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SEVENTH

ANNUAL REPORT

OF THE

PRESIDENT AND MANAGERS

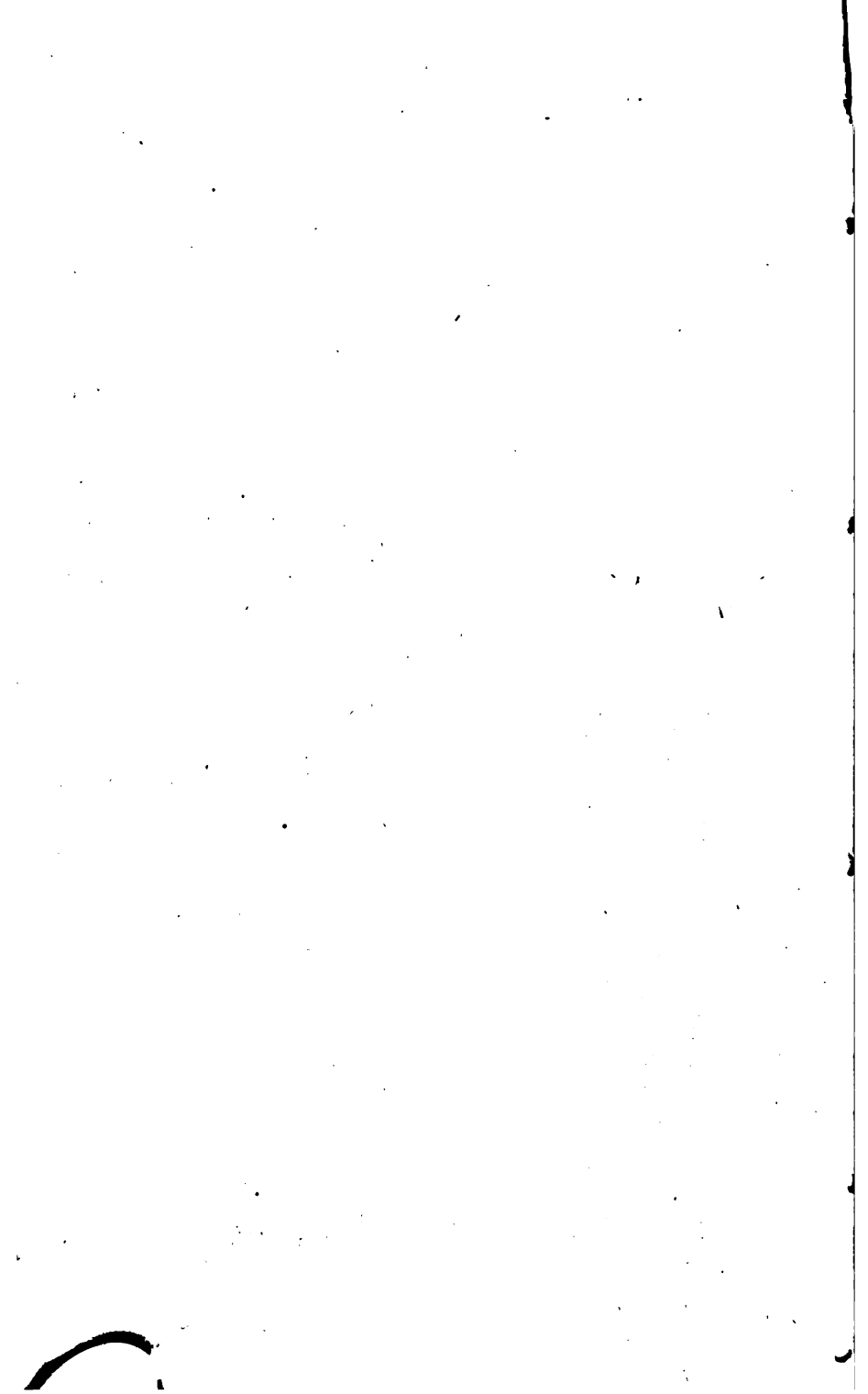
OF THE

Delaware, Lackawanna and Western Rail-Road Co.

TO THE STOCKHOLDERS.

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

1860.



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1860.

OFFICERS
OF THE
Delaware, Lackawanna and Western Rail-Road Co.
FOR 1860.

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

MANAGERS.

DRAKE MILLS,
JOHN J. PHELPS,
WILLIAM E. 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,
WILLIAM E. DODGE.

Coal Committee.

DRAKE MILLS,
GEORGE BULKLEY,
JOHN I. BLAIR,
WILLIAM E. 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

1859.

At the Annual Meeting of the Stockholders of this Company, held on the 24th of January, 1860, a brief statement of the business for the year 1859 was presented, showing the net earnings to be about \$900,000, applicable to the payment of interest, and rent of roads operated under lease. The accounts of the Paymaster for the disbursements at Scranton, and on the line of the road, for the month of December, reached the New-York office at a late hour on the evening previous to the meeting. A very short time, consequently, was allowed for its preparation, and the statement was, therefore, necessarily imperfect, several of the items having been estimated. By a resolution then adopted, the Stockholders referred it back to the Board of Managers for completion and publication. In pursuance of this action the following statements have been prepared, showing the operations of the Company for the year 1859, and its condition on 31st December last.

TRANSPORTATION DEPARTMENT.

The revenue from the various branches of income in this department was as follows:—

From Transportation of Coal	\$1,280,657	52
“ “ Merchandise	305,189	47
“ “ Express Freight ...	5,667	36
“ “ Mails	9,805	00
“ “ Passengers	123,844	17
“ “ “ Ex. Bag’e	254	38
“ “ Storage	68	70
“ “ Telegraph	618	22
“ “ Rents	1,831	08
“ “ Use of Locomotives	9,011	35
“ “ Use of Cars	12,600	71—\$1,749,547
The expenses during the year were a little less than forty per cent. of the gross earnings, and amounted to	687,111	66
Net revenue from Transportation Department	\$1,062,436	30

The amount arising from transportation of coal is chiefly for freight charged on that sent to market by the Company. The rate thus charged on their own road is, from Scranton south, 2 cents per gross ton per mile, and from Scranton north 2 cents per net ton per mile, and on connecting roads, what is actually paid, adding $\frac{1}{4}$ cent per ton per mile for the use of cars—this being exclusive of the charge for hauling, when such service is performed on other roads by this Company.

The expenses include all repairs and other expenditures of every kind, not properly chargeable to the construction of the road—*nothing having been charged to the latter account except entirely new work.* Neither has there been any charge made against the "Renewal Funds."

The ratio of increase in Passengers and General Freight for 1859, over 1858, may be shown as follows :

	1859.	1858.	Increase.	Per cent.
Passengers.....	123,844 17	115,116 46	8,727 71	7 $\frac{1}{4}$
General Freight.....	305,189 47	249,416 16	55,773 31	22 $\frac{1}{4}$
	<hr/> 429,033 64	<hr/> 364,532 62	<hr/> 64,501 02	<hr/> 18

COAL DEPARTMENT.

The business of this department has resulted in a loss of \$161,-130 56. Although coal ruled extremely low in 1858, and it was then hoped that prices would improve the past year, that expectation has not been realized; but, on the contrary, the competition has been such as to force prices down to a still lower level, especially at the North and West, and the consequence has been the result above stated. The Board, however, have not for a moment doubted the expediency of continuing to supply the Northern and Western markets as heretofore.

The value of Coal on hand 31st December, 1858, was....	\$214,686 43
The amount paid for Coal mined and purchased, and for other expenses, during the year 1859, was.....	2,526,451 46
	<hr/> \$2,741,137 89

The amount received for Coal sold in 1859, was.....	\$2,422,066 11
The amount received for Rents.....	3,530 32
The value of Coal on hand 31st December, 1859, was.....	154,410 90
	<hr/> 2,580,007 33
Loss in Coal Department.....	<hr/> \$161,130 56

This loss includes no charge for the coal taken from the lands of the Company beyond the actual expense of mining.

The quantity sent to market in 1859, was 829,434¹⁴/₃₀ net tons, of which 376,412¹⁰/₃₀ tons were mined by the Company, and 453,022⁴/₃₀ tons were purchased from other producers. The quantity sold and delivered was 854,655¹⁹/₃₀ tons. The movement of coal in 1859 was 147,770⁰⁷/₃₀ tons greater than in 1858.

INCOME ACCOUNT.

The balance to the credit of this account, on 31st December, 1858, was.....			\$371,363 71
Add Net Revenue from Transportation Department, in 1859.....	\$1,062,436 30		
“ Interest on Warren R. R. Stock, held by the Company.....	17,703 94		
“ Interest on L. & Blooms. R. R. Bonds held by the Company.....	3,500 00		
“ Income from other sources.....	3,565 00		
		<u>\$1,087,205 24</u>	
Deduct—			
Loss on Coal.....	\$161,130 56		
Insurance and Bad Debts....	3,522 43		
Bal. of Gen'l Int. Acct.....	9,257 94		
		<u>173,910 93</u>	
Net Earnings for 1859.....			<u>\$913,294 31</u>
Dr.			
Interest on \$900,000 L. & W. 1st M'tg Bonds of 1871	\$63,000 00		
Int. on \$1,499,000 E. Ex. 1st M'tg Bonds of 1875..	104,947 50		
Int. on \$2,583,500 2d M'tg Bonds of 1881.....	180,845 00		
Int. on Income B'ds—of 1862, (\$525,687 50.)	35,389 35		
Int. on Income Bd's—of 1865, (\$29,000).....	2,030 00		
Int. on Income Bd's—of 1867, (\$764,841 02.)	52,526 67		
Rent of Warren R. R.—Int. on Stock, \$52,337 25; on B'ds, \$40,453 00	92,790 25		
Rent of Cay. & Sus. R. R....	54,600 00		
		<u>586,128 77</u>	
Earnings over and above all Expenses and Interest on Debt.....	\$327,165 54		
Less amount credited to Renewal Fund...	100,000 00		\$227,165 54
Balance to the Cr. of Income account, Dec. 31, 1859.			<u>\$598,529 25</u>

CONSTRUCTION.

The amount expended, during the year ending 31st December, 1859, for unsettled right of way, and new work absolutely necessary to prosecute the increased business of the Company, was as follows :

NORTHERN DIVISION—		
For old Right of Way Claims.....		\$1,358 63
SOUTHERN DIVISION—		
For new Switches, turn-outs and double Track.....	\$30,969 67	
“ Right of Way, (old claims).....	1,852 39	
“ New Water Stations, and other buildings.....	6,961 58	
		<hr/> 39,783 64
EASTERN DIVISION—		
For Piling grounds and fixtures.....	\$14,948 39	
“ new Tracks, &c.....	2,135 04	
		<hr/> 17,083 43
EQUIPMENT—		
For one new Locomotive.....	\$7,000 00	
“ New Cars.....	56,928 87	
“ new Machinery and Tools.....	431 44	64,360 31
		<hr/> \$122,586 01
The amount previously expended was.....	8,831,707 34	
		<hr/> \$8,954,293 35

The equipment on 31st December, 1859, consisted of the following engines and cars :—

Locomotives.....	71*
Passenger Cars.....	17
Baggage and Express Cars.....	5
House Freight Cars.....	138
Platform Cars.....	231
Eight-wheel Coal Cars.....	260
Four-wheel Coal Cars.....	3,050
Wreck Car.....	1
Caboose Cars.....	21
Derrick Cars.....	2

An increase over the number on hand, 31st December, 1857, of 2 Locomotive Engines and 544 Coal Cars. There has also been completed 5 miles of double track, and several miles of switches and turn-outs.

WARREN RAILROAD.

The cost of this Road to 31st December, 1858, was.....	\$1,541,763 65
The amount expended in 1859, (chiefly in prosecuting work on the Van Ness Gap Tunnel,) was.....	54,821 84
	<hr/> \$1,596,585 49

* This does not include one Engine rendered unservicable by explosion, which it is in contemplation to replace.

For the payments thus made, this Company receives an equal amount of the Capital Stock of the Warren Railroad Company.

VESSEL PROPERTY.

The cost of Barges and Vessels owned by the Company, on 31st December, 1858, was.....	\$42,653 66
The amount expended on this account, in 1859.....	4,641 79
	<hr/>
	\$47,295 45

The property in this department consists of 15 Coal Barges, used in the transportation of coal from Elizabethport to New-York and vicinity, and a schooner used for mooring at Jersey City—an increase of one barge and a schooner during the year 1859.

COAL DEPARTMENT CONSTRUCTION.

This account is closed so as to permit no further charges for the present. The amount on 31st December, 1858, was \$454,008 19, which has been decreased, during the year, by \$50 received on account of the sale of a canal-boat, on Cayuga Lake. The amount of this account, on 31st December, 1859, was \$453,958 19.

RENEWAL FUNDS.

These funds, heretofore set apart for the purpose of providing for depreciation and extraordinary repairs and losses, have remained undisturbed during the year just closed. They consist of the following accounts:—

Renewal Fund, Transportation Department, (Main Line)...	\$333,526 60
“ “ “ “ (Cay. Div.)....	43,334 24
“ “ Coal Department.....	33,283 45
	<hr/>
	\$410,144 29

These funds are represented by the following assets, set apart for that purpose, by Resolution of the Board of Managers, November 25, 1859:

Stock of the Warren R. R. Co.....	\$364,350
Bonds of the “ “.....	22,100
Bonds of the Lack. & B. R. R. Co.....	50,000
	<hr/>
	\$436,450

This is the par value of the several securities named, which it is hoped they will nearly or quite attain in a reasonable time, and

thus prove available assets to meet any extraordinary expenditure that may be required.

SINKING FUND OF 1857.

This fund is established in pursuance of the plan of resuscitation, devised and carried into effect two years since, under which were issued the Income Bonds, whose payment is thus partially provided for. There had been retired on the 31st December, 1859, the following securities :

Bonds of 1862.....	\$49,937 50	
“ 1867.....	74,191 02	
“ 1881.....	42,000 00	
		<hr/>
		\$166,128 52

which were purchased at an expenditure of \$127,583 89. The Bonds have all been canceled, and the Interest on the amount retired accrues regularly to the fund.

It will be remembered that on the 1st April, 1860, a similar fund is to be commenced, to provide for the payment of the Eastern Extension 1st Mortgage Bonds of 1875; and it is proper to observe that nearly the whole sum required for the present year has been secured on favorable terms.

CAPITAL STOCK.

The whole amount of the capital stock paid in to 31st December, 1859, was \$3,360,250.

CONDITION OF THE ROAD AND OTHER PROPERTY.

The Superintendent reports that the road-bed and superstructure are in very good condition,—better than they were a year ago. The Rolling Stock, notwithstanding the incessant service it performed the past year, requires the expenditure of only a few thousand dollars to put it in as good order as it was at the commencement of 1859.

The General Coal Agent reports that the mines owned and leased by the Company are all in excellent order, and capable of yielding a much larger quantity of coal than was produced last year, if required. The supply from this source, with that furnished by the

several colliers, under contracts having some years to run, will be ample for the increased quantity which the Company propose to move the present year.

FINANCIAL STATEMENT, DEC. 31, 1859.

DEBT.

Mortgage bonds issued as follows :

Of 1871.....	\$900,000 00
" 1875.....	1,500,000 00
" 1881	2,600,000 00
	<hr/> \$5,000,000 00

Less amount in Sinking Fund

(face of Bonds canceled, Coupons collectible on ac- count of Fund).....	\$42,000 00
" amount retired (Bonds and Coupons entirely canceled)	1,000 00
	<hr/> 43,000 00
	<hr/> \$4,957,000 00

Income Bonds, issued as follows, (including Certificates and stamped Coupons)—

Of 1862.....	\$525,687 50
" 1865.....	29,000 00
" 1867.....	764,841 02
	<hr/> \$1,319,528 52

Less amount in Sinking Fund (face of Bonds canceled)..

124,128 52
<hr/> \$1,195,400 00

Total amount of Funded Debt.....	\$6,152,400 00
Bills Payable, outstanding.....	175,882 89
Accounts Payable.....	340,269 15
	<hr/>

Total Indebtedness.....\$6,668,552 04

AVAILABLE ASSETS.

Cash on hand, 31st December, 1859.....	\$41,225 91
Bills receivable.....	283,584 94
Accounts receivable.....	205,501 08
Mortgage and Income Bonds on hand	130,930 00
Coal on hand	154,410 90
	<hr/> \$815,652 84

Total indebtedness, less available Assets.....\$5,852,899 21

There was also on hand—

Stock of Lackawanna and Bloomsburg R.R. Co.....	\$132,450 00
" Washington Mills (taken for debt).....	9,500 00
Also materials for operating the Road and Mines	200,649 12
	<hr/>

The amount of outstanding debt on 1st December, 1857 (the date of the settlement under the plan of resuscitation.) was, after deducting the available assets then on hand.. 6,351,911 62
 The balance of indebtedness on 31st December, 1859, (as above) was 5,852,899 21

Decrease of Debt,..... \$499,012 41

There was expended for construction in 1858 and 1859, as follows :—

For 3 Locomotive Engines	\$32,898 37
“ New Cars	84,632 58
“ Machinery and Tools	1,249 92
“ Additional Tracks	46,839 90
“ Water Stations and other buildings.....	18,049 95
“ Right of Way (old claims).....	12,970 21
“ Tunnel on Warren R. R.	72,500 00
“ Coal Barges	4,641 79
“ Piling ground and fixtures at E. Port.....	14,948 39
“ Miscellaneous expenditures	7,709 12
	<hr/>
	296,440 23

Amount expended in 2 years for Reduction of Debt and Construction..... \$807,526 65

In view of the circumstances under which the income bonds of the Company were issued, (about half a million of which are due in less than three years,) the Board did not deem it just to the holders of them to make a division of the profits accrued since the resuscitation of the Company. These profits have chiefly been used in reducing the debt, as above shown ; a portion, also, having been appropriated toward providing such additional facilities as were imperatively required to do the increased business. The experience of the Company for the past two years, when coal has ranged at such low prices, has demonstrated, that the only safe policy is to move large quantities. Therefore, in continuation of this policy, it has been decided to move the present year one million of tons ; to do which, it was necessary to procure six new engines and 600 coal cars, the road and Rolling Stock of the Southern Division having been worked to its utmost during the year just closed. Provision has been made for all of these, and they will be ready for use at an early day. A number of the switches and turn-outs will be further lengthened at the opening of spring. These additional facilities for enlarging the business of the Company, it is estimated, will require an outlay of about

\$200,000, which can be met without difficulty from the available assets on hand, which have been allowed to accumulate with this expenditure in view.

Respectfully submitted,

C. R. ROBERT,

NEW-YORK, Feb. 18, 1860.

PRESIDENT.



Engines	\$32,898	37
.....	84,632	58
Machinery and Tools	1,249	92
Additional Tracks	46,839	90
Water Stations and other buildings.....	18,049	95
Water Stations (old claims).....	12,970	21
.....	72,500	00
.....	4,641	57