ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

Lehigh Valley Rail Road Co.

TO THE

STOCKHOLDERS,

JANUARY 13, 1868.

PHILADELPHIA:
THE LEISENRING STEAM PRINTING HOUSE,
Jayne's Building, Nos. 237 and 239 Dock Street.
1868.

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ANNUAL REPORT.

The Coal Tonnage over the road and its several branches for the fiscal year ending 30th November 1867 last, was 2,080,156$\frac{16}{20}$ tons, against 2,037,149$\frac{7}{20}$ tons for the previous year, showing an aggregate increase of 42,442$\frac{9}{20}$ over the last or any previous year. There was a decrease, however, of coal delivered to the canal at Mauch Chunk, of 191,376$\frac{14}{20}$ tons, and an increase of 233,819$\frac{3}{20}$ tons over our main line, below that point.

The charges for carrying coal, during the year, were twenty per cent. less than in the previous year. Notwithstanding the reduction, the increased tonnage and mileage have brought up the receipts on coal tonnage to within $244,583.48 of the previous year. The necessity for this reduction did not result from competition in our immediate region, but from the reduced price coal sold for in New York by the companies in the Wilkesbarre and Lackawanna regions, who combine the privileges of mining and carrying coal to New York, and who sold at public auction large quantities of coal in that market, at prices that obliged us to offer to our customers very low rates of freight, unless we had allowed them to be excluded to a great extent from that the largest market for anthracite coal in the country.

The Board deemed it to be for the permanent interest of this Company, that every proper exertion should be made to maintain the full supply of Lehigh coal in that market, and they have succeeded, having transported more coal to New York than in any former season.

The receipts from Miscellaneous Freights, other than coal, have increased over last year $113,757.26, and the receipts from

Passengers and Mails have also increased; but showing a loss in receipts from all sources, as compared with the previous year, of $70,438.65.

Though the receipts have diminished, the expenses have increased. Wages and labor remain as high as ever, while materials used in maintenance of road and other repairs, are without much reduction in price.

We also find, as the volume of trade increases, that to maintain our road, bridges and rolling-stock in good order, requires increased care and expense.

Our taxes, both State and National, are very heavy: we pay over $100,000 per annum in taxes on dividends alone, besides a State tax on tonnage and another on gross receipts. The United States levy a tax of two and a half per cent. on the receipts from passengers and mails, and a tax on cars and locomotives, whether bought or built by us, of five per cent.

The receipts from all sources of business, for the year, were	$3,641,136.08
Expenses of conducting the business,	2,147,208.88
	$1,493,927.20

The details of the business, with the sources of supply and distribution, are fully shown in the report of the Superintendent and Engineer, which is hereto appended.

The extension of our road from White Haven to Wilkesbarre, which was under construction at the last annual report, has since that time been completed—distance thirty-one miles—and is now in full operation. The amount received from the sale of stock to build that extension, was $1,323,100. The cost of the road, with its sidings and branches to collieries, was $1,842,643.49, leaving a balance of over $500,000 to be provided for.

The Lehigh Valley Railroad, now completed and in operation, extends from Easton to Mount Carmel, 100 miles; from Easton to Wilkesbarre, 101 miles; from Easton to the extension of the Beaver Meadow Branch, 70 miles,—of which more than 60 miles are double track, with extensive sidings and turnouts, equal in aggregate length to a third track—making over 300 miles of single track, including sidings—reaching to the important coal-

fields of Mahanoy, Wyoming and Beaver Meadow; and, by a connection with the Hazleton Railroad, we receive large supplies of coal tonnage from that and the Black Creek coal basin.

In addition to the ordinary expenses of the road, we have, during the year, expended on the rolling-stock, engines and cars, $255,821.93, to accommodate the increase of business; and other expenditures were made, amounting to $249,928.78, for dwelling houses, engine houses, machine shops, sidings, &c., deemed necessary for the efficiency and security of the increased business of the road.

The capital stock of the Company consists of 214,628 shares,		$10,731,400 00
To which will be added, on the 15th January instant, 42,585 shares,		2,129,250 00
Making 257,213 shares,		$12,860,650 00
Our floating debt,	$919,922 41	
Our bonded debt,	1,437,000 00	
		2,356,922 41
		$15,217,572 41

Under the charter to build a railroad from Wilkesbarre to the New York State line—the controlling interest being owned by this Company—the work of construction has been vigorously pursued, and nine miles of it, from the connection with the Lehigh Valley Road at Wilkesbarre to Pittston, there connecting with the Lackawanna and Bloomsburg Road, has been completed and brought into active and profitable use. At the northern end of the line about twenty-one miles, from Towanda to Waverly, is completed, and a connection there made with the Erie Railroad. Business was commenced on that part of the road a short time since, and promises not only to be a great accommodation to the thriving town of Towanda, but profitable to the Company. On the middle section of the route (about seventy-three miles) most of the bridges, including one over the Lackawanna, near Pittston, are in course of construction, and some of them nearly completed, and the grading throughout the whole line is very nearly ready for the rails.

The amount received from the stockholders of this Company who subscribed for Lehigh Valley Railroad stock, for the purpose of being appropriated to this work, amounting to $1,731,120, has been expended. Besides the fifth and last installment of nearly $400,000, payable on the 15th January instant, it will require, it is estimated, a million and a half more money to complete the road and procure a full supply of rolling-stock, depots and shops, to meet the requirements of the business that will offer as soon as the road is opened.

It is not proposed by the Board to recommend the issue of any more Lehigh Valley Railroad stock, but to sell the Seven per cent. Mortgage Bonds of the Pennsylvania and New York Canal and Railroad Company that we have taken for our advances to that Company; and, to give currency and increased value to them, the Board has concluded to guaranty said bonds, so far as received in payment of advances.

The bonds received from that Company thus far, amount to sixteen hundred and seventy-seven bonds, of one thousand dollars each, with coupons. Fifteen hundred of said bonds have thirty years to run, and the balance forty years.

In regard to the policy of building 103 miles of railroad, from a connection with the Lehigh Valley Road, at Wilkesbarre, to a connection with the Erie Railroad, at Waverly, that work was undertaken by the Board of Managers of this Company, not solely on account of its own intrinsic value, but because it was deemed of vital importance to the interests of the Lehigh Valley Railroad.

We have competition in the Mahanoy for the coal-trade of that region. We have competitors for the coal-trade in the Wyoming, both south and east; but in regard to the road up the North Branch, when that road shall be completed, we have no competitors on that line, and, to develop an extensive and prolific country, rich in agriculture—as the opening of that road will do—is an object of primary importance to the interests of our road; besides, it will open the best routes for the coal in Wyoming to Central and Western New York and to the lakes, and will also open railroad communication, north and south, for the bituminous coal of Bradford county. In passengers and general freight, this road will develop an extensive country,

now without railroad facilities, and by our close connection and control, we may reasonably expect a trade, both in amount and profit, that will amply pay the Lehigh Valley Railroad for all its outlay in that direction in the past and in the future. Independent of its great value as an adjunct to the Lehigh Valley, the Directors have no doubt that the road up the North Branch will make a return of profits that will be quite satisfactory.

If it had been safe for the Lehigh Valley Road to remain as it was, without looking to the future, the Directors would have had a far easier task than has fallen to their lot; but they felt the imperative necessity of administering the affairs of the Company, not only for the present, but for the future. In undertaking this important extension, the Directors have no doubt that it will not only largely add to the business and profits of the Lehigh Valley Railroad, but give it power to attract business to its main stem, that it otherwise could not command.

Since the last annual report we have to regret the decease of our late fellow-member, Josiah O. Stearns.

By order of the Board.

WM. W. LONGSTRETH,
President.

January 3, 1868.

OFFICE OF THE SUP'T AND ENG'R L. V. R. RD.,
BETHLEHEM, PA., Nov. 30th, 1867.

WM. W. LONGSTRETH, Esq., Pres. L. V. R. R. Co.,

DEAR SIR:—The following report of the business of the Lehigh Valley Railroad, for the fiscal year ending November 30th, 1867, is respectfully submitted:—

The total amount of coal transported over the main line and branches, was 2,080,157 tons.

This was derived from the following sources:—

	1866.	1867.	Increase.	Decrease.
Wyoming Region	315,443	274,334	.....	41,109
Hazleton "	864,821	721,323	.....	143,498
Upper Lehigh Region	.....	53,985	53,985	.....
Beaver Meadow "	522,231	577,678	55,447	.....
Mahanoy Region	322,230	452,837	130,607	.....
Miscellaneous	12,989	.....	.....	12,989
Total	2,037,714	2,080,157	240,039	197,596

And was delivered as follows:—

At Penn Haven Junc., for canal	126,475	89	.....	126,386
At Mauch Chunk, for canal	179,518	114,526	.....	64,992
On line of road above Mauch Chunk	336	16,716	16,380	.....
At Mauch Chunk	947	440	.....	507
On line of road below Mauch Chunk	635,785	684,960	49,175	.....
To East Pennsylvania Railroad	10,050	6,442	.....	3,608
To North Pennsylvania Railroad	141,841	140,827	.....	1,014
To Morris Canal	111,552	105,330	.....	6,222
To Belvidere Delaware Railroad	195,016	278,458	83,442	.....
To Central Railroad of New Jersey	582,774	514,945	.....	67,829
To Morris and Essex Railroad	53,420	217,424	164,004	.....
Total by canal	305,992	114,616		191,376
" " railroad	1,731,722	1,965,541	233,819	
Grand total	2,037,714	2,080,157	42,443	

During the same period there were transported 643,125 passengers, equal to 11,013,473 carried one mile; being an increase over the previous year of 82,203, equal to 1,504,506 carried one mile.

Miscellaneous freight transported amounted to 1,050,442 tons, equal to 23,418,334 tons one mile; being an increase over the previous year of 196,048 tons, equal to 6,089,472 tons one mile—made up principally of lumber, iron ore, building-stone, through stock, Allentown Line and Empire Line freight, and general merchandise.

Compared with last year, the receipts from coal show a decrease of $244,573.48, or 8.80 per cent.; from freight an increase of $113,757.26, or 19.39 per cent.; from passengers an increase of $60,377.57, or 17.52 per cent.

Total decrease of receipts, $70,438.65, or 1.90 per cent.

The mileage of trains and earnings per mile run, were as follows:—

	1867.		1866.	
	MILES RUN.	EARNINGS PER MILE.	MILES RUN.	EARNINGS PER MILE.
Coal	735,062	$3 45	672,734	$4 61 $\frac{6}{10}$
Freight	232,819	3 00 $\frac{8}{10}$	174,657	3 58 $\frac{8}{10}$
Passenger	259,559	1 56 $\frac{1}{10}$	231,020	1 63 $\frac{4}{10}$
Drilling	133,013	.....	81,704	.....
Construction and M. of Way	82,626	.....	71,476	.....
Total	1,443,079	$2 52 $\frac{3}{10}$	1,231,591	$3 30 $\frac{3}{10}$

The earnings per mile run show a decrease of 78 cents, or about 23.61 per cent. This is accounted for by the facts that about the middle of June thirty-one miles additional track were brought into use, the revenues from which were much less per mile than for the balance of main line, and that the revenue per ton, received for transportation of coal, was 20.8 per cent. less this year than last.

The number of tons of coal transported one mile this year, is 15.36 per cent. in excess of last year, while the receipts from that source were diminished 8.8 per cent.

Owing to a protracted strike among the miners in the early part of the year, the coal transportation was irregular, and, therefore, more expensive. Up to April 1st we had received

but 29,000 tons from the Hazleton region, and during the first five months of the year the monthly average from all sources was but 106,593 tons. The average per month, for the balance of the year, was 202,203 tons.

The freight other than coal continues to increase annually—keeping pace with the growth of the great mining and manufacturing interests of the valley. A glance at the amount of tonnage transported, in connection with the manufacture of iron and the revenue derived therefrom, will give an idea of the importance to our road of this branch of industry.

234,306	tons of	iron ore	$62,109 64
97,023	"	limestone	7,279 03
168,632	"	pig iron	79,146 76
29,002	"	railroad iron	20,922 98
12,462	"	old iron water-pipe, &c.	6,721 45
541,425	tons.	Total	$136,179 86

Much of this tonnage is transported but a short distance. We have, however, the benefit of all trade incidental thereto, such as the transportation of passengers and the materials consumed by the population employed at the works and mines.

Other products of our valley make no meagre show in the freight accounts. There was transported, of

Roofing slate	11,325	tons.
School "	849	"
Manufactured iron	5,357	"
Oxide and spelter	3,453	"
Metallic paint	967	"
Cement	1,990	"
Lumber	34,067	"

Total amount of lumber transported, 97,284 tons. The Empire Transportation Company brings to us this year, 68,779 tons of freight, principally petroleum.

The passenger business also shows a gratifying increase, and an examination of the details reveals the fact that more than two-thirds of the business is local. Of the 643,125 passengers carried, 461,836 were to and from points on our own road.

There was charged to Construction (not including Wilkesbarre extension) as follows :—

For new tracks	$131,820 64
" " shops and engine houses	64,530 90
" " dwellings	24,997 14
" " depots	17,938 10
" " reservoirs and water-stations	2,607 16
" New Boston Branch	8,034 84
Total	$249,928 78

At the date of last annual report we stated that we confidently expected to have the extension into Wyoming Valley opened in May. Through the skill and energy of our contractors, the road was so far completed as to enable us to run an excursion train over it from Bridgeport (below White Haven) to Northampton street, Wilkesbarre, thirty-one miles, on May 29th. Coal, freight and passenger trains commenced running regularly, June 17th. The work of construction upon this portion of the line was quite heavy—the average cost per mile for graduation and masonry being $36,700; total cost, $1,842,643.49. This is in excess of the estimates, which were based upon wages at $1.75 per diem, and a hope that they would be lower. The contrary proved to be the case, however, and wages advanced to $2.00 per day, and continued at that rate until the grading was nearly completed. This involved an advance in the contractor's prices, which, together with a larger portion of the line being graded for double track than was contemplated, and additional sidings at Fairview, (top of mountain,) raising the bridge at Bridgeport, &c., have swelled the amount to the sum named. The road is of a permanent character, with the exception of about 1,200 feet of trestle-work, above White Haven, which it is designed to fill up in the future. The track is laid with sixty-pound rail, on broken-stone ballast, and is in good condition. The alignment and grades are as favorable as the nature of the country would permit.

The following is the amount of track laid, and grading for second track and sidings, on this extension :—

Main track, from Bridgeport to Northampton street, Wilkesbarre	31.00 miles.
Second track laid	4.63 "
Sidings and branches to collieries laid	3.94 "
Total length of track laid	39.57 "

Grading complete for second track	5.62 miles.
" " " sidings	.86 "
Total length of tracks graded	6.48 "

Ground should be purchased at or near Wilkesbarre, and shops for the repairs of locomotives and cars erected thereon. At present all cars which need considerable repairs are sent to Packerton, (fifty-two miles,) and locomotives are sent to Weatherly, Delano, or South Easton. Frame engine houses have been erected at Fairview and Sugar Notch, but buildings of a more permanent character should be provided as soon as practicable. There is also needed a number of dwellings for the better accommodation of our employees.

There are now in use, including all divisions of the road, 65.01 miles of double track, and 96.17 miles of single track; in addition to which there are 13.87 miles of double track laid, but used as sidings, and 69.69 miles of sidings—making total length of track laid, 309.75 miles,—an increase from last year of 48.26 miles.

There are also on the main line 8.28 miles of grading completed and ready for track.

The following materials were used for repairs and construction, not including the extension from White Haven to Wilkesbarre:—

REPAIRS.	SWITCH-FRAMES.	FROGS.	CROSS-TIES.	IRON RAILS.	CHAIRS.	KEGS SPIKES.
Eastern Division	20	38	13,833	3,351	1,743	145
Wyoming Division	.....	.....	1,009	256	37	10
Beaver Meadow Division	.....	.....	10,778	1,816	908	94
Mahanoy Division	.....	.....	7,562	913	1,975	40
Total	20	38	33,182	6,336	4,663	289

CONSTRUCTION.

Eastern Division	26	29	4,788	690	202	59
Wyoming Division	1	1	.....	.....	.....	.....
Beaver Meadow Division	7	7	331	111	86	9
Mahanoy Division	28	38	10,500	1,506	1,506	150
Total	62	75	15,619	2,307	1,794	218

But little has been done toward filling the trestle-work across the mouth of Hickory run; it is expected, however, to complete this work during the coming winter. The widening of the rock-cut, at the west end of the Delaware bridge, has been completed, and is now ready for track.

The track crossing above the grade of the Catawissa Railroad has been completed and is in use. It has proved to be of great advantage to both roads, by avoiding detention to trains and danger of collision.

A new telegraph line has been built and equipped on the Wyoming Division, from Bridgeport to Wilkesbarre, and thence, on the road of the Pennsylvania and New York Canal and Railroad Company, to Lackawanna and Bloomsburg Railroad junction, and the wire extended from Bridgeport to Packerton, so that this line is now continuous from Packerton to Lackawanna and Bloomsburg Railroad junction, with offices at convenient points.

My opinion of the value of the steel rails remains unchanged. During the year three of them have been broken—one by a slide of rock, and the other two from causes not ascertained. The breaking of two rails out of two hundred tons, after a use of three years, with a large tonnage passing over them, composed of trains of the very heaviest class, should not condemn them. A recent examination of the steel track shows every rail in it, with one single exception, to be perfect and apparently in as good condition as when first laid, except the natural wear incident to the service they perform. We know they will wear out in time, and I do not, as yet, agree with those who claim that they will outlast fifteen or twenty iron rails; but my experience leads me to reiterate the opinion, heretofore expressed, that on our main line, especially on the Wilkesbarre mountain and Weatherly grade, it will be economy to make the renewals with steel.

The use of steel tire is still continued with satisfactory results; there have been a few failures, but our experience leads us greatly to prefer them to iron. The homogeneity of the metal prevents lamination and uneven wear, and no flat spots occur, as in the iron. Our recent purchases have been mostly of Krupp's manufacture; they are somewhat softer than some

other makes of tire, but they are uniform in quality, and none have yet failed with us.

The difficulty of getting a cast-iron wheel for locomotive trucks, that will endure the service required, has induced us to try a cast-iron wheel with steel tire. The first cost of these is greater than the cast iron, but they will be very much safer, and will, in the end, I think, prove most economical. There are now in use fifty-eight locomotives furnished with steel tire. (The steel tires of Butcher's make, on the engine "Easton," noted in previous reports, have now made a total mileage of 86,000 miles, having been turned off twice, about three-sixteenths of an inch each time.)

All locomotives purchased during the past year have steel furnace-plates, and we have now in use fourteen fire-boxes of steel—but one has proved at all defective. The homogeneity of the metal prevents all possibility of blistering, and the only danger to be apprehended is the cracking of the plates, which was the case in the one above noted as defective. The first steel fire-box put in our locomotives was in January, 1862, since which time it has been in constant use without any evidence of failure. The indications are that steel will prove superior to iron; though I am not prepared to assert this so positively as is the case of the rails and tire.

Passenger engine, No. 11, has been in constant use eleven years, and freight engine, No. 21, eight years, without renewal of fire-boxes; both these were Low Moor iron plates.

BRIDGES.

Since last report all the bridges on the extension from White Haven to Wilkesbarre, five in number, have been built, and other work done, as follows:—

The double-track iron bridge, of thirty-eight feet span, spoken of in last report, has been put up at Allentown.

The bridge at Slatington has had an additional truss for a third track.

The span of trestle-work between the river and canal bridges, at Mauch Chunk, has been replaced by a double-track span of iron.

The bridge across the Lehigh, at Bridgeport, has been raised to the grade established by the decision of the Court. The bridges upon the line are in good order, with one or two exceptions. The one across Mahoning creek it is proposed to replace by substituting a stone viaduct, during the coming year.

BUILDINGS.

At Easton a new passenger depot has been commenced, and is now near completion.

At Bethlehem a new passenger depot, 100 by 44 feet, has been built, in connection with North Pennsylvania Railroad Company, at joint expense.

Our equipment is now as follows :—

Engines, of all classes	90
Passenger cars (15 first class, 3 second class)	18
Baggage "	8
Express "	2
House "	2
Platform "	246
Gravel "	52
Wreck and tool-cars	4
Lime-cars	20
Coal " (rated as 4-wheeled cars)	6,980

The number of engines given above includes seven which are not relied on for general service, two entirely out of service, and two (Nos. 6 and 24) which have been transferred to the Pennsylvania and New York Canal and Railroad Company, and are now running between Towanda and Waverly. We lost during the year engine No. 30 by explosion.

We will want, during the year, at least six new ten-wheel engines to accommodate our increasing trade and increased length of line now operated: half this number should be ordered at once. We are also greatly in need of the two drilling-engines and one passenger engine asked for in last report. We have now in process of construction, at our shop at South Easton and Delano, two engines, which will be completed and in use early in the year; but these will only supply the place of those sent to the upper line. One engine has been rebuilt at

Weatherly shops, and is now in the passenger service on Wyoming Division. She is a very efficient machine, but rather light for the mountain.

Our passenger equipment is limited. The business now doing requires at least four additional cars, which should be provided the coming winter, especially so in view of our providing the rolling-stock for the extension of the railroad up the North Branch.

The Plymouth and Wilkesbarre Railroad and Bridge Company completed and opened their road, two miles in length, September 19th, connecting our road, at South Wilkesbarre, with the Lackawanna and Bloomsburg Railroad, at Plymouth; since which time 14,034 tons of coal have passed over this road to our line. An arrangement with the Lackawanna and Bloomsburg Railroad Company enables us to reach all coal on the west side of the river seeking an eastern market; in addition to which the Plymouth Company have large coal operations of their own, which, when fully developed, will yield a heavy tonnage for us.

The road of the Pennsylvania and New York Canal and Railroad Company was completed from the junction with our road at Northampton street, Wilkesbarre, a distance of nine and a half miles, to the junction with the Lackawanna and Bloomsburg Railroad at Pittston, and was opened for traffic September 23d; since which time passenger and freight trains have been running regularly, connecting with trains on the Lackawanna and Bloomsburg Railroad for Scranton.

The portion of the line of this road between Towanda, Pennsylvania, and Waverly, New York, is ready for business, and will be opened early in December. The connection with the Barclay Railroad not having been made, the traffic during this winter will consist of passengers and freight only. Work on the remaining portion of the road, viz., between Towanda and Lackawanna and Bloomsburg Railroad junction, seventy-three miles, has progressed through the summer as rapidly as circumstances would permit. The heavy embankment and masonry for crossing the Lackawanna are completed; one span of bridge is up, and the other framed and ready to put up. The masonry for crossing canal is ready, and all the materials for

the bridge on the ground. The masonry for Buttermilk Falls bridge is nearly completed, leaving but little to do to put the line in condition to receive the track to Tunkhannock. From thence to Wysox, forty-nine miles, the work is in various stages of progress. The abutments for Meshoppen canal bridge are completed, and those of the creek bridge nearly so. The masonry at Big Tuscarora is finished, and at Little Tuscarora about one-third done. About one-third of the masonry for abutments and piers at Wyalusing is done. In addition to these, there are a number of aqueducts over small streams, of from fifteen to thirty feet span, that we propose crossing upon trestling.

In occupying the towing-path with our track, we encounter thirteen lift-locks, that will be overcome with grades of from twenty to forty feet per mile, temporarily, to be reduced after the road is opened—and the business will justify it—to ten feet per mile. At most of these considerable filling has already been done, and some of them are completed.

At Horse-Race dam we will diverge somewhat from the towing-path, in order to improve the alignment and diminish expense; this work is yet to be done. Through the Narrows, below Meshoppen, where we encounter some pretty heavy rock-bluffs, more than half the work is completed. Considerable progress has been made in the work of constructing the new towing-path. I think full three-quarters of the work has been done.

From Wysox to the connection with the track at Towanda, the distance is about four miles, included in which will be the bridge across the Susquehanna, 1,500 feet long.

After crossing Wysox creek and the canal, the line leaves the towing-path, and, crossing the Wysox flats, approaches the river, about one mile below the bridge.

The foundations for the river bridge are all in, and both abutments and one pier nearly done, leaving seven piers yet to be built.

The importance of this road is made manifest when the vast annual increase of the coal-trade of the State of New York and the lakes is contemplated. The Buffalo *Commercial Advertiser* gives a table of the amount of coal received on the canals of New

York, from which I extract the following:—1850, 80,127 tons; 1860, 400,495 tons; 1866, 1,136,613 tons. This is a prize worth contending for, and the favorable grades on this line will enable it to command its full share of the coal tonnage seeking a northern and western market. During the past winter about two hundred and fifty feet in length of Horse-Race dam was carried out by an ice freshet. The continued high water of the spring prevented the repairs being made, and navigation was not resumed until about mid-summer. The low price of coal then made it necessary to reduce tolls, and the result has been diminished tonnage and receipts. The accounts not having reached me, I am unable to give the details of the business.

A few boat-loads of Barclay coal were brought to Wilkes-barre, and thence, by rail, to the iron works on the Lehigh. All who have used it pronounce it a first-rate coal for rolling-mills.

The Southern Central Railroad is under contract between Owego and Auburn, and about three hundred men at work upon it. The president contemplates its completion early in the year 1869.

Surveys have been made and a strong disposition manifested to build a road from our northern terminus, at Waverly, to Ithica, on Cayuga lake. It is said that the grades going north will not exceed fifteen feet per mile.

Both the above-named enterprises will depend on the North Branch Railroad for their coal tonnage.

In view of the large and rapidly increasing northern market, the ample means being provided for distribution of coal therein, the necessity for tonnage for our road, and of the manifest tendency of the active mining and transporting companies now operating in Wyoming to absorb and control large bodies of the most available coal territory, for future use, and the product of mines now opened to swell their present tonnage, it becomes a question for very serious consideration, whether such precautionary measures should not be adopted as will secure, beyond a doubt, ample tonnage for our northern improvement.

In conclusion, permit me to say, that my several assistants, the heads of the various departments, and employees generally, have yielded me efficient and hearty aid in conducting the business of the past year.

Very respectfully, yours,

ROB'T H. SAYRE,

Superintendent and Engineer.

Coal Tonnage from the Opening of the Road to the present time.

YEAR.	TONNAGE.	INCREASE.	Percentage of Increase.
1856, by rail	165,740.00	.....	.....
1857, " "	418,235.03	252,495.03	152.34
1858, " "	471,029.10	52,794.07	12.62
1859, " "	577,651.10	106,622.00	22.64
1860, " "	730,641.17	152,990.07	26.48
1861, " "	743,671.18	13,030.01	1.78
1862, " "	882,573.14	138,901.16	18.68
1863, " "	1,195,154.18	312,581.04	35.42
1864, " "	1,295,419.02	100,264.04	8.39
1865, " "	1,402,276.16	106,857.14	8.25
1865, " " and canal	1,687,462.00	.....	.....
1866, " " " "	2,037,714.07	350,252.07	20.75
1867, " " " "	2,080,156.16	42,442.09	2.09
Total	12,285,450.15		

STATEMENT,

Showing Amount of Coal transported over Lehigh Valley Railroad, during the year ending November 30th, 1867, compared with the same for previous year.

WHERE DELIVERED.	1866.	1867.	PERCENTAGE OF TOTAL.	INCREASE.	DECREASE.	PERCENTAGE OF INCREASE.	PERCENTAGE OF DECREASE.
At Penn Haven Junction, for canal....	126,474.13	89.06	.....	.....	126,385.07	.....	99.93
At Mauch Chunk, for canal.....	179,517.15	114,526.08	5.51	.....	64,991.07	.....	36.20
On line of road, above Mauch Chunk...	336.10	16,716.00	.80	16,379.10	.....	.....	.....
At Mauch Chunk.....	947.02	439.17	.02	.....	507.05	.....	53.54
On line of road, below Mauch Chunk...	635,785.14	684,960.06	32.93	49,174.12	.....	7.73	.....
To East Pennsylvania Railroad.....	10,049.19	6,441.09	.31	.....	3,608.10	.....	35.91
To North Pennsylvania Railroad.....	141,840.16	140,826.11	6.77	.....	1,014.05	.....	.71
To Morris Canal.....	111,552.05	105,330.08	5.06	.....	6,221.17	.....	5.58
To Belvidere Delaware Railroad.....	195,015.16	278,458.03	13.39	83,442.07	.....	42.79	.....
To Central Railroad of New Jersey.....	582,774.00	514,944.19	24.76	.....	67,829.01	.....	11.64
To Morris and Essex Railroad.....	53,419.17	217,423.09	10.45	164,003.12	.....	.....	.....
Grand total.....	2,037,714.07	2,080,156.16	100.00	42,442.09		2.08	00.00
Total by railroad.....	1,731,721.19	1,965,541.02	94.49	233,819.03		13.50	
Total by canal.....	305,992.08	114,615.14	5.51		191,376.14		62.54

The Coal was derived from the following sources, and delivered as follows:—

	FROM WHAT REGION.	At Mauch Chunk for Rail.	At Mauch Chunk and above.	Total by Rail.	At Penn Haven Junction for Canal.	Total by Rail and Canal.	Percentage of Total.
1866.	Wyoming	188,224.02	375.05	188,599.07	126,843.14	315,443.01	15.48
	Hazleton	864,784.03	26.16	864,810.19	10.10	864,821.09	42.44
	Beaver Meadow	418,389.00	322.11	418,711.11	103,519.00	522,230.11	25.63
	Mahanoy	246,051.13	559.00	246,610.13	75,619.04	322,229.17	15.81
	Miscellaneous	12,989.09	.....	12,989.09	.....	12,989.09	.64
	Totals for 1866	1,730,438.07	1,283.12	1,731,721.19	305,992.08	2,037,714.07	100.00
1867.	Wyoming	273,164 11	1,079.17	274,244.08	89.06	274,333.14	13.19
	Hazleton	721,215.04	107.08	721,322.12	.....	721,322.12	34.68
	Upper Lehigh	53,838.02	147.04	53,985.06	.....	53,985.06	2.59
	Beaver Meadow	473,202.01	8,098 06	481,300.07	96,377.18	577,678.05	27.77
	Mahanoy	426,965.07	7,723.02	434,688.09	18,148.10	452,836.19	21.77
	Totals for 1867	1,948,385.05	17,155.17	1,965,541.02	114,615.14	2,080,156.16	100.00
	Increase and Decrease	217,946.18	15,872.05	233,819.03	191.376.14	42,442.09	
	Percentage of Increase and Decrease	12.59		13.50	62.54	2.08	