

TWENTY-SECOND
ANNUAL REPORT

OF THE

BOARD OF DIRECTORS
OF THE

Pennsylvania Rail Road Co.

TO THE

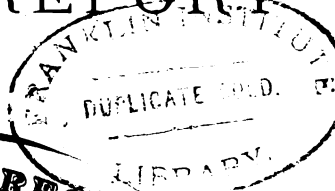
STOCKHOLDERS

FEBRUARY 16, 1869.

PHILADELPHIA:

E. C. MARKLEY & SON, PRINTERS, 422 LIBRARY STREET, OPPOSITE POST OFFICE.

1869.



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1869.

DIRECTORS
OF THE
Pennsylvania Rail Road Company,
FOR THE
YEARS 1869 & 1870.

BY THE STOCKHOLDERS.

J. EDGAR THOMSON, SAMUEL T. BODINE,
JOSIAH BACON, JOSEPH B. MYERS,
WISTAR MORRIS, EDWARD C. KNIGHT,
WASHINGTON BUTCHER, JOHN M. KENNEDY,
GEORGE BLACK, Pittsb'gh, JOHN RICE.

BY THE CITY OF PHILADELPHIA.

MORTON McMICHAEL, WILLIAM ANSPACH,
G. MORRISON COATES.

BY THE BOARD.

THOMAS A. SCOTT, HERMAN J. LOMBAERT.

President,

J. EDGAR THOMSON.

Vice-Presidents,

THOS. A. SCOTT, H. J. LOMBAERT.

Treasurer,

THOMAS T. FIRTH.

Secretary,

EDMUND SMITH.

ANNUAL MEETING.

Philadelphia, February 16th, 1869.

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

The Hon. Daniel M. Fox, Mayor of Philadelphia, was called to the Chair, and William J. Howard appointed Secretary.

The Annual Report of the Board of Directors for the year 1868 was read.

On motion of Mr. Derbyshire, it was

Resolved, That the Report of the Board of Directors for the year 1868, be and the same is hereby accepted by the Stockholders, and that the Directors be requested to carry out the recommendations therein mentioned, and to cause the said Report, and statement accompanying the same, to be published in pamphlet form for the information of the Stockholders.

The following preamble and resolution were submitted by A. Loudon Snowden, Esq., and unanimously adopted :

WHEREAS, The report of the operations for the year just ended, as presented to-day, is of the most gratifying and satis-

factory character, exhibiting as it does the continued and advancing prosperity of the Company; therefore be it

Resolved, That the Stockholders unite in extending their thanks, which are eminently due, to Mr. John Edgar Thomson, President; to Mr. Thomas A. Scott and Mr. Herman J. Lombaert, Vice-Presidents; to the Board of Directors, Treasurer and Secretary, and to the several Heads of Departments and to their Subordinates, for the faithful and efficient manner in which they have discharged their respective duties, resulting in the promotion of the best interests of the City of Philadelphia, and to the greater pecuniary advantage of the Stockholders of this Company.

The meeting then adjourned.

DANIEL M. FOX,
Chairman.

W. J. HOWARD,
Secretary.

TWENTY-SECOND ANNUAL REPORT.

Office of the Pennsylvania Railroad Co.,
Philadelphia, February 10, 1869.

To the Shareholders of the
Pennsylvania Railroad Company :

The Directors have the gratification to report to you the results of another year of prosperous business upon your Railway, the details of which are shown in the following statements :

EARNINGS.

From Passengers, - - - - -	\$3,531,903 94
“ Emigrant Passengers, - - - - -	78,244 29
“ Mails, - - - - -	99,981 25
“ Express Matters, - - - - -	291,881 21
“ General Freights, - - - - -	12,882,165 30
“ Miscellaneous sources, - - - - -	349,321 32
	<hr/> \$17,233,497 31

Amount brought forward, - - \$17,233,497 31

EXPENSES.

For Conducting Transportation,	-	-	\$3,609,233 18	
“ Motive Power,	-	-	3,361,694 42	
“ Maintenance of Cars,	-	-	1,442,735 90	
“ Maintenance of Road,	-	-	3,268,896 46	
“ General Expenses,	-	-	178,423 92	
			<hr/>	11,860,983 88
Leaving net earnings for the year 1868,	-	-	-	<hr/> <hr/> \$5,372,513 43

The total amount of revenues compared with last year is :

1868,	-	-	-	-	-	-	-	-	-	\$17,233,497 31
1867,	-	-	-	-	-	-	-	-	-	16,340,156 36
										<hr/>
Increase,	-	-	-	-	-	-	-	-	-	<hr/> <hr/> \$893,340 95

The changes in the sources of revenue are shown below :

Decrease in Emigrant Passengers,	-	\$43,408 97	
“ Express Matter,	-	38,613 39	
“ Miscellaneous,	-	124,707 22	
		<hr/>	\$206,729 58
Increase in Regular Freights,	-	\$1,049,865 63	
“ First-class Passengers,	-	35,155 33	
“ United States Mails,	-	15,049 57	
		<hr/>	1,100,070 53
			<hr/>
Increase as before stated,	-	-	<hr/> <hr/> \$893,340 95

The gross revenues for 1868 are equal to \$48,138 26 per mile of the main line of railroad.

The whole number of passengers carried in 1867 was 3,347,466, and in 1868, 3,747,178—an increase in the number carried, of 399,712. The average distance travelled by each passenger

was $35\frac{54}{100}$ miles, being $2\frac{27}{100}$ miles less than in 1867, showing this increase to be upon the local traffic of the line.

The number of tons of freight moved (including 294,131 tons of fuel and other materials transported for the Company) was 4,722,015, embracing 2,065,049 tons of coal. The whole tonnage of your railway exceeds that of last year, 721,477 tons, of which increase 384,326 tons was bituminous coal.

The average charge upon freights during the year was $1\frac{906}{1000}$ cents per net ton per mile, and per passenger $2\frac{71}{100}$ cents. The cost of transportation was $68\frac{8}{100}$ per cent. of the receipts.

The earnings of the Philadelphia and Erie Railroad, in 1868, are :

From Passengers,	-	-	-	-	-	\$631,437	59
“ Freight,	-	-	-	-	-	2,101,613	98
“ Express Matter,	-	-	-	-	-	30,954	33
“ Mails,	-	-	-	-	-	21,518	04
“ Miscellaneous sources,	-	-	-	-	-	18,726	42
Total (nearly equal to \$10,000 per mile of road),	-	-	-	-	-	\$2,804,250	36

The operating expenses during the same period were :

For Conducting Transportation,	-	-	-	-	-	\$610,774	32
“ Motive Power,	-	-	-	-	-	677,028	49
“ Maintenance of Cars,	-	-	-	-	-	178,913	85
“ Maintenance of Way,	-	-	-	-	-	600,284	40
						\$2,067,001	06
To which add 30 per cent. of earnings payable to the Philadelphia and Erie Railroad Company,	-	-	-	-	-	820,423	95
						2,887,425	01
Showing a loss to this Company in operating the line under the lease, of	-	-	-	-	-	83,174	65
or \$271,177 78 less than in 1867.							

To the loss above stated, there should be added—to give a fair exhibit of the workings of the lease of this line—the interest upon the capital required to operate the railway, the cost of the rolling stock and shop machinery,—all of which is furnished by this Company,—amounting at six per cent., to \$210,000 per annum.

The increase in the business of the line is almost wholly from the development of the freight traffic of the Company. The decrease in the relative expenses arises mainly from the diminished outlays on account of the original incomplete and defective construction of the road.

The revenues of the lines operated by this Company, and the amounts paid for their working expenses, interest and dividends, are as follows :

From the Pennsylvania Railroad and Branches, - -	\$17,233,497 31
“ “ Philadelphia and Erie Railroad, - -	2,804,250 36
<hr/>	
Amount, - - - - -	\$20,037,747 67

And the expenses of operating these lines were :

Pennsylvania Railroad, - - -	\$11,860,983 88
Philadelphia and Erie Railroad, - -	2,067,001 06
Thirty per cent. reserved to pay interest on debts of the Philadelphia and Erie Railroad Co., - - - - -	820,423 95
<hr/>	
	14,748,408 89
<hr/>	
Leaving the net profits from both railways, for 1868, -	\$5,289,338 78

Amount brought forward, - -	\$5,289,338 78
From which deduct dividends declared in May and November (in all 13 per cent.), with the taxes thereon, - - - - -	\$3,242,281 99
Balance to debit of Interest Account, -	701,610 84
Due on the lease of the Harrisburg and Lancaster Railroad, - - - -	135,274 18
Annual payment to the State of Pennsylvania on account of interest and principal due upon the purchase of her works between Pittsburgh and Philadelphia, - - - - -	460,000 00
	<u>4,539,167 61</u>
Leaving balance, - - - - -	<u>\$750,171 77</u>

The annual dividends of the Company since 1860 have averaged more than those of 1868.

All of the branch and leased lines operated by this Company (except the Philadelphia and Erie and the East Brandywine and Waynesburg Railways, where the aggregate loss was \$88,105 84) have shown balances in their favor over operating expenses, equal in the aggregate to the interest upon the amounts standing upon its books against them.

The earnings of the railways in which the Pennsylvania Railroad Company is the holder of a majority of their shares, but operated under their own Boards of Directors, were for the past year as stated below, viz:

Cumberland Valley Railroad, - - - - -	577,064 72
Northern Central Railway and its leased lines, - - -	4,151,351 91
Pittsburgh, Cincinnati and St. Louis Railway, - - -	2,327,455 43
	<u>\$7,055,872 06</u>

The Cumberland Valley Railroad extends from Harrisburg to Hagerstown, Maryland, a distance of 74 miles. It is a very important feeder to your main line, and traverses throughout its length a wide and densely populated valley, rich in agricultural resources, and bounded on either side by mountain ranges containing some of the most valuable mines of iron ore in the State, of inexhaustable extent. These mines are now being developed, and when reached by the branch railroad in course of construction, the transportation of these ores will add largely to the net revenues of that company.

The interest of your Company in this railway is held by its Sinking Fund, and consists of 9,418 shares of the Common and 2,864 shares of the Preferred Stock, upon both of which, amounting at par to \$614,100, it pays regular dividends of eight per cent. per annum, leaving a surplus which is being appropriated in aid of the construction of the branch line mentioned, to the largest of these iron ore deposits; and towards the extension of its own line to the Potomac at or near Williamsport, Maryland.

The Northern Central Railway extends from Baltimore to Sunbury, Pennsylvania, a distance of 138 miles, and through leases of, and contracts with other railway companies, it is practically extended to Buffalo, New York. Its control by this Company was the result of an unsuccessful effort upon the part of the Baltimore and Ohio Railroad Company to shut up this avenue as a competitor with its own railway for transportation between Baltimore and the West.

Instead of a burthen to the Pennsylvania Railroad Company, as apprehended at the time a purchase of a majority of its shares was made by the Sinking Fund, it has proved a very

profitable investment. After placing this work in good condition and increasing its equipment, it has been able to pay regular quarterly dividends to its shareholders, at the rate of eight per cent. per annum, after leaving a reasonable surplus of net profits. The number of shares of this Company held by the Sinking Fund is 43,614, equal at their par value to \$2,180,700.

The ordinary traffic of this line has increased with the population of the wealthy and enterprising section of country it accommodates, while its coal transportation, which is still in its infancy, has become a very important source of revenue. It has connections through a lease of the Shamokin Valley and Pottsville Railway, the control of the Lykens Valley Railway, and a connection with the Philadelphia and Erie, the Lackawanna and Bloomsburg and other railways, with all of the coal fields of Pennsylvania, which will continue to give to it a constantly increasing tonnage.

The Pittsburgh, Cincinnati and St. Louis Railway has been described in previous reports. It extends from Pittsburgh to Columbus, Ohio, a distance of 193 miles. The interest held by this Company in their stock and bonds, stands upon its books at \$5,633,450 09. It is an indispensable connection for the Pennsylvania Railway with the West and South-west, and must eventually pay reasonable dividends to its shareholders. Its traffic for the second year of its use, as a continuous railway between its termini, is equal to \$12,000 per mile of road.

In the Connecting Railway, which extends from West Philadelphia to Frankford—a distance of seven miles—and operated under a lease by the Philadelphia and Trenton and Camden and Amboy Railroad Companies, at an annual rental equal to six per cent. clear of all taxes upon its whole cost; the Penn-

sylvania Railroad Company holds 25,547 shares of the capital stock, amounting to \$1,277,350.

This road was constructed with means furnished by your Company for the purpose of decreasing the heavy cost of passing its New York and Eastern trade through this city, and in the expectation of returning to the Philadelphia Division of its road much of the trade and travel which the delays and obstructions referred to had driven to other channels. The result, as shown in the eighteen months since the road was opened for traffic, has been such as we anticipated, while, in addition thereto, we will receive, during the term of the lease, legal interest upon the expenditure incurred.

The Canals east of the Allegheny Mountains, purchased by this Company of the State of Pennsylvania, 173 miles in length, have, as stated in our last annual report, been sold to the Pennsylvania Canal Company, of which General Isaac J. Wistar is President. That Company has since purchased, with its first mortgage bonds, a majority of the shares of the West Branch Canal Company, extending from the Juniata river up the Susquehanna and its West Branch to Farrandsville, above Lock Haven—123 miles—and has consolidated its shares with those of the Wyoming Valley Canal Company, which occupies the North Branch of the Susquehanna from Northumberland to Wilkesbarre, a distance of 64 miles, making in all 360 miles of canal. This arrangement brings the Susquehanna system of State Canals, below the coal measures—dismembered by their sale to three Companies—under one control, without which they could not successfully compete with the railways traversing the valleys of the same water-courses. The whole of the revenues of these canals must for a few years be appropriated

to their improvement and protection from freshets that have heretofore periodically destroyed their usefulness for months at a time; to the great injury of their revenues and the business of those who use them for the transportation of the products of the country to market. When these objects are secured, the investment of this Company in the Pennsylvania Canal Company will doubtless become profitable and highly advantageous to the community, for whose accommodation they were originally built by the Commonwealth.

The assets of this Company—exclusive of its own road and equipment—invested for the protection and enlargement of its traffic are now, at a reasonable valuation, more than sufficient to meet the whole indebtedness of the Company, except the five per cent. bonds held by the State of Pennsylvania, which are being paid by a contribution from the net revenues of the Company in semi-annual payments of \$230,000 each. During the past year these contributions, after the payment of interest, left \$142,978 50 to be appropriated to the reduction of the principal, which sum will annually increase as the debt upon which interest is payable is reduced.

In the month of October last an attempt was made by the Erie and New York Central Railroad Companies to break up the through traffic arrangements of this Company, by large reductions upon their freight charges. This movement was promptly met by the Pennsylvania Railroad Company with still greater reductions from time to time, which resulted in a large increase of its tonnage. These low charges were continued until a restoration of former rates was desired by those Companies, after incurring a heavy loss in their revenues; while the effort increased the prestige of this Company by bringing

its shorter lines and better facilities more prominently into public notice. After the failure of this attempt, the Managers of the Erie Company, in disregard of popular sentiment and public rights have—by means of large sums of money, suddenly realized from a confiding public, in a manner at least unworthy of imitation—endeavored to arrest a healthy competition for the traffic between the East and West through the control of our connecting lines; and by this means divert business from its natural channels to *their* circuitous route to the seaboard.

The policy of your Board has heretofore been to limit its investments outside of Pennsylvania to those Companies which they had originally deemed it proper to assist, for the purpose of securing connections with existing lines, whose interests harmonized with its own. The restless spirit of our rivals in the East and West, have however, rendered it necessary to make our connections with the chief trade centres of the West more perfect and less liable in future to molestation and interruption. This has been done to a great extent through a recent lease to the Pittsburgh, Cincinnati and St. Louis Railway Company, guaranteed by this Company, of the lines of the Columbus, Chicago and Indiana Central Railway Company, which have direct connections with Indianapolis, St. Louis, Louisville and Chicago.

The lease of these lines will require additional capital, to be applied especially to an increase of their Rolling Stock—as well as that of our own railway—to accommodate a business sufficient to make the outlays upon them profitable. This it is proposed to raise by giving to the Stockholders of the Pennsylvania Railroad Company, registered upon the books of the Company

on the thirtieth day of April next, the privilege of subscribing to twenty-five (25) per cent. of their holdings at that time, in new shares at par.*

With the proposed increase of capital, the Board entertains no difficulty in continuing dividends of ten per cent. per annum, even if these arrangements should not, as anticipated, increase our net profits to a greater extent than the interest upon the outlays to be incurred. It will appear from an examination of the statements already given, that the business of the past year would have justified dividends of five per cent. semi-annually upon our whole authorized capital of \$35,000,000, and still leave a surplus of a half of a million of dollars. The proposed increase will make the Capital Stock about \$33,500,000.

The rapid progress made by the Union and Central Pacific Railroads indicates the completion of a railway line across the Continent during the ensuing summer. When it shall have been opened throughout, your own road and its immediate western connections will present the shortest line to and from the Great Cities of the Atlantic seaboard, either by way of Chicago, St. Louis, or by an intermediate route in progress from Keokuk westward, connecting with the Union Pacific road near Fort Kearney. This advantage will secure to it at least a fair and reasonable share of the large traffic that will be carried between the Atlantic and Pacific States.

By some oversight, local considerations or a limited conception of the important part that railways were to play in the movement of the internal commerce of the country, Pennsylvania and Ohio have each been placed between two different railway gauges which for a long time forced transshipments of freights at their connections.

* For subsequent action of the Board, see page 22.

The Pennsylvania Railroad Company has, both on its eastern and western connections, a gauge of four feet ten inches, and Ohio on each side of her, a gauge of four feet eight and a half inches—the latter being the prevailing gauge north of the Ohio and James Rivers; while south of these the gauge of five feet prevails, which should have been adopted originally as the uniform gauge of the United States.

To obviate the inconvenience, the increased cost, and the additional capital required to move traffic, in consequence of these frequent transhipments, from a difference of gauge of only one and a half inches, broad tread wheels were introduced for through traffic, which has, to a large extent, overcome these evils. Owing, however, to the great oscillation of the cars on the wider gauge, the Ohio lines insisted upon a play upon the narrow gauge, that added materially to the cost of hauling upon the gauge of four feet eight and a half inches; to remedy which the gauge of your road has been changed to four feet nine inches, and the Ohio roads have been or are being changed to four feet nine and a half inches, leaving but a difference of a half of an inch, which it is presumed that time will reduce to the uniform gauge of four feet nine inches.

Your Directors, in their last annual report, alluded to a very important movement contemplated by the Philadelphia and Erie Railroad Company, by which it was proposed to build a railroad leaving that line at the mouth of Bennett's Branch of the Susquehanna, thence up that stream to the summit, and down the waters of the Allegheny to that river at the confluence of the Mahoning, and thence to Pittsburgh. This line is designed chiefly for the transportation of freight at a slow speed, with a view to so cheapen its cost as to compete with the

water lines leading to New York. Upon no portion of this route is there a gradient against the heavy traffic to the East exceeding ten feet per mile, or sixteen feet against the Westward-bound trade, except for about four miles at the summit, where a gradient of forty-eight feet in favor of the heavy transportation is used, and for about four miles near the mouth of the Mahoning, where fifty-five feet per mile may be adopted. Until the traffic justifies the application of assistant power at these points, the full loads upon the sixteen feet gradient will be passed over them by a division of the train. The exceptional gradient of fifty-five feet per mile, near the mouth of the Mahoning, may be avoided by continuing upon the side hill after striking this creek, and intersecting the Allegheny Valley Railroad lower down; but the work will be expensive, and may be left to a period when the traffic will justify the outlay.

It is not proposed to extend the Philadelphia and Erie line beyond Brookville in this direction, as it will be there met by the Western Pennsylvania or Allegheny Valley Railroads, the charters of both of which companies cover the ground. From Brookville, or its vicinity, the Philadelphia and Erie will eventually be carried westwardly, south of the lakes, connecting therewith by branch roads. The grading of this railway for about twenty miles is now under contract, and all of its expensive sections will be let as soon as the line is carefully located.

The satisfactory results obtained from the business of your railways during the past year is largely due to the judicious management of E. H. Williams, Esq., General Superintendent, who has been ably seconded by his Assistants, John A. Wilson, Esq., Chief Engineer of Maintenance of Way, and A. J. Cassatt, Esq., Superintendent of Motive Power and Machinery.

The heavy traffic of the lines under their charge, has been moved without serious accidents, and at a material saving in cost compared with the previous year, considering the increase of tonnage transported.

The Management of the Philadelphia and Erie Railroad, under its General Superintendent, A. L. Tyler, Esq., and his Assistant, W. A. Baldwin, Esq., also reflects much credit upon them, from the relative reduction of expenses realized in the movement of its traffic.

Respectfully submitted,

By order of the Board.

J. EDGAR THOMSON,

President.

Dr.

GENERAL ACCOUNT.

Cr.

To Capital Stock.....	\$27,040,762	50	By Balance standing on books of the company for the construction of the Railway between Harrisburg and Pittsburgh, including Branches to Indiana and Hollidaysburg (in all 276 miles); also for cost of Stations, Warehouses, Shops and Shop Machinery, on the whole road from Philadelphia to Pittsburgh.....\$13,663,629 75	\$20,761,532	66
" First Mortgage six per cent. Bonds, due in 1880.....	4,972,400 00		" Balance standing on books of the company for the purchase of the Philadelphia and Columbia Railroad.....	732,960 00	
" Second " " " " 1875.....	4,877,840 00		" Balance standing to debit of Equipment of Road, consisting of 629 Locomotives, 275 Passenger Cars, 121 Baggage, Mail and Express Cars, 8,005 Freight Cars, and 928 Road Cars.....	1,277,850 00	
" General " " " " 1910.....	1,545,000 00		" Cost of Real Estate of company and Telegraph Line.....	779,637 26	
" Lien of the State upon the Public Works between Philadelphia and Pittsburgh, purchased by this company, bearing 5 per cent. interest, payable in annual instalments of \$46,000, applicable first to the interest, and the remainder to principal—original amount of which was \$1,560,000.....	6,252,754 93		" Extension of Pennsylvania Railroad to South Bank of the Monongahela, and to the Delaware River, including Wharves and Grain Elevator.....	5,633,450 00	
" Short Bonds, or Debentures, six per cent.....	3,520,728 00		" Cost of Real Estate of the Philadelphia and Erie Railroad Company, exclusive of 48,000 Shares of Preferred 8 per ct. Stock in the Sinking Fund.....	1,101,165 00	
" Mortgages and Ground Rents, at six per ct., remaining on Real Estate purchased.....	117,809 32	25	" Stock and Bonds upon the line of Railway between Pittsburgh and Columbus, Ohio, as standing upon the books of the company at this date.....	1,283,433 34	
" Bills and Accounts payable, including dividends due to Stockholders unpaid.....	3,361,367 50	50	" 55,231 Shares of Capital Stock of the Pennsylvania Canal Corporation.....	2,301,429 29	
" Contingent Fund.....	1,606,250 00		" Amount of other Bonds and Stock of Municipal and Railroad Corporations.....	1,409,829 86	
" Balance.....	869,232 62	62	" Cost of Bonds and Stocks in the Sinking Fund, to pay Pennsylvania Railroad Second Mortgage Bonds, and the Bonds of the Harrisburg and Lancaster Railroad Company, amounting together to \$5,577,340.....	371,351 51	
			" Amount of Fuel and Materials on hand for repairs to Locomotives, Cars, and Maintenance of Way on the Pennsylvania Railroad.....	419,370 01	
			" Amount advanced to pay for Fuel and Materials on hand for repairs to Locomotives and Cars, and Maintenance of Way for the Philadelphia and Erie Railroad.....	6,613,527 20	
			" Amount advanced to operate the Philadelphia and Erie Railroad.....	794,635 00	
			" Amount of Bills and Accounts Receivable, and amount due from other Railroads.....	1,674,063 66	
			" Balance in hands of Agents.....	\$54,143,744 87	
			" Balance in hands of Treasurer.....		

E. & O. E.—PHILADELPHIA, December 31st, 1868.

THOMAS T. WIRTH, Treasurer.

Office of the Pennsylvania Railroad Co.,

Philadelphia, February 24, 1869.

To the Shareholders of the
Pennsylvania Railroad Co.

At a Stated Meeting of the Board of Directors, held this day, the following resolutions were adopted :

Resolved, That by virtue of the power in them vested by resolution adopted by the Stockholders at a General Meeting, held April 30th, 1867, and confirmed at the Annual Meeting, held February 16th, 1869, the Board of Directors do hereby authorize the issue of one hundred and thirty-six thousand (136,000) shares of the capital stock of the Pennsylvania Railroad Company, and do hereby give to the Stockholders of said Company the privilege of subscribing at par—either directly or by substitution, under such rules as may be prescribed therefor—to the said issue of stock, to the extent of twenty-five per cent. of their respective interests, as they stand registered on the books of the Company April 30th, 1869.

Resolved, That the new shares herein referred to, shall be paid for in two instalments, as follows :

1st. Fifty per cent. at the time of subscription, between the 15th day of May, 1869, and the 30th day of June, 1869.

2d. Fifty per cent. between the 15th day of November, 1869, and the 31st day of December, 1869 ; or, if Stockholders should prefer, the whole amount may be paid up at the time of subscription, and each instalment so paid shall be entitled to a pro rata of the dividend that may be declared on full shares.

Resolved, That every Stockholder holding less than four shares, shall be entitled to subscribe for one share ; and those holding more than a multiple of four shares, shall be entitled to subscribe for an additional share.

By order of the Board.

J. EDGAR THOMSON,

President.

REPORT

OF THE

General Superintendent.

Office of the General Superintendent,

ALTOONA, Pa., Feb. 1, 1869.

To the President and Directors of the
Pennsylvania Railroad Company.

GENTLEMEN :—I submit herewith the report of the operations
of the Pennsylvania Railroad during the year 1868.

The earnings have been—

From transportation of freight and tolls on individual cars, - - - - -	\$12,882,165 30
“ First-class passengers, - - -	3,531,903 94
“ Emigrant passengers, - - -	78,244 29
“ Adams Express Company, - -	291,881 21
“ Transportation of U. S. Mails, - -	99,981 25
“ Rents of property, - - - -	55,538 28
“ All other sources, - - - -	293,783 04
	<hr/>
	\$17,233,497 31

The expenses have been—

Motive Power, - - -	\$3,361,694 42
Conducting Transportation, -	3,609,233 18
Maintenance of Way, - -	3,268,896 46
Maintenance of Cars, - -	1,442,735 90
General Expenses, - - -	178,423 92
	<hr/>
	11,860,983 88
	<hr/>
Net Earnings, - - - -	<u>\$5,372,513 43</u>

The expenses compare with those for 1867 as follows :

	Motive Power.	Conducting Transportation.	Maintenance of Way.	Maintenance of Cars.	General Expenses.
1868.	3,361,694 42	3,609,233 18	3,268,896 46	1,442,735 90	178,423 92
1867.	3,252,143 37	3,517,258 83	3,602,748 92	1,528,387 82	179,760 70
Increase.	109,551 05	91,974 35	.....	.....	.....
Decrease.	.....	.....	333,852 46	85,651 92	1,336 78

Total decrease of expenses, \$219,315 76.

PASSENGER BUSINESS.

The number of passengers transported during the year, and the number of miles travelled, are shown in the following table :

	Number.	Miles Travelled.
First Class Passengers,	2,755,520	117,696,216
Emigrant Passengers,	23,844	8,000,599
Commutation Passengers,	967,814	7,501,487
Total,	3,747,178	133,198,302

COMPARED WITH 1867.

	1868.	1867.	Increase.	Percentage of Increase.	Decrease.	Percentage of Decrease.
First Class Passengers.....	2,755,520	2,502,369	253,151	10 $\frac{11}{100}$	.....	.....
Emigrant Passengers.....	23,844	28,625	.....	.....	4,781	20 $\frac{0.5}{100}$
Commutation Passengers..	967,814	816,492	151,322	18 $\frac{5.3}{100}$	.....	.....
Total.....	3,747,178	3,347,486	417,055	.....	4,781	.....

Total increase in number of passengers carried, 412,274.

FREIGHT BUSINESS.

During the year 1868 there were transported over the road :

Fuel and other material for Company use,	294,131 tons.
Regular Freight, - - - - -	4,427,884 "

Total for 1868, - - -	4,722,015 "
" " 1867, - - -	4,000,538 "

Increase, - - -	721,477 "
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Percentage of increase, $18\frac{0}{100}$.

Included in the regular freight there were moved :

Oil, - - -	181,174 tons.
Coal, - - -	2,065,049 "

Total tons moved one mile, 1868, - -	675,775,560
" " " 1867, - -	565,657,813

Increase, - - -	110,117,747
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Increase, $19\frac{4}{100}$ per cent.

The following table shows the total movement of loaded cars for the year at different points of the road :

	Loaded Cars.	1868.	1867.	Increase.	Decrease.
West Philadelphia...	Eastward.....	139,674	118,686	17 50-100 pr. ct.	
	Westward.....	56,448	46,641	18 88-100 "	
Harrisburg.....	Eastward.....	166,474	128,850	23 35-100 "	
	Westward.....	48,689	42,923	13 20-100 "	
Marysville.....	Eastward.....	34,245	25,540	34 08-100 "	
	Westward.....	9,011	7,816	15 28-100 "	
Huntingdon.....	Eastward.....	80,584	26,118	17 09-100 "	
	Westward.....	5,475	4,661	17 45-100 "	
Tyrone.....	Eastward.....	24,190	24,309		49-100 pr. ct.
	Westward.....	3,307	4,218		27 54-100 "
Lock Haven.....	Deliv'd P. & E. R. R.	3,841	2,984	28 92-100 pr. ct.	
	Rec'd from " " ...	1,492	1,463	1 98-100 "	
Altoona.....	Eastward.....	148,975	121,253	18 73-100 "	
	Westward.....	57,216	49,540	15 89-100 "	
Blairsville.....	Eastward.....	20,727	14,928	38 84-100 "	
	Westward.....	5,888	4,982	18 18-100 "	
East Liberty.....	Eastward.....	19,993	18,097	10 47-100 "	
Pittsburgh.....	Eastward.....	55,196	43,281	27 53-100 "	
	Westward.....	99,868	80,845	23 52-100 "	
Allegheny City.....	Eastward.....	4,245	3,179	33 53-100 "	
	Westward.....	5,472	4,129	32 52-100 "	

The figures given at West Philadelphia, Harrisburg, Altoona and Pittsburgh, represent the business of the Main line passing those points in the directions stated ; the figures at Marysville, the business exchanged with the Northern Central Railway Company ; at Huntingdon, the trade developed by the Huntingdon and Broad Top Railroad ; at Tyrone, that of the Branches diverging from that point ; and at Lock Haven, the tonnage exchanged with the Philadelphia and Erie Railroad. The movement of cars shown at Blairsville and Allegheny City, the terminal points of the Western Pennsylvania Railroad, indicates a large increase in the business of that Branch, which is mainly attributable to the increase in the shipments of refined oil during the year. The movement of cars at East Liberty represents live stock wholly.

The number of loaded cars moved over the road has largely exceeded that in any previous year. The maximum was reached during the past five months. Since the 1st August it has been found impossible to supply cars to meet the requirements of the freight which has been constantly pressing for transportation. At the present time a slight falling off is perceptible ; yet the trade now moving is over fifty per cent. greater than at date of last report. The coal tonnage shows an increase of 384,326 tons, or $22\frac{8}{100}$ per cent. over the shipments of the previous year.

The shipments of oil during the year compare with those in 1867 as follows :

	1868.	1867.
From Pittsburgh, . . .	165,691 bbls.	160,168 bbls.
“ Allegheny Junction, .	590,478 “	420,388 “
Total, . . .	756,169 bbls.	580,556 bbls.

Increase, 175,613 bbls., or $30\frac{2}{100}$ per cent.

MOTIVE POWER AND ROLLING STOCK.

The report of the Superintendent of Motive Power and Machinery, which is submitted herewith, shows the total number of locomotives on the Pennsylvania Railroad and branches at this date, to be 434, of which 342 are in actual service, and 92 are in the shops for repairs or rebuilding. There have been delivered during the year by builders, in part fulfillment of contracts, one eight-wheeled passenger locomotive, two six-wheeled shifting and twenty-two ten-wheeled freight locomotives. Of this number, nineteen have been sold to other Companies.

Fourteen locomotives have been built in the Company's shops, to fill vacant numbers, making with the 25 engines purchased, a total of 39 new locomotives put in service during the year.

Contracts are outstanding for six six-wheeled shifting engines, and twenty-six ten-wheeled freight engines, to be delivered during the first six months of 1869.

The mileage of locomotives compares with the tons moved one mile as follows :

	1868.	1867.	Increase.	Percentage of Increase.
Mileage of Freight Engines.....	6,355,865	5,818,060	537,805	9 24-100
Tons moved one mile.....	675,775,560	565,667,813	110,117,747	19 46-100
Total engine mileage.....	8,693,328	8,026,778	666,550	8 30-100

PASSENGER EQUIPMENT.

The passenger equipment at this date consists of 174 passenger cars, of which 156 are in actual service, and 18 in shops for repairs or rebuilding; 51 emigrant cars, 53 baggage cars, 4 mail cars, and 43 express cars. The only additions to the equipment during the year have been six emigrant cars and one express car, which were built in the Company's shops.

Eleven passenger cars have also been built in the shops, to fill vacant numbers.

FREIGHT EQUIPMENT.

The freight equipment in service is as follows :

Box cars,	-	-	-	-	-	-	2,340	
Stock cars,	-	-	-	-	-	-	1,115	
Gondola cars,	-	-	-	-	-	-	2,035	
Coal cars,	-	-	-	-	-	-	718	
								<hr/>
Cars owned by individuals and other Companies,	-							6,208
								<hr/>
								3,053
								<hr/>
Total,	-	-	-	-	-	-	9,261	
Total freight equipment in service Dec. 31, 1867,	-						8,482	
								<hr/>
Increase,	-	-	-	-	-	-	779	

This increase has been in cars owned by this Company, 262 ; in cars owned by other Companies, 517.

Five hundred and fifty cars have been added by contract during the year, of which number 238 have been transferred to connecting roads. There are yet to be delivered, on outstanding contracts, 106 box cars and 148 stock cars.

TRACK AND BUILDINGS.

The accompanying report of the Chief Engineer of Maintenance of Way, gives in detail the operations of that branch of the Company's service during the past year.

The second track on the Middle Division has been completed, with the exception of a distance of 2,440 feet between Mapleton and Bridgeport, and the roadway over the Susquehanna, Manayunk and Mount Union bridges. The new double-track iron bridge, now in process of erection over the Conemaugh, at Johnstown, will give a complete double track on the Pittsburgh Division.

The use of steel rails continues with satisfactory results, and 4,544 tons of this material have been laid since date of last report.

A new brick engine-house, containing forty-four stalls, has been completed at Harrisburg, and will be put in use at once. A brick engine-house, to hold two engines, has also been built at Parkesburg. Temporary wooden structures at Derry and Newry, the former with a capacity for six and the latter for two engines, have also been constructed during the year.

The new fire-proof oil-house at Altoona, referred to in my last report, is now finished and ready for use.

BRANCH ROADS.

The extension of the Mifflin and Centre County Railroad was completed, and that branch opened for business to Milroy on the 6th of January last.

A branch, one mile in length, from the town of Newry, in Blair County, to the terminus of the track running southward from Duncansville, owned by this Company, and formerly a portion of the old Portage Railroad, has been constructed during the past season, and has been operated since Nov. 2d, in connection with the Hollidaysburg Branch.

The Tyrone and Clearfield Railroad has been extended from Philipsburg to Clearfield, and the extension will be ready for use in a few weeks. A telegraph line is also building on this branch, and will be opened for business at the same time with the extension of the road.

GENERAL REMARKS.

The operation of the Main line during the year has been attended without serious interruptions, except in the following named instances :

The Susquehanna River, swollen by the spring freshets, rose to such an extent as to overflow the roadway between Harrisburg and Highspire, rendering the tracks unsafe for use from the afternoon of March 17th until the afternoon of March 19th. Passenger trains, and all freight requiring dispatch,

were sent over the Philadelphia and Reading Road, between Harrisburg and Philadelphia, without serious delay, until the falling of the water on the 19th, allowed the tracks again to be used.

With a sudden change of weather on the evening of March 20th, one of the severest snow storms of the season in Eastern Pennsylvania began, and continued without intermission until the morning of the 22d. The greatest quantity of snow fell between Paoli and Downingtown, the drifts in some places being from eight to ten feet deep, blocking that portion of the road completely, and delaying all trains thirty hours.

On the morning of July 17th, five spans of the Susquehanna Bridge were destroyed by fire. Trains were run, without serious delay, between Marysville and Harrisburg, by using the Dauphin Bridge of the Northern Central Railway Company. The five spans were rebuilt in permanent form in twelve days, and the bridge was again ready for the passage of trains on the evening of July 28th.

On the 1st January last, Mr. John A. Wilson assumed charge of the Maintenance of Way on the Pennsylvania Railroad, as Chief Engineer, in accordance with the revised organization of that branch of the Company's service.

My acknowledgments are tendered to the officers of the several branches of the Transportation Department, and their subordinate employés, for the efficient support and cordial co-operation which have been extended to me during the past year.

EDWARD H. WILLIAMS,
General Superintendent

OFFICE OF SUPERINTENDENT

OF

MOTIVE POWER AND MACHINERY.

ALTOONA, Pa., January 1st, 1869.

EDWARD H. WILLIAMS, Esq.,
General Superintendent.

SIR:—The following report of the operations of this department during the year ending December 31st, 1868, is respectfully submitted.

The number of locomotives in service and in shops under repairs and rebuilding, on the 1st of January, 1868, was 428 To which have been added by purchase, during the year, as follows :

New numbers,	-	-	-	-	-	18
To replace locomotives with old numbers, sold during the year to the Pittsburgh, Cincinnati & St. Louis Railroad,						6
To replace one locomotive with an old number, sold during the year to the St. Louis, Terre Haute and Vandalia Railroad, -	-	-	-	-	-	1
Total,	-	-	-	-	-	<u>453</u>
Deduct locomotives sold P. C. & St. L. R. R.,					-	18
“ “ St. L., T. H. & V. R. R.,					-	1
						<u>19</u>
Total number on main line and branches at this date,						<u><u>434</u></u>

Their condition is as follows :

In service in good worknig order,	-	-	-	320
“ “ but requiring repairs,	-	-	-	22
In shops rebuilding, -	-	-	-	19
“ “ under general repairs,	-	-	-	37
“ “ “ slight “	-	-	-	36
Total,	-	-	-	434

Locomotives actually in service January 1st, 1869,	-	342
“ “ “ “ 1868,	-	329
Increase,	-	13

The following tables exhibit the performance of locomotives, and cost of repairs, fuel and stores.

MILEAGE OF LOCOMOTIVES.

	Pass. Trains.	Fr't Trains.	Dis'g Trains.	Totals.
Philadelphia Division, -	562,956	1,860,142	98,688	2,521,786
Middle “ -	538,795	1,964,754	92,871	2,596,420
Pittsburgh “ -	870,838	2,334,908	71,506	3,277,252
Tyrone “ -	79,036	196,061	22,773	297,870
Totals, - - -	2,051,625	6,355,865	285,838	8,693,328

Total mileage in 1868,	-	-	8,693,328
“ “ 1867,	-	-	8,026,778
Increase,	-	-	666,550

GREATEST MILEAGE WITH PASSENGER TRAINS.

Philadelphia Div.,	Engine 142,	A. O. Baker,	Engineer,	39,695
Middle	" "	422,	B. F. Free,	" 42,108
Pittsburgh	" "	419,	C. Gochenour,	" 44,708
Tyrone	" "	103,	A. J. Latham,	" 31,836

AVERAGE MILEAGE WITH PASSENGER TRAINS.

Philadelphia Division,	-	-	-	-	21,652
Middle	"	-	-	-	24,491
Pittsburgh	"	-	-	-	25,613
Tyrone	"	-	-	-	15,807

GREATEST MILEAGE WITH FREIGHT TRAINS.

Philadelphia Div.,	Engine 380,	Jacob Becker,	Engineer,	33,899
Middle	" "	138,	James Drake,	" 42,052
Pittsburgh	" "	293,	R. S. Ferguson,	" 34,990
Tyrone	" "	190,	A. McClure,	" 22,640

AVERAGE MILEAGE WITH FREIGHT TRAINS.

Philadelphia Division,	-	-	-	-	24,158
Middle	"	-	-	-	21,126
Pittsburgh	"	-	-	-	18,100
Tyrone	"	-	-	-	14,004
General average mileage with passenger trains,	-	-	-	-	23,582
" " " freight "	-	-	-	-	20,306

COST OF REPAIRS, FUEL AND STORES.

	Repairs.	Fuel.	Stores.	Totals.
Philadelphia Division, -	\$378,504 00	\$161,150 13	\$31,164 87	\$570,819 00
Middle " -	308,357 38	194,154 98	34,869 37	537,381 73
Pittsburgh " -	492,811 43	261,785 10	65,661 18	820,257 71
Tyrone " -	82,544 18	22,254 02	3,651 10	58,449 90
Totals 1868, - - -	\$1,212,216 99	\$639,344 83	\$135,346 52	\$1,986,908 34
" 1867, - - -	1,104,061 44	657,401 09	141,279 49	1,902,762 02

The "repairs" on Philadelphia Division include seven new engines, purchased at a cost of \$92,000; and on Middle Division five new engines, costing \$70,000. These locomotives were purchased to replace a like number sold to the Pittsburgh, Cincinnati & St. Louis Railroad, and as no new engines purchased during 1867 were charged to repairs, to arrive at a fair comparison of the expenses of that year with those of 1868, their cost, amounting in the aggregate to \$162,000, should be deducted from the total cost of repairs in 1868. If this is done, it will be seen that in the face of a largely increased tonnage, the following saving has been made on last year's figures:

Decrease in cost of repairs,	-	-	-	\$53,864 45
" " fuel,	-	-	-	18,056 26
" " stores,	-	-	-	5,932 97

TOTAL AVERAGE COST PER 100 MILES RUN.

	Repairs.	Fuel.	Stores.	Totals.
1867.	13.75	8.19	1.76	23.70
1868.	12.08	7.35	1.56	20.99
Decrease,	1.67	.84	.20	2.71

GENERAL AVERAGE CONSUMPTION OF FUEL AND STORES.

	Pounds of coal used per mile run.	Quarts of oil used per 100 miles run.	Pounds of waste used per 100 miles run.	Pounds of tallow used per 100 miles run.
1867.	67.	4.01	2.47	4.48
1868.	64.8	3.75	2.43	4.02
Decrease,	2.2	.26	.04	.46

In April last, a plan was adopted and put in practice, which it was hoped would materially reduce the consumption of fuel and stores. The system of fixing certain quantities as the standard, and paying premiums to each individual engineman who should run below this, had been repeatedly tried and failed, for the reason that it was found impossible, on a road having so many different classes of locomotives employed in so great a variety of services, to fix an allowance which should be fair to all, or even to divide the locomotives into classes, and fix an allowance for each class. There are other minor difficulties which make such a system impracticable. But while believing that the individual premium system cannot succeed, it was recognized that no decided improvement could be made, except by interesting the men themselves in saving. The plan adopted was, therefore, to offer the reward to the engineers and firemen, on the several divisions collectively. The average consumption of fuel and stores per mile run during the year 1867 was taken as a basis, and the engineers and firemen were notified that the benefit of any reduction which they might make on these figures, would be shared equally between the Company and themselves. It was hoped that the plan would interest each man, not only in saving as much as possible himself, but in having all the others do the same; that a rivalry which did not previously exist would thus be created, and that an engineman who should fall much below the average would lose cast among his comrades, and would be spurred on to greater exertion.

The result, so far, has not been so favorable as was hoped, but perhaps as much so as should have been expected, when it is considered that the plan did not go into full operation and become thoroughly understood by the men until late in the year. The actual saving amounted to \$25,965 36, one-half of which sum will be divided among the men.

It is hoped that when this shall have been done, they will appreciate more readily the benefit which they may derive

from the system, and that the result of its operation during the coming year will be more satisfactory.

It may be well to note in this connection, that the mileage of locomotives is not a proper basis on which to found a comparison of the consumption of fuel and stores, for the reason that the proportion of the tons of freight moved to the locomotive mileage is being steadily increased by the substitution of the heavy modern locomotive for old light engines, as they become worn out. The comparison should be made on the basis of the tonnage, or the movement of the loaded cars; and although it would of course be impracticable to do this in the case of each individual locomotive, it will be interesting to observe what the proportion is in the general result.

The general average increase in the movement of loaded cars during the year 1868 over 1867, was fifteen per cent.; the increase in the freight locomotive mileage, was $9\frac{2}{10}$ per cent.

This fact should be considered when making the comparison of the fuel and stores consumed during the past year, and the one preceding it.

The following is a summary of the operations of the machine shops during the year.

Locomotives rebuilt (entirely new),	-	-	-	14
“ had general repairs,	-	-	-	234
“ “ ordinary “	-	-	-	358
“ “ new steel fire-boxes built,	-	-	-	31
“ “ “ iron “ “	-	-	-	1
“ “ iron half “ “	-	-	-	1
“ “ copper half “ “	-	-	-	9
“ “ new steel boilers,	“	-	-	8
“ “ “ iron “ “	-	-	-	8

TIRES USED.

Steel Tires used, -	-	-	-	-	327
Chilled " "	-	-	-	-	160
Iron " "	-	-	-	-	15
					<hr/>
Total in 1868, -	-	-	-	-	502
" 1867, -	-	-	-	-	719
					<hr/>
Decrease, -	-	-	-	-	<u>217</u>

This decrease speaks well for the economy of steel tires, to the use of which it is entirely to be attributed.

WHEELS AND AXLES USED.

	AXLES.			Wheels.
	Iron.	Steel.	Totals.	
Locomotive Trucks, - -	127	25	152	678
" Tenders, - -	241	153	394	1,601
Passenger Equipment, - -	6	776	782	2,314
Freight " - -	1,352	88	1,440	5,443
Totals, - - -	1,726	1,042	2,768	10,036

ROLLING STOCK.

The Passenger Equipment on main line and branches, is as follows :

PASSENGER EQUIPMENT.

	Total number Jan. 1st, 1868.	New numbers built during year.	Total number Jan. 1st, 1869.	In shops under repairs and rebuilding.	In service Jan. 1st, 1869.
Passenger, - - -	174	. .	174	18	156
Emigrant, - - -	45	6	51	. .	51
Baggage, - - -	53	. .	53	4	49
Mail, - - - -	4	. .	4	. .	4
Express, - - -	42	1	43	1	42
Totals, - - -	318	7	325	23	302

FREIGHT EQUIPMENT.

	Total number Jan. 1st, 1868.	New numbers added by con- tract.	Sold to P. C. & St. L. R. R. & other roads.	Total number Jan. 1st, 1869.	In shops, re- building.	In shops under ordinary re- pairs.	In service Jan. 1st, 1869.
Box.....	2,080	426	100	2,406	66	62	2,278
Stock.....	1,157	95	100	1,152	37	36	1 079
Gondola.....	2,170	29	38	2,161	126	50	1,985
Coal.....	738			738	20	40	678
Totals	6,145	550	238	6,457	249	188	6,020

The following cars owned by individuals and by other railway companies, are run regularly on this road, viz :

Penn Gas Coal Company,	-	-	-	-	404
Westmoreland Coal Company,	-	-	-	-	394
Powelton Coal and Iron Company,	-	-	-	-	85
North-western Coal and Iron Company,	-	-	-	-	27
Philadelphia and Reading R. R. Coal Cars,	-	-	-	-	599
Union Line,	-	-	-	-	1,022
Allentown Line,	-	-	-	-	299
National Line,	-	-	-	-	223
Total,	-	-	-	-	<u>3,053</u>

Cars in Maintenance of Way Service :

Cabin Cars,	-	-	-	-	-	18
Gondola "	-	-	-	-	-	116
Dump "	-	-	-	-	-	155
Hand "	-	-	-	-	-	171
Hand Trucks,	-	-	-	-	-	199
Derrick Cars,	-	-	-	-	-	15
Timber Trucks,	-	-	-	-	-	3
Total,	-	-	-	-	-	<u>677</u>

RECAPITULATION.

Passenger Equipment, Number of Cars,	-	-	325
Freight " " "	-	-	6,457
Cars in Maintenance of Way Service, -	-	-	677
Individual Cars, and Cars of other Railway Companies run regularly on Pennsylvania Railroad, -	-	-	<u>3,053</u>
Total number of cars of all classes on main line and branches, -	-	-	<u>10,512</u>

The rolling stock has been maintained in as good condition as it was at the commencement of the year, and the number of

freight cars in shops for repairs, was kept at as low a figure as it can be expected to arrive at. The average number out of service during the entire year being 188 cars of all classes.

GENERAL REMARKS.

During the past year the importance of arriving as soon as possible, at a system of perfect uniformity in plans and patterns, the first decided effort in which direction was made by my predecessor, was kept steadily in view. The importance of this subject, both as a measure of economy and of increased efficiency, cannot be too highly estimated, for with such a system only can the cost of repairs of locomotives, and the proportion of engines out of service be reduced to a minimum.

During the past year complete detailed drawings were prepared of all the standard locomotives, and in all those purchased or built at the Company's shops ; these plans have been closely adhered to.

The new engine-house at Harrisburg was completed late in December, and is now in use.

The motive power and shops during the year were taxed to their full capacity, and although they were able to meet all demands made upon them, it has become evident that additional facilities will be required at Altoona, to provide for the rapidly increasing business. These additional facilities would be furnished by the erection of new car shops at that place, when the room now occupied for that work could be made available for the locomotive department.

The officers and employés of this department have performed their duties in an efficient and satisfactory manner.

Very respectfully,

A. J. CASSATT.

Sup't. M. P. and Machinery.

REPORT
OF THE
Chief Engineer Maintenance of Way
OF THE
PENNSYLVANIA RAILROAD.

CHIEF ENGINEER'S OFFICE,
Maintenance of Way Department,
ALTOONA, Dec. 31, 1868.

EDWARD H. WILLIAMS, Esq.,
General Superintendent.

SIR:—The following report of the operations of this Department for the past year is respectfully submitted.

ROAD-BED AND ROAD SUPERSTRUCTURE.

On the Philadelphia Division extensive improvements have been made between West Philadelphia and Hestonville, to provide additional yard facilities, including the grading for new sidings and the relocation of portions of the main tracks to suit the revised plans. A portion of the projected sidings have been laid and opened for use. The waste material from these sidings has been used towards filling the Delaware Extension

trestle-work. Retaining walls have been built in the cuts west of Elizabethtown. A number of cattle-guards west of Lancaster have been repaired. An arch-culvert, of six feet span, has been built through an embankment east of Columbia, injured by the heavy rain of August, 1867. Travel between Harrisburg and Middletown was interrupted from March 17th to 19th by high water from the River Susquehanna flooding the road. No damage was sustained by the road-bed, and travel was resumed as soon as the water subsided.

On the Middle Division the second track, at Mount Union, has been extended to both ends of the river bridge at that place. The grading for second track, between Mapleton and Bridgeport, is completed, and the track laid and in use, with the exception of 2,440 feet, which awaits the completion of Vandevander's Bridge for double track. The track on the extension of the Hollidaysburg Branch to Newry, was laid during the summer, and opened for traffic on November 2d. Retaining walls have been built at Perryville and east of Manayunk Station, also near Newton Hamilton, and in Jack's Narrows, to sustain second track embankments.

On the Pittsburgh Division the sloping of cuts, reported as in progress last year, has been continued ; the work at St. Clair is completed, that at Conemaugh nearly so, and that at George's progressing favorably. A large amount of rock has been taken down at Kittaning Point. A force has been kept at work nearly the whole year, moving material from the hill-side along Pittsburgh yard. Retaining walls have been built west of Johnstown and east of Brinton's.

Last spring, fire was communicated in some way to a bed of cinder which underlies the eastern approach to the Monongahela Bridge, on the Steubenville Extension, in Pittsburgh. All efforts to extinguish this fire have failed ; the retaining walls forming the approach to the bridge have been mostly destroyed by the settling of their foundations, and the track is supported

on trestles ; nothing can be done towards permanently repairing the damage until the fire has exhausted itself.

The track on Liberty street, in Pittsburgh, from the Union Depot to Duquesne Depot, has been entirely relaid with new material.

In addition to the ordinary renewals and repairs of track, a large amount of ditching and other work has been done over the whole line, with a view to perfecting the drainage and ballasting as far as possible. On some parts of the road, where good ballast-stone was scarce or costly, cinder from the blast-furnaces has been largely used with success, it being found both cheap and durable ; it has been used, almost to the exclusion of stone, between Harrisburg and Columbia, at Hollidaysburg, and on the Pittsburgh Division at all points within a reasonable haul of Johnstown and Pittsburgh.

The new tracks laid during the year are as follow :

	Miles.	Feet.	Miles.	Feet.
Second track at Mount Union Bridge, - - -		2,000		
" betw. Mapleton and Bridgeport,	1	402	1	2,402
Extension of Branch Roads, Newry Branch, including sidings at Newry, - - -	1	915		
Extension of Branch, Mifflin and Centre Co. R. R., Reedsville to Milroy, - - -	6			
Extension of Branch, Clearfield Extension, Philipsburg to Clearfield, - - -	17		24	915
Sidings at Greenwich, on Delaware Extension,	1	3,670		
" West Philadelphia, - - -	1	5,234		
" Mantua, - - -		5,040		
" Paoli, - - -		200		
" Coatesville, - - -		75		
" Parkesburg, - - -		890		
" Gap, - - -		956		
" Lancaster, - - -		186		
" Columbia, - - -		432		
" Landisville, - - -		3,643		
" Branch Junction (Middletown), -		1,215		
" Falmouth, - - -		418		
" Baldwin, - - -		760		
" Harrisburg, - - -		4,354		
" Tuscarora, - - -		320		
" Lewistown, - - -		300		
" Bridgeport, - - -		2,600		
" Huntingdon, - - -		337		
" Gallitzin, - - -		96		
" Cresson, - - -		405		
" Conemaugh, - - -		1,124		
" Derry, - - -		346		
" Irwin's, - - -		624		
" Wall's, - - -		169		
" Wilkinsburg, - - -		150		
" Pittsburgh, - - -		884		
" on West Penn. Road, - - -	1	1,192	6	2,748
" Indiana Branch, - - -		2,108		
" Tyrone " - - -		946		
" T. & C. R. R., - - -	1	1,226		
" Mifflin and Centre Co. R. R., -		870	3	1,062
Total, - - -			35	1,847
Less track removed, - - -				2,492
			34	4,635

The single track on the main line is now limited to the following sections :

	Miles.	Feet.
At Susquehanna Bridge, - - - - -	1	559
" Manayunk " - - - - -		1,184
" Mount Union " - - - - -		1,222
Between Mapleton and Bridgeport, - - - - -		2,440
Over Conemaugh Bridge, at Johnstown, - - - - -		530
Total, - - - - -	2	655

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

Main line, including sidings, - - - - -	874.6 miles.
Branches owned, - - - - -	53.3 "
Branches leased, - - - - -	222.6 "
Private sidings and branches, - - - - -	39.3 "
Total, - - - - -	1,189.8 miles.

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

	Iron Rails. Tons.	Steel Rails and Steel Heads. Tons.	Wrought Chairs.	Splice Joints.	Spikes. lbs.	Cross-Ties.
Philadelphia to Columbia.....	3,410	1,277	.....	21,703	172,273	109,612
Harrisburg & Lancaster R.R.	664	287	.....	3,599	68,324	53,207
Harrisburg to Altoona.....	4,268	1,267	.....	22,449	184,764	146,428
Altoona to Pittsburgh.....	5,221	1,678	.....	19,706	166,082	146,060
East Brandywine & Waynes- burg R. R.	32	.....	140	.....	3,888	5,029
Mifflin and Centre Co. R. R.	16	.....	65	.....	1,860	261
Tyrone Branch.....	69	.....	145	.....	1,200	515
Tyrone and Clearfield R. R.	273	35	551	1,138	4,894	5,323
Bald Eagle Valley R. R.	85	.....	.....	.....	2,672	17,208
Holidaysburg Branch.....	1	.....	.....	.....	1,785	6,862
Newry Branch.....	92	.....	364	.....	4,230	2,758
Ebensburg and Crosson R. R. ....	.....	.....	165	.....	2,345	9,950
Indiana Branch.....	193	.....	1,197	40	7,066	4,832
West Penn'a R. R.	398	.....	630	.....	13,451	5,610
Totals.....	14,722	4,544	3,257	68,634	634,814	513,655

Of the iron rails, 11,961 tons were obtained from rerolling; 1,522 tons of new iron have been purchased. The iron rails made for main line during the first three months of the year, were of the same pattern as previously used, viz: 67 lbs. per yard, and adapted for the Thomson splice. All iron rails made since then have been of what is known as the 67 lbs. steel section, the old section, modified to allow of using the English fish-bar splice, which has now been brought into general use for all rails, both iron and steel, and which has proved superior to any other joint-fastening tried. The rails used on branch roads were of the Philadelphia and Erie Railroad section, 56 lbs. per yard, upon which the fish-bar splice is now used.

For steel rails, a modified pattern, weighing 65 lbs. per yard, has been designed.

There has been purchased during the year, English steel of both 65 lbs. and 67 lbs. pattern, for main line, and the 56 lbs. pattern for branch roads and sidings, and American steel of 67 lbs. pattern, amounting in the aggregate to 4,930 tons. 4,433 tons have been laid in the track, and 1,538 tons are on hand not laid. Adding these quantities to those reported last year, gives a total to this date of 11,494 tons steel rails purchased, and 9,956 tons laid in the track. There have also been purchased and laid during the year, 111 tons Prussian steel-headed rails, which are included in the item of steel rails in the foregoing table of quantities, and several small specimen lots of iron, to test the value of alleged improvements in mode of manufacturing.

The Prussian steel-headed rails look well so far, and promise good results. The steel rails are wearing smoothly and evenly, showing no change except the slight diminution of section to be reasonably expected from the amount of traffic passing over them. As the punching and slotting of steel rails has a tendency to produce fractures in the material, the slotting of the base has been omitted, and a simple expedient adopted

for preventing longitudinal movement of the rails in the track, and all holes through the necks of the rails are now drilled instead of being punched. Some lots of American steel received, have been found too hard and brittle, having a tendency to break easily; these have been carefully excluded from the main tracks. The recent American steel rails furnished, have been found fully equal in toughness and wear to the best foreign steel, having been subjected to severe tests under a falling weight. There appears to be no difficulty in the domestic manufacture, which cannot be remedied by the selection of materials and the exercise of care and skill in its preparation, and it is believed that the close inspection which all rails now have to pass will insure good results.

BRIDGES.

The bridge over Haverford street, in West Philadelphia, has been renewed with an iron-plate bridge, and extended to give a crossing for six tracks. The masonry at Thirty-fifth street has been extended for two sidings on the south side of the road, and extension changes made in all the bridge masonry as far west as Hestonville, to allow of the extension of the yard in that direction. Big Conestoga Bridge has been completed, by the erection of the short span at its west end. The masonry of five open-stringer bridges, of 12 to 18 feet span, on the Harrisburg and Lancaster Road, has been rebuilt, and iron beams placed on four of them. General repairs have been made to a number of the bridges on the Philadelphia Division, nearly all the iron bridges and girders, and the decking of the wooden bridges have been painted, and such additional strength given to the larger wooden bridges as will properly secure them until they can be renewed with iron. Twenty overhead bridges, for public or farm roads, have been raised to allow a clear headway of $17\frac{1}{2}$ feet from the rail. When the topography of the ground would not admit of this, bridge-guards have been erected to warn train men when approaching the bridges.

Susquehanna Bridge has had twenty-eight bottom chord-pieces renewed, and new oak track-stringers laid its entire length. Five spans of this bridge from the west end, an aggregate length of eight hundred and thirty feet, were destroyed by fire on the morning of July 17th; as trestling could not well be adopted, it was decided to rebuild the permanent bridge at once, and it was sufficiently completed to pass trains on the evening of July 28th. The ice-breakers damaged in the flood of last spring have all been repaired.

At Mount Union Bridge the cross-ties have been renewed and arranged for single track of four rails; the masonry of this bridge is now undergoing extensive alterations and repairs to prepare it for double track iron superstructure. The floor timbers have been renewed on Shuman's Bridge, and on two boiler-plate bridges near Huntingdon.

At Bridge No. 4, Little Juniata, a portion of the masonry has been rebuilt, the balance thoroughly repaired, and a third boiler-plate truss introduced through the centre of the bridge, in place of the trussed floor-beams resting on the side trusses as heretofore. At No. 5 a pier has been built, preparatory to renewing the present single-span wooden bridge with two spans of ironwork. At No. 10 a new pier has been built, and the abutments are being prepared for iron superstructure. Improved iron bracing has been introduced in No. 13, and miscellaneous repairs made to the bridges generally on the Middle Division.

It being necessary to widen the superstructure of the bridge over the Conemaugh, at Johnstown, for double track, and the present single track bridge being the first iron bridge built on the road, and lighter in its proportions than those now made, it was decided to erect entire new superstructure for double track, on the latest and most improved pattern; two trusses of the new bridge in each span have been erected, and are now carrying the trains; the old bridge is being taken

away, and in a few weeks the new bridge will be completed, doing away with the last piece of single track on the Pittsburgh Division. The old trusses can readily be used on one of the branch roads, or for public roads crossing the railroad. The overhead bridges at Millwood and Hawkins', have been raised to give $17\frac{1}{2}$ feet clear headway from the rail.

The stone masonry built during the year for various purposes of construction and renewal, sums up as follows :

Philadelphia Division,	-	-	12,266	perches.
Middle	"	-	-	16,927 "
Pittsburgh	"	-	-	3,416 "
Tyrone	"	-	-	2,170 "
Total,				- - 34,779 perches.

ENGINE-HOUSES AND MACHINE SHOPS.

An ash pit 160 feet long has been built at the new engine-house in West Philadelphia. A brick engine-house, 32 by 65 feet, to hold two engines has been built at Parkesburgh. The woodwork of turn-table at Columbia has been renewed, and general repairs made to the engine-houses and shops at West Philadelphia and Columbia. A frame shed, 40 by 100 feet, for storing lumber, has been erected at West Philadelphia car shops, and a frame building, 16 by 20 feet, for Car Inspector, in West Philadelphia yard.

At Harrisburg, an engine-house of full circle, to hold forty-four engines, with usual accompanymnts of sand house, &c., has been built during the past year, and is now in use. Two double forges have been built in the Mifflin smith-shop. The fire-proof oil house, 36 by 24 feet, at Altoona, reported as in progress last year, has been finished. At Altoona smith-shop, a new heating furnace has been built, and foundations put in for three steam-hammers, six lathes, two drill-presses, two derricks and one wheel-press. Ash-pits have been built at old engine-

house, Harrisburg, and Eastern round-house, Altoona. The engine-house at Hollidaysburg has been extended to hold two engines, and a temporary engine-house, 60 by 20 feet, erected at Newry.

On the Pittsburgh Division, a frame building, 45 by 115 feet, has been erected at Derry, to afford shelter for six engines. Repairs have been made at Wall's engine-house. A new turntable, 54 feet in diameter, has been set up at old engine-house, Pittsburgh, in place of the 50 feet table previously in use at that place. An engine-house, 55 by 262 feet, to hold fifteen engines, and smith-shop and store-house, 20 by 80 feet, have been built west of the Union Depot, in Pittsburgh, for use of the Steubenville road.

WATER, WOOD AND COAL STATIONS.

At West Philadelphia, arrangements have been made for pumping water from the River Schuylkill for uses of the road, which when perfected, will make us independent of the city supply. Repairs of ordinary character have been made at the following water-stations, viz: Overbrook, Paoli, Steamboat, Downingtown, Leaman Place and Columbia. The wood station at Shock's has been abandoned. The wood sheds at Parkesburg, Columbia and Elizabethtown, tank houses at Dillerville, Elizabethtown and Middletown, and reservoir building at Parkesburg have been painted.

At Harrisburg, the main water-pipes have been extended to the new round house, and two stand-pipes erected; a new Worthington pump has been brought into service, the consumption of water having increased so much that the old one had not sufficient power; and a connection has been made between our reservoir and the city main, as a reserve to be used in case of any failure of present pumping arrangements. The size of pipes leading to stand-pipes at Tuscarora has been increased. At Mifflin, 3,190 feet of 3-inch iron pipe, filled with sediment and incrustation, have been replaced by 4-inch iron pipe, and the pressure-head has been increased by extending the line of

pipes further up the stream from which our supply is taken ; 1,278 feet of 2-inch and 3-inch wooden pipe have been used for this purpose. An additional stand-pipe has been erected at Jackstown Station ; wood sheds at Andersons and Tyrone Forges have been taken down ; 1,075 feet of 6-inch iron-pipe with two fire-plugs, have been laid in lumber yard at Altoona.

The reservoir at Wall's Station has been enlarged and repaired. Two additional tubs, each 20 feet in diameter, have been erected at Greensburg. The lines of pipe at Portage and Lockport having become filled up, have been relaid with wooden pipe, which answers very well when no great pressure is to be sustained. The Irwin's wood shed has been moved to Spring Hill.

PASSENGER AND FREIGHT STATIONS.

A wharf, 100 by 500 feet, with 8,950 feet of new track at the Delaware terminus of the Greenwich Branch, were placed in charge of this Department during the year. An office building of brick, 20 by 25 feet, adjoining the New York Depot at West Philadelphia, has been built. A three-story brick building for Passenger Station, Telegraph and Despatchers Office and dwelling has been erected at Forty-first street. The hotel building at Steamboat Station, which came into possession of this Company on April 1st, has had a passenger room fitted up on the first floor, the remainder of the building being used as a dwelling and boarding-house for laborers. Foundations have been built for a passenger station at Coatesville, and a frame warehouse, 24 by 100 feet, constructed there. A two-story brick building with basement, 32 by 100 feet, has been built at Gap Station, and is now in use ; the first floor is used for offices and freight room, the second story for storing grain ; the elevating machine being located in the basement. Sundry repairs have been made to stations on the Philadelphia Division ; a number of buildings have been painted, and several shelter-houses erected at unimportant stations.

A brick warehouse, 30 by 80 feet, has been built at Duncannon; a two-story frame dwelling, for Agent, at McVeytown, and a temporary freight house, 20 by 40 feet, at Newry. Platforms have been renewed at Duncannon, Mifflin, McVeytown and Huntingdon. The Logan House, at Altoona, has been thoroughly repaired and painted, and the building is now heated by steam, supplied from two Harrison boilers.

A frame building, for combined passenger station and dwelling has been erected at Edgewood, and a similar one is in progress at Millvale. A dwelling-house, for Agent, and a brick warehouse, 30 by 80 feet, have been built at Cresson. A combined passenger and freight station building of brick, is in progress at Wilmore; also a brick warehouse at East Liberty. A brick dwelling has been erected at East Liberty, for the use of the Resident Engineer of the Pittsburgh Division. The trainmen's boarding-house, at Conemaugh, has been increased in size and repaired. At the Union Depot Hotel, Pittsburgh, Harrison boilers have been substituted for the flue boilers formerly in use, and improvements made in the drainage and ventilation.

FUEL.

The following amounts of fuel were consumed during the year:

	Cords of Wood.	Net Tons of Coal.
Philadelphia Division, - - -	5,807	70,645
Middle " - - -	8,709	80,039
Pittsburgh " - - -	11,654	94,933
Tyrone " - - -	928	9,016
West Penna. " - - -	817	8,581
Consumed by Locomotives, - -	27,915	263,214
Consumed at Shops, Stations, &c., -	509	19,885
Total, - - - -	28,424	283,099

The rolling stock in the service of this Department consists of 14 locomotives, 18 eight-wheel box cars, 116 eight-wheel open wood trucks, 142 four-wheel dump cars, 13 eight-wheel dump cars, 171 hand cars, 199 hand trucks, 15 derrick cars, 2 four-wheel lumber trucks, 1 scaffold car.

BRANCH ROADS.

On the East Brandywine and Waynesburg road, some iron and a considerable number of cross-ties have been renewed. Repairs have been made to the bridges at Dorlan's and Springton. A frame station, 12 by 20 feet, has been built at Cornog's, and the Waynesburg station-house painted.

The extension of the Mifflin and Centre County Railroad from Reedsville to Milroy, a distance of six miles, was placed in

charge of this Department and opened for traffic in January last. The part of this branch between Lewistown and Freedom, was damaged by a heavy rain on June 6th; the track for three-fourths of a mile was swept off the road-bed, one pier undermined at the first bridge above Lewistown, and the second bridge carried away entirely. The cost of these repairs has added considerably to the maintenance of way expenses for the year. This branch is now in good condition. A frame two-story station building, 33 by 19 feet, has been erected at Reedsville.

On the Tyrone branch, a new channel has been made for the Sinking Run, and the trestle-work, 100 feet long, crossing the old channel, filled up. Grading has been done in the Tyrone yard, for a revision and extension of the yard sidings, involving the extension of an arch culvert of 8 feet span, and changes in the channel of Bald Eagle Creek. The Tyrone shops grounds have been enclosed with fences. A coaling wharf, 50 by 204 feet, wood shed, 25 by 50 feet, carpenter shop, 30 by 50 feet, and office for Master Mechanic, 14 by 22 feet, have been constructed. Streets have been opened and graded through the Company's property in East Tyrone. New superstructure has been erected at Bridge No. 7 over Bald Eagle Creek, two spans of 50 feet each; also masonry and truss bridge built in place of trestles at No. 10, one span of 25 feet.

On the Bald Eagle Valley Road, the following work has been done in addition to the current repairs of track, viz: Masonry and superstructure of four stringer bridges rebuilt, ten new box culverts built; Curtin trestle-work repaired and ripped; sixteen cattle-guard's constructed, freight platform built at Hannah station; repairs made to water station at Snow Shoe Intersection.

On the Tyrone and Clearfield Railroad the following work has been done, viz: A line of telegraph poles erected from Intersection to Clearfield; the 2-inch iron pipe at Gardner's water station, replaced by a 3-inch wooden pipe; extensive repairs

made to Osceola trestle-work ; a Howe truss bridge of 72 feet span, built over the Moshannon, on the branch track to Miller's coal bank ; wing-walls built to abutments of bridge south of Philipsburg, and superstructure repaired, including new oak track stringers ; repairs to bridges on the Philipsburg branch ; platforms laid at Steiner's, Dunbar and Sandy Ridge ; an extension, 31 by 68 feet, added to Philipsburg engine-house, making room for four engines ; extension of Philipsburg warehouse siding, 350 feet ; branch laid to the Morris mines, 5,426 feet long. The alignment of the road near Mount Pleasant has been revised for about 2,000 feet, and the sharp curvature at this point reduced ; the cuts have been sloped, and the material used to widen the embankments east of the station. The iron rails on this road wear out very fast, under the heavy motive power on the sharp curves and steep grades. English steel rails, weighing 56 pounds per yard, have been laid on the sharpest curves ; this, with the 56 pound iron rail laid in place of the 45-pound rail, has made a great improvement in the track.

The completion of the work on the Clearfield extension after the grading was done, having been assigned to this Department, the track has been laid from Philipsburg to Clearfield, a distance of 17 miles, and water stations have been constructed at two points. This extension has not yet been opened for public use. The materials used in this work are not included in the general statement of materials used.

On the West Pennsylvania Division, the track has been kept in good order and at a moderate expense. The ditching has been thoroughly done, and the road-bed is well drained, saving much labor in track repairs. The masonry of the bridge east of Tunnel Station and over WOLFORD'S Run, has been grouted with cement. The superstructure of bridges at Beaver Run, east of Apollo, and over the Conemaugh, west of Livermore, have been completed and painted. An open water-way of ten feet, has been constructed at the first culvert east of Indiana, the culvert having proved too small.

At Indiana Station, some changes have been made in the depot buildings, giving additional storage facilities for freight. A portion of the Company's ground at that place has been graded, and 1,036 feet of new siding laid, adding considerably to the capacity of the station.

Three spur sidings, a total length of 1,072 feet, have been laid on the Indiana Branch, at Blairsville. On the West Pennsylvania Road, sidings have been laid at Blairsville, 2,683 feet; Springvale, 1,388 feet; Leechburg, 870 feet; and sundry other points, an aggregate of $1\frac{22}{100}$ miles. The station grounds at Apollo have been improved by widening the embankment, giving access by teams to all parts of the siding. Passenger depots have been completed at Allegheny Junction, 30 by 44 feet; at Harmersville, 20 by 55 feet; and at Etna, 20 by 24 feet.

Very respectfully,

JOHN A. WILSON,

Chief Engineer M. W.

Construction Department, Pennsylvania R. R.

308 Walnut Street.

PHILADELPHIA, January 1st, 1869.

J. EDGAR THOMSON, Esq., President.

SIR:—The following report of work done under the directions of this Department during the past year, is respectfully submitted.

At West Philadelphia there have been completed: A frame building, 40 by 100 feet, for storing dry lumber; a brick house, 16 by 59 feet, with a steam pump, and a line of pipes to the Schuylkill river; a brick office, 20 by 25 feet, attached to the restaurant at the New York Depot; and a three-story brick building at Forty-first street, containing a room for passengers, offices for dispatchers and car inspectors, and dwelling accommodations for a family.

The construction of a warehouse, 555 by 125 feet, for the reception and storage of grain, was commenced in the month of November, and is now in progress, immediately north of Market street, between Thirtieth street and the river.

A considerable amount of work has been done in widening the road-bed between Haverford street and Belmont avenue; and at the latter point a new bridge is in course of erection, to correspond with the increased width of the road.

The iron superstructure of the bridge over Haverford street has been completed.

At Hestonville, new sidings have been constructed, with convenient arrangements for unloading sheep, in connection with the commodious and well arranged pens of the Sheep Yard Association.

A section of new road, between Athensville and Rosemont, about $2\frac{1}{2}$ miles in length, to avoid sharp curvature, was placed under contract about the middle of the Summer, the work upon which is progressing favorably. The location of a similar section west of Rosemont has been made, with the view of commencing the construction early in the ensuing season.

Plans for a commodious passenger station at Coatesville have been prepared, and the foundation walls built; at the same point an additional warehouse, 24 by 100 feet, has been erected.

A brick house, for two engines, has been built at Parkesburg; and a brick warehouse at the Gap, 32 by 100 feet, with an elevator and bins for storing grain.

The following buildings have been erected on the Middle and Pittsburgh Divisions:

A circular brick house, for 44 engines, with the necessary appurtenances, at Harrisburg.

A brick warehouse, 30 by 80 feet, at Duncannon.

A frame dwelling-house, for agent at McVeytown.

A fire-proof oil house at Altoona.

A brick warehouse, 30 by 80 feet, and a frame dwelling for Agent, at Cresson.

A brick building, 33 by 68 feet, for passengers and freight, at Wilmore.

An extension to the boarding-house for train-men at Cone-maugh.

A frame passenger station and dwelling at Edgewood.

A similar building at Millvale.

A brick warehouse, 30 by $61\frac{1}{2}$ feet, and a brick dwelling for the Resident Engineer, at East Liberty.

The grading for second track on the Middle Division has been completed, and the track laid, with the exception of 4,846 feet, which cannot be done until the intended iron superstructures are erected at Manayunk, Mt. Union and Vandivander's bridges. The length of new track laid during the year is: 1 mile 2,402

feet of second track, and 6 miles 2,748 feet of sidings on main line; 2,108 feet of sidings on the Indiana Branch, and 946 feet on the Tyrone Branch—making a total of 8 miles 2,924 feet.

Considerable improvement has been made in the yard at Tyrone, in grading, revising and extending sidings, and erecting coal wharf, wood shed, carpenter shop and office.

The sloping of the cuts at Conemaugh, St. Clair and George's, has been continued during the year.

Plans and specifications have been prepared, and contracts made, for the erection of iron bridge superstructure at several points. The double track bridge of five spans at Johnstown is nearly completed, and the work for the others is progressing favorably.

The following additions have been made to the real estate of the company:

Lots for extensions of track and station purposes, at West Philadelphia; Oakland and Parkesburg, Chester County; Columbia, Lancaster County; Harrisburg and Rockville, Dauphin County; Altoona and Kittaning Point, Blair County; Wall's Station and Millvale, Allegheny County.

Important constructions on the line of the Philadelphia and Erie Railroad have also been carried on during the year under the direction of this Department.

The accompanying statements exhibit the expenditures for the work above described.

Very respectfully,

W. H. WILSON,
Chief Engineer.

REPORT OF THE AUDITOR.

ACCOUNTING DEPARTMENT, PENN'A R. R. CO.,
AUDITOR'S OFFICE, PHILAD'A, *January 1st, 1869.*

To the President and Directors of the
Pennsylvania Railroad Company.

GENTLEMEN:—The statements herewith submitted, embody the statistics on record in this Department, and exhibit in detail the business for the past year in the Transportation Departments of the Pennsylvania and Philadelphia & Erie Railroads, the following being a general summary of the same.

MEMORANDUM EXHIBIT OF EARNINGS AND EXPENSES, ETC.,
OF THE PENNSYLVANIA RAILROAD FOR 1868.

Total Earnings for 1868 :

From Transportation of Freights, and Tolls from Individual				
Cars, - - - -	\$12,882,165	30		
" First Class Passengers (including U. S.				
tax), - - - -	3,531,903	94		
" Emigrants (including U. S. tax), -	78,244	29		
" Adams Express, - - -	291,881	21		
" Carrying U. S. Mails, - -	99,981	25		
" Rent from workmens' and other houses,	55,538	28		
" Sundry sources, - - -	293,783	04		
	<u>\$17,233,497</u>	<u>31</u>		

Total Expenses for 1868 :

Motive Power, - - - -	\$3,361,694	42		
Conducting Transportation, - - -	3,609,233	18		
Maintenance of Way, - - -	3,268,896	46		
Maintenance of Cars, - - -	1,442,735	90		
General Expenses, - - -	178,423	92		
	<u>\$11,860,983</u>	<u>88</u>		
Net earnings to balance, - -	5,372,513	43		
	<u>\$17,233,497</u>	<u>31</u>		

And showing the following Transportation Balance Sheet :

DR.

To amount of Stock on hand January 1, 1868,	\$1,074,947 07
“ “ Bills during 1868, - -	9,850,387 06
“ “ Pay Rolls during 1868, -	5,695,078 50
	<u>\$16,620,412 63</u>

CR.

By amount of Expenditures in the following Departments, viz :	
Motive Power, - - - -	\$3,361,694 42
Conducting Transportation, - - -	3,609,233 18
Maintenance of Way, - - -	3,268,896 46
Maintenance of Cars, - - -	1,442,735 90
General Expenses, - - - -	178,423 92
Cost of Construction and Equipment of Road, -	2,059,913 39
Individuals and Companies (Gen. Supt's acc't),	1,289,685 50
Road and Shop Stock on hand Jan. 1, 1869,	1,409,829 86
	<u>\$16,620,412 63</u>

The receipts and expenditures of the Transportation Department of the Philadelphia and Erie Railroad (by the Pennsylvania Railroad Company, Lessee), for the year 1868, are as follow, viz :

RECEIPTS.

From Freights and Tolls on Individual Cars,	\$2,101,613 98
“ Passengers, - - - -	631,437 59
“ Expresses, - - - -	30,954 33
“ United States Mails, - - -	21,518 04
“ Sundry sources, - - - -	18,726 42
	<u>\$2,804,250 36</u>
Excess of expenses to balance, -	83,174 65
	<u>\$2,887,425 01</u>

EXPENDITURES.

Conducting Transportation (including 30 per cent. to Philadelphia & Erie Railroad Company),	-	-	\$1,431,198	27
Motive Power,	-	-	677,028	49
Maintenance of Way,	-	-	600,284	40
Maintenance of Cars,	-	-	178,913	85
			<u>\$2,887,425</u>	<u>01</u>

The details of the above show the earnings and expenses due the Philadelphia & Erie Railroad for 1868, to be as follows, viz :

Total Receipts,	-	-	-	\$2,804,250	36
Less Overcharges,	-	-	-	23,457	10
				<u>\$2,780,793</u>	<u>26</u>

And total Expenditures as follow, viz :

Conducting Transportation,	\$1,431,198	27
Less 30 per cent. to Philadelphia and Erie R. R.,	\$820,423	95
Less overcharges,	23,457	10
	<u>843,881</u>	<u>05</u>

Conducting Transportation, net,	\$587,317	22
Motive Power, -	677,028	49
Maintenance of Cars, -	178,913	85
Maintenance of Way, -	600,284	40

Leaving Total Working Expenses, \$2,043,543 96

The Balance Sheet for the Philadelphia and Erie Railroad for 1868, is as follows :

DR.

To amount of Road and Shop Stock on hand January 1st,				
1868, -	-	-	\$329,779	48
" " of Bills during 1868, -	-	-	1,983,857	61
" " of Pay Rolls during 1868, -	-	-	1,424,182	43
			<u>\$3,737,819</u>	<u>52</u>

CR.

By amount of Expenditures in the following Departments, viz :

Conducting Transportation, - - -	\$1,431,198 27
Motive Power, - - -	677,028 49
Maintenance of Cars, - - -	178,913 85
Maintenance of Way, - - -	600,284 40
Individuals and Companies (General Superintendent's Account), - - -	479,043 00
Road and Shop Stock on hand, Jan. 1, 1869,	371,351 51
	<u>\$3,737,819 52</u>

Respectfully submitted,

SAMUEL G. LEWIS,

Auditor.

ANNUAL REPORT, 1868. ACCOUNTING DEPARTMENT—STATEMENT NO. 1.
 DR. *General Exhibit of Earnings and Expenses of the Pennsylvania Railroad Company, for the year ending December 31st.* CR.

1868.	TO AMOUNT OF EARNINGS FROM	1868.	BY AMOUNT OF EXPENSES IN	PASSENGER.	FREIGHT.	TOTALS.
	Freight at Stations, including Tolls on Individual Cars.....	\$12,882,165 30	Conducting Transportation, Passenger.....	\$1,134,010 21	\$2,475,222 97	\$3,608,233 18
	First Class Passengers.....	3,531,003 94	Conducting Transportation, Freight.....			
	Emigrant Passengers.....	78,244 29	Motive Power, Passenger	790,535 46		
	Express.....	291,881 21	Motive Power, Freight.....		2,571,168 96	3,361,694 42
	Carrying United States Mails.....	99,981 25	Maintenance of Cars, Passenger.....	461,724 64		
			Maintenance of Cars, Freight.....		961,011 36	1,442,735 90
	Rents.....	55,538 28	Maintenance of Way, Passenger.....	950,668 81		
			Maintenance of Way, Freight.....		2 288,227 65	3,268,896 46
			General Expenses, Passenger.....	53,627 21		
			(General Expenses, Freight.....		124,896 71	178,423 92
	Sundry Sources.....	293,783 04	By amount of net proceeds to balance.....	3,420,468 23	8,440,517 65	11,860,985 88
		319,921 92				6,372,513 43
		\$17,233,497 81				\$17,233,497 81

STATEMENT No. 2.

Earnings and Expenses, showing the Net Earnings for each month during the year.

MONTHS.		Gross Earnings.	Expenses.	Net Earnings.
January,	-	\$1,095,262 77	\$862,524 47	\$232,738 30
February,	-	1,096,023 15	840,268 83	255,754 32
March,	-	1,241,058 50	799,253 50	441,805 00
April,	-	1,481,223 83	855,531 07	625,692 76
May,	-	1,464,081 80	884,699 40	579,382 40
June,	-	1,457,350 38	960,211 65	497,138 73
July,	-	1,433,308 94	933,862 48	499,446 46
August,	-	1,593,156 63	934,372 51	658,784 12
September,	-	1,749,881 04	1,115,711 99	634,169 05
October,	-	1,681,205 35	1,118,589 68	562,615 67
November,	-	1,493,706 58	1,204,354 89	289,351 69
December,	-	1,447,238 34	1,351,603 41	95,634 93
Totals,		\$17,233,497 31	\$11,860,983 88	\$5,372,513 43

STATEMENT No. 3.
GENERAL STATEMENT OF EARNINGS FOR THE YEAR 1868.

CLASS.	JANUARY.	FEBRUARY.	MARCH.	APRIL.	MAY.	JUNE.	JULY.	AUGUST.	SEPTEMBER.	OCTOBER.	NOVEMBER.	DECEMBER.	TOTALS.
FREIGHT EARNINGS.													
From Freight at Stations, .	787,239 85	822,767 71	918,027 18	1,117,067 21	1,094,478 65	1,077,896 38	1,002,022 83	1,221,143 60	1,305,924 82	1,988,777 75	1,133,694 74	1,128,174 48	12,882,165 30
Total Freight Earnings, .	\$787,239 85	\$822,767 71	\$918,027 18	\$1,117,067 21	\$1,094,478 65	\$1,077,896 38	\$1,002,022 83	\$1,221,143 60	\$1,305,924 82	\$1,988,777 75	\$1,133,694 74	\$1,128,174 48	\$12,882,165 30
PASSENGER EARNINGS.													
From													
First Class Passengers, .	214,485 66	208,023 89	270,106 40	301,854 47	309,876 67	304,702 75	375,103 04	377,633 99	372,148 68	307,711 88	298,715 01	253,741 50	3,531,903 94
Emigrant Passengers, .	4,004 10	3,806 08	7,035 58	8,413 40	8,646 36	8,015 88	6,572 32	6,131 48	6,768 01	8,661 70	6,255 09	4,937 29	78,244 29
Adams & Co's Express, .	15,653 00	14,515 00	15,085 00	15,085 00	15,085 00	15,085 00	15,653 00	15,085 00	15,085 00	15,653 00	14,515 00	15,653 00	182,160 00
" " Admnl, .	28,167 83	11,183 95	7,786 02	7,507 87	7,367 36	5,415 71	3,681 72	1,749 53	11,711 29	11,711 29	14,544 00	10,575 83	109,721 21
United States Mails, .	6,862 07	6,849 23	6,862 08	6,862 07	6,862 07	6,862 20	6,862 07	6,862 07	15,767 06	9,774 79	9,807 61	9,807 90	99,881 25
Total Passenger Earnings, .	\$269,174 66	\$244,377 18	\$306,875 08	\$329,722 81	\$347,837 46	\$340,111 54	\$406,874 15	\$357,462 07	\$409,708 75	\$353,514 66	\$333,836 71	\$392,717 82	\$4,002,010 69
MISCELLANEOUS EARNINGS.													
From													
Rent,	9,340 21	3,783 76	2,569 38	7,430 47	3,104 02	457 50	3,260 28	9,875 26	2,235 70	8,298 24	2,612 62	2,563 81	65,588 28
Sundry sources,	29,507 85	25,074 50	13,586 48	17,003 84	29,661 67	38,954 96	21,142 08	4,875 70	32,013 77	80,616 70	23,562 51	26,782 40	293,788 04
Total Miscellaneous Earnings, .	\$38,848 16	\$28,858 26	\$16,156 24	\$24,433 81	\$31,765 69	\$39,412 46	\$24,411 96	\$14,750 96	\$34,247 47	\$89,912 94	\$26,175 13	\$31,346 21	\$349,371 82
Total Earnings from all sources, .	\$1,065,262 77	\$1,096,023 15	\$1,241,068 80	\$1,461,223 83	\$1,464,081 90	\$1,457,830 38	\$1,433,309 94	\$1,593,156 63	\$1,749,881 04	\$1,681,203 35	\$1,468,706 66	\$1,417,238 84	\$17,233,497 31

CONDENSED EXHIBIT OF MONTHLY EXPENSES.

Conducting Transportation, Motive Power, Maintenance of Cars, Maintenance of Way, and General Expenses, for 1868.

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, .	\$79,711 68	\$192,449 07	\$272,160 75	\$63,123 09	\$196,039 89	\$259,162 98	\$42,101 86	\$59,339 83	\$101,441 69	\$67,770 28	\$150,142 84	\$217,913 12	\$3,957 41	\$233 82	\$237 23	\$893,524 47
February, .	83,507 22	183,060 31	266,567 53	60,060 83	182,312 14	242,372 97	47,548 65	60,333 86	107,882 51	62,003 21	146,074 18	208,077 39	4,731 25	11,089 56	15,820 81	\$40,268 68
March, .	75,765 74	181,241 56	257,007 30	62,751 90	183,265 14	246,017 04	35,064 74	47,308 47	82,373 21	57,687 82	134,075 22	191,763 14	3,281 35	7,656 46	10,937 81	798,253 50
April, .	84,010 28	196,706 17	280,716 45	60,747 06	198,538 44	259,285 50	38,546 14	58,900 96	97,447 10	62,247 47	145,244 11	207,491 56	3,309 13	7,771 29	11,080 42	\$86,531 07
May, .	96,208 88	216,970 66	313,179 54	58,276 21	197,221 82	255,498 03	43,831 90	64,154 12	107,986 02	60,318 50	141,909 82	202,228 42	3,392 21	7,915 18	11,307 39	\$84,609 40
June, .	106,155 26	252,092 19	358,247 45	74,081 31	197,550 00	271,631 31	44,669 72	60,299 55	104,969 27	69,784 84	164,853 85	234,646 19	2,996 15	6,990 86	9,987 01	\$90,211 65
July, .	105,870 44	188,299 48	294,169 92	66,134 66	179,538 65	245,673 31	44,834 50	64,156 68	108,991 18	84,556 85	193,552 85	281,864 30	3,933 06	9,174 79	13,108 85	\$93,882 46
August, .	100,780 56	204,234 28	305,014 84	71,129 00	189,534 02	260,663 02	28,185 84	46,247 82	74,433 66	84,247 26	172,684 92	256,934 20	3,696 00	8,328 68	12,024 68	\$24,372 51
September, .	96,309 20	226,221 12	322,530 32	75,956 37	231,866 99	307,823 36	36,567 82	97,150 78	133,718 60	106,000 02	245,000 13	350,000 15	8,431 86	8,007 70	16,439 56	1,115,711 96
October, .	111,614 63	216,109 23	327,723 86	65,984 43	209,830 43	275,814 86	33,575 32	102,431 91	136,007 23	109,741 59	246,003 74	355,806 33	8,971 52	9,266 84	18,238 36	1,118,589 68
November, .	94,296 86	217,389 80	311,686 66	69,417 85	284,785 14	354,202 99	37,853 56	164,400 41	202,253 96	97,619 61	277,779 10	375,398 71	3,372 70	7,869 62	11,242 32	1,304,354 98
December, .	96,609 14	221,471 10	318,080 24	62,982 51	206,321 50	269,304 01	39,864 35	135,282 04	175,146 39	118,268 96	293,435 35	394,703 35	13,453 57	9,801 67	23,255 24	1,351,603 41
Totals, .	1,134,010 21	2,475,272 97	3,609,283 18	780,585 46	2,571,158 96	3,351,744 42	461,724 54	981,011 36	1,442,733 90	960,668 81	2,298,327 66	3,268,996 46	53,537 21	134,898 71	178,436 92	11,860,963 68

ACCOUNTING DEPARTMENT—STATEMENT No. 5.

Expenses of the Transportation Department, Pennsylvania Railroad Company, for the year ending December 31st, 1868.

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	10,258 46	634 58							2,938 57	6,856 65	\$20,708 26
Accounts	40,629 41	63,789 78									94,419 19
Attendants	46,523 09								1,867 50	4,357 50	48,390 59
Baggage Masters											126,322 09
Ballast											126,322 09
Brakemen	66,234 34	459,532 14									525,766 48
Brakes, Repairs of											260,287 61
Car Furniture and Fixtures	28,519 58	39,683 49									68,203 07
Car Shops and Sheds, Repairs of					4,002 26	9,478 68					13,480 94
Car Service	17,140 96	12,250 30			1,409 60	3,289 31					29,891 26
Cars, cleaning and inspecting	70,063 26	60,505 81									131,069 07
Cars, repairs of											4,009 00
Cars, repairs of freight											931,623 09
Cars, repairs of passenger and baggage											440,129 60
Cars, road and hand											18,303 63
Checks											12,875 54
Coal	44,654 92	198,629 49									243,284 41
Coal, waste											38,394 81
Coal, waste	59,923 45	172,653 58									232,577 03
Cross-Ties											6,707 92
Dispatches											12,875 54
Drawbacks and Overcharges	22,158 67	59,322 02									81,480 69
Engineers and Firemen	7,053 30	198,940 60									206,993 90
Engine Houses, Machine Shop, and Turn Tables, repairs of											350,134 19
Expenses of Station, except labor											81,710 69
Expenses of Grain Elevator											166,168 90
Expenses on Property											625,106 57
Foreign Agencies											208,707 50
Foreman and Watch Houses, repairs of											36,414 72
											777 45
											20,463 59
											215,688 91
											39,092 56

Fuel and Light	3,101 20	2,221 13					14,913 57	34,798 39	378 60	883 36	49,711 96
Fuel at Stations	7,129 03	124 80									1,361 96
Fuel for Cabs											6,323 33
Fuel for Stoves, at Engine-Houses and Shops											7,254 43
Incidentals	28,223 29	62,813 93	3,557 22	8,300 18	199 25	464 87					12,521 52
Iron Rails			13 095 18	30,555 37	1,154 20	2,693 13					225,133 83
Labor at Stations	21,385 20	161,253 09							6,537 74	16,254 73	962,404 20
Laborers			67,999 65	158,065 83							182,018 29
Light at Stations	11,907 90	8,716 25									225,665 43
Light for Cabs	6,548 58	3,091 97									20,024 16
Locomotive Furniture and Fixtures			13,091 07	30,645 77							9,443 55
Locomotives, repairs of			306,539 10	905,677 89							48,036 84
Loss and Damage											1,272,216 90
Loss from Injuries to Individuals	25,201 10	57,329 36									67,229 38
Mail Expenses	4,361 02										25,201 10
Office Expenses									2,965 06	6,918 50	4,361 02
Oil			12,991 19	54,617 05							9,883 46
Oil, Tallow, Sponge, Wool, &c.	17,719 11	56,603 02					1,268 23	2,959 18			67,611 24
Powerton Estate									235 85	550 32	78,339 54
Real Estate in Philadelphia									191 42	-	786 17
Road-Bed, repairs of—"Labor"							66,978 23	156,282 59			638 06
Road-Bed, repairs of—"Materials"							24,621 11	62,115 95			223,290 32
Salaries of President and other Gen'l Officers											88,737 06
Snow and Ice, removing							17,587 09	41,036 51	16,350 00	33,149 96	58,523 60
Spikes											64,499 96
Stationery and Printing	20,276 70	49,212 28	2,368 25	6,689 24			7,961 37	15,576 57			26,837 04
Stations, repairs of—rent and furniture	171,100 42	177,702 71					1,604 50	3,743 88			89,965 44
Superintendence and Supervisors	7,480 00	17,470 90									348,903 13
Switches							9,873 51	23,038 21			67,361 73
Switchmen							6,094 52	11,857 33			16,981 85
Tallow			14,965 05	34,893 10							49,350 15
Tax on Depots			7,281 52	36,559 25							42,840 77
Tax on United States Excise	8,962 79	23,500 25									32,463 04
Tax, United States (State)	92,257 96								1,650 00	3,850 00	97,157 96
Tax, Tonnage (State)		53,125 43									53,125 43
Tax, State Revenue											196,680 38
Taxes on Engine Houses and Shops	30,274 76	96,305 62									20,115 77
Taxes on Real Estate for Road			6,034 73	14,081 04							15,214 53
Teaming							4,112 84	9,596 63		1,046 54	106,544 69
Telegraph Expenses	910 00	101,434 60									90,574 94
Tools and Machinery, repairs of	27,238 05	63,386 89									9,261 33
Tolls, Bald Eagle Valley Railroad							2,778 46	6,453 07			220,409 80
Tolls, Bald Eagle Valley Railroad	28,037 90	41,858 09					12,413 13	28,963 96			69,895 99
Tolls, E. Brandywine and Waynesburg R. R.	3,704 35	4,935 15									8,639 50

STATEMENT NO. 5—Continued.

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.	
Tolls, Elmsburg and Cresson Railroad.....	1,308 93	2,904 04	.....	.....	.....	.....	.....	.....	.....	.....	4,302 97
Tolls, Mifflin and Centre County Railroad.....	3,673 90	4,511 54	.....	.....	.....	.....	.....	.....	.....	.....	8,185 44
Tolls, Philadelphia City Railroad.....	.....	8,102 99	.....	.....	.....	.....	.....	.....	.....	.....	8,102 99
Tolls, Philadelphia, Wilmington & Balt. R. R.....	.....	14,761 34	.....	.....	.....	.....	.....	.....	.....	.....	14,761 34
Tolls, Western Pennsylvania Railroad.....	47,519 25	92,208 06	.....	.....	.....	.....	.....	.....	.....	.....	139,726 31
Tolls, Junction Railroad.....	132 80	24,471 40	.....	.....	.....	.....	.....	.....	.....	.....	24,604 20
Tolls, Pittsburgh, Cin. and St. Louis R. R.....	5,869 57	50,434 69	.....	.....	.....	.....	.....	.....	.....	.....	56,304 26
Track, labor repairing.....	.....	.....	.....	.....	.....	.....	163,144 75	380,671 12	.....	.....	543,816 87
Watchmen.....	.....	.....	5,214 29	12,166 71	.....	.....	41,341 04	96,462 47	.....	.....	156,184 61
Water, Wood and Coal Stations, repairs of.....	.....	.....	9,694 02	22,619 40	.....	.....	.....	.....	.....	.....	32,313 42
Wood, " " " expenses of.....	.....	.....	7,371 89	17,201 63	.....	.....	.....	.....	.....	.....	24,572 92
Wood, and Labor, preparing.....	.....	.....	30,335 41	130,987 72	.....	.....	.....	.....	.....	.....	161,323 13
Totals.....	\$1,131,010 21	2,475,222 97	79,535 46	2,571,158 96	461,724 64	991,011 36	980,668 81	2,288,227 65	53,527 21	124,896 71	\$11,860,983 88

RECAPITULATION.

	PASSENGER.	FREIGHT.	TOTALS.
Conducting Transportation.....	\$1,131,010 21	\$2,475,222 97	\$3,609,233 18
Motive Power.....	79,535 46	2,571,158 96	3,361,694 42
Maintenance of Cars.....	461,724 64	991,011 36	1,442,735 90
Maintenance of Way.....	980,668 81	2,288,227 65	3,268,896 46
General Expenses.....	53,527 21	124,896 71	178,423 92
Totals.....	\$3,420,466 23	\$8,440,517 65	\$11,860,983 88

ACCOUNTING DEPARTMENT—STATEMENT No. 6.

Expenses of Engines, Philadelphia Division.

AVERAGE COST PER 100 MILES				
CLASS.	Repairs.	Fuel.	Stores.	Total.
Passenger Engines.....	20.94	4.72	1.11	26.77
Distributing ".....	5.34	5.34	1.39	12.07
Freight ".....	8.83	6.93	1.26	17.02

STATEMENT No. 7.

Expenses of Engines, Middle Division.

AVERAGE COST PER 100 MILES.				
CLASS.	Repairs.	Fuel.	Stores.	Total.
Passenger Engines.....	13.42	4.50	1.16	19.08
Distributing ".....	5.93	7.08	1.24	14.25
Freight ".....	8.10	8.32	1.40	17.82

STATEMENT No. 7½.

Expenses of Engines, Tyrone Division.

AVERAGE COST PER 100 MILES.				
CLASS.	Repairs.	Fuel.	Stores.	Total.
Passenger Engines.....	2.33	4.16	.91	7.39
Distributing ".....	5.64	10.35	1.59	17.58
Freight ".....	14.80	8.48	1.31	24.59

STATEMENT No. 7½.

Expenses of Engines, Pittsburgh Division.

AVERAGE COST PER 100 MILES.				
CLASS.	Repairs.	Fuel.	Stores.	Total.
Passenger Engines.....	13.12	5.35	1.57	20.04
Distributing ".....	14.05	8.55	1.83	24.43
Freight ".....	15.84	8.97	2.17	26.98

STATEMENTS Nos. 8 and 11.

ACCOUNTING DEPARTMENT.

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

1868.	Individual Pas- sengers.	Miles Travelled.	Average Distance.	Equivalent through Passengers.
First Class Passengers, .	2,755,520	117,696,216	. . .	331,539
Emigrant " .	23,844	8,000,599	. . .	22,537
Coupon " .	967,814	7,501,487	. . .	21,131
	3,747,178	133,198,302	35.5	375,207

ACCOUNTING DEPARTMENT—STATEMENT No. 12.

Freight Earnings of the Pennsylvania Railroad for the year 1868.

	TOTAL.
Philadelphia to Pittsburgh, - - -	\$1,559,193 49
Philadelphia to Way Stations, - - -	722,262 49
Way Stations to Philadelphia, - - -	3,665,163 21
Pittsburgh to Philadelphia, - - -	2,145,863 75
Pittsburgh to Baltimore, - - - -	189,670 27
Pittsburgh to Way Stations, - - -	1,392,268 17
Way Stations to Pittsburgh, - - -	781,363 98
Baltimore to Pittsburgh, - - - -	144,435 77
Local—Eastward, - - - - -	1,742,533 12
Local—Westward, - - - - -	539,411 05
Total Freight Earnings, - - -	\$12,882,165 30

Information from Record Books, Accounting Department.

Tons of through freight, Eastward	392,870	Mileage of through freight, Eastward	140,647,512
Tons of through freight, Westward	216,020	Mileage of through freight, Westward	77,334,763
Tons of local freight, Eastward, 2,583,122		Mileage of local freight, Eastward, 373,030,775	
Tons of local freight, Westward, 1,235,872		Mileage of local freight, Westward, 84,762,510	
Total tons moved.....	4,427,884	Total mileage.....	675,775,560

REPORT OF THE GENERAL SUPERINTENDENT

OF THE

PHILADELPHIA AND ERIE RAILROAD.

PHILADELPHIA and ERIE RAILROAD, (P. R. R. Co., Lessee.)

GENERAL SUPERINTENDENT'S OFFICE,

ERIE, January 1st, 1869.

To the President and Directors of the
Pennsylvania Railroad Company.

GENTLEMEN :—The business of this road for the year ending
December 31st, 1868, has been as follows :

GROSS EARNINGS.

Freight,	-	-	-	-	\$2,101,613	98
Passenger,	-	-	-	-	621,286	32
Government Troops,	-	-	-	-	10,151	27
Mails,	-	-	-	-	21,518	04
Express,	-	-	-	-	30,954	33
Incidentals,	-	-	-	-	18,726	42
					\$2,804,250	36

EXPENSES.

Conducting Transportation,	-	\$610,774	32	
Motive Power, - - -	-	677,028	49	
Maintenance of Way, - - -	-	600,284	40	
Maintenance of Cars, - - -	-	178,913	85	
				<hr/>
				2,067,001 06

Net earnings,	-	-	-	-	\$737,249	30
Deduct proportion earnings paid P. & E. R. R. Co.,					820,423	95
					\$83,174	65
Loss to Pennsylvania Railroad Company,	-					

The Philadelphia and Erie proportion of earnings is as follows :

Gross Earnings, - - - - -	\$2,804,250 36
Less Drawbacks and Overcharges, \$23,457 10	
“ U. S. Tax on Pass. and Mails, 16,323 89	
“ State “ ,Tonnage, - 8,866 90	
“ “ “ Income, - 20,855 95	
	<u>69,503 84</u>
	<u>\$2,734,746 52</u>
Thirty per cent. of which is - - - - -	<u>820,423 95</u>

The earnings and expenses for 1868, compared with those of 1867, are :

	Earnings.	Expenses.	Net Earnings.
1867,	2,333,759 94	2,010,872 86	322,887 08
1868,	2,804,250 36	2,067,001 06	737,249 30
Increase,	<u>470,490 42</u>	<u>56,128 20</u>	<u>414,362 22</u>

And in detail, are

EARNINGS.

	Freight.	Passenger.	Mails.	Express.	Incidentals.
1867.	\$1,631,902 02	\$637,941 65	\$18,436 08	\$28,875 10	\$16,606 09
1868.	2,101,613 98	631,437 59	21,518 04	30,064 33	18,726 42
Increase.....	\$469,711 96	.....	\$3,081 96	\$2,079 23	\$2,121 33
Decrease.....	.....	\$6,504 06	.....	.....	.....

EXPENSES.

	Cond'g Trans.	Motive Power.	Main. of Way.	Main. of Cars.
1867.	\$566,295 61	\$624,772 60	\$648,369 43	\$172,445 22
1868.	610,774 32	677,028 49	600,284 40	178,913 85
Increase.....	\$45,478 71	\$52,255 89	.....	\$6,468 63
Decrease.....	.....	.....	\$48,075 03	.....

The gross earnings show an increase of over 20 per cent., due entirely to freight traffic, the passenger and miscellaneous receipts remaining nearly the same. The expenses are 73 $\frac{7}{10}$ per cent. of the gross earnings, and deducting extraordinary expenses in the Maintenance of Way Department, as hereafter stated, equal to 69 $\frac{4}{10}$ per cent.

MAINTENANCE OF WAY.

In this Department the expenses have decreased \$48,075 03, as compared with those for 1867, and amount to \$600,284 40, equal to 29 per cent. of the total expenses, this including expenses not due to the current year, as follows:

	Eastern.	Middle.	Western.	Total.
Ballast.....	\$16,966 76	\$8,645 11	\$23,125 83	\$48,737 70
Bridges.....	2,467 43	24,317 54	6,557 34	33,342 31
Buildings.....	.....	.....	109 55	109 55
Culverts.....	.....	.....	75 00	75 00
Graduation.....	13,113 50	10,836 08	13,409 25	37,358 83
	\$32,547 69	\$43,798 73	\$43,276 97	\$119,623 39

leaving \$480,661 01, equal to \$1,668 96 per mile of road as ordinary expenses.

The general condition of the track and road-bed, when the Spring opened, was better than ever before, and enabled the work of improvement to be carried on without interruption.

The side-hill cuts have given but little trouble, and in all respects, the road-bed is assuming a permanent condition. The Western Division, between Sheffield and Erie, has been so far gravel ballasted, that another season will complete the extraordinary work; and on the other two Divisions, a large amount of stone ballast have been expended.

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

	Eastern.	Middle.	Western.	Total.
Tons Iron Rail for Construction -	230	124	157	511
“ “ “ Renewals - -	592	436	531	1,559
“ Steel “ “ - -	113	311	10	434
“ “ Headed “ “ - -	24			24
Lbs. Spikes “ “ - -	19,500	31,386	25,016	75,902
“ “ “ Construction -	19,450	4,464	10,030	33,944
Number of Chairs “ - -	208	590	555	1,353
“ “ “ Renewals - -	2,871	1,422	1,242	5,535
Sets Iron Splices “ - -	1,643	1,068	2,109	4,820
“ “ “ “ Construction -	38			38
“ Wooden “ “ Renewals - -			9,635	9,635
No. Cross-ties “ “ - -	32,072	39,704	29,497	101,273
“ “ “ “ Construction -	5,731	3,073	3,139	11,943

The Roadway and Bridge Material account is as follows :

Balance on hand December 31st, 1868, -	-	\$90,409 06
“ “ “ “ 1867, -	-	84,806 66
Increase, - - - -	-	<u>5,602 40</u>

The extension of sidings has been $5\frac{441}{1000}$ miles, as follows:

	Feet.
Sunbury, - - - - -	2,012
Northumberland, - - - - -	276
Lewisburg, - - - - -	175
Milton, - - - - -	5,692
Williamsport, - - - - -	2,594
Susquehanna, - - - - -	371
Lock Haven, - - - - -	122
Renovo, - - - - -	4,010
Clinton, - - - - -	463
Driftwood, - - - - -	72
Emporium, - - - - -	1,381
Rathbun, - - - - -	854
St. Mary's, - - - - -	450
Kane, - - - - -	881
Tiona, - - - - -	834
Stoneham, - - - - -	180
Garland, - - - - -	189
Horn's, - - - - -	1,646
Garcelon, - - - - -	100
Concord, - - - - -	346
Waterford, - - - - -	356
Erie, Outer Depot, - - - - -	2,259
" Harbor Depot, - - - - -	3,467
	<u>28,730</u>

or $5\frac{441}{1000}$ miles.

The length of Main Track in use is - -	$287\frac{510}{1000}$ miles.
" " Sidings " - -	$75\frac{884}{1000}$ "
" " Private Sidings " - -	$11\frac{34}{1000}$ "
Making total length of track in use, -	<u>$374\frac{428}{1000}$</u> "

In consequence of the increased tonnage, the renewals of bridges have been more extensive than was anticipated.

Bald Eagle and Warren Bridges, of 450 feet each, total length have been rebuilt.

The combined bridge and trestle-work at Farrandsville, replaced by a "Howe Truss" of 100 feet; the trestle-work at Cook's Run renewed and shortened 75 feet; the trestle approaches to Paddy's Run filled up.

Many of the smaller single span bridges of the Queen Post pattern renewed, and three trestles replaced with culverts and filled up.

The entire renewals this year have equalled about 10 per cent. of the total length of bridging on the line.

The opening of the lake trade necessitated increased facilities on the pier at Erie, a warehouse 300 by 48 feet, with a wing 70 by 40 feet has been erected, and the slip partially dredged out to a depth of 14 feet, for the convenience of the Propeller Line.

CONDUCTING TRANSPORTATION.

This account stands on the books of the Company at \$1,431,198 $\frac{27}{100}$, including \$820,423 95, due Philadelphia and Erie Railroad Company on lease, deducting which, leaves \$610,774 32, equal to 29 $\frac{6}{100}$ per cent. of the expenses.

The increase in freight tonnage has been general in all departments, both through and local, and exceeds that of 1867 over 50 per cent., although in consequence of competition, rates have been reduced so that the increase in revenue has not been proportionate. The lumber trade has increased at all points of shipment, and shows a gain of nearly 25 per cent. over 1867.

The anthracite coal trade has steadily increased, and although embarrassed for want of dock facilities, gives an increase of gross revenue of near \$100,000. The soft coal trade westward, has gained over 50 per cent., as compared with 1867.

The stock trade eastward, has more than doubled, although

confined to local sources. The shipments of pig iron, iron ore, and lumber from the Lake eastward, have also gained largely, and as furnishing return freight for the anthracite coal cars westward, have been of essential importance. Three of the projected tanneries between Emporium and Warren have been in partial operation during the year; as yet, the revenue derived from them has been small, but there can be no doubt of the future growth of the trade, and its importance in the development of the country.

The shipments of fire-brick from Ferney and Queen's Run to the furnaces in Mercer County, have assumed some importance this year, exceeding 2,000 tons.

The opening of the Lake trade, by the establishment of a propeller line in the spring, threw a large eastward tonnage on the road, but the necessity of prompt handling, and the scarcity of cars, prevented equalizing the tonnage by using the empty grain cars for anthracite coal westward. Another season the improved facilities will remedy this difficulty, and farther reduce the unprofitable mileage.

In comparison with the previous year, the total tonnage moved one mile was 130,601,092, against 80,574,068 in 1867, equivalent to 453,476 tons over whole line of road.

PASSENGERS CARRIED ONE MILE.

	1867.	1868.	Increase.
Passengers,	20,942,718	23,433,777	2,336,927
Government Troops,	154,132		

Equivalent to 81,651 passengers over whole line of road.

The average distance travelled by each passenger, was 37 miles.

MOTIVE POWER.

This account is charged with \$677,028 50, an increase of \$52,255 90 over 1867. The mileage has increased 25 per cent., giving a cost of 33 $\frac{6}{10}$ cents per mile run against 38 $\frac{9}{10}$ in 1867; this result is partly due to the improving condition

of the road-bed, and partly to the reduced cost of fuel. The same plan as adopted on the main line, of interesting the engineers and firemen in reducing the running expenses, has been put into effect, and the results have as yet been satisfactory. Kane shop has been stocked with wood machinery to be used for building new cars.

At Renovo, the machine shop and traverse table have been extended, and a car shed 160 by 50 feet built.

At Sunbury, the round house has been extended to a full circle, and such alterations as were requisite, made in the tracks and approaches. The tables annexed, give the operations of the department in detail.

LOCOMOTIVES.

In good order, - - - - -	59
" bad order, - - - - -	3
" running order, - - - - -	21
" shop for repairs, - - - - -	11
On Daguscahonda Railroad, in running order, - - -	1
Total, - - - - -	<u>95</u>

MILES RUN.

	Passengers.	Freight.	Distributing.	TOTALS.
Eastern Division, . .	175,607	436,529	28,684	640,820
Middle " . . .	137,130	522,760	28,383	688,273
Western " . . .	159,683	488,748	35,338	683,769
1868, .	472,420	1,448,037	92,405	2,012,862
1867, .	477,392	1,024,300	103,134	1,604,826
Increase over 1867, . . .				408,036

Greatest Mileage with Passenger Trains.

Eastern Division, Engine	1026,	-	-	41,470 Miles.
Middle " "	1037,	-	-	29,412 "
Western " "	1004,	-	-	29,481 "

Average Mileage with Passenger Trains.

Eastern Division,	-	-	-	-	-	29,268 Miles.
Middle "	-	-	-	-	-	27,425 "
Western "	-	-	-	-	-	26,614 "

Greatest Mileage with Freight Trains.

Eastern Division, Engine	1055,	-	-	28,289 Miles.
Middle " "	1079,	-	-	31,885 "
Western " "	1076,	-	-	29,131 "

Average Mileage with Freight Trains.

Eastern Division,	-	-	-	-	-	22,975 Miles.
Middle "	-	-	-	-	-	24,889 "
Western "	-	-	-	-	-	24,437 "
Total Average Mileage with Passenger Trains,						27,789 Miles.
" " " Freight "						24,134 "

COST OF REPAIRS, FUEL AND STORES.

	Repairs.	Fuel.	Stores.	TOTAL.
Eastern Division, . .	\$51,649 24	\$49,643 32	\$6,735 34	\$108,027 90
Middle " . . .	76,354 08	46,057 75	8,826 87	131,238 70
Western " . . .	86,104 79	54,973 77	7,602 27	148,680 83
1868, .	214,108 11	150,674 84	23,164 48	387,947 43
1867, .	190,522 85	159,144 96	20,939 14	370,606 95
Increase,	23,585 26		2,225 34	17,340 48
Decrease,		\$8,470 12		

TOTAL AVERAGE COST PER 100 MILES RUN.

	Repairs.	Fuel.	Stores.	TOTAL.
Eastern Division, . .	\$ 8 61	\$7 74	\$1 05	\$17 40
Middle " . . .	11 08	6 73	1 29	19 10
Western " . . .	12 09	7 99	1 11	21 19
Entire Road General } Average, }	\$10 64	\$7 49	\$1 15	\$19 28

Decrease on Cost of Repairs,	\$1 23
" " Fuel,	2 43
" " Stores,	0 15
	<u>\$3 81</u>

AMOUNT OF MATERIALS ON HAND AT THE DIFFERENT SHOPS.

SHOPS.	Dec. 31st, 1867.	Dec. 31st, 1868.	Increase.	Decrease.
Sunbury,	\$28,665 03	\$28,304 56	. . .	\$360 47
Renovo,	84,937 88	129,260 25	44,322 37	. . .
“ Iron Foundry,	7,974 24	660 15	. . .	7,314 09
“ Brass “	1,663 09	1,880 33	217 24	. . .
“ Wheel “	41,672 84	25,558 11	. . .	16,114 73
“ Oil Works, .	9,600 70	16,311 97	6,711 27	. . .
Kane,	9,187 18	24,718 65	15,531 47	. . .
Erie,	30,027 97	27,397 15	. . .	2,630 82
Total, . .	\$213,728 93	\$254,091 17	\$66,782 35	\$26,420 11
		Net,	\$40,362 24	

The consumption of Fuel during the year was as follows :

	Cords of Wood.	Net Tons of Coal.
Eastern Division,	2,638 $\frac{1}{2}$	18,321
Middle “	1,447 $\frac{6}{8}$	19,115
Western “	1,997 $\frac{1}{2}$	22,518
Consumed by Locomotives, . .	6,083 $\frac{6}{8}$	59,954
“ at Shops, Stations, &c.,	386	6,334
Total, . . .	6,469 $\frac{1}{2}$	66,288

The Stock on hand December 31st, 1868, was as follows :

	Cords of Wood.	Net Tons of Coal.
Eastern Division,	2,988	754
Middle "	100 $\frac{1}{2}$	177
Western "	71 $\frac{1}{2}$	1,173
Total, . . .	3,160 $\frac{1}{2}$	2,104

MAINTENANCE OF CARS.

This account, amounting to \$178,913 $\frac{85}{100}$, represents the total car repairs, of which \$170,995 $\frac{27}{100}$ is due to Passenger and Freight Stock, and the remainder, \$7,918 $\frac{58}{100}$ to repairs of Ballast and Wood Cars, Car Shops, Sheds, &c.

The following tables will show the condition of the Rolling Stock :

PASSENGER EQUIPMENT.

	On hand Dec. 31st, 1867.	Built at Renovo.	TOTAL.	To be Rebuilt.	In Shop for Slight Repairs.	Total in Actual Service.
Passenger Cars, . .	50	. .	50	8	7	35
Baggage " . .	15	. .	15	3	2	10
Express " . .	6	. .	6	. .	. .	6
Total, . .	71	. .	71	11	9	51

FREIGHT EQUIPMENT.

	On hand Dec. 31st, 1897.	Built at Renovo.	Total.	To be Rebuilt.	Placed in other service.	In Shop for Slight Repairs.	Total in Actual Service.
Box Cars,	343	69	412	31	32	4	345
Gondola Cars, . .	1039	..	1039	55	34	19	931
Stock " . .	38	9	47	6	..	..	41
8-Wheel Coal Cars, .	30	..	30	1	..	..	29
4-Wheel " " .	40	..	40	..	..	..	40
Total, . .	1490	78	1568	93	66	23	1386

IN MAINTENANCE OF WAY DEPARTMENT.

Box Cars,	8
Gondolas,	45
Dumps,	60
Hand Cars,	65
" Trucks,	68
Derrick Cars,	1
Boarding and Supply Cars,	4
Total,	<u>251</u>

 RECAPITULATION.

Passenger Cars,	50
Baggage "	15
Express "	6
Freight "	1,568
Maintenance of Way,	251
	<hr/>
Total number of Cars,	1,890
	<hr/>

MISCELLANEOUS.

The general result of the year's business is comparatively satisfactory. The increased tonnage has not entailed a corresponding increase of expenses, and had the Passenger traffic been self-sustaining, there would have been a profit, after paying the Philadelphia and Erie proportion; but the present needs of the road require increased facilities to transact the business economically.

On the Eastern Division, between Williamsport and Sunbury, and on the various grades where assistant power is used, sidings, however long, will not meet the requirements, and sections of double track are needed to insure safety and despatch.

The opening of the Lake trade has made the past year an important one in the history of the road; and although the competition forced by older lines has reduced the net profits, yet as a through route its position has been established.

Alone of all the Trunk Lines, it combines a Lake outlet with cheap fuel, and it has also the Anthracite Coal trade Westward, to overcome the disproportionate Eastern tonnage.

The mechanical condition has improved so far, that after 1869 the expense of remedying defective construction will be substantially closed, and with the vigorous growth of the Local business, its future should be successful.

Since the modification of the organization in September, 1867, whereby the several bridges and structures were confided to the supervision of Mr. W. H. Brown as Engineer, that gentleman has resigned, and the duties, in addition to others hitherto performed by the General Superintendent, have been assigned to Mr. William A. Baldwin, with the title of Assistant General Superintendent.

The vacancy caused by the transfer of Mr. Baldwin from the position of Superintendent of the Western Division, the duties of which he had so unexceptionably performed from the opening of the road, has been filled by the appointment of Mr. J. W. Reynolds as his successor.

All of which is respectfully submitted.

ALFRED L. TYLER,

General Superintendent.

