ADMINISTRATION OF WILLIAM C. PATTERSON.

At the meeting of the Directors, August 22, 1849, the following resolution was unanimously adopted:

Resolved, That a committee of four be appointed to take into consideration the communication of the President in reference to his resignation, and to nominate a proper person to fill his position as President of the company, and report to the Board.

At a special meeting on August 25, the committee submitted the following report:

To the Board of Directors of the Pennsylvania Railroad.

The committee of four appointed under a resolution of the Board on 22d instant to take into consideration a communication of the President in reference to his resignation, and to nominate a proper person as his successor, beg leave to report that they have given the matter due consideration and have sincerely regretted, in company with the Board, the announcement of the President to the necessity on his part of such announcement, owing to private business arrangements; they feel, nevertheless, bound to comply with his expressed wish, and therefore recommend that his resignation take place as President on the first day of September, proximo. They further reported having had an interview with William C. Patterson, Esquire, and unanimously recommend and nominate him as a suitable person to fill the vacancy which will be occasioned by the resignation of Mr. Merrick.

The committee in offering the name of Mr. Patterson feel much gratification in being able to submit for their consideration one whom they deem so manifestly qualified to fill the position, and one whom every member of the Board has had an opportunity of being personally familiar with as a member. Mr. Patterson has been identified with the great work entrusted by the stockholders to the Board of Directors, and he has become well acquainted with the various details connected with the affairs of the company. He further is perhaps better qualified than most others unconnected with the Board to enter upon the arduous duties of that office so necessary to the welfare of the company.

The committee have further to report that in an interview they have had with Mr. Patterson, he has consented to devote his whole time and attention to the duties of President of the company, giving up his present business for the accomplishment of the object of his appointment, as soon as he can make arrangements to that effect.

Your committee do not offer any resolution in regard to the retirement of the President, as it is not a part of their duty under the resolution, but they leave with confidence this matter in the hands of the other members of the Board.

Your committee offer the following resolution, and ask their discharge:

Resolved, That the resignation of Samuel V. Merrick, Esquire, as President of the company be accepted to take effect on first of September, in compliance with his wishes that an early day might be named.

Resolved, That the Board do now proceed to elect a President for this company, to take effect the first of September, proximo, to fill the vacancy which will at that time be occasioned by the resignation of the President, Samuel V. Merrick, Esquire, all of which is respectfully submitted.

JOHN YARROW,
THOMAS T. LEA,
DAVID S. BROWN,
GEORGE W. CARPENTER,


The report was after some discussion accepted, and on motion of Mr. Howell the
Board agreed to proceed to the election of a President.

After the members had all voted the tellers returned eight votes, "being the whole number present and all in favor of William C. Patterson, whereupon the chairman announced to the Board that William C. Patterson, having received the whole number of votes polled, was declared to be unanimously elected President of this company, said election to take effect on first proximo."

The following resolutions were unanimously adopted by the Board at the meeting held August 25:

Resolved, That the Board has learned with great regret that circumstances connected with his private affairs have induced Mr. Merrick to resign the position which he has occupied with so much ability as President of the Pennsylvania Railroad Company since its organization;

Resolved, That the votes of this Board are eminently due to Samuel V. Merrick for the industry and intelligence which he has devoted to the welfare of our great work.

Resolved, That the Board trust that it will be compatible with Mr. Merrick's other arrangements to continue his connection with the company in the capacity of Director, sharing with his colleagues in their labors and responsibilities, and affording him the advantage of his judgment and experience.

The following communication was submitted by the directors representing the city of Philadelphia:

To Stephen Colwell, Esquire, President pro tem., of the Pennsylvania Railroad.

We have been requested by the President of the Select and Common Councils of the city of Philadelphia to express their sincere regret at the retirement of Samuel V. Merrick, Esquire from the presidency of the Pennsylvania Railroad Company, and at the same time earnestly desire that he may be prevailed to retain his seat in the Directory of the Board.


JOHN YARROW.

GEORGE HOWELL.

M. L. HALLOWELL.

City Representatives of the Pennsylvania Railroad Company.

At the meeting of the Board on August 29, 1849, the minutes of the proceedings of the stated and special meetings having been read, Mr. Merrick rose and expressed his acknowledgment to the Board for their "complimentary resolution which they had adopted," and expressed his "gratification at the uninterrupted intercourse and good feelings which had existed" between himself and the directors and those connected with the office, and expressed his willingness and intention to continue his exertions as a director to forward the great work entrusted to the Board.

Mr. Patterson, upon taking his seat as President, on August 29, 1849, expressed his thanks to the Board for the unanimous support which had been given him in his recent election to the presidency, and said that it was his intention to give the Company his entire personal attention, and to do all that lay in his power to forward its interests.

The directors, on August 29, enlarged the title of J. Edgar Thomson from "chief engineer" to "chief engineer and general superintendent."

The first time-table of the Pennsylvania Railroad Company was issued September 1, 1849, at which time the road was opened from Dillerville to Lewistown. According to this schedule one passenger train was run over the road each way daily. The westward train left Dillerville at noon, arriving at Lewistown, ninety-seven miles distant, at half-past five in the afternoon. The eastward train left Lewistown at ten o'clock in the morning, arriving at Dillerville at ten minutes after three o'clock in the afternoon. A way train ran from Dillerville at thirty minutes after eight in the morning to Harrisburg, where it arrived at twenty minutes to eleven; the east-bound way train left Harrisburg at eight o'clock in the morning, arriving at Dillerville at ten minutes after ten. It will be seen by an examination of the fac-simile of this "passenger and freight schedule" that freight trains ran only twice a week at that period.

On September 5, Herman Haupt was appointed Superintendent of Transportation.

A letter from J. Edgar Thomson was presented to the Board on September 5, stating that a disagreement had arisen between him-
self and Mr. Beatty on the subject of the settlement with the Harrisburg and Lancaster Railroad Company under the agreement entered into between that company and the Pennsylvania Railroad Company; the Road Committee presented the following preamble and resolutions, which were read and adopted, and the Pennsylvania Railroad Company to fix and determine the amount to be paid by the latter to the former in full for their stock of machinery after so determining the amount to be paid, and

Whereas, The certificate thereof, signed by both arbitrators, is now in the hands of the President of the said Harrisburg and Lancaster Railroad Company, and

President was authorized to transmit them to the President and Directors of the Harrisburg and Lancaster Railroad Company if necessary:

Whereas, The arbitrators appointed under the 13th section of the agreement entered into between the Harrisburg and Lancaster Railroad Company

Whereas, The said company have failed and neglected, in violation of the first section of their contract, to transfer the property therein described, and to demand the said award in the time specified in the said contract, therefore be it

Resolved, That the President be instructed to notify said company that the Pennsylvania Railroad Company are ready and prepared to fill its contract

![First Time Table issued by Pennsylvania Railroad Company, September 1, 1849.](http://PRR.Railfan.net)
Office of the Pennsylvania Railroad Company.

Philadelphia, 16th Dec. 1879

P. M. Magraw, Esq.
President of the B. & P. R. R.

Dear Sir,

I have in favor of 16th inst. and beg to thank you for your polite attention. I hope during the coming season to avail myself of your kindness.

I have the pleasure of enclosing your a pass for our round trip on the Car and I will send you a ticket when they are prepared.

With much respect,

W. C. Patterson

Letter from William C. Patterson, President Pennsylvania Railroad Company, enclosing annual pass to R. M. Magraw, President Baltimore and Susquehanna Railroad Company.
with the Harrisburg and Lancaster Railroad Company, and to request a transfer of the property forthwith.

The Atlantic and Ohio Telegraph Company reported that preparations were in progress for the immediate construction of the telegraph line.

On October 3, the directors had under consideration a letter from the Canal Commissioners to Charles Gilpin, President of the Select Council of Philadelphia, asking for information as to the intention of the city to make a railroad connection with the State road now in progress of construction on the western side of the river Schuylkill.

Chief Engineer Thomson reported, October 24, that certain lettings had been made west of the mountains, amounting to about two hundred and thirty thousand dollars, and that “these lettings were very favorable to the company and in the hands of most excellent contractors.”

The Road Committee reported that they had contracted with Reeves, Abbott & Company, for four thousand tons of railroad iron at forty-five dollars a ton.

The condition and prospects of the extension of the Pennsylvania Railroad at this period was presented in a letter from the Associate Engineer under date of October 20, addressed to the President of the Pennsylvania and Ohio Railroad Company:

The Pennsylvania Railroad has been opened to the public between Harrisburg and Lewistown, a distance of 60 miles, which is not as yet sufficient to command a large share of the Western travel.

In spite of the great cost of the bridge over the Susquehanna ($300,000), the road earns five per cent per annum on the cost.

Above Lewistown, construction is delayed by sickness among the laborers along the Juniata. The heaviest sections are done however, including the deep rock cut at Newton Hamilton and the tunnel at Little Juniata. It is anticipated that a further section will be opened to Waynesburg early in the spring, to Huntingdon in time for next spring’s business, and to Hollidaysburg by next summer. This will bring us by connection with the Portage, within 70 miles of Pittsburgh by turnpike and 103 miles by canal.

Written pass over the Pennsylvania Railroad, issued by William C. Patterson, President, November 16, 1849.

The part of the western division just put under contract will extend the road 26 miles westward and beyond all the mountain ranges of western Pennsylvania. Of this, 14 miles of the heaviest work has been put under contract, to be completed April 1, 1852. The remainder is light work, and will be commenced in the spring with an additional similar section to bring it to the southern turnpike 40 miles from Pittsburgh; all of which will be pushed to be completed simultaneously. I have organized a corps to make a final revision and improvements of location between Loyalhanna and Pittsburgh with the view of putting the heaviest sections under contract; lighter sections are delayed for the heavier in view of simultaneous completion, which I think may be done by the spring of 1852.

On motion of Mr. Merrick the following resolution was adopted by the Directors, November 7:
Resolved, That the General Superintendent be instructed to keep an account and report to this Board monthly all expenses incurred directly or indirectly from accidents on the Harrisburg and Lancaster Railroad.

THIRD ANNUAL MEETING OF STOCKHOLDERS.

At the third annual meeting of the stockholders, held December 3, 1849, a procedure was adopted somewhat different from that had at previous meetings. All resolutions offered were submitted to a special committee of five, who reported at a subsequent meeting held the day before Christmas. Among the resolutions presented was one introduced by Mr. James Magee:

Resolved, That the Directors be, and are hereby, instructed not to pay more than $2,500 per annum for the services of President, unless he possesses the qualifications of an engineer, and act as President and General Agent, Manager or Superintendent of the company.

On the 14th of November, 1849, the Board of Directors had entered upon the minutes a resolution—

That the General Superintendent be instructed to discontinue, from and after the 31st of December next, all operations upon the road on the Sabbath, and to make at his earliest convenience such general arrangements as may be necessary to relieve all persons in the service of the company from duty on that day.

At this meeting of the stockholders a resolution was adopted stating that the above “has the entire concurrence and approbation of this meeting, and that the Directors are entitled to the especial thanks of their constituents for having vindicated the law of the land and the sanctity of the Christian Sabbath.”

Thomas P. Cope, who was chairman of the meeting, appointed a committee consisting of five gentlemen—Joseph R. Ingersoll, John M. Kennedy, J. Fisher Leaming, Robert M. Lewis and James Magee—who, at the meeting of December 24 following, made a somewhat lengthy report. The resolution fixing the President’s salary at $2,500 was amended to read $3,000, and lost by a large majority. In its report this committee stated that the stockholders had confided to the directors the power and duty of fixing the salary of the President, continuing with the statement—

It is to be presumed that difference of opinion exists among the stockholders—certainly no universal or general disapprobation has been manifested.

Referring to the offices of President and Engineer, the committee further said that—

They may and will, as the committee are sure, harmonize and work well together, in the able hands to which they are now confided; but they must be separate in their operations. While the road continues to be unfinished the offices cannot be combined.

This was the first public manifestation of the feeling which existed among many of the stockholders that J. Edgar Thomson, Chief Engineer, should also be made President.

In regard to the observance of the Sabbath the committee reported their belief that—

When the road shall be completed, the disuse of it on Sunday will be attended with no inconvenience. A journey from Philadelphia to Pittsburgh, or from Pittsburgh to Philadelphia, will be performed in so short a time that no traveling will be interrupted or delayed by the intervention of the day. When it shall reach Hollidaysburg the inconvenience will be in effect done away, for twenty-four hours are computed to suffice in that event for the whole distance through. In the meantime, travelers will rest about midway in their progress, during the first day in the week. They will thus be benefited by its completion to that extent, by the mere substitution of one kind of delay for another—the delay of repose for that of tedious journeying. Even this liability will not continue long. Hollidaysburg, it is hoped and expected, will be the terminus of the new road in season for autumn travel of the next year. A momentary inconvenience (if it be such) sustained in the meantime for the promotion of a great and palpable good will be terminated; and from the period fixed by the resolution for discontinuing “all operations on the road,” poverty will rejoice in the cessation of virtual oppression, and one of the most valuable rights of labor will be vindicated and maintained.

The report closes with the statement that—

We are assured that in some of the counties through which the road runs, efforts have been made...
to ascertain the feelings of the stockholders, and no single individual has on enquiry been found who is not in favor of suspending all business on the road on Sunday. The committee, acknowledging the wisdom and adoring the beneficence of the Creator, in appointing one day in seven as a "Sabbath," or day of rest, have no difficulty in reaching the same conclusion; and they respectfully recommend the adoption of the third resolution, which has been referred to them.

At this annual meeting the following directors were chosen for the ensuing year:

By the stockholders—
William C. Patterson, George W. Carpenter,
Samuel V. Merrick, Christian E. Spangler,
David S. Brown, Thomas T. Lea,
Stephen Colwell, Washington Butcher.

By the city of Philadelphia—
John Yarrow, Edward M. Davis,
George Howell.

By the Commissioners of Allegheny County—
William Wilkins, John H. Shoenberger.

President Patterson's annual report, dated November 28, 1849, is a very brief paper. In it he called attention to the fact that a small section of the road had been brought into service, and that Mr. Herman Haupt had been appointed Superintendent of Transportation. He stated that arrangements had been made for the discontinuance of all operations on the road on Sunday by closing all the workshops and offices. On September 1 sixty and two-thirds miles of railroad had been opened for travel between Harrisburg and Lewistown.

The report continued as follows:

Very rapid progress has been made upon the section between the mouth of the Little Juniata and the base of the mountain. The work upon the residue of the Eastern Division has been unavoidably retarded; the general prevalence of disease upon the Juniata during the past season having disabled a large proportion of the laborers on the line, while it rendered it impossible to supply their places.

This difficulty has passed away, and every effort consistent with a proper regard for economy and the permanent character of the work will be made to have the road finished to the Portage in August next. We entertain the hope that it will be opened to McVeytown in January, and to Huntingdon in March.

Attention was also called to the arrangement consummated with the Harrisburg, Portsmouth, Mount Joy and Lancaster Railroad Company, which "has given the public more comfortable means of conveyance and an increased rate of speed at a reduced cost, and will, it is hoped, result advantageously to the interests of both companies. With a view as well to the accommodation of the citizens of our own State as to the increase of revenue usually attendant on moderate charges, the Board have determined to reduce the fare for way travel after the 1st of January next to the uniform rate of three cents per mile."

The question as to the construction of which sections of the road was next to be proceeded with was referred to the stockholders with the statement:

It is now for them to determine whether the Board shall, with the means in hand, finish the Eastern Division to the point of connection with the branch road to the Portage, and the Western Division to a point in Westmoreland county, whence a convenient road, about one mile in length, can be opened at a small expense to the southern turnpike, and there pause until the necessities of the trade and the income derived from the road in its unfinished state shall induce such further subscriptions as may be required to complete it, or by a vigorous effort at this time, secure the means of making a continuous road to Pittsburgh, as rapidly as can be built, due regard being had to economy and durability.

If the former course be adopted, they will have a well-constructed road, free from debt, of great public utility, and capable of producing, under judicious management, an ample return for the capital employed; if they choose the latter, the income on their present investment will be materially enhanced, and the purpose for which the work was originally projected, of securing to the cities of Philadelphia and Pittsburgh the largest possible share of the Western trade, with the incidental advantages accruing therefrom to the State of Pennsylvania, will have achieved, beyond the possibility of doubt, in the possession of the first railroad from the seaboard to the Ohio river.

Great stress is again placed upon the necessity of an early completion of the road, in order to obtain the travel from the West and Southwest, the President devoting several pages to these matters, from which the following interesting extracts are made:

The opening of the road to Huntingdon, during the ensuing spring, will concentrate upon it a large
ratio of the Western travel which has heretofore taken the stage and railroad route, via Cumberland and Baltimore, solely because it was the shortest in time to Philadelphia. When finished to the mountains, in August, it must of necessity become the great thoroughfare from the Atlantic seaboards to the West and Northwest.

From Southern competition we have nothing to fear, The people of the West, whose indomitable energy and ample resources preclude the idea of failure in anything they may undertake, are moving with their accustomed enthusiasm, and with unwonted unanimity, for the immediate construction of a great central line of railroad, from the terminus of the Pennsylvania Railroad, through the rich and densely populated table-lands of Ohio, Indiana and Illinois, to the Mississippi, and thence in good time to the Pacific.

Measuring what they can do by what they have done, we may fairly anticipate that complete railroad connections will have been formed with Cincinnati and Cleveland, on the opening of the Pennsylvania Railroad to Pittsburgh, and with Chicago and St. Louis very shortly thereafter.

All who are familiar with the channel of the Ohio know that many of the worst shoals in that river are below Wheeling, the nominal terminus of the Baltimore and Ohio Railroad. When the upper Ohio is navigable for any practical purpose, the head of navigation is at the western depot of the Pennsylvania Railroad, where steamboats can float alongside the platform, on which the cars of the company will receive their freight. When Pittsburgh ceases to be the head of navigation, that point must be sought far below either Wheeling or Fish creek, and let it present itself where it may, the passengers and freight whose upward progress is arrested will find an outlet by one of its many diverging lines to the Pennsylvania and Ohio road, and by that road to the Pennsylvania road.

The Western trade, attracted to Philadelphia when the pack-horse of the primitive transporter trod the route now chosen for the Pennsylvania railroad, as well by the commanding advantages of her geographical position, as by the unsullied reputation of her merchants for probity and good faith, has been, to some extent, withdrawn from her by the profuse liberality with which her Northern and Southern sisters have taxed their capital and credit to surmount, by artificial means, the barriers with which nature has environed them. It will return to her with a tenfold increase when the Pennsylvania Railroad shall have developed in their highest perfection the advantages of a route marked by nature as the most available between the Atlantic cities and the Ohio river.

The second annual report of the Chief Engineer (dated November 15, 1849) is a lengthy document, especially when compared with the report signed by the President. In the report he calls attention to the fact that the location of the eastern division of the road, which had been completed to Tyrone Forge at the date of his annual report for 1848, had been continued to the summit separating the Big and Little Juniata rivers in Tuckahoe Valley. From this point (now known as Altoona) it is proposed that the main line, at a future period, shall commence the ascent of the eastern slope of the Allegheny mountain. It was then the intention to effect a temporary connection with the Allegheny Portage Railroad at Hollidaysburg by a branch line about six miles long, completing a junction with the Western Division of the Pennsylvania Canal at Johnstown by a complete railway line, which, including the route over the Portage, was about 280 miles in length. The actual location of the main line from Altoona to the mountain was made during the summer of 1849. The Chief Engineer states:

The ascent is accomplished in 12½ miles by a maximum gradient of 84½ feet on straight lines, reduced on curves according to their diameter to 75 feet upon those of minimum radii. To decrease the expense of crossing Kittanning and Burgoon's runs, on the east slope of the mountain, and some smaller branches of the latter stream, the tunnel at Sugar Run Gap has been lengthened to eleven hundred yards, which reduces the elevation to be overcome from the foot to the summit of the mountain to nine hundred and sixty-five feet, and greatly improves the curvature of the line.

The line reaches Laurel Swamp Summit, which separates the waters that flow into the Susquehanna from those of the Ohio, 3½ miles west of the crest of the mountain, at Sugar Run Gap, after crossing with a high bridge, a branch of Clearfield Creek. Thence it descends along the valley of the Cone- maugh to Johnstown, without encountering any serious difficulties to the attainment of a graduated roadbed, at a maximum inclination of fifty feet per mile. The most important obstacle to be overcome being a tunnel seven hundred feet in length through Pringle's Point, a short distance below Jefferson.

In the descent of the western slope of the mountain the direction of our line is generally in the immediate vicinity of the Portage Railroad; crossing it five times by bridges, and once, as at present
located, upon a level. A connection with that work during the construction of ours may be conveniently made at several points, bringing each portion into profitable use as fast as completed. When our whole line on the western side is finished, the two roads can be advantageously joined at the summit of the Portage by a steep ascending gradient from the vicinity of Laurel Swamp Summit—less than two miles in length—by which means all of the western planes will be avoided, and those on the east side used during the construction of the heavy grading at the crest of the mountain and on its eastern slope. This connection would render it profitable to the commonwealth to abandon her road west of its summit, and by a satisfactory arrangement, which could be made with this company, use that portion of their road for the transmission of freights between the Eastern and Western Divisions of her canal.

The location of the western division is described as commencing at Johnstown:

It crosses the Conemaugh immediately below its confluence with Stone Creek, and follows its southern bank over generally very favorable ground until it reaches Chestnut Ridge, where some moderately expensive work is encountered at the Pack Saddle Rocks in the Gap through it, formed by the river. After passing these, the line turns southwardly around the point of the ridge, and following generally the valleys of Magee's and Scauman's runs, intersects the Loyalhanna at Chamber's Mill, about two miles north of the Southern Turnpike at Youngstown. From Johnstown to the head of Magee's Run, 34 miles, the maximum gradient is 26 1/2 feet per mile, and thence to Pittsburgh fifty feet. On leaving the Loyalhanna we gradually ascend the western slope of Fourteen Mile run to the summit of Huckleberry Ridge, then crossing some small tributaries of the Sewickley, it passes on the north side of Greensburg and pierces the watershed between this stream and Brush creek by a tunnel of eight hundred feet in length, known as Barkley's: whence we follow Brush creek to its confluence with Turtle creek, and the latter stream to the banks of the Monongahela. Thence crossing by Wilkinsburg and East Liberty, it enters Pittsburgh on the Allegheny side, as described in my last report.

Chief Engineer Thomson had early placed himself on record in regard to the urgent necessity of dispensing with the inclined planes of the Portage Railroad, and in his report he called attention to the policy of extending the western division eastwardly in order to avoid Plane No. 1, the nearest plane to Pittsburgh:

To secure at the earliest practicable moment a continuous railroad from Philadelphia to Pittsburgh, the Allegheny Portage Railroad is necessarily used as a portion of the line. This work is 36 1/2 miles in length, and consists of five inclined planes on each side of the mountain, with intermediate levels varying from a quarter to thirteen miles in length. Plane No. 1 is situated 4 1/2 miles from Johnstown, and between it and No. 2 is the longest level. By dispensing with this plane, at which the greatest delays occur, on account of a tunnel at its head nine hundred feet in length, the whole of the remaining planes are brought within a space of thirteen miles of each other, which will greatly aid the systematic management of the road. This object can be secured by the extension of the Western Division from Johnstown eastwardly to the Stone Viaduct, 7 1/4 miles, for the additional sum of $200,000—making the total cost of that division $2,915,000.

The gradient to avoid this plane will not exceed forty-five feet per mile, and the length of the line will be half a mile less than the Portage road between the same points. The construction of this portion of the route is considered so important to the successful use of the Allegheny Portage road that I would advise that its graduation should be placed under contract with the remainder of the work proposed to be let next spring.

The means of the company are sufficient for this object, and also to continue the road to the point near the Southern Turnpike already designated. When the whole line is completed to Pittsburgh, in connection with the Portage, the continuous road adapted to the use of locomotives will, by this arrangement, be extended from eighty-two to ninety-five miles, leaving but the thirteen miles previously mentioned, upon which stationary power will be used.

It is interesting in these days of high speed to note that a detention of one and a half hours in crossing the mountain was not regarded as a very important matter. It was hoped, however, that "this delay might be still further lessened by extending the western division to the summit of the mountain, doing away with the planes on the western side, and only using the five on the eastern side, where the ascent was very much more abrupt." At that time a large quantity of coal passed down the eastern planes, making business on that side of the mountain quite active. As all the
funds available were then nearly expended, it was the intention to reach a point as nearly contiguous to the Southern Turnpike as possible. The Chief Engineer refers to this matter as follows:

The importance of extending the road to the vicinity of this improvement is of such overruling consequences that it will not admit of the diversion of any portion of our funds to push the grading of the heavy parts of the work further west, all of which lay between the Loyalhanna and the mouth of Brush creek; and on several sections within this distance, the work is of such magnitude as to require considerable time to execute it economically. To secure, therefore, the early completion of the road at a reasonable cost, it is essential that these sections should be placed under contract within the next three months.

Attention was also called to the success of the Baltimore and Ohio Railroad from a financial point of view:

If further argument is deemed necessary to demonstrate, in advance of the attainment of the actual result, that the Pennsylvania Railroad will prove a profitable investment of capital, it would seem to me to be sufficient to refer to the last report of the Baltimore and Ohio Railroad Company to convince the most skeptical upon this point.

That road, only 178½ miles in length, which has cost to complete and stock it considerably more than our continuous road to Pittsburgh will, in connection with the Portage, with Turnpike connections only, over the Alleghenies, now yields 8½ per cent upon its stock; all of which is devoted to the prosecution of the work west of Cumberland.

The road, which had been opened from Harrisburg to Lewistown on the 1st of September, 1849, had been in uninterrupted use since that time, but owing to "unusual amount of sickness on account of the low stage of water in the Juniata above Lewistown," the work was greatly retarded. Expectations were entertained of the ability to reach Huntingdon in the spring of 1850, and the statement was made that the whole eastern division to Hollidaysburg would be completed in season for the ensuing fall trade, and the line east of the Southern Turnpike, it was hoped, would be finished in 1852.

On Christmas eve the road to McVeytown, eleven miles west of Lewistown, was opened for traffic.

During the year 1849 the first organization of a system for conducting the transportation on the road had been adopted. A very satisfactory contract with the Harrisburg and Lancaster Railroad Company had been made, and an understanding had been reached with the Superintendent of the Columbia Railroad and other agents of the commonwealth, which, although "framed in violation of rules that govern business transaction," was as satisfactory as their system of doing business would allow. Private transporters and companies had signally failed on the State road to cheapen, by competition, the charges for passengers and freight, but they were still at liberty to use the road, although all means of regulating the charges were kept within the control of the Pennsylvania Railroad Company. The local passenger rates at the opening of the road were placed at 3½ cents per mile, and through rates at 3 cents, but after a trial of several months it was decided to abolish the distinction between the two classes of passengers, 3 cents per mile being finally determined upon. During the year 1849 the surveys west of the summit of the mountain were conducted by Edward Miller, G. W. Leuffer being assistant engineer; upon the east side William B. Foster, Jr., was associate engineer, with Thomas T. Wierman, Strickland Kneass, E. Tilghman and A. Worrell as his principal assistants.
The first report of Herman Haupt, Superintendent of Transportation, contains a statement of the receipts and expenditures upon the line for the months of September and October, 1849, the total receipts being $14,802.76, of which $13,780.23 was from passengers and $1,022.53 was from freight. The expenses were as follows: For conducting transportation, $1,379.62; motive power, $974.75; maintenance of way, $1,011; maintenance of cars, $40; making a total of $3,405.37. The excess of receipts over expenditures being $11,397.39.

In examining this, the first report, it is interesting to note that the same general division of accounts was in existence then as now.

As the capital stock expended in graduation, superstructure, buildings, locomotives, passenger and freight cars, shop machinery and tools for the 60½ miles from Harrisburg to Lewistown was reckoned at $1,580,000, the excess of receipts over expenditures during the two months that the road was in operation was reckoned at 3½ per cent for September and 5½ per cent for October, being equivalent to an average of 4½ per cent for the whole year.

Mr. Haupt closes his report with the statement that—

When it is considered that the road is in operation only to Lewistown, a point at which it was not expected that the receipts would more than pay expenses, and that the business of transporting freight can scarcely be said to have commenced, the results thus far must be regarded as very encouraging.

On December 5 the Board proceeded to elect a President for the ensuing year.

A "telegraphic communication" from W. McCandless, counsel of the company, was read, stating that John M. Schoenberger and William Wilkins were duly elected Directors by the Commissioners of Allegheny, and that he was authorized to say they voted for William C. Patterson for President. Another "telegraphic communication" was also received from Messrs. Schoenberger and Wilkins, corroborating this information. When the vote was counted it was found that Mr. William C. Patterson had been unanimously re-elected President.

The directors had under consideration on December 12, communications from Forsyth & Co. and Hugh Campbell, on the subject of transporting merchandise over the line to Pittsburgh, stating that "there can be no difficulty, and but little danger, attending the carrying over by wagons"; they expressed a willingness "to indicate the arrangement of wagons, &c., if desired," and it was

Resolved, That it is expedient to establish facilities for the transportation of merchandise and produce from Philadelphia to Pittsburgh in connection with our road.

The following resolution was unanimously adopted by the Board on December 26:

Resolved, That the Chief Engineer be instructed to put under contract as early in the spring as the weather will permit, the line easterly from Pittsburgh as far as the point of intersection with the turnpike near Turtle creek, and such heavy sections on the line as he may deem expedient, and to push all the contracts as rapidly as possible.

When the year closed the Chief Engineer was in communication with contractors with a view to carry out these instructions.

1850.

At the beginning of the new year the railroad was in operation as far as McVeytown, 72 miles west of Harrisburg, and the track-laying was being pushed toward Mt. Union 13 miles distant with the hope of inaugurating traffic through to that point early in the spring.

The following note concerning a collision between a passenger and freight train near Duncan was transcribed verbatim from the minutes of the meeting of the Board held January 9, is of interest as showing the peculiar methods of discipline in force in these early days:

Mr. Beale, the conductor who had charge of the freight train which ran into the passenger train, was introduced and made his statement of how the accident occurred. It appears from his own statement
that the unfortunate accident was his own fault entirely, and that he had disobeyed his orders, which had led to the accident.

The first train of cars arrived at Huntingdon on Thursday, June 16, 1850. It consisted of five or six trucks drawn by a locomotive, 'Henry Clay.' In a few days it proceeded westward, the road being then in running order to the Allegheny mountains. The excitement with which it was greeted, probably exceeded that on the arrival of the first canal boat. Its approach had been heralded throughout the country for miles on both sides of the railroad, and as it was a trial trip the train necessarily ran slow, the people had time to reach the railroad and witness the novel sight. In fact the engine announced itself by shrill whistles that even surprised the mountains through which they echoed. But there was disappointment. The idea had become general that trains never ran with speed less than lightning, and seeing that one coming at a rate of three or four miles per hour was not what had been expected. It was not time yet for the express or the limited mails."

Time-table of trains between Dillerville and McVeytown, January 1, 1850.

The city of Philadelphia made a subscription for ten thousand additional shares of the Pennsylvania Railroad stock on January 17, so that in April, two-thirds of the $3,000,000 necessary to construct the road over the Alleghenies had been provided for, the Northern Liberties Corporation having subscribed $500,000, and the city of Philadelphia $1,500,000, and by June 1 the balance remaining unsubscribed was reduced to $375,000.

The American Railroad Journal on June 1 said that during this year the road would be completed to Hollidaysburg to connect with the Portage of thirty-six miles over the Alleghenies, leaving a distance of seventy-six miles from Johnstown, the western termination of the road, to be finished. Of this distance, fifteen miles east of Pittsburgh were then partially completed.

"The first train of cars arrived at Huntingdon on Thursday, June 16, 1850. It consisted of five or six trucks drawn by a locomotive, 'Henry Clay.' In a few days it proceeded westward, the road being then in running order to the Allegheny mountains. The excitement with which it was greeted, probably exceeded that on the arrival of the first canal boat. Its approach had been heralded throughout the country for miles on both sides of the railroad, and as it was a trial trip the train necessarily ran slow, the people had time to reach the railroad and witness the novel sight. In fact the engine announced itself by shrill whistles that even surprised the mountains through which they echoed. But there was disappointment. The idea had become general that trains never ran with speed less than lightning, and seeing that one coming at a rate of three or four miles per hour was not what had been expected. It was not time yet for the express or the limited mails."
Resolved, That the Pennsylvania Railroad Company will agree to build a branch road from their main road to the village of Blairsville, provided, first, that the citizens of Blairsville and its vicinity shall subscribe forty thousand dollars to the capital stock of the Pennsylvania Railroad Company, to be paid in monthly installments of five dollars per share, and that the said subscriptions shall be made on the first day of September next.

Second.—That they shall secure the right of way for said branch free of all charge to the Company.

Third.—And that they shall also furnish the Company with a depot lot of three acres in or near the village of Blairsville.

will delay completion, but the line will be entirely completed in the spring of 1852. Eight miles of mountain section east of Johnstown, and going east, have been put under contract. A gentleman who has just passed over the road says "It will doubtless be one of the very best railroads ever built in the country." The line from Philadelphia to Huntingdon is in excellent order and doing a good business, and meeting the expectations of its friends.

The Road Committee reported on August 12 the purchase from the Eagle Line of their mail contract, together with their cars and property of every description for the sum of thirty thousand dollars, with the right to take their interest in the control of the Blue Line on or about the first of March, 1851.

The General Superintendent was on August 28 directed to attach to each train upon the Pennsylvania Railroad a second class car, taking a fare of two and one-half cents per mile, to confer with the proper persons with a view to effecting a similar arrangement upon the Harrisburg and Lancaster and Columbia roads, and to report the results to the Board. He was also instructed to make arrangements for a through line of freight as soon as the road was opened to Hollidaysburg.

On August 12 R. B. McCabe, William Maher and John Graff, a committee of citizens from Blairsville reported to the Board that they had obtained subscriptions for 682 shares of stock and pledged themselves to make up the number to 800 shares.

The general condition of the road at this time appears from the following items in the Railroad Journal:

From Johnstown to Bolivar, 22 miles, will be finished early next season and to Monastery, Westmoreland county, sometime next summer. This brings the road in connection with the Southern Turnpike. Heavy work in Westmoreland county
The section of the road to Lockport, 300 miles from Philadelphia was completed August 30, and early in September Pittsburgh stages could be taken at Johnstown making the entire trip from Philadelphia to Pittsburgh in 32 hours, or by railroad and canal, without the fatigue of night travel on land, in 40 hours.

The Board of Directors on September 11 considered the advisability of entering into negotiations with the Harrisburg and Lancaster Railroad Company. Mr. Thomson stated that it would be necessary to establish rates from Harrisburg to the foot of the mountains, and he recommended a charge of two and eight-tenths cents per mile, but the recommendation was not adopted. It was proposed at this meeting to purchase the Eagle and Phoenix lines for the sum of thirty thousand dollars, to be paid for as follows:

For ten passenger cars, three baggage cars, and two other short ones with four wheels, ten horses, harness, blankets, &c., three safes, desks, stoves, &c., with all other cars and property belonging to said Eagle line. They further agree to transfer their funds, to be paid for and delivered on the 16th of September.

The Blue or Phoenix line to be purchased at a fair valuation on or about the first of March, 1850. Mr. Thomson thought the road could be opened on the 16th to Hollidaysburg. He estimated the cost of the proposed passenger depot at the corner of Bridgewater and Market streets at $3,600.

On September 11 the Pennsylvania Central engine “Allegheny” made the first trip to Y switches connecting with the Allegheny “Portage Railroad” and on September 16 regular trains were started.

Thomas A. Scott was the agent at this junction with the Portage road which was located two miles above Hollidaysburg, or what was known as the “Hollidaysburg Level.” This junction was also two miles from the foot of plane No. 10, the first plane ascending the eastern slope of the Allegheny mountain.

A Committee of three was appointed by the Board on September 25 “to make arrangements to have an excursion to Hollidaysburg.”

Newspaper advertisement of time-table of trains on the Pennsylvania Railroad, September 13, 1850.

The Superintendent of motive power on the Philadelphia and Columbia Railroad was authorized on September 28 “to change the hour of starting of the morning passenger train from Philadelphia to 7 A. M. and to prohibit the said train from stopping at more than two points between Philadelphia and Lancaster, to commence Tuesday next,” and on October 9th the Superintendent of Motive Power on the Allegheny Portage Railroad was authorized “to pass the Tuesday train over said road, provided said trains arrive at the junction near Hollidaysburg at or before 5 P. M. until the 15th of October next, after which time he will not pass trains over the road until the next day, unless they arrive at the junction at or before 44 o’clock P. M., thus allowing ten hours from Philadelphia to Hollidaysburg until the 15th of October next, and after that period nine and one-half hours.”

The Board on October 10 considered the report of a committee who had visited Harrisburg in relation to a change in the hours of leaving Philadelphia by the morning and evening trains. The committee stated that at an interview with Mr. Thomson, the latter had
Philadelphia, October 11, 1850.

To P. M. Magrane Esq.

Sir,

The Pennsylvania Railroad Company request the honor of your company on an Excursion to Hollidaysburg, leaving West Philadelphia at half-past 8 o'clock on the morning of the 17th, and returning on the evening of the 18th inst., stopping at the intermediate points designated in the accompanying schedule.

The favor of an answer is requested.

By order of the Board.

[Signature]

President.

SCHEDULE.

ON 17TH.
1st. Leave West Philadelphia at 8½ o'clock, A. M., precisely.
2d. Leave Harrisburg at 3 o'clock, P. M.
3d. Arrive at Lewistown at 5.45 P. M.

ON 18TH.
4th. Leave Lewistown immediately after breakfast.
5th. Arrive at Hollidaysburg at 11 o'clock, A. M.
6th. Leave Hollidaysburg at 1 o'clock, P. M.
7th. Arrive at Harrisburg at 7 o'clock, P. M.
8th. Leave Harrisburg at half-past 8 o'clock, P. M.

Those who do not desire to return to the City in this train, can remain all night in Harrisburg, and return in either of the regular lines next day.

MEALS.

ON 17TH.
Dine at Herr's Hotel, Harrisburg.
Supper, Lodging and Breakfast, at Lewistown.

ON 18TH.
Collation at Hollidaysburg, at the Portage Junction.
Supper at Harrisburg.

Invitation to excursion from Philadelphia to Hollidaysburg, October, 1850.
LETTER OF J. EDGAR THOMSON, 1850.

"Dear sir,

If it are possible to, to convey the remains of President Zachary Taylor from the Head of the Mississippi to Pittsburgh, I would be glad to have the responsibility of the charge. You may know the price to charge, and I am sure that the Commissioners will do the business.

I am not sure what will be the charge from the Head of the Mississippi to Pittsburgh by canal, but it will not exceed the Rail Road charge to the station is 10ths. Miles.

I would like to know if you will charge for any expenses that may arise from freight. Part, if it was to go at the expense of the family an expense would be made.

Yours True,

J. Edgar Thomson

[Signature]

Second District Engineer

Letter in regard to transporting the remains of President Zachary Taylor to Pittsburgh. 1850."
said that the proposed change they considered was at 7:00 A. M., instead of 8:00 A. M., which would not allow the train to reach Hollidaysburg in time to cross the mountain that night, and the passengers would have to lay over at that place. They accordingly thought that there was very little advantage to be gained by the change. They further reported in favor of the proposed change in the hour of started the evening train at 11:30 P. M. instead of 4:00 P. M., as it secured the mail contract.

Upon the recommendation of the Road Committee the Board on October 9 authorized "the General Superintendent, or in his absence, the Superintendent of Transportation, to issue excursion tickets to volunteer companies or other associations wishing to go over our road, at half the usual prices, provided he thinks it to the best interests of the Company to do so."

October 23 letters were read to the Board from W. J. Muller and D. R. Thomason, who stated that "emigrants are being imposed upon by runners and we desire to make some arrangement to prevent it." They also proposed sending Commissioners to Europe to adopt a systematic plan of emigration to prevent imposition, and requested the Company to contribute towards the expense of sending out said Commissioners.

The opening of the Pennsylvania Central Railroad from Philadelphia to Johnstown, 280 miles, was celebrated on October 17 and 18 by an excursion over the road by a large party composed of the directors and many of the leading men of Pennsylvania, and by a sumptuous entertainment at Lewistown on the evening of the 18th. The celebration was described as follows in the Railroad Journal:

Pennsylvania has quietly but in a most vigorous manner been pushing her great work onward to the Ohio and has already surmounted the great mountain barrier to her progress. Another season will carry her to Pittsburgh, where the Ohio and Pennsylvania Railroad will be in readiness to continue her line into the interior of Ohio. Success to the great line of communication through the heart of the Union!

The first speech of the occasion was delivered by William C. Patterson, Esq., the President of the Company. He began by expressing his gratification at the character of the assemblage then before him.

With the Eastern Division extending over more than half the length of the entire route, finished and in use, and the Western Division embracing more than two-thirds of the residue, under contract, with 3,000 men at work upon it, and with the means at hand for its completion at the earliest practicable period, there remains to be surmounted only the great natural barrier in the way of communication between the city of Philadelphia and the valley of the Mississippi by the passage of the Allegheny mountains without inclined planes.

Mr. Meredith responded to the speech made by the President. Solomon W. Roberts, Chief Engineer of the Ohio and Pennsylvania Railroad, made an interesting speech. He remarked that he had been the Resident Engineer on the construction of the Portage Railroad nearly twenty years ago. He was not ashamed to admit it, for it was at the time it was built a great achievement. He advocated the 46 miles by which the Portage is to be avoided. It is by far the heaviest of the whole route. Some persons are astonished when told of the time required to complete this section, but they have not looked into the work to be done.

The Engineer-in-Chief, the President, and two members of the Board were on October 30 appointed a committee "to visit such lines of railroad as they may select and also the New York and Erie road, and any other they may deem proper in the city of New York and to obtain information and to examine into the system adopted in regard to the management and running of their passenger..."
that the duties of the Chief Engineer and General Superintendent should be separate and that each of these departments should be in the charge of separate persons.

The last portion of the Western Division of the road was placed under contract early in November, the contracts stipulating for the completion of the work by the spring of 1852. The whole of the great improvement was then under contract, excepting the Mountain Division, the Portage Road being temporarily used until the completion of the new route over the mountain.

The following appointments to the engineer corps of the Western Division were confirmed by the Board on November 27: First Division, beginning at Pittsburgh, Thomas Seabrook, Principal Assistant Engineer, Alexander Rob- Division, O. H. Barnes, Principal Assistant Engineers and R. B. Lewis as assistants; Second Engineer, with office at Greensburg, W. W. Wright, J. L. Lawrence, J. N. Dreiby as assistants; Third Division, George W. Leuff- ler, Principal Assistant Engineer, office at Cobodesville, Joseph Byers, J. A. Montgomery, and E. Behring as assistants; Mountain Division, J. H. Dupuy, Principal Assistant Engineer, office at Johnstown, R. W. Clark, Principal Assistant Engineer and draftsman on mountain surveys.

On and after December 4 the Directors ordered that tickets sold in the cars from the stations where the Railroad Company have an agent, would be at the rate of three and one-half cents a mile over the Harrisburg and Lancaster Railroad and the Pennsylvania Railroad for a distance of 20 miles or under, and for over 20 miles ten cents above the established rate would be charged.

The President and a committee of four Directors were on December 4 authorized to visit New York city, for the purpose of examining "a locomotive engine that emits no sparks and is free from the noise which usually accompanies such machines, and that is so disguised that it resembles a covered wagon which has settled all objection to the use of steam in the streets." It had been
reported that the authorities of New York city after sufficient trial and examination had licensed the use of said machine by the Hudson River Railroad as being superior and presenting less obstruction to the use of the streets than when trains are divided and drawn by horses.

At a meeting of the Directors on December 4, 1850, Mr. Merrick submitted the following preamble and resolutions which were adopted.

**Whereas,** Experience has made it evident that the existing railroad over the Allegheny mountains will soon be inadequate to the transmission of all freight and passengers that may be accepted from the State canal and the Pennsylvania Railroad, and that the delays incident to that road rendered the immediate substitution of a line without inclined planes of the best importance to the trade of Pennsylvania and necessary to compete on equal footing with rival public improvements, and

**Whereas,** A due regard to economical management rendered it the imperative duty of the Pennsylvania Railroad Company to complete their road over the mountain so as to give them an unbroken line from Harrisburg to Pittsburgh, to the end that their machinery may be worked to the best advantage, and

**Whereas,** The construction of two distinct railroads by the commonwealth and by the Company would be an unnecessary expenditure of capital and an unwise division of the trade, tending materially to enhance the cost of transportation and give an advantage to other improvements, and

**Whereas,** There appears to be no sufficient reason

and then referred to the President to take such measures in reference thereto as the circumstances of the case may require for the interests of the Company:

**Whereas,** Experience has made it evident that the existing railroad over the Allegheny mountains will soon be inadequate to the transmission of all freight and passengers that may be accepted from the State canal and the Pennsylvania Railroad, and that the delays incident to that road rendered the immediate substitution of a line without inclined planes of the best importance to the trade of Pennsylvania and necessary to compete on equal footing with rival public improvements, and

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**Whereas,** The construction of two distinct railroads by the commonwealth and by the Company would be an unnecessary expenditure of capital and an unwise division of the trade, tending materially to enhance the cost of transportation and give an advantage to other improvements, and

**Whereas,** There appears to be no sufficient reason

why the interests of the commonwealth and of the Company should not be combined to effect the improvement, for by such combination the State would be secured against any detention of the freight on the said road between the termini of the Eastern and Western Divisions of the canal, and if the trade over the State canal be protected against any undue and discriminating charges, therefore.

Resolved. That the President be authorized to take such measures as he may deem expedient to effect this object upon the following basis with such modifications as may be necessary fully to secure the interests of the State without injuriously affecting the interests of this Company.

First.—That the State subscribe to forty thousand shares in the capital stock of the Pennsylvania Railroad and pay for the same by the issue to the
EFFORTS TO OBTAIN SUBSCRIPTIONS FROM THE STATE.

Company of State bonds redeemable in thirty years bearing interest of five per cent, free of all taxes and secured by the faith of the State and by the stock of the Company received in exchange therefor. All interests or dividends received from the Company with accumulations thereon over and above the interest paid by the commonwealth to be invested as received in a sinking fund for the redemption of the State loan at maturity. The money received by the Pennsylvania Railroad Company from the sale of the State bonds to be applied immediately and exclusively to the construction of a double-track railroad on the best practicable grades, connecting the Hollidaysburg branch of the Pennsylvania Railroad at the junction of the canal basin at Johnstown.

Second.—That the charges made on cars passing over the State road between the termini of the canal shall never exceed 7/19 of the through rates, that is, of the rate per mile at which the Pennsylvania Railroad Company transport the several classes of merchandise over their whole road from Harrisburg to Pittsburgh, any infringement of this provision by the Pennsylvania Railroad Company shall entitle the owner to the free passage of all cars on which said infringements may be attempted.

Third.—No preference shall be given by the Pennsylvania Railroad in the time of passing the mountain division to the cars which may arrive on the Pennsylvania Railroad, but the cars of all parties shall be taken over the State road in the order at which they may arrive at its termini without unnecessary delay and without preference (except as to passengers) whenever an adequate proof being tendered, due notice being given to the Company, it shall appear to the Board of canal commissioners that this provision has been wilfully infringed by the Company, they may be authorized to inflict a fine on the Company for the benefit of the commonwealth.

Fourth.—For the further protection of the interests of the State the members of the Board of canal commissioners shall, during the time for which they are elected be ex-officio Directors of the Pennsylvania Railroad Company.

Fifth.—If, after the completion of the Pennsylvania Railroad from Harrisburg to Pittsburgh, and the time has elapsed when, under the provisions of the charter, a report shall be made to the stockholders of the stock of the company, it shall appear that the net profits on the whole road are not sufficient to promote the declaration of dividend equal to the interest on the loans made by the commonwealth herein provided for, then the commonwealth shall be entitled to receive the whole net profit which may arise from the working of that portion of the road which may be made from the funds received from the State subscription, and to that end upon the requisition of the Board of Canal Commissioners a separate account shall be kept of the receipts arising from the trade received from the canal and other local sources, every State road and the State Division over the mountains shall be credited with its due portion of the receipts from the freight trade over the Pennsylvania Railroad, after deducting the expenses incident to the mountains and working the State Division, the profits shall be paid into the State treasury semi-annually until the amount shall equal the interest paid by the commonwealth on the loan issued to the Company. All accounts shall be audited by the Auditor-General of the State.

The following statement of the receipts and expenditures of the Columbia Railroad up to the 30th of November, was made to the Directors on December 18:

RECEIPTS, 1850.

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>$9,474.31</td>
</tr>
<tr>
<td>October</td>
<td>$5,639.63</td>
</tr>
<tr>
<td>November</td>
<td>$13,188.58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$38,362.57</strong></td>
</tr>
</tbody>
</table>

EXPENDITURES SAME MONTHS, 1850.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State tolls</td>
<td>$32,173.80</td>
</tr>
<tr>
<td>Teams and omnibuses on line</td>
<td>$1,601.67</td>
</tr>
<tr>
<td>Fuel</td>
<td>$109.56</td>
</tr>
<tr>
<td>Stationery and printing</td>
<td>$618.62</td>
</tr>
<tr>
<td>City Railroad tolls</td>
<td>$18.75</td>
</tr>
<tr>
<td>Office expenses</td>
<td>$167.08</td>
</tr>
<tr>
<td>Agents and clerks</td>
<td>$152.50</td>
</tr>
<tr>
<td>Conductors and baggage-masters</td>
<td>$669.66</td>
</tr>
<tr>
<td>Repairs of cars</td>
<td>$527.23</td>
</tr>
<tr>
<td>Incidents</td>
<td>$164.35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$36,203.22</strong></td>
</tr>
<tr>
<td>Balance</td>
<td>$2,159.25</td>
</tr>
</tbody>
</table>

Stephen Colwell resigned as Director on December 17, his resignation being accepted by the Board on the following day; on the same date H. J. Lombaert was appointed Assistant Superintendent of Transportation.

Mr. Franklin had been employed for a time at West Philadelphia in the capacity of dis-
patcher, but at this date he was engaged on
the Columbia Railroad "attending to the en-
forcement of the State regulations by our
men."

The following resolutions were submitted to
the Board on December 12 at the sugges-
tion of the General Superintendent, and refer-
ted to the Road Committee with power to
act:

Resolved, That on and after January 1, 1851, the
fare over the Harrisburg and Lancaster Railroad
(if the authority to fix the same is transferred to
the Board) shall be reduced to $.10, and about
three cents per mile for shorter distances, but no
charge to be less than fifteen cents.

Herman Haupt was during the year 1850
promoted to the position of general superin-
tendent. The eastern division of the road,
which had been completed during the year
to Tyrone Forges, was entirely satisfactory to
the board, and would not, in their estimation,
"suffer by contrast with any other railroad in
the country."

During the year "unhappy feuds among the
laborers, resulting, in some cases, in loss of
life," had been a great source of delay and
annoyance which it was hoped would be pre-
vented in future by the admirable police ar-
rangements made, with the sanction of the
board, by Edward Miller, associate engineer
in charge. It was stated that "if, however,
this expectation should not be realized, a firm
local judiciary and a reliable military force are
ready to assert the supremacy of the law
promptly and effectually."

The board, during the year, contracted upon
favorable terms for sufficient iron to complete
the superstructure of the western division.
"While an honest State pride is gratified in
advertising to the fact that the road is thus far
constructed exclusively of Pennsylvania ma-
terial," the board express their full conviction
that the higher price of the domestic rails
would be more than counterbalanced by their
superiority over "the best of those recently
imported for other roads." These rails were
rolled at the Safe Harbor Iron Works by
Reeves & Company, who, "as an evidence of
their own confidence, bind themselves to re-
place, without charge, all rails which shall give
way within five years from an original defect."

The eastern division of the road had been
opened as far as the Portage intersection, one
mile west of Hollidaysburg, on September
17, 1850, but as the Portage Railroad was
closed for repairs by order of the canal com-
missioners on December 7, it was "too late
to secure to the company the full benefit of
the fall trade and travel."

During the months of October, November
and December, 1850, the net receipts from pas-
sengers and freight were over $42,000, being
3.82 per cent upon the cost of the road, in-
cluding the Hollidaysburg branch. This re-
sult induced the board to believe that "the
road will, during the present year, earn six
per cent upon the cost of whatever portion of
it may be brought into operation, and that it
will henceforward yield an equal or larger per
centage upon the whole outlay, productive
and unproductive, after making a proper pro-
vision for depreciation, by the creation of an
ample contingent and renewal fund." These
sanguine expectations were based upon the
fact that "even now the receipts at stations
which had no name when the road was located
exceed those at some of the largest towns
upon the Juniata."

A branch road was in course of construction
to Blairsville, built by capital raised by the
citizens of that borough. Plank roads were
in course of construction from Bedford to
Hollidaysburg and from Somerset to Johnst-
town, with many kindred improvements in
contemplation which would aid in "swelling
the receipts of the mother-work to which they
owe their existence, and develop the dormant
wealth of Pennsylvania."

The total amount received on account of
capital stock to December 31st, 1850, had been
$5,822,210, and the disbursements $5,095,546,
leaving a balance of over three-quarters of a
million dollars unexpended. With a few thou-
sands over a million dollars subscribed, but
not collected, the available means of the com-
pany for the prosecution of future work was about one and three-quarters million.

It had been the policy of the company to pay a semi-annual dividend on full paid stock from the date of subscription, and attention is called to the fact that the amount of interest chargeable to construction account, less interest received on deposits and the net earnings of the road, was only $211,123.

The possibility of delay in obtaining further subscriptions was doubtless an annoyance at that particular time, for this report contains the following statement and urgent appeal to the citizens of Philadelphia for their aid:

And sagacity which marks its management permit no doubt that it will be prosecuted with the utmost vigor till it reaches the Ohio river.

To compete with these unbroken lines from the seaboard to the Western waters, managed, as they will be, by the ablest merchants of her sister cities, Philadelphia will have the Eastern and Western Divisions of the Pennsylvania Railroad connected by a link of 36 miles, embracing ten inclined planes, the crossing of which has heretofore generally consumed sufficient time to make the trip between Philadelphia and Pittsburgh upon a first-class railroad, and the use of which will entirely cut off from this company one of its largest prospective sources of revenue, the transportation of live stock from points west of the Alleghenies to the eastern

All other things being equal, the geographical position of Philadelphia will secure to her a virtual monopoly of the trade of the West against all rival-ship. That trade is, however, too tempting a prize to be permitted to remain in any hands but those which are as prompt to defend as they are able to hold it. We must look the fact in the face that it is lost, in part at least, to Philadelphia if further delay be suffered in the construction of the Mountai~ Division of the Pennsylvania Railroad. The Baltimore and Ohio Railroad is now under contract throughout its entire length. From Cumberland westward 5000 men are at work upon it; 22,000 tons of rails have been imported for it, and the energy

grazing counties of Pennsylvania, and to the Philadelphia and New York markets.

Plane No. 1, on the west side of the mountain, having been dispensed with, an estimate was made by the Chief Engineer that the sum of one and a half million dollars would suffice to build a road from Altoona to the head of Plane No. 2, by which the worst portions of the Portage Railroad would be avoided, but this was only regarded as a last alternative.

While this proposed connection was, however,
"in many points of view a decided improvement over the one now in use, it would fall very far short of accomplishing the primary purpose for which this undertaking was projected—of securing to the commonwealth and its two great cities the benefits accruing from the possession of the trade and travel of the West, by furnishing a route which should in all respects compare favorably with the best of its rivals." But this object could "never be attained while any link, however small, shall remain under the ever-varying management incidental to the incessant changes of State and local politics."

The sliding-scale of freight rates which had been adopted by the State works had militated seriously against the increase of the inland trade of Philadelphia, and it was the policy of the Pennsylvania Railroad, which, during the continuance of canal navigation, had carried merchandise and produce between Philadelphia at rates varying from fifty cents to one dollar per 100 pounds, "not so much with a view of present profit as to the promotion of what they (the board) believed to be the true interests of this Company, and of the mercantile community, with which it is so intimately identified."

The extraordinary energy with which the Ohio and Pennsylvania Railroad was being pushed forward toward the West had concentrated upon that improvement smaller lines which had been originally projected to make other connections, and it was the belief that—

From the present year forward that road and its countless tributaries will pour upon the western terminus of ours an immense amount of tonnage, to find its way slowly, and at a comparatively heavy cost, over a broken line, till the completion of our entire road shall open an outlet for this and other roads whose most available eastern connection is still an open question, whose capacity shall be equal to any demands which can be made upon it.

In his report for the year 1850 the Chief Engineer calls attention to the fact that the location of the western division had been improved. The total distance saved between Johnstown and Pittsburgh was 3½ miles with a reduction of 278° degrees of curvature over the original location. It was estimated that each mile was valued at $53,000, and each degree of curvature at $50, the engineer stating that—

The application of these rules has effected greater improvements in the route than expected, either by Mr. Miller or myself, and reflect the highest credit on the skill and judgment of the principal assistants,
Messrs. G. W. Leuffer and O. H. Barnes, under whose immediate direction the re-location has been made.

The end of the year 1850 found the whole of the road from Pittsburgh 85½ miles to the Big Conemaugh viaduct under contract, and by the first of April it was expected that the superstructure would be ready for the rails as far as Bolivar. Subscriptions to the stock of the company had justified the extension of the contracts for grading and heavy work on this division, which were let in May, and during the fall the lighter sections were contracted for, including the branch to Blairsville, about three miles long. Work had been seriously delayed by the frequent conflicts between the different factions of laborers upon the road, but it was confidently expected that it would be completed before December 1, 1851, east of the Loyalhanna, or to the Monastery grounds, 39 miles east of Pittsburgh, where a junction could be made with the Southern Turnpike, including twelve miles of tracks to be laid near Pittsburgh, leaving only 27 miles of unfinished road, which, being near the turnpike, could be easily traveled by stage.

Among the original contractors were McGran & Barry, of Lancaster; Michael Malone, of Lancaster; Snodgrass & Haymaker, months that the road had been opened, and in this period 22,301¾ passengers were entered to go through between Philadelphia and Pittsburgh, and 46,744 between Harrisburg and Pittsburgh. It was believed that these numbers might have been greatly increased by proper connection with the Portage Railroad, which, however, could not be arranged owing to the illness of several members of the board of canal commissioners, who could not delegate the authority to others by whom the connection might have been effected.

Mr. Thomson concludes his third annual report as Chief Engineer with the following report as Chief Engineer with the following
very complimentary allusion to his associates and assistants:

I cannot conclude this report without expressing my obligations to my late associate, W. B. Foster, Jr., with whose co-operation the Eastern Division of the road, notwithstanding the numerous drawbacks encountered, has been placed in use, at a cost below the estimate submitted to the Board. Mr. F. has left the service of the company for that of the commonwealth, and is now actively engaged in completing the North Branch Canal.

Of the several principal assistants and assistant engineers employed on this division, Mr. S. Kneass and G. R. Mowry only remain upon it. Mr. Kneass has been chiefly engaged with the unfinished work, and Mr. Mowry has been placed in general charge of the repairs of the road. The others have found employment elsewhere, or been transferred to the west side of the mountain.

The Western Division, upon which there was no work done of any moment previous to my last report, is now in active progress throughout its extent, under the immediate direction of my associate, Edward Miller, Esq., who has had charge of the operations upon that division since my connection with the company, and has conducted them with his accustomed ability. In the performance of the duties assigned him, he has been ably seconded by his principal assistants, Messrs. Leffler, Barnes, Clark and Thomas Seabrook, and their junior assistants.

In 1850 the expenses of conducting transportation on the State improvements were divided into four distinct charges. These were

Road toll on cargo
Road toll on car
Motive power toll on cargo
Motive power toll on car

the last three items being fixed charges, irrespective of the character of the articles carried. Careful calculations, based upon the average load of 6,000 pounds for each double car, showed the cost of transporting 1,000 pounds over each mile of the Columbia Railroad to be

\[
\begin{array}{|c|c|}
\hline
\text{Mills.} & \\
\hline
\text{For motive power and road wheel tolls} & 6.0 \\
\text{per 1000 lbs.} & \\
\hline
\text{Cargo tolls, motive power} & 4.0 \\
\hline
\text{Cars, oil, and conductors, including repairs} & 4.5 \\
\hline
\text{Average commissions} & 3.0 \\
\hline
\text{City railroad tolls and hauling cars with horse power} & 0.5 \\
\hline
\text{Total fixed charges, per 1000 lbs. per mile} & 20.0 \\
\text{Loss and damage} & 1.0 \\
\text{Superintendence and incidents} & 1.0 \\
\hline
\text{Equal to 4 cents per short ton per mile.} & \\
\hline
\end{array}
\]

Over the Allegheny Portage the expense per 1000 pounds a mile was 36 mills. At that time it required from three to four days to pass over the Portage road and return.

The expense on the western division of the Pennsylvania Canal per thousand pounds for each mile was about thirteen and one-half mills.

A comparison of the amount received from freights during the year 1850 shows that after deducting the expenses chargeable to the State roads—that is, the Columbia Railroad and the Allegheny Portage Railroad—and the State tax on tonnage, the Pennsylvania Railroad received less than one-half of the pro rata paid the State roads, except upon dry goods and groceries. It was stated that the average expenses of the Columbia Railroad were more than double those on the Baltimore and Ohio, and on the Portage three times as great for the same distance.

From the beginning of operations to the close of the year 1850 only one serious accident had occurred—a collision resulting from a violation of instructions—"a fact perhaps without precedent in the early history of any other extensive single track railroad operating for a great part of the time eight trains daily."

During the year a break on the Pennsylvania Canal below Middletown threw the whole business of the canal for six successive weeks over the Lancaster Railroad, the trans shipments being made at Harrisburg instead of at Columbia, but although this severely taxed the road and its equipment, "order and regularity were soon established without the occurrence of any accident," notwithstanding the fact that many inexperienced men were called into service.

In closing his report for the year 1850, the last he expected to make as superintendent of transportation, Mr. Haupt addressed the following valedictory to Mr. Thomson, the
general superintendent, whose position he had been called upon to fill:

In conclusion I would beg leave to express my sense of obligation for the benefit which I have derived from your long experience in the practical and economical management of railroads, and for the cheerfulness with which you have interchanged opinions in regard to the proper arrangements for the successful operation of the great work with which we are connected. I trust that in assuming the duties of General Superintendent, from which you have withdrawn, I may not lose these advantages, but may continue to enjoy the benefit of your counsel in matters of importance. In accordance with that policy which has been so eminently successful on the Georgia Railroad, and which from the nature of things cannot fail to produce satisfactory results elsewhere, it will be my constant effort to reduce the expenses in every department to a minimum, and on the other hand to increase the profitable receipts of the road by the encouragement of transportation in such articles as will yield remunerating returns. In the hope that the policy here indicated will meet the approbation of the Board, this report, with accompanying documents, is very respectfully submitted.

The Atlantic and Ohio Telegraph Company finished in 1850 the construction of a line from Philadelphia to Pittsburgh by the Juniata route, and this line was used for commercial and railroad business until 1856, when the Pennsylvania Railroad Company built a line of their own.

Saie Harbor Iron Works, where rails were rolled for the Pennsylvania Railroad. 1851.

1851.

The beginning of the year 1851 found the Pennsylvania Railroad in operation as far west as the connection with the Allegheny Portage Railroad near Hollidaysburg. The eastern portion of the road was composed of the Philadelphia and Columbia Railroad, belonging to the State, over which the trains of the Pennsylvania Railroad Company ran from Philadelphia to Dillerville, seventy-one miles. It was controlled and managed by the State Board of Canal Commissioners, and by officers appointed by them. The State furnished the motive power, but participated in no way in conducting the transportation of the road, which was open to the use of individual
transporters under certain conditions. The Lancaster and Harrisburg Railroad, from its intersection with the Columbia Railroad at Dillerville, thirty-six miles to Harrisburg, was operated by the Pennsylvania Railroad Company under contract with the original corporation. On this portion of the road the Pennsylvania Railroad Company furnished all the motive power and cars, but had no control over the repairs of track, bridges or other matters connected with the maintenance of way.

The last letter signed by J. Edgar Thomson as Chief Engineer directed that 13,000 tons of rails be delivered before August 1; 1,500 tons at Pittsburgh, 5,500 at Harrisburg and the remainder at intermediate points.

J. Edgar Thomson tendered his resignation as General Superintendent on January 8, 1851, in the following letter:

Philadelphia, January 8, 1851.

Dear Sir,—Having accepted the office of General Superintendent of the Pennsylvania Railroad Company at the request of the Board under the expectation that I would be relieved of its duty on the completion of the Eastern Division, when the Assistant Superintendent, Mr. Herman Haupt, would be fully prepared to fill the duties of the post. This period having arrived, I now tender to you my resignation, which I feel at liberty to do, as I am fully satisfied that the interests of the Company can be safely committed to the clear head and sound judgment of the gentleman proposed as my successor.

Yours very truly,

J. EDGAR THOMSON.

To Col. W. C. Patterson, President.

The Board of Directors on the same date "Resolved, That the resignation of Mr. Thomson be accepted and that the thanks of the Board be presented to that gentleman for the aid he has rendered in superintending, without compensation, the transportation department of the Company." Herman Haupt was then unanimously elected to fill the vacancy. The office of Superintendent of Transportation was abolished, and the words "of Transportation" were stricken from the title of "Assistant Superintendent of Transportation."

On January 15 the General Superintendent recommended the appointment of Thomas A. Scott as agent at Pittsburgh in place of Captain Elliot, and he further recommended Samuel A. Black to fill the place of Mr. Scott at Hollidaysburg.

The following through freight rates were agreed to by the Directors on January 22:

On first class freight, one hundred pounds, $1.
On second class freight, one hundred pounds, 80 cents.
On third class freight, one hundred pounds, 60 cents.
On fourth class freight, one hundred pounds, 50 cents.

To transporters the rates were fixed as follows: From West Philadelphia to Johnstown, on first class freight, one hundred pounds, 75 cents; second class, per hundred pounds, 60 cents; third class, per hundred pounds, 40 cents. A Committee of Transporters had expressed their desire to have the prices fixed at the following rates: On first class freight per hundred pounds, 30 cents; on second class freight per hundred pounds, 25 cents; third class freight per hundred pounds, 20 cents.

The establishment of a steamship line in the previous year between Philadelphia and Europe, and the arrival of the steamship "City of Glasgow" on the 24th of January, 1850, was a source of great satisfaction to the railroad company, inasmuch as it opened a more reliable channel for the export of Western products, and consequent increase of traffic over the Pennsylvania lines.

At the annual meeting of the stockholders held at Sansom Street Hall, Philadelphia, February 3, 1851, the Hon. Charles Gilpin, Mayor of city, presided. No matters were brought before the meeting except the reports of the president and other officers, which were referred to the board of directors for publication.

During the month of February the President was authorized to purchase certain property at Altoona, as recommended by General McCullough. The same day the Chief Engineer was instructed to erect a suitable building at Altoona for an office with a dwelling attached, at a cost not exceeding $3,500; he was also directed to construct suitable sheds in West
## WESTERN DIVISION

### SCHEDULE No. 1

#### PENN'A R.R. CO. PASSENGER & FREIGHT TRAINS.

On and after MONDAY, August 23, 1851.

<table>
<thead>
<tr>
<th>Leave Westward</th>
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The passing places are indicated by the large type.

Westward trains have preference of road. They are not to wait for Eastward trains, but run with great caution, if they are not found at the passing places. If Westward passenger trains are behind time, Eastward passenger trains will wait 20 minutes, then run at Schedule rate to next station, after which, if the expected train is not passed, both trains must proceed with extreme caution, running all the curves until they meet.

If passenger trains are detained, freight trains must wait for them until they have passed, unless written orders to the contrary have been received from a responsible source.

Ballast, express, and all extra trains must give notice of the field of their operations, and make constant use of the caution and danger signals. Conductors and engineers are both held responsible for running curves, and in case of accident, both will be liable to disburse, if any precaution has been omitted, even though the rules should not have provided for the case.

The maximum speed for East passenger trains is 2 minutes to a mile; for Slow passenger trains 2½ minutes, and for freight 3 minutes, to be reduced when not consistent with safety.

Compare times daily with office clock at Johnstown. Never leave a station until the time is fully up. Pass bridges at 6 minutes to a mile. Run slowly around curves. Report sidings, accidents, detentions, defects in track, &c., to the Superintendent, with the number of the nearest mile post. Observe whistling posts and caution boards.

Freight trains, when not running exactly to schedule, and all ballast or other irregular trains, must keep out of the way of passenger 20 minutes when running in opposite directions, and 10 minutes when running in the same direction.

If passenger trains are detained, wait 30 minutes, then proceed cautiously, both trains running curves until the expected train is passed. Comform to rule in backing when trains meet.

Trains in either direction will wait until one hour of the time of starting from the other end of the line, if passengers do not arrive sooner.

Agents, watchmen, and track repairers must not fail to report engines who run beyond the maximum speed allowed, or leave any station ahead of time.

Announce name and time of stopping at each station. When waiting for another train, state how long.

H. Haupt

Gen'l. Superintendent
Philadelphia for the protection of the Company's passenger cars.

The passenger rates were modified on March 5, providing a charge of "one-half cent per mile for all distances under twenty miles, and ten cents on each passenger for any distance over twenty miles in addition to the usual fare for tickets sold in the cars from stations where the Company have agents."

On March 12, the President was authorized to make arrangements for a line of stages from Johnstown to Pittsburgh, and from the terminus of the road at Philadelphia at a rate not exceeding five cents per mile, provided perfect accommodations could be made.

A new plan of organization went into effect April 2, the details of which will be found in the Appendix.

At the meeting of May 12, convened for the purpose of receiving the report of the Road Committee in reference to the purchase of the Powelton estate in West Philadelphia, owned by John Hare Powell, it was decided to purchase about ninety-three acres for depot purposes, the price being $350,000, to be paid in ground rents.

On July 9 the Pennsylvania Railroad Company ratified an agreement with the incorporated districts of Spring Garden for 8,000 shares in the capital stock in accordance with the provisions of an ordinance of those districts passed the 7th day of April, 1851, the agreement being in the same form as that with the District of the Northern Liberties.

The Directors on September 4 passed the following resolutions relative to the Ohio and Pennsylvania Railroad:

Resolved, That in the opinion of this Board the completion of the Ohio and Pennsylvania Railroad Company, so as to afford an early connection with the Lake and Cleveland and the Western centers is of the greatest importance to the interests of the Pennsylvania Railroad Company, and will, without doubt, largely increase its income and extend its usefulness.

Resolved, That so soon as the capital stock of this Company will permit, it will be to the interest of this Company to render aid to a limited extent to the Ohio and Pennsylvania Railroad.

Resolved, That the Board will make a subscription of 5,000 shares as soon as the consent of the stockholders and Legislature can be obtained.

Resolved, That the said subscription shall be made, provided that the said Company will accept, if tendered, the bonds of the Pennsylvania Railroad Company in payment of the stock and guarantee the prompt payment of interest thereon.

At a meeting of the Directors on October 1 the President stated that repeated complaints had been made of improper interference in the politics of the day, and endeavors made by some of the Company's employees to control the votes of others, and he offered the following preamble and resolution which were adopted:

Whereas, It has been represented to this Board that some of the agents of this Company have, in violation of its stated policy, abused their official position for partisan purposes, therefore

Resolved, That while we disclaim any intention to interfere with individual rights, we will regard any attempt to control the votes of the men in the service of the Company, or in any way to pervert its influence to the support of any political party, as a sufficient ground for the summary dismissal of the officer who may be found guilty.

The General Superintendent was on October 8 authorized to allow a commission of 50 cents a head for procuring immigrant passengers eastward, if it shall seem advisable to do so.

The winter rates for freight were on October 29 fixed at "$1.60 per hundred westward, for all articles except hats, bonnets, straw goods, and willow ware, which shall be rated at two dollars per hundred pounds. All articles of the first, and wool of the second class eastward, $1.25 per hundred pounds. All articles of the second class, except wool, and of the third and fourth class, eastward, shall be one dollar."

The winter rates for passengers between Philadelphia and Pittsburgh were fixed at eleven dollars.

The President, with seven members of the Board, met in West Philadelphia on the morning of November 3 in consultation with the
Chief Engineer to select a suitable location for a passenger and freight station.

The President reported to the Board on November 12 that a contract had been concluded with Messrs. Adams and Co., as follows: "to allow them to run their express goods with our evening train at $45 per day, for a capacity of 5,000 pounds, and for each additional hundred pounds, one dollar, the whole amount not to exceed ten thousand pounds, and they to pay all city tolls. The local express goods to be run with the morning line, and the gross receipts to be divided between this Company and Adams & Company, after deducting the city tolls."

At the meeting on the 12th of November the Board unanimously agreed to purchase the lot in Pittsburgh bounded by Liberty, Grant and Seventh streets, from Mary E. Schenley and her husband for the sum of $58,000.

On November 19, 1851, a letter was received from Robert Hare Powell, claiming pay for two sheep, which he values at $100 and which he states were killed at Harrisburg during the State Fair, on the 24th ultimo, on account, he states, of the carelessness of the agents of the Pennsylvania Railroad Company.

The Select and Common Councils of Philadelphia in joint meeting on November 25 elected Edward N. Davis, George Howell and Alexander J. Derbyshire, Directors of the Pennsylvania Railroad Company, to serve for the ensuing year, and on November 29, 1851, at a special meeting of the Board of Commissioners of the Spring Garden District, William Ayres was elected to represent that Board in the Board of Directors of the Pennsylvania Railroad Company.

The opening of the Pennsylvania Railroad from Pittsburgh to Turtle Creek took place December 26, 1851, and was signalized by an excursion trip given on the part of the Company to a number of gentlemen, including the Mayor and Councils of the cities of Philadelphia and Pittsburgh, stockholders, public officers, editorial corps, and others.

HIGH RATES OF FREIGHT IN 1851.

The lowest rates at which articles were transported between Philadelphia and Pittsburgh during the year 1851 were 90 cents for dry goods and 45 cents for heavier freight. Even at these rates the transporters asserted that a fair profit was not afforded. The distance between Philadelphia and Pittsburgh by canal was 395 miles, and the transporters who had contracts with the State carried the goods over the Columbia Railroad to Middletown, thence by canal to Hollidaysburg, from Hollidaysburg over the mountain to Johnstown by the Portage Railroad, and thence to Pittsburgh by canal. The maximum load of an eight-wheel car on the State road at that time was thirteen thousand pounds, and it was estimated that each of these cars weighed two thousand pounds more than was necessary, in order to brace them against the ill-usage which they received on the Columbia and Portage Railroads.

The tonnage tax of three mills a mile amounted to eighty-six cents a ton between Dillerville and Pittsburgh. Traffic was also seriously impeded by delays at West Philadelphia and Dillerville. The necessity of complying literally with the regulations of the State roads which were originally made to govern the transportation of private cars, "fines for carrying passengers who jump on freight trains without the knowledge or consent of the conductors and cannot be approached while the train is in motion," injuries to cars resulting from the fact that the engine-men, who were not under the control of the car-owners, were indisposed to exercise care in the handling of cars, the charge of a wheel toll whereby a premium was paid for subjecting passengers to discomfort by crowding as many seats into a car as possible, and above all the excessive liberality with which free tickets were donated, occasioned a great loss of revenue.

These were a few of the facts which led to great dissatisfaction, causing traffic, wherever possible, to take other lines, and producing great annoyance to officials of the Pennsylvania Railroad, who, from the first, were earnestly
endeavoring to conduct their road with system, and to give to their customers every possible opportunity to travel to and forward freight with safety and dispatch. Already the question in regard to the disposal by the State of its railroads and canals to some corporation was discussed in the public journals, and far-sighted citizens acquainted with the condition of affairs plainly saw that the time would soon arrive when the mismanagement of the State works, the increase of the public burdens, and failure to accommodate citizens who lived along the railway line, would compel those in power at Harrisburg to make an effort to rid the State from participation in the business of transportation. Against them were arrayed those engaged in practical politics, who found it to their interest to control elections and legislation through the State appointments made upon the railway. In addition to these, the transporting firms, who had gathered a rich harvest during the twenty years that the State works had been in operation, feared that by a change of policy the railway company would, through the control of the whole line, succeed in driving them out of the business. But understanding these facts, the development of popular opinion was somewhat slower than might have been expected, and five years were doomed to elapse before the desired consummation was realized.

After the Pennsylvania Railroad Company had completed the line from Harrisburg to Altoona, the Canal Commissioners were authorized by the law approved April 15, 1851, to make sale of a part of the Philadelphia and Columbia Railroad.

By the terms of this act they were authorized to give public notice by at least three weeks' publication in two daily newspapers published in the city of Philadelphia, that all that part of the Philadelphia and Columbia Railroad, from the foot of the Schuylkill Inclined Plane to the intersection of the railway, constructed for the purpose of avoiding said plane, will be for sale, and the said Commissioners in such notice shall name some definite period up to which they will receive sealed proposals for the purchase of said portion of said railroad, and upon examination of said proposals, if the terms and price of any of them be satisfactory to said Commissioners, they are hereby authorized to dispose of the same to the highest and best bidder or bidders upon receiving payment of the proposed price or security therefor, according to the terms offered. If none of the proposals were satisfactory, the Canal Commissioners were authorized to sell the property at either public or private sale, the proceeds to go toward the improvement of the tracks of the Columbia Railroad.

If a portion of railroad was bought by other than an incorporated railroad company, the Governor was authorized to issue letters patent conferring upon such persons all rights, privileges and immunities of a body corporate.

During the year 1851 plank roads were completed from Tyrone to Milesburg, and from Tipton's to Mount Pleasant; from Hollidaysburg to Bedford; from Johnstown to Somerset; from Blairsville to Indiana, and from Latrobe to Mount Pleasant. At that time in Clearfield County alone twenty-five mills were engaged in the manufacture of lumber, and it was stated that "it is possible that the lumber trade may in time require a daily train." It was expected that the sum of $10,000 a month, equal to three per cent interest on the whole cost of the eastern division of the road, including its equipment, would be paid alone in lumber freights from this district.

Differences of opinion in regard to the proper policy of conducting the road, which had existed for several months previous, led to Herman Haupt's resignation as general superintendent at the close of the year 1851. At the end of his report for that year he states:

As the period is now at hand at which I expect my connection with the road to cease, it is proper that I should briefly recapitulate some of the opinions which I have often advanced in former communications, and which, although opposed by a portion of the Board, I have as yet found no reason to change. It cannot be denied that a principal object in the construction of the Pennsylvania Rail-
road was the promotion of the mercantile interests of Philadelphia; but as subscriptions have been procured by the representation that the stock would be an advantageous investment, I have considered it important to increase, as far as practicable, the net revenues of the road, and have never yet been able to perceive that the mercantile interests of Philadelphia and the pecuniary interests of the stockholders were incompatible with each other.

That positions have been assumed in the management of the Pennsylvania Railroad which are at variance with the principles and practice of well-conducted roads elsewhere I have already shown in former communications, and as my opinions upon all questions of general policy were very fully stated soon after I assumed the duties of General Superintendent, I feel released from all responsibility connected with the loss of revenue which has resulted from an opposite course. I have, as stated at an early period of my correspondence with the Board, ever considered that the most important and difficult subject connected with railroad economy consisted in a proper adjustment of the tariff, so as to secure the maximum net revenue, with a proper regard to other interests.

The ruling idea in the arrangement of the toll sheet, and, in fact, in the management of all operations of the road, appears to have been to prescribe fixed rates and unalterable rules, and insist upon conformity to them. The propriety of this course might appear to a mere theorist to be self-evident, but when it is attempted to make an application of it to the uncompromising requirements of practical business, it is soon found that exceptions are necessary, and that the exceptions become more numerous than the rules.

The discovery was made that the business operations of life, and especially the requirements of trade, cannot be made to conform to arbitrary regulations, but that these regulations must conform to them, and must be varied to accommodate the changing phases which competition or other circumstances may produce.

A merchant who would commence the business of a year with a determination to maintain fixed prices, without regard to the character or changes of the market, would expose himself to ridicule and ruin. A similar principle applies to railway management, and it is equally improper to adhere to fixed rates and regulations when serious loss of revenue, and at the same time loss of trade, is the obvious and inevitable consequence. I will only say, in conclusion, that had the gentlemen who have directed the management of the affairs of the Pennsylvania Railroad Company, in opposition to the suggestions and representations of their officers, been able to study the practical operation of some of their own regulations, they would have been abandoned much sooner than they were; but it would be a source of gratification to the stockholders that, although late, the errors have been discovered and the business of a new year has been commenced under happier auspices. I have long entertained and freely expressed a determination to leave the service of the company at the close of 1851—perceiving that the business of the road was conducted upon principles which I knew to be erroneous, and which, after sacrificing the revenues of the company in futile experiments for a time, would certainly be abandoned. I could not, under such circumstances, consent to retain a nominal connection with a work, in the actual management of which I had no participation, and the results of which would not be calculated to advance my reputation.

It is a matter worthy of note that in General Superintendent Haupt's report for 1851 he calls attention to the fact that the station named Latrobe, on the Loyalhanna Creek, Westmoreland County, was "so-called in compliment to the distinguished gentleman who is at the head of the engineer department of the Baltimore and Ohio Railroad."

At the close of the year 1851 the eastern division of the Pennsylvania Railroad, which had all been built since the charter of 1846, extended from Harrisburg to Altoona, a distance of 132 miles. From this point a branch six miles in length connected the road with the Portage Railroad, at a point one and a quarter miles west of Hollidaysburg. On the 25th of August, 1851, a connection was made with the Portage Railroad about two miles east of Johnstown, and twenty miles of the new track of the Pennsylvania Railroad was brought into use on the western division, extending to Lockport, on the State canal. At Lockport a temporary passenger station was erected by the Company, and in order to accommodate the freight until the completion of the road, a brick warehouse was also constructed at Lockport, where all freight was shipped during the season of canal navigation. On the 10th of December, 1851, the western division of the road was extended to Beatty's Station, two miles west of Latrobe, a station forty-two miles west of the inter-
section with the Portage Railroad above referred to at Johnstown, Beatty's being less than two miles from the Southern, or Greensburg, turnpike. At the same time, that portion of the road extending from Pittsburgh to Turtle Creek was opened for travel. The intermediate 27 miles was operated by stage and wagon lines during the winter of 1851-52, and during a large portion of the latter year.

Thus it will be seen that at the close of the year 1851 the railroad line between Philadelphia and Pittsburgh consisted of seven separate and distinct portions "owned and operated to some extent by parties whose interests are not considered as identical" with the Pennsylvania Railroad Company. This increased the difficulty of operation and greatly limited its "capacity for business, when compared with a road of equal extent directed by one mind and free from similar restrictions."

During the year 1851 the Lancaster and Harrisburg road was completely relaid with heavy T-rails, which, together with lowering the grades and improving the ballast, made it "a first-class road, saving expense in the repair department of the company owning it, and greatly reducing the risk of accident to the party by whom it is operated."

The tracks and bridges of the eastern division of the road were under the charge of George R. Mowry. On the western division, George W. Leutfler was in charge from Johnstown to the terminus at Beatty's.

Herman J. Lombard, who had had long experience on New England roads, was placed in charge of the running of trains and other matters connected with the transportation department, Herman Haupt being general superintendent.

Herman Haupt, General Superintendent, in his report for the year, makes the following comments in regard to the depot arrangements at Philadelphia and Pittsburgh:

PITTSBURGH.

At the city of Pittsburgh three divisions naturally present themselves: these are—

1. The trade of the Ohio river, which requires transshipment at the river bank.

2. The railroad business of the West, which requires a connection between the depots of the Pennsylvania and Ohio Railroad and the Pennsylvania Railroad, with the least possible inconvenience and expense.

3. The local trade of the city of Pittsburgh itself, which requires a central location for its proper accommodation.

The first and last of these divisions have been provided for by the grant to the Pennsylvania Railroad Company of nine hundred feet of river front at the foot of Liberty Street, with the privilege of erecting such improvements thereon as may be necessary, and of continuing the track, to form with it a direct railroad communication. It is proposed to erect a structure that will be an architectural ornament to the city, and which will afford facilities for loading and discharging cargoes by machinery.

The proper accommodation of the railroad business imperatively requires a direct railroad connection between the outer depot of the Pennsylvania Railroad and the depot of the Pennsylvania and Ohio Railroad in Allegheny City; to form this connection a new bridge across the Allegheny river, adapted to the use of locomotives, is required. It is very evident that the business of the line requires an arrangement of the kind proposed; competition demands that no unnecessary tax or restriction should be placed upon the trade, but when it is considered that heavy freights will be carried at the low rate of perhaps one cent per ton per mile, the drayage between the Pittsburgh and Allegheny depots would be equivalent, in its practical effect, to an increase of seventy-five miles in the length of the road, sufficient to divert a large portion of business to other lines. For the passenger business an eligible site had been selected in a central and favorable location, which will no doubt prove entirely satisfactory to the citizens of Pittsburgh.

PHILADELPHIA.

As the Pennsylvania Railroad has no direct connection with any other road at its eastern terminus, the business requires but two principal divisions, viz.: the local trade of the city and district, and the foreign trade which requires a water transshipment.

The local freight will naturally be subdivided into that which requires protection, and that which admits of exposure.

The first consists of dry-goods, groceries and other articles sent westwardly, and flour, bacon and other produce carried eastwardly.

In the accommodation of this business a central city depot is desirable, with the privilege of stea
communication with West Philadelphia; but if this cannot be secured, no alternative appears to remain but to locate the depot at West Philadelphia and resort to drayage, or to a new species of conveyance by means of light platform cars built for street service, or to both.

The second subdivision of local freight, or that which admits of exposure, requires no depot building, but simply a sufficiently extended area. Of this character are lumber, coal and live stock. The portion of the city property lot which lies between the railroad and Bridgewater Street, is well suited for the limited coal business in which it is expedient for the Company to engage. Perhaps it might be found necessary to extend a track to the river for transshipment into boats; but this can be done, if it should be found to be necessary, and requires no special provision.

For lumber, the space required will depend upon the manner in which the business is conducted. If daily removals are required from consignees, the portion of the city lot which lies west of the railroad and not occupied by improvements will probably be sufficient; if allowed to accumulate to any considerable extent, it may be necessary to encroach upon Powelton.

Live stock need not be brought so far as West Philadelphia; it can be unloaded opposite to, or above the wire bridge, at any place where the best arrangements can be made.

The second general division, or freight destined for other ports and requiring a water transshipment, evidently should not be taxed with a drayage through the streets of Philadelphia. That would be a discrimination against it. If the Schuylkill river was navigable for vessels of sufficient size, the proper arrangements would probably be to erect a depot at West Philadelphia of sufficient capacity, through which a direct transfer of freight from the cars to the river craft could be effected. But as vessels of large size cannot pass the Permanent Bridge, and no suitable location can be found below it, it may be necessary, if this branch of the business should ever become considerable, either to send produce by steam-water conveyance to the Delaware river, or construct a railway north or south of the city, connecting West Philadelphia with the Delaware front, upon which locomotive steam power can be employed.

**PASSENGER DEPOT.**

A careful consideration of the passenger business of the Pennsylvania Railroad Company suggests the following divisions:

Eastward passengers arriving at Philadelphia who seek conveyance to a hotel, steamboat or depot. Eastward passengers destined for private residences in the city or district.

Westward passengers leaving Philadelphia from a hotel, steamboat or depot.

Westward passengers from private residences.

Whatever may be the location of the depot, the extended limits of the city and district require that some vehicle should be used in the conveyance of passengers and their baggage, in which case the difference in time and expense between a location in West Philadelphia and one east of the Schuylkill will be inconsiderable. Pedestrians will be better accommodated by a central city location; but against this is the annoyance to the public and expense to the Company of horse-power in the streets; also the delay from obstructions on the track on the City Railroad, which, with a large freight business will often prove, as it has already done, a most serious source of detention. With a location at West Philadelphia the following arrangements would be practicable.

Baggage could be delivered by responsible parties, under contract, at any place agreed upon with the passenger, and at moderate expense—an arrangement which is now in operation. Each of the principal hotels could have an omnibus in attendance, on the arrival of the cars, as in Baltimore, Boston and other cities, and it would be to the interest of other companies to provide conveyances to their boats or depots for passengers who did not wish to remain in the city.

If this arrangement should not be acceptable, a contract could be made to convey passengers in omnibuses at a fixed charge to any of the hotels, depots or private residences within the limits of the city, the baggage being sent either by separate conveyance, as already explained, or carried on the omnibus at the pleasure of the passenger. Parties could retain their checks and employ a hack or cab, many of which would always be in attendance. Imposition from hackmen could be prevented by proper regulations. Passengers arriving in the night and wishing conveyance to private residences in inconvenient localities would employ hacks. Passengers leaving the city from any of the principal hotels could be carried, with their baggage, in omnibuses or hacks; from second-rate hotels or private residences hacks could be employed.

A ticket-office, with a convenient baggage-room, should be secured in some central location. Baggage brought to this office could be checked and sent to West Philadelphia in a wagon; passengers could collect at this point, and be removed at short intervals by omnibuses running to the outer depot. With a complete system similar to that described, or any other that may be considered preferable, the
inconvenience of the location at West Philadelphia would not be serious, and the annoyance, delay and expense of hauling passengers through the streets in cars would be avoided.

At that time the engines for the eastern division, including the Lancaster and branch roads, were repaired at the Harrisburg shops. During the year 1851 the motive-power shops at Mifflin were completed, and the work of constructing the shops at Altoona was being proceeded with. In General Superintendent Haupt's report for 1851 he says:

Before the close of 1851 $8,103,465 had been paid into the treasury for capital stock, all of which, with the exception of about $125,000, had been expended. The outstanding indebtedness for contracts already awarded was largely in excess of the latter amount. During the year 1851 the total receipts from mails, express, freight and passengers had been about $755,000, the expenses being $407,000, leaving the net receipts only $348,000, or about four and one-half per cent of the capital invested in the new road, the expenses including no estimate for depreciation. With such a condition of affairs confronting them, capitalists were not willing to invest in the stock of the road. During the previous years the Board of Directors had fully concurred in the general wish of the stockholders that the road should be completed without a funded debt. In August, 1851, the western division was opened from Johnstown, twenty-one miles, to Lockport, and that division was in use throughout its entire length, with the exception of a gap of twenty-eight miles between Batty's Station and Turtle Creek in Westmoreland county. A difference of opinion arose as to whether it would be better to issue bonds to complete this gap and place the whole road in better shape, or to postpone such action until it could be ascertained what another year would bring forth in the way of increased business.

Large numbers of evil disposed persons in Cambria county having disturbed the public peace by conspiring together to interfere with laborers along the line of the Pennsylvania Railroad by riotous conduct, the Sheriff, in January, deputized Peter S. Reed with power and authority to suppress the riots and disorders, to arrest all offenders, and to take measures to preserve the peace.

R. F. West, Superintendent of the State Motive Power, was directed by the Canal Commissioners, on January 16, to confer with the Pennsylvania Railroad Company to ascertain what arrangements could be made, mutually advantageous to the State and to the Company, "for the use of so much of their

Engine-house and workshops, Mifflin, 1851.

Our experience has thus far demonstrated the fact, that cars can be built cheaper and better by the company than by contract. The location at Altoona, from the abundance of coal, iron and lumber that are produced in its vicinity, is peculiarly eligible, and it will be to the interest of the company to concentrate the work as much as possible at this point. Ordinary repairs to cars can be most conveniently made when they are empty, and consequently, repair shops are required at Philadelphia and Pittsburgh.

The shop at West Philadelphia is now in operation; that at Pittsburgh will be required as soon as the Western Division is completed.

It is pertinent to add that Superintendent Haupt's opinion as to the desirability of concentrating the railroad shops at Altoona has since been demonstrated beyond peradventure.

1852.

Perfect harmony in relation to all matters of policy had existed between the president, Mr. Patterson, and Chief Engineer Thomson and the Board of Directors until the year 1851.
road as may be required until the completion of the road to avoid plane No. 1 on the Allegheny Portage Railroad.

Upon recommendation of the Road Committee on January 21, the first class passenger fare on the Pennsylvania Railroad was reduced to two and one-half cents per mile, and the through fare by stage line was reduced to ten dollars from and after the first of March "provided the Canal Commissioners agree to

charge not exceeding two cents per mile for toll, wheel toll and all other charges over the State roads."

The annual meeting of the stockholders, held on Monday, February 2, 1852, proved to be a most exciting one. On the morning of that day the chief engineer, Mr. Thomson, had published in the North American newspaper of Philadelphia a statement in reference to the policy of the company, which gave offense to the President, some of the directors and such of the stockholders who were of the same opinion as the Pennsylvania Railroad Company then under construction from Pittsburgh towards Fort Wayne, and this action was seriously objected to by a number of the stockholders. The resolution offered at this annual meeting confirming this action of the board, after an address by General Robinson, president of the Ohio and Pennsylvania Railroad, was referred to a committee of five, together with the formal reply of President Patterson to the statement published in the morning papers over the signature of Chief Engineer Thomson. In addition, the chairman of the meeting received a
### Eastern Division

#### No. 1

**P. R. R. Passenger and Freight Schedule**

*On and after Thursday, January 1, 1851.*

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**Note:**

- The passing places are indicated by large type.
- Westward trains have preference of road. They are not to wait for eastward trains, but run with great caution, if they are not found at the passing places. If eastward passenger trains are held up, eastward passenger trains will wait 20 minutes, then run at scheduled rate to next station. If the express train is not passed, both trains must proceed with extreme caution, running all the way until they meet.
- Eastward passenger trains are to wait for those until they have passed, unless written orders to the contrary have been received from a responsible source.
- Ballast, express, and all extra freight trains give notice of their passing, and make proper signals for running trains to avoid collision or accident. Each line is held responsible for running trains and in case of accident, each will be liable to be held responsible, even though the rules should not have been followed for the same.
- The minimum speed for passenger trains is 2 minutes to a mile; for freight trains, 2 1/2 minutes, to be reduced when not consistent with safety.
- Compare times daily with office clock at Harrisburg. Never leave a station until the time is fully up. Past bridges at 6 minutes to a mile. Run slowly around curves. Report delays, accidents, detentions, delays in enter- is not a possible word. Frailty, delays in entering the station, with the number of the passenger train passing, and delays in entering the station.
- Freights, when not running steady to schedule, and all ballast or other irregular trains, must keep out of the way of passengers 2 minutes when running in opposite directions, and 10 minutes when running in the same direction.
- If freight trains are delayed, wait 30 minutes, then proceed cautiously, both trains running carefully, until the expected train is passed. Conform to rule in backing when trains meet.
- If the cars of the Baltimore and Charleston passenger trains are in sight when the time arrives for leaving, wait for them. Wait for westward passenger trains at Harrisburg until train arrives. For care at Dunlap, three hours.
- Agents, watchmen and brakemen must not fail to report engineers who run beyond the maximum speed allowed, or leave any station ahead of time.

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**Additional Notes:**

- Passengers dine.
- Passengers leave luggage.
- Passengers take breakfast.
protest from the minority of the board of commissioners of the Northern Liberties against the right of E. T. Mott and John M. Kennedy to act for the district or to represent the stock held by it in the election of directors.

The following is the text of the communication which Mr. Patterson read to the stockholders:

A publication in the newspapers of this morning over the signature of the Chief Engineer requires a brief notice at my hands. While that gentleman is a candidate against me for the position I now hold, I can have no controversy with or about him. It is due, however, to the stockholders, in view of the character of the statement itself, and of the time at which he has thought proper to bring it before the public, that I should say that his views with regard to the future policy of the company, as therein stated, are utterly at variance with all his previous conversations upon this subject with myself and many others. He has repeatedly urged upon me the policy of borrowing in preference to a further increase of the capital stock, and I am prepared to prove the fact here or elsewhere, whenever or wherever it may suit his convenience to make the issue. Within thirty days prior to the day fixed for the payment of the interest due on the 1st of November last, he entered into an argument with me to prove the impolicy of paying that interest, and only abandoned his position when I pointed out to him the effect of such a breach of faith upon the market value of the bonds remaining in the possession of the company.

The views of the Chief Engineer with regard to subordination have been sufficiently developed in his practice since he has been in the service of the company, and his assertion that he is in favor of further reductions of the rates of freight and travel, is best answered by the following quotation from his report of November 15, 1849:

The local passenger rates were placed at $3 1/2 cents per mile at the opening of the road, and through rates at 3 cents. The Board have since wisely determined to abolish, after the 1st of January, the distinction between the local and the through passengers, and charge all at the latter rate, which I think will ultimately yield the largest net revenue, and should not be further reduced, except for emigrants and other similar travel which may be carried at a slow speed, at very low charges.

February 2, 1852. W. C. PATTERSON.

All these matters tended to disrupt the pleasant relations which had previously existed among the stockholders. In this connection it is interesting to observe that the history of this corporation is similar to that of many others. Harmony prevails so long as the receipts exceed the expenditures, and few questions are asked by the stockholders until they fear they will cease to receive dividends. After a session of great excitement, Mr. Job R. Tyson obtained the floor, and his motion to refer all of these matters to a committee of five, to report at an adjourned meeting to be held four weeks later, was adopted by a large majority. Mr. Tyson was placed at the head of this committee.

Mr. Thomson made a reply, under date of February 23, 1852, to Mr. Patterson's address to the stockholders on the 21st, from which the following extracts have been taken:

I have, for more than a year past, considered that the policy pursued by those who controlled the finances of our company as tending inevitably to a resort to borrowing. This would also seem to have been the expectations, from a resolution to be found upon the minutes of the last Board of Directors, authorizing a permanent loan of two hundred and fifty thousand dollars.

The gratifying returns from the business of the road, which, in its unfinished condition, now yields in net profits considerably more than an interest on the cost of that portion of the work in use, together with the large capital of the company, expended in the construction of the road, at very low rates, afford such an unusually broad basis to found a credit upon, that I have not viewed this tendency towards a change in the policy of the company with alarm; confident that such securities as we could offer to capitalists would command par, at a low rate of interest. But, inasmuch as the company was pledged to a different course, I was opposed to departing from the policy adopted without first bringing the subject before the stockholders. Hence I urged, in my conversations with members of the Board, the expediency of discussing this question openly with them that they might be prepared to act understandingly when the subject should be submitted to a general meeting, which it would be necessary to do before the change contemplated could be ventured upon.

All seemed to acquiesce in the importance of continuing the policy adopted by the company. Yet, notwithstanding that contracts had been entered into for the construction of the road and its outfit, that were rapidly progressing to completion, involving expenditures considerably exceeding the means pro-
The company or, the work must stop, an alternative that cannot in importance be sufficient to the condition of our finances and of evils only.

We had every reasonable assurance that such an effort—early in the year—would have been crowned with success. The necessity for this exertion, if we did not intend to abandon our policy, appeared to me sufficiently evident; and an investigation of our condition since has shown that an increase of means at the period stated would have exercised a most beneficial influence upon the finances of the company.

At the date of the conversation referred to by Mr. Davis, he should have known that the Board to be elected would have to pay as soon as they were organized over $230,000 of liabilities, without any available means in the treasury, except such as might be collected from the stockholders before they cast their suffrages. And instead of there being $125,000 in cash and bonds on hand on the 1st of January, as represented in the annual report of the Board, the company actually had $61,800 of corporation bonds on the 1st of February to meet a larger amount of immediate liabilities.

In view of these facts, I think that I would have been justified by the stockholders if I had advised the suspension of the payment of interest in November last. This, however, was not the case; I simply recommended the President to pay the interest as far as practicable in the stock of the company, that the capital might be immediately filled up to the extent necessary to secure the conditional subscriptions of the city and Northern Liberties, thus distributing the burden of raising the amount required for that object, as far as it would go, equally among all the stockholders. This advice was given in consequence of current rumors in relation to the critical condition of our finances and the fear, on my part, that our engagements with contractors would not be met. The recommendation was made as a choice of evils only.

Under a knowledge of these facts, doubts might be reasonably entertained as to our ability to raise stock in the usual way in time to meet our engagements. These doubts I expressed to members of the Board, and urged, as I have before stated, the importance of discussing the subject with intelligent stockholders.

I am still opposed to borrowing as long as there is a reasonable hope that the stock can be disposed of at par. But if the citizens and stockholders will not at once come forward and sustain the policy of the company by liberal subscriptions, a resort to loans to meet our present engagements is inevitable; or, the work must stop, an alternative that cannot for a moment be thought of. We have means sufficient to complete the Eastern and Western Divisions without embarrassment. But to withdraw our forces from the mountain would at once sink this great enterprise into a mere local improvement, possessing neither ability to compete in speed or price with either of its great rivals.

In this dilemma, it devolves upon the stockholders to recommend the course that should be adopted by their Board of Directors; without their advice and consent a change in what they have been led to believe was the settled policy of the company will not be ventured upon; and I trust that you will submit this whole subject for their consideration in a form that will lead to an expression of their views in relation to it, that will relieve the matter from the embarrassments that at present surround it.

In this letter Mr. Thomson states, after a brief résumé of the financial condition of the road, that about $2,900,000 would be required to complete the work with a single track.

The committee of which Mr. Tyson was chairman published a lengthy report on the 20th of February, 1852, in which attention is called to the fact that, before the opening of navigation in the spring, Inclined Plane No. 1 would be avoided by the cars, and Nos. 2 and 3 would also soon after be dispensed with, leaving only a distance of ten miles and seven remaining impediments to the Allegheny Portage to be overcome. Soon the mountain could be passed in three hours, instead of six or seven hitherto consumed. The Allegheny tunnel at Sugar Run Summit was so far completed that the contractor stated positively that cars would pass through it during the summer of 1853, when the last ten miles of these planes would be abandoned by the cars of the Pennsylvania road. That the two and one-half miles required to complete this great artery of trade were on the verge of completion the committee did not doubt. The committee evidently desired not to give offense to either faction of the stockholders, for they affirm their belief that—

The doctrine of the President's report is perfectly sound, in the judgment of the committee, as to the importance of the lowest possible charges both for freight and passengers, compatible with profit. It is right to speak of revenue to the stockholders as secondary to the great public benefit which it was the primary object of this work to secure. For however vast may be the income of the stockholders, such an effect is subordinate in
rank to the grand results which this road, under practical management, must confer upon the State and the city. But while we subscribe to this sentiment, and emphatically approve the policy of low rates, we dissent from the idea that a low standard of charges, which would pour the flood of a magnificent trade upon Philadelphia, will not also secure the highest dividends to the stockholders. If one of these be the effect of small profits, the other must inevitably follow. Though the earnings on a single one hundred pounds may be little, the revenue must be great from the immense business which the observance of so enlightened a policy will attract. It is in the power of the company, from the admirable location and cheap construction of the Pennsylvania Railroad, to make their stock the very best in this country, without turning aside from the great object of the undertaking—the promotion and facility of the internal trade. We may make money and declare large dividends with a scale of charges which no competitor for the Western trade can imitate with safety, and thus secure to Philadelphia, beyond the efforts of rivalry, that Western commerce, which, by the immutable laws of nature and geography, is our own.

The committee also extended their recommendation to the stockholders to defer the subscription to the stock of the Ohio and Pennsylvania Railroad, because such action would "look to the issue of bonds, which would be a departure from the declared practice of this corporation," and they declared that "our policy is to remain, if possible, free from the shackles of debt." This action being concurred in, there was no necessity for the service of the committee of which Mr. Merrick was chairman, and the action of the committee of which Mr. Thomas was chairman does not appear in the published reports of the Company.

The fourth annual report of J. Edgar Thomson for the year 1851 was his last as Chief Engineer of the Pennsylvania Railroad Company. With the reputation which he had established in the South, as well as in the North, he stood, without doubt, at the head of his profession. Even at that early day he had done more than any other one man to establish and perfect the American railway. His ultimate selection as president of the Company had been foreshadowed for many months, and the action of the stockholders' meeting, which selected him as a director, together with the influence of many stockholders who had proclaimed their belief in the success of the policy that he had outlined, resulted in his election to the presidency of the Pennsylvania Railroad Company on the 3d day of February, 1852. Let us glance briefly at his last report as chief engineer, dated January 15, 1852, about a fortnight before his election as president, which went to press after he had been chosen to that responsible office.

During the year 1851 the riotous disposition of the laborers on the western division caused serious delays to the contractors, but new men having been brought from the East, the operation of the road had been so far extended during the summer that about twelve miles of new road from Pittsburgh to Brin- ton's was opened on the 10th of December, in addition to the twenty-two miles opened in August. The completion of these portions of the road left a gap, on the 31st of December, 1851, of only twenty-eight miles. Before the opening of navigation in 1852 it was expected that the nine miles from Johnstown to the Conemaugh, by which Plane No. 1 of the Portage Railroad, and the tunnel, would be avoided, would be completed. The delay in the completion of the tunnel at the Sugar Run Summit continued to be a source of vexation, and although it was stated that "the contractors still felt confident that they will be able to permit the passage of trains through it during the summer of 1853." But, says the chief engineer, "I cannot anticipate so early a termination of our labors at this difficult and uncertain job, though it can scarcely throw us into the use of the Portage for a third winter." Mr. Thomson states that by continuing the maximum gradient of the Western Division through the tunnel we obtain the incidental advantage, if it should at a future period be desirable to avail ourselves of it, of overcoming the mountain by a single inclined plane, worked by stationary power, to be used by freight trains, instead of assistant locomotives, upon the steep gradient. This arrangement would make the maximum locomotive gradient west of Altoona fifty-two and eight-tenths feet per mile on straight lines.
Below that point, it has been before stated, that the steepest ascent against the heavy trade is but ten and a half feet per mile.

It is interesting to note in this connection that the ascent of the Allegheny Mountain by the Baltimore and Ohio Railroad had a maximum gradient twenty-one feet greater, with a line five and one-half miles longer, than the high grade on the Pennsylvania Railroad, while the summit at Sugar Run was four hundred and forty-four feet lower than the summit crossed by the Baltimore and Ohio road.

The construction of a freight and passenger depot at Pittsburgh had become necessary, and the question of similar improvements in Philadelphia, and whether they should be located on the east or west bank of the Schuylkill, was being discussed. In relation to these matters Mr. Thomson says:

The question of a proper location of our depots at Philadelphia is one of much importance, and should meet the early attention of the Board. I feel satisfied that our passenger station, at least for the trains passing over our own road, should be placed at a point from whence the locomotives could convey the cars directly upon their destination. Under present circumstances this could only be accomplished west of this river. Even here, the best point upon the property possessed by the company, will be influenced by the construction of other bridges across this stream; and hence, if it should be determined that this is the true place for the station, it becomes a matter of prudence to omit the erection of permanent buildings until their exact location can be decided upon understandingly.

In order to counteract the allegations of the enemies of the road, who asserted that the Pennsylvania Central was a rival of the State works, and thus indirectly detrimental to the interests of tax-payers living anywhere in the State, Mr. Thomson calls attention to this fact:

The taxpayers of the State cannot view the construction of the Pennsylvania Railroad with alarm, as it will abstract no transportation of importance from her works that would not have sought other channels to market; but on the other hand, will return to her treasury an increased revenue from her connecting works, more than will be drawn from the other portions of the main line. The change of business will not be sudden, but must be the work of some years, leaving time for the growth of a local transportation to sustain the otherwise unproductive portions of the State improvements.

The necessity of improving the Ohio river had frequently and urgently been brought to the attention of Congress, and definite plans had been outlined. Its importance presented strong claims to the attention of citizens of Philadelphia as well as Pittsburgh, and concerted action among all the States interested was recommended.

The report is concluded in these words:

In closing this report it gives me pleasure to repeat my obligations to Edward Miller, Esq., Associate Engineer, and his principal assistants, Messrs. G. W. Leiffer, O. W. Barnes, Thomas Seabrook, and T. H. Dupuy, for their untiring efforts in pressing forward that portion of the work committed to their supervision. Also to Strickland Kneas, Principal Assistant Engineer, who has had charge, under my immediate direction, of the grading upon the eastern slope of the mountain and the erection of the shops and engine houses at Altoona, which will be in readiness for use during the ensuing spring.

In the fifth annual report (dated January 31, 1852), which was the last issued over the signature of President Patterson, he estimates the total cost of a double-track road between Harrisburg and Pittsburgh, with the necessary outfit, to be about $15,600,000, and he reiterates his belief that

The road should be built without a funded debt, and the progress already made clearly indicates that a result so eminently desirable is entirely practicable. Unable to appreciate the force of the arguments in favor of the creation of debt, in preference to further issues of stock, the Board recommend that authority be given to apply to the Legislature for such an increase of the capital stock as may be deemed necessary. The Board venture to express the hope that no authority will be given for the issue of bonds until an opportunity for full discussion can be had, at a meeting to be held hereafter, under circumstances more propitious for calm consideration and deliberate determination. The ultimate decision with regard to a radical change of policy, involving consequences of vital importance to the large interests already invested, should not be taken until the representatives of those interests can be fairly heard. Be that decision what it may, legislation will be required, and the Board suggest the propriety of obtaining it during the present session.
He closes his report with the following: The Board congratulate the stockholders upon the partial opening of the Ohio and Pennsylvania Railroad, and upon the advantages already accruing to this company from a direct connection with Cleveland, and through that city with central and southern Ohio.

The credit of this company, if it shall be deemed advisable by the stockholders to use it at all, may be judiciously employed hereafter in aiding, to a moderate extent, this and other important western connections, whose success is scarcely less necessary to the concentration of trade and travel upon Philadelphia than the completion of the Pennsylvania Railroad itself.

At the election of directors, which followed the presentation of this report, neither President Patterson nor ex-President Merrick were re-elected, and Messrs. Brown and Lea, who were re-elected, declined to serve.

The judges of election announced the result of the vote as follows:

We, the subscribers, judges of an election held at the office of the Pennsylvania Railroad Company, city of Philadelphia, on Monday the second day of February, 1852, for Directors of the Pennsylvania Railroad Company, do certify that the following named gentlemen received the number of votes affixed to their names: W. C. Patterson, 22,464; Samuel V. Merrick, 22,578; David S. Brown, 46,579; Thomas T. Lea, 45,922; M. L. Howell, 25,846; James C. Hand, 25,427; Thomas Beaver, 22,923; J. E. Thomson, 30,861; George W. Carpenter, 30,315; Christian E. Spangler, 30,364; John Yarrow, 34,407; Washington Butcher, 30,812; John Farnham, 3,030; Townsend Sharpless, 1,481; N. P. Thompson, 1,244; E. T. Mott, 300; Scattering, 512.

And we do further certify that J. Edgar Thomson, George W. Carpenter, Christian E. Spangler, John Yarrow, Washington Butcher, David S. Brown and Thomas T. Lea having received the highest number of votes polled as aforesaid, are hereby declared to be duly elected directors of the Pennsylvania Railroad Company.

The Directors chosen by the city of Philadelphia were George Howell, Alexander J. Derbyshire, Edward M. Davis; by Allegheny County, William Wilkins, William Robinson, Jr.; and by Spring Garden, William Ayres.