ADMINISTRATION OF JOHN EDGAR THOMSON.

When the new Board of Directors assembled February 3, 1852, J. Edgar Thomson was elected President, John Vaux Bacon, Treasurer, and Thomas T. Firth, Secretary. Mr. Thomson received the unanimous vote of the new Board. Upon taking the chair he returned thanks for the honor done, and expressed an earnest desire to do all that lay in his power to promote the interest of the corporation, and to give satisfaction to the stockholders and to the Board. Mr. Job R. Tyson was then elected Solicitor.

On February 11 the winter rates on freight were reduced to two and one-half cents, for light goods, “to be receipted for in seven days through to Pittsburgh.” On the 17th of February the Board considered “the propriety of reducing the rate on heavy goods, with a view to lower prices for wagons in order to command a large number at Beatty’s Station,” and the President was authorized “to fix the rates for through freights at such prices as he may deem proper until further directed by the Board, and report at the next meeting his action in the premises.”

The Board authorized the President on February 11 to arrange with the lines between Cleveland, Philadelphia and New York for a reduction of fare for through passengers between those cities. At the same time, he was directed to enter into a contract for four years with the Postoffice Department for the conveyance of mails between Philadelphia and Pittsburgh.

Mr. Davis having resigned as Director, the Board on March 1, filled the vacancy by the election of William R. Thompson upon the recommendation of the City Councils of Philadelphia, and on March 3, Edward T. Mott, of Northern Liberties, and Samuel Janney, of Philadelphia, were chosen Directors to fill vacancies caused by the resignation of David S. Brown and Thomas T. Lea.

The President of the Board of Commissioners of the Northern Liberties, notified the Board on March 1, that he was prepared to deliver to the Company “the remaining bonds of the districts, which completes their subscription, making a total amount of $500,000.

The General Superintendent was on March 3 authorized “to stop such passenger trains at the Patterson House for meals as may arrive there at convenient hours.”

A second through line of passenger coaches was, on March 10, authorized for the Portage road in order to divide the passengers and prevent their detention.

At the adjourned stockholders’ meeting on March 4 Mayor Gilpin again presided. The matter of the $250,000 subscription to the stock of the Ohio and Pennsylvania Railroad Company was again postponed, and a resolution was passed to refer the question to a new committee of five, to confer with the Councils of the city of Philadelphia and report to another adjourned meeting, which was to be held the first Monday in April.

Resolutions adverse to the construction of branch lines, which were offered, were also referred to the same committee. A resolution
"that a bill be presented to the Legislature to change the time of holding the annual meetings, so as to make them precede the annual elections one month," was unanimously adopted, as was a resolution appointing a committee of five to confer with the directors, and after an investigation of the financial condition of the Company, to advise such a course as they deemed best for the interest of the stockholders.

The annual report of the directors, engineer and superintendent, and the reports of these committees were authorized, by resolution, to be published and furnished to the stockholders.

The President of the Company was authorized on March 22 to visit Harrisburg and take such measures most advisable to defeat the bill pending before the Legislature for leasing the State works to individuals, and to make "such negotiations as he may think best adapted to promote the interests of the Pennsylvania Railroad Company," and to promote the other objects of Legislation asked for by this Company.

The following proposals regulating transportation were adopted by the Directors on April 3, to be submitted to the Board of Canal Commissioners:

First.—The Pennsylvania Railroad Company to haul over the Allegheny mountains between Hollidaysburg and Johnstown, after the canal navigation opens in 1854, all freight in cars of transporters doing business on the State Canals for $1.25 per ton (exclusive of State tax on tonnage), for the whole distance between these places.

Second.—The State to haul all freight passing over the Columbia Railroad in cars of the Pennsylvania Railroad Company at not exceeding two cents per ton per mile, including road, motive power and wheel tolls, and passengers at the rates charged by the said Pennsylvania Railroad Company for similar travel over their road with a deduction of 20 per cent for each train of cars, transportation expenses for first-class passengers and 33% per cent for emigrant and other travel.

A committee appointed by the stockholders at a meeting on March 1, conferred with the Directors on April 3, concerning the financial affairs of the Company and the importance of the early completion of the main line, and the unanimous opinion of the Committee and of the Board was that it would be useless to attempt to raise money by private subscriptions to the stock of the Company, as the citizens had all been taxed to their capacity.

On the first of April about 8 miles of the mountain section of the Pennsylvania Railroad were opened, thus avoiding plane No. 1, and about one-fourth of the Portage Road.

At a general meeting of the stockholders of the Pennsylvania Railroad Company, held on the 5th day of April, it was decided not to build any branch roads connecting with the main line, unless the necessary funds were furnished by the parties desiring such connections, and the stockholders expressed their unwillingness to sanction any further pledges or conditional subscriptions to the stock of any railroad, "until the funds required for the completion of our own works are fully provided."

The subject of locating and constructing passenger and freight stations in Philadelphia was, on the 7th, referred to a special committee.

The Company's solicitor, J. R. Tyson, informed the Board, April 21, that he considered the telegraph company liable for damages, for the erroneous transmission of a message causing a collision on the road.

On April 28 the President was authorized to make arrangements to sell through tickets from New York to Philadelphia and to Cleveland at reduced rates.

The rates of freight to take effect on and after May 1 were fixed as follows:

First class, 90 cents per hundred pounds.
Second class, 70 cents per hundred pounds.

The General Superintendent was, on May 5, authorized to have each engine furnished with the following articles as permanent fixtures: "Two axes, one saw, two leather or iron buckets, as also a rod of straight iron, made with a handle at one end, and a hook at the other, to be used in saving baggage in case
of fire, and that the name of the Company be distinctly stamped on each article named."

The passenger fare to Pittsburgh was on May 5 reduced to ten dollars by stage and by canal to nine dollars.

The 

American Railroad Journal gives the following account of the Pennsylvania Railroad in May, 1852:

This great thoroughfare, which was commenced July, 1847, and will be completed, with a single track and sidings in August or September, has 191 miles (of the 248) now in successful operation. All except that portion passing over the Alleghenies will be finished by September next. No stationary power is required on any portion of the road. The distance from Harrisburg to Altoona is 131 miles, and the ascent over 859 feet. The steepest ascending gradient on this part of the road passing eastwardly is 16½ feet per mile, and westwardly, 21 feet per mile.

From Altoona to Pittsburgh the steepest gradient is 52.8 feet per mile, with the exception of 9.75 miles of the eastern slope, where a gradient of 95 feet to the mile upon straight lines, reduced upon curves according to their radius, is encountered, upon which extra locomotive power will be employed.

The Baltimore & Ohio overcomes this mountain by a maximum gradient 15 miles in length, of 116 feet per mile, and descends upon the west side at the same rate for 8 miles. It also overcomes Laurel Hill (which is avoided on the Pennsylvania route by a tunnel 4,200 feet long) with gradients each side 105 feet per mile.

The Pennsylvania is graded for a double track in all the tunnels and rock cuttings and much of the earthwork; the masonry in all cases is constructed for double track. It is proposed to lay at once a double track on 39 miles of the Mountain Division, and 34 miles immediately east of it, and on the rest of the line there will be sidings every five miles.

The superstructure is of the most substantial character. Cross-ties of white oak, 8x8 inches by 8½ feet long are placed 2½ feet apart and imbedded in ballast of broken stone 20 inches deep. The rails weigh 64 pounds per yard, except on the steep grade of the Allegheny mountain, where 76-pound rails are to be used. The buildings are commodious and substantial. From Altoona to Pittsburgh, 117 miles, there are only two wooden bridges each of 100 feet span, all the others being constructed of iron or stone. . . .

The Canal Commissioners having submitted the following resolution to the Pennsylvania Railroad Company it was adopted by the Directors on May 19:

Resolved, That the road, motive power and car tolls on first-class passengers over the Columbia and Philadelphia Railroad shall be two cents per passenger per mile, provided the whole charge of transporters shall not exceed 25½ mills per mile.

The General Superintendent was instructed to place notices in the passenger cars, that "passengers having matches or other combustible matter in their baggage, will be held responsible for damage in case of fire taking place," and it was ordered "that hereafter all claims for burnt baggage shall be made under oath, and an affidavit stating that the party claiming it, had no matches or other combustible material among his baggage."

The Secretary of the Board of Canal Commissioners under date of May 19 gave notice to transporters of passengers over the Philadelphia and Columbia Railroad "that the Board have this day entered into a contract with John Bingham and Jacob Dock to carry all passengers and mail over said road, excepting passengers carried by the West Chester Railroad Company, and by market cars—said contract to go into effect on the first day of July, next."

In conformity with a draft of an agreement submitted to the Board on May 27, the President was authorized to rent from the Philadelphia and Baltimore Railroad Company their depot at Eleventh and Market streets for one year, with the right of purchase within that time.

A legal opinion in reference to the contract entered into by the Canal Commissioners with Bingham and Dock was submitted to the Pennsylvania Railroad Directors by their solicitor, J. R. Tyson, on May 27, in which he held that the Canal Board had no legal right to enter into any such contract, and that it was an unwarrantable assumption of power on their part. The President and the Solicitor were requested "to proceed to Harrisburg and submit for the consideration of the Canal Commissioners, the opinion of the solicitor in reference to leasing the Columbia Railroad to
Messrs. Bingham and Dock, and to take such measures as the President may deem necessary in the premises."

It was decided on May 28 to build a branch line to the town of Indiana, Pennsylvania, provided the citizens of the county would subscribe $170,000, and pledge to the Company a clear right of way and the title to four acres of land at the terminus.

A meeting of the Directors was held on May 31 to consider the proposed loan. The following resolutions were fully discussed and adopted unanimously:

Resolved, That the mortgage proposed to be made shall be for five million dollars.

Resolved, That the President be authorized to issue proposals for the loan of three million dollars.

Resolved, That the above loan shall be convertible into the capital stock of this Company at any time previous to the first day of January, 1858.

Resolved, That all former resolutions conflicting with the above be rescinded.

Resolved, That the resolution passed on the 21st instant in reference to the payment of the coupons without deduction be reconsidered.

Resolved, That the words "without deduction" be stricken out of said resolution.

The Directors on June 15 approved a letter addressed by the President to Hon. William Bigler, Governor of Pennsylvania, relating to the action of the Canal Board in leasing the public works.

The American Railroad Journal announced on June 19 that—

The Pennsylvania Railroad Company is about to effect a loan to complete the work. The whole amount of the loan is limited to $5,000,000, of which only $3,000,000 are now offered, and is reimbursable on December 31, 1880. These bonds have coupons attached and are convertible into stock at any time previous to December 31, 1880. The cost of the entire road, including equipment, is estimated at $12,500,000. The whole amount on hand is $9,750,000.

The President was authorized on June 23 to commission Edward Miller, Chief Engineer, "as agent of the Pennsylvania Railroad Company to proceed to Europe for the purpose of presenting to capitalists, the merits of the loan of three million dollars, authorized by the Board." Mr. Miller was given full power to make further conditions in furtherance of the loan, not inconsistent with the terms of the circular and proposals. The bids were to be opened in the office of the Company in Philadelphia on the 16th of September, 1852. "Twenty-five per cent of each accepted bid to be paid within fifteen days after announcement is made at the office of the Company in Philadelphia or such point as may be designated." The bonds were to be free from taxation.

The General Superintendent was directed on June 25 to purchase a cemetery lot in which to re-inter the remains removed from the Company’s property in West Philadelphia.

During the month of June several meetings were held, at which the various complications concerning the purchase of the Powellton estate, and the legal questions involved, were discussed. The question of the right of the Company to purchase any property except that to be used for railway purposes having been raised, the matter was referred to the solicitors of the Company.

The following proposed mail schedule between Washington, Philadelphia and Cleveland, after July 1, 1852, was submitted to the Postmaster-General by President Thomson.

WESTWARD.

<table>
<thead>
<tr>
<th>First train.</th>
<th>Leave Washington, 6.00 A. M.</th>
<th>Leave Philadelphia, 7.30 A. M.</th>
<th>Arrive at Pittsburgh next day at 8.30 A. M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second train.</td>
<td>Leave Washington, 4.00 P. M.</td>
<td>Leave Philadelphia, 5.30 P. M.</td>
<td>Arrive at Pittsburgh next day at 5.00 P. M.</td>
</tr>
<tr>
<td>First train.</td>
<td>Leave Pittsburgh, 9.30 A. M.</td>
<td></td>
<td>Arrive at Cleveland at 5.00 P. M.</td>
</tr>
<tr>
<td>Second train.</td>
<td>Leave Pittsburgh, 10.00 P. M.</td>
<td></td>
<td>Arrive at Cleveland at 7.00 A. M.</td>
</tr>
</tbody>
</table>
CONTEST WITH BINGHAM AND DOCK.

EASTWARD.

First train. Leave Cleveland, 10.30 A. M. ] Arrive at Pittsburgh at 6.00 P. M.
{ Leave Pittsburgh, 7.00 P. M. } Arrive at Washington at 10.00 P. M.
{ Leave Pittsburgh, 7.00 P. M. } Arrive at Philadelphia at 9.00 P. M.

Second train. Leave Cleveland, 5.30 P. M. ] Arrive at Pittsburgh at 12.00 Midnight.
{ Leave Pittsburgh, 7.00 A. M. } Arrive at Washington at 11.00 A. M.
{ Leave Pittsburgh, 7.00 A. M. } Arrive at Philadelphia at 10.00 A. M.

It was stated that "after the first of October next these schedules can be reduced between Washington and Pittsburgh five hours."

The Pennsylvania Railroad was formally opened on August 6 to a point within two miles of Greensburg, being twenty-nine miles from Pittsburgh, and a train of five cars with a number of passengers left the Liberty Street Station, Pittsburgh, at nine o'clock for the terminus of the completed road.

There had been more or less friction between the Canal Commissioners, in control of the Philadelphia and Columbia Railroad, and the officials of the Pennsylvania Railroad Company, as to the use of the State motive power in hauling the Pennsylvania Railroad cars to the junction with the main line. On August 16 an open rupture was caused by the refusal of the State officers at West Philadelphia to permit the cars of the Pennsylvania Company to be attached to the State motive power, and compelling a transfer of passengers to cars under the control of Bingham and Dock, who had made a contract with the Canal Commissioners, by which the firm was given the exclusive right of passenger transportation on the Columbia Railroad.

In commenting publicly upon the action of the Canal Board the President of the Pennsylvania Railroad Company said: "The cars of the Company had been placed upon the State Railroad at the solicitation of the members of the Canal Board, and under assurances of their official protection, as far as could be given. In consequence of that assurance, the Company was induced to pay to the proprietors of the Eagle Line a large bonus in the price of their cars over their actual value."

"The net revenue resulting from this service was not the motive which induced the Company to place their cars upon the road. The reasons assigned by members of the Board of Canal Commissioners, when they invited the Company to become transporters over the Columbia Railroad, was that which actuated them in complying with their wishes, viz., to avoid the annoyance to through travel from a divided interest and responsibility in its transportation, by placing the whole passenger travel between Philadelphia and Pittsburgh, as far as practicable, under one control; the cars to pass, as soon as the space between the tracks on the Columbia Railroad was widened, and the Portage Railroad avoided, from city to city without change."

No public notice having been given of this action of the Commissioners, a special meeting of the Directors of the Pennsylvania Railroad Company was called August 16th to take action thereon. The President of the Company submitted a detailed statement of the differences between the Canal Commissioners, and the Board authorized its publication in the newspapers.

In their statement of the case the Board claimed that it was at least a mistaken policy on the part of the Canal Commissioners to assign exclusive control to Bingham and Dock, for the Pennsylvania Railroad was not a rival line and it was a question whether the Commissioners had not exceeded their legal authority in the matter.¹

The President was authorized to employ such additional counsel as he thought proper to protect the Company in their right to run their own cars over the State road and "to take such measures as he may deem advisable in reference to forwarding passengers from West Philadelphia over the Columbia Railroad."

The Philadelphia News of August 16 printed the following account of the "Trouble

¹ The authorized statement of the case by the Board of Directors is given in full in the Appendix.
on the Pennsylvania Line with the Canal Commissioners:

We learn that all efforts towards an accommodation between the Canal Commissioners and the Pennsylvania Railroad Company have failed and that a legal contest is inevitable. To-day is the time fixed at which the arrangements between the Commissioners and Bingham and Dock will go into operation, and the last-named parties, we understand, claim, under the Commissioners, the exclusive control of the road between this city and Columbia.

The Pennsylvania Company will send their cars out as usual, and the new lessees or contractors will, we understand, refuse to take them in the train. This will be but the commencement of the difficulty. It is understood that Messrs. Bingham and Dock will take the trains to Columbia without stopping at Dillerville, and that the Pennsylvania Railroad Company will make no connection at this point. It will be necessary, therefore, for passengers bound west of Lancaster and Columbia to leave the train at the former place and make their way as best they can, on foot or otherwise, to Dil
erville, a distance of about a mile and a half, where the Pennsylvania Company's road begins.

We believe, however, that it is expected that the railroad will provide omnibuses at Lancaster to convey passengers to Dillerville. No one, we presume, will fail to regret the existence of this difficulty. It is not a simple question between the parties now at issue, but is one fraught with very important consequences to our city and State. It cannot but be seen that the Canal Commissioners are putting in jeopardy the best interests of the commonwealth. None will deny but there are rights to be respected belonging to the Pennsyl
"nia Railroad Company, and if these rights are not regarded the Company must protect itself as best it can. Already, we understand, that ways and means are being looked after with a view to abandoning the Columbia Railroad entirely, and this is altogether a feasible project.

The able President of the Reading Railroad has recently proposed to carry the Pennsylvania Railroad passengers and the mails. The Reading has perfect connection between this city and Harris
gburg, except for a distance of ten miles, which can be traversed by stages in an hour.

The Philadelphia Bulletin of August 20 said:

At 8 o'clock this morning the cars left their new depot, corner Schuylkill, 5th and Market streets, and proceeded to West Philadelphia, where a large crowd, anticipating trouble, had assembled (on account of recent advertisements). There was no disturbance, however, and if there had been there was a large force present to prevent it. The cars of the Pennsylvania Railroad ran alongside of those of Messrs. Bingham and Dock, and the passengers and mails and were quietly transferred to the latter, and they soon proceeded on their way.

Trouble is anticipated at Dillerville. Travellers for the West are taking other routes during the excitement.

An arrangement was finally made by which the Philadelphia passenger station remained temporarily at the corner of Market, Schuylkill and 5th streets, in the building erected by Messrs. Bingham & Dock.

The following resolutions of the Canal Commissioners, dated Harrisburg, August 12, were considered by the Directors of the Pen
nsylvania Company on August 25:

Resolved, That until future arrangements are made with railroads companies connecting with the Philadelphia and Columbia Railroad, all drawbacks on passengers carried over the said Philadelphia and Columbia Railroad, except on those conveyed by the West Chester Railroad Company, are hereby repealed.

Resolved, That from and after the 1st of July last (the expiration of the late contract of the contractor with the Postoffice Department) until otherwise directed, the toll on United States mail conveyed over the Philadelphia and Columbia and Allegheny Portage Railroad shall be $200 per mile per annum, payable quarterly, by the collector of tolls at Philadelphia.

Chief Engineer Miller made a report to the Directors September 1, 1852, concerning his visit to Europe in the interest of the Company, that he had found among the leading English capitalists an earnest desire to obtain information in matters connected with American rail
way securities. He had advertised the loan in London and Paris, and had distributed the circulars very extensively through France, Belgium, Holland and Germany. He thought that the entire loan could be arranged for in London at four per cent. He advised the use of dollar bonds in preference to sterling pounds, since they would be more valuable in England on account of the choice offered, of the two markets.

The resignation of Herman Haupt, as General Superintendent of the road was presented to the Board on September 15 and was accepted to take effect on the 1st of November, 1852.
The General Superintendent was instructed to furnish First Class passenger cars for the accommodation of Susquehanna travel instead of the emigrant cars then used for that purpose.

George M. Dallas, William M. Meredith, and Thomas Bell were on September 15 appointed additional counsel to act with the counsel of the Company in the case before the Supreme Court in which the Pennsylvania Railroad Company asks for a writ of mandamus against the Canal Commissioners to compel them to allow this Company to take their cars over the State road from which they have as they believe been unlawfully driven by said Commissioners.

Bids for the $3,000,000 loan of the Pennsylvania Railroad Company were opened by the Treasurer on September 16, at ten o'clock in the morning, and upon examination by the Directors it was found that the bid made by Charles Henry Fisher at $103.20 for the whole loan of $3,000,000 was the most advantageous to the Company, and it was accepted. It was ordered that interest on coupons begin on payment of the first installment.

The premium realized on the loan was $36,000. In speaking of this loan, the first loan obtained by the Company, President Thomson thus refers to the matter. It will be borne in mind that the new Board took control of the affairs of the Company in February, 1852, and made a change in the policy by authorizing a loan of five millions of dollars to complete the road:

The Board, on entering upon the performance of their duties in February last, found that contracts for the construction of the road had been made, which, added to the amount necessary to render the whole outlay productive, involved the expenditure of the further sum of four millions of dollars, while the means available to meet the contracts entered into had become exhausted.

The policy which dictated the creation of these obligations was eminently judicious, and it is only to be regretted that the Company had not boldly met the financial question involved a year earlier. Without the construction of the Mountain Division, for which they had been incurred, an equal competition for the trade of the West with other routes would have been a hopeless effort. With it we can present the best thoroughfare between the Atlantic and the Mississippi.

Under these circumstances the only question that the Board felt that they had to decide was in what manner the means could be best obtained to secure the earliest practicable completion of the whole road. A suspension of the work could not be thought of.

The city of Philadelphia and the district of the Northern Liberties having made conditional subscriptions amounting together to the sum of one million dollars, which required a further sum of $283,000 to be subscribed on the part of individuals to make it available, a call was made upon the stockholders and citizens generally to aid in raising this amount, which was promptly and successfully responded to. The amount thus raised, added to the large receipts from the business of the road and the proceeds of the municipal subscription, afforded relief from pressing demands upon the Treasury, but fell far short of the sum required to meet the wants of the Company and to insure the uninterrupted prosecution of the work that had been commenced.

From the efforts made by members of the Board, and those who co-operated with them, to raise the limited amount of stock required to effect the object already mentioned, they were convinced of the utter hopelessness of securing in time, by similar means, the sum necessary to meet the demands upon the treasury. The period when active exertion might have secured the accomplishment of the cherished policy of the Company, had been suffered to pass.

While the Board was satisfied of the necessity of adopting, under the circumstances, the alternative of a loan, they declined to carry their views into effect without the concurrence of the stockholders. This was accordingly asked, and resulted in receiving their sanction by a vote of 134,080 to 754.

A loan of five millions of dollars was authorized, and the amount (three millions) required to complete a single-track road from Harrisburg to Pittsburgh, including the outfit, etc., was disposed of on favorable terms to parties whose character was a full guarantee to the Company for their compliance with their offer, under any and all changes, in the financial condition of the country. The early completion of the road was the great object desired by the Board, and this has been secured beyond a contingency by the policy adopted and the arrangements made under it.

On September 21 the President was authorized "to institute examinations into all such
The President and Secretary were on October 13 authorized by the Directors to execute a mortgage for $5,000,000 to Jacob M. Thomas, S. Morris Waln and Sidney G. Fisher in trust for the eventual liquidation of loans to that amount, $3,000,000 of which had already been contracted and the balance of $2,000,000 to be obtained.

Winter freight rates to canal transporters were on October 15 decided upon as follows:

The Pennsylvania Railroad Company will carry over their road the cars of the canal transporters and their contents at the rates per mile charged

Western Railroad connections as are inviting aid from the Pennsylvania Railroad Company in order to lay the information before the stockholders at the annual meeting for their action as to the proper course for the Board to adopt in the premises.”

Autograph letter from James Buchanan, afterwards President of the United States, to Colonel Samuel C. Stambaugh, returning pass, signed by J. Edgar Thomson, President P. R. R. Co. Issued October, 1852.

The Chief Engineer was directed on October 13 to offer proposals for grading a double track on the whole line of the road not previously authorized “and such portions of the work as may be necessary to secure this object are to be immediately put under contract.”
to the Pennsylvania Railroad Company on the Columbia Railroad (provided the rates are not increased on the railroads of this State on the cars and freight of the Pennsylvania Railroad Company and other transporters over State roads) with the addition of the tax charged between Philadelphia by the commonwealth of this State. This agreement to continue in force during the suspension of canal navigation the ensuing winter.

The Chief Engineer was authorized on October 20 to contract with Reeves, Abbott and Company for twenty thousand tons of rails, at a price not exceeding fifty-seven dollars a ton. Nearly all of the rails upon the road had been obtained from Reeves and Abbott, who agreed to fill the new contract for fifty-six dollars and a half a ton.

An agreement was effected on October 27 with Messrs. Bingham & Dock to run baggage cars of the Pennsylvania Railroad Company over the Columbia road.

Freight Rates were on December 1 considered and fixed as follows:

First Class . . . . . . . . . . 75 cents per 100 lbs.
Second Class . . . . . . . . . 60 " " .. .. .. .. ..
Third Class . . . . . . . . . . 50 " " .. .. .. .. ..
Fourth Class . . . . . . . . . . 40 " " .. .. .. .. ..

On December 22 the Directors resolved that, in their opinion, the completion of the Ohio and Indiana Railroad, and its ultimate extension from its western terminus at Fort Wayne to Chicago, would not only secure to Philadelphia the shortest practicable route from this great entrepot of the commerce of a large portion of the Northwestern States, but also place it on the route of the shortest practicable route from that city to New York. It was represented to the Board that a subscription by Philadelphia of three hundred thousand dollars to this Company would insure the immediate completion of the road to Fort Wayne, where it would also meet the road that had already been commenced from Logansport, Indiana, in a line with Peoria in Illinois, and Burlington in Iowa.

The Board agreed to make a subscription of six hundred shares to the capital stock of the Ohio and Indiana Railroad Company, "as soon as the consent of the stockholders and the Legislature can be obtained thereto, to be paid in such time and in such manner as shall be agreed upon between the companies hereafter. Provided, the Ohio and Indiana Railroad Company will run their through trains in connection with the Pennsylvania and the Ohio and Pennsylvania Railroad, and forming such tickets for through passengers and freight as will best promote the interests of the Companies forming this line from Chicago to Philadelphia."

The Western Division of the Pennsylvania Railroad, from the Portage Viaduct to Pittsburgh, was completed and opened for traffic December 10, 1852, "thus connecting Philadelphia with Pittsburgh by one continuous bond of iron." The section, five miles long, from Conemaugh to the Portage Viaduct was opened in April, seventeen miles from Brin- ton's to Radebaugh's in July, and the remaining ten miles from Radebaugh's to Beatty's in December. At the close of the year there were eighty-six miles of continuous railroad upon the Western Division which had been placed in service. The portion of the road originally designated the Mountain Division, but subsequently annexed to the Western Division, extending from Altoona thirty-one and one-tenth miles to the Big Viaduct, was the only portion remaining unfinished, and this was under contract. Of the ten inclined planes, one (No. 1) was avoided by the extension of the railroad to the west of the Big Viaduct, and two had been avoided by the construction of the new Portage Railroad by the State, the location of which can be ascertained by reference to the accompanying map. But the seven inclined planes which remained continued to obstruct the traffic until the construction of this last link, referred to above, which it was hoped would be completed in the early fall of 1853.

At that date the Western Division commenced at the junction of the Allegheny and Monongahela rivers at the city of Pittsburgh, passing through the entire city by the way of Liberty street, descending the valley and
crossing the table land upon which East Liberty was situated. Proceeding thence it crossed Turtle Creek near Brinton's, and following the valley of that stream, and eastward through the valley of Brush Creek, it reached Barclay's Summit, where a tunnel four hundred and fifty feet long carried the road through to the waters of the Sewickly. From Barclay's Summit the road followed an eastward course through a country unparalleled in Pennsylvania for the necessities of the heavy work required. In the fourteen miles east of Barclay's, one tunnel of six hundred and fifty and another of three hundred feet were constructed. At Latrobe the Loyalhanna was crossed by a substantial double track stone bridge of three arches of forty-five feet span, built obliquely with the stream. From thence to the Conemaugh through the Pack Saddle, heavy cuttings and embankments were encountered. Descending through the gap at Bolivar, the road passed over Tub Hill Creek by a stone bridge, and continued to Johnstown, where the Conemaugh was crossed by an iron bridge of five arches of seventy-five feet span, raised upon piers and abutments of stone masonry. From Johnstown the road passed through the valley of the Little Conemaugh, in close proximity to the bed occupied by the old Portage Railroad, until the Staple Bend of the Conemaugh was reached, where rock cutting to the depth of one hundred and ten feet was required. Through this spur the Portage Railroad passed by a tunnel. At the Big Viaduct the Pennsylvania and the Portage Railroads united, the new railroad being so located that a bridge could be built adjoining that of the State when it should be necessary. Of this whole distance of eighty-six miles, sixty-two miles had been graded for a second track, including masonry, culverts and bridges, and fourteen miles of double track and sidings had been laid before the end of the year.

The work between the Viaduct and Altoona was also then progressing rapidly. The tun-

No. 1

Hollidaysburg, Oct 8th, 1852

OFFICE OF DEPOSIT, DISCOUNT AND EXCHANGE

of Messrs. Bell, Johnston, Jack & Co.

Pay to E. M. Creston 150.00 Dollars

Draft No. 1, dated October 8th, 1852, on Bell, Johnson, Jack & Co., Hollidaysburg, Pennsylvania, for $45, signed by Thomas A. Scott. The first draft signed by Colonel Scott after assuming duties of agent for the Pennsylvania Railroad Company at Hollidaysburg. 1852.

crossed by a substantial double track stone bridge of three arches of forty-five feet span, built obliquely with the stream. From thence to the Conemaugh through the Pack Saddle, heavy cuttings and embankments were encountered. Descending through the gap at Bolivar, the road passed over Tub Hill Creek by a stone bridge, and continued to Johnstown, where the Conemaugh was crossed by an iron bridge of five arches of seventy-five feet span, raised upon piers and abutments of stone masonry. From Johnstown the road passed through the valley of the Little Conemaugh, in close proximity to the bed occupied by the old Portage Railroad, until the Staple Bend of the Conemaugh was reached, where rock cutting to the depth of one hundred and ten feet was required. Through this spur the Portage Railroad passed by a tunnel. At the Big Viaduct the Pennsylvania and the Portage Railroads united, the new railroad being so located that a bridge could be built adjoining that of the State when it should be necessary. Of this whole distance of eighty-six miles, sixty-two miles had been graded for a second track, including masonry, culverts and bridges, and fourteen miles of double track and sidings had been laid before the end of the year.

The work between the Viaduct and Altoona was also then progressing rapidly. The tun-

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Hollidaysburg, Oct 8th, 1852

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BITUMINOUS COAL USED FOR LOCOMOTIVES, 1852.

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In calculating the value of the saving in curvature, Edward Miller, chief engineer, in his annual report, calls attention to the following facts:

The character of the gradients and curvatures of the road have been already explained in former reports from this department, and little need now be said in regard to them. The saving of a foot in distance has been valued at ten dollars, and of a degree of curvature at fifty dollars, making fifty-two thousand eight hundred dollars for a mile, and eighteen thousand dollars for a circle of curvature. The maximum gradients are relieved in curves at the eastern slope of the Allegheny mountain will require further aid, and this will be furnished either by the engine which has just brought the train to Altoona, or by a heavy bank-engine kept for the purpose, and plying between that point and the summit.

His remarks in regard to the use of bituminous coal, which had been for the first time used successfully during the year 1852, are of the greatest interest:

The favorable results obtained from the use of bituminous coal in the engines, and the abundant supply of this fuel along the whole extent of the Western Division, are most important and significant facts. I have already mentioned that there is a four feet coal vein in the Summit Tunnel. In the tunnel at Barclay's Summit there is another of thirteen feet, and in the deep cuts on Sections 36 and 38 there is a vein of eight feet. Indeed, I may say on this point briefly, that good coal can be delivered at the stations for 100 miles for seventy cents per ton, at which price it is cheaper than wood delivered on the road gratis.

A new organization went into operation upon the resignation of Herman Haupt from the position of general superintendent December 1, 1852. The title of general superintendent was abolished. The following appointments

PENNSYLVANIA RAIL ROAD SHOPS.

ALTOONA PA. 1852-1892.

BUILDINGS IN EXISTENCE IN 1852, ARE INDICATED THUS —

OLD MAIN LINE TO DUNCKELVILLE, AND THE OLD PORTAGE RAIL ROAD.
were made on that date: Herman J. Lombaert, superintendent; George R. Mowry, first assistant superintendent, in charge of maintenance of way; and Enoch Lewis, second assistant, in charge of motive power; Thomas A. Scott, third assistant, in charge of the western division and the Allegheny Portage Railroad, including operations at Pittsburgh; A. L. Roomfort, fourth assistant, in charge of organizing the baggage system and other matters connected with the transportation department; and G. C. Francis, freight agent at Pittsburgh. This organization was extended in 1854 by the appointment of Thomas Seabrook, fifth assistant superintendent, in charge of maintenance of engineer. According to the estimate submitted by the present chief engineer it will fall somewhat below that sum.” This was a most remarkable evidence of the wisdom and sagacity of John Edgar Thomson, the first chief engineer of the Pennsylvania Railroad Company.

Valuable property had been purchased in 1852 for depot purposes in Pittsburgh, extending from Ferguson street to Liberty street, and over half a mile in length, and the construction of a round-house with forty-four stalls had been partly completed. Shops for the repair of cars and a convenient building for offices had also been commenced. During

way matters on the western division, dating from the opening of the road over the mountain February 15, 1854.

Before the first of January, 1853, the stockholders had paid on account of instalments on 200,000 shares of stock about nine and three-quarter millions of dollars.

In his report for the year 1852, the president calls attention to the fact that the “cost of the whole road, when finished with two tracks, will not exceed the original estimate of the

this year a brick engine house had been built at Conemaugh.

Fifty-one locomotives were in the service of the Company on the 1st of January, 1853, and orders had been given for the construction of sixty more—“sufficient to move daily one thousand tons each way between Philadelphia and Pittsburgh, exclusive of local freights east of the mountain.” Twenty-three wide cars adapted to the road from Dillerville west, and thirty-nine narrow cars, adapted to
use on the State roads, together with twenty-six eight-wheel emigrant cars, five hundred and eighty-six box burden cars with eight wheels, one hundred box burden cars with four wheels, one hundred and seventy-four stock cars with eight wheels, and thirty-three open trucks with eight wheels completed the equipment.

During the year 1852, $162,000 was paid into the Treasury of the State for tolls on the Columbia and Portage Railroads, aggregating one hundred and seven miles, "more than all of the other through transporters between of July, 1860. Notwithstanding this purchase, the Board determined to place their main freight depot, east of the Schuylkill river, in the city of Philadelphia, and a building lot on the south side of Market street, between Juniper and Thirteenth, now occupied by the stores of John Wanamaker, was selected, and work was begun late in the fall of 1852. "The difference between the cost of drayage to West Philadelphia, and the conveyance of freight in cars to the same point, was bound to be (on a business that we shall at once command), more than sufficient to pay the interest on

Philadelphia and Pittsburgh had paid for the whole main line, four hundred miles in length."

The purchase of the Powelton estate in West Philadelphia for general depot purposes was consummated in 1851, but the act giving the Company the right to purchase it was vetoed by the Governor. Finally, however, an act modified to conform to the Governor's wishes was passed by which thirty acres of the ninety-three purchased could be held by the Company, the remaining sixty-three to be held by the purchasers under agreement to convey to the Company at any time previous to the first

the cost of the property purchased, without taking into consideration the convenience of the customers of the road, in their daily transactions with the freight office."

The American Railroad Journal in reviewing the operations for the year 1852 called attention to the fact that "The result of every month's and year's operation of this line proves that it is continually growing in public favor as an avenue of intercourse between the west and the east, and justifies the belief that it will eventually become one of the most successful improvements in the country."
Circular letter advertisement, passenger and freight rates, Philadelphia to Pittsburgh and Western points, December 15, 1852.

K. I. Lombaert

Office, Dec. 15, 1852

Circular letter advertisement, passenger and freight rates, Philadelphia to Pittsburgh and Western points, December 15, 1852.
1853.

When the year 1853 opened the outlook for the Pennsylvania Railroad was most promising. The receipts for 1852 had increased 121 per cent. over 1851 and business in all lines was satisfactory.

The erection of the Market Street depot was commenced in January on the lot bounded by Market street on the north, 13th street on the east, Kelly street on the south and Juniper street on the west.

The North American commenting on the plans states that "the new depot will be very creditable in its architectural appearance and of a capacity and extent exceeding any in the U. S."

At the special meeting of the Board held January 5, 1853, it was decided that on and after Monday, the 3d day of January, 1853, the rate of fare on passengers conveyed over the Philadelphia and Columbia Railroad should be fixed at two and a half cents a mile.

The President read a communication from the Canal Commissioners relative to the decision of the Supreme Court denying the right of the Company under their charter to do any part of the business of transportation over the improvements of the commonwealth, in which it was stated:

So far as this decision relates to your freight, the Canal Board, while believing in the soundness of the opinion of the court, feel no disposition to interfere with your use of the State works as heretofore, subject to their rules and regulations.

Not regarding your road as a rival to the State works, we have been, and are now, willing to make any arrangement with regard to freights which may operate to the mutual advantage of the commonwealth and your company.

The letter was signed by John A. Gamble, President.

At the same meeting the following preamble and resolution were unanimously adopted:

Whereas, It has been represented to members of the City Councils that this Board is inimical to a subscription on the part of the city of Philadelphia to the SUNBURY & ERIE RAILROAD, and as the Board, while they entertain different views, do not wish to be considered as interfering with a subject with which they have no direct interest, yet to avoid misapprehension, be it

Resolved, That this Board view the speedy construction of the SUNBURY & ERIE RAILROAD as of vast importance to this city and to the State of Pennsylvania, and that they will use their individual exertions to secure so desirable an object.

The Board on January 31, 1853, decided upon a bill to be presented to the Legislature authorizing the Company to subscribe to the stock of other roads not in the State to the amount of fifteen per cent of the capital stock of the Pennsylvania Railroad Company, and also to increase the capital stock of that Company by $4,000,000, with authority to run their cars over all connecting railroads, and to give authority to the City Railroad to lay tracks from the Schuylkill bridge to 13th and High (Market) streets.

The Legislature of Pennsylvania had just approved a contract between the Canal Commissioners and Messrs. Bingham & Dock, for three years, containing a clause which for the time confirmed the right of the Pennsylvania Railroad Company to run their cars over the Columbia Railroad and over other connecting or continuous lines. At the same meeting the President called attention to these facts, and stated verbally that Governor Bigler had, through Mr. Yeager, President of the Harrisburg and Lancaster Railroad Company, requested an interview with him, and had suggested that "if an arrangement could be made with Bingham & Dock it would be very desirable that such should be done." After two interviews with Bingham & Dock, the following basis for an agreement, subject to the sanction of the Board of Directors, was determined upon:

First.—The Pennsylvania Railroad Company purchases one-half the rolling stock and passenger cars belonging to Bingham and Dock, at cost.

Second.—The Pennsylvania Railroad Company will accept on one-half the total a mortgage on the property at corner of Schuylkill, 5th and High streets.

Third.—The Pennsylvania Railroad Company to have the entire and exclusive control of the line, the appointment of all officers, &c., without any interference from Bingham and Dock.
Fourth.—Bingham and Dock to have one-half the profits by transporting passengers and the mail between Philadelphia, Dillersville and Columbia after deducting all expenses.

The President was authorized to ratify the above arrangement with Bingham & Dock, "so soon as the proper arrangements can be made and until legislative enactment can be obtained, permitting our passenger, mail and freight trains to run over the railroads of the Commonwealth." Under the terms of this act the Pennsylvania Railroad Company purchased one-half of the stock in the passenger model of the Susquehanna viaduct was received on February 13, 1853, and the Secretary was directed to acknowledge the receipt thereof.

A bill repealing the Railway Gauge law in Pennsylvania was passed in the House by a majority of 54, on April 1, 1853; the same bill having passed the Senate a few days previously.

This repeal left the question of gauge to be decided by the various Companies.

The purchase of a lot in Altoona upon which to erect a hotel for the accommodation of pas-

Bridge over the Susquehanna, six miles west of Harrisburg. 1853.

cars upon that road, which were run under the contract referred to, which was to remain in force until August 16, 1856.

The returns of the votes cast at the election of Directors were read on February 9, 1853. J. Edgar Thomson was unanimously re-elected President, and J. R. Tyson was chosen Solicitor. The resignation of Edward Miller was read and referred to the President for action.

A medal awarded by the World’s Fair, held in London during the previous year, for the passengers met with the approval of the Board April 13, and on May 11 the deed was delivered.

At the meeting held April 20, 1853, the Board proceeded to the election of a Chief Engineer, to fill the vacancy occasioned by the resignation of Mr. Miller. Mr. Spangler nominated Herman Haupt as Chief Engineer; this being the only nomination made, the President appointed tellers, “who, upon casting up the votes polled, declared that Herman Haupt had received the whole number of votes cast,
and was therefore unanimously elected Chief Engineer."

Herman Haupt, having completed his engagements in the south, at once returned to the service of the Pennsylvania Railroad Company, and shortly after the engineer department was reorganized. Personal direction of the completion of the Summit Tunnel was then assumed by Mr. Haupt, assisted by Thomas W. Seabrook. Many difficulties had to be overcome, on account of the water which issued from the middle shaft at the rate of 175 gallons per minute.

The principal dimensions of the tunnel then were as follows: Length, 3,612 feet, width 24 feet, height 22 feet above grade, or 21½ feet above the rails; distance below the summit of the mountain 202.7 feet, depth of eastern shaft 149.8 feet, of middle shaft 195.7 feet, of western shaft 184.4 feet; sections of first shafts 6 by 10 feet, of new shaft 8 by 13 feet; depth of new shaft 194.1 feet.

Edmund Smith was appointed principal assistant engineer upon the reorganization of the engineer department in April, and began his new duties by supervising the erection of the two depots and other buildings in Philadelphia. To his charge were also assigned all the accounts of the engineer department. During the summer and fall of 1853 he perfected the plans for the erection of the machine shops at West Philadelphia, and the passenger and freight stations on Market street.

The committee on the purchase of property in High street below 12th, on April 22, reported that they had "purchased the lot for $40,000, subject to a ground rent of $266 per annum. They have also the refusal of five other lots for $30,000 each, and it being necessary to close with the parties at once," they recommended the following resolutions which were adopted:

Resolved, That the Committee on Property be authorized to purchase the five lots as reported at $30,000 each.

Resolved, That the Committee be authorized to purchase the property on the northeast corner of 12th and High streets, and from thence along 12th Street to Filbert, if it can be had at a price that they may think fair, for the interest of the Company.

At the next meeting on May 20, 1853, after some remarks by the President concerning the election of a Vice-President from the Board of Directors, William B. Foster, Jr., was chosen.

The contracts, submitted by Mr. Lombaert to the Board at the meeting on May 25, 1853, for cars and locomotives amounting to $548,345, to be completed on November 1, 1853, was approved.

At the same meeting, Edmund Smith, assistant engineer, submitted to the Board a statement of the amounts already paid for the construction of the freight depot at 13th and High (Market) streets, amounting to $24,056.41, with an estimate that the total cost of the building with a single track laid on the eastern side would be $28,000.

The purchase of a lot near the Arsenal at Philadelphia for $30,000 was on June 8 authorized.

At a special meeting of the Board on July 9, 1853, $500 was appropriated for a Library and Reading Room at Altoona.

Early in 1853 the bridge across the Ohio river at Wheeling was completed, which on account of the low spans was an impediment to navigation.

The American Railroad Journal of September 17, 1853, under the caption "Wheeling Bridge Controversy" thus discusses the situation:

Wheeling built a handsome suspension bridge, made purposely low to prevent large steamers passing up to Pittsburgh, thereby making Wheeling the head of navigation.

Pittsburgh, in the name of the State of Pennsylvania, applied to the Supreme Court of the United States to tear down the bridge. The Supreme Court, after much deliberation, decided that the bridge must go up higher (20 feet) or come down, as it is a nuisance. Wheeling people induced Congress to declare their bridge a post route just as it stands.

"Will the Supreme Court order the nuisance to be abated in spite of Congress?" "That remains to be seen."

The distance between the rival commercial cities of Wheeling and Pittsburgh is 95 miles.
Pittsburgh so controlled the legislation of Pennsylvania that the B. & O. Railroad could not get the right of way through the State without submitting to burdensome conditions.

So after much negotiation the Company constructed the road over and through the mountains of Northern Virginia.

The Directors at a meeting on September 28, 1853, resolved that, in their opinion, "the Baltimore and Ohio Railroad, the Pennsylvania Central Railroad, the New York Central, the New York and Erie, and the Hudson River Railroad Companies are all eminently first

class mail routes in the meaning of the acts of Congress on the subject." They thereupon entered into a joint agreement for "carrying the mails and the payment therefor by the Government."

In the course of this year the new portage railroad was constructed to the foot of Plane No. 4, by which Planes No. 2 and No. 3 were avoided."

1 Plane No. 1 had been dispensed with in the spring of 1852. That part of the road which avoided Plane No. 4 was built in 1854, and those sections rendering Planes Nos. 5, 6 and 7 unnecessary were constructed in 1855-56.

The American Railroad Journal of October 1, 1853, contains the following statement showing that the construction of two inclined planes on the Mountain Division was under consideration at that time:

The Central Pennsylvania Railroad Company are rapidly pushing the surveys of a new road from Altoona to the summit of the Allegheny Mountains, about 12 miles in length, intended for the transportation of freight. By adopting two inclined planes, they secure on this route an easy grade for their burden trains, and preserve their road now nearly completed, exclusively for rapid transit

of passengers. The new route will be placed under contract soon.

At a meeting of the Board on October 12, 1853, the property at the southeast corner of 12th and Filbert streets being offered for sale for $5,500 the matter was referred to the Real Estate Committee.

During the following month it was agreed to buy four and a half acres of ground at Altoona for a station and hotel.

Notices of the election of Messrs. Derby-

1 Now occupied by the terminal station of the Philadelphia and Reading Railroad.
LOCOMOTIVES CONTRACTED FOR WITH VARIOUS MANUFACTURERS.

shire, Howell and William R. Thompson, dated November 30, as members of the Board of Directors, was laid before the Board at their meeting on December 3, 1853. At the same meeting Hernan Haupt, General Superintendent, stated that he expected to pass an engine through the tunnel on the Mountain Division on the 15th of January, 1854, and to run regular trains through it by February 1, 1854.

At the meeting of the Board on December 6, Superintendent Lombaert submitted a proposition for the purchase of six engines from Smith and Perkins at $9,800 each; and another from Richard Norris and Son to deliver three engines at $9,000 each in December, 1853, three to be delivered in January at $9,000 each, and two engines, not to cost more than $10,000, to be delivered in January. Also a bid from M. W. Baldwin for two engines at $9,400 each, to be delivered in December, four engines (2 with eight wheels) at $9,400 each, to be delivered in January, four engines, at $9,400 each, to be delivered in March, and two engines, at $9,400 each, to be delivered in April. These propositions were referred to the Finance Committee, and afterwards accepted.

At the same meeting, telegrams and letters were read telling of "a conspiracy in Pittsburgh in reference to the suits entered against this Company for passing small notes contrary to the laws of Pennsylvania." It is stated in the minutes that "writs to arrest the perpetrators were issued."

The President in his report to the Board on December 12, 1853, in regard to the legislation desired by the Company at the next session of the Legislature, made the following statements:

The Board having desired me to report what legislation the Company will require from the ensuing Legislature, I will state that there is no legislation that is essential to the prosperity of the Company needed. It is very important, however, to the trade of Philadelphia, and the influence which the Pennsylvania Railroad Company will exert upon the prosperity of the country it traverses, that the tax on its tonnage should be removed or reduced.

It is also important that the right of the State to purchase our road at the expiration of twenty years from the time of its completion, should be rescinded.

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**Pennsylvania Railroad Engine No. 166.**

4-Wheel Passenger Locomotive Built by Blandy Locomotive Works in 1853.

- Cylinders 16 inches Diameter by 20 inches Stroke.
- Drivers 66 inches Diameter, Iron Tires.
- Grate Area, 16.5 Square Feet.
- Total Heating Surface, 1051.4 Square Feet.

| Weight in Working Order, No Record. | Weight on Drivers in Working Order, No Record. | Weight on Truck in Working Order, No Record. |
This privilege is of no value to the State, as she will never avail herself of it, but it is of material consequence to the stockholders, as it lessens its value in the eyes of those who are familiar with the provisions of the Company's charter, while many have purchased without knowledge of any such condition. It is a question whether the Company has not rendered itself liable to censure for not referring to this condition on the face of the certificate of stock issued.

We also desire the passage of an act closing the Pennsylvania Canal, south of Liberty Street, in the city of Pittsburgh. The Company now owns the whole of the property on each side of the canal, and are the only parties interested in property that will be affected by the change desired.

It is important to us as affording a means of reducing the gradient in Liberty Street to 50 feet per mile instead of 70, as at present.

If the Board deem it essential that you should at all times be provided with stock sufficient to meet the convertible loan sold, we should either increase our capital one additional million or obtain a reply to that portion of our charter which confines our efforts to one-half of the capital actually paid in.

There does not appear to me to be any additional legislation desired except what may become necessary or expedient from the position we may be placed in in relation to public works, by the proceedings of the two Houses this winter.

At the meeting of the Board December 21, 1853, the Road Committee made a report and presented a plan of organization for the Legal Department, to embrace the district from Altoona to Pittsburgh. This organization went into effect January 4, 1854.

The Legislature, at the session of 1852, gave the Company authority to hold through a trustee during a period of five years the remaining sixty-three acres of the Powelton estate in West Philadelphia, and the Girard Life and Trust Company was selected as the trustee. The matter was duly arranged during the year 1853. When the sale of the portion of land west of the Columbia Railroad was agreed upon, Mr. Thomson stated that—

It has been suggested that this property, in connection with a portion of the Bingham estate, would afford the most advantageous site that could be secured in the vicinity of the city for a PUBLIC PARK. No other point seems to possess equal attractions, and although the Board feel confident that they can realize a larger sum by retailing it as proposed than from such a disposition of the property, they are yet disposed to throw out the suggestion for the consideration of the authorities of the consolidated city.

This was one of the first steps taken in connection with the project which finally culminated in the establishment of Fairmount Park, to the great glory of the city of Philadelphia.

During 1853, as has been stated, ground was secured for a passenger station on the north side of Market street, between Eleventh and Twelfth streets, but the accommodations for receiving and forwarding freight at Pittsburgh remained temporary.

The improvements at the freight station at Thirteenth and Market streets had been so far completed by the 1st of April, 1853, that a portion of the building was occupied by the transportation department on that day. Sidings to the extent of 8,300 feet had been constructed by the Company during 1853 upon the Powelton tract in West Philadelphia, and temporary arrangements had been made by which the passenger depot owned by the Philadelphia, Wilmington and Baltimore Railroad Company at the southeast corner of Eleventh and Market streets could be used for passenger purposes.

The anticipation that the tunnel at the summit of the Allegheny mountains at Galitzin would be completed during the fall of 1853 was not realized. Unexpected delays occurred, and the "extraordinary demand for laborers, and the diminished product of their daily services (a uniform consequence of any sudden increase in the rate of wages)," materially delayed the completion of the work and added to its cost. The contractors were compelled to obtain men from the seaboard, who, "in order to prevent delay, were carried at the expense of the Company."

During the year 1853 the average amount of material removed from the Summit Tunnel was about 2,800 cubic yards per month, which was increased to 4,500 yards per month near the close of the year. The whole cost of the
JOURNEY FROM PHILADELPHIA TO HOLLIDAYSBURG, 1853.

331

tunnel amounted to about $450,000 or $125 per lineal foot.

During the year 1853 $214,000 had been paid for the use of the Portage Railroad, an amount nearly sufficient to meet the interest on the cost of that part of the road, including the expense of working it.

In directing attention to the remarkable accuracy with which the original estimates were made by John Edgar Thomson, Herman Haupt in his report for 1853 (dated January 25, 1854), makes the following statement:

It must be a source of much gratification to the stockholders that, notwithstanding the necessity of forcing the work at a period of unusually high prices, and by using night labor on some of the heaviest sections, the original estimate of the Chief Engineer very nearly covers the expenses, a fact which is very remarkable when the character of the work and difficulties of construction are considered. On the Eastern Division the coincidence is unusual; the first estimate was $4,095,882, and there have been expended $4,050,000, but several small expenditures in graduation, charged to double track, will about consume the difference.

The first estimate, including only the Eastern and Western Divisions, was as follows:

Eastern Division, from Harrisburg to Altoona, including the Hollidaysburg Branch and exclusive of interest.................. $4,095,882
Western Division, including Blairsville Branch ........................................ 2,942,805

Original estimate cost .............................................. $7,038,687
Actual cost .......................................................... 7,500,000

At the close of the year the total amount received from stockholders in payment of capital stock had reached the sum of $11,228,020, the receipts from loans being $5,084,948, of which $14,360,637.64 had been expended for construction and interest; $1,300,000 having been invested in subscriptions to stock of various western railroads as follows:

Ohio and Pennsylvania Railroad............. $150,000
Ohio and Indiana Railroad .................. 300,000
Marysville and Big Sandy Railroad....... 100,000
Marietta and Cincinnati Railroad....... 650,000
Springfield and Mt. Vernon Railroad... 100,000

$1,300,000

It will be noticed that the $150,000 subscribed to the stock of the Ohio and Pennsylvania Railroad which was authorized by the stockholders in 1852, is not included in this amount, as it had not been claimed by that company, and it was not intended that it should be, except for the proposed bridge over the Allegheny river at Pittsburgh.

The total receipts from all sources during the year 1853 were $2,775,000, of which $1,500,000 was from freight and $1,125,000 from passengers, including emigrants. The total expenses were $1,674,000, leaving a net profit of $1,100,000.

The following description of a journey from Philadelphia to Hollidaysburg in 1853 appeared in The Pictorial Sketch-Book of Pennsylvania published by Eli Bowen in that year under the title of Locomotive Sketches with Pen and Pencil. It will be read with great interest, and especially by those whose memories of similar journeys cause them to appreciate the advance made in the methods of railway management during the last half century:

No. 129 Aug 17 1853
Pennsylvania Railroad Co. received

for One Seat

from Perryville to Millersville

G. D. Thomas Agent.

Receipt for 35 cents for one seat from Perryville to Millerstown, G. D. Thomas, Agent. Issued August 17th, 1853. This receipt system was in vogue before printed tickets were used.

We have a long journey before us—three hundred and sixty-three miles. But we have an iron horse and his fiery breath never fails. The first mile of our journey is confined to the widest street in Philadelphia, and to a railroad constructed at its expense. Messrs. Bingham and Dock, forwarding merchants, have leased the railroad belonging to the State; have erected a handsome depot at the corner of Schuylkill 5th and Market Streets. Passengers for Columbia, &c., take the cars here.
We next pass the City Gas Works, situated on the Schuylkill. They are the most complete in their structure and arrangement of any similar establishment in the country. They were commenced in 1835, with some doubt as to the practicability of the undertaking, in an economical view.

A few yards from the Gas Works we pass over the Market Street Bridge, one of the finest and most substantial structures in the United States. One side of it is appropriated to the exclusive use of the railroad, and has a double track laid down upon it. All the freight and passenger cars passing over the railroad are hauled to and from the city by horses, for which purpose a large number are employed. The other side of the bridge is used for the passage of horses and vehicles, while, for foot passengers, there is an outside walk, from which a fine view of the Schuylkill is obtained.

The Columbia Railroad commences at the Market Street Bridge, in Philadelphia, and pursues a western course, by Downingtown and Lancaster, to Columbia on the Susquehanna river, where it connects with the Eastern Division of the Pennsylvania State Canal. Formerly it had two inclined planes, one at Philadelphia and the other at Columbia; but both have been avoided by laying down new tracks with but slight gradients, the highest not exceeding thirty-five feet to the mile. The motive power on this road, as also on the Allegheny Portage Railroad, is furnished by the State, for which a charge is made in addition to the road toll. This road was among the earliest completed in the country, having been opened in April, 1834, and cost $1,983,302.

Eagle Hotel (seventeen miles from Philadelphia) is chiefly remarkable as being one of the oldest inns in the State. The turnpike from Lancaster to Philadelphia, sixty-two miles in length, was commenced in 1792, and finished two years afterwards at a cost of nearly $500,000. It is probably the first improvement of the kind ever commenced in the United States.

The Conestoga is connected at Safe Harbor with the Tide Water Canal, situated on the opposite side of the Susquehanna. The boats are towed across the river by a steamboat. It is at this plane that the splendid rolling mills and furnace of Messrs. Reeves, Abbott & Co. are located. These works were erected a few years ago at a probable cost of two hundred thousand dollars. Large beds of iron ore surround them, and the site is in all respects admirable for an establishment of this character. Most of the iron used on the Central Railroad was manufactured at this place, and we venture nothing in saying that in all the essentials constituting a perfect rail, a more complete one never was laid down in the United States.

One mile northwest of Lancaster the State Railway intersects that of the Lancaster and Harrisburg line, thirty-six miles in length. The former
extends to Columbia, ten miles distant. Columbia is one of the most attractive and flourishing places in the State, delightfully situated on the Susquehanna river. It is in the midst of public improvement radiating in every direction. The Pennsylvania Canal commences here, following the valley of the Susquehanna to Northumberland, where it branches into two divisions, following respectively the north and west branches of that river.

Opposite Mifflin the railroad company has erected several large buildings, including the hotel, which is, in our opinion, one of the finest establishments of the kind in the United States; at the same time that it is extremely plain in its internal structure and cost comparatively a trifling amount.

The railroad company, in the construction of all its numerous buildings, has given a practical exposition of the laws of good taste and architecture as founded on economical principles. There is not one of its buildings, even the little watering stations, that does not rise far superior, in the spirit of design, to any on the route. And the force of our remarks will be appreciated when the above hotel is compared with other establishments characteristic of the country. It was erected with direct reference to the taste, comfort and entertainment of the traveler, points which are too often overlooked by railway companies when constructing their line of improvement. They too often suppose that nothing more is expected of them beyond the mere transportation of the “flesh and blood,” with the accompanying bag and baggage. No matter what inconveniences the weary traveler is exposed to, it is no affair of theirs; it is not “found in the bond.” This, however, is not the spirit that actuates the Pennsylvania Railroad Company. The Patterson House, named in compliment to a former president, is one that will tempt the traveller from the fatigues of his journey, and, being tempted, will obtain a hold upon the affections of the “in’ard man.” The table is sumptuous, the dining-room spacious and cool, the servants black as charcoal and polite as a Pennsylvania sun can make them. The proprietor, whoever he is, is evidently a learned man in his useful profession, and seems to act upon the lines of old Goldsmith—

Who’er has travelled life’s dull road,
Where’er his journeying may have been;
Must sigh to think he still hath found,
The warmest welcome at an inn.

This hotel is 156 miles from Philadelphia and 207 miles from Pittsburgh. It is elevated 430 feet above the tide-water, while the altitude of the surrounding mountains will average about 700 feet.

In the rear of the Patterson House are situated the workshops and engine-house of the railroad for the eastern section.

The buildings are of brick, put up in the most substantial manner, with due regard to ornament. Whatever repairs of the running machinery of the road may be necessary from time to time will be attended to here.

Passing the unimportant station of Tipton’s Run, Fastoria, Bells’ Mill and Blair Furnace, we arrive at the intersection of the branch and main line of the railway at Altoona.

Altoona (238 miles from Philadelphia, 125 from Pittsburgh, a level of 1,168 feet above tide-water) will ultimately become one of the most important places of this route.

And it is a source of satisfaction to perceive that there is plenty of room, and that admirably situated, for a large and flourishing town. The surrounding country being the rich slope of the Allegheny, is highly cultivable, and one needs the industrious farming population to clothe it in the lively colors of growing crops. Altoona contains the machine shops and engine-houses for the western section of the road, and the hands employed in them, together with the agents of the road stationed here, will be quite sufficient to people a village of more than ordinary pretensions. The railroad company has already erected several handsome buildings, besides the machine shops referred to (which will soon be enlarged to twice their present capacity), and after the piece of road overcoming the mountain is finished, a large and splendid hotel will be added, with numerous other buildings for private residences. If lots can be purchased, we know of no place along the line where money could be invested with a safer prospect of future profit.

Six miles further, following the branch road, we reach the foot of the Allegheny mountain, our steam horse bringing us directly in front of a spacious and showy hotel very properly called the Lewistown Station. 1853.
Mountain House. Hollidaysburg, the termination of the Eastern Division of the Pennsylvania Canal, lies about one mile south of us. It is a very busy place, suddenly called into existence and principally supported by the trade of the canal, and contains a population of about twenty-five hundred. It is otherwise without interest, and will probably lose some of the trade it now enjoys after this portion of the road is avoided the Central Railroad.

The branch road extends from Altoona six miles to Hollidaysburg, where it meets the Allegheny Portage road, already mentioned as crossing the mountains by means of inclined planes and stationary steam engines. The Main Branch of the Central Railroad, between Altoona on the eastern, and a point a few miles from Conemaugh station on the western slope of the mountain, is still in an unfinished state, but will probably be ready for use in the course of the next ensuing eight months. This road boldly climbs the mountain without the assistance of inclined planes. The ascent is accomplished in twelve and a half miles by a maximum gradient of eighty-four and a half feet on straight lines, reduced, on curvature, according to their diameter, to seventy-five feet upon those of minimum radii. To reduce the elevation to be overcome from the foot to the summit of the mountain, a tunnel has been driven through it at the highest elevation of the road, which is over eleven hundred yards in length. The elevation of this tunnel above tide-water is nearly twenty-two hundred feet. The whole distance across the mountain from Altoona to Conemaugh station is about thirty-five miles, or about the same distance as the present Portage Railroad with its ten inclined planes.

A brief description of this road, or some of its most prominent characteristics, may not prove uninteresting in this place. It is, without doubt, all things considered, the most complete, the most substantial, the most interesting railroad improvement yet constructed in the United States. It was commenced in 1847, and will be completed throughout, with single track and siding, in the ensuing year. It extends from Harrisburg to Pittsburgh, connecting the Ohio river with the capital of the State, and by means of the railroad already finished on the east, with Philadelphia, the second city in point of population on the Western Continent and first in the national resources of the country tributary to it. The length of the Pennsylvania Railroad is two hundred and forty-eight miles, of which about two hundred and twelve miles are now in successful operation, while the whole of the remaining portion is under contract and rapidly advancing towards completion. The route of this road, although it intersects in its course all of the mountain ranges of the State, is highly favorable. The Allegheny mountain is the only one not severed to its base by either the Susquehanna, Juniata or Conemaugh rivers, the valleys of which are followed by the railroad through the great gateways nature has opened for its accommodation. The distance from Harrisburg to Altoona, at the foot of the eastern slope of the mountain, is one hundred and thirty-one miles. and the ascent overcome is eight hundred and fifty-eight feet. The steepest ascending gradient on this part of the road passing eastwardly is ten and a half feet per mile, and westwardly twenty-one feet per mile. From Altoona to Pittsburgh the steepest gradient is fifty-two and eight-tenths feet per mile, with the exception of nearly twelve miles of the eastern slope of the mountain already referred to, where a maximum gradient of eighty-four and a half feet on straight lines, reduced to seventy-five feet by curvatures, is encountered, upon which extra locomotive power

Iron bridge below the Conemaugh Viaduct, 1853.

Conemaugh Station. 1853.
may be employed, locomotive stations being located on both sides of the mountain, at Altoona and Conemaugh, near Johnstown.

The Pennsylvania Railroad is graded for a double track in all the tunnels, rock cuttings and much of the earth work; the masonry in all cases is constructed for a double track. Thirty-nine miles of the mountain division, and thirty-four immediately east of it, it is proposed to lay with a double track at once, and on all the rest of the line there will be sidings every five miles. The superstructure is of the most substantial character. The cross-ties are of white oak, eight by eight inches, eight and a half feet long, placed two and a half feet apart; are embedded in ballasts of broken stone, twenty inches in depth. This is one of the finest features of the imported iron from England. One-half of the accidents occurring on railroads are to be attributed to the inferior quality and the lightness of the railroad iron. The buildings and bridges we have also observed before are of the most improved, elegant, and substantial character, and the example afforded by our illustrations will abundantly establish their superiority over structures of the same class on other railroad lines. In the words of the Ethiopian song:

We have travelled East
And we have travelled West,
And we have been to Alabama;

but in all our travels we never saw a more complete, systematic and interesting railroad line than this, the pride of the Keystone State.

Millerstown. on the Juniata. 1853.

While very little has been expended in unnecessary ornament, no expense has been spared which was required to secure a substantial excellence. From Altoona to Pittsburgh one hundred and seventeen miles, there are only two wooden bridges, each of about one hundred feet span, all the others being constructed of iron.

The foregoing description shows very clearly that it was the policy of the management from the very beginning to merit the approval of the travelling public by maintaining a high standard of excellence in the construction and equipment of the Pennsylvania Railroad.
1854.

The financial depression which began to be felt throughout the country in the previous year became so serious during 1854 that every unfinished line of public improvement was affected by it. The Pennsylvania Railroad Company was no exception, and found difficulty in selling the bonds of the Company in order to complete the second track and stations. It was determined to prosecute the work with reduced forces rather than sacrifice the securities by selling them below par and thus incur a large floating debt. "Under these circumstances sound policy enjoined retrenchment, and instead of laboring for the early completion of the second track, attention was directed to a reduction of expenses to the lowest limit practicable." By pursuing this course the Pennsylvania Railroad suffered much less than any similar enterprise, and business advanced steadily without interruption. As an evidence of the confidence in the Pennsylvania Railroad's securities many of the contractors for labor and material accepted without hesitancy all the stock and bonds of the company at cash prices, rather than suspend operations. Among these was Messrs. Lyon, Shorb & Co., who agreed to furnish all the iron required for bridges on this basis, while J. Irvin, of Bellefonte, made a similar arrangement in regard to iron rails.

The use of the electric telegraph had proved to be such an advantage in railway operation that a Special Committee of the Board had been appointed in 1853 to investigate the merits of the various systems. At the first meeting of the year, on January 4, the Committee reported that "from what they could learn," the Morse system was best adapted to the needs of the Company. They recommended the erection by the Company of a line from Altoona to Pittsburgh, and that temporary arrangements be made with the existing "Morse Line" for their telegraph between Philadelphia and Altoona, and "for the use of their patent right between Altoona and Pittsburgh, reserving the decision on the question as to which system shall be permanently used." The Committee was directed to carry out this arrangement.

At the same meeting the whole work on the Western Division was transferred to the supervision of Thomas W. Seabrook, owing to the resignation of William W. Wright, who had accepted the appointment of Chief Engineer on the Memphis and Charleston Railroad on the first of January, 1854.

Under the newly organized legal department William A. Stokes was appointed on January 4 solicitor of the district extending from Altoona to Pittsburgh. The employment of an assistant at Pittsburgh was also authorized, "said assistant to be nominated and approved by this Board before entering upon his duties."

The President presented to the Board on January 18, a form of bond for an additional loan of $1,000,000 of the $2,000,000 remaining unsold from the loan of $5,000,000 authorized in 1852.

The tunnel through the summit of the Allegheny mountains was completed January 21. It was 3,612 feet long, 2,685 feet being arched and walled with 7,700 perches of cut stone and 6,400 perches of brick masonry. For a distance of 927 feet the tunnel was cut through solid rock, where arching was unnecessary. Eight feet of the arch on each side was built of cut stone, 22.5 inches thick, resting on abutments of rock range work of the same thickness: the crown consisted of five courses of hard burnt brick, the whole laid in hydraulic cement. The height above grade was twenty-three feet, the greatest elevation, at the west end of the tunnel, being 2,161 feet above the tide. The grades ascending the eastern slope begin at Altoona, and in a distance of twelve miles to the west end of the tunnel the elevation overcome was 903 feet, or 82.75 feet a mile. The cost was $450,000, or at the rate of nearly $7 a yard.

The difficulties of previous years in conducting the business of the Pennsylvania Railroad Company over the Philadelphia and Columbia Railroad continued to increase, and during the early part of the year 1854 the
friction became so great that it was determined, if possible, to obtain a new connection and outlet for the trade from Philadelphia. At the annual meeting held February sixth, the following resolution, submitted by Morton McMichael, was adopted:

Whereas, The increasing trade and travel over the Pennsylvania Railroad will, in the opinion of this meeting, require additional facilities for its speedy transmission to and from this city;

And Whereas, The capacity of the State Road will not be sufficient to accommodate it when a double track is laid on the Pennsylvania Railroad, it therefore becomes necessary to look to some other additional channel.

And Whereas, The authority given in the charter granted to the Lancaster, Lebanon and Pine Grove Railroad Company for the construction of such a railroad will, if carried into effect, accomplish so desirable a result; therefore,

Resolved, That the Board of Directors of the Pennsylvania Railroad Company be and they are hereby authorized to subscribe in the name of this Company for ten thousand shares of fifty dollars each of the capital stock of the Lancaster, Lebanon and Pine Grove Railroad Company upon such terms and conditions as they may deem proper.

The passage of the above resolution was urged by Messrs. McMichael, Cresson, Wickerson, Thomson and Magee.

Edward A. Penniman having asked for the authority of the Company to subscribe to the stock of the road, Mr. Foster replied by reading that portion of the Charter of the Lancaster, Lebanon and Pine Grove Company, giving the authority.

Mr. Magee stated that while he regretted the necessity of building the road, he considered that the action of the Canal Board had rendered such a course necessary.

The resolution was adopted with but one dissenting voice.

This diplomatic move by the stockholders had the desired effect upon the taxpayers throughout the State, who were well aware that if the business of the Pennsylvania Railroad Company should be withdrawn from the Philadelphia and Columbia line, great loss would ensue.

The entire line from Harrisburg to Pittsburgh was opened on the 15th of February,
avoiding twenty-eight miles of the Portage Railroad. The rapid work of completing this portion of the road was referred to by President Thomson in his next annual report, as follows:

The increased speed upon the New York and Baltimore lines at the close of the previous year made it essential that we should also reduce the time occupied in passing over our route or we should lose the spring travel. To accomplish this in season it was necessary to bring that portion of our road across the Alleghenies into use before it was entirely completed. The objects secured by this premature opening fully justified the increased cost and inconvenience of finishing the work, due to the frequent interruptions to the forces employed by the numerous trains traversing the road. The unfinished work consisted of the removal of slides from side cuttings that had occurred to a considerable extent from some of the high embankments, together with the arching of the tunnel under the summit of the mountain, the roof of which had been previously made safe by supporting it with heavy timbers.

Four-spoke chair for "H" rail, Mountain Division, Pennsylvania Railroad. 1854.

Herman J. Lombaert, Superintendent, in his annual report for 1854 said:

On the 15th of February, 1854, the Mountain Division of the road was opened for general business, thus bringing the entire line of the Pennsylvania Railroad into use. The working of this Division, particularly the high gradient, has been attended with results much more satisfactory than were generally anticipated, the trains passing over it with as great regularity as upon other parts of the road.

By the opening of the Mountain Division the entire line of the Pennsylvania Railroad was brought into use. The road then consisted of a single track two hundred and thirty-seven miles long, from Harrisburg to Pittsburgh, but on the portion one hundred and thirty-one miles long, between Harrisburg and Altoona, only thirty and three-quarters miles of second track had been laid, leaving over one hundred miles yet to be completed to make it a double track road between these points. Five and a half miles of sidings had been laid during the year at stations and elsewhere. In Altoona yard about four miles of sidings had been laid. Between Altoona and Johnstown the double track was made continuous during the year 1854. With the exception of a few long sidings there was no second track between Johnstown and Pittsburgh.

As stated by an able writer¹ "The completion of the road from Harrisburg to Pittsburgh added a powerful impulse to the development of the resources of the State of Pennsylvania, and perfected that grand scheme by which almost a century previous the inhabitants of the metropolis sought to secure the trade of the west."

Early in March a third through train was added to the schedule leaving Philadelphia at 1 o'clock in the afternoon and reaching Pittsburgh in thirteen hours. The midnight train from Philadelphia reached Pittsburgh in fifteen hours, and the 7:30 morning train, which made local stops at all stations, consumed seventeen hours in the trip. Three trains also passed over the road from the west, but in consequence of the condition of the south track of the State Railroad, the time between Lancaster and Philadelphia was considerably increased. At that time a local train between Blairsville and Pittsburgh was run, arriving at the latter place early in the morning, and leaving it at the close of the day. A "passenger car in connection with a coal train" was also run every morning from Pittsburgh to Turtle Creek, a distance of ten miles, returning in the evening. The beginning of local traffic on the Western Division was thus inaugurated by a car attached to a coal train.

President Thomson, in his annual report, explained the reasons why the through trains

¹ History of Pennsylvania, by Dr. W. H. Egle, 1883.
were run at such a high rate of speed as follows:

The speed of our passenger trains is greater than we originally intended or true economy would seem to justify; if it was not necessary to meet competition with rival roads and make up for the time lost in transferring passengers from New York to our station in Philadelphia.

In the meeting on the first of February the construction of a bridge at Pittsburgh was discussed, and consideration was given to the resolution of the Councils of Pittsburgh in regard to the Ohio and Indiana Railroad bridge. The subject was laid over for future action.

The Board on February 17 declared by resolution that “it was contrary to the wishes of the stockholders to run a Sunday morning train,” and a motion to continue the running of this train was lost.

At the meeting of the Directors on March 8 the following preamble and resolution was offered by Mr. Derbyshire:

Whereas, In order more effectually to guard against accidents on the part of employees of this Company from the habit of drinking alcoholic, spirituous, vinous or malted liquors as a beverage (if there be any who now do so drink),

Resolved, That it shall be the duty of the Superintendent of this Company to notify and forbid all persons occupying the premises or property belonging to the Pennsylvania Railroad Company from keeping or selling such liquors, and, further, that it shall be the duty of said Superintendent to see that this resolution be faithfully complied with.

Resolved, That the Superintendent be required to report to the Board of Directors upon the expediency of refusing all trains stopping at any public house or at other places where spirituous, vinous or malted liquors are sold or kept as a beverage .

At Mr. Derbyshire’s request the resolution was referred to the Road Committee.

At the meeting of the Directors held March 23, the Vice-President addressed the Board to the effect that a strong disposition existed at Harrisburg in favor of the sale of the public works. He advised that the Company purchase them, and believed that in this event the three mill tax would be taken off, and other advantages gained, but unless the purchase was made by this Company, he thought there was no hope for the removal of the tax.

After a lengthy discussion by the Board, the following resolution was adopted:

Resolved, That the President and Vice-President be authorized to take such measures in relation to the bill before the Legislature for the sale of the main line of the State works as they may think best for the interests of the Company.

The Directors on April 19 called upon the Superintendent for a statement of receipts and expenditures connected with the running of Sunday trains during the year ending March 1, 1854.

A special meeting of the Board was called for April 25 for the purpose of considering the bill recently passed by the Legislature for the sale of the main line of the public works. A letter addressed to the President was read from Mr. Roberts, Chairman of the Committee on Ways and Means, asking what action this Company intended to take in the premises. A lengthy letter, prepared by the President, in reply to the communication from Mr. Roberts, was read, “and held under protracted discussion, all the members of the Board taking a part in the debate.”

The following resolution was unanimously adopted:

Resolved, That the Board of Directors cannot recommend to the stockholders the purchase of the main line of the State works under the provisions of the bill recently enacted for the sale of the State works.

At the meeting of the Board held May 3, the President was requested to prepare a document to be read at the next meeting of the
stockholders setting forth the reasons of the Company for declining to purchase the State works.

The American Railroad Journal of July 1, 1854, made the following statement of the expense involved in the construction and support of the State works:

The State has now contracted a debt of $40,000,000 and expended, as has been publicly stated, $100,000,000 in the construction and operation of her public works. The State is now seeking a purchaser for her main line of public works at the sum of $10,000,000. These works are represented in the State reports to have cost $16,500,000, although this does not include the vast sums sacrificed by the State on their account and not represented in the first cost.

Mr. William B. Foster was elected Vice-President by the Board on May 19.

The passenger station at Eleventh and Market streets was fully completed May 20 under the direction of Edmund Smith, who also had charge of erecting the depot at Thirteenth and Market streets. The latter, when completed in the next year, was the largest city station in the United States, covering an area of 93,000 square feet. In it was a cast-iron turntable designed by Mr. Smith, which the chief engineer stated was "a very creditable piece of mechanism," which cost but little and worked admirably.

At a meeting of the Board held on June 28 it was resolved that the President be authorized to dispose of $1,000,000 of second mortgage bonds.

At the same meeting a resolution of condolence was offered on the death of Alfred L. Smith, Chief Clerk of the Freight Department.

The old buildings at Thirteenth and Market streets, Philadelphia, were altered in the spring of 1854, and were first used as freight offices on July 5.

In the early part of September it was decided to put the conductors in charge of emigrant trains on the same footing as those assigned to first-class trains.

On September 6 a contract was made by the President with the Manhattan Gas Company for 30,000 tons of gas coal.

On the same date the President made a report concerning the purchase of the Denny property in Pittsburgh.

During September George W. Fernon was appointed by the Vice-President Chief Clerk of the Freight Department, and S. G. Lewis was appointed Auditor's Clerk.

On October the first a letter was received from the Canal Commissioners, dated September 30, asking the Company to furnish motive power and haul over its road the freight of through transporters between Pittsburgh and Johnstown. The President was instructed to charge the Commissioners local rates on goods of through transporters until a more definite arrangement was made.

Letters were also submitted from W. A. Stokes and A. S. Bell, solicitors, in reference to the purchase of property for a freight depot at Pittsburgh.

A draft of an agreement between the Canal Commissioners and the Company for the use of a portion of the new railroad between the south-fork of Conemaugh and Johnstown was read and approved at the meeting of October 18, and at the same meeting F. C. Arms was appointed arbiter for the Pennsylvania Road to adjust the rates to be paid to the Harrisburg and Lancaster Railroad.

The Telegraph Committee reported to the Board on November 1 that the line had been constructed from Altoona to Pittsburgh at a cost of $10,595,91, and was then in operation.

In accordance with a resolution passed October 4, the payment of three hundred shares of stock for the Patterson house at Mifflin was authorized.

The Board on November 29 instructed the General Freight Agent and the General Ticket Agent "to report immediately any changes made in freight or passenger rates, giving the reasons therefor."

The deed of the property No. 17 North Twelfth Street, Philadelphia, was presented to the Board on December 13, and filed.

During the year the work on the Duquesne
freight station at Pittsburgh was actively proceeded with and nearly completed, but was delayed by the prevalence of the cholera. This depot was 664 feet long and 110 feet wide, "under one roof, without intermediate support." It had a double track railroad extending the whole length and a platform for drays on each side of the railroad, and underneath the whole building was a cellar. The western wing of the machine shop at the outer depot at Pittsburgh was completed in November.

The second track from Harrisburg to Rockville, about five and one-eighth miles long, was put in operation, and during the autumn the second track was laid from mile-post No. 42, seven miles to Mifflin. The new passenger station and warehouse at Hollidaysburg was also completed during the year, and the south track on the eastern slope of the mountain was laid with heavy U rail weighing seventy-four pounds to the yard.

The work west of the Summit Tunnel was then under the charge of William W. Wright, engineer. Mr. Wright states that "the western slope was finished on the first of December, 1854, and ready for the cars at that time"; and that "the heavy and expensive sloping of some of the steep cuts delayed for two or three months the completion of this work."

The grading of the Blairsville Branch was completed during the year.

Engineer Thomas W. Seabrook, in charge of the Western Division during 1854, made the following statement concerning the rails furnished by various manufacturers:

A considerable quantity of iron has given out and been replaced; that from the Safe Harbor Works wears the best; the Danville iron laminates, and that from Brady's Bend, owing to the head of the rail not being properly welded to the shank, in many cases caps and has to be removed. Where the Brady's Bend iron is perfectly welded it wears better than either the Safe Harbor or Danville iron. Half a mile of track of Phenixville iron, weighing 74 pounds to the yard, laid with wrought iron splices, is the most perfect piece of road we have; there is not an imperfect bar in the whole of it, and the cost of repairs has not been half that on other parts of the road. All our worst curves are now secured by half chairs, and are double-spiked.

During the years 1854-55 the loop from the summit of Plane No. 9 northward and westward toward the new portage tunnel south of Galitzin was constructed, and Planes Nos. 6, 7 and 8 were then avoided.

An interesting comparative statement of traffic between Philadelphia and Pittsburgh for twelve days in March, 1854, appeared in the Philadelphia Ledger in April. It was said that 9,816,916 pounds of merchandise were transported by the Pennsylvania Railroad during that period, while the Ohio and Pennsylvania Company carried only 1,896,775 pounds over the State works.

In addition to this, the Ledger stated that—

Messrs. Harris and Leech shipped during the same time 1,920 tons of goods, making the aggregate by canal and railroad 7,777 tons, or 15,553,691 pounds of through freight to Pittsburgh in twelve days, or a fraction of over 648 tons per day. The Pennsylvania Railroad Company shipped westward from the 6th to the 18th 622 tons of local freight. This swells the amount which passed over the Philadelphia and Columbia Railroad to more than 703 tons per day.

During this year the whole number of passengers carried was equivalent to 157,000 passing over the whole length of the road, being an increase of 25,864 or nearly twenty per cent over the previous year. The passenger earnings increased from $1,070,000 to $1,293,000. After deducting tolls paid to other roads, which amounted to $235,000, the net passenger earnings were $1,058,000. The earnings from freight during this year were $2,027,000, being an increase of $520,000 over the previous year. Of this amount $383,000 was paid for tolls on connecting routes.

This condition of affairs was equally gratifying to the management and to the stockholders of the Company.

1855.

During the year 1855 three events occurred, each of which had an important influence upon the prosperity of the Pennsylvania Railroad Company.
First.—The Legislature passed a law removing the tonnage tax of three mills a ton from coal and lumber, "which, without this exemption, would have remained in the mines and forests."

Second.—In pursuance of an act of Assembly, the main line of the Pennsylvania State works was offered for sale in July.

Third.—The transporting companies, after several conferences with the Canal Commissioners and the officers of the Pennsylvania Railroad Company, sold their cars and other equipment to the latter company and withdrew from business. This action was sanctioned by the Canal Commissioners, who expressed their belief that the withdrawal of this business from the main line would not decrease the net revenues of the State.

The principal transporters at that time were Harris and Leech, and Lewis and Butler, who accepted $110,000 for their rolling stock.

The first Treasurer of the Company, George Vaux Bacon, died January 10. He had been in the service of the Company for nearly eight years, serving under Presidents Merrick, Patterson and Thomson. At a meeting of the Board on January 15, the following resolutions deploiring his death were unanimously adopted:

Whereas, The Board of Directors of the Pennsylvania Railroad Company having learned with profound regret the decease of their late Treasurer, George Vaux Bacon, it is deemed proper that some expression should be made upon the excellent worth of one who was so long and intimately connected with them.

Although death is the inevitable lot of all mankind, its mysterious and solemn visitation is always attended with painful obligations. The sudden and unexpected death of Mr. Bacon in the meridian of his years, in apparently good health, affords us an example of the uncertainty of all human efforts. It also furnishes us with abundant proof of the fickle tenure of our existence here and of the necessity of looking over the boundaries of time for a final resting place.

Mr. Bacon was a most invaluable officer. He was elected Treasurer on the organization of the Company by the first Board of Directors, and continued in the discharge of these duties for nearly eight years and until the day of his death. He filled the office with singular ability, and was eminently qualified to discharge the arduous duties which devolved upon him. He was industrious and indefatigable in his labors. He combined firmness with urbanity, which made him highly serviceable to the Company and agreeable to all others who
had transactions with him. The integrity of his purposes and the purity of his intentions gave to him the unlimited confidence of the Board, and imparted to him a high character in his intercourse with the world and in all the relations of life. It is therefore unanimously

Resolved, That the Board deeply deplores this sudden and unexpected death of George Vaux Bacon, late Treasurer of this Company, with his sterling integrity and eminent qualifications of great moral worth that made him a most able officer, and the loss of whose services are seriously felt by this Company.

Resolved, That this Board deeply sympathizes with his bereaved family in the great loss they have sustained. Although words cannot measure nor modify the extent of their affliction, it is consoling to express the belief that he died in peace with God, and in good-will to all mankind.

Resolved, That this preamble and the accompanying resolutions be recorded in the minutes, and that a copy of the same be sent to the family of the deceased.

Immediately after Mr. Bacon’s death, William B. Foster was appointed temporary treasurer, and the Finance Committee was directed to present a suitable nomination for permanent treasurer. At the meeting of the Board on January 15 the name of Thomas T. Firth, Secretary of the Company, was presented by the Committee, and he was unanimously chosen Treasurer, Edmund Smith being elected to succeed Mr. Firth as Secretary. President Thomson, in announcing Mr. Smith’s election, spoke of him “as a gentleman who entered the engineer department of the Company in 1847, and continued to discharge the various responsible duties of that department, until transferred to his present position, with much satisfaction to the Board and to his superior officers.”

James Cresson was promoted to the position of Assistant Treasurer at the same meeting.

At the annual meeting of the stockholders, February 7, eight directors were elected. John Edgar Thomson was unanimously chosen President. Mr. Lorimer tendered his resignation as director from Allegheny county, and Thomas Scott was elected to fill the vacancy. At this meeting a committee was appointed to confer with the Harrisburg and Lancaster Railroad in regard to proposed legislation relating to the sale of the main line of the public works.

A communication having been received from the Postoffice Department requesting the Road “to designate an officer as agent of the Company to receive payments” from the United States, the Secretary was directed, April 11, to prepare “the necessary certificate authorizing the President to receive all money from the Postoffice Department.”

On the second of May the act incorporating the Pennsylvania Railroad Company, was amended by authorizing the Board to increase the capital stock of the Company to an amount not exceeding 40,000 shares, and providing that the annual election of the Board of Directors should be held between 10 A. M. and 6 P. M. on the first Monday in March of each year. The annual meeting of the stockholders was to be held on the first Monday in February, as heretofore.

A plan of organization for a legal department, which should have in charge all legal matters arising on that portion of the road east of Blair county, was approved by the Board on May 23.

For several years it had been evident to those acquainted with the transportation business that freight could not be carried over the main line of the State works in competition with the continuous railroad which the Pennsylvania Railroad Company had completed. Hence the State was compelled to rely upon the Pennsylvania Railroad Company to retain the trade of the Western States within her borders. In discussing the decadence of the State canals, President Thomson said:

We would be glad if we could present a different picture of the Main Line, which in days past has done so much for the prosperity of the State, but it must be admitted that its receipts as a whole, never paid the expenditures that have been incurred for it, and never can under the most rigid system of econ-

1 For a further discussion of this question the reader is referred to the chapter entitled “The New Portage Railroad.”
omni, in consequence of the superiority of its rivals. Year after year has witnessed the transfer of the profits of the productive to the maintenance of the unproductive portions of the line, leaving the State without any net revenue from it. But for the construction of the Pennsylvania Railroad the Columbia Railroad itself, the profits of which have here-tofore sustained the Main Line, would have been an unprofitable work. This is a plain statement of facts, the truth of which we have no doubt will be fully admitted by the Canal Commissioners themselves, although the failure of the Main Line as a productive work seems to be attributed, in their report, to the Pennsylvania Railroad Company rather than to the discovery and introduction of cheaper agents of transportation.

Admitting, however, that their position is correct, should not the people of this Commonwealth rejoice that means have been discovered by which the trade of the State could be preserved, $7,500,000 of the State debt provided for, and an annual income of $375,000 secured to the public treasury to meet the interest on this debt until paid, instead of an annual loss as heretofore, together with the probabilities of further expenditures in fruitless efforts to retain a trade which can only be preserved of one million of dollars."

By the terms of the act approved May 8, 1855, the Governor was directed, within ten days after signing the bill, to cause the main line of the public works to be advertised for public sale at the Merchants' Exchange in Philadelphia. It was also provided that any existing railroad or canal company might, with the consent of the stockholders, become purchasers of the main line of the public works "for any sum not less than seven millions five hundred thousands dollars."

By the terms of the second section of this act it was provided that "If the Pennsylvania Railroad Company become the purchasers of said main line, they shall pay in addition to the purchase money the sum of one million of dollars, to be paid and secured as provided in reference to the other purchase money, with like interests until paid; and thereupon after the transfer to them of the said works pursuant to this act, so much of the act incorporating said company as requires the payment of tax upon tonnage passing over their road, and over the road of the Harrisburg, Mt. Joy and Lancaster Railroad, shall become inoperative, null and void; and the right of the commonwealth to enter upon, resume and purchase the railroad of said company as provided for in their charter shall thereafter cease and determine."

The purchasers were given power to lease or buy the Harrisburg and Lancaster Railroad or construct a railroad from the western terminus of the Philadelphia and Columbia Railroad to the Allegheny Portage, and were required, besides operating, keeping in repair, etc., to re-lay within 12 months, the southern track of the Columbia line with a heavy rail.

To quote the words of the act, "The powers and privileges usually conferred upon railroad companies are guaranteed to the purchasers, and the faith of the State is pledged to grant such additional legislation as may be necessary to carry out in good faith the spirit of the Act." It was required that all moneys derived from the sale should be paid into the sinking fund for the redemption or payment of interest on the State debt. Should no sale, however, take place, it was made the duty of the Governor to invite proposals for the private purchase or lease of the works.

In accordance with previous notice, the main line of public works was offered for sale on July 25: there was no bidder however, even at $7,500,000, the minimum price fixed by the Legislature.

On June 2 the Treasurer was directed to pay an installment, amounting to $4,327.73, on a subscription made by the Company to the stock of the Lancaster, Lebanon & Pine Grove Railroad.

At the Board meeting June 6 Herman Haupt offered to give his services as engineer without compensation, except for actual time employed. This offer was accepted, to take effect on July 1.

At the same meeting a resolution was adopted authorizing the President to proceed to Europe for the purpose of disposing of second mortgage bonds; also a resolution to the effect that it was considered inexpedient to submit a bid for the purchase of the Public
Works under the act of the General Assembly, passed May 8, 1855.

About the middle of June, Messrs. Leech & Company were appointed agents of the Pennsylvania Railroad for soliciting freight east of Philadelphia and west of Pittsburgh.

It was decided on August 23 to adopt the Morse system of telegraph between Altoona and Pittsburgh, and on September 19 the extension of the telegraph line to Philadelphia was authorized.

The work of arching and grading the tunnel at the summit of the mountain, together with other work on the Mountain Division, was completed during June, and the road was considered as finished. Fifty-one miles had been double-tracked east of Altoona, and eighty-five miles west of that point, making a total of 136 miles of double track between Harrisburg and Pittsburgh, and leaving eighty miles east of the mountain and thirty-one miles west of that point, 111 miles in all, operated as a single track.

The Real Estate Committee was directed on September 5 to purchase the remaining properties, not already owned by the Company, on the east side of Twelfth Street, between Market and Filbert. On September 13 lot No. 9 North Twelfth Street was acquired.

The Vice-President was directed by the Board, September 19, to attend a meeting to be held in New York City on September 25, for the purpose of considering matters relating to "emigrant travel and other subjects of mutual interest to the railroads represented."

On the same day a communication was received from H. H. Houston, General Freight Agent, stating that the Philadelphia, Wilmington and Baltimore Railroad in connection with the Baltimore and Ohio and Central of Ohio, had issued a freight tariff from Philadelphia to points west at prices ranging from five cents to ten cents below the rates of the Pennsylvania Company.

On October 24 the Directors resolved to send the following communication to the Councils of the city of Philadelphia in reply to a letter on the subject of repairs to the State Railroad tracks leading to the Dock Street wharves:

TO THE SELECT AND COMMON COUNCILS OF THE CITY OF PHILADELPHIA.

Gentlemen.—To transport over the city a large and increasing amount of burdens arriving from the West over the Pennsylvania Railroad Company, greater facilities than we now have are indispensable.

The capacity of our rolling stock is already limited by inadequate facilities for the transmission of freight over the city, a considerable share of which is destined for markets east of Philadelphia. To transact this business with economy, and what is much more important at this time, with dispatch, it is essential that we shall be given connections with the Delaware River. The road now leading to the Delaware front is so much out of repair that it is difficult to use it, and must, with the heavy business that should be done on it during the next four months, if not repaired, become impassable. We are sensible that there exists great diversity of opinion as to maintaining railroad tracks permanently along Third and Dock Streets. But with this question we do not wish to interfere, beyond the expression of our decided opinion that, until the repairs be provided, the maintenance in full efficiency of the present tracks is essential to the trade of the city and greatly promotive of the success of the Pennsylvania Railroad, in the stock of which the city is so largely interested.

We therefore respectfully ask the attention of the city authorities to the condition of the road in question, and suggest the propriety of such action as will place it in repair at the earliest practicable moment. If it should not be convenient for the city to make these repairs, this Company would agree to make them and maintain the road until the summer of 1857, receiving compensation from the tolls which would accrue from this business; they would also erect temporary sheds for the purpose of transshipping freight at the Dock Street wharf, provided the lease of the wharf could be had on reasonable terms for the period. We take occasion to say that it is of great importance that the question of the continuance of this line or the construction of another to the Delaware River should be determined at an early date. Arrangements for the shipping and quick transportation of freight destined for Europe and markets east of Philadelphia (in view of the large traffic which must come upon the road upon the completion of the second track, and the several tributaries leading to our road at Pittsburgh and other points) are so
important to the manufacturing and other interests of the city of Philadelphia that they will suffer materially if the question is allowed to remain unsettled.

J. EDGAR THOMSON, President.

A report was read from the Committee on Real Estate, and a resolution adopted authorizing that Committee to rent the depot at 11th and Market streets, for three years from the termination of the existing lease.

At the meeting of November 14, the following resolution was adopted:

Whereas, The city of Philadelphia has it in anticipation to remove the city railroad tracks east of 8th Street, therefore
Resolved, That a committee be appointed to inquire into a method of reaching the Delaware River front by the cars of the Pennsylvania Railroad Company.

At the same meeting the President was authorized to contract with Thomas Sayles, for the use of the Tanner patent car brake, on such terms as he might deem best for the interests of the Company.

The following Directors were chosen by the Joint Committee of the City Councils of Philadelphia which met for that purpose on November 23: Herman Haupt, John H. Bringhurst and George M. Howell.

In this connection the American Railroad Journal, in its issue of December 1, said:

The selection of the above named gentlemen has given great satisfaction and is a pledge of good management so far as practical business qualities and the highest engineering talent and skill are concerned. Mr. Haupt's reputation as a civil engineer and bridge builder is as extensive as the existence of the railroads themselves. His works on these subjects are not only regarded as first-class authority in this country, but have been translated into several European languages. From the beginning he has been associated with the public work of his native State.

The President was instructed by the Board at the meeting of November 28 to prepare and report such a proposition as he might think proper for the best interests of the Company to make to the Legislature for the purchase of the Main Line of the State Works.

On December 12 the President submitted a proposition which he had prepared relating to the main line of the public works, containing a proposal for the purchase of the entire line, and a separate proposal for the purchase of the Columbia Railroad. After a full discussion of the matter, the President on December 20 addressed the following letter to the Hon. Andrew G. Curtin, Secretary of State:

Sir—I respectfully submit, on behalf of the Pennsylvania Railroad Company, the following proposal for the purchase of the Main Line; also a proposition for the Columbia Railroad.

For the Main Line, from Philadelphia to the Monongahela and Allegheny rivers, including the real estate, shops, engine-houses, depots, locomotives, cars, toll-houses, reservoirs, water power, and all other property connected therewith, the sum of $7,500,000, payments to be made as follows:

Five hundred thousand dollars on the delivery of the works, in cash or certificates of State loan, ten per cent. of the remainder on the 30th day of July, 1857, and an equal amount on the 30th day of July in each succeeding year until the whole sum is paid; the unpaid installments to bear interest at the rate of five per cent. per annum, payable semi-annually on the 31st days of January and July of each year. The purchaser to have the right to pay off at and time the whole or any portion of the purchase money by the delivery to the State Treasurer of the amount intended to be paid in cash or certificates of State loan at par.

The right of the State to purchase the Pennsylvania Railroad to be relinquished and all laws imposing a tax on tonnage passing over said road to be repealed.

The Pennsylvania Railroad Company will further agree to keep up all that portion of the canal east of the Allegheny mountains and so much of the Western Division as lies between Blairsville and Pittsburgh until the Northwestern Railroad shall be opened for business from Blairsville to the Allegheny river.

The Pennsylvania Railroad Company will also agree to purchase the Philadelphia and Columbia Railroad at its cost of construction, to be determined by three eminent civil engineers to be appointed by the State, with the concurrence of the Company, upon which sum so ascertained the Company will forever pay to the State Treasurer, semi-annually, an amount equivalent to the dividend paid to the stockholders of said Company upon an equal portion of its capital stock.

Very respectfully, your obedient servant,

J. EDGAR THOMSON, President.
John Yarrow, who had served as a director for a term of six years, died December 18. Suitable resolutions were adopted at the meeting of the Board on December 22.

The President reported on December 26 that in consequence of his duties being so arduous, during the absence of the Vice-President, he had engaged W. Hasell Wilson to assist him.

A communication from Herman Gratz, President of the Pennsylvania Company for Insurance on Life, etc., was read, containing the following resolution of the Directors of that Company:

Resolved, That the Committee on Real Estate be authorized to make arrangements with the Pennsylvania Railroad Company for the placing of the termination of their road on League Island, and construct thereon the wharves, buildings, etc., necessary for the shipment of produce and merchandise therefrom and upon such an arrangement being made, to agree to have conveyed to said Company water front and land sufficient for said purposes.

The resolution was referred to the Committee on extending the road to the Delaware River Front.

Thomas Scott and W. M. Lyon were elected Directors from Allegheny county on December 28.

The President was authorized to take such measures as he might deem expedient to effect the passage of an act to enable the Company to dispose of such portions of the Powelton estate as may not be required for railroad purposes, and to select such other part as may be more suitable for the uses of the Company.

During the year the increasing foreign business of the road made it necessary to provide a convenient terminus on the Delaware river that could be reached by locomotive steam power, and an application was made to the Legislature for the requisite authority to construct a road to the river bank. Pending action, temporary arrangements were made with the city of Philadelphia to continue the connection with the Delaware at Dock Street for eighteen months, the cars being drawn through the city by horses.

The close of the year found the Canal Commissioners busily at work upon the New Portage Railroad, upon which improvement the State expended over $2,000,000 a few months before the State works were offered for sale to the highest bidder.

1856.

The tenth year of the Company's existence found the Pennsylvania Railroad thoroughly organized in every department.

The board on January 21 authorized Thomas Scott to vote the stock held by the Company on any question that might arise at the next annual meeting of the stockholders of the Ohio and Pennsylvania Railroad Company, for the election of directors, and not to vote for any director, who would not pledge himself to secure the early completion of the Allegheny River Bridge, according to the approved plans and at the earliest practicable moment.

The following directors were elected by the stockholders on March 3: Messrs. Thomson, Spangler, Carpenter, Butcher, Thompson, Farnham, Bacon and Mellon. John Edgar Thomson was unanimously chosen President.

On February 4, Herman Haupt, who had acted in the capacity of Superintendent, General Superintendent, and Chief Engineer of the Pennsylvania Railroad Company, was chosen one of the three directors to represent the city of Philadelphia on the Board.

It was decided on March 19 to purchase the Willing property, at the southwest corner of Third street and Willing's alley, as a site for an office building.

The following resolution was adopted by the Board on March 31:

Resolved, That as soon as the Springfield, Mount Vernon and Pittsburgh Railroad Company shall be completed and properly equipped for the purpose, and a continuous line for travel and transportation shall be established by the said roads between Pittsburgh and Cincinnati in such manner as best to accommodate the business without unnecessary interruption or delay over the whole of the said continuous line or any part thereof, the Pennsylvania Railroad Company will give all facilities and tracks, and will endeavor to retain for this line all
such business as would naturally fall to it, provided that facilities for return business shall be extended by the Little Miami Railroad Company and the return lines to Philadelphia over the Pennsylvania Railroad.

At the same meeting the following resolutions were also adopted:

Resolved, That the Company will take up the coupon and second mortgage bonds of the Ohio and Indiana Railroad Company, maturing April 1, 1856, amounting to $17,500, and that further arrangements in reference to the aid asked for by the Ohio and Indiana Railroad Company and the Fort Wayne and Chicago Railroad Company be postponed until the consolidation of the three companies between Pittsburgh and Chicago shall be effected.

Resolved, That the President be authorized to confer with the Sunbury and Erie Railroad in reference to the Main Line of Public Works, and take such action as he may deem expedient.

On the 18th of April, the Governor approved a supplement to the act incorporating the Pennsylvania Railroad Company, which provided for the construction of a railroad from the terminus of the Philadelphia and Columbia Road to the Delaware river. This act gave authority for the construction of a road through the city, and was a matter of no small importance. Owing to the lack of facilities for connecting with the wharves on the Delaware river, foreign ships were not sent to Philadelphia for produce, in consequence of the inconsiderable amount of it received from the West. "Remove these shackles," said President Thomson in the tenth annual report, "and a new era will open upon the port of Philadelphia."

It was estimated that the cost of extending the Philadelphia and Columbia Road to the Delaware would be $350,000, exclusive of warehouses and wharves.

The chairman of the committee on telegraph, stated at the meeting of the Board on April 30, that a telegraph office had been opened in the third story of the offices of the Company, No. 70 Walnut Street, and that the line was in successful operation as far as Pittsburgh.
At the same meeting the Secretary was authorized, under the direction of the President, to obtain plans and proposals for the erection of a fire-proof building at the corner of Third Street and Willing’s Alley.

On May 14 the President appointed a special committee consisting of Messrs. Haupt, Mellon and Bacon to confer with the Governor, the Canal Commissioners and the Committee of the Directors of the Lancaster, Lebanon and Pine Grove Railroad to take into consideration the policy of the construction of that road.

On May 28, Mr. William B. Foster was elected Vice-President.

The President was authorized on June 14 to execute a contract with the Canal Commissioners for the free use of the tracks of the Company leading to the river above Market Street.

Hon. Charles M. Russell was authorized on June 14 to vote the stock held by the Company in the Ohio and Indiana Railroad Company in favor of the consolidation of the Ohio and Pennsylvania, the Ohio and Indiana, and the Fort Wayne and Chicago Railroads into one Company to be known as the Pittsburgh, Fort Wayne and Chicago Railroad Company, and Thomas A. Scott was authorized to vote the stock held by the Company in the Ohio and Pennsylvania Railroad Company in favor of the consolidation of the Ohio and Indiana, the Ohio and Pennsylvania and the Fort Wayne and Chicago Railroad Companies into one company to be known as the Pittsburgh, Fort Wayne and Chicago Railroad Company.

At this meeting also the following preamble and resolution were unanimously adopted:

Whereas, In view of the consolidation of the Ohio and Pennsylvania, Ohio and Indiana and the Fort Wayne and Chicago Railroads, it is important to the interests of the Pennsylvania Railroad Company that a contract should be made with the Ohio and Pennsylvania Railroad Company for close running connections and for favorable terms in regard to freight and passengers over their respective roads; therefore

Resolved, That the President of this Company be and is hereby authorized to enter into such a contract to secure the interests and promote and increase the Pennsylvania Railroad Company.

Resolved, That in case a contract shall be made satisfactory to the President of this Company, then, in consideration of the benefit to be derived therefrom, this Company will accept the drafts of the Ohio and Pennsylvania Railroad Company for a sum not exceeding one hundred thousand dollars, said drafts having four months to run, and will renew the same for four months after maturity for the first expenses if the Ohio and Pennsylvania Railroad Company or their successors (the consolidated company, if consolidation takes place) shall desire such renewal, provided that the said Ohio and Pennsylvania Railroad Company shall deposit with the Pennsylvania Railroad Company as security the first mortgage bonds, with interest at the legal rate or the convertible bonds of the Fort Wayne and Chicago Railroad Company to such an amount as will equal the sum of the said expenses, rating said mortgage bonds at 60 per cent. of their par value, with the right on the part of the Pennsylvania Railroad Company to sell said bonds in case of default on the part of the Ohio and Pennsylvania Railroad Company to protect said drafts and meet the payments on same at maturity.

Resolved, That the President of this Company be and he is hereby authorized to carry out the foregoing resolutions.

On June 25 the Directors decided to recommend to the stockholders the construction of the branch road to the Delaware river, authorized by the act of April 18, 1856, and the President was given power to have surveys made and to obtain estimates of the cost of construction and right of way.

The President was also authorized to attend a meeting of the stockholders of the Pittsburgh, Fort Wayne and Chicago Railroad to be held at Pittsburgh on July 30 and to vote the stock held by the Pennsylvania Railroad Company at the election of Directors.

The contract between Messrs. Bingham and Dock and the State for the transportation of passengers over the Philadelphia and Columbia Railroad having expired on the 16th of August, was re-let to the Pennsylvania Railroad Company, in conjunction with the Harrisburg and Lancaster Railroad Company, for a term of five years from that date, the Pennsylvania Railroad Company furnishing two-thirds of
the stock and the other party furnishing the remaining third, the profits, if any, to be divided in like proportion. It was hoped by this arrangement "that facility and convenience would be afforded to the traveling public, especially to through passengers."

As a Cincinnati line the route via Crestline was bound to be objectionable on account of its length and for other reasons. At the meeting of the Directors on August 20 a resolution was adopted authorizing connections with

The Superintendent was authorized, on October 29, to have gas works constructed at Altoona in accordance with a plan submitted and on the terms proposed by H. N. Bird.

At a meeting of the Board on October 1, 1856, letters were read from hotel keepers complaining about the poor accommodations at the station at Eleventh and Market streets and a committee was appointed to investigate the causes of the complaints.

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Telegram from Pittsburgh, signed by Thomas A. Scott, addressed to T. B. Gibson, stating that a rifle ball had been shot through the mail apartment car on "Mail train West last night." October 14, 1856.

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At the same meeting the President was directed to apply to Councils for permission to widen the space "between the tracks where it is required in Market street, west of Eleventh street, so as to permit the wide cars of the Company to pass over these tracks"; and also to request the alteration or removal of the market houses west of Broad street for the same purpose.

The Board at the meeting on October 29 was informed "that fire arms had been dis-
charged near Bolivar at the trains carrying the mails" and that the watchman on that division had been killed a short time before. The original telegram to T. B. Gibson from Thomas A. Scott, Superintendent, dated October 14, 1856, concerning this matter formed a part of the Pennsylvania Railroad Company's exhibit at the World's Columbian Exposition.

It read as follows:

Pittsburgh, Oct. 14/56.

T. B. Gibson.

Mail train west last night while a short distance west of Bolivar had a Rifle Ball shot through mail apartment in Mail Car in such a way that if Mail Agent had been standing arranging letters he would undoubtedly have been killed. One of our engineers had a stone thrown at engine at same place a couple of weeks ago. Some steps must be taken to detect the persons engaged in these outrages.

T. A. SCOTT.

JOE.

The Solicitor was directed to consult the Superintendent and to secure the services of an officer to detect the culprits.

At a special meeting of the Directors held on November 24 a communication was presented relative to the consolidation of the Cincinnati and Hillsborough, Cincinnati and Marietta, and Hempfield and Chartier's Valley Railroad Companies, the new corporation to be known as "the Ohio Valley Railroad."

The condition of the money market was such that the work on the road west of Fort Wayne had been considerably retarded during the early part of the year.

In December J. K. Moorehead and William M. Lyon were elected directors of the Company for 1857 by the Commissioners of Allegheny county. The former, however, was ineligible, owning less than fifty shares of stock ninety days before his election.

The Company decided to secure legal advice as to the constitutionality of the tonnage tax imposed by the State of Pennsylvania on produce and merchandise passing through the State over the Pennsylvania Railroad.

On December 1 the Finance Committee was authorized to invest a sum not exceeding $65,000 in the first mortgage bonds of the North Pennsylvania Railroad.

On the 29th of December the following letter was addressed by the Secretary of the Company to the Councils of the city of Philadelphia:

To the Select and Common Councils of the City of Philadelphia.

Gentlemen—I am instructed by the Directors of the Pennsylvania Railroad Company to inform your honorable bodies that at their meeting on the 24th instant the resignation of Herman Haupt, Esq., as a director of the Pennsylvania Railroad Company on the part of the city of Philadelphia was presented to this Board and accepted, and that on the same day John Robbins, Jr., Esq., recently chosen by the Councils to serve as a director from March, 1857, to March, 1858, was unanimously elected by the Board to fill the vacancy.

Very respectfully,

EDMUND SMITH, Secretary.

The city of Philadelphia elected as its two directors Samuel Megargee and John G. Brenner.

It was directed that the accounts of the Engineer Department be closed up, and that after December 31 the General Superintendent should have charge of all matters hitherto connected with that department.

An examination of the tenth annual report shows that at the close of the tenth year of the Company's history greater attention was being given to the details in connection with the various classes of business, and the classification of expenditures than heretofore. In fact this interesting document of forty years ago compares favorably with some of the more recent reports, and it is suggested by the author that the officer or stockholder with the time and opportunity to peruse it will be impressed with the ability and care that was exercised, not only in the preparation of the manuscript, but in the typographical work.

The following comparative statement of freight handled for the first five years during which the road may be said to have been operated upon a systematic basis shows that the rapid growth predicted for the freight busi-
ness by President Thomson was already beginning to be realized:

<table>
<thead>
<tr>
<th>Year</th>
<th>Miles of Railroad</th>
<th>Year</th>
<th>Miles of Railroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>1828</td>
<td>3</td>
<td>1843</td>
<td>4,174</td>
</tr>
<tr>
<td>1829</td>
<td>28</td>
<td>1844</td>
<td>4,311</td>
</tr>
<tr>
<td>1830</td>
<td>41</td>
<td>1845</td>
<td>4,511</td>
</tr>
<tr>
<td>1831</td>
<td>54</td>
<td>1846</td>
<td>4,870</td>
</tr>
<tr>
<td>1832</td>
<td>131</td>
<td>1847</td>
<td>5,036</td>
</tr>
<tr>
<td>1833</td>
<td>576</td>
<td>1848</td>
<td>5,265</td>
</tr>
<tr>
<td>1834</td>
<td>762</td>
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<tr>
<td>1835</td>
<td>918</td>
<td>1850</td>
<td>7,350</td>
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<tr>
<td>1836</td>
<td>1,102</td>
<td>1851</td>
<td>8,856</td>
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<tr>
<td>1837</td>
<td>1,421</td>
<td>1852</td>
<td>10,878</td>
</tr>
<tr>
<td>1838</td>
<td>1,843</td>
<td>1853</td>
<td>13,315</td>
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<tr>
<td>1839</td>
<td>1,920</td>
<td>1854</td>
<td>15,511</td>
</tr>
<tr>
<td>1840</td>
<td>2,167</td>
<td>1855</td>
<td>19,338</td>
</tr>
<tr>
<td>1841</td>
<td>3,319</td>
<td>1856</td>
<td>23,135</td>
</tr>
<tr>
<td>1842</td>
<td>3,877</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following statement relative to the cost of maintenance is taken from the tenth annual report of the Directors:

<table>
<thead>
<tr>
<th>Department</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of Way Department</td>
<td>$165,335.43</td>
</tr>
<tr>
<td>Construction and Equipment</td>
<td>$1,892,224.46</td>
</tr>
<tr>
<td>Motive Power Department</td>
<td>$114,828.86</td>
</tr>
<tr>
<td>Conducting transportation</td>
<td>$1,757.05</td>
</tr>
<tr>
<td>Passenger Department</td>
<td>$7,087.19</td>
</tr>
<tr>
<td>Freight Department</td>
<td></td>
</tr>
<tr>
<td>Maintenance of Cars Department</td>
<td>$1,50</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$427,240.90</strong></td>
</tr>
</tbody>
</table>

The cost of operating the road had attained its maximum in proportion to the tonnage transported in 1856. The severity of the winter was assigned as the cause, and the renewal of car-wheels, the destruction of cars caused by broken rails, and the damage to locomotives from the low temperature, which continued for a long period, also added materially to the expenses for the year. Early in the year the branch road from Blairsville to Indiana was opened. Through travel had not increased owing to the "greater facilities enjoyed by our rivals through their western connections." The necessity for employing omnibuses for the conveyance of passengers between the western terminus at Pittsburgh and the depot of the Pittsburgh, Fort Wayne and Chicago Railroad on the west side of the Allegheny river, was unfavorably commented upon by passengers. Although the stockholders who had been previously urged to subscribe a sufficient amount to the stock of the Ohio and Pennsylvania Railroad Company in order to construct a bridge across the Allegheny river, had acceded to the request, "adverse local influences in Pittsburg had prevented the construction of the improvement." The approaches to the bridge, however, were at the close of the year "under way," and it was hoped that "this connection could be completed within the next few months."

Up to this time the traveler was required to make frequent changes of cars between Philadelphia and Pittsburgh. He first took

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1 The increase in local tonnage during the year 1855 was due to the removal of the tonnage tax on coal and lumber by the Legislature.
his seat in a narrow car, the width of which was less than that of the wide cars of the Pennsylvania Railroad Company, on account of the narrow space—four and one-half feet—between the north and south tracks of the Philadelphia and Columbia State Railroad, which did not afford sufficient room for the wider cars to pass each other. These cars ran as far as Dillerville, where a change was made to the wider cars, and the passenger was carried through to Altoona, at which point another change of cars was necessary. But the State road was at the close of the year being relaid, and the distance between the tracks was increased to correspond with that of the Pennsylvania Railroad, it being hoped that "the inconvenience of one change of cars would thus be obviated."

1857

The year 1857 will live in history as the "panic" year.

In railway history it will long be remembered as the year in which the main line of the Pennsylvania State works was purchased by the Pennsylvania Railroad Company.

The business of the company was seriously affected during the summer by the monetary depression which caused great injury to both manufacturing and transportation interests. So seriously were the affairs of the Pennsylvania Railroad affected, that the usual semi-annual dividend was passed in November, for the first time in the history of the Company. The issue of second mortgage bonds, which it had been the intention to sell, could not be negotiated, owing to the general prostration of corporate and individual credits.

The Board on January 21, approved a contract for the purchase of seven hundred tons of iron rails from the Phoenix Iron Company.

A resolution was adopted for the ratification of the stockholders authorizing the Directors to secure docks and wharves on the Delaware river front "and to construct a railroad from the eastern terminus of the Philadelphia and Columbia Railroad to the Delaware river" when, in the judgment of the Board, the interests of the Company required this action.

At the annual meeting of the stockholders, held at Sansom Street Hall, February 2, 1857, Hon. Richard Vaux, Mayor of Philadelphia,
presided. On the 18th of April, 1856, the Governor had approved a supplement to the act incorporating the Pennsylvania Railroad Company, which provided for the construction of the railroad from the terminus of the Philadelphia and Columbia Railroad to the Delaware river, and the resolution offered by the Board approving this act was unanimously adopted by the stockholders at the meeting. This act, which authorized the Company to construct a track through the city, was a most important matter, and the final consideration of it was deferred until the first Monday in April, when it was still further considered at the special meeting of the stockholders called for the purpose.

It was understood that the expenditure for this work, together with that incurred by the Company in constructing extensive sidings along the State road for the accommodation of their business at West Philadelphia which was "not exacted from any other transporter on the Philadelphia and Columbia Railroad" should have properly been done at the cost of the Commonwealth. The policy of the State, however, was adverse to a further extension of the public works, and it therefore remained for the Pennsylvania Railroad Company "to fill up the gap between the Columbia Railroad and the Delaware river, or else forego one of the most important objects for which the Pennsylvania Railroad was constructed—the concentration of that portion of the produce trade of the West at Philadelphia which is due to her position." This object could only be accomplished by a reduction in the cost of delivering produce on shipboard, and to effect this it was essential that all the expenses between the cars and the vessels to convey it to the ports of the United States or to those of Europe, should be removed, and all State duties required of this Company, not imposed upon rival lines of Pennsylvania or other States, should be repealed.

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The Vice-President stated, March 4, that at a conference with the Canal Commissioners he had ascertained that the Commissioners desired to modify the existing contract between the State and the Pennsylvania Railroad Company concerning the use of the tracks of the latter from the south fork of the Conemaugh river to Johnstown.

The Board, at its meeting on March 18, authorized the Finance Committee to furnish rolling stock to the Steubenville and Indiana Railroad Company to the extent of $270,000. The President was directed to notify the of-
An agreement to enter into a contract with D. Leech and Company as Eastern Agents and with Clarke and Company as Western Agents was adopted by the Board on May 27.

At the meeting on June 10, the President was directed to have "a new track laid in the 24th Ward for the West Chester Railroad Company."

At the meeting of the Board on the 19th of September, the resignation of Christian E. Spangler, director, was presented and accepted, complimentary resolutions being adopted by the Board in reference to his services in behalf of the Company.

At a special meeting of the Board held on the 10th of October it was decided to increase the passenger rates from Philadelphia to Pittsburgh, not to exceed 10 dollars, or three cents a mile.

The Board on October 24 elected John Hulme a Director in this Company.

It was also decided that the Portage Railroad should be closed on November 1, and

from Morgan and Company, offering to pay $175 per car for the use of the panels in the cars for advertising purposes, was accepted with a proviso restricting the advertisers to the cars on the trains running between Harrisburg and Philadelphia, and stipulating "that the advertisements should consist exclusively of Pennsylvania advertisements." This arrangement, however, was not carried out.

The Board on April 15, unanimously elected Theodore Cuyler solicitor for Philadelphia to take effect May 1.
the canals on December 1. In September the effect of the monetary panic began to be felt throughout the country and retrenchment in the expenditures of the Company was decided upon. At this meeting the Board resolved that a reduction in the salaries of all the employees should be made. It was decided that the salaries of all the employees should be reduced 25. 15 and 10 per cent, depending upon the amount received, to take effect on and after enterprises, such a movement is well-timed and judicious, and is calculated to strengthen and increase public confidence.

The floating debt is greatly reduced, and an appropriation of the surplus earnings will soon entirely liquidate it. Meanwhile the business of the road steadily increases. While the receipts of other lines are greatly reduced, its revenues have increased nearly $2,000 within the last two months over a corresponding period of last year.

At the meeting held on the 28th of October, a communication was received by the Board from Thomas A. Scott who asked that "no exception be made in his favor in the reduction of salaries of the employees."

The Board on November 25 elected G. D. Rosengarten a director of the Company in place of John Farnum.

The dividend due in November, 1857, was passed by the Board. This was the first time the stockholders had failed to receive a dividend but it was intimated that the Board hoped to distribute an equivalent to this dividend "to the shareholders at some period during the year 1858"; the unfavorable reports from the lines west of Pittsburgh in
which the Pennsylvania Railroad Company was interested, however, prevented the Board from taking this action.

The Board, on November 30, fixed the appraised value of the stock of the Company at $40 a share for the year ending December 31, and "An affidavit in relation to the estimate and appraisement of the actual value in cash of the capital stock of the Pennsylvania Railroad Company was presented to the Board, signed by Charles D. Freeman, Alderman, and sealed with his official seal."

At the meeting of the Board held on December 26, it was decided to issue commutation tickets on the Philadelphia Division, good as far as West Chester. They also discussed the revised organization for conducting the business of the road and finally adopted it.

The additional business which devolved upon the General Superintendent after the State works were acquired made a thorough reorganization necessary. Herman J. Lombaert, "who had so long and so successfully managed the whole line as General Superintendent, was appointed Comptroller and Auditor," and Col. Thomas A. Scott, "who had efficiently administered the duties heretofore confided to him," and in whom "the Board has entire confidence that the high reputation of the road for safety and dispatch of its business will be fully preserved," was promoted to the place of General Superintendent.

During the year 1857 the only two remaining Directors of the original organization resigned from the Board. They were Messrs. Christian E. Spangler and George W. Carpenter. The vacancies caused by these resignations were filled by the election of Messrs. John Hulme and Wister Morris.

During the year little progress was made in the construction of the second track, owing to the financial stringency. On the Western Division twenty-five miles were operated as single track between Pittsburgh and Altoona at the close of the year. On the Eastern Division seventy miles of second track were completed, leaving sixty-two miles of single track between Harrisburg and Altoona. The sum necessary to complete the double track and substitute iron for wooden bridges (with the exception of the Susquehanna bridge) was estimated at $1,089,000.

The expectation of constructing a connection through the city of Pittsburgh with the Pittsburgh, Fort Wayne & Chicago Railroad had not been realized during the year. The tracks of the latter company had, after much delay, been carried across to the Pittsburgh side of the river, but owing to continued objection to the crossing of Penn Street on the part of the municipality, that railroad had not yet been connected with the tracks of the Pennsylvania Railroad Company. The transfer from the wide to the narrow cars at Harrisburg also continued, because the Councils at Philadelphia would not grant the privilege of increasing the space between the tracks of the Philadelphia city railway.

PURCHASE OF THE STATE WORKS.

The sale of the main line of the State works, which had been brought to public notice through the acts of the Legislature passed in previous years, was finally consummated in the year 1857, when the main line of canals and railroads from Philadelphia to Pittsburgh was purchased by the Pennsylvania Railroad Company. The action of the Directors and stockholders of the Pennsylvania Railroad Company, together with the act of the Legislature under which the sale was finally made, is recited below.

The special committee in charge of the proposed purchase of the main line of the State works, in conjunction with the Sunbury and Erie Railroad, presented an adverse report to the Board at the meeting on January 21, and recommended "that the proposition made by the President of the Sunbury and Erie Railroad Company be declined."

At the same meeting, the President was instructed to prepare a bill for the purchase of the main line of the public works "in accord-
The President was also directed to take steps to secure the passage of a bill authorizing the sale of the main line of the State works "upon such conditions as would be satisfactory to this Company; and also for the repeal of the tonnage tax."

An act for the sale of the main line of public works was approved May 16, 1857, by which it was provided—

That at the time and place so selected, it shall be the duty of the Governor to have offered at public sale the whole line of public works, to wit: The Philadelphia and Columbia Railroad the canal from Columbia to junction at Duncan's Island, the Juniata canal from thence to Hollidaysburg and Allegheny Portage Railroad, including the new road to avoid inclined planes, and the canal from Johnstown to Pittsburgh, with all the property thereto appertaining or in any wise connected therewith, for any sum not less than seven and one-half millions of dollars, and in the event of a sale of the said main line being made to individuals, it shall be lawful for such individuals so purchasing, after the said public sale, to assign and transfer their right to the said main line under said purchase to any railroad or canal company created by the laws of this commonwealth; and such railroad or canal company, on compliance with the conditions of said sale and payment or securing the purchase money of the said main line to the commonwealth as hereinafter provided, shall be fully invested with the right of said purchasers and entitled to the same rights and privileges as if the said main line had been struck off and sold to said company at the time of said public sale, and, if necessary, said company may increase their capital stock or borrow money . . . . and issue their bonds to any amount not exceeding 50 per centum above the amount of the purchase money; Provided, That no bid shall be accepted until the bidder shall have deposited . . . . the sum of $100,000 in cash or State bonds, which shall be forfeited . . . . if the terms of the sale are not complied with; and if the party to whom the same shall be struck down shall not comply with the said conditions by the payment of $100,000 as aforesaid, then it shall be the duty of the Governor, if deemed proper by him, to tender the same to the next highest bidder who shall comply with the said conditions; And Provided further, if the Pennsylvania Railroad Company become the purchasers of said main line at said public sale or by assignment as aforesaid, they shall pay in addition to the purchase money, at which it may be struck down, and which shall not be less than the sum of seven and a half millions of dollars, the sum of one and a half millions of dollars, the whole amount of the sale being paid in the bonds of the Company bearing interest at the rate of five per centum per annum, payable semi-annually on the 31st day of January and July of each year, and which bonds, without further record, shall remain a lien upon the main line, $100,000 of which said bonds shall fall due on the 31st of July, 1858, and $100,000 thereof annually thereafter until the 31st day of July, 1890, when one million of the residue shall fall due, and one million annually thereafter, until the whole is paid; and upon the execution and delivery of said bonds to the treasurer of the State, the Pennsylvania Railroad Company and the Harrisburg, Mt. Joy and Lancaster Railroad Company shall, in consideration thereof, be discharged by the commonwealth forever from the payment of all taxes upon tonnage or freight carried over said railroads, and the said Pennsylvania Railroad Company shall also be released from the payment of all other taxes or duties on its capital stock, bonds, dividends or other property, except for school, city, county, borough or township purposes, and it shall be lawful for the purchasers or their assigns either to purchase or lease, hold and use the railroad of the Harrisburg, Portsmouth, Mt. Joy and Lancaster Railroad Company, and to straighten and improve the said Philadelphia and Columbia Railroad and to extend the same to the Delaware river, in the city of Philadelphia, and it shall be further lawful for them to alter, enlarge and deepen the canal portion of said main line and to make such additional locks and dams, and to make in whole or in part a slack water navigation as may be deemed expedient, and in the event of a sale or lease as aforesaid by the Harrisburg, Mt. Joy and Lancaster Railroad Company the said Company shall have the power to sell or lease and the said purchasers or their assigns to buy or take on lease, said road, and to take and receive respectively all such contracts, deeds or assurances as may be requisite to carry the same into effect: Provided, That the right...
PURCHASE OF THE STATE WORKS, JUNE 25, 1857.

of the commonwealth to enter upon, resume and purchase the road of the Pennsylvania Railroad Company, as provided in their charter, shall thereafter cease and determine: And Provided further, That in case of the refusal of any stockholder or stockholders of said Company to comply with the provisions of this act alter the same may have been accepted by a majority of the stockholders of the Company, it shall be lawful for the said Company to pay the stockholder or stockholders so refusing the full market value of his or her or their shares of stock and such share or shares as shall inure to the benefit of the Company to be disposed by the directors for the benefit of the balance of the stockholders.

At the meeting of the Board held May 27 the following preamble and resolution was unanimously adopted.

Whereas. The main line of the public works of Pennsylvania has been offered for sale, to take effect on the 25th of June next; therefore,

Resolved, That a Special Committee of Five, consisting of Messrs. J. E. Thomson, W. B. Foster, Jr., W. R. Thompson, George W. Carpenter and John Megargee, be appointed, whose duty it shall be to advise and consult with the solicitor in Philadelphia upon all the questions involved in the law allowing the sale of the said Main Line, and also to examine the whole question and ascertain the value of the said works, as well as the propriety of this company becoming a bidder for the same, and report to the Board at their next meeting.

This special committee on June 10 reported to the Board that a bill in equity had been filed in the Supreme Court by the Canal Commissioners and by Henry S. Mott, individually as a stockholder, praying for a preliminary injunction to restrain the State Government from selling and the Pennsylvania Railroad Company from purchasing the Main Line. The Committee further reported that they had instructed Mr. Cuyler to retain St. George Tucker Campbell and Edwin M. Stanton as associate counsel in the case, the hearing of which had been postponed from the 12th to the 16th of June. The bill, however, finally failed in its purpose, since Chief Justice Lewis of the Pennsylvania State Supreme Court, in rendering a decision on the application for the restraining order, laid down the following principles:

The Legislature had the constitutional right to authorize the sale of the Main Line.

The Pennsylvania Railroad Company might become a lawful purchaser at such sale.

The Legislature had constitutional authority to repeal the tonnage tax.

The Legislature could not bind the State by contract from imposing equal taxes, and that the condition of sale to the Pennsylvania Railroad Company in that respect is void, and an injunction to that extent is granted, but in all other respects the sale may go on, and the Pennsylvania Railroad Company may bid and purchase on the same terms as any other corporation or individuals.

By special resolution the President was directed by the Board, at the meeting held June 25, to attend the sale of the main line of the public works at 7.30 o'clock that evening "and to bid, on behalf of this Company, the sum of $7,500,000, subject to the ratification of a majority of the stockholders of this Company, as provided in the act of the 16th of May, providing for the sale of the Main Line."

Benjamin F. Custer in a communication to the author, dated Altoona, Pa., March 29, 1893, thus describes the sale of the State works:

It occurred on the 25th day of June, 1857, at 7.30 in the evening in the rotunda of the Merchants' Exchange, often called the Dock Street Exchange, in the city of Philadelphia.

As I stated to you in person. I recall with a great deal of pleasure the fact that I, with many others, was present on that occasion and heard the going! going! going!!! that proclaimed the public works of Pennsylvania sold to the Pennsylvania Railroad Company.

The auctioneer was John B. Myers, who, after announcing the intended sale, asked, after the usual manner of auctioneers, if any one would bid ten million dollars. No one appeared to have either money, ambition or interest sufficient to possess the State works at the very modest request of the auctioneer; he named several lesser sums that he would have no doubt very cheerfully accepted.

1 The bill in equity of Henry S. Mott to restrain the Pennsylvania Railroad Company from purchasing the Main Line of the Public Works was published in full in the Evening Bulletin of June 10, 1857.
until he reached the minimum amount fixed by the Legislature—seven million five hundred thousand dollars—when the only bid of the evening was made by John Edgar Thomson on behalf of the Pennsylvania Railroad Company, of which he was then the President.

At the meeting of the Board held June 29, the President reported that he had attended the sale of the main line of the State works which took place on the evening of the 25th and that, in accordance with the resolution of the Board, he had made a bid of seven and a half millions of dollars, and that "The Pennsylvania Railroad Company was the only bidder and the works were cried down to them by the auctioneer at the minimum price fixed by law, $7,500,000."

It will be remembered that the main line of State works was first opened as a through line of railroad and canal between Philadelphia and Pittsburgh in 1835. When in 1844 authority was first granted for the sale of the public works, their cost was stated to be $14,360,000, and by the beginning of 1854 this amount had risen to $18,500,000. Further expense was incurred by the construction of the new portage and renewal of superstructure on the Philadelphia and Columbia Railroad, so that at the date of the transfer to the Pennsylvania Railroad Company nineteen millions of dollars had been expended on the Main Line by the commonwealth.

The Board on June 29, requested the President to obtain the legal opinion of Messrs. Cuyler and Campbell as to whether it would be necessary to call a special meeting of the stockholders to sanction the purchase of the main line of the public works.

Mr. Cuyler's opinion was presented to the Board, and at the meeting of July 3, it was decided "to hold a special meeting of the stockholders on Monday, July 20, at 3 P. M., at the Sansom Street Hall," to consider the matter.

At this meeting the stockholders ratified the purchase by a decided majority in a large vote, and on the 1st day of August, 1857, in conformity with the terms of the purchase, the main line of the public works, after an existence of over a quarter of a century, and by the construction and operation of which the debt of the State of Pennsylvania had been increased many millions of dollars, was by proclamation of the Governor of the Commonwealth transferred to the ownership of the Pennsylvania Railroad Company. By this act the State relinquished her reserved right to purchase the works of the Pennsylvania Railroad Company.

The terms of the law by which the Pennsylvania Railroad Company was to pay the $7,500,000 were as follows: Bonds were to be issued by the Company bearing interest at five per cent. Of these bonds, $100,000 was payable on the 31st day of July, 1858, and $100,000 annually thereafter until July 31, 1890, when the payments were to be made at the rate of $1,000,000 per annum until the whole amount should be paid. The terms of the bill of sale were fully complied with, and the bonds of the Company for the amounts required were delivered to the Treasurer of the State within a few weeks after the sale had been consummated. While the price required for these works was regarded as much greater than they were worth to the Pennsylvania Railroad Company, or than could have been safely paid by any other purchaser, the peculiar relationship between the State works and the Company justified their purchase on account of the greater efficiency with which the whole line between Philadelphia and Pittsburgh could be operated when placed under one control. Increased economy of operation was regarded as a paramount consideration when the close competition among the lines doing business between the East and the West was considered.

The acquisition of new lines by this purchase comprised 104 miles of canal on the western side and 181 miles on the eastern side of the Allegheny mountain, thirty-seven miles of the Portage Railroad, part of which was double and part single track, and eighty-one miles of double track railroad between the city of Philadelphia and the Susquehanna river,
NEW ORGANIZATION AFTER PURCHASE OF STATE WORKS.

"together with all the real estate, locomotives, cars and all the property connected with, or in any wise appertaining thereto." The canals purchased were found to be in a most dilapidated condition, on account of the neglect of repairs for several years. The Portage Railroad possessed no value except for the material of which its track was constructed, and the condition of the Philadelphia and Columbia Railroad, although a portion of the track had been recently relaid, required immediate attention and expenditure, in order that it might be placed in a proper condition. Upon the acquirement of this railroad it was found that so anxious had the Canal Commissioners been to reduce their expenditures, that nothing except the daily supplies to keep the trains in motion had been purchased, either for its operation or maintenance, and after the sale of the road the articles on hand, then purchased by the Pennsylvania Railroad Company, were used to work and repair it until its delivery on the 1st of August, a period of thirty-six days, while the receipts of all the works during that time were appropriated to the use of its original owners, which left a just claim for indemnification on the

part of the Pennsylvania Railroad Company. During the five months from August 1 to December 1, $55,000 for rails and $29,000 for ties and chairs were expended on the track of this road.

The Road Committee were directed by the Board on July 3, to examine and report upon the policy to be pursued in relation to the State works, and at the meeting on July 23 the committee offered the following resolutions, which were adopted by the Board:

Resolved, That the Philadelphia and Columbia Railroad and the Allegheny Portage Railroad be

placed in the charge of the General Superintendent of this Company.

Resolved, That the canal portion of the Main Line be placed in charge of one person, who shall be styled Chief Engineer and General Superintendent of the Canals, to be appointed by the Board with such assistants and such powers and duties as the Board shall hereafter prescribe.

The Board on August 5 decided to place the Vice-President in charge of the Canal Department as General Superintendent, and also directed that the rules and regulations for the governing of the canal portion of the main line of the public works should go into effect on and after August 1, 1857. The

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PENNSYLVANIA RAILROAD ENGINE No. 129.

8-WHEEL FREIGHT LOCOMOTIVE REBUILT BY P. R. R. CO. IN 1857.

| Cylinders 18 inches Diameter by 22 inches Stroke. |
| Drivers 48 inches Diameter, Iron Tires. |
| Grate Area, 14.5 Square Feet. |

Total Heating Surface, 732.2 Square Feet.
Weight in Working Order, 63,500 Pounds.
Treasurer was directed to keep the accounts of the railroad and canal separate.

The Pennsylvania Railroad depot at Harrisburg was completed during the summer, and the first train of cars ran through it on the first of August.

The following organization went into effect early in August:

The line extending from Philadelphia to Columbia was placed under the superintendence of George C. Francis Scus, with the title of "Superintendent of the Philadelphia Division," his office being at Philadelphia.

The Maintenance of Way Department, from Columbia to Philadelphia, was placed under the charge of W. Hasell Wilson, who was given the title of Resident Engineer of the Philadelphia Division, with office at Downingtown.

Some incidents connected with the transfer of the State works to the Pennsylvania Railroad Company giving an idea of the political customs then in vogue are thus described by W. Hasell Wilson:

Upon the purchase of the main line of the State improvements by the Pennsylvania Railroad Company, I was appointed Resident engineer on the Philadelphia and Columbia Railroad, and entered upon the duties August 1, 1857.

During the State ownership, political influences prevailed to a great extent in the making of appointments, and when the time approached for the transfer of the line of railroad and canals, great uneasiness was felt by the employees, who were apprehensive of a general clearing out. During the week previous, I passed over the road from Philadelphia to Columbia, either on foot or handcars, and spoke to each section foreman. I requested them to continue their regular work as usual, assuring them that no immediate changes would be made and no employee discharged, except for incompetency after proper examination. The result was that the transfer of the ownership took place without the slightest disturbance or interruption to the operations of the Maintenance of Way Department, and as far as I know similar conditions prevailed in the other branches of the service. The employees, finding that merit was the sole qualification considered, gave increased attention to their work, and I am happy to say that very few changes became necessary. Previous to the first occurring general election I issued a brief circular to the employees on maintenance of way to the effect that there should be no general suspension of work as had been the custom, but that each man entitled to vote should be allowed reasonable opportunity for voting without any constraint. Previously, each foreman was expected to have as many votes polled for the administration candidates as he had names on his check roll.

The duties of A. A. McCausland, Master of Machinery, were extended to include the Philadelphia Division, and his office was located at Altoona.

The Division Superintendents exercised all the powers of the General Superintendent for the control of the road, its branches and connections, and had the general charge of all the employees connected with the motive power department on their respective divisions, subject to the direction and approval of the General Superintendent.

The employees of the Pennsylvania Railroad at the stations and workshops at Philadelphia and at Columbia and intermediate points on the Philadelphia Division, train-lands, freight and passenger trains running between Columbia and Lancaster, Lancaster way-trains and all other trains, except those running west of Dillerville and Columbia, were placed under the charge of the Superintendent of the Philadelphia Division.

The Board, at the meeting on September 2, confirmed the following nominations: George C. Francis Scus, to be Superintendent of the Philadelphia Division; W. Hasell Wilson, to be Resident Engineer; James Briden, to be Superintendent of the Allegheny Portage Railroad; John Rowan, to be collector of tolls for this Company at Columbia and William A. Lytle, to be Agent at Teplon's to succeed Fleming Holliday.

When the Pennsylvania Railroad Company obtained control of the State works, August first, 1857, the daily passenger service consisted of three trains to Pittsburgh, one local train to Lancaster, and two to West Chester each way.

At the close of the year 1857 the equipment of the Company, including cars and locomotives purchased from the State, providing an outfit which was deemed sufficient to meet...
any demands that might arise in the near future, was as follows:

216 Freight and Passenger Locomotives, including those purchased with the Main Line, a number of which are only worth the material of which they are built.

54 Wide Passenger Cars.
14 Narrow Passenger Cars.
31 Emigrant Cars.
18 Baggage Cars, with Mail Apartments.
9 Baggage Cars without Mail Apartments.
188 Eight-wheeled Stock Cars.
1,264 Eight-wheeled House Cars, for general merchandise.
100 Four-wheeled House Cars, for general merchandise.
202 Eight-wheeled Lumber, Coal, or Wood Trucks.
92 Four-wheeled Coal Cars.

Up to December 31, 1857, $13,201,000 had been received from stockholders, and $8,190,000 from loans. The undivided profits amounted to nearly a million dollars, and $371,000 remained to the credit of the contingent fund. $7,500,000 in bonds had been issued to the State of Pennsylvania for the purchase of the main line of public works, making an aggregate received from all sources of nearly $30,300,000. Of this amount $5,680,000 had been expended on the construction of the Eastern Division, $7,738,000 on the Western Division, and $7,500,000 for the main line of public works; the total cost of roads and canals belonging to the Company being about $27,500,000. In addition to this expenditure $1,666,000 had been subscribed to western railroads. Notwithstanding the panic of 1857, the decrease in through passengers only amounted to 5,040, and the decrease in receipts from passengers was a trifle over $11,000.

The Board of Directors had resolved to reduce the floating and unfunded debt from five per cent to three per cent of the capital stock paid in.

Fortunately, the monetary crisis was a short one, and at the close of the year those who were acquainted with the financial condition of the country had hopes of a return of prosperity.

Thus the Pennsylvania Railroad Company within ten years after the construction of its line was begun took the first step in the consolidation of connecting lines, and inaugurated the policy which it continued to follow in the succeeding years!

1858.

The year 1858 was the first calendar year in the history of the Pennsylvania Railroad Company during which that Company had full control of the transportation business between Philadelphia and Pittsburgh. During the five months of 1857 following the transfer of the State works on August 1, the management had begun to organize the through business upon a systematic basis.

On January 1, 1858, Thomas A. Scott assumed the duties of General Superintendent of the entire line.

At the meeting of January 6 the letter of resignation of George W. Carpenter, a member of the board, was read and accepted. This action was taken he stated “owing to a severe and protracted illness under which I am still laboring, and the directions of my physician to withdraw from all pursuits requiring great anxiety and exercise of the mind.” Mr. Carpenter reminds the Board that he was “elected one of the members of the First Board of Directors,” and that since that time he was “annually re-elected until the present time, and during this long period no incident ever occurred to disturb the harmony and good feeling which has always existed in the Board, except on one occasion, under a former President, arising as I believe from the formation of an opposition ticket. This unpleasant circumstance has almost been forgotten, and will soon be obliterated by the unerring finger of time, and would not now be adverted to by me, except in the proper connection and explanation of this part of my letter.”

At the same meeting it was decided that the issue of free tickets by the President be limited “To the members of the Legislature,
when that body was in session; to the Governor and the heads of the State Departments and the Canal Commissioners; to the heads of Railroad Companies, with which this Company had immediate business connections; to the Railroad Committee of the Councils of Philadelphia; to the Directors of the Pennsylvania Railroad Company, and to the editors of Public Papers along the line of the road." All applications for free tickets, except as noted above, were to be laid before the Board for special action.

Since the opening of the road it had been the custom of the Company to make certain allowances for the families of employees killed in the service of the Company. At a meeting of the Board held on January 20 a report was read from H. J. Lombaert reciting "the facts connected with the death of D. Wilkinson, an employee of the Company in the Canal Department, killed on the railroad near Bolivar on December 1, 1857," whereupon it was decided "that a sum equal to three months salary of the late Denniston Wilkinson be paid to his widow as a subscription towards relieving her property of the debts upon it"; and "James Stackhouse, Junior, having lost his right foot in consequence of an accident received on April 22, 1857, while acting as brakeman on the fast line" it was decided at the same meeting "to pay for an artificial limb for him provided the cost of the same will not exceed the sum of one hundred dollars."

At a special meeting of the Board held January 28 an election was held to fill the vacancy caused by the resignation of Mr. Carpenter. "By unanimous consent the rules were suspended and the ballot dispensed with, and on motion of Mr. Butcher, Mr. Wistar Morris was unanimously elected a Director of the Company to supply the vacancy."

At this meeting the Chairman of the Finance Committee stated that arrangements had been made to pay the amount due to the State, "in coin as required by the State Treasurer."

At the annual meeting of the stockholders held February 1, 1858, at Sansom Street Hall, Mayor Vaux occupied the chair.

The following resolutions, introduced by Moncure Robinson, were adopted without dissent:

Resolved, That at the present and all future annual meetings of the Company a committee of seven large individual stockholders, residing in this city, be appointed by the chairman to recommend, after conferring with President, a ticket for Directors, to be voted by the stockholders at the approaching election.

Resolved, That the stockholders approve the action by the Board of Directors as regards the exposure of the names and interests of the shareholders, and that a book containing the names of the stockholders, with the number of shares held by each, be kept at the office of the Company for the convenient inspection of any stockholder.

Resolved, That the Board of Directors be and they are hereby instructed to reduce as early as practicable the indebtedness of the Company, other than that represented by permanent loans, mortgages on real estate and ground rents, to an amount not exceeding three per cent. of the capital stock actually paid in, and thereafter to keep the indebtedness of the Company, other than that above specified, within this amount.

Under the first resolution the Chairman appointed the following committee: Moncure Robinson, Chairman, Stephen Baldwin, Alfred Cope, John B. Myers, Joseph Yeager, Benjamin Gaskill and Joseph M. Thomas.

"The new offices being almost ready for occupancy on February 3, the Building Committee reported that "the fourth story of the new office building had been rented to Messrs. Toppan, Carpenter and Company, on a lease for five years from May 1, 1858, at $1,350 per annum."

At the meeting of the Board held February 8 it was

Resolved, That the Directors representing the city of Philadelphia in the stock of this Company be and they are hereby requested, if they deem it expedient, to bring to the attention of the City Councils the question of the tonnage tax imposed on freight passing over the Pennsylvania Railroad.

Resolved, That a Committee of Three be appointed, whose duty it shall be to endeavor to procure the repeal of the tonnage tax imposed upon the freight transported on the Pennsylvania Railroad.
The President appointed Messrs. Megargee, Hulme and Butcher as the committee.

On February 8 the through trains ran for the first time from Philadelphia to Harrisburg without changing engines at Dillerville. The same day the Directors decided that the Company would agree "to sell the locomotive engines obtained from the State in the purchase of the main line of the State works, not needed for the use of this Company, for cash or securities as shall be approved by the Finance Committee."

After reading a telegraphic dispatch to the Board on February 17 the Committee on the Tonnage Tax were instructed to take such measures as they deemed expedient, to procure the repeal of the said tax and they were further authorized "to employ such counsel as may be necessary to bring the subject to the attention of the people of this commonwealth."

At this meeting was read the preamble and resolutions relative to the transfer of the stock of the Lancaster, Pine Grove and Lebanon, held by the Pennsylvania Railroad, adopted by the former Company January 11, 1858, which was as follows:

Whereas, The Pennsylvania Railroad Company has become the purchaser of the Philadelphia and Columbia Railroad Company, and has now no further interest in the construction of the Lancaster, Lebanon and Pine Grove Railroad Company; therefore be it

Resolved, That this Company will accept the re-transfer of ten thousand shares of its stock subscribed for by the Pennsylvania Railroad Company, upon which five dollars per share have been paid. The said stock to inure to the remaining stockholders of the Company, together with all property in the possession of the said Pennsylvania Railroad Company belonging to the Lancaster, Lebanon and Pine Grove Railroad Company, provided this Company from any and all obligations of every description that they may have up to this date, and provided further, that in the event of any legal difficulty in the premises, the said Pennsylvania Railroad Company will guarantee to protect and defend the Directors of the Lancaster, Lebanon and Pine Grove Railroad Company in their individual capacity against any action for damages that may be brought against them in consequence of the re-transfer of said stock.

(Signed) THOMAS T. FIRTH,
Secretary of the Lancaster, Lebanon and Pine Grove Railroad Company.

On February 17, 1858, the Board authorized J. Edgar Thomson to vote the stock of this Company at the next annual election for Directors of the Pittsburgh, Fort Wayne and Chicago Railroad Company, and upon all questions that might arise at the annual meeting of the stockholders of that company.

Mr. Hulme made a report on the meeting at Chillicothe, held on the tenth of February, which was attended by some four or five hundred persons who were creditors of the Marietta and Cincinnati Railroad Company.

Mr. Hulme recommended that the Pennsylvania Railroad Company carefully preserve its stock interest in the Marietta and Cincinnati Railroad Company, "not for its worth in dollars and cents, but for the value it might possess at some future day, in protecting and securing the trade with Southwestern Ohio by connection with the Steubenville and Pittsburgh Railroad Company, instead of being diverted to a rival road. He thought that "financial aid could only assist the management with its flirtation with rival roads, and a possible matrimonial connection." Mr. Hulme concludes his report in the following words:

From the best information I could obtain, and from my own personal observation of railroads in Ohio, I am of the decided opinion that it is utterly useless to afford financial aid to any of the railroads running west from Pittsburgh or Wheeling, unless they are relieved of a great portion of their enormous load of liabilities and then placed under the full control and management of the Pennsylvania Railroad Company.

At the election for eight Directors of the Pennsylvania Railroad Company, held on the first day of March, 1858, at the new office of the Company in Philadelphia, the following named persons were elected Directors: John Edgar Thomson, Washington Butcher, William R. Thompson, Josiah Bacon, Thomas Mellon, John Hulme, G. D. Rosengarten, Wistar Morris and A. J. Derbyshire.
At the meeting of the Board held March 3, J. Edgar Thomson was unanimously re-elected President.

The Special Committee of aid to the Pittsburgh, Fort Wayne and Chicago Railroad Company, made a report dated Philadelphia, March 17, 1858, in which they informed the Board that "in considering this subject they had been impressed with the importance of the completion of a line to Chicago to this Company, both as a shareholder in the work and as bringing into effective use a feeder which would constitute not only the shortest and best line from the Northwest to Philadelphia, but also to New York by the way of this city, and which must result in a largely increased freight traffic." They had been led "to the conviction that unless this line was completed this Company might abandon all expectations of receiving dividends from their investment in that road."

The completion of that line was of great importance to the Pennsylvania Railroad Company from the fact that the Company was compelled, in order to sustain the road in an efficient working condition, to continue to it a large share of the southwesterly business to the manifest injury of the popularity of the route—inducing travel over it for Cincinnati, thirty-five miles out of its direct course, thus crippling the Steubenville and Indiana Road, the proper line to that district, in the success of which the Pennsylvania Railroad Company also had an important pecuniary interest.

It appears from the estimate of the engineer of the Pittsburgh, Fort Wayne and Chicago Railroad Company, that in addition to the cost of iron rails and spikes, the sum of three hundred and eleven thousand dollars, was needed to complete the road, and that the amount of iron necessary was eight thousand five hundred tons, of which two thousand tons had already been delivered at Toledo and Chicago, upon which the duties were unpaid. There still remained six thousand five hundred tons to be procured.

The Pennsylvania Railroad Company had on hand, chiefly on the Allegheny Portage Railroad, old iron to the extent of about four thousand tons. "A portion of this, to fit it for use, would have to be re-rolled, the cost of which and of the additional iron required to make up the six thousand, five hundred tons, together with the necessary amounts of spikes, etc., would not exceed the sum of $200,000." The Pittsburgh, Fort Wayne and Chicago Railroad Company proposed, in case this amount of iron and the requisite spikes should be assigned by the Pennsylvania Railroad Company to the completion of their road from Plymouth to Chicago, to pay therefore six hundred of their first mortgage bonds of one thousand dollars each—these bonds being part of an issue of ten million dollars made to finish the road and fund the bonds issued by the several companies whose roads had been consolidated into the one line.

These securities therefore represented a part of a lien of less than twenty-two thousand dollars a mile, amply supplied with rolling stock, after all previous liens had been covered.

The Committee did not recommend that this aid be extended until it was fully ascertained that means could be obtained to complete the whole line. They had full confidence that when completed the road would, if judiciously managed, be enabled in a few years to begin the payment of regular dividends to the stockholders, and in consideration of the advantages of its completion to the Company, concluded to recommend to the Board the adoption of the following resolution, viz.:

Resolved. That the Directors of the Pennsylvania Railroad Company acknowledge the important benefits that would result to this Company by the completion of the road of the Pittsburgh, Fort Wayne and Chicago Railroad Company to Chicago, whereby the connection and business of both roads would be greatly enhanced, and that it is disposed, so far as it lies within its power and authority, to aid in the completion to the extent of supplying the iron rails, spikes, frogs and switches that may be required, the funds advanced for that purpose to be applied to the special object named and to none other, provided it is satisfactorily shown that such aid, together with that rendered by bondholders or
other interested parties, will secure the full and entire completion of the road, and provided further, that the financial affairs of the said Pittsburgh, Fort Wayne and Chicago Railroad Company are first placed in a more satisfactory condition, and that the management of said road be first placed under the control of the President and the Directors of the Pennsylvania Railroad Company, and so continued for such a term of years as they (the President and Board of Directors of the Pennsylvania Railroad Company) may elect, the time to insure a full guaranty of the increase of the stock to at least twenty-five dollars per share, and, further, to guarantee the reimbursement of all advances that may hereafter be made.

The report was signed by William R. Thompson, J. Edgar Thomson, John Hulme, G. D. Rosengarten, Wistar Morris, Committee.

The Board adopted the report and resolution of the Special Committee on aid to the Pittsburgh, Fort Wayne and Chicago Railroad Company, and appointed a Committee to confer with the Directors of that Company, with the understanding that any arrangements that might be agreed upon between the Pittsburgh, Fort Wayne and Chicago Railroad Company and this Committee should not be binding upon this Company, until submitted to and ratified by the Board of Directors of the Pennsylvania Railroad Company.

In March, 1858, the use of omnibuses and drays was dispensed with and after that date all trains arrived and departed at the "Union Depot," Pittsburgh.

The Committee "on aid to the Pittsburgh, Fort Wayne and Chicago Railroad Company" on April 14 submitted a form of agreement that was adopted by the Board. It will be found in the Appendix.

This agreement was approved by the Board and the President was authorized "to sign it and attach the seal to the same on behalf of the Pennsylvania Railroad Company as soon as he is satisfied that other means are provided for the purpose and sufficient to grade and complete the road."

The following communication from the Chief Engineer of the Canal Department was read:

Philadelphia, April 8, 1858.

To the President and Directors of the Pennsylvania Railroad Company.

Gentlemen,—In accordance with the organization, I hereby nominate for your approval the following officers for duty in the Canal Department.

The rates of pay affixed are, with one exception, as low as they can be placed to command the active services of reliable men.

GENERAL OFFICERS.

Thomas T. Wierman, Resident Engineer, with general charge of the whole line from Columbia to Pittsburgh, 285 miles, and the special charge from Huntingdon to Hollidaysburg, 36 miles, at one hundred and fifty dollars per month.

William T. Burns, Superintendent, with special charge of the line from Columbia to Hollidaysburg, distance 146 miles, at one hundred dollars per month.

H. A. DuPuy, Superintendent, with special charge of the line from Johnstown to Pittsburgh, distance 103 miles, at one hundred dollars per month.

The above payments per month for and including all expenses incurred by the parties for house hire, horse keep and travelling on canal business.

These nominations were unanimously confirmed by the Board.

In accordance with the report of the Road Committee made on April 28, it was agreed by the Board that the Company would lease to the citizens of Newry, Blair county, under contract, that portion of the Allegheny Portage Railroad from Duncansville to the point of connection of a proposed new line, for a nominal rent, and furnish freight cars for all trade that might offer, "provided the said citizens and others associated with them will agree to complete the proposed new line within twelve months thereafter and keep the same in good order."

The Board on May 24 decided to revise the organization of the Legal Department. The Committee had given the subject full consideration and submitted a form of organization, which was adopted.

The following is the plan of organization:
LEGAL DEPARTMENT.

The legal business of the Company shall be committed to attorneys in the following counties, who shall be known as Solicitors of the Pennsylvania Railroad Company.

Philadelphia, Delaware, Chester, Montgomery, Lancaster, Dauphin, Perry, Juniata, Mifflin, Huntingdon, Blair, Cambria, Westmoreland, Indiana, Allegheny and Armstrong, with such additional counsel as the Board may from time to time direct. The solicitors will be appointed by the Board of Directors, and shall be responsible generally for all matters in this department, and give their personal attention, so far as may be practicable, to the legal business of the Company.

The total valuation of the Pennsylvania Railroad Company’s property in Philadelphia for the year 1858 amounted to $536,800 and the sum expended for taxes was $10,590.05.

The Special Committee to which was referred the release of the Company from the suit by the State, reported on June 23 that after consultation with Mr. Cuvler, Solicitor, as to what steps should be taken to dissolve the injunction restraining the Company from removing the iron rails on the Portage Road, they had decided "to refer the matter to the Vice-President to consult with the Attorney General, with power to act."

An extract from the report of the Vice-President is here given:

Upon being clothed with authority to act in the premises, I called upon his excellency, Governor Packer, on the 13th instant, and, subsequently, at the suggestion of the Governor, on the Attorney-General, I found these officers well disposed to discontinue the suit, and after consultation it was proposed on the part of the Attorney-General to discontinue the suit against the Company on their giving a bond (with individual security to the commonwealth in the sum of three hundred thousand dollars, divided into annual installments of one hundred thousand dollars each, due June 31, 1858, July 31, 1859, and July 31, 1860.

This bond was executed on the 15th instant with J. Edgar Thomson, William B. Foster, Jr., Thomas T. Firth, and James Magee as sureties, and on the same day the Honorable John C. Knox, Attorney General, ordered the discontinuance of the suit.

The wide passenger cars were first used on the main line on July 18, 1858, and were run from Philadelphia to Pittsburgh without change. On the same day it was announced that "a smoking car has been attached to each through passenger train and one of Woodruff’s sleeping cars to each of the fast line and express trains."

The agreement made on the 7th of March, with Messrs. Wilson and Steele in reference to the connection of the tracks of the Company with the Philadelphia and Reading Railroad at Harrisburg, was approved at a meeting of the Board held on August 4, provided that a satisfactory arrangement could be made with the Philadelphia and Reading Railroad Company in relation to the claim of this Company for damages in consequence of an error in the level and mitre sill in building the new lock on the canal at Harrisburg.

The General Superintendent was authorized on August 4 to establish a ticket agency at West Philadelphia, and the nomination of James Cowden, then ticket collector at that point, was confirmed.

At a meeting of the Board held on August 18, a memorial to the Select and Common Councils of the city of Philadelphia was decided on, in which the city was requested to grant the Company the lease of the Dock Street Wharf for five years with the right "to make such improvements upon it as would be found desirable and necessary for the proper transaction of the business of the Company." Instructions were also given to have the proposed lease together with a plan and cost of the proposed improvements submitted to the Board for their approval.

The Board accepted the ordinance passed by the Select and Common Councils of the city of Pittsburgh August 8, entitled "An Ordinance changing the grade of Liberty Street between Wayne and O’Hara streets," and agreed that the Pennsylvania Railroad Company would fully compensate such owners and occupants of lots as might be injuriously affected by the change of grade, that
the total expenses of the contemplated change of grade and the repair of streets and alleys and of filling up the canal should be borne by the Company, and that the work should be performed by the employees of the Company, under the direction of the city of Pittsburgh.

The Vice-President was at this meeting authorized to sign an agreement between the Company and the Wyoming Canal Company, the Susquehanna and West Branch Canal Companies, the Susquehanna Tidewater Canal Company and the Baltimore and Havre de Grace Tow Boat Company, by which all of these companies agreed to allow a drawback to be paid at the end of the boating season of that year of twenty per cent from the prevalent rates of toll then charged on mineral coal passing over their respective lines and delivered at Baltimore or Richmond.

The Board on September 15, referred the agreement entered into between the representatives of the New York Central, the New York and Erie, the Baltimore and Ohio, and the Pennsylvania Railroad Companies, on September 11, for ratification, and the President was given power "to execute the same, if he should deem it to the interest of this Company to enter into such a contract."

It was understood by the Board in ratifying this agreement, "that the Company does not surrender any of the advantages they possess in cheap transportation on the Ohio river."

The Board on October 13, authorized the President to dispose of the bonds of the Pittsburgh, Fort Wayne and Chicago Railroad Company held by the Company as collateral security, and to pay off the floating debt of the Pittsburgh, Fort Wayne and Chicago Railroad Company with the proceeds of the sale.

The Real Estate Committee made a report on the expediency of disposing of the property at 12th and Market streets held for station purposes to the effect that they were not yet prepared to recommend to the Board where in their opinion the location of a passenger depot in this city, that would afford the greatest accommodation to the traveling public and be in harmony with the best interests of the Company, should be made."

The following extract from the Committee's report is indicative of the careful consideration given to the question of deciding upon the site of the new passenger station which was finally located in West Philadelphia: "The lease of the present depot at 11th and Market streets expires on the first of September, 1899, and could no doubt be renewed on the same, if not on more favorable terms. The rent now paid is $3,300 per annum, and the taxes $1,307, amounting in all to $10,607. There is not a sufficient depth in this depot to accommodate a full train on one track, and is not as well adapted for our business as a depot as would be built expressly for our own convenience.

This Company owns a valuable tract of land immediately west of and adjoining the Market Street Bridge, which possesses some advantages as a site for a passenger depot. By erecting it at this point, the heavy outlay for the purchase of ground in the built-up portion of the city would be avoided and the expense of hauling the cars across the bridge and into the heart of the city by horse power would be saved. This one item amounts to $10,200 per annum.

The development of the passenger railway system throughout the city must have an important bearing in determining where the most eligible site for our depot should be located. A site at Chestnut or Willings streets, with a bridge over the river at either of these streets would relieve Market Street of the vast amount of travel passing over the present bridge. If a bridge be built at Ridge Street and the railroad laid on that street, an excellent location would be afforded on the north side of Ridge Street immediately adjoining and west of the proposed bridge. In that event, having the depot on the west side of the Schuylkill river, it would be the policy of the Company to establish an office in a central location in the vicinity of the hotels where passengers could procure tickets and baggage checks, and for connection with the depot by a passenger railroad. Another important consideration in the location of this depot on the west side of the Schuylkill river is that it would enhance greatly a large amount of unproductive property now owned by the Company in that locality.
Another arrangement proposed is to sell the present depot at 12th and Market streets and purchase the lot bounded by Market, Filbert, Oak and 15th streets, 122 feet front by 306 feet in depth.

Your committee merely mention these without any opinion as to the expediency of selecting this particular location.

The successful introduction of the "dummy engine," by which steam power could be used in our streets would be of the utmost importance in enabling your committee to recommend a site to be used for our terminal depot. These engines, as far as used by other companies, do not seem to be as yet of practical efficiency. Much may be done, however, in their improvement in the course of a few years.

Your committee are fully aware of the convenience afforded to the traveling public of having the depot in as central a location as can be obtained. There are many considerations to be borne in mind in determining this question, and your committee have merely offered these suggestions with a view to obtaining the sentiments of the Board, deferring a recommendation of any particular location as being best adapted to the necessities and interests of the Company, until the whole subject has had the most comprehensive investigation. All of which is respectfully submitted.

THOMAS MELLON,
WISTAR MORRIS.

The Board decided at their meeting October 27 that whenever by death, resignation or dismissal of any employee, a vacancy occurred, no appointment (except a temporary one) should be made by any of the heads of the Departments, without first obtaining the assent of the President, and no increase of salary should thereafter be made without first being confirmed by the Board of Directors.

At the same meeting the following basis of organization for conducting the business of the Company at terminal passenger stations was submitted by the General Superintendent and was adopted by the Board:

That the present ticket agents be given full charge of their respective stations, and be held responsible for the transaction of all business connected therewith. In addition to their present responsibilities they shall make themselves familiar with the rules and regulations of the Company, and with the duties of every employee whose duties bring him to their stations and shall require the prompt and efficient discharge of that duty at their respective depots. They shall preserve order, regularity and system in the discharge of duty on the part of those in the service of the Company who are attached to their depots and who are connected with the business of the station, and shall use all proper means to avoid confusion and delays in receiving passengers and in receiving and delivering baggage. They shall use the telegraph and other facilities afforded by the Company, and trace out and return to its proper owner all missing or unclaimed articles of baggage. They shall keep the depot and its various premises in proper order for the comfort and convenience of passengers and for the security of baggage.

They will receive their instructions from the General Superintendent, to whom they shall make communications respecting their duties, excepting those connected with the departments of the treasury and Controller and Auditor.

They shall report to the General Superintendent all deviations from the rules and regulations of the Company by officers or other employees of the Company. They shall use all means to secure traffic for the road, acting at all times with the view to accommodate the public and promote the best interests of the Company. The plan, as submitted by the General Superintendent was adopted by the Board.

The General Superintendent at this meeting submitted a report on the United States Car Brake which had been referred to him by the Road Committee and stated that he could not recommend the use of it by the Company, but that, in his opinion, the use of the Loughbridge patent Car Brake would insure a higher degree of safety. The subject was referred to the President, and he was instructed to report to the Board the best terms on which he could obtain the right to use the Loughbridge Brake on all the cars of the Company.

John McDonald and Henry Bishoff were appointed by the Board on this day emigrant agents at New York city in place of L. Lorenz. Vice-President Foster was on October 28, authorized by the Board to proceed to Harrisburg "to remain during the ensuing session of the Legislature to represent and protect the interests of this Company, with the advice and concurrence of the President." The sum of five hundred dollars was appro-
appointed "to be employed at his discretion in publishing and disseminating the arguments favoring a repeal of the tonnage tax imposed upon the Company."

The Board on behalf of the Company agreed to receive from the Tyrone and Clearfield Railroad Company in payment for the transportation of passengers and freight over the Pennsylvania Railroad and Canals of said Company, 60 per cent in cash and 40 per cent in the first mortgage bonds of the Tyrone and Clearfield Railroad Company, at par, provided that the amount of the mortgage should not exceed two hundred and twenty-five thousand dollars, and that the bondholders should have the absolute right or control in affixing the rates of freight on the Tyrone and Clearfield Railroad Company in case of any default in the payment of the interest due on the said bonds, and provided further, that the amount should first be used for the completion of the road near Phillipsburg.

The following nominations were approved by the Board on December 22: Thomas Moore, Ticket Agent, to be in charge of the Philadelphia Passenger Station, at a salary of one hundred dollars a month, and to be allowed two clerks, one at $75 and one at $45 a month, two baggage agents at $45 a month, five porters at 90 cents a day. John Stewart, Ticket Agent and in general charge of the station at Pittsburgh, at a salary of one hundred dollars a month, with the assistance of two clerks, one at $60 and one at $50 a month, two baggage agents, one at $45 and one at $35 a month, one porter at 90 cents a day, and one dispatcher at the Union Depot, subject to the direction and control of the General Superintendent in accordance with the organization adopted on the twenty-seventh of September. At this meeting the Board decided that in order to furnish greater facilities for the transmission of freight on the canal, it would be necessary to increase the capacity of the canal from the junction at Duncan's Island to Columbia so as to give a uniform depth of five feet of water throughout, and the Resident Engineer was instructed to submit an estimate of the cost of increasing the length of the locks to pass boats of one hundred and twenty feet in length on that portion of the canal.

During this year the road was managed with such system and care that a very small amount was paid out for damages to persons or property. In this connection the following paragraph from the report of Thomas A. Scott, the General Superintendent, is of interest:

Our trains have been run with great regularity and remarkable freedom from accident. We have carried during the year 1,012,803 first class, and 16,882 emigrant passengers without the loss of a single life; but one accident having occurred to our trains from which injury resulted to passengers. In this case three persons were slightly injured, whose claims for damages were promptly adjusted for the sum of $1,217. In moving 1,137,189 tons of freight during the year the total claims incurred for goods lost, delayed or damaged has been but $8,054.

Thomas A. Seabrook, resident engineer of the western division, resigned to accept the position of chief engineer of the Pittsburgh and Steubenville Railroad Company.

On December 22 it was decided to place the maintenance of way department from Philadelphia to Pittsburgh under the supervision of one person, who should have the title of resident engineer. His office and residence was to be at Altoona. The General Superintendent then nominated W. Hasell Wilson for this position, and the nomination was confirmed. On the 31st of December there were 209 locomotives on the whole Pennsylvania system.

Regarding the rails on the Portage Railroad, the following paragraph may be quoted:

During the year 1858 the iron rails on the Portage Railroad which has been purchased from the commonwealth were removed, as that portion of the road was no longer used for traffic, and these rails were transferred to the Pittsburgh, Fort Wayne and Chicago Railroad and relaid on that road from Plymouth into the city of Chicago, a distance of 82 miles. The amount of cash expended for the removal of these rails and for the new rails, spikes and chairs furnished to build the road amounted to about $240,000, which amount was secured to the Company by a pledge of $650,000 of the first mortgage bonds of the Pittsburgh,
Fort Wayne and Chicago Railroad Company. This road was opened through to Chicago on the 25th of December, 1858, the Company thus securing the through business from New York, Philadelphia, Baltimore and Washington to Chicago and the cities northwest thereof.

During the year an eighty-three-pound T rail, five inches high, was laid between Bolivar and Blairsville, which, with the wrought-iron spikes, "makes a very perfect track, and wears out less rapidly than the sixty-four-pound rail with the ordinary chain connection."

Comparatively little work was done in the extension of the second track between Philadelphia and Pittsburgh. About ninety miles were still operated as single track. In August the alterations of the tracks so that the wide cars could pass all the way from Philadelphia to Pittsburgh were completed, and passengers were enabled to travel between those cities without change of cars. The tracks through the city of Pittsburgh were also finished, so that trains of the Cleveland, Chicago, Cincinnati and Indianapolis lines arrived and departed from the station of the Pennsylvania Railroad at Pittsburgh, thus avoiding the inconvenience of omnibuses and the expense of drays for transferring freight.

The heavy U rail laid in 1853 between Summit Tunnel and Altoona was found to be so badly worn that it was replaced during the year with an eighty-three-pound T rail manufactured by the Cambria Iron Company.

The revenue from passengers showed a decrease of $82,286 from the receipts of the previous year. Over $7,000 of this decrease was in the emigrant business, the total number of emigrants carried being 16,862, which was less than the previous year. It should be borne in mind in this connection that the number of immigrants arriving at American ports in 1858 was less than half the number landed on our shores in 1857.

The total revenue derived from all sources during 1858 reached the sum of $5,185,000, and the expenses were $3,022,000.

The Tyrone and Clearfield Railway, twenty-three miles in length, was completed, through aid furnished by this Company.

Although the most severe effects of the monetary panic of 1857 had passed by the close of that year, yet the general stagnation of the business of the country continued to some extent during the year 1858. The Directors, in pursuance of the policy indicated, had, during the year 1858, reduced the floating debt unfunded to below three per cent of the paid capital of the Company. Indeed, it was stated that the floating debt due December 31, 1858, was "practically extinguished, as the resources of the Company immediately available were ample to meet it at any time."

1859.

At the first meeting of the Board in 1859, held on January 5, "the nomination by the President of T. T. Wierman, as Resident Engineer and General Superintendent of the Canal Department to date from January first, was unanimously confirmed. This appointment was made to fill the vacancy caused by the resignation of T. Haskins Dupuy.

At the same meeting a report was read by Mr. Wierman favoring the lengthening of the locks to pass boats of one hundred and twenty feet long.

By resolution adopted at the adjourned annual meeting of the stockholders held April 6, 1857, the Board of Directors were requested to inquire and report on the subject of fixing a terminus of the Pennsylvania Railroad on the Delaware river, the matter being referred to a special Committee of the Board. No action was taken on this resolution until the Board agreed upon certain recommendations at the meeting held January 26, 1859, the delay being occasioned by the financial crisis through which the country passed in 1857-58. This report stated that the cost of moving through tonnage from West Philadelphia to the Dock Street Wharf on the Delaware river, over the imperfect railways laid on Market and Third streets, was twenty-five and a half cents a ton. The limited facilities at West Philadel-
In the course of the year the chief engineer of the city of Philadelphia made a report upon the various routes to the Delaware river, which was published and distributed to the stockholders of the Pennsylvania Railroad Company, and after the matter was thoroughly discussed it was decided to locate the terminus at the foot of Washington street, immediately above the Navy Yard. Every member of the Board but one believed fully that "the place selected is under all the circumstances the best adapted to the purposes for which a river terminus is required." The route adopted also afforded the advantage of a connection, by a short branch, directly with the city gas works, as well as a connection with the Philadelphia, Wilmington and Baltimore Railroad east of the Schuylkill, by which a connection with the latter road at the west end of Gray's Ferry bridge was made practicable.

It was announced to the members of the Board on February 21, 1859, that Messrs. Joseph N. Thomas, Benjamin V. Curtis, and Horatio C. Wood had been elected as Directors, by the Select and Common Councils of the city of Philadelphia.

Samuel Megargee was unanimously chosen a member of the Board on the part of the individual stockholders. The new Directors for the year were certified at the meeting of March 9, at which time also J. Edgar Thomson was unanimously re-elected President of the Company.

The resignation of Joseph N. Thomas, a Director in the Company, was presented and accepted.

At the Board meeting two weeks later a report was read from T. T. Wierman (Resident Engineer and General Superintendent of the Canal Department), relative to the destruction of the Clark's Ferry bridge.

The lease of the West Chester Railroad was considered on April 6, the Board finally agreeing to the resolution "that the agreement with the West Chester Railroad Company is approved by the Board of Directors, except that clause referring to the through train on Philadelphia for the coal and lumber trade were a detriment to the development of those branches of business. The coal business was so restricted that a trade exceeding 100,000 tons a year could not be accommodated, while the transportation of large quantities of live stock was prevented by the fact that shippers were obliged to drive the animals through the business streets of Philadelphia in order to reach the freight lines to New York. The proposed extension to the Delaware would, it was thought, relieve these crowded thoroughfares of the cars and teams of the Pennsylvania Railroad Company east of the freight station at Thirteenth and Market streets, thus allowing the Company to increase the accommodations for the Philadelphia local business by withdrawing the through trade from that station.

At the annual meeting of the stockholders held February 7, the report of the Board of Directors, which was presented, stated that in opinion "the Company could not accomplish the object of its construction until connection was effected with tide water on the Delaware at some convenient point." Whereupon the following resolution was adopted:

That the Board of Directors of the Pennsylvania Railroad Company be and they are hereby authorized to select the most eligible location on the Delaware river for a terminal depot, to be reached by locomotive steam power, and to cause the extension of the road to the said river to be completed at the earliest practicable period.

By another resolution the Board of Directors were requested to advertise in the daily papers of Philadelphia for propositions from property holders "with drawings and price of property" on the Delaware river front "between the mouth of the Schuylkill and a point two miles above Richmond," these propositions to be submitted at the office of the Company on or before April 30, 1859. The stockholders also authorized the Board "to select the most available route and terminus on the Delaware which they deemed most to the advantage of the Company, either above or below the Navy Yard." These resolutions were passed by a vote of 101 to 26.
Sunday, and that it be suggested to the President to have this clause stricken out.”

A meeting was specially called for April 11, 1859, to take action in reference to constructing a railroad over the Susquehanna river bridge to Dauphin. A plan of location made under the direction of W. Hasell Wilson, Resident Engineer, was submitted, and Mr. Wilson was directed to cause the work of constructing the proposed railroad to be commenced immediately in accordance with the plan of location submitted.

At this same meeting the determination of the Directors to carry out the policy expressed at the time of incorporation is manifested in the following resolution which was unanimously adopted:

Resolved, That the officers of this Company be and they are hereby authorized to meet all competition that may arise for the trade and travel between the East and West, and to adjust the rates be charged at the rate of four cents a ton to all points below Portsmouth, and on all points above, 12 cents a ton of 2,000 pounds. The expediency of lengthening the canal locks was again considered, but the Board determined that the change should be postponed for the present.

The subject of closing the canal on Sundays was referred to the Resident Engineer and General Superintendent for examination and report.
ALTOONA BENEFICIAL ASSOCIATION, 1859.

The claim of the State against the Company for the tax on the capital stock of the Company, prior to the commencement of the payment of dividends was disposed of on June 1, 1859, by directing the Finance Committee to settle the claim of the Commonwealth "on the best terms he can obtain for the interest of the Company."

The meeting of the Board of Directors held on June 15 is especially worthy of notice, as on that day the first official recognition was given to a system of co-operative aid among the employees which has since been developed into that useful organization now known as the Relief Department of the Pennsylvania Railroad Company.

The minutes state that—

A report was presented in reference to the Altoona Beneficial Association, and the following resolutions were submitted and adopted:

Resolved, That after the first day of July, 1859, this Board will make no special appropriations to employees in the shape of pay for loss of time by sickness or injury.

Resolved, That an appropriation of $300 be made as immediate aid to the said Association.

Resolved, That an annual payment be hereafter made in the month of January by this Company to the said Beneficial Society of two dollars per head pro rata for every good member of said Society who has paid his annual fees in full as levied by the said Society up to the first of January of each year hereafter until further ordered.

In the middle of June it was decided to create a "sinking fund" for the retirement of the second mortgage bonds, and to appoint three trustees whose duty it should be to invest and take care of such funds and the accumulations which might from time to time be appropriated to the trustees by the Board of Directors.

President Thomson, William R. Thompson, Chairman of the Finance Committee, and Thomas T. Firth, Treasurer, and their successors in office, were thereupon appointed trustees.

General Superintendent T. T. Wierman reported on June 15, in reference to closing the canal on Sunday, that it was his belief that the majority of the men interested on the canals did not desire them closed on that day. The recommendation that the canal remain open was agreed to with two dissenting votes.

The Road Committee presented on the 7th of September certain resolutions which had been adopted by the Camden and Amboy Railroad Company, to the effect "That the Companies between Philadelphia and New York agree to prorate with the Pennsylvania Central Railroad Company and its connections westward on passengers between New York and Philadelphia the distance to be 130 miles, and Philadelphia to Pittsburgh 360 miles, on which the whole fare of the passengers is to be prorated by the above Companies."

This was adopted as the verbal understanding between Messrs. Stockton and Thomson, the Presidents of the two companies.

On this same date the General Superintend-
ent nominated Charles E. Pugh to be agent at Newport in place of W. W. Birchofield resigned.

In concluding the business of this session of the Directors' authority was granted to the Vice-President to arrange with the Allegheny Mountain Health Institute to convert one-half the amount of the mortgage on the Cres-son property into stock, provided the sum of $12,500 additional was subscribed, to be expended upon improvements on the property.

Two real estate changes involving large sums of money were decided upon in the course of the last two meetings in November. It was determined to sell the lot of ground on the southwest corner of 12th and Filbert streets, which fronted 187 feet on 12th street, and 240 feet on Filbert street, for the sum of $200,000, on bond and mortgage and ground rent to be agreed upon.

Cast-iron Frog No. 6, laid on Pennsylvania Railroad near Paoli. 1859.

On November 30, the sale of a portion of the lot at 12th and Market streets in consideration of one hundred thousand dollars was also agreed upon.

The Board on this same date confirmed the nomination by the General Superintendent of Andrew Carnegie, as Superintendent of the Western Division in place of Joseph D. Potts, resigned.

Certificates of the election of Samuel T. Bodine, John M. Kennedy and Benjamin T. Curtis as Directors on the part of the city of Philadelphia were presented at the meeting of the Board on November 30.

On December 6, 1859, the death of Benjamin T. Curtis, a Director of this Company, was announced, and suitable memorial was presented and adopted.

The Finance Committee reported that under power to act, they had adopted the following resolution:

Resolved. That the Pennsylvania Railroad Company will agree to receive from Messrs. Wood, Morrill and Company twenty thousand dollars under date of May 12, 1859 at par, in payment of freight due to the Pennsylvania Railroad Company after 12, 18 and 24 months from the completion of the Tyrone and Clearfield Railroad Company with certain provisions.

The Road Committee was authorized on December 20 to secure from the Philadelphia, Wilmington and Baltimore Railroad and the West Chester and Philadelphia Railroad Companies the best terms possible for the use of their roads. The committee was also authorized to ascertain the amount of property required at the Delaware river terminus, and if satisfactory terms could be obtained make arrangements to have the work carried out.

The Road Committee reported on the 28th in regard to the proposed contract between the Pennsylvania Railroad Company, the Philadelphia and Reading Railroad Company, the East Pennsylvania Railroad Company, and the United Railroads of New Jersey that the true policy of the Pennsylvania Railroad Company consisted in cultivating harmonious action and friendly intercourse with all connecting roads that may add to its business and profit. That the prosperity of the State of Pennsylvania and principally the cities of Philadelphia and Pittsburgh, as its principal points
of business was essential to the success of the Pennsylvania Railroad Company, and that the diversion of a large amount of trade around and from Philadelphia, is a question of such serious import, not only to the Pennsylvania Railroad Company, but to the city of Philadelphia and the State at large, as to require the most deliberate consideration before being carried out. It was believed that with just and equitable arrangements on the part of all interested, and particularly on the part of the city of Philadelphia in rendering every facility to the Pennsylvania Railroad Company in aid of a Delaware terminus to be reached by steam power, the trade could never be diverted from its existing legitimate channel. The dollars to herself and rivals without attaining her object, beyond temporarily destroying the uniformity of these differences in rates.

The management of the Company continued to steadily increase its transportation facilities and to improve the accommodations in the cars and passenger stations.

These efforts were commented upon by the *American Railroad Journal*, in the issue of July 12, which says:

The railroad is sparing neither expense nor labor in providing the necessary facilities for their largely increasing business. Warehouses and commodious freight depots are being erected. The wooden bridge at Mill Creek is superseded by an iron one. Within a short time the Company will commence straightening the track and tearing down old build-

contract was laid on the table, as the New Jersey Central Railroad Company had withdrawn from the agreement.

A special meeting of the Board was then ordered for the purpose of determining the route of the line to the Delaware river and the furthering of the work at once.

The freight war which was carried on between the various rival companies during the year 1859 is thus alluded to in President Thomson’s report for that year:

During the past year the New York Central Railroad Company in an unreasonable (if sincere) effort to bring the rates to and from New York to the same level with those of Philadelphia and Baltimore, sacrificed hundreds of thousands of

ings in Lancaster preparatory to erecting a new station in that city.

The work is under the supervision of J. C. Sharpless, Assistant Engineer of the Company. All the buildings are beautiful and substantial. The management know how to please the public.

During the year 1859 a number of dwelling houses on Thirteenth near Market street, Philadelphia, were purchased and removed preparatory to the enlargement of the freight station at that point.

Passenger stations at Pittsburgh and Lancaster had been erected, and the branch to the Delaware river was in course of construction.

The General Superintendent was directed to prepare plans and estimates of the cost of erect-
ing at Altoona suitable dwellings for the use of the Resident Engineer and Superintendent of the Middle Division. He was further directed to submit plans for such additions as would be necessary in order to concentrate at Altoona the heads of the operating department, and to enable the General Superintendent to secure more immediate control of the road.

An extension of the railroad of twelve miles between Bedford and Broad Top was put under contract early in June, 1859, with the expectation of its completion by the beginning of the year 1860.

This was the first complete calendar year that the Pittsburgh, Fort Wayne and Chicago Railroad Company was in operation, and the connection with Chicago resulted in increased revenue. The floating debt of the Company, which consisted of the aggregate debts of the three companies composing the consolidated lines between Pittsburgh and Chicago was much larger at the date of consolidation than prudence justified, so that the first mortgage bondholders applied to the United States District Court for the appointment of a receiver. This action was concurred in by the Pennsylvania Railroad Company.

Joint and Rail of 1859.

Experiments made during the year with coal burning engines, demonstrated their entire practicability, so that the substitution of bituminous coal for fuel on all locomotives instead of wood was decided upon, it being estimated that the change would save over fifty per cent in fuel consumption. It was found that the consumption of Broad Top coal on the line between Harrisburg and Philadelphia, averaged about thirty-six and a half pounds a mile.

The introduction of gas for lighting the interiors of the passenger cars was adopted by the Company during this year and this means of illumination was considered to be a decided improvement over the method heretofore employed.

The battle between the locomotive and the rail, the history of which is quite similar to the conflict between the armor and guns in the Navy, had already begun on this railroad in 1859.

President Thomson in his annual report called attention to the fact that—

To attain high speeds, heavy and powerful locomotives must be used, and additional safeguards rendered necessary to compensate for the increased risk involved. The destructive effects of these heavy machines moving at high velocities can be readily appreciated by every one, and it is therefore a matter of surprise that railway managers should
The necessary safeguards were already being provided.

The Loughridge car-brake, worked by the engineer on the locomotive, was, during 1859 introduced on all through passenger trains, and in speaking of this matter the General Superintendent says: "All trains running at high speed should be provided with this brake, or some similar device, that will place the absolute control of the train in the hands of the engineer. Such improvements tend to render the working of great thoroughfares safer for the traveling public. All practical improvements that tend to promote the comfort or safety of our patrons, will be duly considered and adopted."

During the year the heavy U rail was taken out from the curves of the eastbound track on the eastern slope of the Allegheny mountain and the eighty-three-pound T rail was put down in its place.

The only portion of single track which remained at the close of the year was from Rockville to Newport, and from a point west of Lewistown to Barree, making a total of fifty-six miles of single track on the Middle Division. The Western Division was double track throughout, except sixteen and a half miles between Johnstown and Lockport. Thus of the 356 miles between Philadelphia and Pittsburgh, double track had been laid on 283 miles of the distance by the end of 1859.

An increase of nine per cent over the year 1858 is to be noted in the number of passengers carried in 1859; of the 1,137,000 carried 14,359 were registered immigrants destined to points west of Pittsburgh.

A large number settled in Iowa and Kansas. Of the whole number 7,620 landed in New York, "and chose the Pennsylvania Route as the most economical and expeditious." The entire number had with them 387,656 pounds of extra baggage, for which additional charge was made.

The emigrant business was distributed through the year as follows:

<table>
<thead>
<tr>
<th>MONTH</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>712</td>
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<tr>
<td>February</td>
<td>870</td>
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<tr>
<td>March</td>
<td>1328</td>
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<td>April</td>
<td>1380</td>
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<td>May</td>
<td>1854</td>
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<td>June</td>
<td>1393</td>
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<tr>
<td>July</td>
<td>1041</td>
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<tr>
<td>August</td>
<td>1151</td>
</tr>
<tr>
<td>September</td>
<td>1237</td>
</tr>
<tr>
<td>October</td>
<td>1256</td>
</tr>
<tr>
<td>November</td>
<td>1256</td>
</tr>
<tr>
<td>December</td>
<td>880</td>
</tr>
</tbody>
</table>

During the year 1859 competition between the New York Central and Erie Canal reduced the earnings from freight so that they "did not correspond with the increased tonnage of the road." The recovery of the manufacturing and agricultural interests after the panic of 1857 continued to be slow during the year 1859, but the earnings of the Company reached $5,362,000, the expenses being $3,131,000. The passenger mileage reached 54,800,000 miles, an average of thirty-seven and a half miles per passenger, 1,459,000 being carried; and "notwithstanding the large number of passengers carried over the road, not a single life was lost." The total tonnage moved was 1,240,000 tons, of which 422,000 was coal. The conditions were such that while the Board was not enabled to declare three per cent semi-annual dividends, they "had a balance sufficient to justify the creation of a sinking fund for the redemption of the second mortgage bonds of the Company."

1860.

The fourth decade of the American Railroad era began with the year 1860. During thirty years, in which the extent of the railroads in the United States had steadily increased to 30,794 miles (three-quarters of which had been built since 1850) the projectors and constructors of railway lines had succeeded in securing the co-operation of capitalists to the extent of 1,150 millions of dollars in the construction of railways to connect the more important centres of commerce.

The growth in population of the principal
cities of the union connected by the chain of railways in which the Pennsylvania Railroad was an important link was as follows according to the United States Census:

<table>
<thead>
<tr>
<th>City</th>
<th>1850</th>
<th>1860</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>515,447</td>
<td>805,651</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>340,045</td>
<td>562,520</td>
</tr>
<tr>
<td>Baltimore</td>
<td>109,054</td>
<td>212,418</td>
</tr>
<tr>
<td>Washington</td>
<td>40,001</td>
<td>61,122</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>46,601</td>
<td>49,217</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>115,436</td>
<td>161,044</td>
</tr>
<tr>
<td>Louisville</td>
<td>43,194</td>
<td>68,033</td>
</tr>
<tr>
<td>St. Louis</td>
<td>27,860</td>
<td>160,773</td>
</tr>
<tr>
<td>Chicago</td>
<td>29,963</td>
<td>109,260</td>
</tr>
</tbody>
</table>

In order to secure a convenient connection with the Southern railways the Board of Directors on January 11 authorized President Thomson "to proceed as early as practicable, to have a location and a careful estimate made of the extension of the Pennsylvania Railroad in West Philadelphia to a suitable point of connection with the Philadelphia, Wilmington and Baltimore Railroad east of the Schuylkill river, and also to have immediate measures taken to secure the right of way, and the construction of a temporary connection with the Philadelphia, Wilmington and Baltimore Railroad west of Gray's Ferry Bridge."

The recommendation of H. H. Houston, that an office be established in the business center of the city where the public could conveniently obtain information concerning passengers was also favorably considered at this meeting.

The panic of 1857-58 had resulted disastrously to several of the railways west of Pittsburgh in which the Company had a pecuniary interest.
The Pittsburgh, Fort Wayne & Chicago Railroad Company was at this time indebted to the Pennsylvania Railroad Company in the sum of $600,000; twelve hundred thousand dollars of bonds of the former company being held by the latter as security for the payment of the principal and interest. At a meeting called for January 3, 1860, the President stated that in a suit pending in the Circuit Court for the Northwestern District of Ohio, wherein Charles Moran, Louis A. Vonn Hoffmann, and John Ferguson were the complainants, a decree was about to be entered calling for the appointment of a receiver, and providing, among other things, that all funds which should be in his hands from time to time, not needed for other purposes specified, should be applied as follows:

First.—To the payment of the interest on the first mortgage bonds of the several companies respectively, which were consolidated in the said Pittsburgh, Fort Wayne and Chicago Railroad Company.

Second.—To the payment of the interest accrued and accruing upon the said debt of the Pennsylvania Railroad Company.

Third.—To the payment of the interest upon the bonds secured by mortgage (other than the first mortgage) executed by said original and consolidated companies respectively, according to other rights and privileges as shall hereafter be found and determined by the Court.

Fourth.—To the payment of a part of said debt to the Pennsylvania Railroad Company.

A proposition was made that an agreement be entered into with the complainants to the effect that the Pennsylvania Company would allow the decree above mentioned to be entered within ten days, provided the receiver should make payment on account of the principal and interest of their debt from time to time as he might be able, and provided the decree should stand and be in no way modified by the court, then the Pennsylvania Railroad Company would not dispose of the bonds held as collateral; but if, on the other hand, the decree should not be entered within the specified time, or the receiver should refuse to make the payments, this agreement should not operate to alter the condition of affairs which would have existed if it had not been made.

The proposed agreement was approved by the Board.

The President was requested on January 17 to make a careful location, "with an estimate of the cost of construction," for an extension of the road of the Company to connect with the Philadelphia, Wilmington and Baltimore Railroad east of the Schuylkill river near the arsenal.

At the annual meeting of the stockholders held February 6, 1860, at which the thirteenth annual report was presented, the President was directed to memorialize the Legislature for an amendment to the charter of the Company "providing that the city councils of Philadelphia alone shall have power to fill any vacancy in the city's representation in the Board of Directors."

The sudden death of William B. Foster, Jr., Vice-President of the Company, having occurred on the third of March, a special meeting of the Board was held on the fifth, when the President in a few appropriate remarks said that the meeting had been called in order that the Board might take suitable action on the solemn occasion. The following resolutions were adopted:

Resolved, That the Board of Directors of the Pennsylvania Railroad Company have heard of the sudden and unexpected demise of their late colleague, William B. Foster, Jr., the Vice-President, with profound sorrow.

The long and intimate relations existing between Mr. Foster and many members of this Board, ripened into that personal friendship and esteem which will ever render his memory dear to them and perpetuate their recollection of his many virtues. As an officer he was courteous but exact in the performance of his duties. As a member of this Board his views were just, his counsels highly esteemed and his manner of enforcing his opinions conciliatory.

Resolved, That in the death of William B. Foster, Junior, this Company has met with a loss difficult to replace, and the members of the Board a colleague for whom they had unbounded confidence and high esteem.
Resolved, That this Board deeply sympathizes with the bereaved children and relatives in their sadness, and that the Secretary be instructed to furnish them with a copy of these resolutions.

Resolved, That the Board will attend the funeral service on Tuesday, the sixth instant, and that the President be requested to close the offices on that day as a mark of respect to the memory of the late Vice-President of the Company.

When the Directors met on the 21st of March the rules were by common consent laid aside and the ballot dispensed with, and on motion of Mr. Butcher, Thomas A. Scott was unanimously chosen Vice-President.

Following this action confirmation was given to the President's nomination of Enoch Lewis, as General Superintendent, to fill the vacancy caused by the promotion of Mr. Scott to Vice-President, to date from April 1.

In announcing the death of William B. Foster, Jr., "who was the first person elected to the office of Vice-President of the Pennsylvania Railroad Company," the President in his annual report says that "Thomas A. Scott, late General Superintendent, whose long experience, sound judgment and great energy of character have recommended him to the Board, was appointed to fill the vacancy."

In the spring of 1860 the rival political parties were engaged in the contest which led to the nomination and election of Abraham Lincoln as President of the United States, one in a series of events which finally precipitated the war of the Rebellion.

At a meeting of the Board held on May 21 a resolution was adopted in which it was stated that "it is proper to let it be fully and clearly understood that it is the settled policy of this Company to keep aloof from any political contest and to disapprove of any of its officers or employees taking any active part therein."

The report of the "line of the road laid down by W. Hasell Wilson, to reach the Delaware river by Prime and Washington streets, from where it crosses the Philadelphia and West Chester Railroad beside the Alms House and to where it joins the Philadelphia, Wilmington and Baltimore Railroad, including the bridge," was agreed to May 16.

A resolution was agreed to on June 15, accepting bonds to the amount of six hundred and fifty thousand dollars of the Pittsburgh, Fort Wayne and Chicago Railroad Company in payment for the iron rails, &c., furnished them for the extension of their road from Plymouth to Chicago.

"Mr. Scott accepted the office on the 16th of April, 1860."
The nomination of Samuel D. Young as Superintendent of the Eastern Division, to date from May 21, 1860, in place of C. L. Roumfort who had resigned, was confirmed at the meeting of June 27, and on September 5 the approval of the Board was given to the nomination, by the General Superintendent, of Robert Pitcairn as Acting Superintendent of the Middle Division in place of Mr. Young, whose transfer to the Eastern Division took effect on the first of August, 1860.

A contract for the erection of the Schuylkill bridge was awarded at this meeting to Messrs. Diller & Company who agreed to perform the work for $40,000.

A new contract with the Harrisburg, Mount Joy and Lancaster Railroad Company was considered on September 19, when the sub-committee recommended "that the stock of that Company consisting of 21,742 shares at $50 per share, should be considered worth $1,087,100, and the Company's present bonded mortgage, $1,700,000."

Early in October the Committee on Real Estate was authorized to sub-divide the property at 12th and Market streets, into such lots as seemed advisable, and to receive proposals for the sale of all or any part of them, and report to the Board.

The attention of the Directors was called on November 3, to the question of a satisfactory basis for the interchange of passengers and freight with the Camden and Amboy Railroad Company and a Committee was appointed to prepare a contract to continue in effect for ten years.

Edward C. Knight, John M. Kennedy, and Samuel T. Bordine were elected Directors of the Company by the Select and Common Councils of the city of Philadelphia on the 22d of November, 1860.

The tonnage tax was discussed at this meeting and a memorial addressed to the Senate and House of Representatives of Pennsylvania advocating its repeal was agreed upon.

A perpetual lease of the Harrisburg, Mount Joy and Lancaster Railroad Company was agreed upon by the different Committees and ratified by the Board of Directors November 28 on the basis of 23,651 shares at $50 a share and $7,000,000 worth of bonds. The stockholders, according to agreement, were to receive semi-annual dividends of three and a half per cent on $1,183,550 of the capital stock, and the bondholders, the interest on $700,000 at six per cent, and $2,000 as organization expenses.

The plan for the reorganization of the Pittsburgh, Fort Wayne and Chicago Railroad was finally agreed upon and by a sale under decree of the United States Court the road was relieved of its embarrassment. The holders of the first mortgage bonds of the three original companies forming the consolidated line accepted a new first mortgage lien of $5,250,000 upon the whole line, the second mortgage and construction bonds were funded by a second mortgage of $5,160,000, and a third mortgage of $2,000,000 was created to take up the floating debt and in payment of coupons, etc., that were due.

During the year the second track was extended from Barree to Petersburg, a distance of two and eight-tenths miles.
The length of the several divisions of the Pennsylvania Railroad and branches December 31, 1860, was as follows:

Eastern Division, Philadelphia to Columbia 80.9 miles.
Second track 80.9
Siding, etc. 9.3
Middle Division, Harrisburg to Altoona 131.7
Second track 79.7
Siding, etc. 19.5
Western Division, Altoona to Pittsburgh 117.6
Second track 101.1
Siding 17.4

Hollidaysburg Branch, Altoona to Hollidaysburg 8
Indiana Branch, Blairsville to Indiana 19
Total length of main line and branches 357.2
Second track 61.7
Siding 46.2

LEASED BRANCHES.
Harrisburg and Lancaster R. R.
Dillerville to Harrisburg 36.3 miles.
Columbia Branch.
Middletown to Columbia 18.5
Westerich Railroad.
Junction 23 miles west of Philadelphia to Westchester 9.0
Total length of road operated by the Company 421

The equipment of the road on December 31, 1860, consisted of 211 locomotives; 113 eight-wheel passenger cars, of which 67 were wide, 17 narrow, and 29 emigrant, and 2,405 other eight-wheel cars; viz.: 34 baggage, 10 express, 1,326 house freight, 6 powder, 300 stock, 657 coal and lumber, and 72 wood. In addition to these the Company owned 571 four-wheeled cars; namely, 116 house freight, 133 coal, 88 gravel, 234 road and hand cars, making the total number of 3,089 cars belonging to the Pennsylvania Railroad in service on its own line. The Company also owned on the Pitts- burgh, Fort Wayne and Chicago Railroad 100 freight cars; on the Pittsburgh, Columbia and Cincinnati Railroad 6 passenger and 113 freight cars, making the total number of cars owned by the Company 3,308.

The revenues of the Company had been very favorably influenced by the increase in the cereal crops in the West, which continued until December.

The passengers carried during the year aggregated 1,203,000; their total mileage being 55,101,000.

The tonnage amounted to 1,470,000, of which 607,000 was for coal, showing a gratifying increase over the previous year.

In an article entitled “Pennsylvania Coal Trade for 1860” the American Railroad Journal in February, 1861, calls attention to the increased traffic on the Pennsylvania Railroad as follows:

The amount of coal moved on the Pennsylvania Railroad during the fiscal year ending December 31, 1860, was 606,660 tons, of which 122,281 tons were delivered in Philadelphia, 138,980 at Pittsburgh, 261,992 at way-stations, 83,438 used by the Company.

The amount moved by the B. & O. during the official year ending September 30, 1860, was 502,303, of which 74,516 tons were for the Company’s use. The Pennsylvania Railroad is therefore a larger coal consumer by 89,268 tons and a larger coal carrier by 95,429 tons than the B. & O. Company.

The following is a statement of the yearly cost, earnings, expenses and dividends of the Pennsylvania Railroad for eleven years, 1850-1860:

<table>
<thead>
<tr>
<th>Year</th>
<th>Mileage</th>
<th>Cost of Road and Equipment</th>
<th>Gross Earnings</th>
<th>Operating Expenses</th>
<th>Earnings less Expenses</th>
<th>Dividends Interest</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860</td>
<td>317.0</td>
<td>$5,132,437</td>
<td>$330,457</td>
<td>$1,173,744</td>
<td>$472,708</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>1861</td>
<td>318.1</td>
<td>5,729,006</td>
<td>714,074</td>
<td>406,504</td>
<td>307,569</td>
<td>6.5</td>
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<td>319.8</td>
<td>6,775,001</td>
<td>834,060</td>
<td>1,306,804</td>
<td>510,000</td>
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<td>319.9</td>
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<td>1,375,650</td>
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<td>2,635,500</td>
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<td>9,808,001</td>
<td>1,455,200</td>
<td>4,495,001</td>
<td>2,999,800</td>
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It will thus be seen that the year 1860 was the most prosperous twelvemonth in the history of the Pennsylvania Railroad Company, notwithstanding the fact that during “December derangements of the exchanges of the country from political causes seriously affected shipments, both east and west.”

1 Sixteen months operations opening of first section of the road.
2 Including cost of Philadelphia & Columbia Railroad ($6,500,000).
3 Interest was paid on installments of capital to November 1, 1855.