

1889.

THIRTY-FIFTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

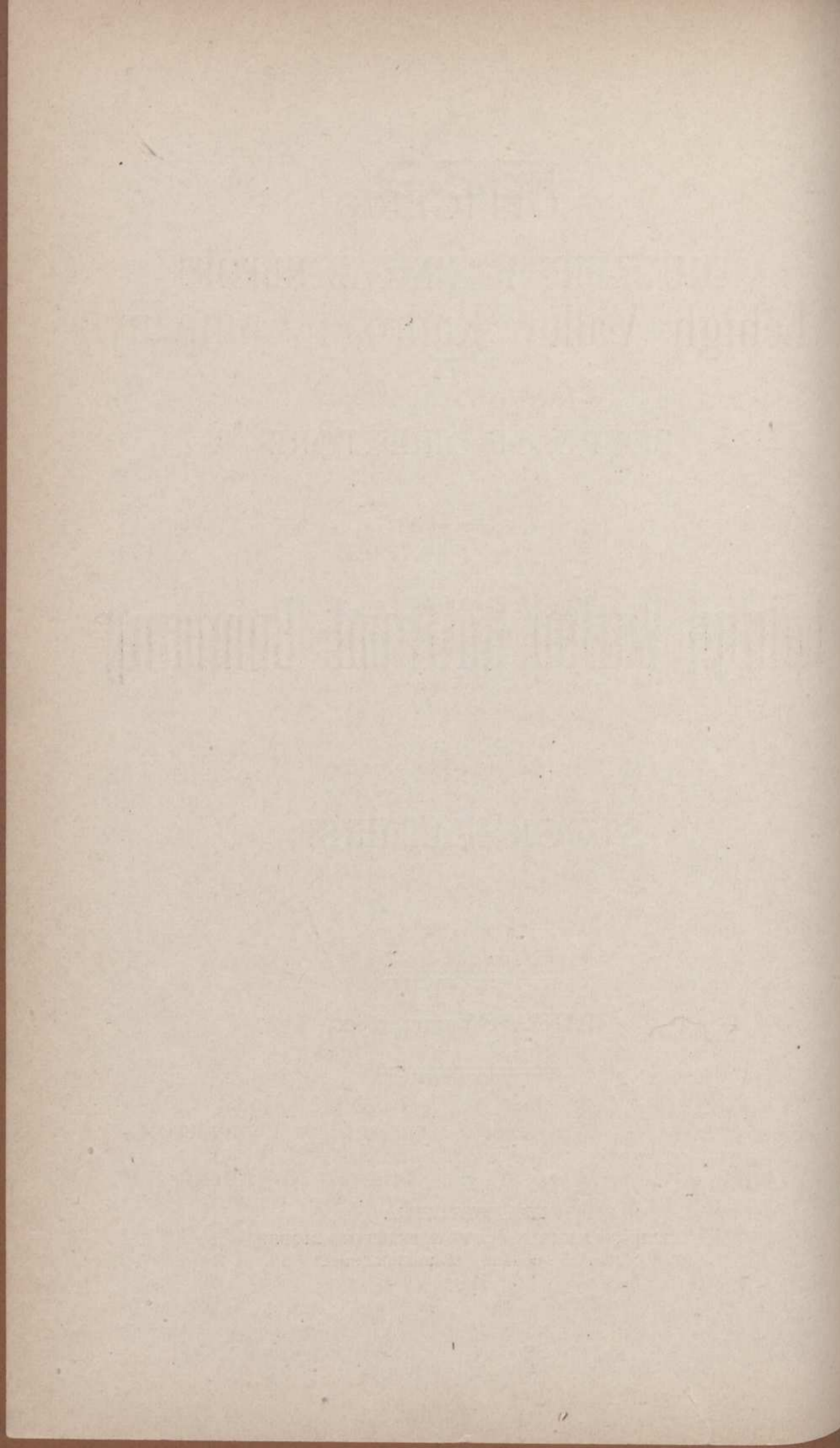
Lehigh Valley Railroad Company

TO THE

STOCKHOLDERS.

JANUARY 21st, 1890.

PHILADELPHIA :
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Nos. 229, 231, and 233 South Fifth Street.
1890.



OFFICERS

OF THE

Lehigh Valley Railroad Company.

JANUARY 21st, 1890.

PRESIDENT,

ELISHA P. WILBUR.

VICE-PRESIDENT,

CHARLES HARTSHORNE.

SECOND VICE-PRESIDENT,

ROBERT H. SAYRE.

THIRD VICE-PRESIDENT,

JOHN B. GARRETT.

TREASURER,

WM. C. ALDERSON.

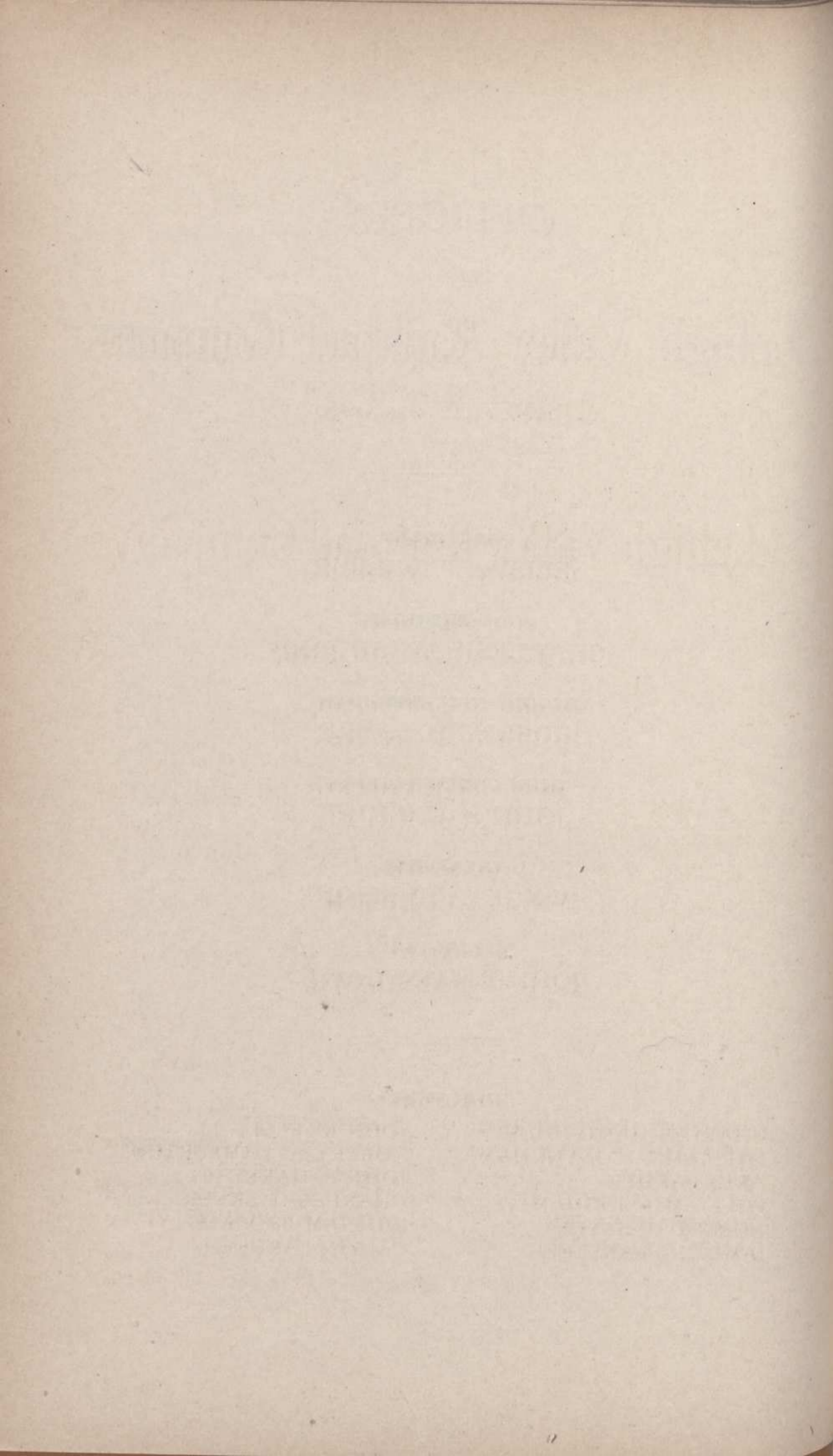
SECRETARY,

JOHN R. FANSHAWE.

DIRECTORS:

CHARLES HARTSHORNE,
WILLIAM L. CONYNGHAM,
ARIO PARDEE,
WILLIAM A. INGHAM,
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JAMES I. BLAKSLEE,

JOHN R. FELL,
ROBERT A. LAMBERTON,
JOHN B. GARRETT,
CHARLES O. SKEER,
WILLIAM BROCKIE,
CALVIN PARDEE.



ANNUAL REPORT

OF THE

Lehigh Valley Railroad Company.

JANUARY 21st, 1890.

As indicated in our last report, the figures this year include those of the whole system, and no separate report will be made of the business of the Pennsylvania and New York Canal and Railroad, now one of our leased lines.

The total tonnage of the fiscal year ending November 30th, 1889, was as follows:—

TOTAL TONNAGE OVER ROAD.

	1889.	1888.	INCREASE AND DECREASE.
Anthracite coal	8,323,594	8,650,826	Dec. 327,232
Bituminous coal and coke . .	283,444	347,016	Dec. 63,572
Miscellaneous freight	4,205,713	3,633,178	Inc. 572,535
	12,812,751	12,631,020	Inc. 181,731

TONS CARRIED ONE MILE.

	1889.	1888.	INCREASE AND DECREASE.
Anthracite coal	893,923,679	939,256,984	Dec. 45,333,305
Bituminous coal and coke . .	17,511,721	22,584,281	Dec. 5,072,560
Miscellaneous freight	594,201,206	421,877,647	Inc. 172,323,559
	1,505,636,606	1,383,718,912	Inc. 121,917,694

AVERAGE FREIGHT RATES.

	1889.	1888.
Average rate per ton on coal	100 $\frac{47}{100}$ cents.	107 $\frac{97}{100}$ cents.
Average rate per ton per mile on coal .	$\frac{949}{1000}$ cent.	1 $\frac{10}{1000}$ cents.
Average rate per ton on miscellaneous freight	103 $\frac{9}{100}$ cents.	100 $\frac{30}{100}$ cents.
Average rate per ton per mile on miscellaneous freight	$\frac{730}{1000}$ cent.	$\frac{864}{1000}$ cent.
Average rate per ton on total tonnage .	101 $\frac{33}{100}$ cents.	105 $\frac{77}{100}$ cents.
Average rate per ton per mile on total tonnage	$\frac{862}{1000}$ cent.	$\frac{963}{1000}$ cent.

PASSENGER TRAFFIC.

	1889.	1888.	INCREASE.
Number of passengers carried over road	4,696,683	4,567,314	129,369
Number of passengers carried one mile	75,117,608	73,763,620	1,353,988

AVERAGES.

	1889.	1888.
Average mileage per passenger	16 miles.	16 $\frac{15}{100}$ miles.
“ receipts per passenger	36 $\frac{77}{100}$ cents.	35 $\frac{64}{100}$ cents.
“ rate per mile	2 $\frac{298}{1000}$ cents.	2 $\frac{206}{1000}$ cents.

The operations of the whole system for the past year have resulted as follows:—

TRANSPORTATION EARNINGS :

From coal	\$8,647,464 73
“ miscellaneous freight	4,335,727 49
“ passengers	1,839,729 91
“ express and mail	145,367 15
“ other items	160,762 68
Income from investments and other sources	1,545,912 62
	<u>\$16,674,964 58</u>
COST OF OPERATION, including rentals of leased lines	11,419,383 71
Net revenue	<u>\$5,255,580 87</u>

Against which there has been charged:—

General expenses, interest on floating debt, taxes, loss on Morris Canal, &c.	\$945,768 22
INTEREST on bonds (including interest on guaranteed bonds and stocks)	2,168,571 40
DIVIDENDS on preferred and common stocks	2,018,201 87
	<u>5,132,541 49</u>
Leaving	\$123,039 38

to be added to the credit of the profit and loss account.

Neither the receipts nor expenses of the Lehigh Valley Coal Company are included in the foregoing statement, its accounts being kept entirely distinct from those of the railroad company. They show a profit for the year.

Our capital account at the close of the fiscal year stood as follows :—

Preferred stock	\$106,300	
Common stock (including scrip not yet converted)	40,335,010	
		<u>\$40,441,310</u>
First mortgage, six per cent. bonds, due in 1898 (coupon and registered)		5,000,000
Second mortgage, seven per cent. bonds, due in 1910 (registered)		6,000,000
Consolidated mortgage, six per cent. bonds, due (except sterling and annuity bonds) in 1923 :—		
Sterling	\$2,678,000	
Coupon	1,634,000	
Registered	6,953,000	
Annuity	2,553,000	
		<u>13,818,000</u>
		<u>\$65,259,310</u>

To this may be added the following obligations guaranteed by this Company, the interest and dividends upon which are included in the above statement :—

Pennsylvania and New York Canal and Railroad Company :—		
Seven per cent. bonds, due 1896	\$1,500,000	
Seven per cent. bonds, due 1906	1,500,000	
Five per cent. bonds, due 1939	4,000,000	
Four per cent. bonds, due 1939	3,000,000	
		<u>\$10,000,000</u>
Easton and Amboy Railroad Company, five per cent. bonds, due in 1920		6,000,000
Morris Canal and Banking Company :—		
Preferred stock, ten per cent.	\$1,175,000	
Consolidated stock, four per cent.	1,025,000	
Seven per cent. preferred dividend scrip	62,500	
		<u>2,262,500</u>
		<u>\$18,262,500</u>

Two hundred and thirty-nine of the sterling bonds were drawn, payable December 1st, 1889, leaving \$2,439,000 bearing interest from that date.

Seven millions of dollars of the mortgage loan issued by the Pennsylvania and New York Canal and Railroad Company, referred to in the last annual report of that Company, have been received by our Company in settlement for the preferred stock of that Company and its accretions, and for other accounts. Of these, \$4,000,000 bearing interest at the rate of five per cent., and \$3,000,000 bearing interest at the rate of four per cent., guaranteed principal and interest by this Company, were sold during the year. The remaining \$3,000,000 will be held by the trustees in accordance with the provisions of the mortgage, to retire a like amount of the seven per cent. bonds of that Company maturing \$1,500,000 in 1896 and \$1,500,000 in 1906.

Notwithstanding the decrease in coal tonnage for the year, in which we have shared in common with the other coal transportation companies, the total tonnage carried over our lines has increased as above stated. This is due to the growth of both local and through freight and passenger business, the income from which for the year shows an increase of \$688,120. It is to be noted that while our increase of business to Philadelphia has been very considerable, there has been no corresponding increase from Philadelphia, because of the want of adequate facilities in that city.

Our lake line has carried during the past season 153,000 net tons of coal and other merchandise westward, and 351,000 net tons of grain, ore, and other merchandise eastward, or an aggregate of 504,000 tons. Of this, 413,000 tons were carried in connection with our railroad lines to or from Buffalo.

The two new steel steamers mentioned in the report of last year were in active service during the season, and two additional steel steamers have been contracted for and will be delivered in time for the coming navigation season. These should still further increase our business with all the upper lake ports.

As foreshadowed in the last report, the Geneva, Ithaca and Sayre Railroad was sold under foreclosure of its second mort-

gage in August last, and purchased by our Company, subject to the mortgage of the Ithaca and Athens Railroad Company for \$600,000, due July 1st next. These bonds will be paid at maturity, or exchanged for some other security. A new organization was formed under the title of the Geneva and Sayre Railroad Company.

The Ithaca, Auburn and Western Railroad, formerly operated by us as a leased line of the Southern Central Railroad Company, has during the past year been sold under foreclosure. The portion of the line between Genoa and Freeville has been abandoned, and the portion north of Genoa, about 20 miles, will hereafter be operated as a part of the Geneva and Sayre Division of our system.

The improvements referred to in the last annual report as under construction at the Morris Canal Basin in Jersey City have been completed, and were in use during the year; they are, however, inadequate to meet the requirements of our business. Preparations are being made for their further extension.

In addition to our terminal properties at the Morris Canal Basin, we have acquired interests in other valuable waterfronts at tidewater on New York Bay, and are extending our line from Roselle through Newark to make these properties available for our rapidly-growing freight traffic, as well as to provide additional facilities for the shipment of coal in the harbor of New York.

Our main line, through the purchase of the Geneva, Ithaca and Sayre Railroad and the extension to tidewater as stated, now extends from Jersey City to Geneva—distant 97 miles from the terminus of the Lehigh Valley Railway at Buffalo. The Buffalo and Geneva Railway Company has located its line between these points and has under contemplation its early construction. The Geneva and Van Etenville Railroad Company was organized for the purpose of reducing the grades and shortening the line between Geneva and Van Etenville. The completion of these roads in connection with our own will give us a line between Buffalo and the seaboard with no adverse grade exceeding 21 feet per mile,

except that of the Wilkesbarre Mountain (which was by the mountain cut off, as stated in last annual report, reduced from 96 to 64 feet to the mile), and make available our lines in the city of Buffalo, and extensive improvements and terminal facilities upon which there have been expended several millions of dollars.

The Schuylkill and Lehigh Valley Railroad, extending from the mouth of Lizard Creek (7 miles below Mauch Chunk), about 40 miles, to a point on the west branch of the Schuylkill River near Tremont, has been under construction since last spring. The grading will be completed within three or four months, and the road opened for the active coal season of the present year, enabling us to reach valuable coal developments which will be tributary to this line.

Since last report the Loyalsock Railroad has been extended $3\frac{28}{100}$ miles, making a total of about 12 miles from Bernice, and is being progressed to a connection, during the present year, with our Harvey's Lake Branch. This road extends through one of the largest bodies of virgin timber lands in the State.

By an arrangement with the Williamsport and North Branch Railroad Company, which is extending its road to a connection with this line, we will, upon its completion, run our trains to and from the city of Williamsport.

The increasing importance of Allentown as a manufacturing centre and source of both freight and passenger traffic has prompted us to complete a line through that city, which has been partially in use for some years. This line, known as the Jordan Loop, is now used for freight, affording facilities much nearer and more convenient to the business public than those on the Main Line. A very commodious station is being erected, and, upon its completion, a few weeks hence, passenger trains will be run through regularly by the loop line.

Although no adequate return has as yet been received from these large investments of capital, the interest upon all of them is charged against the current income account of the year.

MILEAGE.

The length of lines embraced in the Lehigh Valley system, without including second track or sidings, is as follows:—

Lehigh Valley Railroad, Main Line, from Perth Amboy, N. J., to Geneva, N. Y.	340	miles.
Roselle Branch	10	"
Coal Branches	136	"
Mountain Cut-off	20	"
Bear Creek Branch	12	"
State Line and Sullivan Branch	23	"
Harvey's Lake Branch	22	"
Cayuga Branch	38	"
Southern Central Division	114	"
Lehigh Valley Railway, N. Y.	12	"
Loyalsock Branch	12	"
Other small branches	46	"
	—	
	785	"

We also operate for our own business about 50 miles of the Pennsylvania Railroad Company's system; 15 miles of that of the New York Central and Hudson River Railroad Company; 188 miles of the New York, Lake Erie and Western Railroad; and 21 miles of the Central Railroad of New Jersey; making a total of 1059 miles covered by our trains.

During the last year we have added to our equipment as follows:—

Built at our own Shops.

Locomotives	12
Passenger, combination, baggage, mail, and express cars	16
Coal cars, eight-wheeled	150
House cars	182
Stock cars	40
Gondola cars	2
Service cars	111

Purchased.

Locomotives (including 28 from roads absorbed in Lehigh Valley system)	56
Passenger, baggage, mail, and express cars	29
Platform cars, eight-wheeled	146
House cars	313
Coal cars, eight-wheeled	2,100
" four-wheeled	402
Gondola cars	15
Service cars	153

We also built at our shops 125 mine cars for the Lehigh Valley Coal Company.

In addition to the above, we now have under contract 2500 house and 200 gondola cars; 500 house and the gondola cars to be built at our own shops.

The following additional work has been done during the year in extending the road and improving the property:—

A branch has been graded and laid from main line near Perth Amboy to the works of the Raritan Hollow and Porous Brick Company, on Raritan River, $\frac{94}{100}$ miles.

A branch to Bloodgood's Mills, called Bloodgood's Branch, from the Roselle and South Plainfield Railroad, has been graded and laid $1\frac{9}{100}$ miles.

The Musconetcong Branch has been extended for a distance of $1\frac{27}{100}$ miles.

Barber's Branch has been extended $\frac{34}{100}$ miles.

Second track on Wyoming Division has been extended from Mud Run to White Haven, $6\frac{73}{100}$ miles.

Work of renewing the arch in the Musconetcong tunnel has been continued during the year.

The grading for a double track between Bear Creek Junction and Summit Switch is in progress. Also two iron girders over Beer's Creek at Owego, and three iron girders over a small stream at Auburn.

About 19,000 yards of earth and stone have been dumped in the bay at Fair Haven, materially increasing the yard and dockage capacity.

We have also constructed about 200 lineal feet of cribbing at Fair Haven coal dock.

The condition of all our track has been fully maintained, but the heavy rains from which we have suffered during nearly the whole year have added largely to cost of maintenance.

New passenger stations are under construction at Perth Amboy, Fords, Neshanic, West Neshanic, South Easton. Others have been erected at Cemetery Station, Park Place, Lumber Yard, Wyoming Street Hazleton, Leviston, Lake Station, Duryea, Mahanoy City, Freeland, Weatherly, and Avoca.

New freight stations have also been erected at Picton, Lower Catasauqua, Drifton, Glen Summit, and Avoca.

Engine-houses are under construction at White Haven and at the Wilkesbarre shops, and one has been built at Towanda.

Seven blocks of houses have been built at Delano, of two dwellings each, for use of employés at that place.

The June flood carried away an iron bridge of 150 feet span and one of its abutments at Monroeton, on the State Line and Sullivan Branch, which was replaced by one of 165 feet span.

New sidings have been laid on Loyalsock, Harvey's Lake, and West Pittston branches. Also at Coxtton, Towanda, and Sayre.

We have added to the tracks of the Lehigh Valley Railway Company and on Tiff Farm, at Buffalo, $8\frac{5}{100}$ miles during the year and have handled about 80,000 cubic yards of material with our steam shovel in filling trestles through that city.

Additions have been made to our dock facilities at Buffalo, and to the facilities for handling iron ore and heavy freight over the docks.

A section of an engine-house with 16 stalls, in accordance with our general plan, has been built at East Buffalo; also a section of a car-repairing shop, which will be ready for occupancy in January.

On our Southern Central Division new iron bridges have been erected crossing the Owasco Inlet at Moravia and the canal feeder at Weedsport.

Our total equipment on November 30th, 1889, was as follows:—

Locomotives	538
Passenger, combination, baggage, mail, and express cars	259
Fruit cars	142
Stock cars	97
Platform cars, eight-wheeled	579
" six-wheeled	70
" twelve-wheeled	1
Gondola cars	1,862
Lime cars	67
Oil cars	258
Grain and hay cars	114
Furniture cars	2
Provision cars	68
Beer cars	22
Heater cars	150
Lumber cars	450
Lehigh Valley Despatch cars	525
Traders' Despatch cars	800
Refrigerator cars (Tiffany)	50
" (Wickes)	100
Coke cars	50
House cars	3,956
Coal cars, four-wheeled	26,914
" eight-wheeled	7,168

Also following service cars:—

Dump cars	417
Wreck and tool cars	74
Water cars	5
Tunnel cars, eight-wheeled	2
" four-wheeled	83
Caboose cars	260
Supply cars, four-wheeled	27
" eight-wheeled	29
Flat cars	218
Dirt cars	48
Snow plows	5
Flangers	4

An agreement, dated September 24th, 1889, was entered into between the Lehigh Valley Railroad Company, The East Jersey Water Company, and the City of Newark,

N. J., to construct from a part of the water-shed in the northern part of the State of New Jersey, controlled by this Company, to the city of Newark, a pipe line or conduit, together with such dams, reservoirs, and works as may be necessary, and to supply to said city so much water as it may need and require up to an ultimate maximum quantity of 50,000,000 gallons per day, with the right at any time within a stated period to exercise an option to become the absolute owner in its own right of the said water-works upon the payment therefor of the sum of \$6,000,000, of which \$4,000,000 is to be paid in cash or bonds of the City of Newark upon the delivery of the works, and the remaining \$2,000,000 at the expiration of eleven years from the date of the contract, during which period The East Jersey Water Company retains the right to divert and use for its own benefit so much of 27,500,000 gallons daily as the city may not, during that time, need for its own use. All water conducted in excess of that amount will also be under the control of the water company. Said \$2,000,000 to be secured by the deposit, with some person or corporation to be agreed upon, of bonds of the City of Newark in that amount, interest upon which, however, shall not accrue until the expiration of said period of eleven years.

The above option has been duly exercised in the manner provided for in the contract, by resolutions recently passed by the Newark Aqueduct Board and by the Common Council of the city; certified copies of which have been served upon the water company. This work is now in progress with every prospect of being completed within the period contemplated by the contract.

There has been no change during the year either in the Board or the general officers.

By order of the Board,

E. P. WILBUR,

President.