

NINETEENTH
ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

Pennsylvania Railroad Co.

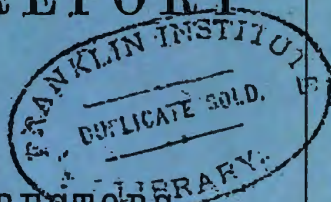
TO THE STOCKHOLDERS.

FEBRUARY 20, 1866.

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1866.



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DIRECTORS

OF THE

Pennsylvania Rail Road Company,

FOR 1866-1867.

BY THE STOCKHOLDERS.

J. EDGAR THOMSON,	ALEX. NIMICK, Pittsburgh,
JOSIAH BACON,	SAMUEL T. BODINE,
JOHN HULME,	JOSEPH B. MYERS,
WISTAR MORRIS,	EDWARD C. KNIGHT,
WASHINGTON BUTCHER,	JOHN M. KENNEDY.

BY THE CITY OF PHILADELPHIA,

LEWIS ELKIN,	JOHN RICE.
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ONE VACANCY.

BY THE BOARD,

THOMAS A. SCOTT,	HERMAN J. LOMBAERT.
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PRESIDENT,

J. EDGAR THOMSON.

VICE-PRESIDENTS,

THOMAS A. SCOTT,	HERMAN J. LOMBAERT.
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TREASURER,

THOMAS T. FIRTH.

SECRETARY,

EDMUND SMITH.

ANNUAL MEETING.

Philadelphia, February 20, 1866.

The Annual Meeting of Stockholders of the Pennsylvania Railroad Company, was held at 10 o'clock, A. M., at the Sansom Street Hall.

On motion of Mr. A. J. Derbyshire, the Hon. Morton McMichael, Mayor of the City, was called to the Chair, and Edmund Smith, appointed Secretary.

The Secretary read the Annual Report of the Board of Directors for the year 1865.

The Hon. Isaac Hazlehurst presented the following resolutions:

Resolved, That the Report of the Board of Directors, be and the same is hereby accepted by this meeting, and that it be published in pamphlet form, for the information of the Stockholders.

Resolved, That the Stockholders approve of the policy of this Company, disposing of its canals or any part of them, either by a sale or lease, and authorize the Board of Directors to take such measures in reference thereto, as they shall deem expedient.

Resolved, That the Directors are hereby authorized to take such measures as may seem to them best, to meet the obligations of the Company, either by borrowing money or otherwise, under the limitations of the Charter.

Resolved, That the Stockholders approve of the establishment by this Company, of a Line of Steamships between Philadelphia and Liverpool, in connection with the Pennsylvania Railroad, and refer the subject to the Board of Directors, to carry out the details in such manner as in their opinion will best promote the interests of this Company. .

Col. Page moved to amend the first resolution, by striking out all after the word resolved, and insert the following :

“That the Report with the accompanying documents, be referred to a Committee of five Stockholders, to be appointed by the Chairman, whose duty it shall be to examine the same, and ascertain whether there are any errors or omissions in regard to the receipts and expenditures, and that such receipts and expenditures have been charged to and credited under the proper heads; and that the said Committee be further empowered to ascertain and report the basis upon which the extra dividend of thirty per cent. of stock was declared, and also to report upon the causes for issuing ten per cent. of additional stock, and whether there has been any discrimination, and when and to what extent against Philadelphia in favor of other Eastern Cities, and also when, how and to what extent the Company has purchased or leased other railroads, and the liabilities thus incurred, either by purchase, lease or guarantee of the payment of dividends or otherwise, and to what extent these debts or guarantees take precedence of the stock, and the nature and extent of the securities therefor; the said Committee to have full and ample power to inspect all books and papers, and examine the proper officers touching the same, and to report all the facts and circumstances to the Stockholders at a special meeting, which they are authorized to call for that purpose, if in the judgment of the Committee the same shall be necessary. The Board of Directors, in the meanwhile, to cause said report and documents to be printed for the information of the stockholders.”

After a full discussion of the whole subject, in which Messrs. Cuyler, Roberts, Jewett, Baldwin, Cass, and others took part,

the amendment offered by Col. Page was not agreed to, there being but one vote in its favor.

The resolutions offered by the Hon. Isaac Hazlehurst were then adopted.

Mr. John M. Kennedy offered the following resolution, which was adopted :

Resolved, That this meeting approves of the past policy of the Pennsylvania Railroad Company, discriminating in favor of the trade of Philadelphia, and express their desire that this policy should be maintained in the future by the Company.

Mr. P. Frazer Smith offered the following resolution, which was unanimously adopted :

Resolved, That the thanks of the Stockholders of this Company are eminently due, and are hereby tendered to its President, Mr. John Edgar Thomson, to its Vice Presidents, Mr. Thomas A. Scott and Mr. Herman J. Lombaert, to its Directors, Treasurer and Secretary, and to its several Heads of Departments, and to their subordinates, for the ability and fidelity with which they have discharged their respective duties, so largely to the benefit of the City of Philadelphia, and to the great pecuniary advantage of the Stockholders of this Company.

On motion of Mr. Kennedy, the resolution relative to the establishment of a Line of Steamers from Philadelphia to Liverpool by this Company, was reconsidered.

Mr. Kennedy then moved to amend, by striking out the words "by this Company," and the words "refer the subject to," and instead of the latter, to insert the words "recommend the co-operation of."

The amendment was discussed by Messrs. Kennedy, Cass, Baker, Baldwin, Jewett, Cuyler, and others, and on the question being taken, it was not agreed to.

The original resolution was then adopted.

The meeting then adjourned.

MORTON McMICHAEL,
Chairman.

EDMUND SMITH,
Secretary.

NINETEENTH ANNUAL REPORT.

Office of the Pennsylvania Railroad Co.,

Philadelphia, February 20, 1866.

To the Stockholders of the
Pennsylvania Railroad Co.

The following statements exhibit the earnings and expenses during 1865, of the Railways and Canals owned and leased by the Pennsylvania Railroad Company.

The Treasurer's account, annexed to this Report, will show the financial condition of the Company.

PENNSYLVANIA RAILROAD

AND BRANCHES WORKED BY IT, EXCEPT THE PHILADELPHIA AND
ERIE RAILROAD.

EARNINGS.

From Passengers, 1st Class, -	\$4,055,872	06	
“ Emigrants, - - -	118,820	81	
			\$4,174,192 87
From United States Troops, - - -			1,278,844 60
“ “ “ Mails, - - -			80,130 55
“ Expresses under Contract, \$118,410	00		
“ Extra Express Freight, • 370,813	85		
			483,723 85
From General Freight, - - - -			11,193,565 87
“ Miscellaneous Sources, - - -			248,712 25
Total Earnings, - -	\$17,459,169	49	

EXPENSES.

CONDUCTING TRANSPORTATION.

For Ordinary Expenditures, -	\$3,490,847 07	
“ Erection of Passenger and Freight Stations, and extension of existing Buildings, - - -	245,439 02	
		<u>\$3,736,286 09</u>

MOTIVE POWER.

For Ordinary Repairs and renewals, including 11 new engines, costing \$284,142 12, charged to this account to meet depreciation, &c.; also, erection of the Machine Shop and Engine House at West Philadelphia, - -	\$3,263,957 76	
For additional Tools and Shop Machinery, chiefly outfit of Philadelphia and Erie Railroad, - - - -	111,394 61	
For additional Locomotives, purchased for Philadelphia and Erie Railroad and other Railroads, - - - -	1,434,561 03	
		<u>4,814, 913 40</u>

MAINTENANCE OF CARS.

*For ordinary Repairs and Renewals, including the erection of the Car Shop at West Philadelphia, - - - -	\$1,330,467 52	
Amounts carried forward, \$1,330,467 52		<u>\$8,551,199 49</u>

* This includes \$62,148 49 expended on cars in use on the Philadelphia and Erie Railroad.

Amounts brought forward,	\$1,330,467 52	\$8,551,199 49
For additional Freight Cars,	146,403 56	
" additional Passenger Cars,	180,754 31	
	<u> </u>	\$1,657,625 39

MAINTENANCE OF ROAD.

For Ordinary Repairs of Rail- way, and Renewals of Struc- tures, - - - - -	2,625,520 35	
For additional second track and sidings, - - - - -	269,575 97	
	<u> </u>	2,895,096 32
General Expenses, - - - - -		166,137 34
		<u> </u>
Total expenditures connected with the business of the Pennsylvania Railroad Company, in- cluding addition to the facilities for transpor- tation on its own road and that of the Rail- roads it operates, - - - - -		\$13,270,058 54

RECAPITULATION.

Gross Earnings,	\$17,459,169 49
Total ordinary expenses,	10,881,930 04
Total extraordinary expenses, consisting of additional second track and sidings, additional Locomotives, Cars, &c.,	2,388,128 50
	<u> </u>
	13,270,058 54
Leaving a balance of	\$4,189,110 95

The gross revenue of the line for 1865 is equal to \$48,768 62 per mile of main line of road (358 miles,) and exceeds in the aggregate that of 1864, \$2,700,111 83.

This increase is \$839,297 73 upon Passengers and Emigrants; \$3,300 39 upon United States Mails; \$831,566 05 upon ordinary, and \$138,312 73 on Express Freights; \$767,070 72

upon United States Troops; and upon Miscellaneous Receipts \$120,564 21.

The whole number of Passengers carried over the road during the year was 2,861,886, and the average distance traveled by each passenger, 71 5-10th miles.

The number of tons of Freight moved, (including 243,104 tons of Fuel, and other materials transported for the Company,) was 2,798,810, embracing 1,074,757 tons of Coal. The decrease in the Coal traffic is 12,022 tons, and the whole tonnage of the road exceeds that of last year, 33,934 tons.

The ordinary expenditures for working and maintaining the Company's roads were \$10,881,930 04, which is equal to 62 32-100ths per cent. of their revenues, or, including the expenditures for construction done on its own line, and the outfit of the Philadelphia and Erie and other Railroads, 76 6-1000ths per cent.

The earnings of the Company's Canals were:—

From Susquehanna Division, - - - -	\$140,912 38
“ Juniata Division, - - - -	22,186 42
“ Western Division, (now abandoned,) -	105 00
“ Miscellaneous Sources, - - - -	17,811 58
<hr/>	
Total Earnings, - - - -	\$181,015 38

Against \$308,615 23 in 1864.

The cost of maintaining, enlarging, and operating the Canals, was:—

For Susquehanna Division, - - - -	\$183,779 36
“ Juniata Division, - - - -	87,268 69
“ Western Division, - - - -	8,795 46
<hr/>	
	\$279,843 51

Showing a loss during 1865 of \$98,828 13. This loss is wholly due to an extraordinary freshet that occurred in March last, upon all of the tributaries of the North and West Branches of the Susquehanna, causing a rise in the main river at Harrisburg, three feet above any previous flood upon record, destroying navigation

upon the only profitable portion of the Company's Canal until July.

This Company has owned the Pennsylvania Canals since August, 1857, during which time they have yielded revenues amounting to \$1,882,826 72, and have cost for repairs and renewals \$1,886,208 73, showing a small loss in operating them up to the 1st ultimo. Included in these expenditures, however, is the cost of enlarging the Susquehanna Division, and rebuilding the structures upon the whole line, nearly all of which had been suffered to fall into decay by the original owner of these works. It is proposed to continue the enlargement of the canal as far west as Huntingdon, to meet the demands of the coal traffic from the Broad Top and Allegheny coal fields, as fast as it can be done without trespassing upon the net revenues of the Railroad. This object could be effected at an earlier date by the organization of a separate Company for these works, and raising by a mortgage upon them the amount necessary for this enlargement. The Canal when so enlarged will be of increased importance in the development of the mineral resources of the interior, affording as it will the capacity for the passage of boats of double the present tonnage, with a comparatively slight increase in the cost of moving it to the transporter. As the bituminous coal fields of Pennsylvania are about twice the distance from tide water at Philadelphia than the anthracite coal fields of Schuylkill County are, this Company has felt the importance of thus affording a cheaper water transportation of the former article to this market.

The earnings of the Philadelphia and Erie Railroad in 1865 were:—

From Passengers,	-	-	-	-	-	\$828,590 21
“ Troops,	-	-	-	-	-	94,451 46
“ Freights,	-	-	-	-	-	1,083,925 31
“ Express matter,	-	-	-	-	-	26,887 20
“ Mails,	-	-	-	-	-	19,085 61
“ Miscellaneous sources,	-	-	-	-	-	21,201 00
Total earnings,	-	-	-	-	-	<u>\$2,074,140 79</u>

The operating expenses during the same period were:—

For Conducting Transportation, -	\$537,517	74
For Motive Power, - - -	562,648	89
For Maintenance of Way, - -	627,050	09
*For Maintenance of Cars, - -	18,835	56
	<u>\$1,746,052</u>	28
For 30 per cent. due on lease to meet interest on bonds, taxes, &c., - - - - -	598,708	00
	<u>\$2,344,760</u>	28
Showing a loss in operating the line, (including 30 per cent. of receipts to pay interest on the debt of the Philadelphia and Erie Railroad Company, and taxes) of, - - - -		<u>270,619</u> 49

This loss is largely due to the March freshet in the Susquehanna, already referred to as so destructive to the Canals, but still more disastrously felt throughout the line of the Philadelphia and Erie Railroad. Five spans of superstructure of the bridge at Williamsport, and one at Muncy, over the West Branch of this stream, were swept away by the force of the County and Toll Bridges driven against them by a rapid current. The whole line of Road from Sunbury to Erie presented innumerable evidences of the destructive effect of this flood—piers of bridges were undermined and destroyed, culverts swept out, banks broken, and the slopes of excavations and embankments badly washed.

The effects of this extraordinary flood, in the streams followed or crossed by the Road, have shown that the changes made in its profile during the construction of its unfinished portions were judicious, and that the location of the line is now such as to render it safe from serious disaster hereafter from a similar rise of waters. Most of the injury sustained was caused by insecure foundations to piers of bridges, insufficient drainage, too narrow banks, and

* In addition to this amount \$62,148 49 was expended by the Pennsylvania Railroad Company for repairs to the cars in use on the Philadelphia and Erie Railroad.

the incomplete condition of the work generally, except the injury to the superstructure of bridges, all of which would have escaped serious damage, but for the force with which other bridges were driven against them.

From a very natural desire to see this work in operation,—which had been so many years in progress,—the Directors of the Philadelphia and Erie Railroad Company opened the middle division of their line long before it was in a condition for effective service, and at the beginning of a winter of unusual severity; hence its business, small and unorganized, had to be conducted through a wilderness, unprovided with accommodations for labor, and with an undisciplined force, at a very heavy cost to this Company. These difficulties, added to the increased cost of maintaining a line unfinished in all of its details, and the disastrous flood which followed the breaking up of winter, have resulted in the loss above stated, nearly all of which is properly chargeable to construction account.

The whole revenue of the Pennsylvania Railroad Company, from its several lines, is as follows, viz :

From the Pennsylvania Railroad and branches,	\$17,459,169 49
“ Pennsylvania Canals, - - -	181,015 38
“ Philadelphia and Erie Railroad, -	2,074,140 79
	<hr/>
	\$19,714,325 66

And expenses of operating these lines :

Pennsylvania Railroad, ordinary,	\$10,881,930 04
“ “ ext'nary,	2,388,128 50
Pennsylvania Canal, - -	279,843 51
Philadelphia and Erie Railroad,	1,746,061 28
Thirty per cent. reserved to pay interest on debt P. & E. R. R. Co., - - - - -	598,708 00
	<hr/>
	15,894,671 33
	<hr/>
Balance, - - - - -	\$3,819,654 33
	<hr/>

Amount brought forward, - -	\$3,819,654 33
The payments made during the year to the shareholders, of two semi-annual dividends of 5 per cent. each, the balance of interest and coupon accounts, the lease of Harrisburg and Lancaster Railroad, taxes on dividends and coupons, (\$515,433 01,) and the annual sum due to the State (\$460,000) for the purchase of the Main Line, amounted to - - - - -	
	3,597,496 98
Leaving a surplus of - - - - -	<u>\$222,157 35</u>

This result is exhibited after charging all expenditures for new work, and additional rolling stock, &c., amounting in the aggregate to \$2,388,128 50, together with an instalment of \$100,000 upon the principal of the debt due the State, and losses on leased railroads, to expense account; which added to similar charges made during the last four years, gives \$8,125,995 15 thus disposed of.

With a view to prevent an undue enlargement of the capital of the Company, so difficult to restrain in corporate enterprises, all interest paid during the construction of the Company's Railroads, together with all discounts allowed upon Bonds sold, and all doubtful investments have from time to time been charged to and paid out of the annual net revenues of the Road. There is nothing therefore in the accounts of the Company representing fictitious values; on the contrary, its property is worth in specie much more than it is represented at upon its books. The Main Line and branches of your Road were constructed under small contracts for cash, when labor was low, and at rates fully one-half less than those now prevalent. In consequence of this conservative policy, the shareholders have from the day of payment of each instalment received six per cent. interest free of taxes upon their investment *from the net revenues of the Road* until May, 1862,* since which time the regular and extra dividends have averaged over eighteen per cent. per annum.

* One dividend was passed during the financial crisis of 1857, to compensate for which three semi-annual dividends of four per cent. had been paid.

If the increase of Rolling Stock, &c., paid for from the net revenues of the Road, as already stated, were added to the surplus profits as shown by the Treasurer's statement, it would exceed the original cost of the Company's Road and outfit between Harrisburg and Pittsburgh, when finished with a single track and sidings.

The present condition of the Company's property, therefore, cannot but be viewed with great satisfaction by its shareholders. Estimated at its specie value, it may be safely stated as follows:

Main Line of Railway, Branches and extensions, including Shops and Depots, Harrisburg and Lancaster Railroad, and Canal, - - -				\$31,000,000
Equipment of all the Company's Railways, - - -				8,000,000
Real Estate, - - - - -				3,000,000
Materials on hand, cash and cash balances, - - -				3,500,000
Investments in other Lines, - - - - -				9,500,000
				<hr/>
				\$55,000,000

Liabilities.

Capital Stock, - - - - -	\$20,000,000	
Stock, Harrisburg and Lancaster Railroad Company, - - -	1,182,500	
Funded Debt, - - - - -	16,585,000	
Bonds of Harrisburg and Lancaster Railroad Company, (\$700,000,) -		
and other obligations, say in all, - - -	2,232,500	
	<hr/>	40,000,000
Surplus, - - - - -		<hr/>
		\$15,000,000

Which added to the Capital Stock would make its real value \$35,000,000 instead of \$20,000,000.

If this estimate was predicated upon the cost of creating this property at present values, it would present a much larger balance.

For the past two years the actual net revenues of the Company have been equal to the legal interest upon one hundred millions

of dollars. But in consequence of the abnormal condition of the traffic from which they were derived, it has not been deemed prudent to fully represent them by an increase of Capital Stock. They have mainly been appropriated to the increase of the Company's property, and the amount thus disbursed charged to current expenses. In justification of this policy it will be borne in mind that the increase in the traffic of the line for the past four years is not due to a natural development of its business, but is mainly to be accounted for by the acts of the Southern States, which, at the commencement of hostilities, immediately closed the markets of the South-west heretofore enjoyed by the producers of the North-western States, under the vain expectation that they would thus seduce the patriotic feelings of that section from its allegiance to the Union. This object signally failed, while the unusual demand for Western products in Europe, that immediately followed, stimulated by high prices, (enhanced by the continually increasing volume of the currency,) threw this business upon the East and West trunk lines, which, at an early period, were reduced to *three* by interruptions to the Baltimore and Ohio Railroad.

This increase of traffic was quickly met by enlarging your equipment, notwithstanding the high prices demanded for Rolling Stock, and a continued apprehension that an early termination of the rebellion might render the construction of many miles of sidings necessary for its accommodation, until the traffic of the country increased so as to require their service. If the rebellion had ceased, as every indication seemed to warrant, in season for a full cotton crop during the past year, this would now, to a considerable extent, be the condition of things. But the Southern Planter having been required by the Rebel Government to continue to devote his labor to raising provisions until too late to put in cultivation a crop for the past year, he has not yet become to a material extent a customer of the North-west. The exhaustion produced by the long continuance of the war, added to the loss of this cotton crop, has thus deferred the full transfer of traffic to its original channels, to a more distant period. Still

this diversion of freights as small as it has been, is now felt in the reduced quantity and rates charged for transportation. At present neither of the trunk lines have their rolling stock for through traffic fully employed.

The capacity of the East and West Trunk lines, at present, is not only ample for the through traffic offering, but, with the addition of the new road already opened from Erie, and the second tracks to the present lines now in progress, they will be found *largely* in excess of the business requirements of the country. Their construction during a period of low prices will prevent any competitor that may hereafter enter the field from meeting the contest upon equal terms.

Whatever may be the immediate effects of competition between railways, its ultimate results, when capital is brought into the contest in excess of the demand for its use, is to tax commodities with the increased interest which such capital in the end always exacts. Under the influence of a speculative feeling in England some years since, railways were built so largely in excess of the legitimate demand for their use, that with all the advantages of cheap labor and materials for operating them, the rates now charged are generally nearly twice those prevalent on similar lines in this country, while they still continue, in most cases, comparatively unremunerative to their shareholders.

As the cost of transportation is largely diminished by the quantity and regularity of the supply of freight, it follows that the local traffic of the State can be more cheaply accommodated by branch lines to the existing trunks, (which occupy the only natural routes of intercommunication between the East and West within the State, and in the success of which the Commonwealth and the City of Philadelphia are deeply and directly interested,) than in any other way. These branches can be located so as to accommodate a larger extent of country than additional through routes would afford.

At an early stage in the history of this Company, its Directors, under the influence of an enlightened policy, extended by subscriptions to their stock, efficient aid to the construction of rail-

ways from its terminus to the sources of traffic in the West. The investment made in the Marietta and Cincinnati Line, from a misappropriation by that Company of the means thus furnished, proved unproductive, and it has long since been charged to profit and loss upon our books. The credit of the line between Pittsburgh and Chicago, in which this Company held \$816,000 of stock, also gave way in 1857, with eighty-two miles of its line west of Plymouth scarcely begun, bringing this large investment into great jeopardy. Your Directors, however, promptly agreed that this Company would furnish the iron required for the completion of the road, while the President, with the use of his individual credit and exertions, brought the whole line into early use, thereby not only saving the original investment, and largely increasing the traffic of this Company, but enabling it, subsequently, to dispose of its interest in the line at a profit. The result of this operation has been applied to the completion of the line between Pittsburgh and Steubenville, commenced under the patronage of the City of Pittsburgh and Allegheny County, but abandoned after a much heavier expenditure of municipal bonds than of cash. The cost of completing this work, in consequence of the late period of the war at which it was commenced, has greatly exceeded our anticipations; but the outlay, it is believed, will eventually prove remunerative in its direct profits, as well as upon the traffic of our line, which has already felt its influence beneficially upon the current of travel since it was opened for use in October last.

In addition to the assistance afforded to these lines, and the completion of a second track of its own road, (except $11\frac{1}{2}$ miles,) this Company has furnished the means for the extension of the Broad Top Railroad to Bloody Run; for the completion of the Bald Eagle Valley Railroad, between Tyrone and Lockhaven; the Tyrone and Clearfield Railroad; the Ebensburg and Cresson Railroad; the Western Pennsylvania Railroad, to Freeport; and the Philadelphia and Erie Railroad; beside other lines of less extent, all of which have been brought into successful operation.

The Company is also extending its road to the Delaware river at Greenwich Point in the City of Philadelphia, for the accommodation of the oil and other heavy traffic, from which line a short branch can connect with League Island, an object of much importance in the event of the General Government locating a Navy Yard at that point. It is also furnishing the means for the construction of a road to join the Philadelphia and Trenton Railway at Frankford, by which it is expected to return to the Philadelphia Division much of the business that has avoided this City, in consequence of interruptions to its transit through it. No new project has been undertaken during the year, except the conversion of the abandoned Canal below Freeport, into a railway, to connect with the Fort Wayne Railway, in Allegheny City. This line will be cheaply built, and it is believed that it will prove remunerative from its local business alone.

It is to this liberal and progressive policy that the prosperity of this Company is in a large measure due. The construction of these various works, and the large equipment purchased for them, have, in consequence of the high prices of labor and materials, required a much larger outlay than anticipated when they were undertaken. The unexpectedly large traffic during the past summer and autumn alone caused an immediate increase of equipment, &c., above our estimate, of over \$1,200,000, and from present indications this will have to be increased this year for the accommodation of the Coal, Oil, and Lumber interests, a further sum of one and a quarter millions of dollars. The equipment for the through business seems to be sufficient.

The business of the Philadelphia and Erie Railroad is now nearly twice what it was estimated at when you were asked to authorize its lease, fully justifying the belief that its stock, at no distant period, will prove a remunerative investment.

The expenditures upon these several enterprises, including the equipment of the Philadelphia and Erie Railroad, and other lines, have heretofore been met (without any material enlargement of the obligations of this Company,) from the revenues of

the Pennsylvania Railroad, and from the sale of securities received from those Companies; but the popularity and large supply of United States bonds, bearing a high rate of interest, continually pressed upon the market during the past year, has precluded the sale of even the best railway securities at ordinary rates. To meet future outlays, it may therefore be necessary to change, to some extent, the usual means for raising funds to meet the obligations of the Company.

The expenditures for new work, (including equipment, &c., charged to expense account,) amounted in 1865 to \$6,010,287 12, which have been met from the surplus revenues of the road and the sale of securities held by the Company. The outlays for similar objects this year will not be less than \$3,000,000.

After many years of unsuccessful efforts to induce the New York trunk lines to abandon their policy of committing a share of their freight business to private Freight Expresses, the Pennsylvania Railroad Company, for the purpose of counteracting the diversion of traffic from its route, caused by these organizations, and to provide at least equal facilities for the merchants of Philadelphia, assented to the introduction of similar lines upon your railways. The cars to be provided at the expense of the transporters, and of a compromise gauge, that they might reach all important points in the West or North-west without transshipment. These fast freight lines maintain agents in all the Western Cities, who personally superintend the prompt and proper delivery of freights, and see to the settlement of claims for damages or delays. The result has been to secure a class of business, without interfering with the ordinary tonnage of the Company, that has not heretofore been reached.

In consequence of partisan representations, originally made during an important litigation, and then shown to be false, having since been wantonly and industriously persisted in, from interested motives, we feel it to be due to you to reiterate, in as few words as possible, the policy which has ever governed the

Directors in relation to the traffic over your line to and from Philadelphia and the West.

Neither the inclinations of your Directors or Officers, or the interests of the Company, has permitted them to entertain for a single moment the policy of discriminating against the commercial or manufacturing prosperity of this City. On the contrary, the Company has always kept the prosperity of these interests steadily in view, *as conducing to its own*; and in this connection has sacrificed many hundred thousand dollars in their support and defence. In the memorable contest between the East and West trunk lines, in 1859, the New York Railroad Companies attempted, by a reduction of their rates from and to New York, to those charged by the Pennsylvania Railroad Company from and to Philadelphia, to break up our discrimination in favor of this City. But these reductions were met by similar reductions on the part of this Company at Philadelphia, and the competition was thus continued on both sides by further reductions, until the losses became so heavy, that the New York lines deemed it expedient to surrender the point contended for. Our Western connections participated in this contest, and in the final adjustment of rates that followed, the policy of a minimum discrimination in favor of Philadelphia was secured, as large as practicable, which differences have not, with the consent of this Company, been departed from, but from many points and at different periods have been very largely increased.

It is quite true that the Pennsylvania Railroad Company may have carried freights upon the same day out of New York for less rates than from Philadelphia, while at other times the rates from Philadelphia are much less than the established differences would indicate. This is due to the vicious practice or want of system existing among Railway Companies for regulating rates, on through traffic under which they may be suddenly reduced or raised at one point, before the act is communicated to the other. The rates of the Pennsylvania Railroad

are always kept under the control of its officers, and whenever reductions are made by the New York lines they are promptly met at Philadelphia by the invariable policy of the Pennsylvania Railroad Company. This policy will of course require any competing line, old or new, to conform to it, but contracts to secure an object that both parties may be interested in violating can be of no value, however carefully drawn up. *The only security is in the disposition of the controlling parties to meet the object desired.*

It is confidently affirmed that no case of seeming discrimination against Philadelphia has occurred, which, on examination, will not find its full explanation in the reductions of a rival line, or a comparison of rates of different dates.

The commercial and manufacturing interests of Philadelphia have been largely promoted by the operations of the Pennsylvania Railroad Company in the establishment by it of rates of freight already far below those anticipated when the work was undertaken. But this is not the only thing required to centre commerce in this City, as seems to be the general belief. The rates of freight have really but little to do with this question, provided they are fixed so as to meet fully the efforts of competing avenues to divert traffic from her route. The large receipts of the Company are the best evidence that such a diversion has not taken place. Mercantile enterprise must seize hold of the products of the West, so abundantly flowing over this avenue, and by its activity, aided by capital, purchase or secure by actual consignment, and ship them to other markets. There is no other way to add to the commerce of Philadelphia, and any movement to that end will meet the hearty co-operation of this Company.

If the advantages of locality possessed by this City are permitted to pass by unimproved by her merchants, they must not complain that those of the West seek other markets to sell and buy in. The Pennsylvania Railroad Company has offered every

facility to bring to the City the products of the Great West, as well as for their storage while here, and will feel deeply interested in any corresponding effort upon the part of our merchants and capitalists to avail themselves of the advantages thus provided.

Although this Company was organized only for the purpose of carrying freight and passengers to and from the interior and the West, yet it has repeatedly signified its disposition to aid in the establishment of a Steamship line between this port and Europe, that the necessity for sending Western products to New York for shipment abroad might at least be diminished. This aid has been offered by subscription to the shares of a Company to be raised for that object, or by paying six per centum upon the amount of capital so invested, together with other valuable and important business facilities, and they still hope that the mercantile community will co-operate in such manner as to render this aid efficient. In the success and profitability of such an enterprise, commenced and managed upon a proper basis, your Directors have no doubt, and with the consent of the shareholders, this Company will, unaided, establish such a line of steamers.

Since your last Annual Meeting, the General Superintendent of your Main Line of works (Enoch Lewis, Esq.,) has resigned his office, a post which he had acceptably and efficiently filled for nearly six years. His successor, Edward H. Williams, Esq., has acted for nearly a year past as Assistant General Superintendent, and in that capacity has evinced qualities that it is believed will give to his administration a success equal to that of his predecessors.

The General Superintendent of the Philadelphia and Erie Railroad Company, Joseph D. Potts, Esq., has also left the service of the Company for more profitable employment elsewhere. His place has been filled by the appointment of Alfred L. Tyler, Esq., whose previous success in the management of Railroads commended him to the notice of your Directors.

The acknowledgments of the Board are due to the untiring efforts of the officers of the Company generally, for the efficient manner that the business of the line, during the past year, has been conducted, notwithstanding the disorganization that existed in the labor of the country during the first half of the year.

By order of the Board,

J. EDGAR THOMSON,
President.

GENERAL ACCOUNT.

Dr.

[illegible]

E. & O. E.—Philadelphia, December 30, 1865.

THOMAS T. FIRTH, *Treasurer.*

REPORT

OF THE

GENERAL SUPERINTENDENT.

OFFICE OF THE GENERAL SUPERINTENDENT.
 Altoona, Blair Co., Pa., December 31, 1865.

To the President and Directors of the
 Pennsylvania Railroad Company.

GENTLEMEN:—Herewith is submitted the report of the operations of your Road during the year 1865.

The results of the year's business are as follows :

The earnings have been—

From transportation of freight, and tolls on		
individual cars,	- - - -	\$11,193,565 37
“ first-class passengers (including U.S. tax),		4,055,872 06
“ Emigrant passengers, - - - -		118,320 81
“ Adams Express Company, (regular) -		113,410 00
“ “ “ (extra) -		370,313 85
“ Transportation of U. S. mails, - -		80,130 55
“ Government troops (including U. S. tax),		1,278,884 60
“ Rents of property, - - - -		51,617 93
“ All other sources, - - - -		197,094 32
Total, - - - -		<u>\$17,459,169 49</u>

The expenses have been—

MOTIVE POWER.

Ordinary, - - - -	\$8,268,957 76
New Locomotives, - -	- 1,484,561 08
New Tools and Machinery, -	- 111,394 61
	<u>\$4,814,918 40</u>

CONDUCTING TRANSPORTATION.

Ordinary, - - - -	- 3,490,847 07
New Buildings and Extensions, -	- 245,439 02
	<u>3,736,286 09</u>

MAINTENANCE OF WAY.

Ordinary, - - - -	- 2,625,520 85
Extension of 2d Track and Sidings,	269,575 97
	<u>2,895,096 82</u>

MAINTENANCE OF CARS.

Ordinary, - - - -	- 1,380,467 52*
New Freight Cars, - -	- 146,408 56
“ Passenger “ - -	- 180,754 81
	<u>1,657,625 89</u>
General Expenses, Ordinary, - - -	- 166,137 84
	<u>13,270,058 54</u>
Net earnings, - - - -	- - - -
	<u>\$4,189,110 95</u>

RECAPITULATION.

Total Earnings, - - - -	- - - -	\$17,459,169 49
Total Ordinary Expenses, - - -	- \$10,881,980 04	
“ Extraordinary “ - - -	- 2,388,128 50	
Total Expenses, - - - -	- - - -	<u>13,270,058 54</u>
Net, - - - -	- - - -	<u>\$4,189,110 95</u>

* This amount includes \$62,148 49 expended in repairs of cars in use on the Philadelphia and Erie Rail Road.

COMPARISON WITH 1864.

Gross Earnings—1865,	-	-	-	-	\$17,469,169 49
“ “ 1864,	-	-	-	-	14,759,057 66
Increase in Gross Earnings,	-	-	-	-	\$2,700,111 83
Net Earnings—1865,	-	-	-	-	4,189,110 95
“ “ 1864,	-	-	-	-	4,065,118 47
Increase in Net Earnings,	-	-	-	-	123,997 48
Ordinary Expenses—1865,	-	-	-	-	10,881,980 04
“ “ 1864,	-	-	-	-	8,225,659 67
Increase in Ordinary Expenses,	-	-	-	-	2,656,270 87
Extraordinary Expenses—1865,	-	-	-	-	2,388,128 50
“ “ 1864,	-	-	-	-	2,468,284 52
Decrease in Extraordinary Expenses,	-	-	-	-	80,156 02
Total Increase in Expenses,	-	-	-	-	<u>\$2,576,114 35</u>

DIVIDED AS FOLLOWS :

	Motive Power.	Conducting Transportation.	* Maintenance of way.	Maintenance of cars.	General Expenses.
1865	4,814,918 40	3,786,286 09	2,895,096 32	1,657,625 89	166,187 84
1864	3,256,052 32	3,081,581 37	2,248,768 18	2,004,998 04	152,599 38
Increase	1,558,861 08	704,754 72	646,328 19		13,538 01
Decrease				347,867,65	

Total Increase as above, - - - - - \$2,576,114 35

THE EXTRAORDINARY EXPENSES ARE AS FOLLOWS :

MOTIVE POWER.

For New Locomotives,	-	-	-	-	\$1,484,561 03
“ “ Tools and Machinery,	-	-	-	-	111,894 61
					<u>\$1,545,955 64</u>

CONDUCTING TRANSPORTATION.

For New Buildings and Extensions,	-	-	-	-	245,429 02
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MAINTENANCE OF WAY.

For Extension of Second Track and Sidings,	-	-	-	-	269,575 97
Amount carried forward,	-	-	-	-	<u>2,060,970 63</u>

* Including 29½ miles of new track.

Amount brought forward, - - - - -	\$2,060,970 68
MAINTENANCE OF CARS.	
For New Cars, - - - - -	\$327,157 87
Total, - - - - -	<u>\$2,388,128 50</u>

During 1865 there were transported—

First Class Passengers, - - - - -	2,455,652
Emigrant " - - - - -	27,791
U. S. Troops, - - - - -	878,393
Freight, (in tons), - - - - -	2,798,810

COMPARED WITH 1864.

	First Class Passengers.	Emigrants.	U. S. Troops.	Tons of Freight.
1865.	2,455,652	27,791	878,393	2,798,810
1864.	2,366,213	23,217	198,084	2,764,876
Increase.	89,439	4,574	180,309	33,934

The increase in the regular working expenses has been, - - \$2,656,270 87

The increase in the number of miles run by Engines has been, 592,782

The increase in the number of tons of Freight moved has been, 33,934

The increase in the number of Passengers carried has been, - 89,439

There has been no material decrease in the cost of labor during the year, but skilled labor has become more abundant. The large amount of work which it has been necessary to do in our shops at night, on account of insufficient room for the necessary repairs of engines and cars, has been very expensive, and has greatly swelled the repair account.

A large amount of work has been done. The Superintendent of Motive Power and Machinery reports that thirty-six (36) locomotives have been thoroughly rebuilt. Our large locomotive and car equipment has been kept up, and large additions have been made by the Company to its passenger car stock.

The Reports of the Chief Engineer and the Superintendent of Motive Power and Machinery accompany this, and you are respectfully referred to them for full particulars connected with the operation of their respective Departments during the past year.

New round houses for the shelter of locomotives, large numbers of which now stand out at night exposed to the weather, in

the absence of such protection, are imperatively needed at Harrisburg, Altoona and Pittsburgh, and their early construction is recommended.

The Report of the Superintendent of Motive Power and Machinery shows that at this date there are upon the Pennsylvania Railroad proper—

Locomotive Engines,	-	-	-	-	-	-	852
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Passenger Equipment, as follows:

Passenger Cars,	-	-	-	-	-	-	141
Emigrant	"	-	-	-	-	-	40
Baggage	"	-	-	-	-	-	43
Express	"	-	-	-	-	-	38
Total Passenger Equipment,	-	-	-	-	-	-	262

Freight Equipment:

Box Cars,	-	-	-	-	-	-	2,002
Stock,	-	-	-	-	-	-	946
Gondola,	-	-	-	-	-	-	1,648
Coal,	-	-	-	-	-	-	740
Total Freight Equipment,	-	-	-	-	-	-	5,336
Coal Cars, belonging to Gas, Coal, and other Companies,	-	-	-	-	-	-	864
Joint A and B Cars, belonging to P. & R. Railroad, in use in Allegheny and Broad Top Coal Trade,	-	-	-	-	-	-	600
Union Line Cars, running over Pennsylvania Railroad in connection with other roads,	-	-	-	-	-	-	790

Total Freight and Coal Cars in use on Pennsylvania Railroad,	-	-	-	-	-	-	7,590
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In addition to the Cars specified, there are in use in the Engineer's Department—in Maintenance of Way and in Construction—cars of all kinds,	-	-	-	-	-	-	542
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Total number of Cars in use on the Main line,	-	-	-	-	-	-	8,394
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A large portion of the car equipment of the Philadelphia and Erie Railroad also passes over the Philadelphia Division of

the Pennsylvania Railroad in moving trade to and from Philadelphia.

Existing contracts for Freight Cars are intended to fill up all numbers which were lost or destroyed during the war, and which it has been impossible or inexpedient until now to replace on account of the scarcity of skilled labor, and the high price of and difficulty of obtaining materials: the cost of these cars is charged in repair account ordinary.

There have been built during the year, in the Company's Shops—

Passenger Cars,	-	-	-	-	-	-	52
Baggage “	-	-	-	-	-	-	13
Express “	-	-	-	-	-	-	4
Emigrant “	-	-	-	-	-	-	5
							<hr/> 74

Of which number there were transferred to the Philadelphia and Erie Railroad:—

Passenger Cars,	-	-	-	-	-	-	23
Baggage “	-	-	-	-	-	-	4
Emigrant “	-	-	-	-	-	-	2

And to the Pittsburgh, Columbus and Cincinnati

Railroad—Passenger Cars,	-	-	-	-	-	8	
							<hr/> 87

The remainder have been added to the Equipment of the Main Line.

At this date there are undelivered on Contracts made in 1865—

First Class Passenger Locomotives,	-	-	-	-	-	2	
“ “ Freight “	-	-	-	-	-	4	
First Class Passenger and Freight,	-	-	-	-	-	5	
Tank Shifting,	-	-	-	-	-	4	
Total Locomotives,	-	-	-	-	-		<hr/> 15
Box Freight Cars,	-	-	-	-	-	16	
Stock “ “	-	-	-	-	-	72	
Gondola, “	-	-	-	-	-	46	
Total Freight Cars,	-	-	-	-	-		<hr/> <u>134</u>

BRANCH ROADS.

Since last Report the Bald Eagle Valley Railroad has been opened for business throughout its length, 55 miles, completing the connection between the Pennsylvania Railroad at Tyrone, and the Philadelphia and Erie Railroad at Lock Haven.

The Western Pennsylvania Railroad, from Blairsville to Freeport, on the Allegheny River, 34 3-10 miles, has been completed, and is now operated by this Company, under a lease.

The Mifflin and Centre County Railroad has also been completed from Lewistown Station to Reedsville, 6 9-10 miles, and is operated by this Company under a lease.

COAL TRADE.

This trade continued active, and until near the close of the year offered employment to more cars than could be spared for it. Contracts entered into for new cars will provide for this want.

LIVE STOCK.

The trade in Live Stock has also been heavy, and additional Stock Cars have been ordered, so that we may be prepared for any probable increase of it.

The new Passenger Station at Pittsburgh was completed during the Autumn, so far as to allow of the occupancy of the Waiting rooms and Ticket Offices; the remainder of the building will be completed early in the year. All Passenger Trains now arrive at and depart from the new Station.

The location of the Waiting rooms at the Philadelphia Passenger Station, was found inconvenient on account of their distance from the Baggage rooms, and a new building has been recently erected, adjoining the Baggage room, which is found to add greatly to the comfort and convenience of travellers.

SECOND TRACK.

About six (6) miles of second track have been laid, and the single track on the Main Line has been reduced to $11\frac{1}{2}$ miles in all, the greater portion of which, it is hoped, will be laid during the ensuing year.

IRON BRIDGES.

A double-track Bridge of five spans for the Juniata River, at Granville, has been built at Altoona shop ; but the work in this Department has been much retarded by the pressing demands upon the shops, caused by the rapid increase in the equipment of the road, and the consequent necessity of keeping it in repair.

The completion of a new Smith shop, now under construction at Altoona, and the greater abundance of labor, will enable the Company to carry on the Construction of Iron Bridges, with greater activity than has been possible during the last three years.

With the present year terminates my connection with the Pennsylvania Railroad Company, as its General Superintendent. My term of office has included a period of great business activity, caused by the successful efforts of the National Government to suppress the great Rebellion ; during that period the most pressing demands have been made upon the Road and its Officers. I have heretofore acknowledged my great indebtedness to my Assistants and their Subordinates, for their earnest co-operation and assistance ; but I wish to renew the acknowledgment here,—not as a matter of form, but because it is heartfelt and sincere,—it is with no slight feelings of regret, that my connection with them is severed.

My successor brings to the position a well-established character, and a large business experience ; he merits, and I trust he will receive at your hands, the full confidence and support which have always been extended by you to me.

Respectfully submitted.

ENOCH LEWIS,

General Superintendent.

REPORT

OF THE

Superintendent of Motive Power and Machinery.

Altoona, Pa., January 15th, 1866.

ENOCB LEWIS, ESQ.,

General Superintendent Pennsylvania Railroad.

DEAR SIR:—Herewith please find Annual Report of the Motive Power and Machinery Department, for the year ending December 31st, 1865.

At the date of the last Report, the Company had upon its main line and branch roads, 321 Locomotives, to which 39 have been added during the year, namely :

At date of last report,	-	-	-	-	-	-	-	321
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Received during the year :—

Passenger Engines,	-	-	-	-	-	-	-	16
Freight	"	-	-	-	-	-	-	16
Switching	"	-	-	-	-	-	-	7
							—	39
Carried forward,	-	-	-	-	-	-	—	360

Brought forward, - - - -	360
Less the following number sent to the Philadel- phia and Erie Railroad, - - - -	8
	<u>8</u>
	<u>352</u>

Making a total of 352 Locomotives on the road at this date, in the following condition :

In good order, - - - -	171
In running order, - - - -	101
In shop for slight repairs, - - - -	34
In shop for general repairs, - - - -	29
In shop for rebuilding, - - - -	17
	<u>352</u>

The mileage, cost of repairs, fuel and stores, are shown in the tables of the Chief Clerk of the Motive Power Department, in which I find the following items :

MILES RUN WITH PASSENGER TRAINS.

Between Philadelphia and Harrisburg,	511,026	
“ Harrisburg and Altoona,	497,577	
“ Altoona and Pittsburgh,	614,145	
	<u> </u>	1,622,748

MILES RUN WITH FREIGHT TRAINS.

Between Philadelphia and Harrisburg,	1,244,021	
“ Harrisburg and Altoona,	1,647,157	
“ Altoona and Pittsburgh,	1,824,106	
	<u> </u>	4,715,284

MILES RUN WITH DISTRIBUTING TRAINS.

Between Philadelphia and Harrisburg,	86,573	
“ Harrisburg and Altoona,	110,837	
“ Altoona and Pittsburgh,	68,858	
		<u>266,268</u>
Total Passenger Engine Mileage,	1,622,748	
“ Freight “ “	4,715,284	
“ Distributing “ “	266,268	
		<u>6,604,300</u>
Total Mileage, 1864, - - -		6,011,518
		<u>592,782</u>
Increase over 1864, - - -		

GREATEST MILEAGE MADE WITH PASSENGER TRAINS.

Between Philadelphia and Harrisburg,	
Engine No. 164, - - -	36,895 miles.
Between Harrisburg and Altoona,	
Engine No. 60, - - -	40,656 “
Between Altoona and Pittsburgh,	
Engine No. 320, - - -	39,839 “

AVERAGE MILEAGE WITH PASSENGER TRAINS.

Between Philadelphia and Harrisburg, - -	23,229 miles.
“ Harrisburg and Altoona, - - -	22,617 “
“ Altoona and Pittsburgh, - - -	20,472 “

GREATEST MILEAGE WITH FREIGHT TRAINS.

Between Philadelphia and Harrisburg,	
Engine No. 312, - - -	31,828 miles.
Between Harrisburg and Altoona,	
Engine No. 115, - - -	37,398 “
Between Altoona and Pittsburgh,	
Engine No. 293, - - -	34,279 “

AVERAGE MILEAGE WITH FREIGHT TRAINS.

Between Philadelphia and Harrisburg,	-	-	23,472 miles.
“ Harrisburg and Altoona,	-	-	20,335 “
“ Altoona and Pittsburgh,	-	-	18,241 “
<hr/>			
Total Average Mileage with Passenger Trains,			21,929 miles.
“ “ “ “ Freight “			20,151 “
<hr/>			

REPAIRS TO LOCOMOTIVES.

Philadelphia Division, (including 2 new Engines,)	\$197,239 05
Middle Division, (including 5 new Engines,)	373,747 54
Pittsburgh Division, (including 4 new Engines,)	480,749 07
	<hr/>
	\$1,051,735 66
	<hr/>

NEW LOCOMOTIVES CHARGED TO REPAIRS.

Philadelphia Division, two,	-	-	-	-	\$36,379 20
Middle Division, five,	-	-	-	-	154,737 32
Pittsburgh Division, four,	-	-	-	-	93,025 60
					<hr/>
					\$284,142 12
					<hr/>
Cost of Fuel,	-	-	-	-	\$737,457 93
Cost of Oil, Waste and Tallow,	-	-	-	-	233,982 59
					<hr/>

There is an increase in our Repairs Account of \$2 14 per 100 miles run, which is due partly to the increase of our equipment, without a corresponding increase in our shops, and largely to the amount of work which has been done during the year, and which has included the thorough rebuilding of thirty-six engines. We have regained the ground lost by the scarcity of men during the war, and are now well up with our repairs. This fact has contributed much to our success in moving the greatly increased business of this fall and winter. We have now

twenty-three steel fire boxes in successful operation, and this material promises to be the most economical, when especial care is taken in working it. Steel tires continue to give excellent results. Twelve sets are now in use without a single failure.

The increase of the mileage over last year, amounting to 592,782, has entailed much extra expense upon this Department, but our efforts to meet the demands of the Transportation Department, and at the same time attend to the rebuilding devolving upon us, have been accompanied with much success.

The actual cost of the fuel has been \$11 17 per 100 miles run, against \$9 19 for last year, but this increase is almost entirely owing to its advanced price. The consumption per mile will compare with the former years, as follows :

Year.		Increase.
1863,	per mile 55 lbs.	
1864,	" 60 "	5 lbs.
1865,	" 65 "	5 "

This shows an annual increase of five pounds per mile run, which is fully accounted for by the amount of extra fuel required to take care of so many engines necessarily exposed to the weather for want of engine house room.

CAR DEPARTMENT.

At the date of the last Report, the Passenger equipment of the Company consisted of 225 cars, as follows :

Passenger Cars,	-	-	-	-	-	-	-	120
Baggage	"	-	-	-	-	-	-	34
Express	"	-	-	-	-	-	-	34
Emigrant	"	-	-	-	-	-	-	37
								<hr/> 225

There have been added during the year, the following cars, built at the Company's Shops :

Passenger Cars,	-	-	-	-	-	-	-	52
Baggage	"	-	-	-	-	-	-	13
Express	"	-	-	-	-	-	-	4
Emigrant	"	-	-	-	-	-	-	5
								<hr/> 74
Total,	-	-	-	-	-	-	-	<hr/> 299

Brought forward,	299
Less Cars sent to Philadelphia and Erie Railroad, as follows :	
Passenger Cars,	23
Baggage "	4
Emigrant "	2
And to P. C. & C. R. R. Passenger Cars,	8
	<u>37</u>
Total,	<u>262</u>

Our Passenger equipment, therefore, consists of 262 cars, as follows :

Passenger Cars,	141
Baggage "	43
Express "	38
Emigrant "	40
	<u>262</u>

In addition to the 52 Passenger Cars, 4 Sleeping Cars have been built by the Company during the year; 189 Passenger Cars, 20 Baggage Cars, 28 Emigrant Cars, and 22 Sleeping Cars have been thoroughly repaired. 754 best axles and 2,067 wheels have been used in the repairs of this branch of our equipment. The passenger service has been severe since the date of the last Report. The mileage has exceeded that of 1864, by 252,401 miles. Our facilities, however, for maintaining the repairs of our Passenger Equipment, or increasing its capacity, are ample for any emergency probable during the coming season.

FREIGHT EQUIPMENT.

At the date of the last Report, the Freight Equipment of the Company was as follows :

Box Cars,	2,148
Stock "	999
Gondola Cars,	1,525
Coal Cars,	600
" (four-wheeled,)	109
	<u>5,381</u>

Considerable changes have occurred in the Freight equipment during the year, as will appear from the following table. These changes are owing to the transferring of cars from one class to another in rebuilding. Contracts are now outstanding for the manufacture of a sufficient number of cars to make the present equipment equal to that represented by the figures of the last Report.

The number of cars of each class in the Freight service at the present time is as follows:

Box Cars,	-	-	-	-	-	-	-	2,002
Stock "	-	-	-	-	-	-	-	946
Gondola Cars,	-	-	-	-	-	-	-	1,648
Coal Cars,	-	-	-	-	-	-	-	740
								<u>5,336</u>

The number of cars of each class in the maintenance of Way Department is as follows:

Box Cars,	-	-	-	-	-	-	-	13
Gondola Cars,	-	-	-	-	-	-	-	98
Dumping "	-	-	-	-	-	-	-	111
Hand "	-	-	-	-	-	-	-	153
Hand Trucks,	-	-	-	-	-	-	-	160
Derrick "	-	-	-	-	-	-	-	5
Timber "	-	-	-	-	-	-	-	2
								<u>542</u>

If to these be added the total number of cars in the

Passenger service, viz: - - - - - 262

The result will be - - - - - 6,140

as the total number of cars in all departments of the service, exclusive of cars owned by Companies or individuals, a statement of which is appended, as follows:

Reading "A" and "B,"	-	-	-	-	-	600
Altoona Coal and Lumber Company,	-	-	-	-	-	20
Riddlesburg Coal and Iron "	-	-	-	-	-	100
Penn Gas Coal Company,	-	-	-	-	-	254
						<u>974</u>
Carried forward,	-	-	-	-	-	

Brought forward,	-	-	-	974
Westmoreland Coal Company,	-	-	-	250
Powelton Coal and Iron Company,	-	-	-	150
Connellsville Gas Coal	"	-	-	40
N. W. Coal and Iron	"	-	-	50
Union Line,	-	-	-	790
				<hr/> 2,254 <hr/>

In the repairs of freight cars, 743 axles and 2,312 wheels have been used. Since the completion of the new Car Shop at Altoona, the repairs have been promptly done, and the cars kept but a short time out of service. Sixteen new cars have been built, and 981 cars repaired, for individuals and companies.

AT WEST PHILADELPHIA.

The Machine Shops and Round House are fast approaching completion, and will be ready for occupation early in the spring. The stationary engine is running, and we have been enabled to start the smith shop, and a portion of the tools have been delivered and are in position. The Car Shops are in full operation, and have rendered efficient service in supplying their quota of the cars required to meet the demands of the past year.

AT COLUMBIA.

The shops are small, but will be relieved by the Philadelphia Shops, upon the completion of the latter, of a large portion of the work which has heretofore been done there. They will attend then only to running repairs, for which they have ample facilities.

AT HARRISBURG.

Much inconvenience is felt for want of engine house room. Many engines have to stand out exposed to the weather, where they cannot be thoroughly inspected, and in consequence, much of the work is neglected. The frame building being put up

there will be but a temporary relief, and I would recommend that additional accommodations be provided for engines at an early day. The shops have been supplied with a few new tools during the year, including a hydraulic wheel-forcing machine. The Car Shops at this point, are not of sufficient capacity to keep up the repairs which centre at Harrisburg, and the cars employed in the Broad Top Coal trade lose time in consequence. Arrangements, which would secure the prompt repairs of cars damaged within the limits of the Harrisburg Shops, would be a great relief to our shops elsewhere.

AT MIFFLIN.

The buildings are of sufficient capacity to accommodate all the engine repairs, which centre at that point, but I would recommend the erection at an early day, of a frame building of sufficient capacity to relieve the Harrisburg Shop of the repairs of the coal cars employed in the Broad Top Trade. Those cars pass through Mifflin at noon, and are delayed a sufficient time to allow the trains to be thoroughly inspected and such cars cut out as need repairs, thus relieving the Harrisburg Shop of this work, and also of the most particular part of the inspection, which has to be done there in the night. The shops lately built at Huntingdon for this purpose, are available only for inspection and running repairs, and cannot be relied upon to any great extent in maintaining in good condition the cars required by the increasing demands of the coal trade.

AT TYRONE.

The engine house for the accommodation of the engines employed on the Branch Roads has been completed, and the machine shop will be ready early in the season, when the Altoona Shops will be relieved of much of the repairs of the Branch engines.

AT ALTOONA.

A new smith shop is building, which will be adequate to our wants in this branch of our business, and enable us to resume

work in our bridge shops. Two valuable drilling machines and a few other tools have been delivered this year. The freight repair shop recommended in the last Annual Report has been built and occupied, and has enabled us to remove all the freight car repairs east of Annie street, thereby saving the time and trouble of switching the freight cars into the upper yard, and also enabling us to use the entire upper shop for the construction of passenger cars. The addition of more machinery in the wood shops has over-taxed our stationary engine, and much time has been lost through the want of power sufficient to run the whole machinery when it has been found necessary to do so. A boiler has been made, and is in readiness, and a stationary engine from our own patterns is also nearly completed to meet any emergency which might require the renewal of our stationary power.

With regard to engine house accommodations, I can only repeat the urgent recommendation made in the last Annual Report. We have so many engines centring at this point, that it is necessary to have many of them stand outside, where they cannot receive the attention requisite to insure their efficiency upon the road. An engine house for the use of the Pittsburgh Division should be built here, if possible, next season. The shop yard at this point is still used by the Transportation Department, and we are, in consequence, still confined to the old lines of communication with the engine houses, which are entirely inadequate to our wants. I would, therefore, urge the necessity of at once moving the freight trains away from our yard, and of having the tracks arranged for the accommodation of the Motive Power centring at this point.

AT CONEMAUGH.

The shops consist mainly of an engine house, one-half of which is old, and needs extensive repairs. These are now under way, and when completed will render sufficient accommodation for the coming season.

AT PITTSBURGH.

The shops are limited in their capacity, and can only be profitably employed in doing the running repairs of the Division. It has been found necessary to take much of the work assigned to them to Altoona. The changes made in the arrangement of the new transfer tracks, have enabled the car shop at this point to do the work with much more economy and dispatch, and the present conveniences will meet the demands of the coming season. The arrangement of the yard is very inconvenient, and in crossing from the main track to the engine house, the transportation sidings have to be crossed at the imminent risk of the engines.

To the Foremen of the several shops, the Engineers, Firemen and Employés of this Department generally, I tender my acknowledgments for the efficient manner in which they have discharged their duties.

Respectfully submitted,

JOHN P. LAIRD,

Supt. M. P. and Machinery.

REPORT

OF THE

CHIEF ENGINEER

OF THE PENNSYLVANIA RAILROAD COMPANY.

MAINTENANCE OF WAY DEPARTMENT,
Altoona, December 30, 1865.

ENOCH LEWIS, ESQ.,
General Superintendent.

SIR:—The following Report on the business of this Department for the past year, is respectfully submitted.

The constantly increasing business of the road has required a corresponding increase of attention to the renewal of track and the providing of additional facilities.

Less difficulty has been experienced in procuring labor than during the two or three previous years, but the supply of good mechanics in the various branches has not been equal to the demand. Hence, many of our constructions have not progressed as rapidly as was desirable.

RAILWAY SUPERSTRUCTURE.

On the Philadelphia Division, a considerable amount of hard stone ballast has been put in. Retaining walls have been built at places in the deep cut through Lancaster, and along the canal at Chiques Rocks. The grading and ballasting for second track on the Columbia branch, between Collin's station and Middle-

town, have been carried on with a moderate force, and are ready for the superstructure, with the exception of a section about $1\frac{1}{2}$ miles in length, which will be completed early next summer.

The second track between Lewistown and Anderson's Station, has been completed excepting across Granville and Mayes' bridges, and will be brought into use during February, by which time the third truss of the former bridge will be completed, and the additional track laid. Preparations are now being made for the rebuilding of Mayes' bridge next summer, which when accomplished will fill up the only gap in second track between Susquehanna bridge and Manayunk. In the meantime, four rails will be laid over Mayes' bridge, to avoid the necessity of using switches.

The total length of retaining wall required for second track at Jack's Narrows, is 3,417 feet, of which a section of 935 feet in length has been completed to the full height, and a second section of 1,782 feet to a height above the water line of canal, leaving 700 feet in length of foundation to be constructed, which will be done during the present winter.

A very heavy rain, which fell during the 15th and 16th days of March last, added to a considerable body of snow on the mountains, caused an almost unprecedented freshet in the Susquehanna and Juniata rivers and the streams leading into them. Between Columbia and Harrisburg, the railroad was flooded in many places, and at one point to a depth of eight feet. Bridges, retaining walls, and embankments, were washed out, and in some places the railroad tracks carried away. Generally, upon the portion of the road which was under water, large deposits were made of mud, logs, remnants of buildings, and rubbish of every description, the removal of which involved considerable labor. The water did not subside sufficiently to admit of repairs until the morning of the 20th. By noon on the 21st, the north track was ready for passing trains, but the repairs of the south track which was next to the river, were not completed till the 24th. One of the spans of the Susquehanna bridge was slightly injured by the wreck of a bridge passing under it, but it was repaired

for use by the 21st. The track east of Duncannon was flooded for a short time, but did not sustain much injury. Landslides and washes occurred at several points along the Juniata, but did not cause any serious detention to trains. The mill-dams on the Little Juniata at Tipton and Bell's mills, gave way on the night of the 16th, covering the road bed for some distance with water and drift, and tearing away the tracks. Temporary repairs were made, which enabled travel to be resumed on the 19th, and later in the season the dams and road bed were rebuilt in a permanent manner.

New sidings have been constructed at Cresson, Conemaugh, Blairsville Junction, and Derry, for use of freight trains, and a "Y" at Pennstadt for turning passenger accommodation, and coal train engines. Four new tracks have been laid at East Liberty, to accommodate transfer business. Forces have been employed during the year sloping the sides of the deep cuttings near Conemaugh, St. Clair, and George's stations.

At Pittsburgh, the tracks have been removed from Liberty street, between the outer depot and the new passenger station, and the street repaved; three, and for some distance, four tracks have been laid on the new bed-road; the whole system of yard tracks west of the shops has been remodeled, the grade raised from 0 at the east to 9 feet at the west end, and the tracks relaid with new material; several new tracks have been constructed in the vicinity of the passenger station; and the embankment east of the outer depot widened, preparatory to the construction of several additional sidings next season. Tracks have been laid by this Department from the new passenger station across the grounds of the Company to Washington street, forming part of the Steubenville Extension.

The new track constructed during the year is summed up as follows:

Second track between Marietta and Middle-				town, - - - - - 0 miles, 4,662 feet.			
Second track between Lewistown and An-				derson's, - - - - - 5 " 1,200 "			
Sidings at Midway,				- - - - - 900 "			
" Parkesburg,				- - - - - 200 "			
" Kinzer's,				- - - - - 464 "			
" Lancaster,				- - - - - 580 "			
" Columbia,				- - - - - 1 mile, 1,993 "			
" Middletown Junction,				- - - - - 915 "			
" Harrisburg Freight Station,				- - - - - 543 "			
" Harrisburg Shops,				- - - - - 3,978 "			
" Perryville,				- - - - - 150 "			
" Mill Creek,				- - - - - 537 "			
" Huntingdon,				- - - - - 1,645 "			
" Spruce Creek,				- - - - - 395 "			
" Birmingham,				- - - - - 401 "			
" Tyrone,				- - - - - 1,200 "			
" Altoona,				- - - - - 2 miles, 5,226 "			
" Gallitzin,				- - - - - 174 "			
" Cresson,				- - - - - 4,162 "			
" Conemaugh,				- - - - - 4,469 "			
" Blairsville Junction,				- - - - - 600 "			
" Derry,				- - - - - 1 mile, 4,912 "			
" George's Station,				- - - - - 442 "			
" Pennstadt,				- - - - - 1,890 "			
" East Liberty,				- - - - - 2,529 "			
" Pittsburgh,				- - - - - 11 miles, 4,650 "			
" Indiana Branch,				- - - - - 600 "			
Total,				- - - - - 29 miles, 1,897 feet.			

The single track on Main Line is now limited to the following sections:

At Susquehanna Bridge, - - - -	1 mile,	559 feet.
At Mayes' Bridge, - - - -	-	850 "
Between Manayunk and Newton Hamilton, 4 "	-	1,388 "
" Mount Union and Mill Creek, - 5 "	-	3,368 "
Over Conemaugh Bridge, at Johnstown, -	-	1,530 "
Total, - - - -	11 miles,	2,415 feet.

The number of miles of single track in use at this date, is as follows:

Main Line, including sidings, - - - -	828.2 miles.
Branches owned, including sidings, - - -	38.7 "
" leased, " " - - -	158.1 "
Private sidings, - - - -	21.5 "
Total, - - - -	1,046.5 miles.

The following quantities of Materials have been used during the year:

	Iron Rails. Tons.	Wrought Iron Chairs	Spikes. lbs.	Cross Ties.	Splice Joints.
Philadelphia to Columbia.....	3,181	8,391	79,667	53,729	4,859
Harrisburg & Lancaster R. R.	1,234	1,289	56,397	83,253	1,107
Harrisburg to Altoona.....	4,667	7,989	168,695	78,963	7,312
Altoona to Pittsburgh	4,901	8,033	183,162	91,133	6,249
Delaware Extension.....	25	47	1,850	944	.....
E. B. & W. R. R. ....	.....	206	2,210	1,168	.....
M. & C. C. R. R.	5	37	800	146	.....
T. & C. R. R.	349	636	16,812	9,294	.....
B. E. V. R. R.	99	152	8,138	5,243	.....
Holidaysburg Branch.....	7	.....	260	1,675	.....
E. & C. R. R. ....	.....	.....	4,805	13	.....
Indiana Branch.....	369	812	7,797	7,997	.....
West Pennsylvania R. R. ....	.....	.....	900	.....	.....
Total,	14,837	22,592	530,393	278,558	19,027

12,064 tons of the iron rails were obtained from re-rolling.

The cast-steel rails laid in the yard tracks at Altoona and Pittsburgh in 1864, show scarcely any appearance of wear. Some Bessemer rails have been laid during the past season, but have not been subjected to sufficient use to enable us to express a decided opinion as to their durability.

BRIDGES.

The two spans of wooden superstructure over East Brandywine Creek, at Downingtown, have been replaced by three spans of iron Pratt trusses, with the tracks resting upon the upper chords.

At Susquehanna bridge, the ice-breakers have been repaired, and the riprapping renewed wherever necessary. A number of chord pieces, braces and angle blocks, have been replaced. A small force of carpenters is kept constantly employed inspecting and removing defective timbers as they occur.

The wooden bridge of five spans over Juniata river, at Granville, has been taken down, and two lines of iron trusses erected, upon which a single track is now laid; the third line of trusses is in progress of erection, and will be completed during next month.

Iron beams have been substituted for wooden stringers at several points between Lancaster and Harrisburg.

The wooden bridges over Juniata river have been thoroughly examined and repaired wherever necessary. Some road bridges on Pittsburgh Division have been renewed.

Stone masonry, for various purposes of renewal and construction during the year, has been built as follows:

Philadelphia Division, - . - - -	14,813	perches.
Middle " - - - - -	22,814	"
Pittsburgh " - - - - -	15,307	"
T. & C. and B. E. V. Branches, - - -	3,084	"
Total, - - - - -	<u>55,518</u>	<u>"</u>

ENGINE HOUSES AND MACHINE SHOPS.

The shop buildings at West Philadelphia, which were in progress at the date of last Report, have been completed. The engine house is under roof, and will be ready for use very soon. A brick building 227 by 109 feet, has been erected for the repair of freight cars.

The grading around the new buildings of which there has been a very large amount, is nearly completed. The roof of the old engine house has been renewed, and other repairs made.

A brick building for two engines has been erected at Paoli, to replace the frame structure destroyed by fire in February last.

A brick building 66 by 32 feet has been erected at the junction of the main and branch roads, near Middletown, for the accommodation of the engines employed on that part of the road, in Maintenance of Way service.

The following buildings have been constructed on Middle Division, viz: at Harrisburg, a freight car repair shed, 40 by 264 feet, and a temporary engine house, 42 by 264 feet; at Mifflin, an addition to boiler shop, 18 by 22 feet; at Huntingdon, a frame shop 30 by 130 feet, for car work, and a blacksmith shop 30 by 40 feet, nearly completed; at Altoona, a frame shop for repairs of freight cars, 90 by 210 feet, and a brick blacksmith shop, 60 by 274 feet; the latter not entirely finished.

On Pittsburgh Division, the following new buildings have been erected, viz: an engine house at Penn 21 by 60 feet; at East Liberty, a car shop 38 by 120 feet, and a smith shop 30 by 54 feet; houses for drying sand at Derry and Irwin's, each 14 by 30 feet; and at Pittsburgh, a temporary engine house 32 by 200 feet; a large turn-table has also been put in near the passenger station at Pittsburgh.

WOOD, WATER AND COAL STATIONS.

A reservoir 60 feet in diameter, by 16 feet in depth, has been constructed near the new shop buildings at West Philadelphia, into which water for the use of the engine house and shops will be forced by steam power.

The insufficiency of the supply of water at Downingtown for passenger engines, having been for several years a constant source of annoyance, a well has been sunk in the flat adjacent to the Brandywine creek, from which by means of a small steam engine, an abundant supply is now obtained.

The coal platform at Harrisburg has been extended a distance of 200 feet, affording increased facilities for receiving, storing and delivering coal. Two additional tubs have been put up at Millerstown. A reservoir 40 feet in diameter has been built at Lewistown, and the line of pipes extended to a higher point on the stream. The wood sheds at Lewistown, Anderson's and McVeytown have been rebuilt. Larger stand-pipes have been put up at Bixler's, Anderson's and Manayunk, by which time is saved in filling tanks. At Huntingdon, the old tub has been renewed, and an additional one of 18 feet diameter put up.

At Kittaning Point, the old pipe from the run to the reservoir has been replaced by one of larger diameter. A new Water Station has been constructed east of the Allegheny tunnel, which is supplied by running water.

The wood station at Gallitzin, and water station at Lilly's, have been rebuilt, and the capacity of the latter increased. Repairs and enlargements of water stations have been made at Conemaugh, Derry, Latrobe and Irwin's.

The coal platform and tipple at Spring Hill have been renewed and enlarged, and a new coal platform erected at Pittsburgh.

PASSENGER AND FREIGHT STATIONS.

The following have been erected during the year, viz: a brick building, 37 by 56 feet, containing ticket office and waiting rooms, at West Philadelphia; a large frame shed at Washington street wharf, for freight; a frame building at Harrisburg, 13 by 42 feet, for use of despatchers and yard clerks; one of 15 by 27 feet, at Marysville, for telegraph and despatchers' offices; and one of 16 by 22 feet, for use of car inspectors, at Huntingdon. Repairs and improvements have been made to stations at

Huntingdon, Millerstown, Newport, Newton Hamilton, and Tyrone. The large track scale at Altoona has been renewed.

At Gallitzin, a house 20 by 33 feet has been built for the accommodation of car inspectors. The old warehouse at Derry being in the way of projected sidings has been removed, and the materials used in the erection of a warehouse on the opposite side of the road. A passenger station has been built at Shady-side.

At Pittsburgh, two brick buildings, each 17 by 50 feet, have been put up for use of car-washers and inspectors; the old transfer sheds have been removed, and new sheds with commodious offices have been erected to conform to the new system of yard tracks. The new passenger station was brought into use on September 10th, and in the course of a few weeks the restaurant, dining and lodging rooms will be ready for occupation.

WORKMEN'S HOUSES.

Dwelling houses for employees have been built as follows, viz: one at Conemaugh, for foreman of shops; a double house at Derry, for two despatchers; a small house for roadman at Shadyside, as protection for passenger station; a three-storied boarding house for train men at Conemaugh, and a similar one at Brinton's.

REAL ESTATE.

The following properties have been added to the real estate of the Company, viz:

Lot on Thirtieth street, West Philadelphia.

Lot adjoining warehouse at Lancaster.

Lot for engine house and tracks at Middletown Junction.

Wood lot at Bixler's Gap, Mifflin County.

House and lot at Spruce Creek, Huntingdon County.

Lot adjoining warehouse at Hollidaysburg.

Lot for freight purposes at Johnstown.

Lot for additional sidings at Derry.

Several lots at Pittsburgh.

FUEL.

The consumption of fuel during the year was as follows :

	Cords of Wood.	Net Tons of Coal.
Philadelphia Division.....	6,707	33,870
Middle Division.....	15,797	95,847
Pittsburgh Division.....	9,284	80,738
T. & C. and B. E. V. Branches.....	765	6,240
Consumed by Locomotives.....	82,558	216,195
" at Shops, Stations, &c.....	.....	13,434
Total.....	82,558	229,629

The stock on hand December 30th, 1865, is as follows :

	Cords of Wood.	Net Tons of Coal.
Philadelphia Division.....	6,802	9,275
Middle Division.....	9,423	11,826
Pittsburgh Division.....	10,562	968
T. & C. and B. E. V. Branches.....	6,274	11
Total.....	83,061	22,080

The rolling stock in the regular service of this department, consists of 14 locomotives, 16 box cabin cars, 98 eight-wheeled trucks, 117 four-wheeled dumps, 154 hand cars, 160 hand trucks, 7 four-wheeled derrick cars, 2 four-wheeled timber

trucks, and 2 four-wheeled scaffold cars for repairing roof of tunnels. Extra engines and cars have been required occasionally during the year to assist in moving materials for purposes of construction.

BRANCH ROADS.

No extraordinary expenses have been incurred on the East Brandywine and Waynesburg road, with the exception of repairs to two small bridges injured by a freshet.

The Mifflin and Centre County Railroad was taken possession of under a lease in May last, and has from that time been worked from its connection with the Pennsylvania Railroad near Lewistown, to Reedsville, a distance of $6\frac{9}{10}$ miles. Since the charge of the road devolved upon this department, the ballasting has been completed, the track aligned and surfaced, and the bridges placed in good condition; a stock yard, water station and coal platform have been constructed, and some side tracks laid.

A considerable amount of work has been required during the year on the Tyrone and Clearfield Railroad. Cuttings have been widened, sloped and ditched; ballasting and renewal of ties and iron rails have been continued. On account of the heavy grades and sharp curvature, the light iron and hemlock cross ties used in the original construction have deteriorated rapidly, requiring close attention and frequent renewal. On parts of the road it has been found necessary to replace the 45 pound rails with others weighing 64 pounds per yard. An improvement has been made at Powelton by regrading and adjusting the track for a length of 1,800 feet. Stone foundations have been built under the trestles on the Osceola branch, which have hitherto caused much trouble by their continued settling. An extension of track for three and a-half miles beyond Osceola has been made for the Moshannon Coal Company.

The new sidings and extensions laid during the year amount to $4\frac{9}{10}$ miles in addition to those constructed for individuals and companies.

The masonry of a bridge over Bald Eagle Creek, and a culvert near Philipsburg have been rebuilt.

At Tyrone, an ice house and coal house have been erected, and the passenger platform extended. A large warehouse at Philipsburg was completed in the early part of the year.

The engine house at Tyrone has been completed with accommodation for fifteen engines, and a machine shop is in progress. One new dwelling house for road foreman has been built, and several others finished that had been occupied in an incomplete state.

The Bald Eagle Valley Railroad suffered severely from the heavy freshet of last March, a detailed report of which was made at the time. The principal damage occurred on the part between Howard and Lock Haven, the opening of which for public use, was consequently delayed longer than had been anticipated. Trains were run through to Lock Haven on May 1st, and have since continued to do so without interruption. During the year, a considerable amount of trimming, ditching and ballasting has been done. Several new sidings and extensions have been laid, amounting in the aggregate to 1 mile 3,638 feet.

Several small passenger stations have been erected, and a large passenger and freight station at Julian is nearly ready for use. A wood shed and coal platform have been constructed at Snow Shoe Junction. Two dwelling houses have been built for road foremen. The road is now in good condition, and can hereafter be kept up at moderate expense.

The Ebensburg and Cresson Railroad is maintained in good order at light cost.

Since August 1st, the West Pennsylvania Railroad, from Blairsville to the Allegheny river, a distance of 34 $\frac{3}{10}$ miles has been operated by the Pennsylvania Railroad Company. The condition of the road at the time of its being placed in charge of this department, was better than that of branch roads previously transferred, and the maintenance of way has consequently been of an ordinary character.

The grading for the Junction Railroad immediately north of Market street has been completed, and the road bed through the lands of the Pennsylvania Railroad Company is now ready for the superstructure, with the exception of a short distance through the rock cutting north of Haverford street, which will be completed in the course of a few months.

Very respectfully,

WM. HASELL WILSON,

Chief Engineer.

REPORT
OF THE
CHIEF ENGINEER
OF THE CANAL DEPARTMENT.

CANAL DEPARTMENT, PENNA. R. R. CO.

CHIEF ENGINEER'S OFFICE,

Harrisburg, January 22d, 1866.

To the President and Directors of the
Pennsylvania Railroad Company.

GENTLEMEN:—The following Annual Report for the year ending December 31st, 1865, is respectfully submitted :

The repairs and improvements were well ahead, and an early opening of the navigation last spring was anticipated, when the unprecedented floods in March, stopped all work on the Canals, and damaged them to such an extent, that it was feared for a time, boating could not be resumed during the season. About the first of March, the ice on the Susquehanna partly broke up and gorged on the Columbia Dam, and at other points below Middletown, causing the water to rise suddenly to an unusual height, doing great damage to a lock then being built at Bainbridge, and destroying much of the material delivered. These damages were speedily repaired, when on the 11th of March, there was a general break up in the river. The water became very high, and the Canal suffered still more than at the former

break up; then came the most formidable flood ever known on the Susquehanna river. It attained its maximum height on the 18th of March, rising at Harrisburg to $23\frac{1}{2}$ feet above low water, which is about five feet higher than the memorable "Pumpkin Flood" of 1794, and three feet higher than the great flood of 1846. This was the highest freshet ever known on the river, and the most destructive.

The damages to the Canal by the March freshets, were reported at length on the 27th of that month. At that time, the cost of repairing the damages, could not be estimated with any degree of accuracy, and it was uncertain when the Canals on the Susquehanna would be opened. But the repairs on most of the lines were commenced as soon as the water abated sufficiently, and were prosecuted with vigor. On the 20th of June, the water was let in at all the feeders on the Pennsylvania Canals, and by the first of July, the navigation was open from Columbia to Hollidaysburg, and boats were moving at all points. The connecting lines above, not opening for a month later, but little boating was done until in August.

The repairs of the damages caused by the spring freshet, have cost \$114,000, and although the levels were not kept as full as they were in other seasons, the Canal is now in better condition than before the freshet. The banks are rebuilt of better materials, made wider and stronger than before, and when finished, will be higher. Where most exposed, the slopes of the banks are faced with a rip rap of stones or furnace cinders, and the top of tow path is finished with a course of broken stones. The Aqueducts that were moved from the piers and abutments, are replaced and anchored to the masonry with heavy iron cables. The bridges that were carried away, are rebuilt in a more complete manner, and where practicable, are raised higher than before. The whole work is done in view of successfully resisting similar floods, should they occur again. It must not however, be supposed, that the injuries caused by these freshets are entirely repaired, and that the Canal where damaged, is now in a secure

and good condition. To complete the repairs, will require at least one year of active work, and a further expenditure of \$50,000.

In addition to the ordinary repairs and earth work, there was built, new, within the year, one Aqueduct, one Lock of double chamber, fifteen Bridge Superstructures, sixteen Bridge Abutments, three Waste Weirs, six Lock Houses, and one Juniata river Dam.

An inventory has been taken of the materials, tools, and boats and flats on hand, as follows:

Materials,	-	-	-	-	-	\$36,291 77
Tools,	-	-	-	-	-	5,054 35
Boats and Flats,	-	-	-	-	-	38,645 00
						<u>\$79,991 12</u>

The Coal trade opened briskly in the early part of August. The Lumber trade did not begin until the 6th of November, the West Branch Canal, not opening until about that time. The navigation closed on the 15th of December.

The practical boating season, was not more than half the usual length. This will appear from the following statement of receipts from all sources, by months:

In January, the receipts were	-	-	-	-	\$488 14
" February,	"	"	-	-	494 91
" March,	"	"	-	-	40 56
" April,	"	"	-	-	371 91
" May,	"	"	-	-	8,665 07
" June,	"	"	-	-	2,230 89
" July,	"	"	-	-	10,076 06
" August,	"	"	-	-	27,852 98
" September,	"	"	-	-	36,304 98
" October,	"	"	-	-	38,843 00
" November,	"	"	-	-	49,535 62
" December,	"	"	-	-	11,111 26

Total receipts for the year,	-	-	<u>\$181,015 38</u>
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The expenses for the year were \$279,843 53, being \$98,828 15 more than the receipts. \$114,000 of the amount expended were for repairs of damages caused by the March freshets.

The enlargement of the Canal was principally stopped at the beginning of the year. Only one Aqueduct and one Lock were being built new; and these with the ordinary repairs, were nearly completed during the winter. Had the freshet not occurred, and the navigation opened at the usual time, an active business would have been done on the Canals, yielding a profit no doubt of \$150,000 to \$200,000.

The total tonnage in the year was 564,862 tons.

The whole tonnage of the Canal was equal to 132,000 tons passing over the entire line.

The Coal Trade amounted to 422,805 tons, and the Lumber to 62,809 tons.

The total expenses since the Company owned the Canal, (from August 1st, 1857, to December 31st, 1865,)

have been	-	-	-	-	\$1,886,208 73
And the receipts,	-	-	-	-	\$1,882,826 72
The loss is					<u>\$3,382 01</u>

These expenses running through those eight years, have been made as follows :

For Ordinary Repairs of Canal,	-	-	-	\$547,542 78
For Transportation or Operating Expenses,	-	-	-	317,241 55
For Enlargement and Reconstruction,	-	-	-	1,021,424 40
Total,	-	-	-	<u>\$1,886,208 73</u>

The Upper and Lower Western Divisions of the Canal, 103 miles in length, extend from Johnstown to Pittsburgh. The total expenses on these Divisions from August 1st, 1857, to December 31st, 1865, were,

The receipts were,	-	-	-	-	85,295 84
The loss is					<u>\$132,160 15</u>

The Western Divisions are no longer kept up for the purposes of navigation.

The Upper Juniata Division extends from Hollidaysburg to Huntingdon Dam, a distance of 37 miles. The total expenses since the 1st of August, 1857, have been - \$301,349 78
 And the total receipts, - - - - - 28,097 24
 The loss is - - - - - \$273,252 54

The mechanical work on this Division has been nearly all rebuilt, and the Canal generally put in good repair.

The Lower Juniata Division, 90 miles long, extends from Huntingdon Dam to the Susquehanna Junction, at Duncan's Island. There has been expended on it, - - \$413,039 25
 The receipts have been, - - - - - 174,469 85
 The loss is - - - - - \$238,569 40

This Division, though in much better condition than when the Canals were operated by the State, has not been so generally improved as the other portions of the Canal east of Hollidaysburg. The Dams, Aqueducts and Bridges have mostly been rebuilt, but the greater number of the Locks have not been renewed.

The Susquehanna, or Eastern Division, extends from the Susquehanna Junction to Columbia, a distance of 46 miles. The receipts on this Division since the 1st of August, 1857, have been, - - - - - \$1,429,363 00
 To which add Incidental Receipts, - - - - - 73,167 29
 \$1,502,530 29
 From which deduct expenditures for same time, 881,173 61
 Showing a profit of - \$621,356 68

The capacity of this part of the Canal has been greatly increased, and the mechanical structures for the most part rebuilt and enlarged.

This Division of the Pennsylvania Canal is the most important link of what is now a Main Trunk Line, extending from the several coal-fields to tide-water, having on it a much larger tonnage than any of the other Canals.

In 1859, the Susquehanna Division of the Pennsylvania Canal was deepened to five feet water, and within the two or three years following the other Canals on the Susquehanna were improved in their depth, enabling boats to pass heavier laden than when the State owned the canals. The enlargement of the Locks on the Lower Juniata Division was also commenced in 1859. One lock was rebuilt in that year. The enlargement of the Locks on the Susquehanna Division, with chambers of twice their original length, was commenced in 1860. One lock was then built. From that time to the present, the work of enlarging and improving the Pennsylvania Canal, throughout its whole length, has been continued.

The plan adopted was to rebuild the locks on the Susquehanna Division, 17 by 180 feet in the chambers, and to have five feet water in the Canal. On the Lower Juniata (from the Susquehanna Junction to Huntingdon) the locks were to be enlarged to 17 by 90 feet, and to be so constructed that they may be lengthened if the business shall ever justify it. The lock walls to be of height sufficient for five feet water, and the Canal, for the present, to be four feet deep.

On the Upper Juniata (from Huntingdon to Hollidaysburg) the mechanical work being much decayed, was generally rebuilt in 1862 and 1863. The locks built new are made 17 by 90 feet in the chambers, and the new work generally will admit of five feet water in the Canal.

The masonry in the locks, aqueducts and culverts, on the Susquehanna and Lower Juniata Divisions, is cut stone, laid in hydraulic cement. The materials in the aqueduct superstructures are of the best quality, and the carpentry of first-class work. The river aqueducts, built of wood, are sided and roofed with slate. The bridges are mostly sided, and protected from

the weather. One river aqueduct and four canal bridges are built of iron.

Nine locks on the Susquehanna Division have been rebuilt with double chambers. Four of the locks have single chambers in good condition; these will only require to be lengthened to correspond with the locks built. Three locks remain to be built new with double chambers to complete the enlargement of the locks.

By reference to Statement No. 7, it will be seen that three-fourths of the mechanical structures from Columbia to Hollidaysburg have been built new or thoroughly repaired. The most expensive work—the river dams and aqueducts—have nearly all been rebuilt. Great pains have been taken in the reconstruction of the work, to make it as durable as possible.

There has been expended in deepening and enlarging the Canal, and in renewing its mechanical structures, in addition to the ordinary maintenance and operating expenses, the sum of \$922,802.

To lengthen the remaining locks on the Susquehanna

Division, and put the Canal in good repair in every	
respect, will cost,	\$150,000

And to enlarge the remaining locks on the Lower

Juniata Division, put five feet water in the Canal,	
and put it in good repair otherwise, will cost	350,000

\$500,000

The improvement and enlargement of the Pennsylvania Canal was begun, and has been continued, with the expectation that the connecting coal-carrying canals would be improved and enlarged in like manner, and that through freights would be cleared by each Company at pro rata tolls. The result is, after six years' experience, that at no time has there been a depth of water sufficient to pass a boat through with certainty, drawing more than four feet. Very little whatever has been done on the other Canals toward their thorough improvement and enlargement.

Nor have they been operated in any respect as a unit, but essentially as separate canals, with widely different rates of toll on through freight. Coal, for instance, going from the Susquehanna Junction to tide-water, is carried on the Pennsylvania Canal, 46 miles, for 23 cents per ton to Columbia; and on the Tide-Water Canal thence to Havre-de-Grace, 45 miles, it paid 64 cents per ton, being a difference of nearly two hundred per cent., which would give the Susquehanna and Tide-Water Canal Company \$150,000 on 240,000 tons of coal carried in 1865, on which the Pennsylvania Canal received only \$55,000.

It appears that on certain freights on the Pennsylvania Canal and on the West Branch and Susquehanna and Wyoming Valley Canals, the tolls are limited by law to very low specific rates, whilst on the Susquehanna and Tide-Water Canals they seem to be unlimited. There is a palpable unfairness in this disparity of tolls, and it must operate against trade on the canals. Until these differences are satisfactorily arranged between the several Companies, I would not advise a continuance of the enlargement of the Pennsylvania Canal.

The canals connecting by direct lines the great mineral regions of the Valleys of the Susquehanna and Juniata with the Chesapeake and Delaware Bays, being great highways, are, if improved and properly managed, of inestimable value to the people of Pennsylvania, and may be made permanently remunerative to the Companies owning them.

The steamboat *New Era* and Barge, owned by the Company, started with the opening of the canals, carrying coal to Baltimore, Delaware City, and New York, running without difficulty or interruptions, excepting the detentions caused by low water in the canals, and delays in waiting to be loaded and unloaded. It was found that the time consumed by these different detentions was about equal to the actual time the boats were moving.

The operation of the steamboat on the bays, rivers, and canals navigated, was satisfactory in every respect, wanting only a greater depth of water in the canals to become at once successful and profitable. There is a decided advantage in being able

to carry coal to distant points and distribute it without transshipment, or the employment of tow-boats on the bays.

One steamboat was built last spring for use on the Upper Juniata, where it has been running without interruption during the season. And I understand two additional steamboats will be put upon the canal next season.

The tabular statements annexed give in detail much valuable information not embraced in the body of this Report.

The operations on the Canal during the past year, though not resulting in a profit on the business done, have been attended with an unusual amount of labor, and I gladly acknowledge the valuable and efficient services rendered by the experienced gentlemen who are my immediate assistants. The Supervisors and Collectors, and the employees of the Company generally, in this Department, have been faithful in the discharge of their respective duties.

Very respectfully,

THOMAS T. WIERMAN,
Chief Engineer.

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 1.

Showing the Expenses, Receipts, Profit or Loss on each Division for the Year 1865.

	Miles.	EXPENSES.			TOTAL EXPENSE.	TOTAL RECEIPTS.	PROFIT.	LOSS.
		Repairs.	Enlargement.	Transportation.				
Susquehanna Division..	46	\$125,435 40	\$39,949 62	\$18,394 84	\$183,779 36	\$140,912 38	.....	\$42,866 98
Lower Juniata Division....	90	48,316 98	8,455 74	4,762 16	61,534 87	17,406 48	.....	44,128 39
Upper Juniata Division....	37	13,996 17	8,799 23	2,988 42	25,783 82	4,779 94	.....	20,963 88
Western Division.....	73	6,685 02	.....	2,110 44	8,795 46	105 00	.....	8,690 46
Incidental Receipts.....	.....	.....	.....	.....	.....	17,811 58	17,811 58	.....
Totals.....	246	\$194,438 57	\$57,204 59	\$28,205 85	\$279,843 51	\$181,015 38	\$17,811 58	\$116,639 71
Loss for the year 1865.....								17,811 58
								\$98,828 13

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 2.

Showing in Detail the Expenses of Operating the Canal for the Year 1865.

	Schenectady DIVISION.	Lower Juniata DIVISION.	Upper Juniata DIVISION.	Western DIVISION.	* Totals.
Labor.....	\$1,819 40	.....	.....	.....	\$1,819 40
Watchmen.....	16 00	.....	.....	.....	16 00
Lock-Keepers.....	4,772 65	2,006 25	1,844 02	25 00	8,707 92
Weigh-masters.....	386 96	75 00	.....	.....	411 96
Collectors.....	3,456 92	593 76	249 44	72 91	4,873 03
Stationery, Printing and Office Expenses.....	1,286 21	382 56	159 74	46 56	1,875 07
Rents and Furniture.....	227 26	38 52	19 09	9 88	294 75
Superintendence.....	1,186 96	652 67	382 55	112 66	2,334 84
Tonnage Tax,—State.....	1,035 84	321 72	148 92	.....	1,505 98
Incidentals.....	1,219 30	196 51	15 15	1,841 30	3,272 26
Drawbacks and Overcharges.....	14 04	.....	.....	.....	14 04
United States Excise Tax.....	3,523 30	485 16	119 51	2 13	4,080 10
Amounts.....	\$18,394 34.	\$4,762 15	\$2,988 42	\$2,110 44	\$28,205 35

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 3.

Showing in Detail the Maintenance of Canal Expenses for the Year 1865.

	SUSQUEHANNA DIVISION.		LOWER JUNIATA DIVISION.		UPPER JUNIATA DIVISION.		WESTERN DIVISION.	TOTAL.		AMOUNT.
	Repairs.	Enlargem't.	Repairs.	Enlargem't.	Repairs.	Enlargem't.	Repairs.	Repairs.	Enlargem't.	
Tools.....	\$1,537 29	.....	\$867 13	.....	\$386 51	.....	\$32 62	\$5,923 55	.....	\$5,923 55
Materials.....	3,921 46	.....	399 70	.....	178 46	.....	.....	3,799 87	.....	3,799 87
Repairs, Houses.....	3,082 58	.....	1,257 50	.....	254 46	.....	9 18	4,483 37	.....	4,483 37
" " Bridges.....	3,397 28	1,537 95	1,255 12	3,212 50	920 31	280 60	259 42	5,832 23	1,591 09	7,423 32
" " Locks.....	5,728 46	8,294 66	8,184 41	8,296 87	2,291 82	.....	4 17	16,208 66	21,290 23	37,498 89
" " Aqueducts.....	4,354 91	21,200 23	2,901 02	6 51	2,264 97	.....	89 13	6,560 03	4,910 32	11,470 35
" " Dams.....	927 75	4,903 81	4,190 77	.....	1,664 41	8,518 63	1 25	6,784 18	8,518 63	15,302 81
" " Culverts.....	100 34	296 70	1,031 03	57 4 91	149 78	.....	.....	1,281 15	861 31	2,142 46
" " Waste Weirs and Sluices.....	603 26	729 30	1,921 83	1,375 25	54 04	.....	.....	2,579 13	2,104 56	4,683 69
" " Slope and Vertical Wall.....	14,056 16	161 61	1,891 29	.....	7 87	.....	.....	15,945 32	161 61	16,106 93
" " Canal Bed and Banks.....	60,414 65	2,535 46	20,516 45	.....	3,309 73	.....	848 57	85,089 40	2,835 46	87,924 86
Witchmen.....	287 36	.....	103 44	.....	121 37	.....	187 79	699 96	.....	879 96
Boats and Furniture.....	8,777 02	.....	410 06	.....	407 13	.....	.....	4,594 20	.....	4,594 20
Stationery, Printing, and Office Expenses.....	398 49	.....	224 69	.....	84 79	.....	9 59	717 86	.....	717 86
Taxes and Real Estate.....	1,122 13	.....	565 63	.....	331 67	.....	186 09	2,205 52	.....	2,205 52
Superintendence.....	709 46	.....	154 91	.....	89 85	.....	131 95	1,086 20	.....	1,086 20
Incidentals.....	3,194 06	.....	2,279 41	.....	1,442 15	.....	436 66	7,392 27	.....	7,392 27
.....	15,542 74	.....	162 45	.....	27 27	.....	4,538 21	20,370 67	.....	20,370 67
Amounts.....	\$125,435 40	\$39,949 02	\$48,316 98	\$8,465 74	\$13,908 17	\$8,799 23	\$6,985 02	\$194,433 57	\$37,204 59	\$231,638 16

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 4.

Showing the Expenses, Receipts, Profit or Loss on each Division from August 1st, 1857, to December 31st, 1865.

	Miles	EXPENSES.				TOTAL EXPENSES.	TOTAL RECEIPTS.	PROFIT.	LOSS.
		Repairs.	Enlargement.	Total Maintenance.	Transport'n.				
Earnings and Expenses on all Divisions in 1857, from August 1st		\$23,511 10	26,771 92	53,283 02	19,907 08	73,190 10	92,433 50	19,243 40	.....
Susquehanna Division.....	46	258,782 16	463,814 57	722,596 73	168,576 88	881,173 61	1,423,363 00	548,189 39	.....
Lower Juniata Division.....	90	132,694 51	231,970 85	367,665 36	46,373 89	413,039 25	174,469 86	.....	233,569 40
Upper Juniata Division.....	87	52,643 61	224,017 04	276,660 65	24,689 13	301,349 78	28,007 24	.....	273,252 54
Upper Western Division.....	80	13,900 61	3,571 72	17,472 33	6,008 15	23,480 48	6,550 98	.....	16,929 50
Lower Western Division.....	73	66,010 79	65,278 30	131,289 09	62,686 42	193,975 51	78,744 86	.....	115,230 65
Incidental Receipts.....		.....	.....	.....	.....	.....	73,167 29	73,167 29	.....
Total.....	276	\$547,542 78	1,021,424 40	1,668,967 18	317,541 55	1,886,208 73	1,882,828 72	640,600 08	643,982 09
Total Loss since August 1st, 1857.....									\$3,382 01

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 5.

Showing the operating Expenses in each Year, from 1857 to 1865, inclusive.

Year.	Labor and Watchmen.	Lock-keepers.	Collectors and Weigh-masters.	Stationery, Printing, Office Expenses, Rents, Furniture and Superintendence.	Taxes, Drawbacks, and Incidentals.	Totals.
1857.	\$1,819 88	9,500 00	6,451 22	2,263 25	372 73	19,907 08
1858.	2,439 66	15,200 61	8,302 43	3,172 00	840 67	29,455 37
1859.	.....	11,048 56	7,764 27	4,048 60	12,485 88	35,347 31
1860.	84 38	10,619 63	6,765 70	3,277 81	3,356 32	24,053 84
1861.	1,183 25	9,552 46	5,772 98	4,241 89	5,256 78	26,007 36
1862.	1,372 47	9,231 21	5,566 89	3,433 67	3,777 12	23,381 36
1863.	1,796 26	9,766 74	5,792 43	3,618 12	37,987 84	58,961 39
1864.	2,014 91	12,319 86	7,035 21	5,605 57	44,056 94	71,922 49
1865.	1,335 40	8,707 92	4,784 99	4,504 66	8,872 38	28,205 35
	12,396 21	95,946 99	58,226 12	34,105 57	116,506 66	317,241 55

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 6.

Showing the Maintenance Expenses in detail, from 1857 to 1865, inclusive. Also the total Ordinary Repair Expenses separately from the Enlargement Expenses.

YEAR.	Aqueducts.	Bridges.	Boats, Poles, Tools and Workmen.	Canal Banks.	Culverts.	Dams.	Houses.	Incidentals.	Locks.	Material.	Slope and Vertical Wall.	Taxes and Real Estate.	Waste Wires and Stakes.	Stationery, Printing, Rent, Furniture and Supplimentence.
1857.	\$2,000 00	0 00	1,850 00	10,000 00	200 00	18,183 02	550 00	.....	5,500 00	.....	500 00	200 00	800 00	4,500 00
1858.	7,320 50	12,560 27	6,293 46	17,865 62	555 83	30,216 00	1,073 48	629 69	9,989 90	.....	866 61	383 83	804 67	8,112 14
1859.	13,280 83	32,515 43	10,768 10	36,581 89	360 23	6,996 10	2,301 95	1,101 62	25,317 33	.....	1,605 62	325 34	1,602 26	7,163 97
1860.	17,791 63	8,562 36	4,826 29	14,885 81	1,925 87	7,804 30	3,629 64	3,420 91	61,984 21	.....	7,350 77	629 60	1,363 51	5,908 89
1861.	40,416 74	8,893 50	3,809 73	18,038 90	3,063 64	9,829 62	5,018 20	1,771 66	23,240 77	.....	3,176 09	2,331 39	3,728 68	4,230 40
1862.	39,703 72	12,862 07	10,071 69	16,747 42	1,131 09	52,713 35	7,028 25	3,319 01	100,344 84	.....	2,432 97	1,205 25	4,850 38	6,450 59
1863.	62,749 63	22,196 71	14,412 64	21,800 14	595 75	9,882 40	8,117 13	2,462 90	157,556 78	.....	1,435 06	943 45	2,696 23	8,754 23
1864.	42,253 54	16,034 25	25,483 31	30,970 63	2,143 90	4,958 13	8,774 40	4,404 20	73,183 94	.....	4,008 89	3,750 19	4,209 37	9,685 33
1865.	14,970 30	17,653 66	11,117 71	8,324 86	2,142 46	15,552 81	9,704 42	20,270 67	36,909 09	1,781 57	16,516 93	1,086 30	4,083 78	10,286 65
	\$20,495 89	14,450 25	87,292 83	253,829 37	12,062 77	136,126 12	44,805 58	37,389 56	486,141 92	1,781 57	38,170 96	10,670 25	24,298 71	65,021 40
Ordinary Repair Expense	21,446 65	14,165 87	56,792 70	155,704 14	2,605 93	25,575 41	9,110 97	22,270 67	27,017 19	1,781 57	17,019 67	5,470 25	4,769 02	57,463 72
Enlargement "	209,049 24	126,064 38	30,500 13	98,065 23	9,456 84	110,150 71	35,744 61	15,118 89	459,124 73	.....	21,151 29	5,200 00	19,529 69	27,568 68
Total.....	\$230,495 89	140,520 25	87,292 83	253,829 37	12,062 77	136,126 12	44,855 58	37,389 56	486,141 92	1,781 57	38,170 96	10,670 25	24,298 71	65,021 40

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 7.

Giving the Whole Number of Mechanical Structures on the Canal, (Susquehanna and Juniata Divisions,) and showing the number of each kind rebuilt or thoroughly repaired, and now in good condition. Also the number that have not been renewed.

NAMES OF STRUCTURES.	Total Number of Structures.	Built new and in Number Good Condition.	Number Not rebuilt or Thoroughly Repaired.
Juniata River, Aqueducts, Superstructure.....	7	6	1
Aqueducts over Creeks.....	29	16	13
Juniata River Aqueduct, Piers and Abutments....	7	6	1
Susquehanna River Bridges.....	1	1	...
Juniata River Bridges.....	5	5	...
Farm and Road Bridges,—Superstructures.....	242	177	65
“ “ “ Abutments.....	242	216	26
Rope Ferries.....	2	2	...
Susquehanna River Dams.....	1	1	...
Juniata River Dams.....	18	16	2
Dams on Creeks.....	2	2	...
Culverts.....	78	51	27
Lift and Guard Locks.....	109	75	34
Weigh Locks.....	3	1	2
Guard Gates.....	2	2	...
Foreman's Houses.....	4	4	...
Tenant Houses.....	2	2	...
Collectors' Houses and Offices.....	8	7	1
Lock-Houses.....	75	40	35
Machine and Smith-Shops.....	1	1	...
Carpenter-Shops.....	2	2	...
Ferry Houses.....	2	2	...
Stables.....	4	4	...
Tool Houses.....	4	4	...
	879	659	220

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT No. 8.

Showing the Tons of Coal carried over the Pennsylvania Canal in 1865, from the several coal regions, and the points where Shipped from and to.

WHERE SHIPPED FROM	WHERE SHIPPED TO												Totals
	New York.	Philadelphia.	Baltimore.	Haute de Grace.	Delaware City.	Columbia.	Middletown.	Harrisburg.	Lebanon.	Wyoming Canal.	W. B. Canal.	Points on Juniata Division.	
N. Branch Canal .....	.....	.....	7,611	2,782	400	101	.....	4,652	180	.....	.....	650	16,556
Wyoming Canal	198	.....	93,278	40,966	3,583	73,244	6,981	10,824	2,644	.....	.....	17,693	249,401
Shamokin Region.....	.....	.....	10,154	11,041	3,093	4,766	.....	773	.....	.....	.....	3,238	33,055
Trearton.....	.....	.....	2,003	952	.....	2,083	695	3,442	1,638	.....	.....	411	11,724
Lykens Valley .....	.....	.....	32,101	7,890	24,418	9,953	2,535	16,039	.....	.....	.....	3,356	97,382
Huntingdon.....	.....	2,241	.....	459	.....	668	.....	.....	1,040	968	.....	2,356	7,732
Holidaysburg.....	.....	613	.....	.....	.....	1,511	.....	.....	193	.....	548	4,090	6,955
Totals.....	198	2,854	146,227	64,080	31,584	93,006	10,111	35,730	5,695	968	548	31,794	422,805

ANNUAL REPORT, 1865. CANAL DEPARTMENT.—STATEMENT NO. 9.

Showing the Tons of LUMBER carried over the Pennsylvania Canal in 1865, and the points where Shipped to and from.

WHERE SHIPPED FROM.	WHERE SHIPPED TO.									TOTALS.
	Philadelphia.	Baltimore.	Havre de Grace.	Columbia.	Middletown.	Harrisburg.	Reading.	Lebanon.	Points on Lower Juniata Division, Pa. Canal.	
Points on —	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
North Branch Canal.....	1,396	172	.....	.....	.....	.....	.....	.....	.....	1,668
West Branch and Susquehanna Canal.....	26,368	13,373	2,766	3,115	213	2,818	1,355	778	91	50,877
Susquehanna Division, Penn. Canal.....	8,773	.....	.....	3,905	.....	1,349	.....	.....	.....	9,027
Lower Juniata ".....	78	802	.....	.....	.....	832	.....	.....	.....	1,212
Upper Juniata ".....	.....	.....	.....	.....	.....	.....	.....	.....	125	125
Totals.....	31,616	13,847	2,766	7,020	213	4,999	1,355	778	216	62,809

ANNUAL REPORT, 1865.
CANAL DEPARTMENT.—STATEMENT No. 10.
Showing Tons and Mileage of Freight in 1865.
LENGTH OF CANAL, 173 MILES.

	Tons.	Mileage.
Through Freight Eastward.....	610	105,530
“ “ Westward.....	.....	.....
Local Freight Eastward.....	486,405	20,456,044
“ “ Westward	77,811	2,209,700
	564,826	22,771,274

SUSQUEHANNA DIVISION, 46 MILES.

	Tons.	Mileage.
Through Freight Eastward.....	304,779	14,119,658
“ “ Westward.....	6,209	285,614
Local Freight Eastward.....	155,823	5,107,569
“ “ Westward.....	87,250	420,373
	504,061	19,933,214

JUNIATA DIVISIONS, 127 MILES.

	Tons.	Mileage.
Through Freight Eastward.....	1,884	236,149
“ “ Westward.....	698	89,344
Local Freight Eastward.....	24,529	1,024,931
“ “ Westward.....	33,654	1,487,636
	60,765	2,838,060

ANNUAL REPORT, 1865.

CANAL DEPARTMENT.—STATEMENT No. 11.

Showing the amount of Enlargement Expenses in each Year, from 1858 to 1865 inclusive, on the Susquehanna and Juniata Divisions, respectively.

	Susquehanna Division, Penn. Canal.	Lower Juniata Division. Penn. Canal.	Upper Juniata Division, Penn. Canal.	TOTAL.
1858.	\$23,162 65	13,949 01	10,800 78	\$ 47,912 44
1859.	67,714 10	19,726 29	5,660 07	93,100 46
1860.	69,421 70	22,958 91	2,567 40	94,948 07
1861.	43,364 55	24,655 89	2,892 97	70,412 91
1862.	47,659 07	41,804 46	100,250 33	189,713 86
1863.	108,512 83	54,468 24	83,788 00	241,764 07
1864.	69,030 05	48,952 81	9,763 20	127,746 06
1865.	39,949 62	8,455 74	8,799 23	57,204 59
	\$463,814 57	234,970 85	224,017 04	\$922,802 46

REPORT OF THE AUDITOR.

ACCOUNTING DEPARTMENT, PENNSYLVANIA R. R. CO.
Philadelphia, January 1, 1866.

To the President and Directors
of the Pennsylvania Railroad Company.

GENTLEMEN:—I herewith submit Statements containing statistical information furnished from the records in this Department. They exhibit in detail the operations of the Transportation Department of the Pennsylvania Railroad, of the Philadelphia and Erie Railroad, and of the Canal owned by this Company, for the year ending December 31, 1865.

Very respectfully,

SAMUEL G. LEWIS.

Auditor.

**MEMORANDUM EXHIBIT OF THE EARNINGS AND EXPENSES, &c.,
OF THE ROAD FOR 1865.**

Total Earnings for 1865:

From Transportation of Freights and Tolls	
from Individual Cars, - - -	\$11,193,565 37
From First Class Passeng's including U. S. Tax,	4,055,872 06
" Emigrants, including U. S. Tax, - -	118,320 81
" Adams' Express, (Regular,) - - -	113,410 00
" " " (Extra,) - - -	370,313 85
" Carrying U. S. Mails, - - -	80,130 55
" " Government Troops, (including	
U. S. Tax,) - - -	1,278,844 60
" Rent from Workmen's and other Houses,	51,617 93
" Sundry Sources, - - -	197,094 32
	<hr/>
	\$17,459,169 49

The Total Expenses are as follows, viz:

Motive Power,	
Ordinary, - - -	\$3,268,957 76
New Locomotives, -	1,434,561 03
New Tools and Mach'y, -	111,394 61
	<hr/>
	4,814,913 40
Conducting Transportation,	
Ordinary, - - -	3,490,847 07
New Build'gs, & Exten's, -	245,439 02
	<hr/>
	3,736,286 09
Maintenance of Way,	
Ordinary, - - -	2,625,520 35
Extension of Second	
Track and Siding, -	269,575 97
	<hr/>
	2,895,096 32
Maintenance of Cars,	
Ordinary, - - -	*1,330,467 52
New Freight Cars, -	146,403 56
New Passenger Cars, -	180,754 31
	<hr/>
	1,657,625 39
General Expenses, *	
Ordinary, - - -	166,137 34
	<hr/>
Making Total Expenses, -	13,270,058 54
Net Earnings to balance, -	4,189,110 95
	<hr/>
	\$17,459,169 49

* This includes \$62,148 49 expended in repairs of cars in use on the Philadelphia and Erie Railroad.

And showing the following Transportation Balance Sheet:
DR.

To amount of Stock on hand, Jan'y 1, 1865, -	\$1,277,380	52
Do Bills during 1865, - - -	11,951,660	68
Do Pay Rolls during 1865, - - -	5,123,615	73
	<u>\$18,352,656</u>	<u>98</u>

CR.

By amount of Expenditures in the following Departments, viz:

Motive Power, - - - - -	\$4,814,913	40
Conducting Transportation, - - - - -	3,736,286	09
Maintenance of Way, - - - - -	2,895,096	32
Maintenance of Cars, - - - - -	1,657,625	39
General Expenses, - - - - -	166,137	34
Cost of Construction and Equipment of Road,	3,250,322	00
Individuals and Companies, (Gen'l Supt's Acc't,) -	369,720	95
Road and Shop Stock on hand, Jan'y 1, 1866,	1,462,555	44
	<u>\$18,352,656</u>	<u>98</u>

The Receipts and Expenditures of the Transportation Department of the Philadelphia and Erie Railroad, by the Pennsylvania Railroad Company, (Lessee,) for the year 1865, are as follows:

RECEIPTS.

From Freights and Tolls on Individual Cars, -	\$1,083,925	31
" Passengers - - - - -	828,590	21
" Expresses, - - - - -	26,887	20
" United States Mails, - - - - -	19,085	61
" Government Troops, - - - - -	94,451	46
" Sundry Sources, - - - - -	21,201	00
Total Receipts, - - - - -	\$2,074,140	79
Excess of Expenses to balance, - - - - -	283,274	36
	<u>\$2,357,415</u>	<u>15</u>

EXPENDITURES.

Conducting Transportation, (including 30 per cent. to Philadelphia and Erie Railroad Company,) \$1,148,880 61	
Motive Power, - - - - -	562,648 89
Maintenance of Cars, - - - - -	*18,835 56
Maintenance of Way, - - - - -	627,050 09
Total Expenditures, - - -	<u>\$2,357,415 15</u>

The details of the above show the Earnings and Expenses due the Philadelphia and Erie Railroad for 1865, as follows, viz :

Total Receipts, - - - - -	\$2,074,140 79
Less Amount received on account of Individuals' and Company's Expenditures, "account of 1862," \$4,690 53	
Less Drawbacks and Overcharges refunded, - - - - -	12,654 87
	<u>17,345 40</u>
Leaving Earnings proper Philad'a & Erie R. R.,	<u>\$2,056,795 39</u>

TOTAL EXPENDITURES.

Conducting Transportation, \$1,148,880 61	
Less 30 per cent. to Phila. and Erie Railroad, \$598,708 00	
Less Drawbacks and Over charges, 12,654 37	
	<u>611,362 87</u>
	\$537,517 74
Motive Power, - - - - -	562,648 89
Maintenance of Cars., - - - - -	18,835 56
Maintenance of Way, - - - - -	627,050 09
Working Expenses, - - -	<u>\$1,746,052 28</u>

* NOTE.—In addition to this amount, \$62,148 49 was expended by the Pennsylvania Railroad Company, for repairs to the cars in use on the Philadelphia and Erie Railroad, and is included in the expenses of Conducting Transportation.

The Balance Sheet for the Philadelphia and Erie Railroad for 1865, is as follows, viz :

Dr.

To amount of Stock on hand Jan'y 1, 1865,	-	\$510,568	62
Do Bills during 1865,	- - -	1,353,320	00
Do Pay Rolls during 1865,	- - -	1,937,933	56
		<u>\$3,801,822</u>	<u>18</u>

Cr.

By amount of Expenditures in the following Departments, viz :			
Conducting Transportation,	- - - -	\$1,148,880	61
Motive Power,	- - - -	562,648	89
Maintenance of Cars,	- - - -	18,835	56
Maintenance of Way,	- - - -	627,050	09
Road and Shop Stock on hand Jan'y 1, 1866,		481,502	23
Individual and Companies, General Manager's Account,	- - - -	962,904	80
		<u>\$3,801,822</u>	<u>18</u>

Earnings and Expenses of the Main Line of Pennsylvania Canal for the year 1865, viz :

To amount of Tolls on Lading,	- - -	\$132,632	98
Do do Boats,	- - -	17,055	33
Do do at Outlet Lock, Columbia,	-	7,836	00
Do do do Middletown,		1,768	07
Do Bridge Tolls and Ferriages,	-	3,911	42
Do from Miscellaneous Sources,	-	17,811	58
		<u>\$181,015</u>	<u>38</u>

By Amount of Expenses in			
Maintenance of Canal Department,	-	-	- \$251,688 16
Canal Transportation Department,	-	-	- 28,205 35
			<hr/>
			\$279,843 51
			<hr/>

Showing an excess in the Expenses of \$98,828 13.

The amount charged to Extraordinary Repairs and Enlargement of the Canal during the year 1865, was \$57,204 59.

CANAL STATEMENT No. 1.

Showing in Detail the Expenses of Canal Department for the Year ending December 31st, 1865.

HEADS OF ACCOUNTS.	MAINTENANCE OF CANALS.		Canal Transportation.	TOTALS.
	Repairs.	Enlargem't.		
Aqueducts.....	\$9,560 08	\$4,910 32		\$14,470 85
Boats and Flats.....	4,594 20			4,594 20
Bridges.....	5,832 28	11,581 48		17,413 66
Canal Bed and Banks.....	85,089 40	2,835 46		87,924 86
Collectors.....			\$4,378 03	4,378 03
Culverts.....	1,281 15	861 81		2,142 46
Dams.....	6,784 18	8,518 63		15,302 81
Drawbacks and Overcharges.....			14 04	14 04
Houses.....	4,583 87	5,031 05		9,614 42
Incidentals.....	20,270 67		3,272 26	23,542 93
Labor.....			1,319 40	1,319 40
Lock Keepers.....			8,707 92	8,707 92
Locks.....	16,208 86	21,200 23		37,409 09
Materials.....	3,799 67			3,799 67
Rents and Furniture.....	717 86		294 75	1,012 61
Slope and Vertical Walls.....	15,955 32	161 61		16,116 93
Stationery and Printing, and Office Expenses.....	2,205 52		1,975 07	4,080 59
Superintendence.....	7,362 27		2,334 84	9,697 11
Taxes and Real Estate.....	1,086 20			1,086 20
Tools.....	5,823 55			5,823 55
Waste Wiers and Sluices.....	2,579 13	2,104 55		4,683 68
Watchmen.....	699 96		16 00	715 96
Weigh-Masters.....			411 96	411 96
United States Excise Tax.....			4,080 10	4,080 10
State Tonnage Tax.....			1,505 98	1,505 98
	\$194,433 67	\$57,204 59	\$28,205 35	\$279,843 51

CANAL STATEMENT No. 2.

Showing in Detail the Earnings of Canal Department for the Year ending December 31st, 1865.

FROM COLLECTOR'S OFFICE AT	AMOUNTS.	
Columbia.....	\$18,446	68
Middletown.....	9,614	61
" Outlet Lock.....	189	35
Harrisburg.....	112,175	20
Clark's Ferry Bridge.....	2,099	69
Junction.....	9,048	94
Lewistown.....	2,097	61
Huntingdon.....	6,480	14
Holiday-burg.....	4,919	68
Johnstown.....		
Blairsville.....		
Freeport.....		
Freeport Aqueduct.....	105	60
Pittsburgh.....	17,811	68
Sundry Sources.....		
	\$181,015	33

ANNUAL REPORT, 1865. ACCOUNTING DEPARTMENT—STATEMENT No. 1.
General Exhibit of Earnings and Expenses of the Pennsylvania Railroad Company, for the Year ending December 31st. Cr.

1865.	Dolla. Cts.	Dolla. Cts.	1865. BY AMOUNT OF EXPENSES IN	PASSENGER.	FREIGHT.	TOTALS.
TO AMOUNT OF EARNINGS FROM			Conducting Transportation, Passenger.....	\$907,755 22		
Freight at Stations, including Tolls on Individual Cars.....		11,103,565 37	Conducting Transportation, Freight.....		\$2,515,091 85	\$3,400,847 07
			Conducting Transportation, Freight, New Buildings and Extensions.....	151,720 85	93,718 17	245,439 02
			Motive Power, Passenger.....	712,775 36		
			Motive Power, Freight.....		2,556,182 40	
First Class Passengers.....	4,055,872 06		Motive Power, New Locomotives.....	430,368 31	1,004,192 72	3,298,957 76
Emigrant Passengers.....	118,320 81		Motive Power, Tools and Machinery.....	33,418 39	77,976 22	1,434,961 08
Express, regular.....	113,410 00		Maintenance of Cars, Passenger.....	366,638 11		111,394 61
Express, additional.....	870,313 85		Maintenance of Cars, Freight.....		963,829 41	
Carrying United States Mails.....	80,130 55		Maintenance of Cars, New Cars.....	98,147 85	229,010 51	1,330,487 52
Government Troops.....	1,278,844 60		Maintenance of Way, Passenger.....	787,645 16		827,187 87
		6,016,891 87	Maintenance of Way, Freight.....		1,837,875 19	2,625,520 35
Rents.....	51,617 93		Maintenance of Way, Extension of Second Track and Sidings.....	80,872 79	188,703 18	269,575 97
			General Expenses, Passenger.....	49,650 32		
			General Expenses, Freight.....		116,487 02	166,187 34
Sundry Sources.....	197,994 32		Total.....	3,687,193 75	9,582,864 79	13,270,058 54
		248,712 25	By amount of net proceeds to balance.....			4,199,110 95
		17,469,169 49				\$17,469,169 49

STATEMENT No. 2.—EARNINGS AND EXPENSES FOR 1865.

Condensed Exhibit of Earnings and Expenses, together with Net Earnings for each month during the year.

MONTHS.	GROSS EARNINGS.	EXPENSES.	NET EARNINGS.
January.....	\$1,183,889 62	\$1,072,717 89	\$111,171 73
February.....	1,029,029 85	909,188 80	119,841 05
March.....	1,465,332 09	986,478 25	479,853 84
April.....	1,620,920 33	1,099,120 02	521,800 31
May.....	1,485,811 46	1,054,330 60	331,480 86
June.....	1,321,399 35	1,207,251 57	114,647 78
July.....	1,501,203 50	1,038,907 24	462,296 26
August.....	1,652,757 97	1,036,406 80	616,351 17
September.....	1,734,143 65	1,086,048 08	648,095 57
October.....	1,583,990 96	1,182,960 75	401,030 21
November.....	1,468,521 25	1,191,362 12	277,159 13
December.....	1,461,169 46	1,405,286 42	55,883 04
Totals.....	\$17,459,169 49	\$13,270,068 54	\$4,189,110 95

STATEMENT NO. 3.

GENERAL STATEMENT OF EARNINGS FOR THE YEAR 1865.

CLASS.	JANUARY.	FEBRUARY.	MARCH.	APRIL.	MAY.	JUNE.	JULY.	AUGUST.	SEPTEMBER.	OCTOBER.	NOVEMBER.	DECEMBER.	TOTALS.
<i>Freight Earnings.</i>													
Freight at Stations, including Tolls on Individual Cars,	\$332,390 72	\$706,031 04	\$590,432 13	\$1,075,244 32	\$906,576 83	\$738,411 26	\$892,879 10	\$1,057,140 59	\$1,077,626 23	\$1,086,864 53	\$1,060,592 11	\$924,386 47	\$11,198,566 87
Total Freight Earnings,	\$332,390 72	\$706,031 04	\$590,432 13	\$1,075,244 32	\$906,576 83	\$738,411 26	\$892,879 10	\$1,057,140 59	\$1,077,626 23	\$1,086,864 53	\$1,060,592 11	\$924,386 47	\$11,198,566 87
<i>Passenger Earnings.</i>													
First Class Passengers,	\$180,700 84	\$377,764 85	\$376,774 82	\$372,062 87	\$350,548 02	\$365,360 84	\$410,097 04	\$404,287 56	\$373,318 11	\$454,068 32	\$394,068 43	\$375,929 43	\$4,065,972 08
Second Class Passengers,	8,453 00	5,965 10	6,492 72	6,013 00	13,235 80	12,448 39	1,753 00	14,825 00	18,299 60	10,576 67	12,446 00	14,116 00	118,510 00
Children & C. R. Passengers,	36,763 57	19,398 31	22,996 44	22,303 53	27,319 83	37,069 03	58,247 05	24,826 87	35,246 03	6,500 00	62,765 82	59,207 50	370,313 85
United States Mails,	6,546 19	6,543 79	6,547 40	6,544 99	6,547 39	6,546 78	6,748 32	6,748 32	6,748 33	6,821 23	6,894 15	6,894 16	50,130 55
Government Troops,	18,771 04	55 00	55,677 51	167,396 76	115,136 30	177,553 02	187,097 70	128,766 11	193,475 38	142,902 15	21,802 82	170,701 81	1,778,544 60
Total Passenger Earnings,	\$332,611 81	\$375,210 97	\$475,213 39	\$537,498 40	\$514,421 19	\$555,383 56	\$690,201 69	\$538,564 77	\$626,477 43	\$631,578 37	\$594,319 16	\$608,611 78	\$6,016,891 87
<i>Miscellaneous Earnings.</i>													
Rent,	\$6,619 63	\$3,923 79	\$2,437 66	\$4,590 21	\$3,553 94	\$4,899 87	\$2,499 77	\$4,681 79	\$1,728 65	\$5,350 06	\$2,005 30	\$5,688 21	\$51,617 58
Sundry Sources,	12,237 41	5,864 60	7,738 86	6,897 40	11,259 50	23,314 66	18,683 94	3,481 87	30,581 36	30,178 05	21,004 66	97,438 00	197,094 22
Total Miscellaneous Earnings,	\$18,857 09	\$9,788 39	\$10,176 52	\$11,487 61	\$14,813 44	\$28,204 53	\$18,123 71	\$10,113 16	\$33,090 00	\$35,528 11	\$23,009 96	\$143,171 21	\$248,712 80
Total Earnings from all sources,	\$1,183,859 62	\$1,090,929 85	\$1,465,832 09	\$1,620,920 25	\$1,435,811 46	\$1,371,899 35	\$1,501,203 50	\$1,632,757 87	\$1,744,143 65	\$1,658,990 96	\$1,468,531 25	\$1,461,189 46	\$17,459,189 49

STATEMENT No. 4.—CONDENSED EXHIBIT OF MONTHLY EXPENSES.

CONDUCTING TRANSPORTATION, MOTIVE POWER, MAINTENANCE OF CARS, MAINTENANCE OF WAY, AND GENERAL EXPENSES FOR 1885.

1885.	MONTH.	CONDUCTING TRANSPORTATION.			MOTIVE POWER.			MAINTENANCE OF CARS.			MAINTENANCE OF WAY.			GENERAL EXPENSES.			TOTALS.
		Passenger.	Freight.	Total.	Passenger.	Freight.	Total.	Passenger.	Freight.	Total.	Passenger.	Freight.	Total.	Passenger.	Freight.	Total.	
	January, -	\$78,855 11	\$342,447 35	\$421,402 47	\$84,574 01	\$303,369 06	\$387,943 10	\$31,750 38	\$92,191 87	\$123,942 25	\$46,057 65	\$107,479 91	\$153,547 56	\$4,988 95	\$11,637 68	\$16,626 78	\$873,707 19
	February, -	69,746 05	181,938 82	251,684 87	55,127 80	177,170 36	232,298 16	36,011 53	89,981 31	125,992 84	35,636 36	83,129 53	118,754 88	2,600 51	6,676 65	9,277 16	710,176 10
	March, -	71,781 45	190,186 17	261,967 62	57,003 75	180,287 04	237,290 79	36,000 00	54,806 33	90,806 33	49,075 74	114,510 42	163,586 16	6,474 57	15,107 47	21,582 04	787,467 54
	April, -	87,500 14	252,714 29	340,214 43	48,457 02	177,004 08	225,461 05	25,755 97	51,439 88	77,195 85	73,354 87	171,103 00	244,516 87	2,916 20	6,804 90	9,721 10	900,109 31
	May, -	83,831 09	192,836 67	276,667 76	61,363 25	186,973 51	248,336 76	39,516 33	74,976 63	114,492 96	64,044 71	149,437 70	213,482 41	3,101 74	7,237 47	10,339 21	855,319 89
	June, -	79,543 35	222,670 40	302,213 75	51,213 99	180,687 01	231,901 00	35,972 19	78,029 88	114,002 06	58,867 45	137,404 06	196,291 51	4,754 24	11,083 30	15,837 54	1,003,240 86
	July, -	76,217 56	196,525 27	272,742 83	50,117 10	175,974 62	226,091 72	32,711 30	47,013 84	79,725 04	76,060 02	177,473 39	253,533 41	2,685 20	6,148 93	8,834 13	838,396 53
	August, -	78,418 63	194,707 17	273,125 80	53,480 27	190,407 07	243,887 34	27,535 82	52,964 96	80,500 78	69,135 01	161,421 30	230,603 31	2,812 15	6,561 09	9,373 24	837,396 09
	September, -	85,697 13	207,430 41	293,127 54	50,307 51	190,691 51	240,999 02	21,977 35	41,520 83	63,598 18	64,070 63	196,164 81	280,235 44	2,786 15	6,501 04	9,287 19	867,037 87
	October, -	83,265 60	184,064 16	267,329 76	62,396 23	207,613 83	269,999 21	25,298 87	74,594 30	99,893 17	72,428 30	168,962 33	241,417 63	3,105 77	7,246 80	10,352 57	903,950 04
	November, -	80,146 80	208,796 91	288,943 71	61,842 56	216,038 91	277,881 50	24,309 55	144,327 04	168,636 59	74,219 21	173,179 63	247,398 84	2,910 23	6,790 54	9,700 77	992,351 41
	December, -	110,646 70	296,765 06	407,411 76	126,046 67	317,992 04	444,038 71	33,810 35	169,872 61	203,682 96	84,447 18	197,510 12	282,157 30	10,486 49	24,459 52	34,945 01	1,206,275 71
	Totals, -	875,765 23	2,513,001 85	3,388,767 07	713,778 86	2,556 182 40	3,269,961 26	366,638 11	963,529 41	1,330,167 52	767,656 16	1,837,984 19	2,623,530 35	49,841 20	116,296 14	166,137 34	10,581,980 04
	Am'ts transferred to expenses,	151,726 85	96,718 17	248,445 02	468,798 69	1,062,168 95	1,530,967 64	96,147 36	229,010 51	325,157 87	80,573 79	188,703 18	269,375 97				2,368,136 50
	Totals, -	1,127,476 07	2,609,810 02	3,736,286 09	1,176,693 05	3,638,351 35	4,801,918 40	464,785 47	1,192,539 92	1,655,315 39	868,229 95	2,026,567 37	2,892,906 32				13,270,068 54

ANNUAL REPORT, 1865.

ACCOUNTING DEPARTMENT—STATEMENT No. 5.

Expenses of the Transportation Department, Pennsylvania Railroad Company, for the year ending December 31st, 1865.

HEADS OF ACCOUNTS.	CONDUCTING TRANSPORTATION.		MOTIVE POWER.		MAINTENANCE OF CARS.		MAINTENANCE OF WAY.		GENERAL EXPENSES.		TOTALS.
	Passenger.	Freight.	Passenger.	Freight.	Passenger.	Freight.	Passenger.	Freight.	Passenger.	Freight.	
Advertising.....		\$5,382 71							1,186 66	2,768 87	\$13,490 27
Agents.....	\$4,152 03										66,942 59
Attendants.....	23,474 40	43,408 19							1,116 00	2,604 00	3,720 00
Baggage Men-bers.....											36,935 17
Ballast.....	38,935 17						47,444 63	110,704 13			158,148 76
Brakemen.....	50,600 18	400,911 52					66,181 08	164,422 58			451,511 70
Buildings, repairs of.....											220,603 61
Car Furniture and Fixtures.....	39,427 74	41,927 27			28,977 43	67,614 00					81,835 01
Car Shops and Sheds, repairs of.....											90,691 43
Car Service.....	6,098 50	21,095 81									30,194 31
Cars, cleaning and inspecting.....	54,447 69	44,708 93			1,594 89	3,721 40					99,216 62
Cars, repairs of Ballast and Wood.....											6,316 29
Cars, repairs of Freight.....					329,991 96	878,321 93					878,321 93
Cars, repairs of Passenger and Baggage.....							3,159 96	7,373 23			10,533 19
Cars, Road and Hand.....							19,263 07	44,851 83			64,216 90
Chairs.....							2,250 30	27,635 02	11,843 58		205,625 30
Clerks.....	30,672 18	127,973 53									597,232 13
Coal.....			95,176 38	502,055 76							183,771 62
Conductors.....	61,659 66	182,111 96									46,200 17
Cotton Waste.....			11,032 08	35,168 06			66,573 21	156,037 48			222,910 69
Cross Ties.....											76,899 96
Dispatchers.....	15,977 98	59,391 98									237,714 09
Drawbacks and Overcharges.....	3,569 49	234,144 60									405,609 07
Engineers and Firemen.....											284,861 95
Eng. Houses, Machine Shops & Turn Tables, repairs of.....			87,130 88	818,638 19							29,001 77
Expenses of Stations, except Labor.....	6,464 00	22,537 77			76,308 59	178,053 36					3,855 19
Expenses of Grain Elevator.....		3,855 19					2,786 70	6,499 96			9,286 66
Expenses on Property.....											219,798 89
Foreign Agencies.....	116,161 26	104,617 03					9,242 18	21,555 08			30,807 26
Foremen and Watch Houses, repairs of.....							17,730 22	41,370 74			59,100 74
Frogs.....											

STATEMENT NO. 5—Continued.

HEADS OF ACCOUNTS.	CONDUCTING TRANSPORTATION.		MOTIVE POWER.		MAINTENANCE OF CARS.		MAINTENANCE OF WAY.		GENERAL EXPENSE.		TOTALS.
	Passenger.	Freight.	Passenger.	Freight.	Passenger.	Freight.	Passenger.	Freight.	Passenger.	Freight.	
Amounts brought forward.....	\$960,041 62	2,448,279 20	641,404 68	2,353,851 98	66,638 11	890,829 41	802,377 16	1,405,548 09	49,841 20	116,298 14	3,371,951 75
Tolls, Philadelphia City Railroad.....	433 68	6,300 06									6,733 74
Tolls, Phila. Wilm's and Balt. R. R.....		23,906 06									23,906 06
Tolls, Tyone and Clearfield R. R.....	6,550 60	14,918 83									20,469 43
Tolls, W Ches and Phila. R. R. (via Media).....	6,211 15	16,049 56									22,260 70
Tolls, Western Pennsylvania R. R.....	8,418 17	9,406 96									17,825 12
Track, Labor Repairing.....											461,809 43
Tolls, Pittsburgh, Columbus and Cinnc. Line.		6,231 40									6,231 40
Watmen.....			3,917 12	9,139 93							12,057 05
Water, Wood, and Coal Stations, repairs of.....			28,370 95	66,198 73							94,569 68
Do do do expenses of.....			7,764 57	18,093 96							25,858 53
Wood, and Labor preparing Wood.....			31,328 04	108,897 77							140,225 81
Extension of Stations, &c.....											245,439 02
Extension of Double Track and Sidings.....	151,720 86	93,718 17									245,439 02
New Locomotives.....			430,368 31	1,004,192 72							1,434,561 03
New Tools and Machinery.....			83,418 39	77,976 22							161,394 61
New Freight Cars.....											229,010 51
New Passenger Cars.....											98,147 36
Totals.....	1,127,476 07	2,608,810 02	1,176,682 06	8,638,351 84	464,785 47	1,119,839 92	808,628 95	2,026,507 37	49,841 20	116,298 14	13,270,068 54

RECAPITULATION.

	PASSENGER.	FREIGHT.	TOTALS.
Conducting Transportation.....	\$1,127,476 07	\$2,608,810 02	\$3,736,286 09
Motive Power.....	1,176,682 06	3,698,361 84	4,874,913 40
Maintenance of Cars.....	464,785 47	1,192,839 92	1,657,625 39
Maintenance of Way.....	808,628 95	2,026,507 37	2,835,136 32
General Expenses.....	49,841 20	116,298 14	166,137 34
Total.....	3,087,193 75	9,563,864 79	13,270,068 54

ANNUAL REPORT, 1865.

STATEMENT No. 6.

EXPENSES OF ENGINES, PHILADELPHIA DIVISION.

AVERAGE COST PER 100 MILES.				
CLASS.	Repairs.	Fuel.	Stores.	TOTAL.
Passenger Engines.....	8.23	7.10	2.54	17.87
Distributing Engines.....	12.34	7.43	2.46	22.23
Freight Engines.....	11.68	10.04	2.99	24.71

STATEMENT No. 7.

EXPENSES OF ENGINES, MIDDLE DIVISION.

AVERAGE COST PER 100 MILES.				
CLASS.	Repairs.	Fuel.	Stores.	TOTAL.
Passenger Engines.....	10.26	7.62	2.93	20.91
Distributing Engines.....	9.58	13.22	3.15	25.95
Freight Engines.....	19.11	12.42	3.26	34.79

STATEMENT No. 7½.

EXPENSES OF ENGINES, PITTSBURGH DIVISION.

AVERAGE COST PER 100 MILES.				
CLASS.	Repairs.	Fuel.	Stores.	TOTAL.
Passenger Engines.....	18.62	8.75	3.11	30.48
Distributing Engines.....	18.16	11.49	4.69	34.34
Freight Engines.....	19.38	13.81	4.79	37.98

ANNUAL REPORT, 1865.

ACCOUNTING DEPARTMENT.—STATEMENT Nos. 8 and 11.

*Abstract of Passengers and Miles traveled on whole line of Road and Branches,
for the year.*

1865.	Individual Passengers.	Miles Traveled.	Average Distance.	Equivalent Through Passengers.
First Class Passengers.....	2,070,050	114,954,492		323,815
Emigrant Passengers.....	27,791	,483,988		26,715
Coupon Passengers.....	385,602	,943,913		11,110
Troops .....W.....	878,893	76,182,000		214,597
	2,861,836	204,564,393	71.5	576,237

ANNUAL REPORT, 1865.

ACCOUNTING DEPARTMENT.—STATEMENT No. 12.

Freight Earnings of the Pennsylvania Railroad for the Year 1865.

	TOTALS.
From Philadelphia to Pittsburgh.....	\$1,518,864 18
Philadelphia to Way Stations.....	430,823 71
Way Stations to Philadelphia.....	2,255,404 20
Pittsburgh to Philadelphia.....	2,806,606 44
Pittsburgh to Baltimore.....	725,145 71
Pittsburgh to Way Stations.....	754,719 83
Way Stations to Pittsburgh.....	817,576 69
Baltimore to Pittsburgh.....	98,384 69
Local—Eastward.....	1,516,169 14
Westward.....	269,870 78
Total Freight Earnings.....	\$11,193,565 87

Information from Record Books, Accounting Department.

Tons of through freight, Eastward.....	302,842	Mileage of through freight, Eastward.....	108,417,686
Tons of through freight, Westward.....	160,899	Mileage of through freight, Westward.....	57,601,966
Tons of local freight, Eastward...	1,418,638	Mileage of local freight, Eastward...	203,944,173
Tons of local freight, Westward...	673,327	Mileage of local freight, Westward...	50,096,436
Total tons moved.....	2,555,706	Total Mileage.....	420,060,260

ANNUAL REPORT, 1865.

ACCOUNTING DEPARTMENT—STATEMENT No. 15.

Report of Through Tonnage of Articles sent from and received at Philadelphia, Pittsburgh, and Baltimore, during the year 1865.

LIST OF ARTICLES.	PHILADELPHIA	PITTSBURGH	PITTSBURGH	BALTIMORE
	TO PITTSBURGH.	TO PHILADELPHIA.	TO BALTIMORE.	TO PITTSBURGH.
Agricultural Implements.....	111,137	155,893	148,513	29,914
Agricultural Productions.....	3,411,566	13,015,249	257,778	313,091
Bark and Sumac.....	37,042			
Boots, Shoes, Hats, &c.....	7,178,135	56,643		16,800
Books and Stationery.....	3,538,284	270,216	22,615	11,628
Butter and Eggs.....	21,669	9,236,372	634,817	
Brown Sheetings and Bagging.....	3,790,383	177,048	1,235	47,273
Carriages.....	484,291	11,495	2,435	18,955
Cedarware.....	518,957	11,250	20,831	7,470
Confectionery & Foreign Fruits.....	1,333,096	6,395	12,775	1,143,566
Coal Oil.....		137,424,035	19,807,179	
Coal, Anthracite.....				
Coal, Bituminous.....				
Coffee.....	10,778,280	13,685		3,439,338
Cotton.....	827,506	40,945,762	535,833	118,224
Copper, Tin and Lead.....	6,749,432	2,031,461	14,481	20,730
Dry Goods.....	72,789,568	4,060,378	25,580	258,270
Drugs, Medicines and Dye Stuffs.....	16,232,512	1,608,790	119,140	369,520
Earthenware.....	1,694,540	80,873	9,505	
Empty Barrels.....	6,025,384	100,875		3,159,480
Fresh Meats, Poultry and Fish.....	107,135	572,963	125,595	
Flour.....		74,291,119	15,347,815	1,200
Feathers, Furs and Skins.....	41,423	1,160,973	91,946	6,239
Furniture and Oil Cloth.....	4,666,588	791,858	316,824	316,282
Glass and Glassware.....	1,993,256	4,523,417	1,445,555	7,468
Green and Dried Fruits.....	3,248,302	3,063,506	1,930,105	419,286
Grass and other Seeds.....	287,348	5,563,848	464,933	1,939
Grain of all kinds.....	27,640	28,058,447	16,959,470	
Groceries, (except Coffee,).....	63,333,714	1,445,263	959,704	9,275,119
Guano and Phosphate of Lime.....	3,367	497,521	904,430	2,360
Hardware.....	13,896,808	529,304	40,075	123,526
Hides and Hair.....	293,026	1,531,220	554,230	188,961
Hemp and Cordage.....	3,902,763	4,392,813	12,595	1,283
Iron, rolled, hammered, &c.....	4,114,314	6,968,228	362,864	6,556,847
Iron, Blooms and Pig.....	3,956,651	169,935		380,900
Iron, Railroad.....	910,974			
Iron Ore.....				
Lime and Plaster.....	665,540	5,000	60,959	39,021
Live Stock.....	20,000	105,400,680	87,826,000	925,100
Leather.....	1,351,779	3,122,356	164,373	9,955
Lard, Lard Oil and Tallow.....	178,415	15,286,125	1,213,241	41,820
Lumber and Timber.....		6,052,720	3,795,450	
Machinery and Castings.....	18,809,727	1,797,084	148,293	53,830
Marble and Cement.....	3,989,400	8,046	130,562	159,605
Malt and Malt Liquors.....	270,262	2,789,173	299,563	680
Marketing.....				
Miscellaneous.....	4,907,411	9,454,088	350,294	627,334
Nails and Spikes.....	249,244	1,250,419	12,490	
Oil, (except Coal Oil,).....	1,808,227	1,454,441	101,990	18,516
Oysters.....	700,664			733,072
Paper and Rags.....	1,827,444	2,339,383	3,000	8,100
Pot, Pearl and Soda Ash.....	21,747,945	4,023,501	26,000	76,526
Powder.....	448,917		2,965	
Queensware.....	4,884,395	17,715	6,030	5,027
Salt.....	593,398		1,240	568,335
Straw Boards.....		506,400		
Salt Meats and Fish.....	4,765,955	87,973,108	23,506,814	122,048
Soap and Candles.....	606,163	1,852,444	365,090	85,722
Tobacco.....	2,465,777	29,154,421	3,787,654	335,031
Tar, Pitch and Rosin.....	930,018	3,114,435	27,530	138,054
Wine and Liquors.....	3,710,462	1,673,462	148,192	83,313
Whiskey and Alcohol.....	127,870	10,990,568	2,231,200	19,890
Wool and Woolen Yarn.....	368,215	19,389,872	66,586	15,050
Military Stores, (U. S. Gov't.)....	10,565,713	4,343,643	3,083,452	864,400
Total during the year. Pounds.....	321,798,631	605,685,419	189,519,526	30,936,728

STATEMENT No. 15—Continued.

Report of Way Tonnage of Articles sent from and received at Pittsburgh and Philadelphia, during the year 1865.

LIST OF ARTICLES.	PITTSBURGH.		PHILADELPHIA.	
	FORWARDED TO WAY STATIONS.	RECEIVED FROM WAY STATIONS.	FORWARDED TO WAY STATIONS.	RECEIVED FROM WAY STATIONS.
Agricultural Implements.....	219,278	101,002	453,963	142,840
Agricultural Productions.....	2,718,826	826,981	4,549,292	10,605,331
Bark and Sumac.....			4,906	
Boots, Shoes, &c.....	2,510		535,943	2,110
Books and Stationery.....	7,166		33,122	11,386
Butter and Eggs.....	32,236	72,962		3,416,694
Brown Sheetings and Bagging.....	9,746	26,024	376,257	57,044
Carrriages.....	31,900	191,287	111,330	25,625
Cedarware.....	3,849	2,300	620,668	1,200
Confectionery & Foreign Fruits.....			290,248	5,052
Coal Oil.....	7,176,599	29,020	782,827	54,394,217
Coal, Anthracite.....		1,014,700	28,239,753	404,100
Coal, Bituminous.....		437,774,857		407,051,828
Coffee.....	26,930		723,145	
Cotton.....	311,569		203,668	
Copper, Tin and Lead.....	17,435	10,195	190,215	166,816
Dry Goods.....	6,818,082	4,563,867	32,990,369	8,443,155
Drugs, Medicines, and Dye Stuffs.....	31,156	1,880	1,916,633	95,827
Earthenware.....	27,161		55,370	
Empty Barrels.....	22,603	1,988,117	2,529,303	429,088
Fire Brick and Fire Clay.....	21,650		2,427,167	
Fresh Meats, Poultry, and Fish.....		11,912	260,840	445,861
Flour.....	8,985,399	65,269	383,665	48,839,216
Foathers, Furs, and Skins.....	3,300			68,376
Furniture and Oil Cloth.....	831,279	1,367,023	1,670,936	700,676
Glass and Glassware.....	358,382	18,000	292,020	7,985
Green and Dried Fruits.....	871,074	23,800	1,320,633	2,943,853
Grass and other Seeds.....	99,935	14,726	63,325	2,595,789
Grain of all kind.....	6,475,915	2,022,731	2,651,625	60,995,693
Groceries, (except Coffee).....	4,501,609		46,043,984	19,441
Guano and Phosphate of Lime.....	26,885		1,391,146	131,778
Hardware.....	73,363	594,087	3,224,990	549,568
Hides and Hair.....	1,140,424	8,320	2,256,677	125,110
Hemp and Cordage.....	153,194	3,180	621,482	41,681
Iron, rolled, hammered, &c.....	2,876,115	12,251,503	17,086,464	31,847,523
Iron, Bloms and Pig.....	2,674,900	103,490,353	1,261,378	5,892,263
Iron, Railroad.....	11,311,738	71,088,312		651,085
Iron Ore.....		873,300		
Lime and Plaster.....	34,260	15,827,555	2,376,658	153,518
Live Stock.....	127,943,990	8,342,620	1,334,500	49,982,490
Leather.....	9,037	113,210	167,954	4,619,129
Lard, Lard Oil and Tallow.....	711,607	49,685	10,809	377,350
Lumber and Timber.....	2,642,947	88,480,499	810,050	94,669,117
Machinery and Castings.....	2,450,561	4,306,473	12,292,095	1,002,448
Marble and Cement.....	126,121	9,851,997	5,813,523	187,591
Malt and Malt Liquors.....	1,528,298	17,197	992,485	4,368,555
Marketing.....			86,500	3,868,751
Miscellaneous.....	300,730	9,838,646	1,513,321	8,072,815
Nails and Spikes.....	512,090	5,506	665,404	2,059,232
Nickel Ore.....				685,925
Oil, (except Coal Oil).....	10,725			19,980
Oysters.....			198,937	
Paper and Rags.....	319,177	119,308	1,674,765	3,298,701
Pot, Pearl and Soda Ash.....	27,592	6,682	1,986,520	
Powder.....	28,090	15,000	100,505	12,880
Queenware.....	6,600		884,472	
Salt.....	736,703		8,064,853	11,110
Straw Boards.....		300,449	2,960	919,234
Salt Meat and Fish.....	1,791,072	4,425	6,519,849	210,377
Soap and Candles.....	110,730		69,479	14,160
Tobacco.....	215,906	165,662	336,092	1,343,672
Tar, Pitch, and Rosin.....	118,090		136,932	167,365
Wines and Liquors.....	121,654	4,860	95,032	326,962
Whiskey and Alcohol.....	1,454,291	183,626		3,661,683
Wool and Woolen Yarn.....	101,001	11,532	227,078	1,421,694
Military Stores (U. S. Gov't).....	6,042,241	2,246,900	1,389,822	8,446,501
Total during the year. Pounds.....	206,366,607	777,843,910	205,115,146	831,469,961

REPORT

OF THE

GENERAL SUPERINTENDENT

OF THE PHILADELPHIA AND ERIE RAILROAD.

PENNSYLVANIA RAILROAD CO., LESSEE PHIL. and ERIE R. R.

GENERAL SUPERINTENDENT'S OFFICE,

Williamsport, January 1st, 1866.

To the President and Directors of the
Pennsylvania Railroad Company.

GENTLEMEN:—The business of this road for the year ending
yesterday, Dec. 31st, has been as follows:

GROSS EARNINGS.

Freight,	\$1,088,925 31	
Passenger, - - - .	828,590 21	
Mail, - - - .	19,085 61	
Express, - - - .	26,887 20	
Government Troops, -	94,451 46	
Sundries, - - - .	21,201 00	
		\$2,074,140 79

EXPENSES.

Conducting Transportation,	550,172 61	
Motive Power, - -	562,648 89	
Maintenance of Way, -	627,050 09	
Maintenance of Cars, -	18,835 56*	1,758,707 15
Net Earnings, - - - -		315,433 64
Deduct proportion of earnings paid P. and E. R. R.,		598,708 00
Loss to Pennsylvania Railroad, ,	-	\$283,274 36

* In addition to this amount, \$62,148 49 was expended by the Pennsylvania Railroad Company for repairs to the cars in use on the Philadelphia and Erie Railroad, which is included in the expenses of Conducting Transportation.

The Philadelphia and Erie proportion of earnings is as follows :

Gross Earnings,	-	-	-	-	\$2,074,140 79
Less U. S. Tax,	-	-	-	\$51,399 45	
Less State Tax,	-	-	-	9,702 58	
Less Drawbacks and Overcharges,	-	-	-	12,654 87	
Less Individuals and Companies,	-	-	-		
1862,	-	-	-	4,690 53	
					<u>78,447 43</u>

Actual Earnings,	-	-	-	-	1,995,693 36
Thirty per cent. of which is	-	-	-	-	<u>598,708 00</u>

The earnings and expenses for 1865, compared with those of 1864, are :

	Earnings.	Expenses.	Net Earnings.
1865, •	\$2,074,140 79	\$1,758,707 15	\$315,433 64
1864,	1,131,147 98	838,593 83	292,554 15
Increase,	<u>942,992 81</u>	<u>920,113 32</u>	<u>22,879 49</u>

For the first four months of the year, the freight earnings were checked by the unusual severity of the weather, causing delays from snow and damages from flood; this last, occurring on the 16th of March, entirely suspended all through freight business till the 20th of April. The loss to the gross earnings from these two causes cannot be estimated at less than the increase for the like succeeding period, which was over \$180,000.

The expenses have largely increased, and amount to \$1,758-707 15, or 84½ per cent. of the earnings. Deducting from this total the extraordinary expenses, as charged to Maintenance of Way, leaves the working expenses \$1,605,984 55, or 77.4 per cent.

MAINTENANCE OF WAY.

This account amounts to \$627,050 09, equal to 35.6 per cent. of total expenses, and has been charged with

Removing snow and ice,	-	-	-	-	\$38,877 35
Repairing flood damages,	-	-	-	-	126,804 35
					<u>\$165,681 70</u>

Two-thirds of the first and the whole of the second item may be called extraordinary expenses, deducting which would leave \$474,277 49, equal to \$1,647 per mile of road. Even this amount cannot all be considered as ordinary working expenses. The repairs and renewal of bridges on the Eastern and Western Divisions, the limited capacity of several of the culverts requiring enlargement, and the amount of sloping, filling and ballasting required for the track, have greatly increased this account, by charges more properly belonging to Construction, and for which provision was made in the contract and lease of this road.

The increase in sidings during the past year has been $24\frac{4}{10}$ miles, giving a total of near 55 miles. But even this is still insufficient for the growing business, and to properly accommodate it several sections of double track are much needed. On the Western Division, from Erie yard to Langdon's, "a distance of six miles," the grade rises over sixty feet to the mile, requiring assistant power for all Eastern freight trains. A double track would much relieve the present delays thereby occasioned. On this grade the Belle Valley trestle needs renewing during the year. By substituting a twenty feet arched culvert, as originally planned, the grading for the double track will supply earth to fill the bank, thus accomplishing a double object.

On the Middle Division, eastward from Kane, the grade falls at the rate of one hundred and five feet for three miles, requiring, for the Western trade, assistant power to a greater extent than at Erie; this again, would be facilitated by a double track.

The amount of business originated on the Eastern Division, as well as that received from its two connecting roads, requires passing room for freight trains to a greater extent than the present detached sidings afford. A section of double track from Loyalsock to Muncy is almost a necessity, to insure regularity in train movements.

The Report of John A. Wilson, Chief Engineer, hereto annexed, gives full and explicit information on all matters connected with this department.

CONDUCTING TRANSPORTATION.

This account stands on the books of the Company at \$1,148,880 61, from which, deducting the amount due the Philadelphia and Erie Railroad on lease, leaves \$550,172 61, or 31.8 per cent. of expenses. Delays in delivering freight on the Western Division at Corry, where the Oil Creek Railroad has been, apparently, unable to receive promptly, have, by accumulating loaded cars on the Division, seriously embarrassed its operations, filling up the sidings, and compelling frequent transfers from point to point, at a greatly increased expense, while the detention decreased the car earnings and limited the transportation on the other two Divisions. Still further, these delays have injured the reputation of the road for punctuality, to an extent that renders it doubtful whether the exchange of business with the Oil Creek Railroad during the past year, has resulted in any profit. No assistance that could be given by this road has been withheld. Four of its freight engines have been rented to the Oil Creek Railroad, since September; its freight cars have been used by them, sent free for all through business; and for any public dissatisfaction caused by losses and delays, the management of this road cannot be held accountable.

The coal business at Erie has also, for want of yard room and delivering facilities, been carried on under much disadvantage. Next spring, the completion of the new pier and construction of tracks, so as to deliver coal directly from car to vessel, will insure a very large increase of this business.

On the Eastern and Western Division, the increase of local freights has been so large that it has been found necessary to reduce the daily mileage of local trains one-third, in order to promptly accommodate it; and it may be said that the entire freight revenues for the year have been derived from local sources on the line of road.

In comparison with 1864, the leading articles of freight and the passengers transported, are:

	1865.	1864.	Increase.
Barrels of Oil, - -	326,082	183,882	194,200
Tons of Lumber, -	145,228	94,929	50,299
Tons Anthracite Coal,	120,803	94,822	25,981
Tons Bituminous do,	26,042	22,422	3,620

PASSENGERS CARRIED ONE MILE.

	1865.	1864.	Increase.
Passengers, - -	22,227,504	14,600,012	7,627,492
Government Troops,	5,227,918	1,621,629	3,606,289

The average distance travelled by each passenger was 35 $\frac{7}{10}$ miles.

MOTIVE POWER.

The charge to this account is \$562,648 89, or 32 per cent. of total expenses, equal to 55 cents per mile run.

The incomplete condition of the shops, "and consequent necessity of contracting for much of the ordinary work," have increased the cost of repairs to more than a usual average. Great difficulty has been experienced in retaining skilled labor at Renovo and Kane, caused by the want of houses for workmen's families. This has compelled the payment of a higher rate of wages than would otherwise have been necessary. A block of twelve houses has been built this year at Renovo, and others are still needed.

The Renovo shops have been in operation the entire year. Those at Erie, Kane and Sunbury are now ready for use, and are sufficient for the present business, although at its present rate of increase, enlargement will soon be required. As the heavier car repairs will fall at Erie, as a terminal point, it is proposed to retain the old shops for such uses.

Contracts have been made to build the wood work for 50 box and 100 gondola cars, to be delivered by April 1st, the iron work to be furnished from the material now on hand at Renovo.

LOCOMOTIVES.

	On hand Dec. 31, 1864.	Received during 1865.	TOTAL ON HAND.
Passengers, . . .	11	7	18
Freight, . . .	29	30	59
Construction, . .	7	1	8
Shifting, . . .	3	1	4
Totals.	50	39	89

In good order, -	-	-	-	-	45
In running order, -	-	-	-	-	26
In shops for repairs, including condemned engines,	-	-	-	-	18
					—
Total, -	-	-	-	-	89

MILES RUN WITH PASSENGER TRAINS.

Eastern Division, -	-	-	-	-	155,921
Middle “ -	-	-	-	-	81,835
Western “ -	-	-	-	-	157,433
					—
Total, -	-	-	-	-	395,189

MILES RUN WITH FREIGHT TRAINS.

Eastern Division, -	-	-	-	-	174,975
Middle “ -	-	-	-	-	186,939
Western “ -	-	-	-	-	192,456
					—
Total, -	-	-	-	-	504,370

MILES RUN WITH DISTRIBUTING TRAINS.

Eastern Division,	-	-	-	-	-	383,72
Middle	"	-	-	-	-	56,614
Western	"	-	-	-	-	28,288
Total,	-	-	-	-	-	<u>123,269</u>
Total Mileage for 1865,	-	-	-	-	-	1,022,828
" " 1864,	-	-	-	-	-	<u>655,911</u>
Increase,	-	-	-	-	-	<u>366,917</u>

FUEL.

Eastern Division,	-	-	-	-	\$57,956 17
Middle	"	-	-	-	40,336 05
Western	"	-	-	-	58,692 35
					<u>\$156,984 57</u>
Total for 1864,	-	-	-	-	<u>75,012 81</u>
Increase,	-	-	-	-	<u>\$81,971 76</u>

STORES.

Eastern Division,	-	-	-	-	\$9,311 18
Middle	"	-	-	-	6,027 78
Western	"	-	-	-	9,069 53
					<u>\$24,408 49</u>
Total for 1864,	-	-	-	-	<u>14,565 43</u>
Increase,	-	-	-	-	<u>\$9,843 06</u>

CAR DEPARTMENT.

	On hand Dec. 31, 1864.	Rec'd 1865.	TOTAL.	Condemned and Destroyed.	Total on hand for Service.
Pass'r Cars,	26	23	49	11	38
Bagg. "	9	6	15	6	9
	35	29	64	17	47

FREIGHT CARS.

	On hand Dec. 31, 1864.	Rec'd 1865, from P. R. R.	Built at Re- novo Shops.	Built by Contract.	Condemned and Destroyed.	TOTAL.	Placed in other service.	Total for Freight service.
Box Cars.....	290	.....	1	...	...	291	44	247
Gondola Cars.....	708	50	7	9	24	750	12	738
Stock "	20	...	...	...	1	19	...	19
8 Wheel Coal Cars.	30	...	...	...	...	30	...	30
4 " " "	40	...	...	...	...	40	...	40
	1,088	50	8	9	25	1,130	56	1,074

Total number Passenger Cars,	-	-	-	-	-	38
" Baggage "	-	-	-	-	-	9
" Freight "	-	-	-	-	-	<u>1,130</u>

In the Maintenance of Way Department, there are the following:

Eight-Wheel Box Cars,	-	-	-	-	-	8
" Gondolas,	-	-	-	-	-	48
" Dumps,	-	-	-	-	-	6
Four-Wheel Dumps,	-	-	-	-	-	90
Hand Cars,	-	-	-	-	-	63
" Trucks,	-	-	-	-	-	83
Boarding Cars,	-	-	-	-	-	4
Supply Cars,	-	-	-	-	-	2

304

MISCELLANEOUS.

The Warren and Franklin Railroad, to extend from Irvineton through Tidioute to Franklin, a distance of fifty-three miles, has been commenced, and is expected to be completed the coming season. This, by furnishing a market for the coal and lumber interests of the Middle Division, as well as another outlet from the oil region, must largely increase the revenues of the Road, and tax its present capacity to the utmost.

The Dagascahonda Improvement Company have opened a branch road, leaving this Road near St. Mary's, a distance of seven miles into the coal fields. This coal is said to be of good quality, and adds another to the local interests demanding attention.

At Erie, the Union Passenger Depot was opened for use October 1st, and by previous contract, this Road occupies it jointly with the Cleveland and Erie and Buffalo and Erie Railroad Companies, paying to the former, as proprietor, a rent of lawful interest on one-third of the cost.

A transferring platform and shed has been located near the repair shops at Erie, for the purpose of exchanging through freight with the roads centering there.

Another through passenger train was placed on the Road October 1st, and arrangements made with connecting roads, forming a through route from the oil region to New York via. Mauch Chunk and Easton. As yet the line has not become known, but it is anticipated it will obtain a fair proportion of business the present year.

The condition of the line is now approaching the character which it should have possessed before it was opened to the public; and since the injuries from the flood have been repaired, an increased regularity in the movement of the trains has been secured, which, it is hoped, will be yet more marked as the Road is placed in the condition in which your officers desire to see it.

All of which is respectfully submitted.

ALFRED L. TYLER,
General Superintendent.

REPORT
OF THE
CHIEF ENGINEER
OF THE PHILADELPHIA AND ERIE RAILROAD,

(Penna. R. R. Company Lessee.)

Maintenance of Way Department,
Williamsport, Pa., Dec. 30th, 1865.

ALFRED L. TYLER, Esq.,
General Superintendent.

SIR :—I beg leave to present the following report of the operations of this department for the past year :

The winter of 1864-5 exceeded in severity, any that had been known for a long time in the belt of country passed through by this road, and the year opened with a succession of heavy snow storms which seriously retarded for a time the operations of the line. The continuous cold weather prevented this snow from melting gradually, and in the month of March the country was covered with a solidly packed body of snow, measuring, in some localities, as much as four feet in depth. A sudden change of weather accompanied by a south wind and an increase in temperature almost up to summer heat, caused the rapid melting of this immense body of snow, and March sixteenth to twentieth witnessed the highest flood ever known in this section of the country. The small streams and drains were swelled to moun-

tain torrents, cutting away the banks and road-bed, and the large rivers overflowed their banks, carrying off houses, bridges, &c., and spreading ruin in their course.

The railroad bridges on the Susquehanna waters were mostly above the flood mark, and the damage to them was caused by county road bridges drifting against them.

The damage done on the Eastern Division was as follows: The trestle works and bank over the canal basin in Sunbury and over a road near the shops were carried away, and the tracks in the Sunbury yard were badly cut. The track was carried away at Chillisquaque for several hundred feet, and a high bank washed out for about one hundred and fifty feet at Port May, west of Milton. One span of Muncy bridge was carried away and two others damaged, having been struck by a span of the common road bridge from Muncy. Banks were washed away at Montgomery Station, and at a point two miles east of Williamsport, from three to four hundred feet in length at each place; also a stringer bridge at the latter point. Five spans of Williamsport bridge were carried away entirely and one other damaged; the damaged span and two of those carried off being new ones, erected only a few weeks before. This bridge was destroyed by the Williamsport toll bridge drifting against it. A piece of bank in the Williamsport yard was washed out, and on both sides of Lycoming bridge the banks and track were torn away for a length in all of over fifteen hundred feet, and from eight to ten feet in depth: the bridge was somewhat injured, and was only saved by loading it with cars of railroad iron before the water reached it. Linden bridge escaped with loss of some weatherboarding and floor timbers, having withstood the pressure of the wreck of three long spans of road bridge piled up against it. It is a Burr bridge with an arch, and the lower ends of a large number of the posts were broken off at their junction with the lower chords, requiring considerable labor to make it passable. Between Linden and Lock Haven there were a number of breaks in the banks and track of greater or less extent, leaving, in no place, more than three miles of connected track.

Queen's Run bridge lost some arch pieces, and one span was badly shattered though not carried away. At Ferney's Run the masonry of the stringer bridge was entirely destroyed; between there and Whetham at two places banks over one thousand feet long and about six feet high were swept away; the side hill slopes were badly cut, and at Hyner's a culvert was washed out, leaving a break in the bank of fifty feet in length by twenty in depth.

On the Middle Division the truss bridge at Westport, one hundred and sixty feet span, was carried off by the county bridge from above striking it. The side hill banks between Renovo and Keating were all more or less washed, requiring about eight thousand perches of slope wall to repair them. The embankment at the east end of Keating bridge was washed out for a distance of eighty-five feet and for twelve feet in depth. All the banks between Keating and Sterling were more or less injured. The pier of Tunnell Hill bridge near Sterling was undermined, the two spans of bridge hanging uninjured until trestles could be put in. A piece of bank was carried away at the second bridge east of Cameron. At Emporium the embankment through the town was washed away in five different places for about fifty feet each, and the "Y" was destroyed. The eastern abutment of the bridge over the Driftwood at that place was destroyed, and a hole fifty feet long by ten feet deep washed in the bank west of the bridge. One mile west of West Creek Station, the embankment was washed out for eight feet in depth and over one hundred feet in length, and banks were cut at Shawmut Station, at Johnsonsburg for over one hundred and fifty feet in length and averaging ten feet in depth, and half a mile east of Wilcox for about fifty feet in length and eight feet in depth. In addition to the above, heavy land slides occurred at the same time at Rathbun, between Sterling and Driftwood, and between Sinnemahoning and Keating.

On the Western Division a heavy slide occurred near Otts, the track and banks were broken in three places between Royston and Warren, and in twenty-two places between Warren and Erie,



a distance of sixty-six miles. The breaks were not as heavy in any one place on this as on the other divisions. The pier of Irvine bridge, both piers of Youngsville bridge, both abutments of Union bridge and five culverts, were destroyed.

Some two weeks before the freshet, the ice had passed quietly out of the rivers, the only damage caused by it being to the masonry and arches of Queen's Run bridge, and blocking the track near Whetham for half a day; had it gone at the same time with the freshet, the damage would have been very much greater. In addition to the items of damage specified, slopes were washed, drains filled up or broken and a considerable expenditure made necessary, which was not recorded, but lost sight of among the more prominent items of damage. The energies of our working force, and our stock of materials were pretty well absorbed until the middle of the summer in repairing damages, thus losing half the season to the regular work. There still remains much to be done in the way of widening banks, building slope walls, repairing masonry, &c., to put the road in as good shape at all points as before the freshet, the pressure of other work requiring this to be suspended as soon as the roadway was in safe condition.

For some days after the freshet all communication was cut off, as the telegraph line was destroyed, and the common road bridges having shared the general fate, those roads were not available even for horsemen until the water had subsided enough to admit of fording the smaller streams. Our men thus thrown on their own resources and beyond the reach of orders, acquitted themselves well, and worked from where they had been caught by the freshet to restore communication. Temporary trestles and cribs of timber, cross ties, &c., were constructed where banks were destroyed; the bridges left standing were repaired sufficiently to pass trains; and at the river crossings at Muncy bridge, Williamsport and Westport, scows were built and rope ferries and floating bridges constructed to pass passengers and baggage. The break at Muncy bridge was replaced by trestles and a connection established on March 29th.

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The break at Westport at the crossing of Kettle creek was closed by a trestle work on Marth 27th, and by that time one span of trestles had been erected in the river at Williamsport. On March 31st, a second freshet occurred, not nearly so severe as the first one, but enough to carry entirely away all the temporary works at the three places just named, and recourse was again had to the rope ferries. The Westport trestle work was made passable for the second time, on April 6th, that at Muncy bridge on April 10th, and complete communication for passengers and freight was established through from Sunbury to Erie by the completion of the eight hundred feet of trestle work at Williamsport bridge on April 20th. The continued high water in the river greatly increased the difficulty of trestling, and caused more time to be consumed in establishing communication than might otherwise have seemed necessary.

The expenses of this department for the year have been largely increased over the usual amount by the work incident to the above. The amount charged for removing ice and snow during the year, mostly for work required to keep the track clear in the early part of the year, is \$38,877 35. The items of expense chargeable to "damage by flood" have been noted and collected as nearly as may be, and are given below; this does not cover the whole cost as there will still be charges to the same account in 1866; nor does it include the cost of removing slides.

Headings of Accounts.	Eastern Div.	Middle Div.	Western Div.	Totals.
Bridges, Repairs of,.....	\$42,802 98	\$26,832 97	\$19,549 51	\$88,685 46
Road-bed, repairs of, Labor,	17,392 41	9,223 88	4,283 69	30,849 48
" " Mate'ls,	1,839 11	847 98	478 40	2,665 49
Track, Labor repairing,.....	8,828 12	325 49		4,153 61
Telegraph, Repairs of,.....	214 71	210 00	25 60	450 81
Total Damage,.....	\$66,077 33	\$36,439 82	\$24,287 20	\$126,804 85

GRADUATION AND RAILWAY SUPERSTRUCTURE.

On the Eastern Division the banks destroyed or damaged by the flood have all been replaced or repaired, the trestle work at

Sunbury has been filled up, and considerable sloping and ditching has been done, particularly between Jersey Shore and Pine Station. On June 20th a violent storm, travelling northward and extending over a belt of country only a few miles in width crossed the road west of Jersey Shore, causing a land slide on the mountain side, loosened by the former freshet, which blocked the track for some eight hundred feet in length with at least twenty thousand cubic yards of earth and rock, and carried away the road-bed bodily for thirty feet in depth, and for a length of one hundred and twenty feet; three days time with two hundred men were required to clear the way and connect the track. The retaining wall near Montoursville has been rebuilt for nine hundred and fifty feet in length, and with average height of nine feet. Four box culverts have been rebuilt, three repaired, and two new ones constructed. Seventy-six cattle guards have been renewed. A guard bank, some three thousand feet long, to protect the Sunbury Shops from freshets in the north branch of the Susquehanna has been partially constructed, and the grading of the Sunbury yard is in progress. Grading has also been done for the new sidings laid. Five miles of track have been renewed with new iron, and a large number of cross-ties replaced.

On the Middle Division the banks between Renovo and Westport, which were badly washed, have been widened and in many places riprapped. The side hill cuts at Shintown, Driftwood, and east of Sterling, have been sloped and ditched. All the banks broken by the flood after being made passable temporarily by trestles have been permanently filled up. Crib works, amounting in length, to three thousand and forty-three feet, have been built at a number of places between Emporium and Wilcox to prevent the streams damaging the road, and are now being filled with stone, and at other places considerable riprapping has been done with the same object. During the year about forty-eight thousand cubic yards of ballast have been put under the track, of which about eleven thousand yards were used between St. Mary's and Wilcox, and in addition to this a large amount of backfilling has been put in. The cuts from St. Mary's to a

point about five miles west of Ridgeway have been sloped and ditched. Stone quarries have been opened at Cameron, Johnsonsburg, and near St. Mary's. Culverts have been built at Paddy's Run, Renovo and Shintown, and four between Wilcox and Kane.

On the Western Division, the breaks made by the freshet last spring, have been repaired, and the division has been pretty well ditched. Some iron and a large number of cross-ties have been renewed during the year, two culverts have been entirely renewed, and several others repaired. In addition to the sidings noted in the list as laid during the year, grading has been done for sidings of one-half mile each, at Cummingsville, Otts, Tionesta and Columbus, and for an extension for one thousand feet of the siding at Pattonia. The grading of the yard at the Outer Depot, Erie, has been nearly completed.

The amount of siding room has been very much extended during the year as will be shown by the list of sidings accompanying this report. Connections have been made with the tracks of the Cameron Coal Company, Benzinger Coal Company, and D. V. Atkins & Co., and with the Daguscahonda Railroad.

The length of main track in use is	-	-	-	287.51 miles.
" " Sidings laid previous to Jan. 1st, 1865,	-	-	-	30.54 "
" " " " during 1865,	-	-	-	24.41 "
" " Private Sidings,	-	-	-	3.41 "

Total length of track in use, - - - 345.87 miles.

The following quantities of material have been used during the year :

	East'n Div.	Middle Div.	West'n Div.	Total.
Tons of Iron Rail for Construction,.....	557	588	775	1,920
" " " Renewals,.....	450	24½	61	535½
No. of Chairs for Construction,.....	2,325	2,794	2,929	8,048
" " " Renewals,.....	2,445	45	1,494	3,984
Pounds of Spikes for Construction,.....	39,115	50,929	57,270	147,314
" " " Renewals,.....	23,990	4,850	24,909	53,749
No. of Cross-ties for Construction,.....	11,563	17,808	14,858	43,724
" " " Renewals,.....	22,799	1,472	82,053	56,324

BRIDGES.

The bridge over the north branch of the Susquehanna at Sunbury has received such repairs as were needed, principally renewals of floorbeams. The bridge over the same stream near Northumberland one thousand and seventy-four feet long, has been entirely replaced by a substantial Howe truss, and the masonry has been repaired and coped. Chillisquaque bridge has been covered. One new span of Howe truss one hundred and forty-five feet long has been built at Muncy bridge in place of the one carried off by the freshet, and the two injured ones repaired. One-half this bridge, or four spans have been roofed over and boarded up, and this work is now progressing on the balance. The rebuilding of the bridge over the Susquehanna at Williamsport, commenced last year, has been prosecuted to completion; this bridge consists of seven spans of one hundred and fifty-four feet each in the clear; two new spans having been destroyed at the time of the freshet, nine spans in all, of new bridging had to be provided. Linden bridge, one thousand and seventy-two feet long, has been thoroughly repaired, and new track stringers of oak put down. Queen's Run bridge, six spans of one hundred and fifty-nine feet each, is now in good order, having had extensive repairs; the masonry, much injured by the flood, has been repaired, and the riprapping which was washed out at the same time to a considerable depth, has been replaced. The masonry of the bridge at Ferney's Run, twenty feet span, has been rebuilt, and a new bridge of the same size constructed in place of the culvert washed out near Hyner's. The trestle work west of Jersey Shore has been renewed—both masonry and superstructure. Two stringer bridges have been extended for sidings on the Eastern Division, three on the main track have been renewed, and one county road bridge has been rebuilt. One span of Howe truss one hundred and sixty feet long has been constructed at Westport, and the abutments at same place have been partially rebuilt. The wing walls and superstructure of the short bridge at Shintown have been renewed; also the super-

structure of that over Silver Creek near Johnsonsburg, and of one near Driftwood. Two open water-ways have been built, one near Emporium, the other near West Creek Station, to replace culverts destroyed by the high water. The pier of Tunnel Hill bridge, and one abutment of Emporium bridge have been entirely renewed. Both piers of Youngsville bridge have been rebuilt, and the stone is prepared for renewing that at Irvine. A trestle work near the fifteenth mile post from Erie has been replaced by an open water-way of eight feet, and a bank; also one near Pittsfield. The trestle work at Belle Valley has received extensive repairs and a renewal of the track timbers. A farm-crossing under the track has been constructed near Le Boeuff.

The large and continued cost of repairing bridges which swell the Maintenance of Way expenses from year to year, is caused by the necessity of renewing the bridges erected when the Sunbury and Erie Railroad was first opened; some of these bridges have stood about twelve years, and not having been roofed and covered when built, have rotted down. The Linden bridge, though standing as long as the others, is to-day as good as new, having been properly protected. In 1863-4 the Muncy bridge, one thousand two hundred and fifty feet long, had to be rebuilt. In 1864-5 the Williamsport, Northumberland and Chillisquaque bridges, an aggregate length of two thousand four hundred and twenty-five feet, have been entirely renewed. During the coming year, Sunbury bridge, nine hundred and seventy-three feet long, the Belle Valley trestle work, four hundred feet long and fifty-seven feet high, and several smaller bridges on the Western Division must be renewed, and in 1867, Bald Eagle, Queen's Run, and most of the Western Division bridges will require to be rebuilt. In addition to the cost of renewals, there is an annual expense for repairs upon these old structures. True economy requires that the bridges on the new part of the road between Renovo and Warren should have arches introduced, and be roofed and covered during the coming year.

ENGINE HOUSES AND MACHINE SHOPS.

The engine house and shops previously reported as in progress at Sunbury, are now completed, with the exception of some trifling matters, and the machinery is being set up. The shops and buildings at Renovo were placed in charge of this department on July 1st; the shop buildings have been in use during the year by the Motive Power Department. Buildings for offices and store rooms have been erected, a stack and sand house built, the sewerage completed, and paving done around the buildings. At Kane and Erie, the new engine houses are in use, and the machinery is being erected in the shop buildings.

COAL, WOOD AND WATER STATIONS.

The reservoirs at Watsontown, Susquehanna and Youngsville have been relined with brick. A new tub has been placed in the building east of Muncy bridge, and the line of pipes has been renewed; new tubs have been put up at Montoursville and Lock Haven. The reservoir at Wilcox, commenced in 1864, was completed last spring. A well has been dug at Driftwood engine house to supply the Supervisor's engine with water, and a temporary water station has been erected east of Kane. The tank-houses at Scott's Landing, Pattonia and Kinzua, in progress at date of last report, have been completed. A tank has been erected near the Lake Depot at Erie, and some additional pipes laid at Erie Outer Depot. A coaling station has been established at Youngsville and a platform erected.

FUEL.

The consumption of fuel during the year was as follows :

	Cords of Wood.	Net Tons of Coal.
Eastern Division, - - -	5,049	7,608
Middle Division, - - -	4,458	10,507
Western Division, - - -	4,673	7,374
Consumed by Locomotives, -	14,180	25,484
“ at Shops, Stations, &c.,	1,328	1,654
Total, - - - -	15,508	27,138

The Stock on hand December 31st was as follows :

	Cords of Wood.	Net Tons of Coal.
Eastern Division, - - -	1,395	102
Middle “ - - -	4,229	1,176
Western “ - - -	3,262	461
Total, - - - -	8,886	1,739

ROLLING STOCK.

The rolling stock in use by this department consists of eight locomotives, eight eight-wheeled box or caboose cars, forty-eight eight-wheeled open trucks, six eight-wheeled dump cars, ninety four-wheeled dump cars, sixty-three hand cars, eighty-three hand trucks, four boarding cars, and two supply cars ; at times extra power has been used when necessary, for special work.

PASSENGER AND FREIGHT STATIONS.

A passenger station 25×51 is in progress of erection at Lewisburg. The location of Williamsport station having been changed, a platform 750×20 , enclosed with fences, and a baggage room 16×30 , have been built at the present station near the new hotel. A freight house 13×24 has been built at Whetham. Platforms have been laid at Wayne, Queen's Run and Whetham for use of passengers, and those at Lewisburg, Watson-town, Dewart, Montgomery and Muncy, extended. Combined passenger and freight stations 25×84 have been completed at Westport, Keating and Driftwood, and a passenger station 25×51 , and a freight station 33×76 at Emporium. The temporary station formerly at Emporium has been taken down and rebuilt at Beechwood. A frame building 30×100 has been erected at Kane for an eating house for passengers, with an attachment 18×20 for a ticket office. A large brick building has been completed at Renovo with passenger rooms, dining hall and all the necessary accompaniments of a first class station and eating house. Platforms three hundred and fifty feet long have been laid for the accommodation of passengers at all the principal stations on the Middle Division, and shorter ones at the flag stations. Track scales have been set up at Renovo and Kane. A platform 30×300 has been erected at the Lake Depot, Erie, for convenience of handling oil and heavy machinery, and the Erie Transfer Depot is nearly completed for four hundred feet in length.

LABORERS' TOOL AND WATCHHOUSES, &c.

There have been five new frame houses 16×48 erected for track foremen and their men, one at each of the following points, viz. : Wilcox, Johnsonsburg, Ridgeway, Beechwood and Cook's Run, also one 17×30 east of Montoursville. A frame building 30×100 has been erected at Kane, for the accommodation of train men and shop hands, and one 16×24 for the despatchers. The bridge and track watchmen have all been supplied with watch houses. Two blocks of comfortable two story frame build-

ings, each block containing six houses, have been erected at Renovo for the shop hands, and two frame houses finished at the same place for residences for the Superintendent and Resident Engineer of the Middle Division.

ERIE HARBOR IMPROVEMENTS.

The pier previously reported in progress at the Erie Harbor has been closed up at the outer end at a distance from the main track of one thousand four hundred and twelve feet; the cribs have been loaded with stone and the interior space filled up partly by sand dredged from the Lake, and partly with material from the bluff on Front street. One side of this pier was used during the fall for shipping coal, and the whole of it can be brought into use early in the spring. No new work has been commenced at the Erie Harbor, as the present wharf, with the addition of coal schutes and freight sheds, will be ample for the present business. The pier, as now built, gives over seven hundred feet wharf front for vessels drawing from nine to twelve feet of water.

Very respectfully,

JOHN A. WILSON,

Chief Engineer.

Length of Sidings on the Philadelphia and Erie Railroad.

	Feet laid previous to 1865.	Feet laid in 1865.	Total.
Erie Siding, at Lake,.....	5,211.0	1,854.7	7,065.7
“ “ Outer Depot (including branch to Union Passenger Depot)...	11,977.0	16,869.0	28,646.0
Siding at 6th Mile Post, (Rock Cut)	876.0	.....	376.0
do Belle Valley.....	2,302.4	.....	2,302.4
do Langdon's	945.7	1,241.8	2,187.0
do Jackson's, &c.....	1,602.0	1,206.0	2,808.0
do Waterford,.....	1,567.1	.....	1,567.1
do 20th Mile Post, Loyd's Cut, gravel pit.....	486.0	.....	486.0
do Le Boeuff.....	1,068.0	2,527.0	3,595.0
do Union.....	8,137.0	.....	8,137.0
do Irvine's Mill.....	.....	312.0	312.0
do Concord.....	1,505.5	.....	1,505.5
do Lovell's.....	1,055.2	1,666.8	2,722.0
do Corry.....	8,645.3	7,492.7	11,138.0
do Columbus.....	1,864.8	.....	1,864.8
do Spring Creek.....	561.0	2,571.0	3,132.0
do Baker's Quarry.....	976.0	81.0	1,057.0
do Garland.....	725.2	2,800.0	3,025.2
do Pittsfield.....	125.0	.....	125.0
do Youngsville.....	2,600.3	177.0	2,777.3
do Irvineton.....	1,800.3	1,714.7	3,515.0
do Warren.....	1,641.0	1,977.0	3,618.0
do Pattonia.....	926.0	56.0	982.0
do Tionesta.....	509.3	.....	509.3
do Sheffield.....	1,208.3	.....	1,208.3
do do Gravel pit,.....	2,088.2	.....	2,088.2
do Royston.....	.....	2,547.0	2,547.0
do do Y.....	.....	1,297.0	1,297.0
do Kinzua.....	337.5	2,056.5	2,394.0
do Wetmore ..	.....	396.0	396.0
do Kane.....	2,962.0	9,416.0	13,378.0
do Quarry East of Kane.....	820.0	.....	820.0
do Sargeant, (Borrow pit).....	400.0	.....	400.0
do do (main).....	.....	2,800.0	2,800.0
do Dahoga, Y. (Hoffman's).....	962.0	.....	962.0
do do (main).....	.....	1,611.0	1,611.0
do Wilcox.....	320.0	1,558.0	1,878.0
do do (warehouse).....	868.0	.....	868.0
do Johnsonsburg	1,005.0	995.0	2,000.0
do do Station Siding (Wilmarth).....	.....	850.0	350.0
do Ridgeway.....	720.0	1,280.0	2,000.0
do do (warehouse).....	342.0	285.0	627.0
do Scahonda, Y. (Marr's) .....	.....	1,200.0	1,200.0
Carried forward.....	58,590.1	67,132.7	125,722.8

Length of Sidings on the Philadelphia and Erie Railroad—continued.

	Feet laid previous to 1865.	Feet laid in 1865.	Total.
Brought forward.....	58,590.1	67,182.7	125,722.8
Siding at Seabonda, (main).....	1,760.0	940.0	2,700.0
do St. Mary's.....	2,378.0	.....	2,378.0
do do (warehouse).....	888.0	161.0	1,049.0
do do Y.....	900.0	.....	900.0
do Benzinger, (West Creek Summit).....	400.0	2,012.0	2,412.0
do Rathbun.....	2,340.0	.....	2,340.0
do do Y.....	814.0	.....	814.0
do Beechwood.....	.....	150.0	150.0
do do (gravel pit).....	450.0	.....	450.0
do Howard's.....	2,330.0	.....	2,330.0
do Emporium, (main).....	1,101.0	999.0	2,100.0
do do (warehouse).....	.....	551.0	551.0
do do Y.....	1,022.0	.....	1,022.0
do do (gravel pit).....	480.0	.....	480.0
do Cameron.....	1,148.0	418.0	1,566.0
do do (warehouse).....	.....	400.0	400.0
do Sterling.....	2,882.0	.....	2,882.0
do do (warehouse).....	.....	450.0	450.0
do Driftwood, (main—north side)...	1,700.0	500.0	2,200.0
do do (do south side).....	.....	750.0	750.0
do do (warehouse).....	.....	300.0	300.0
do do (M. W. Siding).....	.....	600.0	600.0
do Sinnemahoning.....	672.0	.....	672.0
do Grove.....	1,100.0	.....	1,100.0
do Round Island.....	900.0	1,260.0	2,160.0
do do (warehouse).....	445.0	.....	445.0
do Keating.....	1,450.0	.....	1,450.0
do do (old warehouse).....	414.0	.....	414.0
do do (new do).....	.....	409.0	409.0
do Cook's Run.....	825.0	.....	825.0
do Westport.....	2,050.0	.....	2,050.0
do do (warehouse).....	.....	400.0	400.0
do do (Lumber).....	.....	300.0	300.0
do Shintown.....	.....	450.0	450.0
do Renovo.....	7,065.0	10,435.0	17,500.0
do Paddy's Run.....	270.0	.....	270.0
do North Point.....	2,111.0	.....	2,111.0
do Hyner's.....	461.0	.....	461.0
do Whetham.....	1,038.0	1,261.0	2,299.0
do Glen Union.....	.....	240.0	240.0
do Ferney.....	1,330.0	.....	1,330.0
do Queen's Run, (west of).....	277.0	.....	277.0
do do.....	1,215.0	.....	1,215.0
do Lock Haven.....	4,827.0	3,190.0	8,017.0
do Wayne.....	653.0	2,275.0	2,928.0
do Pine.....	623.0	.....	623.0
Carried forward.....	105,909.1	95,583.7	201,492.8

Length of Sidings on the Philadelphia and Erie Railroad—continued.

	Feet laid previous to 1865.	Feet laid in 1865.	Total.
Brought forward.....	105,909.1	95,583.7	201,492.8
Siding at Jersey Shore.....	1,419.0	2,275.0	3,694.0
do Susquehanna.....	2,290.0	.....	2,290.0
do Newberry.....	957.0	.....	957.0
do Williamsport, (yard)	8,262.0	.....	8,262.0
do do (engine house).....	4,690.0	.....	4,690.0
do do (lumber branch)...	6,078.0	.....	6,078.0
do do (passenger yard).....	.....	14,418.0	14,418.0
do Montoursville.....	2,292.0	.....	2,292.0
do Loyalsock.....	2,320.0	.....	2,320.0
do Muncy.....	3,372.0	1,025.0	4,397.0
do Montgomery.....	2,643.0	1,182.0	3,825.0
do Dewart.....	1,860.0	2,562.0	3,922.0
do Watsonstown.....	3,764.0	2,154.0	5,918.0
do Milton.....	2,805.0	2,948.0	5,753.0
do Lewisburg.....	3,386.0	.....	3,386.0
do Kapp's.....	.....	2,997.0	2,997.0
do Northumberland, (coal wharf)...	685.0	.....	685.0
do do (island).....	390.0	.....	390.0
do do (main).....	2,540.0	.....	2,540.0
do Sunbury, (engine house).....	1,231.0	.....	1,231.0
do do (yard).....	4,861.0	3,750.0	8,611.0
Total in feet.....	161,254.1	128,894.7	290,148.8
Total in miles.....	30.54	24.41	54.95

NOTE.—Where track has been abandoned and removed during the year, it is deducted from amount laid previous to 1865.

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