To the President and Directors of the Pennsylvania Rail Road Company.

Gentlemen:—I have the honor to communicate, for the information of the Board, the following account of the proceedings of this department since the last Annual Meeting of the Stockholders.

Of the Location of the Road.

At that time, the location of the Eastern Division of the Road had been completed to the Tyrone Forges, from whence it was continued along the route designated by the preliminary surveys, to the summit, separating the Big and Little Juniata Rivers in Tuckahoe Valley. From this point (now known as Altoona,) it is proposed that the main line, at a future period, shall commence the ascent of the eastern slope of the Allegheny Mountain. In the mean time, a branch 6½ miles in length, will connect us with the Allegheny Portage Rail-road, completing a continuous road from Philadelphia to the eastern end of the Western Division of the Pennsylvania Canal, two hundred and seventy-nine miles in length.
The point of connection with the Portage Rail-road, under a supplement to our charter, is to be submitted to the Canal Commissioners for their approval, to obtain which, the final location of the branch, was for several months suspended, and in consequence, it has only recently been determined and put under contract.

The intersection of the two roads, is made about one mile west of Hollidaysburg, and one hundred and thirty-six and one-third from Harrisburg, two miles less than denoted by our first surveys; a saving which has been effected, without a proportionate increase of the cost of graduation.

*Mountain Division.*

During the past summer, an actual location was made of the main line from Altoona to the summit of the mountain, preserving generally the route designated by the experimental surveys. The result developed a more rugged profile, than reported by the Assistant then in charge of that Division of the Road, but not more difficult than originally supposed would be necessary to surmount this great barrier.

The ascent is accomplished in 12¹/₂ miles, by a maximum gradient of 84 ¾ feet on straight lines, reduced on curves according to their diameter, to 75 feet upon those of minimum radii. To decrease the expense of crossing Kittaning and Burgoon's Runs, on the east slope of the mountain, and some smaller branches of the latter stream, the tunnel at Sugar Run Gap has been lengthened to eleven hundred yards, which reduces the elevation to be overcome from the foot to the summit of the mountain, to nine hundred and sixty-five feet, and greatly improves the curvature of the line.
The line reaches Laurel Swamp Summit—which separates the waters that flow into the Susquehanna from those of the Ohio,—3 3/6 miles west of the crest of the mountain, at Sugar Run Gap, after crossing with a high bridge, a branch of Clearfield Creek. Thence it descends along the valley of the Conemaugh to Johnstown, without encountering any serious difficulties to the attainment of a graduated road-bed, at a maximum inclination of fifty feet per mile. The most important obstacle to be overcome, being a tunnel seven hundred feet in length through Pringle's Point, a short distance below Jefferson.

In the descent of the western slope of the mountain, the direction of our line, is generally in the immediate vicinity of the Portage Rail-road; crossing it five times by bridges, and once—as at present located—upon a level. A connection with that work during the construction of ours, may be conveniently made at several points, bringing each portion into profitable use as fast as completed. When our whole line on the western side is finished, the two roads can be advantageously joined, at the summit of the Portage, by a steep ascending gradient from the vicinity of Laurel Swamp Summit—less than two miles in length—by which means all of the western planes will be avoided, and those on the east side, used during the construction of the heavy grading at the crest of the mountain, and on its eastern slope. This connection would render it profitable to the Commonwealth, to abandon her road west of its summit, and by a satisfactory arrangement—which could be made with this Company—use that portion of their road for the transmission of freights between the Eastern and Western Divisions of her Canal. The revenues of the Portage Rail-road, making allowance for depreciation, have never been
sufficient to defray its annual expenses, and there can be no doubt, but that it would be the true interest of the Commonwealth—if the arrangement suggested should not be thought desirable—to reconstruct nearly the whole of her road west of the summit of the mountain upon a plan, which would avoid the heavy annual disbursements necessary under the present system.

Western Division.

The route adopted for the Western Division, commencing at Johnstown, crosses the Conemaugh immediately below its confluence with Stone Creek, and follows its southern bank over generally very favourable ground, until it reaches Chesnut Ridge, where some moderately expensive work is encountered at the Pack Saddle Rocks in the Gap through it, formed by the river. After passing these, the line turns south-westwardly around the point of the ridge, and following generally the valleys of Magee's and Sauxman's Runs, intersects the Loyalhanna at Chambers' Mill, about two miles north of the Southern Turnpike, at Youngstown. From Johnstown to the head of Magee's Run, 34 miles, the maximum gradient is \(26\frac{4}{5}\) feet per mile, and thence to Pittsburg fifty feet. On leaving the Loyalhanna we gradually ascend the western slope of fourteen mile run, to the summit of Huckelberry Ridge, then crossing some small tributaries of the Sewickly, it passes on the north side of Greensburg, and pierces the water shed between this stream and Brush Creek, by a tunnel of eight hundred feet in length, known as Barkley's; whence we follow Brush Creek to its confluence with Turtle Creek, and the latter stream to the banks of the Monongahela. Thence crossing by Wilkinsburg and East Liberty, it enters Pittsburg on the Allegheny side, as described in my last Report.
As the merits of this route have been the subject of public discussion, it may not be inappropriate, to present briefly the reasons that have induced its selection, though already more fully given in a special report.

A very thorough and careful examination of the country to be traversed by the road west of the Allegheny mountains, developed two distinct lines between Laurel Swamp Summit and the mouth of Brush Creek, both of which were found to be practicable. The first has already been described, and is known as the Southern or Greensburg route; the other follows the water shed between the Ohio and Susquehanna Rivers to Ebensburg, maintaining nearly the elevation of the summit of the mountain for this distance, thence it descends by the valley of the Black-lick to the Conemaugh, west of Blairsville, whence crossing an exceedingly rough country, it gains the head waters of Turtle Creek; along which stream it passes to its junction with the Greensburg route at Brush Creek.

In addition to these rival routes, a line was located connecting the two by diverging from the first near Lockport, and crossing the Conemaugh, passed in the vicinity of Blairsville, and again crossed the river to Bairdstown, thence diverging gradually from the Conemaugh, it joins the Black-lick line at Alter's Summit; this has been termed the middle or Blairsville route, and is 3½ miles shorter than the southern line, but will cost to construct it, $244,000 the most, while the Black-lick line is ten miles shorter than the Greensburg route, and $460,000 the most expensive.

The rise and fall and curvature of the several routes being very nearly equal, may be taken practically as the same; and in considering their relative Engineering merits, it is only necessary to draw a comparison between the value of the
distance saved and the extra cost of the route, together with its other peculiar characteristics. In the location of this road, $53,000 has been assumed as the value of each mile of distance saved, and where a reduction could be effected within this limit, without exceeding the maximum gradient, the expenditure has been incurred. This value is derived from the first cost of the decreased amount of superstructure required; the capital at six per cent. represented by the annual out-lay to keep the road in repair, and the cost of transportation over the additional length of road upon the assumed amount of merchandise and travel to be conveyed. Applying this rule to the middle and southern routes, it will be found that the difference in favor of the southern is $45,000. This difference might be considered too small to justify the adoption of the longer route, were it not that other considerations unite to give to it a preference. These consist in its almost entire freedom from wooden bridges—two only on the whole route being necessary—while on the Blairsville line there would be three of those perishable structures across the Conemaugh, besides several others in crossing Stony Creek, Loyalhanna, and smaller streams, of equal magnitude.

The Greensburg route traverses also a more fertile and populous region, which will not only afford a considerable increase of local transportation and travel, but it will bring to Philadelphia the trade of an important district of country which has heretofore gone to Baltimore, and afford the additional advantage of extending by a branch line south-westwardly over favourable ground, the circle of this attraction. While from the point the road diverges from the Conemaugh, there is nearly equal facilities for drawing the trade of Indiana County to it, that there would be from
Blairsville; the distance from the Northern Turnpike to the rail-road from the point of intersection of the Indiana road, being about the same that it is to that place.

These views, in themselves, seem to be conclusive as to the route, even if we omit to consider the importance of obtaining a continuous road, with the reduced amount of capital ($244,000) required for the southern route.

It has been urged by the advocates of the middle route, that the adoption of the Greensburg line will throw the road into a region, where it can be conveniently tapped, at the Loyalhanna Crossing, by a rail-road from Cumberland. This objection, if worthy of consideration, is almost equally applicable to either of the other routes, requiring only the construction of some seven or eight miles more of road, over comparatively favorable ground along the Valley of the Loyalhanna, and from which neither would be free, except probably the Black-lick line, if continued down the Kiskeminetas to the Allegheny, and thence to Pittsburg. A route which, if Pittsburg was not the terminating point of the roads from the West, would afford the best line to the table lands of Ohio.

But the construction of a road from Cumberland upon the route designated, is in every fair and reasonable sense of the word, impracticable. Capitalists would not have the temerity to engage in so vast and hopeless an enterprise—crossing the summits of two Mountains—and there are no local interests to be effected, sufficiently powerful to urge its construction, if feasible. A road from Cumberland to Johnstown, as wild as such a scheme will appear, would be a much more probable undertaking. If the suggested line from Cumberland to the Loyalhanna was practicable, it would be evident to those conversant
with the management of Rail-roads, that the detentions
and vexations, that would attend the connection of two
roads hostile in their interests, would prevent its advan-
tageous use by the party controlling that portion common
to the transportation of both lines.

Considering the question of route therefore, merely upon
the Engineering merits of the respective lines; the choice lies
between the Black-lick and Greenburg routes.

If we apply to the latter, the rule already mentioned,
it will be seen that the advantages in favor of the Black-
lick line—though its estimated cost is $460,000, the greatest—
is equivalent to $70,000, looking only to the generally
controlling characteristic of distance, rise and fall and
curvature—thus equalizing the cost of maintaining each
route per mile.

But owing to the necessity of preserving a high level
along the Black-lick, to avoid abrupt curves, and a
lengthened line, high and wide crossings of that stream
are encountered, and a large extent of bridging required,
which also occurs at the Conemaugh, and west of that
stream to a far greater amount than on the southern route.
For watching and maintaining this bridging, the inter-
est on $70,000 would be inadequate, independently of
all considerations of risk. The early completion, how-
ever, of a continuous road from Philadelphia to Pittsburg,
in connection with the Allegheny Portage Rail road, the
means for which may now be considered within the reach
of the Company, upon the Greensburg route, is of such
vast importance, that no small considerations should in-
fluence a departure from the policy which will lead to its
certain and early accomplishment.

The Black-lick line, in consequence of the direction of
the stream it follows, would necessarily leave the Portage Rail-road near the summit of the Alleghenies, or at the foot of Inclined Plane, No. 5, twenty-two miles east of Johnstown, encountering the whole of the expense of the descent of the Mountain on the west side, thereby swelling the capital required to complete a continuous road fully $1,400,000, a sum which it would be found difficult to raise in the face of the strong, though ill-founded prejudices entertained by the capitalists of Philadelphia to investments in internal improvements generally.

The amount of funds now at the Company's disposal, if disbursed upon the Black-lick route, would scarcely finish the road twelve miles west of Ebensburg, while upon the Greensburg route they will carry us to the vicinity of the Southern Turnpike, about forty miles from Pittsburg, which, when accomplished, will produce a state of feeling among all the parties interested, that must at once draw the amount necessary to complete the road, if the foresight of capitalists, and the business community, should not furnish it at an earlier date.

The increased amount of work, and its difficult character, would also, even if we had the funds necessary to build the road on the Black-lick route, delay its completion fully twelve months, losing to the Company the increased revenues that will flow from bringing the whole line into use one year earlier, by the adoption of the Greensburg route.

Another advantage presented by the southern route, which is not without its weight in determining this question, is the short distance that it remains upon the elevated portions of the mountains, subject to the extreme snows and frosts of that region, the whole ascent upon the east side being accomplished in 12 1/2 miles, and the descent on the
west, to a more genial climate, in about eight miles, leaving
less than twenty miles—several of which on the east side
might be still considered in the valley—to encounter these
difficulties, while on the other route the line maintains nearly
the elevation of the Mountain, until it passes Ebensburg,
when it descends gradually to the valley of the Black-lick,
passing over about thirty-one miles to reach the same level.

It may also be stated, that the character of the ground
traversed by the southern route, will admit, at a moderate
increase of cost, (provisions for which are made in the esti-
mate annexed,) a considerable decrease in its curvature and
length, materially lessening the disparity in this particular
between them, while on the other routes, the bold and
broken character of the country traversed, would render
any important improvement in the details of the line wholly
unattainable.

The foregoing views have been considered sufficient to
justify me, in recommending to the Board the adoption of
the southern route, in preference to either of the others, and
I have no doubt but that they will, when candidly weighed,
meet the concurrence of all the stockholders.

_The policy of extending the Western Division eastwardly to avoid Plane No. 1:

To secure, at the earliest practicable moment, a continu-
ous rail-road from Philadelphia to Pittsburg, the Allegheny
Portage Rail-road is necessarily used as a portion of the
line. This work is 36 1/2 miles in length, and consists of five
inclined planes on each side of the mountain, with inter-
mediate levels varying from a quarter to thirteen miles in
length. Plane No. 1, is situated 4 1/2 miles from Johnstown,
and between it and No. 2, is the longest level. By dis-
pensing with this plane, at which the greatest delays occur, on account of a tunnel at its head nine hundred feet in length, the whole of the remaining planes are brought within a space of thirteen miles of each other, which will greatly aid the systematic management of the road. This object can be secured by the extension of the Western Division from Johnstown, eastwardly to the Stone Viaduct, 7 ½ miles, for the additional sum of $200,000—making the total cost of that Division $2,915,000.

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

The means of the Company are sufficient for this object, and also to continue the road to the point near the Southern Turnpike already designated. When the whole line is completed to Pittsburg, in connection with the Portage, the continuous road adapted to the use of Locomotives will, by this arrangement, be extended from eighty-two to ninety-five miles, leaving but the thirteen miles previously mentioned, upon which stationary power will be used, which ought not to create a greater detention than one and a half hours. This detention may be still further lessened by extending the Western Division as suggested, to the summit of the mountain, and using only the Eastern Planes.

The comparatively small amount of capital necessary to effect the latter object, will probably lead to its accomplishment before much, if anything, is done upon the eastern
These considerations, together with the necessity of providing for the large coal traffic, which now passes down the eastern planes, and from which those on the west are mostly relieved, would suggest the propriety of their capacity being greatly increased.

ESTIMATE OF THE COST OF THE ROAD.

EASTERN DIVISION.

Graduation, including contingencies—

<table>
<thead>
<tr>
<th>Section</th>
<th>Distance (Miles)</th>
<th>Cost (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Harrisburg and Lewistown</td>
<td>60.6</td>
<td>784</td>
</tr>
<tr>
<td>&quot; Lewistown and Huntingdon</td>
<td>36.6</td>
<td>636</td>
</tr>
<tr>
<td>&quot; Huntingdon and Altoona</td>
<td>32.8</td>
<td>660</td>
</tr>
<tr>
<td>&quot; Altoona and Portage, R. R.</td>
<td>6.33</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>136.5</strong></td>
<td><strong>2,115</strong></td>
</tr>
</tbody>
</table>

Superstructure on this distance, — — 1,535,000

**Total cost of construction**, — — 3,650,000

To which add for Engineering, &c., 145,000

Real Estate and Damages, — — 130,000

Interest Account, — — 255,000

**530,000**

**Total cost of Eastern Division**, — 4,180,000
WESTERN DIVISION.

Graduation, including contingencies—
Between Johnstown and Blairsville Depot, 25 miles $312,000
  “ Blairsville and Loyalhanna, 9½ " 108,000
  “ Loyalhanna and Greensboro, 12½ " 414,000
  “ Greensboro and mouth of Brush creek, - - - - 15 " 478,000
  “ Brush creek and Pittsburg, 16 " 148,000
Total, 78 " $1,460,000
Superstructure on this distance, - - - - - 875,000
Total cost of construction, - - - - - 2,335,000
To which add,
  For Engineering, &c., - - - - $90,000
  Real Estate, Damages, &c., - - 95,000
  Interest Account, &c., - - 195,000
Total cost of the Western Division, - - - $2,715,000

MOUNTAIN DIVISION.

Graduation, including contingencies—
Between Altoona and east end of Tunnel
  Sugar Run Gap, - - 12.2 miles, $855,000
  “ East end of Tunnel and Laurel Swamp Summit, - - 3.9 " 350,000
  “ Laurel Swamp Summit and Stone Viaduct, - - - 16.1 " 410,000
  “ Stone Viaduct and Johnstown, 7.8 " 120,000
Total, 40.0 " $1,735,000
Amount carried forward, $1,735,000
Amount brought forward, $1,735,000

Superstructure for this distance, - - - 445,000

Total cost of construction, - - - 2,180,000

To which add,

For Engineering, &c., - - $55,000
Real Estate, and Damages, &c., 25,000
Interest Account, - - - 140,000

220,000

Total cost of Mountain Division, - - - $2,400,000

If the Western Division is extended as proposed, to the Stone Viaduct, its cost will be increased $200,000, and the Mountain Division lessened a like amount.

Estimated cost of the Eastern and Western Divisions.

Eastern Division, as per estimate, 136.7 miles $4,180,000
Western " " 78.0 " 2,715,000

Amount, 214.7 " 6,895,000

To which add, if the Western Division is extended to the Stone Viaduct, - - - - 7.8 " 200,000

Total, 222.5 " 7,095,000
Estimated cost of Continuous Rail-road from Harrisburg to Pittsburg.

Eastern Division, excluding the branch to Portage Rail-road, - - - - 130 miles, $4,075,000
Mountain Division, - - - 40 " 2,400,000
Western Division, - - - 78 " 2,715,000

Total, 248 " $9,190,000

To which should be added, for Warehouses, Shops, Locomotives, Passenger and Burthen Cars, &c., as stated in my first report, $1,990,000; but of this sum, we shall require for our present outfit, and during the year 1850, only $540,000; and on the opening of the entire road, $1,400,000; the remainder ($590,000) to be expended as the business increases, reaching the whole sum estimated in 1854 or 1855.

The amount of the present means of the Company, applicable to the construction of the road, including the subscription of Philadelphia City and Allegheny County, in round numbers, is - - - - $5,600,000
The estimated cost of the Eastern and Western Divisions, - - - $6,895,000
The amount of Machinery, &c., required on opening road, - - 1,400,000

Leaving a deficiency of means for a continuous road, including Machinery, &c., - - $2,695,000
Our present means will be exhausted in reaching the point referred to near the Southern Turnpike.

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

The character of the work on the Western Division is such, that if the heavy parts should be pressed forward six months in advance of the others, the whole may be brought rapidly into use; the route of the road passing through an extremely healthy region, and the graduation of it is free from mechanical work of magnitude that will tend to delay its completion.

An additional subscription of only five hundred thousand dollars will secure all these advantages; and I would strongly urge that efforts should be made to obtain it at the earliest possible moment.

I have such entire confidence in the profitableness of the road when finished to the Portage, that I feel that this will be the last time that the Board shall have occasion to solicit subscriptions. When we again require funds, the profitableness of the undertaking will be made so manifest, that the stock will be eagerly sought after, as an investment.

We shall have no outstanding obligations unprovided for, such as have consumed the whole of the revenues of most of
the companies in this vicinity, or debts on longer time to spread distrust as to the future.

The advantages arising to the Company from this state of things cannot be more forcibly exemplified than by reference to the effect produced upon the stock of the Georgia Railroad, after obtaining a like freedom.

This Company, with a Capital of $2,240,000, constructed a road costing in round numbers, $3,400,000, the excess having been paid from the nett receipts of the road and from loans, the latter amounting to about $700,000. At their last meeting the Stockholders agreed to increase their capital to $4,000,000, by an equitable division of it among themselves, and pay off as fast as due, by assessments on the new stock, the debt of the Company, which left about $1,000,000 of stock to be divided as a bonus among the Stockholders.

Notwithstanding this increase, the present stock of the Company, commands in the market as much per share as the original did, and now readily sells for $95, which is equivalent to $145 for $100 paid. This Company had no pressing obligations, and the appreciation of their stock is wholly to be attributed to the confidence entertained, that the whole of the nett revenues of the Company would thereafter be divided among the Stockholders, and forcibly exhibits how sensibly capitalists appreciate, secure and unencumbered investments.

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

That road—only one hundred and seventy-eight and a half miles in length—which has cost to complete and stock it con-
siderably more than our continuous road to Pittsburg will, in connection with the Portage, with Turnpike connections only, over the Alleghenies, now yields 8½ per cent. upon its stock; all of which is devoted to the prosecution of the work west of Cumberland. This being the known result, obtained by that Company, it scarcely seems to require additional argument to demonstrate, that with our reduced capital for a greater length of road, more favourable gradients and curves, greater fertility of country traversed, and its more dense population, that we can at least do as well.

The Baltimore Company is pushing forward its great work with commendable activity. The whole of the line to the Ohio, will be placed under contract during the ensuing spring, and it behooves us to exert every nerve to keep pace with it. There should be no jealous rivalry between the two companies—their objects are the same—the trade of the great west—which can furnish ample business for both; but we shall have, on the completion of our line, decided advantages over them. Ere we reach Pittsburg, a continuous rail-road will be built from that point to Cleveland and Cincinnati, and in all probability entirely across the State of Ohio, some distance into Indiana, in a direct line for St. Louis, and for Chicago.

It is not denied that Baltimore is nearer in a direct line by a few miles to the valley of the Ohio, than either of the great Atlantic cities north of her; but, the Pennsylvania Rail-road occupies the shortest and best route from the west and the lakes, or any point in Ohio, not only to Philadelphia, but also to New York, the points of destination of four-fifths of the travel and transportation between these sections of the Union, and only twenty-five miles greater to Baltimore itself, taking Columbus in Ohio, as a starting
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point, than by the Baltimore and Ohio Rail-road, which distance is more than counterbalanced by its high gradients. Upon each side of the ridge between the Potomac and Patapsco, the Baltimore and Ohio Rail-road has gradients of eighty-two feet per mile, on curves of short radii; and in overcoming the Alleghenies, they ascend for eleven and a half miles at one hundred and sixteen feet per mile, and one hundred and five feet for three and a half miles, thence following for nineteen miles the summit of the mountain, it descends at one hundred and sixteen feet per mile, for eight and a half miles to the valley of the Cheat River, from whence they ascend Laurel Hill at one hundred and five feet per mile for five miles, and descend on the other side at the same rate for a like distance; while the Pennsylvania Rail-road has no westward gradient exceeding twenty-one feet per mile, or eastward greater than ten and a half feet, until it reaches the base of the Alleghenies, (one hundred and thirty miles); and this barrier is overcome by a maximum gradient of eighty-four and a half feet on straight lines for twelve and a quarter miles. Thence to Pittsburg, the maximum gradient is but fifty feet per mile, and upon more than one-third of this distance continuously the gradients do not exceed twenty-six and four-tenths feet per mile.

These favourable features of our road make it virtually the shortest even to Baltimore, from the point selected by that Company as the commercial centre of Ohio.

Of the Progress of the Road.

The Road was opened on the 1st of September to Lewistown, 60 3/4 miles from Harrisburg, and has since been in
uninterrupted use to that place. Owing to the unusual amount of sickness that has prevailed along the Juniata below Huntingdon, in consequence of the extreme low stage of the water, the progress of the work above Lewistown has been greatly retarded, particularly upon the mechanical portions of it, which were almost wholly suspended during September and October, from the impossibility of procuring workmen. Since this region has again become healthy, the work has been resumed, and is being pressed with as much vigor as circumstances will permit. The long deep cut back of Newton Hamilton is nearly finished, and that two miles on this side of it, which was also retarded by the failure of the original contractors, will be through in January.

We entertain expectations of being able to reach Huntingdon in the spring, and feel no doubt but that we shall complete the whole of the Eastern Division in season for the ensuing fall trade.

A few miles above Huntingdon, the line enters the Valley of the Little Juniata, which has always been free from the autumnal diseases that prevail on the lower portions of the stream, and in consequence, the work along it has progressed very satisfactorily, and will be ready in due time for the superstructure, for which materials are being delivered.

A portion of the grading of the Western Division, embracing fifteen of the heaviest Sections along the Valley of the Conemaugh, was placed under contract on the 12th ult., and a number of them have already been commenced. This work was let, to equalize the time of completion of that portion of the line east of the Southern Turnpike, and if followed as proposed, by the letting of the remainder of the
Division at the time stated, the whole road can be completed early in 1852.

Of the Business of the Road.

The organization of a system for conducting the transportation upon the Road, has for some time occupied a large share of my attention. Without a proper management of this department, all of our expenditures will be of little avail. Owing to the want of a direct connection, between our road and its great depot, this subject is attended with unusual embarrassments. A contract with the Harrisburg and Lancaster Rail-road Company has removed these difficulties as far as that work is concerned, and every disposition has been evinced by the superintendent of the Columbia Rail-road, and the other agents of the Commonwealth, to free our connection with that work from inconvenience, as far as the system of doing business adopted for it will admit of,—a system which is framed in violation of the rules that govern ordinary business transactions. We feel encouraged to believe, that when the arrangements that have been adopted have gone fully into effect, that they will meet every expectation of their efficiency and economy. While private transporters and companies, who have so signally failed on the State Rail-road, to cheapen by competition the rates of freight and transportation, are at liberty to use the road, the means of regulating charges, are kept entirely within the control of the company.

The immediate charge of the transportation department has been committed to Herman Haupt, Esq., as superintendent, who has heretofore acted as a principal assistant on construction. From his intelligence, zeal, and great
integrity of purpose, I anticipate a successful administration of the duties assigned to him, which also embrace the general superintendence of the Motive Power, and for the present the repairs of the finished road. His Report of the business of the road for the two months that it has been in use, ending on the 31st ult., is annexed. It will be seen from it, that the nett receipts of the Company are quite encouraging. Owing to the newness of the road and its equipments, the expenses have been very light, but on the other hand the receipts are much below what they would be if the road had been longer in operation. Though inclined originally to doubt the profitableness of the road from its present western terminus, I am constrained now to admit, that even if carried no further than Lewistown, it would pay a reasonable return upon the capital invested in its construction.

The charges established by the Board for freight, are as high as the competition with the Tide-water Canal will admit of, yet they are as low as the very high rates and onerous conditions imposed on the Columbia Rail-road, and the State taxes will permit us to fall to. Our receipts from freights will in consequence be small, until the transshipments, now incurred at Columbia and Hollidaysburg, are dispensed with, when we shall enter upon a successful competition with the Baltimore and Ohio Rail-road Company, and other works, for the through freights between the East and West.

The local passenger rates were placed at 3½ cents per mile at the opening of the road, and through rates at three cents. The Board have since wisely determined to abolish, after the first of January, the distinction between the local and through passengers, and charge all at the latter rate,
which I think will ultimately yield the largest nett revenue, and should not be further reduced except for emigrants and other similar travel, which may be carried at a slow speed, at very low charges.

In closing this communication, I acknowledge with pleasure, the valuable aid that I have received from my associate Engineers, and their assistants.

The surveys west of the summit of the Allegheny Mountain have been conducted by Edward Miller, Esq., assisted by G. W. Leuffer, as principal assistant Engineer, in that thorough and systematic manner, that has insured full and accurate data, from which to form a correct decision upon the route, of that important division of the road.

Upon the east side, W. B. Foster, Jr., Esq., associate Engineer, and his principal assistants, A. Worral, E. Tilghman, Strickland Kneass, and T. T. Wireman, have been perseveringly engaged in pressing forward the construction of the road, which, in consequence of the sickness that has prevailed along most of the line, has been attended with considerable risk of health, in addition to the performance of their arduous duties.

All of which is respectfully submitted by

Your obedient servant,

J. EDGAR THOMSON,

Chief Engineer and General Superintendent.
REPORT

OF THE

SUPERINTENDENT OF TRANSPORTATION.

General Transportation Office, Penn. R. R. Co.,
Harrisburg, November 5, 1849.

J. Edgar Thomson, Esq., Chief Engineer and
General Superintendent of the Pennsylvania Rail-road Company.

SIR:—The following Report of Receipts and Expenditures on the Pennsylvania Rail-road for the months of September and October, is herewith respectfully submitted.

In its preparation I have deemed it necessary to separate the receipts and expenditures of the Pennsylvania Rail-road from those which belong to the Harrisburg and Lancaster Rail-road, and also to charge the former with that portion of the equipment which has been used in conducting its business, because, since the 16th ult., the larger proportion of the Motive Power has been required to conduct the transportation of passengers and freight over the latter road.
Receipts from passengers over Pennsylvania Rail-road in
September, - - - - - - 5,998 03
Receipts from passengers from Dil-
ersville to Lewistown, in October, 12,636 87
Deduct proportion of receipts on Har-
risburg and Lancaster Rail-road, 4,835 70
Received from passengers over Penn-
sylvania Rail-road, - - - - 7,801 17
Receipts for eastward through freight, $538 42
" " " way " 10 49
" " westward through " 444 01
" " " way " 10 64
1,003 56
Total receipts on Pennsylvania Rail-road, for September and October, - - $14,802 76

EXPENSES FOR SEPTEMBER AND OCTOBER.

Conducting Transportation.
Oil and tallow for Cars, - 37 50
Wages of laborers, cleaning
Cars, &c., - - 30 00
Salaries of clerks and station
agents, - - 300 00
Salaries of passenger conduc-
tors and collectors, - 200 00
Salaries of freight conduc-
tors and assistants, - 100 00
State tolls on freight, - 414 42
Lancaster and Harrisburg
Rail-road Tolls, - 189 62
Commissions in Philadelphia, 108 08
1,379 62
Amounts carried forward, $1,379 62 $14,802 76
Amounts brought forward, $1,379 62 $14,802 76

*Motive Power.*

348 cords of wood and sawing, a $2 00, - - 696 00
65 gallons oil, a 75 cts., - 48 75
Salaries of Engineers and Firemen, - - 200 00
Repairs of Engines, - 25 00
Cotton waste, - - 5 00

974 75

*Maintenance of Way.*

Pay of Foreman and Labourers on track, - 986 00
Tools, - - 25 00

1,011 00

*Maintenance of Cars.*

Repairs, - - - 40 00
Total expenses on Pennsylvania Railroad for September and October, - - 3,405 37

Excess of receipts over expenses, - - $11,397 39

*Capital Stock.*

*Graduation.*

Cost of $60\frac{2}{3}$ miles from Harrisburg to Lewistown, - - 775,000 00
Present cost of Superstructure, 580,000 00

1,355,000 00

Amount carried forward, 1,355,000 00
Amount brought forward, $1,355,000 00

Real Estate.
Damages and buildings, - - - - 85,000 00

Equipment.
Passenger and Freight Cars, - - 12,500 00
Engines, - - - - 11,500 00
Shop, Machinery, Tools, &c., - 6,000 00

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30,000 00

Interest allowed on Stock paid in, - - 110,000 00

Total cost of Road and Equipment, - $1,580,000 00

From the preceding statements it appears that the excess of receipts over expenses during the two months the road has been in operation, is $11,397 39, equivalent to an average of 4½ per cent. per annum, on the cost of road and equipment after paying all expenses.

The percentage for the month of September has been 3½, " " " " October " " 5½.

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

H. HAUP'r,
Superintendent of Transportation.