3,152 76	
The value of Coal on hand 31st Dec., 1858, was,.....	214,686 43	
		\$2,161,960 79
The aggregate expenses were,.....	\$2,071,792 11	
The value of Coal on hand 31st Dec., 1857, was,.....	139,720 77	
		\$2,211,512 88
Loss on Coal Department,.....		\$49,552 09

It will be noticed that the Coal Department shows a loss of \$49,552 09. A strong competition has existed during the past season, particularly in the Northern and Western markets, which, together with the limited demand, has rendered it necessary to sell at low figures. This competition will undoubtedly continue, and perhaps increase, the present year; but there is no intention of relinquishing any market heretofore supplied by us.

The rate charged to the Coal Department for the transportation of coal over our own Road, has been two cents per ton per mile; and over other roads such rates as we have actually paid, with an additional one-quarter cent per ton per mile, for use of cars and other expenses.

The General Coal Agent remarks in his report to the Board, that no accidents or delays of any importance have occurred in the mining department during the past year; and all of the mines are now in good working condition, and capable of yielding an increased quantity of coal if required. Scarcely any of them have been worked to their full capacity. The No. 2 Shaft at Diamond Mines will be so far completed by early Spring as to enable us to mine from the 18 feet vein, the quality of which, at this point, from present appearances, is equal, if not superior, to any coal this Company has ever sent to market.

The expenditure on this shaft during the year 1858, was \$6,743 32, which, though it might have been with propriety charged to construction, has been debited to the expenses of the Coal Department. The expenses also include an amount of over \$8,000 for new mine cars, strap rail for mine tracks, and other items which are usually charged to Construction Account.

The amount of coal on hand, 1st December, 1857, was.....tons, 43,290 10

The amount forwarded to market in 1858, was as follows:—

Mined by the Company,.....tons, 331,394 01

Purchased from other parties,..... 350,270 06

681,664 07

The aggregate sales in 1858, amounted to Tons, 724,954 17
 " 651,437 06

Quantity on hand 31st December, 1858,.....tons, 73,517 11

The foregoing statement, and following tables, are all calculated in NET TONS.

Coal mined and purchased by the Company during 1858.

NAMES OF MINES.	BY WHOM WORKED.	TONS.	CWT.
Diamond,.....	D. L. & W. R. R. Co.....	184,108	17
Bellevue,.....	Do. do.	24,104	19
Hampton, G. H. Coursen's,.....	Do. do.	96,153	16
Scranton Coal Co.,.....	Do. do.	27,026	9
Clark's,.....	Judson Clark,.....	81,276	4
Swetland's,.....	Howells & Co.,.....	43,772	11
N. Y. and Pennsylvania Co.,.....	C. D. Reckwell.....	48,485	5
National Anthracite Coal Co.,.....	Oram, Harris & Co.,.....	90,133	10
Pennsylvania Anthracite Coal Co.,..	Penn. Anthracite Coal Co.,... •	56,550	8
Pine Brook.....	Lackawanna Iron and Coal Co.	1,349	17
Stevenson's,.....	Samuel Stevenson,.....	4,276	2
Hyde Park Coal Co.,.....	Price & Buxton,.....	14,078	12
Van Storck Coal Co.,	Van Storck Coal Co.,.....	10,098	
Sundry Mines,.....		249	17
Total in 1858,.....		681,664	7
Do. 1857,.....		419,127	13
An increase of 62 per cent.,...		262,536	14

The Coal mined and purchased was composed of the various sizes, in quantities as follows:—

	TONS.	CWT.
Lump,.....	199,513	17
St. Boat.....	88,009	11
Large Egg,.....	90,221	2
Small Egg,.....	89,981	7
Stove,.....	128,707	13
Chestnut,.....	83,413	4
Pea,.....	1,817	13
Total,.....	681,664	7

Monthly Shipments during the year 1858.

MONTHS.	On account of Co		On private acc't.		TOTAL.	
	TONS.	CWT.	TONS.	CWT.	TONS.	CWT.
January,.....	35,967	11	1,609	11	37,577	2
February,.....	25,293	17			25,293	17
March,	36,309	12			36,309	12
April,.....	51,641	1			51,641	1
May,.....	65,489	5			65,489	5
June,	73,779	12			73,779	12
July,.....	75,029	14			75,029	14
August,	68,888	17			68,888	17
September,.....	65,535	16			65,535	16
October,.....	63,534	8			63,534	8
November,.....	62,327	2	136	14	62,463	16
December,.....	57,867	12			57,867	12
	681,664	7	1,746	5	683,410	12

Yearly Shipments from time of opening Rail-Road.

YEAR.	On acc't of Co	On private ac.	TOTAL
	Tons.	Tons.	Tons.
1851,.....	6,000		6,000
1852,.....	67,487		67,487
1853,.....	97,358		97,358
1854,.....	133,964		133,964
1855,.....	188,865		188,865
1856,.....	267,893	23,339	296,232
1857,.....	419,128	70,895	490,023
1858,.....	681,665	1,746	683,411
Total,.....	1,862,360	100,980	1,963,340

3D.—INCOME ACCOUNT.

CR.

The balance to credit of this account, 31st Dec'r, 1857,.....	was	\$218,881 87
The net revenue from Trans. Dep., in 1858, was	\$881,609 67	
The amount received for interest on Stock and Bonds of Warren and Lack. and Bloomsburg R. R. Co.'s.....	18,720 12	
Amount received from other sources,	4,990 57	
	<u>\$905,320 36</u>	

DR.

To one year's interest on \$900,000 Bonds of 1871,.....	\$63,090 00	
To one year's interest on \$1,500,000 Bonds of 1875,.....	105,000 00	
To one year's interest on \$2,583,500 Bonds of 1881,.....	180,845 00	
To interest on Income Bonds:—		
\$714,500 of 1867,.....	\$56,688 16	
29,000 of 1865,.....	1,610 00	
460,810 of 1862,.....	12,633 85	
	<u>70,932 01</u>	
To rent of Warren Rail-Road:—		
Interest on Bonds,.....	\$40,467 57	
“ Stock,.....	49,116 37	
	<u>89,583 94</u>	
To rent of Cay. & Sus. R. R.,.....	54,600 00	
To balance of General Interest Account,...	26,187 10	
To Insurance and Losses,.....	13,138 38	
To balance against Coal Dep.,.....	49,552 09	652,838 52
	<u>\$252,481 84</u>	
Net revenue for 1858,.....	\$252,481 84	
To appropriation to Renewal Fund,.....	100,000 00	152,481 84
	<u>Balance to credit of Income Account,.....</u>	<u>\$371,363 71</u>

It will be observed that \$100,000 has been appropriated to the Renewal Fund, for depreciation of the Road and equipment. Owing to the comparatively short time the Southern Division has been in operation, and the difficulty of ascertaining the extent of

natural wear and tear, the Board have been unable to determine an amount approximating to the actual depreciation. They, however, believe the sum here set apart sufficient to cover it at the present time.

4TH.—CONSTRUCTION EXPENDITURES.

The cost of the R. R., and Equipment to 31st Dec., 1857,	\$8,762,488 41
Amount expended in 1858, was as follows :—	
On Cayuga Division,	\$.....
On Northern Division,	2,164 62
On Southern Division,	13,142 11
On Keyser Valley Branch,	110 00
On Eastern Division,	2,138 61
For additional Equipment,	54,356 13
Total Expenditure in 1858,	71,901 47
Total cost of road and equipment,	\$8,834,399 88
Less amount received for Iron, Land, &c., sold, heretofore charged to Northern Division,	2,692 54
Balance of Construction account,	\$8,831,707 34

The Construction expenditures for the past year have been only such as were imperatively demanded by the requirements of the business, and a few incurred in settlement of previously existing contracts.

All expenditures on the Cayuga Division have been charged to Transportation expenses. The amount charged to the Northern Division is chiefly for right of way. The Superintendent reports that all the cases on this Division are now settled. A few remain unadjusted on the Southern Division, which will not exceed in the aggregate \$7,000. The principal expenditure on the Southern Division has been for new switches and the extension of old ones, together with necessary conveniences for a supply of water at several points. The amount charged to the Eastern Division is for new work on the piers at Elizabeth Port. Some expenditures will be required at this point the present year to provide increased facilities for the shipment of coal. The additional equipment purchased during the past year consists of two first class freight locomotives, costing \$24,500, unavoidably taken on contract; and 213 coal cars, costing \$27,400,—part of which were taken in settlement of a debt, and the remainder purchased at a low price to enable us to move coal with economy and dispatch.

The following statement shows the equipment on hand at the close of the year 1858, as compared with the year previous:—

	1858.	1857.
Locomotives.....	71	69
Passenger Cars.....	17	18
Baggage and Express Cars.....	5	5
Horse Freight Cars.....	136	136
Platform Cars.....	196	196
Eight-Wheel Coal Cars.....	291	291
Four-Wheel Cars.....	2,715	2,475
Wreck Car.....	1	1
Caboose Cars.....	20	20
Derrick Cars.....	2	1

6TH.—WARREN RAIL-ROAD.—CONSTRUCTION.

The cost of this Road to 31st December, 1857, was.....	\$1,501,503 86
The Expenditures in 1858 amounted to.....	40,259 79

Total cost to 31st December, 1858,..... \$151,763 65

The chief expenditure on the Warren Rail-Road has been \$23,000 on the Van Ness Gap Tunnel. The remainder is principally for the completion of the coal schutes at Washington, on the Morris Canal, and the depot at the Junction. It is deemed advisable to urge forward the work on the tunnel as speedily as a wise use of the Company's means will permit. It will be remembered, that for the payments made on this account, this Company receives an equal amount of Warren Rail-Road Stock.

7TH.—VESSEL PROPERTY IN NEW-YORK.

The amount expended on this account to 31st December, 1857, was..	\$43,277 69
The amount expended in 1858, for new barges, was.....	5,501 81

Total cost of barges.....	\$48,779 50
Deduct amount charged to Income Account, for barges sunk and lost,	6,125 84
	<hr/> \$42,653 66

The greater portion of the amount expended last year for barges was paid in coal. The principal item of deduction is for the steam-tug John Taylor, destroyed by fire; and for one barge sunk with cargo.

8TH.—COAL DEPARTMENT.—CONSTRUCTION.

The Amount charged to this account, to 31st December, 1857, was....	\$450,393 01
“ “ “ in 1858, was.....	3,615 18

Total cost of coal lands, &c., to 31st December, 1858,..... \$454,008 19

The mainitem in the above charge is a mere transfer of account, being the cost of some coal lands, heretofore standing in the name of G. W. Scranton, Trustee, and now conveyed to the Company.

9TH.—RENEWAL FUND.

The amount to the credit of this fund, on 31st December, 1857, was..	\$133,526 60
This has been increased by an appropriation from the earnings for the past year, (mentioned above,) amounting to.....	100,000 00
Total amount of fund.....	<u>\$233,526 60</u>

10TH.—COAL DEPARTMENT FUND.

The amount of this fund remains unchanged since 31st Dec., 1857,.....\$33,283 45

11TH.—CAYUGA DIVISION FUND.

The Fund for Renewals on the Cayuga Division amounts to.....\$43,334 24

12TH.—SINKING FUND.

The amount invested on account of this fund is.....\$49,372 48

With which \$69,930 of the Company's Bonds have been purchased. This investment exceeds the amount set apart for the purpose, (\$30,000,) but it has been increased on account of the low rate at which the Bonds could be obtained.

GENERAL ACCOUNT.

DR.

To Construction and Equipment Accounts,.....	\$8,831,707 34
“ Cost of Coal Lands and Mining Improvements,.....	454,008 19
“ Cost of materials on hand,.....	142,236 57
“ Value of Coal on hand,.....	214,686 43
“ Stock of Warren Rail-Road Co.,.....	310,450 00
“ “ Lackawanna and Bloomsburg R. R. Co.	132,450 00
“ Bonds of ditto ditto, (\$50,000,) cost	40,000 00
“ Bonds of Warren Rail-Road Co.,.....	22,100 00
“ Bills and Accounts Receivable,.....	482,485 43
“ Cash on hand,.....	83,027 15
“ Coupons funded, maturing in 1859,.....	167,195 00
“ Cost of Coal-Yards,.....	2,784 20
“ Cost of vessel property in New-York,.....	42,653 66
“ Advanced on account Coal Dep'tment for 1858,.....	23,707 64
“ Suspense Account,.....	65,549 40*
“ Sinking Fund,.....	49,372 48—\$11,064,413 49

CR.

By Capital Stock paid in full,.....	\$3,360,250 00†
“ Scrip Stock,.....	622 50
“ Mortgage Bonds of 1871,.....	900,000 00
“ Eastern Extension Bonds of 1875,.....	1,500,000 00
“ Con. Mortgage Bonds of 1881, \$2,600,000 00	
“ Less amount not issued,.....	16,500 00
	<u>2,583,500 00‡</u>

* Includes all bad and doubtful debts, from which a portion of each may be realized, and which have accrued since the Company began business.

† Including \$41,950 surrendered, per Article I, of the plan of resuscitation, and now standing in the name of Trustees.

‡ Including \$42,000 in the Sinking Fund.

By Income convertible Bonds of 1867,	714,500 00*
" Income convertible Bonds of 1865,	29,000 00†
" Income convertible Bonds of 1862,	460,810 00
" Interest accrued on Bonds to 31st Dec., 1858,	167,228 06
" " " Stock to ditto,	4,377 64
" Interest accrued on Stock and Bonds of the Warren Rail-Road to 31st Dec., 1858,...	31,317 20
" Bills and Accounts payable,	583,796 16
" Renewal Fund,	233,526 60
" Coal Department Fund,	33,283 45
" Cayuga Division Fund,	43,334 24
" Income Account,	371,363 71
" Certificates for Income Con. Bonds of 1867,...	25,116 18
" " " " 1862,...	18,905 00
" Fractional Certificates of Warren R. R. Stock,	3,482 75-\$11,064,413 49

Respectfully submitted,

C. R. ROBERT, *President.*

NEW-YORK, January 25th, 1859.

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
DAVID S. DODGE,
MOSES TAYLOR,
GEORGE BULKLEY,
GEORGE W. SCRANTON,

JOHN I. BLAIR,
CHRISTOPHER R. ROBERT,
HENRY YOUNG,
CHARLES H. MARSHALL,
SAMUEL L. MITCHILL,
RUFUS R. GRAVES.

* Including \$25,900 in the Sinking Fund.

† Including \$3,080 in the Sinking Fund.