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HISTORICAL MEMOIR

OF THE

Western Railroad.

BY GEORGE BLISS.

SPRINGFIELD, MASS.:
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INTRODUCTION.

THE attention of the early friends of Internal Improvement in Massachusetts, was directed exclusively to the subject of *Canals*. Railroads were not introduced generally, even in England, as means of public travel and transportation, until a comparatively recent date.

The first movement for a communication from Boston westward, was by Gen. Henry Knox, in 1791, for a Canal. He caused extensive surveys to be made in that year by John Hills, Esq., both upon a southern route through Worcester, and upon a more northern one. He and his associates were incorporated March 10th, 1792, by the name of "*The Proprietors of the Massachusetts Canal*," with authority to make a Canal from Boston to the Connecticut River. It does not appear that active measures were taken under that charter. Their maps and estimates were preserved, and placed in the hands of the State Commissioners for Canal Surveys in 1825. Though charters were granted for *local* Canals, no general movement was attempted from Boston to the interior of the State, until 1825.

At the opening of the January session of the Legislature of that year, Gov. Eustis called attention to the subject, as follows:—"A water communication from Boston, to, and through the western parts of the State, would tend greatly to advance the interests of Agriculture, and of the numerous Manufactures established in the interior. . . . The present state of the Treasury will not, I am sensible, admit the application of funds, to any considerable amount, to objects of this nature. The time may, it is hoped, be not far distant, when the State may be able to assist enterprising and

spirited individuals who may engage in them. Should the Legislature be disposed to pay attention to the subject at their present session, I suggest the expediency of appointing or authorizing the employment, temporarily, of a civil Engineer, to make surveys, examinations and reports, relative to such routes as the Legislature may designate."

In pursuance of this recommendation, a resolve was passed February 25th, 1825, authorizing the appointment of three Commissioners, to ascertain the practicability of making a Canal from Boston Harbor to Connecticut River, "and of extending the same to some point on the Hudson River, in the State of New York, in the vicinity of the junction of the Erie Canal with that river." Under this resolve, Nathan Willis, of Pittsfield, Elihu Hoyt, of Deerfield, and Gen. Henry A. S. Dearbon, of Boston, were appointed Commissioners, and Col. Laommi Baldwin, Engineer.

At the June session of 1825, Gov. Lincoln in his message, alluding to these Commissioners, said, "Should the authorized surveys and examinations result in demonstrating the practicability of the proposed Canal from the Connecticut to the waters of the ocean, the immense benefits" to be derived from it, "should insure the application of the most vigorous and efficient means to its speedy accomplishment." He adds—"In connection with the subject of Canals, another means of easy communication has been suggested, by the construction of Railways. In England, we are assured, Railways are approved in practice, as affording a rapid and cheap mode of conveyance. If they may be made with success, still the preference to be given them over water carriage, can be determined only by experimental comparison."

The Report of the Commissioners was made at the next session, January 11, 1826. It contains 185 pages, with maps, besides 62 pages of appendix. They recommended a route for a Canal, through the north part of Worcester county, to the mouth of the Deerfield river, and thence up that river, and through the Hoosac mountain, by a tunnel of four miles, and thence to the Hudson, near Troy.

For the surveys, explorations and maps of the district between the mountain and Troy, the Massachusetts Commissioners were principally indebted to the services and letters of George Tibbits, Esq., of Troy, as per appendix to their Report, No.'s 9, 10 and 11: The Commissioners relied upon the services of General Epaphras Hoyt of Deerfield, for the

surveys and maps of the line between the mouth of Deerfield river and the summit of Hoosac mountain, (34 miles and 27 chains.) The Report gives the length of the Canal east of the river 100 miles—west of the river 78 miles=178 miles. Total lockage, or rise and fall, 3,281 $\frac{34}{100}$ feet.

Estimated cost, exclusive of tunnel, - -	\$5,103,240
Tunnel, 20 feet x $13\frac{1}{2}$, 4 miles, 211,200 cubic yds.,	920,832
Total cost, - - - - -	<u>\$6,024,072</u>

For estimating the cost of the tunnel, the Commissioners give the cost of several completed ones, per cubic yard, varying from \$1.73 to \$4.36, (the Lehigh.) Assuming 211,200 cubic yards of rock, at \$4.36, gives \$920,832, as above. A writer in the Boston Courier estimated, that upon the data given in the Report, it would take 52 years and 19 days to finish the tunnel. See Appendix A.

A few days in anticipation of the presentation of this report, Governor Lincoln, in his message, January 4, 1826, says: "It is shown that the proposed Canal is a practicable work, and that the interests of the Commonwealth require its execution." "That there is nothing of hazard in the operation, that no enterprise could be undertaken, more beneficial to the agricultural, manufacturing, and commercial interests of the State, than the opening of a water communication from the capital through the populous, productive, and flourishing western counties of the Commonwealth." He suggests the propriety of continuing and enlarging the powers of the Commissioners, or of constituting a permanent Board for the general purposes of Internal Improvement,—with instructions, primarily, to perfect the examination, location, etc., of this Canal.

A Resolve was introduced, authorizing further surveys; but it was laid on the table—and the Resolve under which the former surveys were made, was repealed.

Early in the same session, petitions of Thos. H. Perkins and others of Boston—and of A. J. Allen and others, praying for surveys for a *Railway* from Boston to the Hudson river, were presented; and the Committee* on Roads and Canals was "instructed to inquire, whether any practicable and useful improvements have been made in the construction

*Mills and Savage of the Senate—Rantoul, Farwell, and Calhoun of the House.

of Railways, and of Steam Carriages used thereon, so as to admit of their being successfully introduced into this Commonwealth; and if so, whether it is expedient to extend thereto the aid and encouragement of this Legislature.”

This Committee reported a Resolve, authorizing the Governor to appoint three Commissioners and an Engineer, on the subject of Railways, which passed the Senate, but was indefinitely postponed in the House.*

At the opening of the June session of the same year, (1826,) in referring to works for promoting intercommunication between remote extremes and the Capital of the State, Governor Lincoln says, that “it seems to be misunderstood by some, that a precise and *exclusive* character of improvement is contemplated; but that nothing was further from the intention of the Executive.” That “*Canals and Railroads* have each their respective advocates, and the election, in most cases, must be decided entirely by a regard to the surface of the earth, over which their construction is proposed.” That “the more extended and beneficial influences of Canals in the general improvement of the country, seem to me too important and decisive to be lightly regarded. A Railroad is a mere passage way for travel and transportation.” “It has no other connection, or dependance, than upon intercommunication.” “All the favorable differences” in its favor “may be counterbalanced, by the greater convenience of passing on Canals, and the superior adaptation of boats to cars, for the accommodation of the infinite variety in weight and bulk.” He adds, let me not be “understood as intending any discouragement to the construction of Railways, wherever situation and character of business warrant their adoption.”

But owing to the shortness of the June session, or deterred by the magnitude of the expense, or the length of time to be consumed in its construction, no further proceedings were had upon the Report of the Canal Commissioners.

At the same session, however, on motion of Dr. Abner Phelps of Boston, Messrs. Phelps, Corbet, Lancton, Calhoun and Wells were appointed a select Committee (to be joined), “to consider the practicability and ex-

*On motion of Mr. H. Shaw of Lanesboro’—who opposed all measures of the kind.

pediency of constructing a Railway from Boston, on the most eligible route, to the western line of the county of Berkshire, in order that, if leave can be obtained from the government of New York, it may be extended to the Hudson River, at or near Albany; and that the Committee be instructed to report information and estimates of expense as they deem proper." The Senate non-concurred in this order. The House proceedings were then so far rescinded, as to commit the matter to a select Committee of the House, consisting of Messrs. Phelps, George W. Adams of Boston, and Emory Washburn of Worcester, with similar instructions. The Committee was authorized to sit during the recess. This is believed to be the first concerted movement having in view the construction of a Railroad through the State. Dr. Phelps was, from that time, ardently devoted to the object. Little was known of the construction, or usefulness of that mode of inter-communication, and all the inquiries and calculations were directed to the use of *horse power* only. The Quincy Railway, the first constructed in this country, went into operation in the summer of the same year (1826). But this was only three miles long, for transportation of granite from the quarries to the water, by horse power. See appendix B.

The Commissioners sent circulars throughout the State asking for information upon various subjects bearing upon the proposed enterprise, and spent much of the year in the necessary investigations. Their Report was made January 19th, 1827.* It is well worthy a perusal as exhibiting the infancy of a system which has made such rapid advances in less than forty years.

It does not appear that any instrumental surveys were made, or indeed any extended explorations of the country, as there was no appropriation for such an object.

In reference to the mountainous district to be passed, the Commissioners say, "the numerous Railways, for several years in successful operation, in the hilly and mountainous districts in Wales, prove their fitness to an uneven and undulating country." Several modes of constructing single and double Railways, in a rude and imperfect form, are given, with provision for a horse path, and *paths for the attendants on each side of the*

* House Documents, No. 13, 1827.

road. After giving the power of a horse to draw eight tons on a grade of eighty-eight feet per mile, they add that "the locomotive engine, which operates by steam, is used upon Railways to great advantage." "But in England, its powers are confined to an elevation not exceeding twenty-seven and one-half feet to the mile." "An engine of two eight inch cylinders, weighing about five tons, will move forty tons at the rate of nine or ten miles an hour, and is said to have moved ninety tons at four miles an hour."

The Committee "are unanimous in the opinion, that it is practicable to construct a Railway from Boston to the Hudson River, at or near Albany." As to the designation of the "*most eligible route,*" it does not devolve upon them; but they say, "upon one route at least, a survey had been made from Connecticut River to the Hudson, by an intelligent and enterprising citizen of Berkshire,* and by him, a Railway has been pronounced not only practicable, but highly expedient;" and the Commissioners "are unanimous in the opinion, that a Railroad would be far more useful to the public" than a Canal,—that it is much less expensive, both as to first cost, and annual repairs—that the expense of an iron Railway with two sets of tracks, is estimated by an English writer, at from three to five-ninths the cost of a Canal per mile, that they are satisfied, not only of the practicability, but of the expediency, of building a Railway from Boston to the Hudson." They report resolves for the appointment of three commissioners and an engineer, to ascertain the practicability and to make surveys, plans, and estimates, and report to the Legislature, and that a sum not exceeding \$5,000 be appropriated for the purpose. Instead of these, other resolves were passed February 22, 1827, authorizing the appointment of "three Commissioners to constitute a Board of Internal Improvements," to attend to the examination of routes for Canals and Railroads, and make surveys, and estimates, also for the appointment of an engineer.†

By a Resolve of March 2d, 1827, they were directed to survey a route

* Theodore Sedgwick.

† While these Resolves were pending, the House, on motion of Mr. Washburn, ordered the purchase and distribution of three hundred copies of a pamphlet by N. Hale, Esq., on the "Practicability and expediency of establishing a Railway from Boston to the Connecticut River."

for a Railway from Boston to the Rhode Island line, and a route for a Canal to the Blackstone Canal, &c.

Messrs. Josiah J. Fiske, Willard Phillips and James Hayward were appointed to constitute this *Board* of Commissioners. With the exception of a report on the subject of a Canal from Warren (then Western) to the line of Connecticut, it does not appear that they performed any other duty.*

But at the June session of 1827, upon the petition of James Whiton and others of Berkshire, Josiah Quincy and others of Boston, and sundry other petitioners, Resolves were passed authorizing the appointment of two Commissioners and an engineer to cause the necessary surveys, plans and estimates to be made for a Railway on the best practicable route from Boston to the line of New York, and thence, (with leave obtained) to the Hudson River at or near Albany, and \$10,000 was appropriated for the purpose. Nahum Mitchell of Boston, and Samuel M. McKay of Pittsfield, were appointed to this duty, with James F. Baldwin as Engineer.

In anticipation of their Report, at the January session of 1828, Gov. Lincoln, in his message, on the 2d of January, after speaking of the success of the explorations, adds, "Their Report will probably again present to the Legislature the interesting question, of encouraging, by public appropriations, works of Internal Improvement;" and he suggests motives "to direct to wise and liberal proceedings on the subject." He transmitted the Report, January.29, 1828.

The Commissioners made *explorations* through two entire routes. The *southern*, through Framingham, Worcester, Springfield, Chester, Washington, Pittsfield, and West Stockbridge, to the State line at Canaan, thence through Chatham and Kinderhook to the Hudson, at Albany. The *northern* route explored, was from Troy, by Hoosac Four Corners, Williamstown, Adams, to the Connecticut river at Northampton, thence by Belchertown, Rutland, Boylston, Watertown, Cambridge to Boston. Several lateral explorations were made; and among these, one from Chester, by Walker brook, Becket, and Stockbridge, to the State line, at Canaan.

* Probably the compensation, four dollars per day, was not deemed adequate for services and expenses.

Accurate instrumental surveys were made only upon the southern route—and upon this for twelve miles only westerly of Boston, and from Connecticut river in West Springfield to Albany, leaving a district of sixty-six miles east of Springfield unsurveyed. The Report says, “The explorations and surveys have been conducted exclusively, with reference to the use of *animal power*,” as “better adapted to the transportation of that endless variety of loading, which a dense and industrious population requires.” “The inclination at any given point will not exceed the rate of eighty feet per mile,”—deferring to the future the question of shortening distances, and saving expense, by the introduction of inclined planes, with mechanic (stationary) power.

As to motive power, the Report gives a variety of computations, concluding that the ordinary measure of horse power was eight to ten tons for one horse, and that *this was preferable to locomotive power by steam*.

No estimate of expense was given; a large part of the route not having been surveyed—but a variety of facts is given, deduced from experience in England, and the opinions of writers, why Railways should be preferred to Canals. The Report states that the best Canals in this country cost less than half the first cost of English Canals—as \$20,000 to \$40,000 or \$45,000 per mile. That the average cost of a number of Railroads in England was about \$25,000 per mile, probably with reference to animal power—the Liverpool and Manchester Railroad not having then been built, though in progress. The Commissioners say, “there is no reason why Railways in this country, should not be constructed as much cheaper than in England, as comparatively is the difference between the cost of American and English Canals.”

The length of the proposed road is given	
as Boston to Needham, surveyed,	12 miles.
Needham to Connecticut river, not surveyed	66 “
Thence to Washington Summit, surveyed,	39 miles, 109 rods.
To Hudson river, opposite Albany, “	63 “ 103 “
Total	180 miles, 212 rods.

The length of the road as since constructed is 200 miles—the whole of the difference being east of the Connecticut river. The Summit in

Washington is stated at 1440 feet above the Connecticut, at Springfield, and 1477 above the Hudson, at Albany.

In considering further the practicability of the proposed road, various enterprises in England are particularized, and the grant of the Liverpool and Manchester Railroad, with a capital of \$2,264,000 is noted. That the Quarterly Review of March, 1825, speaks of speculations, which have raised up associations in one month, "for construction of 3,000 miles of these *iron roads*, at an expense of £20,000,000 sterling. The reason given is, the success of the Stockton and Darlington Railway," where "coaches are constantly plying, which carry six passengers inside, and fifteen or twenty outside, with luggage, and run at the rate of ten miles an hour," "which seems an enormous load for one horse, and yet, the animal scarcely appears to make any exertion."

As an inducement to construct the road, the Commissioners present a variety of statistics of business, stating that the trade of the five western counties of the State had been transferred to New York—that the road would form a direct communication with the large internal improvements of the State of New York, and the Western and Northern country.

The Report gives a table of exports and imports per annum of twenty-seven towns on or near the line, with a population of 35,681*—the imports at 5,963 tons, the exports 2,976 tons, paying a freight of \$5 to \$30 per ton. Estimated number of passengers by stages, 30,000 per annum.

In transmitting the Report to the Legislature, Gov. Lincoln says, "The results to which the Commission have already arrived, may be considered as fully establishing the *practicability*, within the reasonable application of means, of the construction of the road."

In the Legislature this Report was sent to the Committee on *Roads and Railways*, who reported February 15, 1828, that "after mature examination of the facts and statements contained in said Report, they are of opinion, that the Railroad, as applicable to Massachusetts and to New England generally, has, since the making of said Report, assumed a new and greater importance; that it will prove a new creation of wealth,

*As a sample, and for comparison with present results, we give the return for Springfield. Imports 700 tons, exports 5,000 tons, principally by the river—the price to and from New York being \$3 to \$4 per ton, and to and from Boston, by water, \$4 to \$5, and by land \$20.

power, and prosperity to the State." "That a Railroad can be constructed at far less expense than a Canal, and be productive of still greater advantages."

To pursue the enquiries, the Commissioners propose the formation of a Board, through whom the investigations may be made, and those principles thoroughly inquired into, upon which the *railroad system shall be introduced into the State*. For this they report a bill, and on March 11, 1828, an act was passed providing for the choice by concurrent vote of the two Houses, at that session, nine persons to be a *Board of Directors of Internal Improvements*, to serve without compensation, except the payment of expenses when on duty. They were authorized to appoint not exceeding two engineers, who should be required under their direction,—the authority of the State of New York being first obtained,—to survey all such routes or lines as said Directors should think necessary, from Boston to the Hudson river, to enable them to determine the most eligible route, over which to construct a Railroad between those points; to submit to them the surveys and estimates, and, under their instructions, to locate and stake out the road from Boston to the Hudson river. These Directors were authorized to employ the necessary agents to receive grants of land, make provisional arrangements for the construction of the road in New York, and to receive proposals for contributions therefor. They were required to report to the Legislature, as to the expense and best mode of constructing the road, whether by the State alone, or partly by the State, and in part by individuals or corporations, and on what terms the means could be provided. Further proceedings under the Resolve of June 14, 1827, (for appointment of *special Commissioners*,) to be staid.*

The two Houses chose Levi Lincoln, Nathan Hale, Stephen White, David Henshaw, Thomas W. Ward, Royal Makepeace, George Bond, William Foster, and E. H. Robbins, Jr., to constitute the Board of Directors; and they appointed James F. Baldwin, engineer.

About the time of these proceedings, the Legislature of New York, (April 15, 1828,) passed "an act to facilitate the construction of a Rail-

* There was a competition between the friends of the routes by Pittsfield and by Stockbridge, and Col. McKay of Pittsfield as the *Special Commissioner*, under the Resolve of June 14, 1827, having reported in favor of the Pittsfield route, it was supposed that Mr. Sedgwick and others of the Stockbridge route favored the change to the Board of nine Directors.

road from the City of Boston to the Hudson river;" and under it Ebenezer Baldwin of Albany, Oliver Wiswall of Hudson, and George Tibbits, of Troy, were appointed Commissioners, and William C. Young, Engineer. The act "pledged the Legislature, that if the State of Massachusetts shall construct a Railroad from Boston to the boundary of this State, either directly, or through the medium of an incorporated Company, the Legislature of this State will construct it from thence to the Hudson river, or grant to the State of Massachusetts, or some authorized Company the right of so doing, and taking tolls thereon, under proper restrictions as to jurisdiction."

The surveys and explorations, by the Commissioners of both States, were in progress in almost every part of the territory, between Boston and the Hudson river during the whole of the year 1828. And, being under the authority of the Legislatures of both States, public attention was much awakened to the subject of the proposed Railway. A very able pamphlet of twenty-three pages was published in Stockbridge, entitled "Brief remarks on the Railroad proposed in Massachusetts, by *Berkshire*," and written by Theodore Sedgwick of Stockbridge. Powerful arguments were urged for the early construction of the road, and that it be built by the State. At an earlier period, November, 1826, Emory Washburn of Worcester had published in the Worcester *Ægis* a series of articles on the subject of railways—and these with the pamphlets of N. Hale,—January 1827, distributed among members of the Legislature, aided much to draw the public attention to this new mode of conveyance.

The Report of the Commissioners of Massachusetts was made to the Legislature January 16, 1829, and that of the New York Commissioners to the Legislature of that State, February 25, 1829. The latter states that "two routes have been *minutely surveyed*, one from Troy through Pownal to Adams, the other from Albany and Hudson to West Stockbridge,—the lines from Albany and Hudson to unite at Chatham."*

The Report of the Massachusetts Board of Directors, together with the elaborate Report of their Engineer, aided by the New York Reports and Surveys, having formed the foundation upon which the surveys and

*This Report with surveys, estimates and sundry documents is found in the Journal of the Senate of New York, 52d session, page 235, and the reports and tables of the engineer in the appendix of the same volume, page 1.

location of the road now in operation were made, it may not be amiss to place on record in this connection, some of the more important provisions of those documents. The Massachusetts Board was composed of the ablest men in the State for such an undertaking, and many of them devoted themselves to the work with commendable industry and perseverance.

The first object was to select "a route from Boston to the Hudson river which would, at the least cost, afford the shortest and easiest communication between the extreme points, and also the greatest accommodation to the inhabitants of the intermediate country." To this purpose "an examination was had of all the routes which appeared to offer any advantages, for securing these objects." Three general routes were under consideration, and surveys were had upon all so far as to test their respective merits.

The *first* was the general route, upon which, with variations, the Boston and Worcester and the Western Roads were subsequently built, to the State Line, at West Stockbridge, and to this a preference was given by the Board. From thence, two lines were surveyed to Albany. One by Mr. Young, under the direction of the New York Commissioners, and the other by the Engineer of the former Massachusetts Commissioners, in 1827. Both pursued the same general course to Groats, or Chatham Four Corners, not varying far from the line on which the road was subsequently built. From Groats', Mr. Young took a more westerly direction, striking the Hudson near Schodack Landing, thirteen miles from Albany, thence by the valley to Greenbush. Mr. Baldwin's line reached the river at Castleton, eight miles from Greenbush. The road, as finally constructed, keeps upon higher land, reaching the river valley at Greenbush. Mr. Baldwin's line, via. Castleton, was adopted by the Massachusetts Board.

By these surveys, the distance from Boston to Connecticut river was 94 miles and 64 chains, and to the State Line 160 miles and 44 chains—and by the shortest of the lines surveyed 198 miles and 6 chains, to Albany. Mr. Young's route from the State Line, was 40 miles 70 chains, and by this, Boston to Albany was $200\frac{1}{2}$ miles.

The cost of the section within the State of New York was estimated by Mr. Young, at \$658,601, or \$16,162 per mile, with no inclination

over 80 feet per mile.* The *second* route examined was more northerly, crossing the Connecticut river near Northampton—and the *third* one more northerly still, through the valleys of Millers, Deerfield, and Hoosac rivers to Troy. The most eligible route found for crossing the Connecticut river, at Rock Ferry, three or four miles below Northampton, was ascertained to be twelve miles farther to the river, than the south route, and west of the river, almost insuperable obstacles to joining the south route, at Chester, passing a summit 563 feet higher than the latter. On the northern route, the Board had the aid of the surveys for a Canal, made by Laommi Baldwin, in 1825, by the valley of Miller's river to the Connecticut; thence to the summit of Hoosac mountain, the surveys were by Gen. Hoyt.

The Board *now* caused surveys from Dalton to the line of New York at Petersburg—and the survey thence to Troy was by Mr. Young.

The distance by the third or northern route from

Boston to Troy, was - - - 190 miles.

By the middle or Northampton line, - - - 210 "

The summit ridges were largely in favor of the south route. The Board say, that on either of the two northern routes, *stationary power would be indispensable*, for passing the Berkshire ridge, tunneling not being contemplated. Mr. Baldwin surveyed also a route from near the State line, in West Stockbridge, through West Stockbridge village, and Stockbridge, to the Housatonic river, and to Lee, Lenox, and Pittsfield by the valley of that river. This was more level than the Richmond line, but too circuitous to be adopted. From Lee a line was run to the summit in Becket, which was favorable, if stationary power were adopted. This summit was 240 feet higher than the summit in Washington, on the Pittsfield, or main southern route.

In their Report, the Board of Directors recommended the *construction* of a double Railway, with a flat iron rail, laid upon a longitudinal rail of granite—the rails of each track to be five feet apart, with the space between them graded for a horse path—the elevation in no case to exceed 80 feet per mile. Generally one horse only to be used, with two upon

*The Road from the State Line to Greenbush as finally located and built has grades of 40 to 44.8 per mile for 9 miles.

the higher grades. An alternative suggestion for the higher grades, was, the introduction of stationary machinery, on inclined planes rising at an angle of five or six degrees, and operated by *water* or *horse* power. This alternative to be postponed for further examinations. The Report says that on the line of survey recommended, with a maximum inclination of 80 feet per mile, two horses would be required for about two-fifths of the way, for a load adapted to a single horse on the level parts. That dividing the distance between Boston and Albany into ten stages of $19\frac{1}{2}$ or 20 miles each, and taking the various ascending, descending, and level planes, as reported by the Engineers, "twenty horses, employed one day each will be required to convey the load of sixteen tons, exclusive of the additions necessary on the steep inclinations." "To surmount these acclivities will require eight additional horses. The most easy and convenient mode of traveling would, perhaps, average three miles an hour; and the journey may be easily accomplished in four days." The Board estimate the cost per ton, of heavy articles, paying the lowest rate of freight, at \$1.97, exclusive of toll to be paid for the use of the road. As to the toll to be paid, they say, the rates by water, between Boston and Albany were from \$3 to \$4 per ton, which would be per barrel of flour, adding insurance, 28 to 30 cents—adding \$1 per ton for tolls to the \$1.97, gives \$2.97 per ton, or equal to 26 to 30 cents per barrel of flour—that other articles, more costly would pay higher freight and tolls by Railroad. The Directors add, that articles to or from intermediate places, could bear a much higher rate of toll, "*because the accommodation is much greater.*" That "the transportation from Springfield to Boston by water, is greater than from Albany to Boston." "And all articles from Connecticut river to Boston, may pay double the toll above mentioned, by rail, and the cost would be less than the lowest rate by water." These estimates are for a road without stationary power. The whole plan is upon the presumption, that the proprietors of the road, whether the State or a Company, provide only the facilities for its use by carriers or private associations, who were to pay tolls therefor.

On the adaptation of the Railroad to the *conveyance of passengers*, the Board of Directors say, that upon the forgoing calculations, "an active horse may travel twelve or thirteen miles a day, at nine miles an hour, including stops, and draw a weight of two and a half tons; or a carriage

with twenty passengers, with their baggage, at a cost, for twenty-two horses, two men, and one carriage, at \$21 for twenty passengers—each \$1.05, add \$2 for tolls—making \$3.05 from Boston to Albany in twenty-two hours.”

The Board next compare the advantages of the use of horse power with locomotives. Two years only had passed since the first Report on the introduction of Railroads, was made by Dr. Phelps and his associates, a Committee appointed in June, 1826. Some facts and opinions from that Report have been heretofore given, showing the infancy of the science in 1826. The statements and opinions presented in this Report of 1828, show that very great advances had been made, particularly in England.

The Report says that “on the Railroads built and building in England and France, it is proposed to make use almost exclusively of locomotive engines, or carriages moved by a steam engine placed within them, of a sufficient power to draw after them, without the aid of animal power, a succession of twenty or twenty-five loaded wagons.” “These engines are in operation with entire success, on several Railroads in England,”—and the Board examine the cost of maintaining these engines, in England, and conclude, that the cost of transportation on a Railroad in this country, by horse power, will be less than in England, either by horse or steam power.

As to the amount of business to be done, sufficient to warrant the expense of a Railroad, the Board of Directors went into a wide field in procuring statistics. But it is proposed to give only such results as will place on record the means of comparison of the business then existing with the astonishing results developed at subsequent periods.

The result of their extended examinations is given as 102,848 tons of freight, and equal to through passengers, 23,475 per annum.

Estimating tolls on through merchandize at $1\frac{1}{2}$ cent			
per ton per mile, say 28,902 tons, and 2 cents on			
the residue, gives tolls,	-	-	\$143,839
Passengers, at 2 cents per mile, -	-	-	46,950
			<hr/>
Total income of <i>Road</i> ,	-	-	\$190,789

Estimated for increased business from enlarged facilities, and reducing

way merchandize to 1 cent per ton per mile, they put the tolls, or rates at \$203,000.

Assuming the estimated cost of the Road as 'correct, and the money borrowed at 6 per cent, for fifteen or twenty years—the interest would be somewhat less than \$200,000, and the Board add, "the prospect of an increase of population, wealth, and business, will be a sufficient reserve fund for paying off the principal of the debt," if the present business of the district will be enough to meet interest and expenses. After enlarging upon the *incidental* advantages to be derived from the Road, independent of the *income*, they add, "if the results which we have endeavored to exhibit as probable, can be relied upon, this great work may be accomplished at the expense of the State, without being ultimately any burden upon its finances, and with the prospect of affording, in the income which will be derived from it, a full reimbursement of the cost, and a *permanent source of revenue*."

At the opening of the session at which this Report was presented, Gov. Lincoln, in his message, speaks of the disposition to be made of important propositions for public improvements by Railroads, through the Commonwealth, and he invites attention to the discussion, of 1st, Whether they offer the best practicable improvement? 2d, In what manner, and through what agency are they to be constructed?

1. "The ease and rapidity of traveling," and "the immense saving of expense," are set forth—and, he adds, "Railroads have become of familiar use in England, and their introduction into this country, so far as there has been opportunity for trial, has satisfied the most sanguine expectations here."

The road is not a matter of *local* interest merely, but "the object is of general concern," and the advantages specified "are motives for the patronage of the government" to the improvement.

At the January session, 1830, the Governor reverts to the subject of Railroads much at large, and says, that, as opportunity has been had for diligent and critical enquiry, the country explored, surveys, plans, and estimates submitted, "some decisive means should promptly be taken to give the country, at no distant day, such improvement." He adds, "if it is deemed of importance to the prosperity of the State, that improved modes of communication between the capital of this and other States, and

through different sections of our own State, should speedily be possessed, *the assistance of the government in some manner, and to some extent, in aid of individual enterprise and exertion, must be given to the work.*"

The Governor proposes the creation of a stock, upon the faith of the State, to such an amount as the Commonwealth may be interested, and eventually redeemable, as it doubtless would be, from the income and advantages of the improvement; that it will occasion no direct tax upon the people, beyond the accruing interest, and to this even, might be applied the proceeds of the sales of public lands, and other contingent payments into the treasury.

Notwithstanding these repeated and powerful recommendations by Commissioners and the Executive, the Legislature took no measures to engage the Commonwealth, either in the *construction* of the road to Albany, or, indeed, any part of the interior, or to aid individuals or companies to embark in the enterprise. But the business community becoming impatient for some movement of the kind, petitions were presented, in 1830 and 1831, for the incorporation of private companies, for constructing Railroads in various directions from Boston, and charters for the Providence and Lowell Railroads were granted in 1830.

The *Boston and Worcester Railroad Corporation* was chartered June 23, 1831, to locate and construct a Railroad in or near the City of Boston, and thence to any part of Worcester. As this formed an integral part of the route from Boston to Albany, it is legitimately within the purpose of this *Memoir* to present here some brief statistics of its origin, progress, completion, and subsequent operations.

The proposed capital stock was ten thousand shares of \$100 each. This was all subscribed, and the Corporation organized May 1st, 1832. It had been previously informally organized, so far as to enable the laying an assessment of one dollar per share for surveys and estimates. Surveys of the whole route were made by John M. Fessenden, the Engineer of the Company, in 1831. The length of the road was about forty-three and one-half miles. The termination at Worcester was four hundred and fifty-six feet above the level of the Western Avenue in Boston.

The first estimate of cost of Road and equipment was \$883,000, the road-bed to be graded for a double track.

Computing the then existing amount of freight at 30,000 tons, this at \$2,50 per ton, would give,	-	-	-	\$75,000 00
And the passengers at 54,000, at \$1,25, would give,				67,500 00

Gross receipts,	-	-	-	-	\$142,500 00
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Or putting the merchandise at \$3,50 per ton, and the passengers at \$1,50, the receipts were estimated at, per annum, \$176,000, no estimate being made for prospective increase of business. The annual expenses were stated by the Engineer, \$34,143.

Note.—In 1836, the first year after the opening of the whole Road, the receipts from passengers were

	-	-	-	\$120,792 24
Freight,	-	-	-	59,781 42

\$180,573 66

The expenses were, as per Report,	-	-	-	103,673 70
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The Road was opened from Boston to Westboro', thirty-one and one-half miles, in November, 1834, and to Worcester, July 4, 1835.

On completion of the Road and depots, including the branch to Milbury, January, 1838, the capital stock was \$1,700,000. The Report of November, 1862, states capital at \$4,500,000. The length of all branches at twenty-four miles.

The receipts at,	-	-	-	-	\$1,006,129 82
Expenses,	-	-	-	-	515,825 72
Net earnings,	-	-	-	-	\$490,304 10

HISTORICAL MEMOIR.

ON the 15th of March, 1833, the persons who were then Directors of the Boston and Worcester Railroad Company, were *individually* incorporated, as "*The Western Railroad Corporation*," with authority to construct a Railroad from the Boston and Worcester Railroad in Worcester, to Connecticut river in Springfield, and thence across it to the western boundary of the State, in a direction towards the Hudson river. The capital to consist of not less than 10,000, nor more than 20,000 shares, of \$100 each. Thus the Boston and Worcester Company had the exclusive control of the charter of the Western, and of all proceedings under it.

Books of subscription were to be opened by the persons named as Corporators, and of the Directors for the time being of the Boston and Worcester Company.

Another peculiarity was, that, if the subscription should exceed 20,000 shares, those subscribers who were stockholders for the time being in the Boston and Worcester Company, should be entitled, in preference to others, to hold any shares subscribed by them, not exceeding the number they then held in the Boston and Worcester Company. The sixth section of the charter gave the right to make Branches to any place in any town through which the Road should pass, and to any part of any town next adjoining. No attempt was made to take advantage of this charter, for one or two years thereafter.

In the meantime, the Legislature of New York, on May 5, 1834, incorporated the Castleton and West Stockbridge Railroad Company, "to construct a Railroad from Castleton" (nine miles below Albany,) "to the State line at West Stockbridge." An additional Act, of May 5, 1836, altered the name to the "Albany and West Stockbridge Railroad Company," and gave authority to make a Railroad from the Hudson river, at

Greenbush, to the line of Massachusetts, at West Stockbridge. The authorized capital was \$300,000. The State reserved the right to purchase the Road, after ten years, and within fifteen years from the completion of it,—paying cost and ten per cent interest.

To attract attention to this enterprise, a very large meeting of its friends was holden on February 3, 1835, at Vance's, in Canaan, New York, composed of delegates from various counties in New York and Massachusetts. Lemuel Pomeroy of Pittsfield was appointed chairman, and R. Kellogg of West Stockbridge, secretary. Committees were appointed to collect statistics of business, and procure subscriptions of Stock. C. B. Boynton of West Stockbridge make an elaborate Report, with numerous statistics of the business of Berkshire. These afforded valuable aid in the subsequent prosecution of the enterprise in Massachusetts and New York.

The stock of the Albany and West Stockbridge Company was duly subscribed, and the Company was organized, on or before May 23, 1835, by the choice of directors—one of which was required by the charter to be a resident of each of the counties through which the Road should pass. Samuel Cheever was appointed Superintendent, and William H. Talcott Engineer, and surveys and estimates were ordered and made upon several routes.

At the same time, a charter was granted for a Railroad from Hudson to the line of the State, at West Stockbridge. The stock of this Company was subscribed,—principally in the city of New York,—and the Company was duly organized, the necessary surveys and estimates were made, and the road was located by way of Groat's or Chatham Four Corners. The grading was commenced at an early day.

Much anxiety was expressed to have the books for subscription to the stock of the Western Road opened. But no concerted movement was made to effect this object, until the opening of the Boston and Worcester Road to Westboro, in November, 1834, and, even then, the efforts were confined to Springfield, and the towns between there and Worcester. There was an entire want of confidence in the enterprise, as a financial undertaking—and very many doubted even the *practicability* of its execution.

About this time, an informal offer was made by parties of the city of New York, supposed to be connected with the Stock Exchange, to subscribe the whole capital, if they could have control of the Company and Stock. This was declined by Mr. N. Hale, in behalf of the corporators,—and with his characteristic prudence and conservatism—on the ground that it might throw the whole enterprise into the vortex of the stock gambling operations of Wall street—and in addition, if the stock was

paid up, the control of the Road, for which so much time and money had been expended, in order to promote the business of Boston, and the interior of Massachusetts, would be in hands interested to defeat this object, and divert the business to the city of New York.

Before offering the books for subscription, it was deemed desirable, that a survey and estimate should be had, in order to meet the prevalent doubts of the practicability of the enterprise, and fears as to the cost of construction. A meeting was accordingly held of citizens of Springfield, on January 2, 1835, when a Committee of Correspondence and inquiry was appointed.*

After the necessary inquiries, that Committee called a general meeting at the Town Hall, in Springfield, on February 16, 1835, at which there was a large attendance. Mr. George Bliss, from the Committee, gave a statement of the inquiries made, and the correspondence had—when, after discussion, the same Committee was instructed to “take measures for calling a Convention of Delegates from the various towns on or near the proposed route of the Railway, to devise suitable ways and means for making an immediate survey of the route, and to adopt other measures to facilitate and promote the object.”

On February 18, the Committee issued a circular, calling the Convention, to be held at Worcester, on the 5th of March ensuing.

That Convention was numerously attended by upwards of one hundred Delegates, and by Directors and the Engineer of the Boston and Worcester Railroad Company.

N. P. Denny of Leicester called the meeting to order, and Caleb Rice of Springfield was appointed Chairman, and R. A. Chapman, Secretary.

The objects of the Convention, and the importance of prompt and energetic action were freely discussed; and all parties, with one exception,† expressed a willingness to contribute the necessary means for the expenses of the preliminary surveys and estimates. A Committee of one from each town represented and one from the Boston and Worcester Board, was appointed, who reported resolutions as follows:—

1-2. That a Railroad from Worcester to Springfield was greatly to be desired—was feasible, and ought to be entered upon without delay.

* William B. Calhoun, George Bliss, George Ashmun, Charles Stearns, Justice Willard, W. H. Bowdoin, and J. B. Sheffield.

† Mr. Rejoice Newton, in behalf of the delegation from Worcester, stated frankly and with courtesy, that, as a Railroad was provided from Boston, making Worcester a *terminus*, their citizens believed the extension of the road would be injurious to them, and it must not be expected of them to contribute to the proposed extension; but that they would throw no obstacles in the way of it.

3-4. That an accurate survey and estimate be made the present season; and that a Committee of three in each town interested, be appointed to solicit subscriptions therefor.

That an Executive Committee of five be appointed, to procure surveys and estimates, and obtain information in regard to the construction, and probable income of the proposed Road, with power to appoint a Treasurer.

That the Directors of the Boston and Worcester Company be requested to organize the Western Railroad Corporation as early as in their opinion the stock can be taken up, and on the terms on which the Boston and Worcester Corporation was first organized.

George Bliss, Caleb Rice, and W. H. Bowdoin, of Springfield, Joel Norcross of Monson, and N. P. Dewey of Leicester, were appointed an *Executive Committee*, "to procure accurate surveys, a location, and estimates for the Road as far as from Worcester to Springfield." The Town Committees were named, and instructed to report to the Executive Committee.

The first object of the Executive Committee was to procure the requisite funds for this volunteer service. An appeal was made to the inhabitants of all the towns on the line, and the sum of seven or eight thousand dollars was raised, and placed in the hands of the Committee.

By consent of the Directors of the Boston and Worcester Company, their Engineer, John M. Fessenden, was employed for the survey, and he had two parties in the field early in May, 1835. These operations were principally under the supervision of the Chairman of the Executive Committee. The Engineer made a partial report to the Committee July 1st, of the same season. He examined, also, the proposed route from Springfield to Hartford, with a view to facilities for the Boston and New York travel via. Springfield. He reported the distance between Worcester and Springfield at fifty-three and one-half miles, with no grade exceeding thirty-four feet to the mile.

The estimated cost of grading, masonry, and engineering, and every contingency, was	-	-	\$589,000 00
Superstructure, including turn-outs, (\$8,000,)	-		428,000 00
Land damages, and fencing, engines, cars, and depots,			183,000 00
			<hr/>
			\$1,200,000 00
Distance, Springfield to Hartford, 23 miles, as above,			400,000 00
			<hr/>
Thirty-six and one-half miles, with the heaviest edge rail,			\$1,600,000 00

The Executive Committee devoted much time and labor, in collecting the *actual* statistics of travel and freight, by sending agents into every town interested, and by the examination of stage books, &c. They re-

ported the then existing number of passengers, who would probably take this route, at, per annum, 55,510, which at \$1.75 (between Worcester and Springfield), would give	-	-	-	\$97,142 00
42,004 tons of merchandise, at \$4,	-	-	-	168,016 00
				<hr/>
				\$265,158 00
Less Mr. Fessenden's estimate of annual expenses,				85,000 00
				<hr/>
Net income,	-	-	-	\$180,158 00

—nearly sixteen per cent. on *his* estimated capital, or cost of the Road.

The Executive Committee made a full and detailed Report to the Directors of the Boston and Worcester Company, under date of July 7, 1835, and annexed to it the Report of the Engineer. This pamphlet (of sixteen pages) was extensively circulated, as the basis of procuring subscriptions to the stock of the Company.*

The reasons for extending these examinations from Springfield to Hartford, will be apparent, when it is stated, that, early in 1835, a movement was made at Hartford, for procuring the extension of the Boston and Worcester Railroad *directly* across the country to Hartford. In furtherance of this movement, a Railroad Convention was holden at Hartford, March 25, 1835, (in pursuance of a call of a meeting on the 16th), of "Delegates of all the towns between New Haven and Boston, interested in connecting New Haven with the Boston and Worcester Railroad, *in the most direct route practicable*. Resolutions to this effect were adopted, and a Committee appointed to obtain information, and apply to the Connecticut Legislature for a charter. And a Convention was appointed to be held at Worcester, July 2, 1835, to consider "the subject of extending the Boston and Worcester Road towards the City of New York," delegates to be invited from New York, Boston, and all the towns interested in the *various routes proposed*. Committees were appointed, and among them, one to enquire and collect facts in relation to a Railroad from Hartford to Albany.

In the meantime, the Legislature of Connecticut, in May, 1835, incorporated Henry Hudson and others, by the name of "The Worcester and Hartford Railroad Company," "to construct a Railroad from the termination of the Hartford and New Haven Railroad, in Hartford, to the northern boundary of the State, in the most direct and feasible route towards Worcester, in Massachusetts." The surveys for this route were industriously prosecuted by Alexander Twining, an Engineer of large experience, and high character, and these whole proceedings, including a proposed movement between Hartford and Albany, indicated that applications would

* This Report was printed in full in the Hampden Whig, Extra, of July 30, 1835.

be made to the Legislature of Massachusetts for charters within that State, to construct a Road from Worcester to Albany (via. Hartford), in competition with the Western. The tendency of such a movement to distract the friends of the latter Company, and discourage subscriptions to the stock, imposed a duty upon the Executive Committee to take all fair measures, not only to defeat the Connecticut project, but to show its impracticability, or its entire want of merit, when compared with the route by Springfield. The sequel will show, that, although this required much time and labor, it was successfully accomplished.

The meeting called by the Hartford Committee, was holden at Worcester, July 2, 1835, was very largely attended, and in session two days. The Hon. Levi Lincoln presided. Twenty towns and cities in Connecticut, and fifteen from Massachusetts, were represented. Distinguished gentlemen from Hartford, New Haven, Norwich, and Hampton, with a large delegation from Springfield, were of the number. A business Committee reported, "that it was not expedient for the meeting to express any opinion as to the best mode of extending the communication from Worcester towards the City of New York," but they submitted a resolve, "that such a communication towards the *City and State* of New York was important, and that the members of the Convention be requested to communicate to the Convention information in relation to the several routes proposed." This led to a very full and free discussion. 1. Mr. N. Hale gave statements concerning the Boston and Worcester Road. 2. The Reports of the (Springfield) Executive Committee, being just finished, Mr. Bliss, their Chairman, submitted a full statement of the surveys and estimates for the route to Springfield, and thence to Hartford, with the statistics collected. 3. Mr. John A. Rockwell gave a minute statement of the advantages of the Norwich route. 4. General Johnson and others, of Hartford, represented the peculiar advantages of the *direct* route, as the true one to extend a Railroad toward the City of New York, and, as General Johnson expressed it, "eventually to form a part of the great route from Canada to New Orleans."

Mr. Nathan Smith, of New Haven, late U. S. Senator, was in favor of the *direct* line, and Major Putnam, of Hartford, stated that letters had been received from Hudson and Troy, urging a Railroad from Hartford to West Stockbridge, and saying, that, in winter, all communication between Hudson or Troy and New York, would be through Hartford and New Haven.

5. Messrs. White of Windham and Cleveland of Hampton favored an intermediate line between Hartford and Norwich, via. Willimantic. Mr. N. Smith, alluding to the route via. Springfield, said, "We can promise this: Boston to Worcester in two hours, to Hartford four hours, to New

Haven two hours, and by boat to New York five hours; in all, thirteen hours.”*

In view of the progress and success of the Worcester, Lowell, and Providence Railroads, and the interest produced by the Report of the Executive Committee, the Directors of the Boston and Worcester Company were urged to open books of subscription for stock in the Western Railroad Company. To this they responded on July 15th, 1835, by an advertisement, that on August 3d books would be opened at places named in Boston, New York, Springfield, Worcester, Albany, Hudson, Pittsfield and Lee, “*to remain open for ten days from said 3d of August.*” The terms of the subscription recite the importance of the payment of \$100,000 at once, for purposes of surveys and preparations for commencing the work, and that the subscribers take the number of shares set against their names, on the following conditions :

1. That an assessment of \$5 be laid on each share as soon as practicable, to be applied to payment for surveys, estimates, and construction of the Road.

2. That the work be commenced in such manner as to complete at the same time the Road from Worcester to Springfield, and from the boundary line of New York, (there connecting with such Railroad as shall be made to that point from the Hudson River,) to either Lee or Pittsfield, whichever of those two towns should be ascertained, on the completion of the definitive surveys, to be in the most eligible route for the Railroad from the Hudson River to Springfield.†

3. That if over twenty thousand shares were subscribed, the stockholders of the Boston and Worcester Company should have a preference to take a number equal to the number of shares held by each, in the Boston and Worcester Company, August 3, 1835.

Subsequently, when the books were re-opened, the following were added, under date of October 9, 1835. But they were not required by the charter.

4. That the Corporation should not be organized, until two millions were subscribed by responsible parties.

5. That the subscriptions shall not be binding, unless the whole number of shares shall be subscribed on or before the first day of April next.

* See Boston Daily Advertiser, July 9th, 1835, Springfield Republican, July 11th, and Worcester Palladium and Spy. The Palladium remarks of these proceedings, that “the members assembled to determine which of four or five routes was the best, and left to see which should be first in the field.”

† This was inserted to carry out an understanding with the New York and the Berkshire subscribers, that the avails of their subscriptions should not be all applied to the eastern part of the line, and the western portion not prosecuted at all, or at a remote period.

6. That the construction of the Road shall not be commenced, till the sum of ten dollars per share shall be assessed and paid in on each share.

The most unwearied exertions were made to procure the necessary subscriptions. There was a universal belief that the stock would never be productive, and the most sanguine friends of the enterprise could only urge the argument, that the incidental advantages of opening this great thoroughfare, ought to induce the whole population in the cities, and in the country, to subscribe according to their ability, even if the subscriptions themselves proved a dead loss. The City of Boston and the neighboring cities were thoroughly canvassed; meetings were held in all the towns on the route of the Road, and the citizens urgently appealed to. The Chairman of the Executive Committee for surveys, &c., personally visited Albany, Hudson, and the City of New York, and had conferences with the friends of the cause in each of those places, and considerable subscriptions were had in each. But still the aggregate amount was much in arrear. Additional meetings were had in most of the interior towns; and subscribers were urged to increase their subscriptions. This was done in Springfield, and in some other places. But the desired limit was not reached. About seven thousand shares were wanting, when the books were closed on August 13, 1835; eight thousand and five hundred having been procured in Boston and vicinity, and four thousand and five hundred in other places.*

As a last resort, it was, on full consultation, determined to call a large mass meeting in Faneuil Hall, and to invite, *and secure*, the attendance of distinguished gentlemen from Albany and Hudson, as well as gentlemen from Boston, Springfield, and other interior towns of Massachusetts, to address the meeting.

In pursuance of invitations thus given, a very large meeting assembled in Faneuil Hall, on the evening of October 7, 1835. The floor and galleries were filled at an early hour. Hon. D. Henshaw called the meeting to order, and Hon. Abbott Lawrence was appointed chairman. Delegations were present from Albany and Hudson, and all the interior towns on the route.

Mr. Lawrence addressed the meeting briefly, when Mr. N. Appleton introduced a full report and resolutions which were read.

Hon. Hermanus Bleeker of Albany introduced a statement, prepared by the delegation from that city, which was read by Mr. Knott of Schenec-

* The only place where the subscriptions fell short of the anticipation, was in the City of New York, and the reason assigned in a letter from that city was, that the Road would cause a diversion of the trade of Albany from New York to Boston, and the New Yorkers would "*not let Boston people come Yankee over them.*"

tady. Mr. Bleeker then addressed the meeting, urging the importance of the proposed enterprise, and closed by saying, "Whether Boston decide to make the Road from Worcester to West Stockbridge or not, the Road from Albany to West Stockbridge will be built." The meeting was further addressed by A. Walker, H. Williams, B. F. Hallett, and W. B. Calhoun.* Hon. Edward Everett, amid great applause, closed the discussion. Resolutions were adopted for appointing a Committee of six at large, and three for each ward in Boston and South Boston, and for each city in the vicinity, to solicit further subscriptions. The Committee of three were pledged to call upon every man in their several precincts, *in person*, and urge upon each one, as a matter of duty, as well as of interest, to do their share to advance this great work.†

The Committee went diligently to work, making personal application to all classes,—the capitalist, the merchant, the professional man, the mechanic, the carman,—to take from one to five, ten, twenty, one hundred or more shares; and although this appeal was met by almost all for small amounts, yet, upon comparing the returns in the city and the interior, only 18,300 shares had been taken, leaving a deficiency of 1,700.

Nothing daunted, a new meeting was called in the Supreme Court-room, Boston, on November 20, with Mr. T. B. Wales as Chairman. Mr. George Bond, from the General Committee of the Faneuil Hall meeting, submitted a statement of the proceedings of that Committee, and the result. The meeting was addressed "with much spirit" by some eight or ten gentlemen, when the following resolutions, offered by Isaac Parker, Esq., were adopted: that, "in the opinion of the meeting, the construction of the Western Railroad is of vital importance to this community, and that the project should not be abandoned, while any just and proper measures are left untried for its accomplishment." Additional Committees were appointed, and all enjoined to persevere, till the capital of two millions should be secured. All the Committees were requested to meet at the old Common Council-room, on November 27, at 7 P. M., "to adopt measures for prosecuting their duties."

By these persevering efforts, the required amount was obtained by December 5, 1835, with sufficient surplus to provide for losses and contingencies.‡ The Directors of the Boston and Worcester Company gave

* Mr. Calhoun stated that the towns between Worcester and the river, exclusive of Worcester, had subscribed \$300,000, and that Springfield had taken one-eighth of the \$2,000,000 wanted.

† See Boston Daily Advertiser, October 8 and 9, 1835, Springfield Republican, October 10, and Boston Atlas.

‡ There were over 2,200 subscribers to the stock.

the notice required by the charter for a meeting of the subscribers for organization, to be holden at the Court House, in Boston, on the 4th day of January, 1836. On that day the Corporation was duly organized, by the choice of the following Directors: Thomas B. Wales, William Lawrence, Edmund Dwight, Henry Rice, John Henshaw, Francis Jackson, and Josiah Quincy, Jr., of Boston, and Justice Willard and George Bliss of Springfield.

At the meeting of the Legislature in January 7, 1836, Governor Everett, in his message, alluding to the Western Railroad, remarked: "It is a matter of congratulation, that the subscription to the capital stock to the amount of two millions of dollars, has been filled." "I regard this enterprise as promising benefits to the people of this Commonwealth, to an extent not easily to be estimated." "It will place the State in direct connection with the most extensive system of natural and artificial internal communication, by canals, railroads, rivers and lakes, which exists on the surface of the globe." "It will restore to her a large natural commerce, which has left her, and retain that which is rapidly departing in the same direction." "Should the work, in its progress, stand in need of resources beyond the reach of the enterprise and means of the individual citizens by whom it is undertaken, it is believed that the public patronage could be safely extended to it, as a project of vast general utility, whose successful execution would form an era in the prosperity of the State."

At the first meeting of the Directors, Thomas B. Wales was chosen President, Ellis Gray Loring Clerk, and Josiah Quincy, Jr. Treasurer. A Committee was appointed to consider and report upon the system to be adopted for the construction of the Road. After diligent inquiry, a majority of the Committee reported in favor of employing engineers of experience and science, and committing to them the professional execution of the work, under instructions to be given them by the Board, from time to time. A minority recommended the appointment of a practical superintendent, who should employ engineers, and such assistance as he judged necessary, to locate and construct the Road under his direction. The plan of the majority being adopted, they, under authority given them, reported that "they succeeded in securing the valuable services of Major William Gibbs McNeil as Chief Engineer, and Captain William H. Swift as Resident Engineer of the Company—the latter to devote his whole time to the survey, location and construction of the Road." These appointments were accordingly made. In aid of this organization, George Bliss was, on March 16, 1836, appointed General Agent of the Corporation. And at a subsequent meeting, it was "ordered that the General Agent be authorized, in behalf of the Corporation, to make all contracts, and transact all business, which he may deem necessary for its interests;" that he "de-

vote his whole time to the work, and be responsible for its execution." The engineers were "instructed to cause the line between Worcester and Springfield to be examined and surveyed, and to report the results to the Board as soon as convenient."

At the meeting of stockholders for organization, they instructed the Directors to apply to the Legislature for aid in the construction of the Road; and a petition was presented by Mr. George Ashmun, on January 16, 1836, and referred to the Committee on Banks and Banking, and ordered to be printed.* The petition represented, that subscriptions to the stock of the Company were by over 2,200 subscribers, (averaging less than \$1,000 each,) and that an assessment had been laid; that the stock "was widely diffused, in order to equalize the burden upon various parts of the State; that it was taken less by large capitalists, than by men of limited means, and it was supposed that the prescribed capital would be sufficient, when the charter was granted; but that a larger experience proved that another million of dollars would be necessary; that the stock being thus far taken *with a certainty of no direct profits to the holders*, but with a view to the public interests, and procured after great labor, private contributions were exhausted, and no hope remained, but by an appeal to the liberality, justice, and patriotism, of the Legislature." And they add: "This appeal your memorialists now confidently make to the representatives of the people. The work, in which they are engaged, is emphatically the people's work. They are but the agents and stewards of this great and flourishing community, and, as such, they present this great enterprise to the patronage of the people."

Waiving, *for the present*, a request that the Commonwealth would make a direct grant by subscription to stock, or a guarantee of the credit of the Company, by a loan of the scrip of the State,—they say, they do not propose a grant from the Treasury, but that the Legislature would give the Company facilities for raising an income themselves, by an Act of incorporation for a Bank, to be called "The Western Railroad Bank," to be located in Boston, with a capital of five millions of dollars, the usual bank tax of which shall be paid to the Corporation for twenty years. Books of subscription to be opened in every county in the State, and if a surplus was subscribed, the stock to be equitably distributed by Commissioners appointed by the Legislature. The petitioners allege that this additional bank capital will be needed, and indeed rendered indispensable, by the withdrawal of several millions of the United States Bank capital.†

* House Documents No. 16, 1836.

† The charter of the United States Bank expired in 1836, and a renewal of it had been refused.

At the same session of the Legislature, a long memorial, of sixty pages, was presented, as drawn up by a large committee of citizens of Boston, consisting of Henry Lee, George Bond, T. B. Curtis, Ozias Goodwin, Horace Gray, and others, and signed by 1,736 individuals, praying for the establishment of a Bank, with a capital of ten millions. This was supported by thirty-two petitions from various parts of the State, in aid of it. These were all referred to the Committee on Banks, as were also several petitions from the counties of Berkshire, Hampden, Hampshire, and Worcester, in aid of the petition of the Western Railroad Corporation.

The Corporation was fully heard by the Committee, and upon *all* the foregoing petitions, Mr. William Lawrence, from the Committee, on March 11, 1836, reported in the House, "*An Act to establish the State Bank of Massachusetts.*"*

The principal features were—a capital of ten millions, half the stock to be subscribed and owned by the State, and paid in, in gold and silver, or State scrip, at $4\frac{1}{2}$ per cent. interest, to run twenty years. For the remaining half, books to be opened for subscription, in each county of the State. If a surplus was subscribed, the largest subscriptions to be reduced, &c. No bills under five dollars to be issued and a Branch might be established in each county in the State, the county voting for the same, and fixing its location. The tenth section required the Directors to subscribe for 10,000 shares in the Western Railroad Corporation, and to pay all assessments on the same—the Bank to retain one-half the Bank tax on its capital, or \$25,000 semi-annually, and the receipts and income on the stock in the Road—until the said tax and receipts should reimburse them for payments of the assessments, (keeping an interest account, &c.)

This bill created much excitement. The provisions were skillfully drawn to enlist the support both of the city and country. But the great majority of the Democratic party was decidedly opposed to such a *monster bank*, as it was termed, or indeed, to any considerable increase of banking capital. The friends of the Western Railroad were present in great force from the parts of the State locally interested—and fully resolved, that the State must give that enterprise substantial pecuniary aid in one form or another; and the large mass of business men were clamorous for an increase of bank capital, on the withdrawal of the United States Bank. Both these classes were friendly to substantial grants to the Western Railroad, and it was soon apparent to the anti-bank portion of the Legislature, that, if these parties persevered unitedly, they could carry the reported bill, which was being pressed by its friends. A motion

* House Document No. 43, 1836.

by Mr. Rantoul, on March 22, to postpone it to the next session had failed—it was being debated on the 24th and 25th. Its opponents became alarmed. When, on the 25th of March, on motion of Mr. Hubbell, a Democratic member from Lanesboro', a special committee of one from each county was appointed, "to consider the expediency of granting aid to the Western Railroad Corporation, by lending the credit of the State, upon a pledge of stock, or by subscribing for stock of said Corporation, or by appropriating a portion of the funds of the State,—and *that said committee report as soon as practicable.* (See Appendix C.)

On the next day, (March 26,) the Committee reported a bill, directing the Treasurer to subscribe one million dollars to the stock of the Corporation, and pay all assessments thereon, and providing that three of the nine Directors should be chosen by the Legislature. This bill passed to a third reading March 28, by a vote of two hundred forty-three yeas to nine nays, and to be engrossed on the 29th, and it was sent to the Senate, where a provision was added that no assessment should be paid by the Treasurer, until seventy-five per cent. of *that* assessment had been paid by the private stockholders, and the bill then passed its proper stages in both Houses, and to be enacted, on April 4, 1836. The writer had the pleasure of carrying the bill to Gov. Everett, at Charlestown, who signed it on the same day—saying he had never given his signature with more pleasure—and the perfected act was in the office of the Secretary of State, before the close of business for the day.*

In the meantime, the Bank bill, was, on the 30th March, rejected in the House, by yeas two hundred fifteen, nays two hundred sixteen—but on reconsideration the next day, it was passed to a third reading, by yeas two hundred forty-two, nays two hundred forty-one. But the bill for the subscription to stock being considered safe, the Bank bill was indefinitely postponed, on motion of Mr. Lawrence, who had reported it.

The passage of the former bill was justly considered as guaranteeing the success of the Road, and was the cause of great congratulation among its friends. For, at that time, no one doubted the ability and disposition of the private stockholders to pay up their assessments in full. The sequel will show much embarrassment from this source.

Under this Act, the Legislature chose Messrs. Isaac C. Bates, William Jackson and R. Rantoul, Jr., as Directors, and at the next annual meeting the old Board was elected, excepting that the three State Directors took the place of Messrs. Lawrence, Rice and Willard.

* By an Act of April 15, 1837, the Legislature gave the Treasurer of the State authority to issue scrip to pay their assessments, and established a Stock Sinking Fund, for re-imbursing the scrip. This is in addition to the Western Railroad Sinking Fund.

While these proceedings were pending in the Legislature, requiring the utmost attention of the officers of the Corporation, the petition of Henry Hudson and others, of Hartford, was on January 13, of the same session, presented, asking for an act of incorporation for a Railroad from Worcester to the line of Connecticut, in a direction towards Hartford, and on January 15 the petition of Lester Filley and others of Berkshire was received, asking a similar grant for a Railroad from West Stockbridge to the line of the same State.* Both were referred to the Committee on Railways and Canals.

The Directors of the Western Railroad Company appointed Messrs. Bliss, Quincy and Jackson a Committee to present a remonstrance to the Hudson petition, and authorized Mr. Bliss to employ counsel. At the hearing, an elaborate Report by Alexander Twining, their Engineer, was read. The hearing was a protracted one of several days, and many witnesses were examined on both sides. The Directors of the Western Company considered the scheme as a diversion to discourage the Legislature from granting them aid, for fear of a competing line, and as tending to embarrass the collection of their assessments, then vitally important, as the work could not be commenced until \$10 was paid in on every share.

The Engineer made the distance from Worcester to the Connecticut line on the most favorable route 25.40 miles, thence to Hartford 42.10, total 67.4 miles. The entire cost (*including horse path*) in Massachusetts, \$1,497,619.21, and the cost in Connecticut one-tenth per mile more than in Massachusetts. The route required a tunnel of over a mile (estimated to cost \$165,000!) one bridge of 1000 feet 45 feet high; a viaduct of 800 feet 80 feet high; a rock cut of 800 feet 40 feet deep; an embankment of 1600 feet 45 feet high; one viaduct to cost \$100,932, and sundry other heavy works; maximum grade, 45 feet. At the hearing, it was understood that explorations had been made from Hartford, via. Otis towards West Stockbridge, clearly indicating a purpose for a competing Road to the Western from Worcester to the western boundary of the State.

The Committee reported in the Senate that the petitioners have leave to withdraw. The Report was fully discussed and accepted by a large majority. In the House, William Lincoln, Esq., of Worcester, moved that the Committee be instructed to report a bill. This was opposed by several members, on the ground that it was an attempt to defeat and embarrass the Western Road, and the motion was promptly rejected and the Report accepted.

The surveys on the Western Road were commenced in April, 1836, by

*The application of Hudson and others was supported by two or three petitions from citizens of Worcester County; and among them was one by Rejoice Newton and others of Worcester.

two parties of Assistant Engineers, and they were prosecuted with diligence, under the immediate supervision of the Resident Engineer, during the whole of that year; and in June of the same year three parties were placed in the field west of Connecticut River. The portion of the line between Worcester and Brookfield, embracing the Charlton and Spencer summit, being found the most difficult, very extended surveys became necessary there. A line of levels was traced for fifteen miles northerly and southerly on the summit of the ridge, to ascertain the lowest depression. Several independent lines were then run entirely through this division, with cross lines connecting them at intervals.

The route finally recommended by the Engineers, and on personal examination adopted by the Directors, involved so large a deflection to the South from a direct line, and an increase of distance, that a line was surveyed passing North of New Worcester, near Henshaw Pond, a little South of the village of Leicester, and thence over Grout's Summit, in Spencer, to Brookfield; but no route feasibly direct was found there without grades of from 80 to 110 feet for six miles. A more northern route still was attempted from Worcester through Rutland, Barre, and down the Ware and Chicopee Rivers, but the summits were found much higher than those of Spencer or Charlton. The Charlton line *around the South end of the Henshaw ridge* was adopted, and, under the order of the Board, put under contract.

But before commencing the work, it was indispensable that ten dollars should be paid on each share of the stock. The Treasurer found the collection of this no easy task. About ninety per cent. of the first two \$5 assessments was readily collected. But some parties had moved away, others had failed and were unable to pay, and others still claimed that, when they subscribed, they were assured that on paying five dollars they could surrender the stock, and this they were willing to do, but no farther. By various expedients, however, the deficiency was so far reduced, that an arrangement for the sale of the unpaid shares, and the application of the money donated by Messrs. Otis, Sears, and others in Boston, in lieu of their taking stock, enabled the Treasurer to report the requisite amount paid on every share.

It was near or quite mid-winter of 1836-7, before the first grading of the Road was commenced.*

The surveys and approximate location being made on the Second Division, between Brookfield and Stony Hill in Wilbraham, (seven and one-half miles east of Connecticut River,) the Engineers, on January 15, 1837,

* This was at the crossing of the Worcester and Hartford turnpike, near Captain Jonas Tucker's, in Charlton.

made a Report recommending the route upon which the Road is now run. The only variation suggested, was to pass from Warren directly over the high land through the old village of Palmer, to Sedgwick's, instead of following the bend of the Chicopee River southerly, around by Fenton's & Converse's, to the same point. The direct line was $1\frac{2}{3}$ miles nearer than by the river, but it required a grade of 100 feet to the mile, with expensive work, and was of course inadmissible. The point of crossing of the Connecticut River, and the location of the depot in Springfield, involved local interests, and enlisted the feelings and prejudices of several parties and localities. From Stony Hill to the river, seven and one-half miles, and thence to Mount Tekoa in Montgomery, twelve and one-half miles beyond the river, several lines were surveyed, and reported upon by the Engineers, embracing an extent of about five miles on the river.

1. The *Cabotville*, or north line, passing a little south of Chicopee Falls, and through Cabotville, (now Chicopee), and crossing the Connecticut a little south of the mouth of the Chicopee, and thence through Bush's Notch, and the east part of Westfield to Tekoa. It involved grades of eighty-three feet west of the river.

2. The *End Brook* route, crossing the river about midway between the mouth of the Chicopee and the village of Springfield, thence to Bush's Notch, or to the Garden Brook line at Ashley's Mills in West Springfield.

3. The *Garden Brook* line, in the general course as the Road was finally constructed, the Road to cross the river between the Old Bridge and Ferry street,—the precise point of crossing left undetermined, as was the alternative of two lines north or south of Westfield River, near Westfield village.

4. A line by Mill River, in the south part of Springfield, and thence northerly through the east part of the village, west of Maple and Chestnut streets, to the Garden Brook line. The first two lines were favored by parties interested in manufactories on Chicopee River.

The Engineers recommended the Garden Brook line, not, at first, defining the precise point, of crossing the river. They reported it the shortest by *equated distance*, of the least maximum grade, and the least cost of grading and bridging. And that a piece of *land of about three acres*, twice the length in the direction of the Road, to its width, would be required for a *depot*. The location was proposed west of Main street, between Ferry street and the Old Bridge, a distance of some sixty or eighty rods. This was principally owned and occupied, in small parcels, as homesteads by old inhabitants. In casting about for the most convenient location for the line through the village, and for the depot, the agent could see only one tract which would answer for the purpose. This was

the Worthington estate, extending from the hill east of Main street to near the river, about one-third of a mile. This was a large and wide lot northerly of the Old Bridge. It was owned by a Springfield gentleman living in New York, and purchased for a residence. As the certainty of the Road caused considerable speculations in lands in that quarter, the agent, fearing this tract might be purchased, went to New York, and secured a right of pre-emption for an agreed price, and a limited time, on behalf of himself and another friend of the Road. The whole was then offered to the Directors at its cost, if they chose to locate the Road there; or a strip for the track the whole length of it five rods wide, and on the west side of Main street additional land for the necessary buildings, all *free of cost*. This offer was made at the suggestion of the gentleman interested in the purchase, who was to take the residue at its cost and interest, and disconnect the agent from the purchase, if the offer was accepted. These propositions remained open till the Directors decided upon the present location, and soon after the deed of the whole land was made to the party who united with the agent in the purchase, and he paid the purchase money and interest to the New York owner.* The importance of stating these details will appear in the sequel, when serious charges were made against the agent for speculations, and other misconduct.

Before these questions were decided, Mr. Henry Sterns, of Springfield, on April 4, 1837, appeared at a meeting of the Board, representing that he owned an estate in the meadow on State street, (about one-third of a mile south of the Garden Brook line,) which he proposed to sell for a depot, and he wished the Directors to order a line to be surveyed to and from it. He proposed a sharp curve from the straight Garden Brook line, down to his land, then curving across Main street, and again north to the Garden Brook line at the river crossing, equal to four right angles. This project seemed so impracticable that the agent had declined to entertain it, and Mr. Sterns complained to the Directors that the agent "had not consulted the interests of the Company as he ought," "because he had purchased land on the line of the Road." The proposed survey was ordered.

In January, 1837, at the request of Mr. Isaac C. Bates, the Engineers were instructed "to take a view of the route around the end of Mount Tom." A reconnoissance was accordingly made by the Resident Engineer, as per his Report of March 16, 1837. The examination commenced at Wilbraham Mountain, ten miles east of Springfield, and thence through Ludlow, Granby, the north-east corner of Springfield, now Chicopee, and South Hadley, crossing the Connecticut River at Rock Ferry, thence

* Subsequently Charles Stearns, who realized a large advance on the purchase.

northerly of Mount Tom, to, and through the valley of the Manhan River, Easthampton, and Southampton, to Westfield, and the Springfield line at Tekoa. This was estimated as six miles further than the Springfield line, and as the charter required the river to be crossed in the town of Springfield, no further attention was given to this route.

The line from East Brookfield to Connecticut River, as the Road has since been constructed, was approved by the Directors in the spring of 1837, and it was definitely located, and, with the exception of two miles next the river, was put under contract in June, 1837.

In October, 1836, the Board directed the Engineers to grade the Road for a single track, fourteen to twenty feet wide in the cuts, and the embankments twelve feet wide at the surface. Subsequently, the President addressed a letter to the Engineers, asking their opinion on the subject. On December 20, 1836, they submitted an argumentative answer, in which they maintain and recommend, that the road should be graded for a double track, even though it was intended to lay down only a single one. But, if this was not permitted, they propose that they have discretionary authority to alter the width of the cuttings and fillings, at such points as might seem to them judicious and proper. This modification was made. In fact, the deep cuts were made thirty feet wide, and the heavy embankments twenty-six feet, and the masonry and bridges were generally built of a width for two tracks.

The surveys and reconnoissances for ascertaining the best route from Connecticut River to the New York line, were very extensive. The range of mountains, which forms the summit between the Connecticut and the Hudson, was thoroughly examined, from Washington on the north, through Becket and Otis, to Tolland near the line of Connecticut, twenty-two miles northerly and southerly. Every important depression, and every considerable stream, passing down the mountain, was fully surveyed. The north line, essentially as surveyed by Mr. Baldwin in 1828, had appeared the most favorable, and an approximate location was made upon it by the Engineers of the Western Company, under the supervision of Mr. John Childe, in 1836-7. But numerous friends of a southern route, through Lee and Stockbridge, thought this a preferable one; and, to concentrate the results of a vast number of experimental surveys, an approximate location upon it was ordered. This was made in the spring of 1837, by R. P. Morgan.

The route was, from the village of Westfield southerly, ascending the slope of Sodom Mountain to Loomis' Gap and Mt. Pisgah, by the valley of Little Westfield River to Cobble Mountain, with a tunnel of 600 feet; thence to the Blandford line, and, by Bush Hill, to Spruce Swamp Summit, 1,470 feet above the bench mark on Connecticut River, and about

thirty miles from it; then descending through East Otis, by the outlet of Great Pond to Nichols' Pond, near Baird's tavern, past Green Water Pond, into the valley of Hop Brook, through a corner of Tyringham to Stockbridge Plain and to West Stockbridge and the State line, 62.38 miles from Connecticut River; all reducible to a grade not exceeding eighty feet per mile.

On comparison of the North and South Routes thus approximately located, it was found that the measured distance differed but 66-100 of a mile, though the equated lengths gave about five miles in favor of the North Route. There were five summits on the South line and four on the North. The average of grades* was in favor of the North. The estimated cost of grading and bridging the North line was \$1,259,100.87, the South line \$1,232,905.45; in favor of the South line, \$26,195.42. The Engineers had reported in favor of the North line. But before this was known to the parties, the Board, at their request, gave the friends of each route a hearing at Springfield, June 25, 1837. Gentlemen from Stockbridge urged the Board to postpone *all proceedings* West of the River till the next year; but claimed, if the location was through Pittsfield, that the parties there should assume the stock subscribed in Stockbridge and Lee.†

After full consideration, and an examination of both routes by a part of the Board, they, on August 10, 1837, decided in favor of the northern route, through Pittsfield, and ordered it to be definitely located, reserving one or two points for further examination.

While the interests of the Company were thus diligently attended to, during the year 1837, throughout the whole of Massachusetts, little was done in the State of New York, towards securing the continuance of the Road from the State line to Albany. The Hudson and Berkshire Railroad, from Hudson to the State line, at the Canaan Gap at West Stockbridge, thirty-three miles, had been graded in 1837, and the superstructure, with a flat iron rail had been commenced, and it was completed, and opened for use in 1838.

The City of Albany, being thereto authorized by the Legislature, instructed the Mayor,—E. Corning, Esq.,—on October 3d, 1836, to subscribe \$250,000 to the stock of the Albany and West Stockbridge Railroad Company, and the payments to be made as called for by the Company. The subscription was made, but nothing paid upon it.

Though extensive surveys and estimates were made on several routes for that road in 1836, nothing was done towards the construction, up to

* See Appendix D.

† Subsequently, after one or two payments, the Treasurer, Mr. Quincy, assumed the stock of these parties, and took a transfer of it in behalf of the Company.

the close of 1838. Frequent applications in behalf of the Western Company were made to the Directors, and several conferences had. The agent of the Western Company made a special visit to Albany, in December, 1837, by appointment with the Directors of the Albany Company, when the latter promised to decide upon their route, and upon the eastern termination of it, without delay.

In Massachusetts, extensive surveys were made in 1837, and at the same time, the construction of the greater part of the Road, east of the river was *in progress*, requiring large disbursements. The officers of the Company had great solicitude, as to the means to meet future expenditures. Indeed, for six or eight months in 1837, the work on several sections was much retarded, on account of the uncertainty, whether funds would be provided for the prosecution of the enterprise. At the close of the year, six assessments, of five dollars each, (\$900,000,) had been laid, and, including the share of the State, only \$602,778.80 had been realized. In their Report to the Legislature, January 1, 1838, the Directors say, that, owing to the extraordinary embarrassments during 1837, they had deemed it prudent to postpone the collection of some assessments for several months. The estimates of the Engineers *for the whole line*, were before the Board, by midsummer, requiring for grading, bridging, superstructure, and land damages, a little less than \$4,000,000, exclusive of engineering, depots, and general expenses. The funds provided were only \$3,000,000 in stock, if the whole should be paid up. And, under the most prosperous condition of the business of the country, there was enough to dishearten the most ardent friends of the enterprise. But superadded to this, came the financial storm of 1837, which was winging its fearful course over the entire land, visiting Massachusetts, and particularly Boston, and sparing no commercial community. Those who had subscribed to the stock, taxed every energy to meet the calls. But the cold paralysis of revulsion, has blighted the fairest prospects. The stockholders of this Company suffered with the rest, and it became necessary that some power, measurably unaffected by the pressure, should again step forward. (Appendix D, 2).

At this crisis, a general meeting of the stockholders was held on November 23d, 1837, which was numerously attended from all parts of the Commonwealth directly interested. They instructed the Directors to apply to the Legislature for a loan to the Corporation of the credit of the State, for eighty per cent. on the amount of the stock, by a state scrip, having thirty years to run, at five per cent. payable in London with warrants for the interest.

The petition was presented January 13th, 1838, by Emory Washburn

of Worcester. After briefly reciting the organization and progress of the Company,—the efforts to get the stock subscribed, and the subscription by the state, they say that of 20,000 private shares, there were then held in Suffolk 1349, Norfolk 70, Hampden and Worcester 472, Berkshire 249, and the balance was widely scattered. “That, with few exceptions, the stockholders were active merchants, mechanics, farmers, and manufacturers, and, among them, many who had lost their entire means of payment, or at least the surplus that they had thus appropriated.” That the stockholders were willing to pay in twenty per cent.—that the Directors say, that compulsory process was not resorted to, “because the change of times has destroyed the ability of subscribers, and it is their conviction, that, unless aid is given by the State, it will be impossible to collect seventy-five per cent. on another assessment, which will of course involve the necessity of suspending the work.” By these extracts, it will be seen that the Directors intended to substitute the grant of eighty per cent. by the State, for the unpaid assessments on the stock to that amount. By this the gross means were not to be increased, and it must have been apparent, that three millions would be grossly inadequate to complete the work. The petition was referred to a joint select Committee.*

After a full hearing by the Committee, and extended enquiries into the condition and financial operations of the Company, Mr. Washburn on February 3, 1838, made an able and detailed report, setting forth the belief of the Committees of the correctness of the statements of the Directors, that they were satisfied that the business of the road had been prosecuted with due diligence and fidelity, and, that, from the difficulties and embarrassments under which men of business were laboring, and from the general derangement of the fiscal concerns of the country, it was impossible for the Directors to collect from the stockholders the means of prosecuting the work for any considerable length of time, and that, without the aid of loans, they would be compelled to abandon the enterprise. The Committee thought the stockholders should pay in thirty, per cent. instead of twenty and that the loan should be limited to seventy per cent. to be paid in installments from time to time as the assessments laid were paid, and, as evidence should be given, of the expenditures of the prior installments; that a sinking fund should be provided, to which should be paid any profits on the sale of the scrip, and, after the road should be opened for use one per cent. on the amount of the loan, should be annually paid into said fund, from the income of business, and the whole placed at interest, for the final redemption of the scrip. They accordingly re-

* Messrs. Washburn, Duncan of Haverhill, Edgell of Framingham, Phelps of Hadley, and Ives of Westfield, of the House, and Messrs. Hudson, Willey, Shaw, and King of the Senate.

ported a bill to that effect granting the credit of the State for \$2,100,000, by the issue of a scrip, payable in thirty years from dates of issue, at five per cent. interest,—interest and principal payable in London. The Bill was supported by a masterly and eloquent speech, by Mr. Washburn on February 14th. In the course of it, he referred to the opinion of the Engineers that the Road could be finished for four millions of dollars, and that he believed the estimate a fair one. This grant would thus leave one million to be paid by the stockholders, in addition to the thirty per cent. on their stock.

In the House, an amendment was offered, requiring fifty per cent. to be paid on all the private stock, before any part of the scrip should be delivered. This was negatived by 148 to 250. Another, to increase the Directors to eleven, with five to the State; this was rejected, as was one to give the State four Directors, instead of three, out of the nine. The bill passed the House to be engrossed, February 17, 1838. The Senate made some slight amendments, and it had its final passage and approval, February 21, 1838. (Appendix E.)

This grant gave a new impulse to the work. *Eastward* of Connecticut River, the grading, bridging and masonry were vigorously prosecuted during 1838, the materials for superstructure contracted for, six miles of the track laid, depots established, engines and cars contracted for, and the land damages principally settled. *West* of the river, the lines were definitely located, (except through the village of Westfield,) the Road from Chester Factories to the State boundary, thirty-four and one-half miles, was put under contract, and the work upon most of it commenced.

It was matter of deep regret that, at the close of 1838, no measures had been taken towards the construction of the Albany and West Stockbridge Road; and at a meeting of the Directors of the Western in April, 1839, it was "resolved, that, in the opinion of this Board, it is important that arrangements should be immediately made to secure, if practicable, a communication by Railroad from the western terminus of the Western Railroad to the interior of New York, either by way of Hudson, Catskill, Albany, or Troy; and that Messrs. Pomeroy, Quincy and Bliss be a Committee to visit those places, confer with persons interested, and make such arrangements, as they think expedient, subject to the approval of the Board." The Committee attended to that duty, but the only effect was that a large meeting was held in Albany, and assurances were given "of the adoption of energetic measures to secure the prosecution of that enterprise, during the year 1839."

Yet the officers of the Western Company had much anxiety on the subject. The authorized capital of the Albany Company was \$650,000. Upon \$300,000, ten per cent. had been paid in for expenses of surveys,

&c. It was believed that the holders of that stock did not consider it intrinsically of much value; and it was possible that a majority of it might be quietly bought up, and the control of the Company pass into the hands of parties, who, if of the city of New York, might be disposed to embarrass an enterprise, the object of which was to divert business from that city to an eastern competitor. It was not believed that the Albany gentlemen would allow such a movement if known to them; but the possibility of it, coupled with the absence of all effort to construct the Road, created anxiety in some quarters. During 1839 and the early part of 1840, the general agent of the Western Company had frequent conferences with the gentlemen interested at Albany, urging them to construct their Road. As one step toward it, they, in May, 1839, procured the passage of an act of the Legislature, authorizing the city of Albany to borrow \$400,000, and use it in subscribing for, or in purchasing the stock of the Albany and West Stockbridge Railroad Company—provided the act should be approved, at a legal meeting of electors held for the purpose. The Engineer of the Albany Company had, in July, 1836, reported the estimated expense of constructing the Road to Chatham Four Corners, and adding half the expense of a double track on the Hudson Road, thence to the State Line, to be used in common with the Hudson Company, at \$586,280.73. The authorized capital was now \$650,000. The loan and subscription now authorized, but not yet subscribed, of \$400,000, added to the \$250,000 before authorized and subscribed, absorbed the whole capital stock. And, even if these estimates were correct, no provision was made for an independent Road from Chatham to the State Line, if any satisfactory arrangement could not be made with the Hudson Company. Nothing further practically effective was done in 1839.

After the choice of Directors of the Western Company, in February, 1838, and in succeeding months, much difference existed in the Board on the subject of salaries of various officers, and the duties required of, and to be performed by the agent and others. In April, 1838, the Board appointed two of their number, Messrs. Charles Hudson and Amasa Walker, (the former being a State Director) as a Committee, with instructions to make a full examination into the mode of performance of all the duties of the Agent and Engineers, the nature and extent of those duties, the mode of doing business and keeping accounts in the offices, the titles procured for the track of the Road, and the prices paid; and, in general, to make a thorough inspection of all the business and affairs of the Corporation, connected with the location and construction of the Road.

This Committee spent several days in the examinations, passing leisurely over the whole line of the Road, and making inspections and enquir-

ies at all the offices. Their Report was submitted to the Board July 24, 1838.* They specify in detail the proceedings of the Engineers and their Assistants, from the trial surveys to the final location and the letting and construction and the supervision of the work, including masonry. They specify particularly the duties of the Agent and his Assistant, and close by saying they "are fully satisfied that there is business enough in each of the departments to engross the whole time of the several officers employed, and in the agent's department at times extra labor is indispensable." "Nor are the Committee aware, from any thing they could discover or learn from others that any of these officers are neglectful of their duties." "They can congratulate the Board and Corporation upon their good fortune in selecting wise, judicious and faithful officers in all the departments of their business."†

At the close of the year 1838, the effects of the revulsion and panic of 1837 still existed in the prostration of business and the bankruptcy of large numbers of business men. These disasters had fallen heavily upon the stockholders of the Western Road.‡ In the faith that the grant of State scrip for seventy per cent. of the capital would relieve them from further assessments, they had paid the whole of the six assessments—\$600,000—upon the private stock, with the exception of small fractions of the later ones. It was by the friends of the Road deemed impracticable to make further collections upon the stock at that time.

The Company had a large force in the field, on almost every part of the line. The work was being urged on as rapidly as was consistent with proper economy, and contracts for materials and equipment were outstanding to a large amount. These, and the state of the work generally afforded *data* for more reliable estimates for the entire construction and equipment of the Road in Massachusetts.

The agent therefore prepared, and submitted to the Board, on December 11th, 1838, detailed and elaborate "statements of the *finances of the Company*, embracing *estimates* for the completion of the whole work in Massachusetts; an account of the past expenditures and present resources and the amount necessary for the future." To this object the Resident Engineer, at his request, "furnished the agent with a detailed report of the items, so far as they were within the control of his department," and the Treasurer provided an abstract from his books. From all which, and the data within the province of the agent, a *Report on the Finances* was

* It is printed with the Annual Report to the stockholders, February, 1839.

† These extracts are not deemed irrelevant, in view of severe and tedious investigations of two large Committees in the winter of 1839-40.

‡ The address by the Corporation to the public in December 1838, represented, that those Stockholders had, in three years lost \$20,000,000.

submitted, containing some thirty-six pages. From this the following *results* were given :—

1. East of the Connecticut River, about fifty-four miles, the Resident Engineer estimated the	
Graduation, masonry, bridges and engineering, at	\$1,117,569 93
Superstructure, - - - - -	496,318 37
Engines and cars, - - - - -	87,150 00
Buildings, &c., at stations, - - - - -	38,125 00
	<hr/>
	\$1,739,163 30

The agent added :—

For miscellaneous expenses, - - - - -	\$34,652 72	
For land damages, fencing, and depot lands, - - - - -	90,913 10	
	<hr/>	\$125,565 82
Total cost east of the river, - - - - -		\$1,864,729 12

2. West of the river,—

Graduation, masonry, bridges, and engineering, (the latter item to December, 1840, only,) superstruction, engines, cars, and buildings, - - - - -	\$2,213,493 47
Added as before,—	
For miscellaneous expenses, - - - - -	\$28,497 12
Land damages, fencing, and depot lands, - - - - -	84,452 02
	<hr/>
	112,949 14

Total west of river, (in Massachusetts), - - - - -	\$2,326,442 61
Total cost 116 6-10 miles, - - - - -	\$4,191,171 73
The funds provided were,—six assessments at \$5 each, on 30,000 shares, and interest, less probable loss, - - - - -	
	\$910,643 30
Proceeds of State scrip, if sold at par, - - - - -	2,100,000 00
	<hr/>
	\$3,010,643 30
Balance,—deficiency to be provided for, - - - - -	\$1,180,528 43

These details are given, because on subsequent occasions they were the subject of much criticism by Legislative Committees and others, when it was ascertained that further means were required, beyond the above deficiency.

In view of these estimates, it was apparent to the friends of the Road that further means to the extent of twelve or fifteen hundred thousand dollars must be provided the coming year. A meeting of the stockholders was therefore called, and holden at Boston, on the 12th of December, 1838, at which, after full discussion and consultation, it was *ordered*, that the Directors be required to apply to the Legislature for an additional loan of

the credit of the State, by a scrip for \$1,500,000. A Committee of forty-seven stockholders was appointed to aid the Directors in the application, and an address to the people, prepared by Mr. P. P. F. Degrand, was presented, read, and ordered published with the proceedings of the meeting, and widely distributed.

The Petition was presented in the House of Representatives January 22, 1839, by William Lincoln, Esq., of Worcester, and at first referred to the Standing Committee on Railways and Canals. But the Senate proposed a Special Joint Committee, and the House concurred, and appointed one from each Congressional District, with Mr. Lincoln as Chairman, on the part of the House, which was joined by the Senate.*

After a very full hearing of several days, in which the officers of the Company were examined in relation to the estimates and condition of the work, Mr. Lincoln, from the Committee, on the 27th of February, 1839, made an elaborate and able report, accompanied by a bill for a grant of State scrip, to the amount of \$1,200,000.

The report, after briefly reciting the history of the Road thus far, and particularly the proceedings, and the progress since the prior grant, alludes to the necessity of more funds to complete the work, and adds, "if the twenty-two hundred holders of the stock were wealthy capitalists, the funds they have become bound to furnish, might be provided to enable the Corporation to complete the Road." "Unfortunately the calamities pressing upon all, visited most severely on men of moderate estate, have exhausted their ability to bestow charities upon the public." "And the attempt to collect any considerable amount from the private stockholders, would be entirely unavailing." "If enforced by the vigorous process of law, it would bring severe suffering on worthy citizens." "Minute and particular estimates of the sums necessary to complete the whole Road for the locomotives, have been made by the Engineers, and carefully revised by the Directors." "By the largest estimate, the whole amount necessary to finish every part of the work," "cannot exceed fifteen hundred thousand dollars." "It was ascertained that a portion of this, could, by sufficient exertions, be derived from the stockholders, by levying new assessments." "With such deductions, it was assumed that the real necessities of the Corporation might be effectually relieved, by obtaining a loan of one million two hundred thousand dollars." The reported bill therefore required the laying and collection of the seventh and eighth assessments of five dollars each, and that four of the nine Directors should be chosen by the Legislature by joint ballot. In the House there were attempts

* While the hearing was in progress before this Committee, Mr. Samuel C. Allen, of Northfield, (now of Boston,) moved in the House, that the State purchase and control the Road. But this motion was negatived.

at various vital amendments; but the bill was passed to be engrossed, by yeas 244, nays 172, much in the form in which it was reported, and it had its final passage by the Governor's approval, March 23, 1839.

During the year 1839, the work *eastward of Connecticut River* was carried on vigorously; and the road was so far completed, that the regular passenger trains commenced running through, between Worcester and Springfield, October 1, 1839, and the merchandise trains on the 23d of the same month. The distance was 54 $\frac{60}{100}$ miles.

Westward of the river, the residue of the line was put under contract, the work was carried on with great energy; and the materials for the Springfield bridge were procured. The work through the gorge of the mountains, and especially that of the summit sections in Washington, was known to be very difficult and expensive,—the rock cuts and heavy stone bridges requiring a long time for their completion. But all was so far advanced that, in January, 1840, the Directors represented, that they believed the funds provided were sufficient to finish and equip the whole Road (in Massachusetts.)

Yet at that date, another year had passed without any attempt by the Albany Company to put their Road under contract; and there was no prospect of the commencement of the work by that Company. Their act of incorporation limited the duration of the charter to fifty years; six of which had expired.* It was apparent that inadequate estimates had been made, in 1836-7, for the cost of that Road. And, although the Legislature had given authority to the city of Albany to borrow \$650,000 for the purposes of the Road, with the assent of the electors, and that assent had been given, yet the subscription had not been made, except to \$250,000 of stock. To the officers of the Western Company, a joint occupancy of the Hudson and Berkshire Road east of Chatham, by the two Companies, seemed inadmissible, not only on account of the embarrassment it would create to operate, in that way, the great thoroughfare between Boston and Albany and the far West, but on account of the high grades, and excessive curvature, and the flat rail, of the Hudson Road. The Albany Directors and friends of the Albany Road were desirous of having the *City build the Road*. But, upon numerous visits of the agent of the Western Company to that city, it was feared the consent of the electors could not be obtained farther than already had.†

* This was extended to fifty years from April 13, 1840.

† When, in January, 1839, application was made to the Legislature of New York for authority to make the loan of \$650,000, a number of respectable citizens of Albany remonstrated against it, on the ground, among others, as working an injury to the New York and Albany Railroad, by diverting "the western trade from our commercial metropolis to Boston." (Appendix N.)

The Directors of the Albany Company proposed to lay their Road with a flat rail only, in case *they* constructed it. There was also danger, even if the road was made in a substantial manner, that it might, in process of time, fall under the control of parties more partial to a free intercourse between Albany and New York, than between Albany and Boston, and that rates of fare might be established injurious to the trade with Boston. It was well known that, about that time, an excitement was caused in the City of New York at the prospect of the early completion of the Road to Boston. All these considerations led to serious apprehension of the friends of the Western Road, that the object they had so long contended for, might partially, at least, be defeated.

In the meantime, on the 12th of February, 1840, at a meeting of stockholders, a large Committee was appointed, "to investigate the affairs of the Corporation, and make any suggestions which they might deem useful." Their report, at a meeting, March 12, 1840, after giving the results of their investigation, which will be noticed hereafter; spoke of the vast importance to the Western Company, of extending the Road to Albany, without loss of time; of the interest which that City had in the work; and that it must only be necessary to bring the enterprise before her citizens, to secure its accomplishment. They, therefore, recommended that "a body of delegates be appointed by the shareholders, to proceed to Albany and Troy, as soon as may be, to advocate the speedy construction of that branch of the Railroad." The delegates appointed were, E. H. Derby, George Bliss, A. Walker, P. P. F. Degrand, J. Henshaw, A. T. Lowe, E. H. Robbins, Lemuel Pomeroy, and Charles Stearns. A majority of the delegates lost no time in proceeding to Albany.

The friends of the Western Company were desirous of making arrangements by which the Albany Road should be constructed, controlled, and operated, by officers of the Western Company, under the Albany charter. But fearing that the people of Albany might be jealous of placing so much power in the hands of a foreign Corporation, it was deemed prudent not at once to broach that subject; nor until the people of Albany had been urged to undertake the work, and had shown a disinclination to do so.

Before the arrival of the delegates, notices were given for a large meeting of citizens at the State Capital, on March 18, 1840. At that meeting Jared L. Rathbone, the Mayor of the city, presided. Samuel Stevens, Esq., an eminent counsellor, introduced the Massachusetts delegation in a short and appropriate speech, when the meeting was addressed at large by Messrs. Bliss, Derby, Degrand and Walker,* after which S.

* The proceedings are given in full in the Albany Argus of March 23, 1840, where the remarks are reported.

Dewitt Bloodgood introduced Resolutions, first, welcoming the Delegation; second, affirming that the steady progress and unrivaled character of the Railroad constructing by the Western Company, in order to reach the line of New York, was a guaranty of the skill and fidelity with which that Company had conducted its operations; third, affirming the duty of the citizens of Albany to hasten the completion of the Albany and West Stockbridge Railroad, and concluding with "Resolved, that in consideration of the expression of the public voice through the ballot box, under the sanction of a law,"—"we feel it to be our duty to proceed forthwith in aiding the construction of the Albany and West Stockbridge Railroad, and we call upon our Common Council to act promptly and efficiently in carrying out the law and the will of the people, fairly and almost unanimously expressed in its favor." "Resolved, that we pledge ourselves to give the project our hearty and liberal support." These resolutions were adopted with great unanimity.

At a subsequent meeting of the Delegates with the Directors of the Albany Company, some of the latter suggested that the Western Company should construct and manage and operate the Road, the funds to be provided by the City; and they asked for a proposition, with a plan of operations in writing. This was assented to; and informal propositions were made, and a preliminary argument was drawn up and submitted to the Common Council of Albany, and to the Directors of the Albany Company, on the 20th of April, 1840, both of which bodies approved of the same, and appointed a Committee with power to settle the details of a permanent agreement, and have the same executed and the bonds of the city issued in conformity with the agreement.

This contract was perfected April 23, 1840, and duly executed in three parts by the city and two Railroad Companies.

1. The city agreed to subscribe \$650,000 to the stock of the Albany Company, or take a transfer of that already subscribed by individuals, and pay for the same in city scrip or bonds at thirty years, with six per cent. interest, principal and interest payable in Boston.

2. The Albany Railroad Company agreed to entrust to the Western Company the location and construction of their Road, with necessary powers—that they would preserve the legal organization of the Company, (with provisions in case the Hudson Railroad was hired or purchased,)—would give the Western Company exclusive control, with all rights of transportation, &c., and would, on request, make a permanent contract of transportation with the Western Company.

3. The Western Company agreed to proceed to construct the Road, and open it for use, as soon as convenient, and provide and run the same for the accommodation of the public, and faithfully apply all monies re-

ceived from the scrip, to the construction, except a sum sufficient to pay one year's interest on the bonds, and ten per cent. of the principal to be paid to the Sinking Fund, the bonds not to be applied to the purchase of the Hudson and Berkshire Road, till the Road from Albany to the junction was completed. That, as a rent or compensation for the use of the Road, they would punctually pay the interest on the bonds. That the Chamberlain of Albany, for the time being, and such person as should be named by the Western Company, should be Trustees of the *Sinking Fund*. The Western Company to pay to said Trustees, ten per cent. on the amount of the bonds as received, and annually after the Albany Road was opened for use, one per cent. on the bonds issued, the same to be put at interest, and the interest, and profit accruing, to be invested in bonds and mortgages on real estate in Albany, or in stocks of the States of New York or Massachusetts, the whole to be a *Sinking Fund* for the redemption of the scrip. Any surplus to be paid to the Western Company. The Western Company to have a right to purchase and surrender any part of the bonds, and receive a pro rata proportion of the shares of stock, the one per cent. to the Sinking Fund to be reduced at the same rate. If the Western Company neglected to pay the interest on the bonds as due, the city, or the Albany Company might take possession and use the Road until arrears were paid.

Then follows a provision in case the New York and Albany Railroad should be made, and unite with the Albany and West Stockbridge Railroad. The Western Company agree not to run their engines north of the village of Greenbush, or the city of Albany, and to pay the expenses then previously incurred by the Albany Company, for surveys, &c. The city agreed to consent to the construction of one or more depots within the city of Albany, as authorized by the New York act of Legislature of April 13th, 1840.* The road was to be mortgaged to the city as security for the payment of the bonds, or scrip, the city having the additional security of the \$650,000 of stock of the Albany Company, and the obligation of the Western Company to pay interest and principal of the scrip.† Dur-

* This act not only allowed the Albany (or Western) Company to establish one or more depots in the city, but to connect the same by tracks, and to connect the Greenbush depot with them, by the assent of the city; the navigation of the river not to be obstructed. That assent was given August 3, 1840. The same act extended the privileges of the Albany Company, to fifty years from its date.

† A copy of this tripartite preliminary agreement of April 23, 1840, is annexed to a Report of a Legislative Committee of Massachusetts of February 18, 1841, Senate Document No. 35, of 1841. The permanent contract of transportation, provided for by the preliminary agreement, to be made between the Western and Albany Companies, bears date November 18, 1841, and is annexed to the sixth Annual Report of the Western Company to the Legislature of Massachusetts of January 7, 1842. These

ing the excursion of the delegates to Albany, two of their number, Messrs. Degrand and Bliss, visited Hudson, and made a satisfactory contract with the Hudson and Berkshire Rail Road Company, for the use of part of their road for two years from the opening of the Albany road to the junction at Chatham Four Corners; with the right, within that time, to the Western Company, to make a permanent contract of transportation with the Hudson Company, for the joint use of the Hudson road east of Chatham Four Corners, during the continuance of the charter of the Hudson Company, or any renewal thereof, (for a consideration then specified.) The Albany Company having subsequently constructed their own independent road, this last named contract was not made.

The delegation to Albany made a report of their proceedings at Albany and Hudson, at a special meeting of Stockholders of the Western Company, holden May 12, 1840, when the report was accepted, and ordered to be printed for distribution, and it was

“Resolved unanimously, that we highly approve of the proceedings of the Committee delegated to the State of New York, to form contracts of transportation, ensuring the conveyance of passengers and freight, between the Western Rail Road and the Hudson River, and that the contracts made with the city of Albany, the Albany and West Stockbridge Rail Road Company, and the Hudson and Berkshire Rail Road Company, be approved and ratified.”

Immediately upon closing and executing the preliminary agreement of April 23d, 1840, the Western Company entered upon the examination and survey of various routes for the Albany Road, by the appointment of John Childe as Resident Engineer and George W. Whistler as Consulting Engineer. The surveys and examinations resulted in confining attention to two general routes—the one by Groat’s (Chatham Four Corners), the other by New Lebanon. The *direct* route from Albany to Groat’s, at the Junction of the Hudson and Berkshire Road, was preferred, and from that point the alternative was presented, first, of making an entirely new Road to the line of the State, or one *principally* independent of the Hudson and Berkshire Road; or, second, of using the latter in whole or in part, and laying down a second track upon it. While this point was undecided, the Road from Albany to Groat’s was definitely located (as now used), and put under contract, and the work vigorously prosecuted.

The Engineers were instructed to make a minute examination and sur-

contracts form the basis of the arrangements, by which the organization of the Albany Company is kept up, and under which the Western Rail Road is *practically* extended to Albany, and the Western Company has *absolute control* of the line in New York.

vey of that part of the Hudson and Berkshire Road between Groat's and the State line. They reported that it was wholly incompetent for the business destined for the Western and Albany Roads, and would not sustain the engines necessary for the beneficial use of the united Roads; and that it had grades of seventy-one to eighty feet per mile for four miles. They therefore recommended an independent Road for the whole distance, involving a tunnel at Canaan of six hundred feet. The distance as reported by the Engineers, was, from Albany $38\frac{2}{10}\frac{2}{10}$ miles to the State line. Estimated cost of construction, \$1,412,804. The maximum grades 40 to 44 $\frac{8}{10}$ for nine miles. The equipment was of course to be provided by the Western Company. This report was accepted and the line approved by the Directors. As before mentioned, the joint use of the Hudson and Berkshire Road had been previously secured.

But upon a part of the route, the course of the latter Road, through the only valley to be occupied by the new line, was so sinuous, that it became necessary occasionally to occupy a part of the bed of that Road for the location of the independent line, and to remove a part of the superstructure of the Hudson Road to a new location—in some cases upon other land of the Hudson Company, and in others upon new lands, to be obtained by the Albany (or Western) Company. For this purpose, after much negotiation, an indenture was entered into between the two Companies, under date of March 26, 1841, by which the Hudson Company granted to the Albany Company the right to locate, construct and use parts of their independent line, between Groat's and the State line, upon or along side of the Road and tracks of the Hudson Company, using the land of the latter Company therefor, with the right, if necessary, to remove the track of the Hudson Company and lay it upon other land to be purchased by the Albany Company, with formal covenants for mutual releases of the lands so exchanged; the Albany Company to pay the Hudson Company \$42,000 for these privileges. In pursuance of this contract, the track of the Hudson Road was in several places altered to land purchased therefor, or taken by appraisal by the Albany Company, and the line of the Albany Road located and constructed upon the old Road bed. When the Albany Road was thus completed, the Engineer made a full and minute survey of these several changes, and a mutual indenture or release was drawn up according to the covenants of the parties, and presented to the Hudson Company for execution. That Company refused to execute the instrument, upon various pretenses, and it was never perfected. No serious injury to the Albany Company was then anticipated, because the contract and covenant of the Hudson Company to convey, was deemed a title to be vested in the Albany Company by the decree of a Court of Chancery, so far as the Hudson Company was concerned. But it appeared that the Hudson

Road had been previously mortgaged to the State of New York for a loan of \$250,000 which the Company were unable to pay, and the interest had been long in arrears, and the State, some years afterwards, proposed to sell the Road for the forfeiture, including those parts of the Road taken for the track of the Albany Company. When the original arrangement was made for the changes of track and location, no suspicion or fear was entertained that the Hudson Company would not give the releases, or that that Company could ever forfeit their Road for so small a mortgage debt; and that incumbrance was not adverted to. The difficulty was subsequently arranged by a sale by the State, and a purchase of the entire Road and franchises by parties acting for the Western Road. Under this purchase a new Company was organized, under the general railroad law of New York, and the Road between Chatham and Hudson has been since owned and operated by the Western (or Albany) Company under the name of the Hudson and Boston Railroad Company.

But in consequence of the agreement of the Western Company to construct and put in operation the whole of the Albany Road, and their determination to make the eastern section of it upon an independent line, a financial exigency arose of no small magnitude.

The means provided by the city of Albany were bonds, to the amount of \$659,000, less ten per cent. by agreement to be paid into a sinking fund, leaving \$585,000. This had been provided by the Albany Directors, in view of laying a flat-strap rail, between Albany and Groat's, and of the joint use of the Hudson and Berkshire road, to the State line, on which also there was a flat rail. The Massachusetts grants were not intended to cover any part of the Road in New York; and, indeed, were all needed in Massachusetts. The Engineers had estimated the expense necessary for the Albany Road at \$1,412,804.

The Agent of the Western Company represented this condition of affairs to the Directors of the Albany Company, and, through them, to the Common Council of Albany. The latter body promptly resolved to apply to the Legislature for authority to subscribe a further sum of \$350,000 to the stock of the Albany Company, and to issue bonds or scrip therefor. Such authority was given, May 26, 1841, and, at the same time, was given power to increase the capital of the Albany Company to \$1,150,000. This additional subscription was made in August, 1841. For security of this, a new mortgage was made, and new contracts entered into of similar tenor with those for the former subscription. The whole issue of bonds of the city was \$1,000,000, less ten per cent. to the sinking fund, \$100,000, leaving \$900,000 for the construction of a Road estimated to cost \$1,412,804. The deficiency was to be supplied by the Western Company.

Among the embarrassments attending the operations of the Western Company was an attempt, about this time, to involve their financial condition in the *vortex of party politics*. The grant of the credit of the State, with a mortgage of the Road as collateral security, was obnoxious to the Democratic party; and at their annual State Convention, in October, 1839, the following resolution was adopted: "Resolved, that we protest against the system adopted by our Whig Legislature, of loaning the credit of the State to Corporations, under such circumstances, that the profits, if any, will enure to the corporators, and the losses, if any, fall solely on the State." This was followed by electioneering lectures, in various parts of the State, for a year or two, endeavoring to prove to the people, that every farm in the State had a mortgage upon it, on account of the Western Railroad; and by one party, in Worcester county, the figures were given to show that the mortgage was \$72 per acre.

Preparatory to the opening of the road to Springfield, the Directors appointed a Committee to report on the subject of fares. The Boston and Worcester road had been opened about four years, and several of the Western Directors thought their charges were too high. On the first opening of the Worcester road, the passenger fare was \$1.50, subsequently raised to \$2.00, and again reduced to \$1.50. The Committee of the Western was instructed to confer with the officers of the Worcester, and establish a reduced rate upon the joint business. This resulted in fixing the passenger fare *through* between Boston and Springfield at \$3.75; to the Western \$2.50, to the Worcester \$1.25. This was continued only six months, to April 1, 1840. The Western Directors were divided in opinion; a part for extreme low fares, and others for moderate ones. In the Spring of 1840 the majority of the Western Directors insisted upon a reduction to \$3.00. The Worcester refused to go below \$1.25 for their road, and the Western made the whole reduction, taking \$1.75 of the \$3. This continued nearly four years, as between Boston and Springfield. When the road was opened through to Albany, the contest between the low fare party and their opponents was continued, both in the Board and outside. Soon the question of fares became a controlling one, in the elections of the Western Directors: and for one or two years, great efforts were made, and the number of stockholders made it almost a popular election.

We have before stated that at the annual meeting on February 12, 1840, a Committee of thirteen was appointed "to examine the treasurer's accounts, to investigate the affairs of the Corporation and make any suggestions which they might deem useful."

Mr. Stephen Fairbanks was chairman of that Committee. They made their report on March 12, 1840, having spent the greater part of the in-

tervening month in their investigations, in the examination of testimony, and in the hearing of officers, whose conduct was arraigned before them. The officers of the Company attended these in the morning, and in the afternoon, they were before a Legislative Committee. The stockholder's Committee say that they made "the most rigid investigation of the services performed by, and the salaries paid to the president, treasurer, general agent, clerk and sub-agents of the Corporation." In carrying forward this searching examination, the conduct of the officers, and particularly of the general agent, as a prominent executive officer, for the period of four years, was frequently the subject of inquiry and comment, and after a severe trial of those officers, the Committee express an entire approval of the manner in which all the officers had attended to the duties of their offices;"—and they add that they "are unanimously of the opinion, that the *system* early adopted by the Directors for the construction of the road, was a judicious one, and well adapted to secure the usefulness and durability of the work, united to great economy in its construction." The report was printed in thirty-two pages, with twenty-four of appendix.

The Committee give the greater part of it to the subject of fares; and they append to it sundry articles on that subject, from the Boston Atlas, by Mr. E. H. Derby, by whom this part of the report was drawn up. It is an argument in favor of *low fares*. The Committee say that four-fifths of the traffic of the Connecticut valley is with the city of New York. Merchandise at \$3.25 to \$4.25. Passengers \$3 by water; that the then average charge between Boston and Springfield was, for merchandise \$6 per ton, and \$3.75 for passengers, and that the business cannot be brought back to Boston with this disparity. They recommend \$2.50 for passengers, and \$3.75 for merchandise;* and between Worcester and Springfield \$1.50 for passengers; and that the Directors take measures to induce the Boston and Worcester Directors, to put the entire charge between Boston and Springfield, for passengers at \$2.50, and the average for merchandise at \$3.75 per ton; and when the road should be opened to Albany, the Committee think, "that the rate of passage from Boston to Albany, may be safely fixed at \$3, and flour at fifty cents a barrel." The report was accepted. From this time forward, the tariffs for passengers and merchandise were a fruitful theme for discussion, both in the Board and out of it, for several years.

A table of the charges for passengers, from 1839 to 1846, while these differences existed, with the divisions between the two companies, is in the Appendix, marked G 2.

* The Committee instance the receipts of a Belgium Railroad in 1838, and say, "the population along the line from Boston to Albany" "will soon be nearly as dense as the population of Belgium."

The Directors in acting upon the report, voted, by six to three, to reduce passengers between Worcester and Springfield, from \$2 to \$1.50.

At the meeting of the Legislature, in January, 1840, Gov. Morton, in his message, alluded to the obligations of the State, as follows: "The State, by its responsibility for several Railroad Corporations, has acquired such an interest in their success, as will justify an investigation of their affairs, to ascertain whether a due regard to the interests of the State, and to economy, has been observed in the number of officers and agents employed,—in the compensation paid to them, and in the manner of making assessments upon the capital stock;" and on January 28, 1840, a special joint Committee was appointed on the subject, with Mr. Sprague Chairman, of the Senate, and Allen of Worcester, Chairman, of the House. While the "searching examination" and trial by the Stockholder's Committee of thirteen, were proceeding for four weeks, the officers of the Company were called to attend upon the Legislative Committee, upon the same interesting business.*

No sooner was this Committee appointed, than there followed, in the Senate, some eight orders for inquiry by them into specified proceedings and acts of the Directors, Agent and Engineers, intimating extravagance, in printing,—in the employment of counsel before the Legislature,—in purchasing timber lands by the agent,—locating depots on land purchased from officers, or the agent,—absence of the latter for several months from the duties of his office; and requiring returns of salaries paid and lists of salaried officers, and thus placing the officers on trial for the transactions of the prior four years. (See Appendix—F.)

The hearing before this Committee took the form of a regular trial, and continued some five weeks with intervals, and with eight or ten long sessions of the Committee. Mr. Henry Sterns of Springfield, and Mr. Edward Dwight of Boston, appeared and took seats at the table, and acted as complainants, calling and examining witnesses; and at one time the latter proposed employing counsel to aid him. The agent of the Company, Mr. Bliss, appeared in behalf of the Directors, agent and other officers.

Mr. Dwight, as one of the first Board of Directors, gave a history of the organization of the Company, the appointment of officers, his views of salaries; and that they were fixed too high,—maintaining that a majority of Directors should be chosen by the Legislature, &c.; and he further stated, that in fixing the location at Springfield, the agent wanted it near his own land.

Mr. H. Sterns presented in writing, sixteen subjects for enquiry by the

* See House Document No. 62, 1840.

Committee, in relation to salaries, duties, and services of the agent, engineers, and sub-agents, and the time employed; the rate and amount of compensation for the purchase of iron rails; the purchase of land on his own account, or by the agent, on the line of the Road, and his efforts to procure the location of depots thereon, &c. Mr. Sterns also submitted fourteen interrogatories to be put to Mr. Amasa Walker, one of the Directors, and to be answered in writing.

Mr. S. C. Allen, of Northfield, wished the Committee to take hold of the original books and examine the original entries. He had heard that the agent voted in favor of raising his own salary, &c.

Mr. Sterns occupied one whole sitting in various complaints against the proceedings of the Directors and agent; among others, that the Directors should not be salaried men; that a *Chief* Engineer was unnecessary, and he was paid too much; that he could find men fully competent to the duties of agent, for half his salary. That the agent had land at Springfield, where he wanted the depot, and voted to locate it on his own land; that *he* ought to purchase the rails, instead of the President, and he closed by submitting the answers of Mr. Walker to the fourteen questions proposed to him.

Several witnesses were examined from time to time. Mr. F. Morgan, was employed privately by the agent, and bought five lots of timber land. Without them, it would have been difficult to purchase the timber at double its cost. Major Whistler, Chief Engineer, was examined orally, and put in a written statement, and he closed by saying, that he never was before a Board of Directors, where he was required to give his reasons so fully. Gentlemen from various localities on the Road, were offered to show the economy of expenditure, and the shrewdness in bargains for the land damages. But the Committee said this was not necessary.

Mr. Walker, in his answers, said, that from 1836 to 1839, he thought the salaries too high. Committees on the subject reported in favor of lower ones; but reduction was opposed by a majority.* In 1839, himself, and Messrs. Hudson and Pomeroy, were on the Committee, and they reported in favor of increasing the Agent's and President's salaries each \$1,000. Himself was undecided, and would say the next day whether he agreed, but he was then absent.

Mr. Walker thought consulting Engineers were superfluous, and the general system of construction was not judicious, and economical. That the Engineers should be under the General Superintendent or Agent, who should have the whole control and responsibility,—the Engineer to per-

* It was in consequence of these differences, that Mr. Hudson, and Mr. Walker were appointed a Committee for thorough inspection, in 1838, and after ten days upon the line, their Report before mentioned, was made July 24, 1838.

form no duties not strictly *professional*. The building of Railroads was a very simple affair. Common business men and mechanics are abundantly able to carry on these works, requiring only skill in surveying and civil engineering,—services which might be performed by active young men in all our towns, at salaries of \$500 or \$600.

Mr. Walker thought the Western Railroad, would be built as cheap as most others, and the whole work would be of the most perfect and durable character.

Mr. E. Dwight differed from Mr. Walker as to the system of construction and employment of Engineers, he assisted on the organization and named every officer except the clerk, and was on the Committee which recommended the Engineers who were appointed. He was on the Committee on importation of rails, and employed T. B. Wales & Co., at an agreed compensation, one per cent. less than ordinary. Mr. Dwight thought the State should have the control of the Corporation, to be managed with economy.

On this point Mr. E. H. Derby said the Stockholders' Committee of Investigation were unanimously opposed to the majority control by the State. The stockholders owned two-thirds of the stock, and should have a majority of Directors. The State was secured by mortgage, with rights of possession, on failure to pay interest. If they controlled the Company, they might require, or allow, the forfeiture by non-payment of interest on the scrip, and thus get possession of the road. He said that the road was built with great skill, and a proper regard to economy, and there was no reason to doubt the integrity of the officers and Directors.

Mr. William Lawrence agreed in this view. To this Mr. Dwight replied, I did say, that I thought the State ought to have the control, but not to encroach on the rights of the Stockholders. If the Corporation consent, the State should have a majority; the State should interfere on account of economy.

Mr. Charles Hudson gave the Committee information, obtained by himself and Mr. Walker, on the Committee of 1838, after ten days examinations, and stated, on the subject of salaries, that he addressed letters of enquiry to the Providence, Worcester and Lowell Railroad Companies, and found that they paid at higher rates than the Western. To a question by the Committee on the reduction of fares, Mr. William Jackson said, he judged by experience on the Worcester road. They commenced at \$1.50 for passengers, and did not get enough for a dividend, they raised to \$2 and had enough for a dividend,—again reduced to \$1.50, and the income was reduced.

To the specific orders for inquiry sent to the Committee by the Legisla-

ture, information was furnished by the officers of the Company, as follows :

1. The amount expended for printing in four years was \$2,865,08 ; for printing circulars to clergymen \$23.83.

2. Payments to counsel to obtain aid from the State in three successive grants, including their expenses 674.16.

3. Combinations to extort extravagant prices for timber lands and lumber. (See Directors answer in Appendix G.)

The Company saved about \$10,000 on the purchase.

4. Location of the Road or depots on land purchased of any officer or agent of the Corporation. The Directors say there was no such instance. On a tract of pine plain land, in which the agent and his assistant had owned, for many years, a fractional interest, the whole tract worth not over \$50, they released free of charge, as did a former Director at Pittsfield over a tract of pasture land.

5. As to the enquiry about the absence of officers from duty for months, on other business. (For answer, see Appendix H.)

6. For a schedule of payments to officers and agents, and extra allowances to salaried officers for four years. (See Appendix I.)

7. On the enquiry as to the number of salaried officers, holding the office of Director, three were specified,—the President, Treasurer and Agent.

8. On the subject of the charges of Mr. H. Sterns, and Mr. E. Dwight, against the Agent, for speculating in land for the location of the depot at Springfield, the Agent submitted to the Committee a statement of facts. (For an abstract of which, see Appendix J.)

On March 17, 1840, Mr. Charles Allen,* in behalf of the Committee, submitted their Report,† setting forth, that the Committee had had many meetings and devoted much time to the examination into the several matters, which they had been particularly directed to inquire into, and to the general concerns of the Road. That the Engineers, Directors, Agent and other officers, and individuals acquainted with any of its concerns, were before them, and personally examined.

Upon the seventh subject of inquiry, the Committee recommended that the Treasurer and Agent should not be members of the Board, and, on March 23, 1840, a law was passed prohibiting it, and thereupon the Treasurer and Agent resigned their places on the Board.

The Committee, on the eighth subject of inquiry, were unanimously of opinion, that it was not expedient to increase the number of State Direc-

* See Appendix K.

† House Documents No. 62, 1840.

tors. Upon the ninth subject submitted to them, the Committee say that "intimation having been made, that an officer of the Corporation had purchased lands, in expectation that they would be needed for the Road, or that the location of a depot had been effected upon the land of such officer, with the purpose of enhancing its value, your Committee have investigated the matter, and are happy to state, that no foundation exists for the imputation, and that the conduct of the officer, in all the transactions alluded to, has been fair and honorable."

On the subject of employing *consulting engineers*, the report says, "that the impression early made on the minds of some of the Committee, that the employment of consulting, in addition to the Resident Engineer, was injudicious, has been removed by a careful examination of the manner in which the Road has been constructed, and by further consideration of the difficulty and importance of the work, and the disastrous consequences which might result from a single error."

"In respect to the construction of the Road, the general economy with which it has been built, and faithfulness of all who have been employed in its construction, the evidence is full and harmonious." "The contracts have been made with good judgement, and on favorable terms, both in procuring material, and in the performance of labor. The land damages have been prudently adjusted, and the general concerns of the Corporation have been managed with care and vigilance."

Thus terminated another of the series of general investigations, by Committees of Stockholders or of the Legislature; during which, all of the officers were subjected to severe ordeals, and some of them to serious imputations, from which they came out, not only merely unscathed, but with the unanimous approval and commendation of the several large and respectable Committees.

During the year 1840, the *operations of the Road* were carried on successfully. The unfinished parts *east* of Connecticut River were completed, requiring more work, and involving more expense than was contemplated at the time of the last estimates; and the foundations of the piers, and the abutments of the river bridge were prepared.

Of the sixty-two and one-half miles *west* of the river, fifty-three miles were graded; the rails laid upon thirty-five miles; the heavy sections in the mountain division were much advanced; depot lands were procured; rights of way settled,—iron, timber, engines, and cars were contracted for. Twenty-two miles of the Albany Road,—Greenbush to Chatham Four Corners,—were put under contract, and the work upon the northerly twelve miles of it was in progress. The difficulty of procuring titles for the road-bed, (by the law of New York, a condition precedent to the work,) delayed operations upon the residue of it.

It was clearly apparent, that the cost of the whole work would exceed the estimates of the Report on the Finances, in December, 1838, and the subsequent Report of the Engineers on the cost of the Albany Road.

As much dissatisfaction was expressed at this excess of cost over former estimates, requiring additional funds beyond those provided by the Legislature, it may be proper here briefly to make the comparison, and give the reasons for the increase.

In December, 1838, the Reports on Finances stated the cost of the Road east of the river at, - - -	\$1,864,729 12
On making up the accounts, December, 1840, it was,	2,016,969 90
Excess unprovided for, - - -	\$152,240 78
<i>West</i> of the river, in Massachusetts, estimates of December, 1838, were - - -	\$2,326,442 61
On January 1, 1840, the estimates, including the Connecticut River bridge, and the interest account, were	3,218,056 78
Excess west of river, - - -	\$891,614 17
Or, for the whole Road of $116\frac{1}{2}$ miles in Massachusetts,	\$1,043,854 95

The Engineers and Agent submitted to the Board the causes of this increase, &c. The excess in graduation, masonry, and bridging, was caused, principally, by an increased *quantity* of work, beyond the estimates, rather than an *undervaluation* of it, arising from changes found necessary in its progress, and the necessity of hastening some of the heaviest parts. Such was the nature of the work in the gorge of the mountains, that it was utterly impossible to make a reliable estimate beforehand. For instance, no doubt was entertained that the ledges on the line would furnish materials for the masonry. But the stone was condemned as unfit; and material was procured from a distance, over roads almost impassible. As to the Connecticut River Bridge, the bed of the river was ascertained by boring, to require more than ordinary expense to procure foundations. The shortness of the season to get the masonry above the water, increased this cost.

The increased earth excavations on the line were 834,935 yards; rock 129,536 yards; perches of masonry, 55,800. This increase was caused,—

1. By necessity of hastening the work, and by wasting from the cuts, and borrowing for embankments.

2. The freshets in 1839 were so unexpected, as to require the road-bed of the first twenty-eight miles west of the river, to be raised on an average three feet. Other parts were also raised.

3. The grading was estimated for a single track, and over one-half the

Road west of the river, (and the worst part,) was graded for a double track.

4. The sinking of heavy embankments. It was ascertained, that a long one in Richmond settled some eighty to eighty-five feet below the surface of the swamp.

The original estimate for the Engineer department was for expenses to the close of 1840. The present included 1841. The increase in engines and cars was to meet increasing business. The increase in miscellaneous expense was accounted for principally by including to June, 1842, instead of 1841. The land damages were increased, by the necessity of buying the franchises of the Pontoosuc Turnpike Company, through the gorge of the mountains. The item of interest on borrowed moneys, now taken from the Treasurer's books, no part of which was in the prior estimates, was \$196,587.10.

In addition to this increased cost of the Road in Massachusetts, the Western Company had, in 1840, assumed to construct the Albany and West Stockbridge Railroad, and, as has been stated, (in anticipation,) it was found indispensable to make an entire new Road from Albany to West Stockbridge, thirty-eight and one-half miles, instead of using a part of the Hudson and Berkshire Road. The estimates for this, upon new surveys by the Engineers of the Western Company, were, January 1, 1841, - - - - - \$1,412,804 00

The funds available for this were the scrip or bonds of the city of Albany, \$1,000,000, less ten per cent.	
to Sinking Fund, - - - - -	900,000 00
	<hr/>
Amount to be provided by the Western Company,	\$512,804 00
Add deficiency in Massachusetts, - - -	\$1,043,854 00
	<hr/>
	\$1,556,658 00

Or making the whole costs as estimated in January, 1840:

East of the river, - - -	\$2,016,969 90	
West of the river, - - -	3,218,056 78	—\$5,235,026 68
Albany and West Stockbridge Road above,	1,412,804 00	
	<hr/>	
	\$6,647,830 68	

The means provided prior to December 31, 1840, were:

Two grants of scrip of the State of	
Massachusetts, \$2,100,000 and \$1,200,000—	\$3,300,000 00
Net amount scrip of city of Albany - - -	900,000 00
Eight assessments of \$5 on \$3,000,000 of stock,	1,200,000 00
	<hr/>
	\$5,400,000 00

Requiring about a million and a quarter additional funds to complete the Road (as estimated January 1, 1841.)

It thus became necessary to apply to the Legislature for aid by a third grant of scrip; and at a special meeting of stockholders, January 27, 1841, the Directors were required and enjoined to apply for a loan of scrip to the amount of one million of dollars; and a Committee of sixty-five was named to act in aid of the Directors. Mr. Degrand* submitted a draft of an address to the people of the State, which was adopted.

This petition for aid was presented in the House on February 4, 1841, by Mr. Giles of Cambridge, and referred to the Committee on Railways and Canals. The Senate non-concurred, and ordered a Special Joint Committee, which was agreed to, and Messrs. Hubbard of Boston and Lincoln of Hingham, of the Senate, and Giles of Cambridge, Stevenson of Boston, Chamberlin of Dalton and Avery of Marblehead, of the House, were appointed. Subsequently the Committee were instructed to ascertain the number of stockholders, and the number of shares in hands of original subscribers; also to inquire into the propriety of the State Directors acting and voting in Corporation meetings; also the expediency of the State purchasing and completing the Road.

After a long hearing and a detailed argument by the Agent of the Western Railroad, the Committee, through Mr. Hubbard, made a report† in the Senate, on February 24, 1841, with a bill for a grant of one million of dollars. The *reported* bill required two additional assessments to be laid; that the State should elect five of the nine Directors, with provision for reduction to four and to three, on the payments of one and two millions of the scrip severally; and in other respects, it was substantially like the prior grants.

The Report was much in detail. A part of the Committee spent three days on the line of the Road, and at the offices. In reference to the estimates, they say, it was originally impossible, from the nature of the country, to make accurate ones. That they are satisfied they were made in perfect good faith; and they add their "strong fears, that, unless the Legislature once more extend the strong arm of the Commonwealth to help forward the work, *it must stop.*"

They report the whole number of stockholders to be 1949, and of these 1766 were original subscribers in 1835; and that of the 20,000 shares, 13,639 were in the hands of the original holders.‡ That the great body of the stockholders embarked from patriotic feelings, regarding the enter-

* See Appendix, K 2.

† Senate Documents No. 35, 1841.

‡ See Appendix L, for details.

prise as an important public undertaking; and if the Legislature now abandon it, it cannot be expected that private individuals will have more of public spirit, or greater confidence, than the civil fathers of the Commonwealth.

The Committee review the proceedings resulting in the contract with the City of Albany, and the Albany and West Stockbridge Railroad Company, and say "they cannot doubt these contracts are highly advantageous to the Western Railroad; that it is for the interest of the State that they should be carried into execution.

The Committee reported adversely to the purchase and completion of the Road by the State, also to the proposal to allow the State Directors to be represented in the stockholders' meetings, on the ground that the State chose a portion of the Directors, and it would not be reasonable that they be represented by ten thousand shares in meetings for the choice of the others.

This bill was debated *in the Senate* on six several days. On motion of Mr. Sprague of Plymouth, the amount of the grant was reduced to \$700,000 by vote of eleven to nine. A motion by Mr. Parsons to give the State six Directors was negatived, when on motion of Mr. Parker the whole clause respecting the number of Directors, was stricken out. The motion by Mr. Whitmarsh to recommit, with instructions to report a bill, authorizing the City of Boston to lend one million of her scrip, was rejected, and the bill was passed by a vote of nineteen to eight on March 9th, 1841.

In the House, a motion by Mr. Tarbell to restore the clause giving the State five Directors was rejected by a large vote. But an amendment requiring the Company to collect four assessments of five dollars each instead of two was adopted, and the bill passed to a third reading March 12th, by a vote of one hundred and ninety-two to one hundred and forty-four. The title was altered to read, a bill *to complete, &c.*, instead of *to aid* the Western Railroad. When the bill was returned to the Senate, Mr. Washburn, of Worcester, made an argument against it, on the ground that the stockholders, or the City of Boston, should provide the money. He insisted that the Road must be finished, and the State could not afford to have the work stop; but he held, that as a consequence of the former loans, the stockholders gave a pledge that they would furnish further means if necessary.*

The means being thus provided for the entire completion of the work, Mr. Bliss, on March 23d, 1841, gave notice to the President of his in-

* This bill was opposed in the Senate by Messrs. Hooper, Whitmarsh, Davis and Washburn; and in the House by Messrs. Tarbell, Allen, Kinnicutt and Hinckley.

tention to resign the office of General Agent. But at the solicitation of the Board, he consented to serve through the year.

The subject of the *Sinking Funds* required by these several grants by the Legislature of Massachusetts, and by the contracts with the City of Albany, will be postponed, in order to present an account of their origin and progress in one continued narrative.

During the year 1841, the work between Connecticut River and the line of the State was prosecuted successfully. Twenty-eight miles, to Chester Factories, was opened for use on May 24th; from the State line to Pittsfield in May, and thence to the summit sections on August 9th; from Chester Factories to the summit sections September 17, and through those sections October 4th. The Connecticut River bridge was finished July 4th. Thus on October 4th, 1841, the whole Road from Worcester to the line of New York was completed for use.

The part of the Albany Road between Albany and the junction with the Hudson and Berkshire Railroad, at Chatham Four Corners, was so far finished as to be opened for use on December 21, 1841, and under the contract with the Hudson Company for the joint use of their Road temporarily, the trains commenced running between Worcester and Albany on that day.

The Hudson and Berkshire Road was laid with a flat bar, five-eighths of an inch thick, on a longitudinal wooden rail, and, with its high grades, it was in a state of dilapidation, as the engineers had reported. In the contract with the Hudson and Berkshire Company, they required that only light engines should be used upon it. In casting about for engines of sufficient power for the heavy business of the Western Road, and yet safe to that track, Major Whistler was unable to procure any in season for immediate use, except two light six wheel engines (all drivers), made by Winans of Baltimore, afterwards, in derision called "*Crabs*." These were put upon the Hudson Road, and principally confined to use there, so long as the Western Company used that Road. The relevancy of these facts will appear in the sequel.

The opening of the Road from Boston to Albany was the signal for cordial congratulations through the whole route from Albany to Buffalo, as evinced in strong terms in their local papers. One of these, the Utica Daily News, of January —, 1842,* was made the subject of a severe attack upon the people of Albany, in the New York Standard of January 12, 1842, for their favor to the Boston Road, by a loan of the bonds of the city, and, as alleged, for the *exclusive* influence of the press, exercised to promote that enterprise, evincing hostility to the City of New York, and

* See Appendix M.

to the New York and Albany Railroad. *The remonstrance of certain citizens of Albany against granting leave for the city to loan their bonds, is recited by the Standard, as is the contract of April 20, 1840, between the city, the Albany Company, and the Western Company, with severe comments.

On January 10, 1842, the same N. Y. Standard made a violent attack upon the Western Railroad Company, on account of an arrangement with the Housatonic Railroad Company, for a through line between Albany and New York, via. the Housatonic Road. The Western at the same time proposing a route via. Springfield and New Haven, on the same terms. This was answered by the agent of the Western Company, in the Albany Daily Advertiser, of January 18, 1842, in a statement, which was entirely satisfactory to the public.

To commemorate so important an occasion, as the opening of the Railroad between Albany and Boston, the municipal authorities of Albany invited the City Government of Boston to make a visit to Albany, to celebrate the auspicious event. The invitation was promptly accepted, and the authorities of Boston, with gentlemen from that and other cities, numbering one hundred and twenty-five, left Boston, December 27, 1841, and resting two and one-half hours at Springfield, reached the depot at Greenbush, at seven and one-half, P. M., where they were received by the authorities of Albany and others, and under escort of volunteer companies, conducted to lodgings. The next morning, the eastern delegations were received at the City Hall, visited various places of interest, and repaired to the room of the Common Council, then in session, where they were formally welcomed in an address by Teunis Van Vechten, Esq., the Mayor, which was responded to by Jonathan Chapman, Esq., Mayor of Boston.

In the evening, dinner was served in Stanwix Hall, to about three hundred guests, the Mayor presiding. He delivered a congratulatory address, with a sentiment, to which Mr. Chapman responded. Addresses were made by Messrs. Derby, Austin, Gov. Seward, † J. Quincy, Jr., Degrand, Hale, R. King, and others.

The Boston delegation reciprocated the invitation to the authorities of Albany and others, and about two hundred and fifty gentlemen took an extra train for Boston, on the 29th, arriving there at seven and one-half o'clock P. M. They were welcomed by a great concourse of people, and the Albany authorities were quartered at the United States Hotel, as guests of the city.

* See Appendix N.

† Governor Seward read a letter written in 1662, by the Governor of New York to the Governor of Massachusetts, proposing the establishment of a *monthly post-rider between Boston and New York*.

The next day they were conducted to visit the city institutions, and objects of interest in the vicinity, and at five and one-half o'clock, dinner was served at the United States Hotel to the western gentlemen, and a large party of citizens. Mr. Chapman, the Mayor of Boston presided, and gave a sentiment complimentary to the Albanians and their city, to which Mr. Mayor Van Vechten responded. Speeches were made by Governor Davis, and by several New York and Massachusetts gentlemen.

On the 31st of December the western gentlemen returned to Albany.

In 1841, a difference arose between the Post Office Department and the Company on the subject of compensation for transportation of the mails, and a somewhat extended correspondence was had. The Worcester Company and the Western, each made bids for the contracts at the same rate per mile. The Department offered the Worcester Company \$188.80 per mile, between Boston and Worcester and to the Western, \$150, between Worcester and Springfield, and \$100 per mile between Springfield, and Albany. The officers of the Western Company thought this an invidious and unjust distinction and rejected the offer. After long correspondence, and repeated requests to the department to provide other means of transportation, the Company gave notice that, after a future day named, they should discontinue the service, and on January 25, 1842, did throw out the mails; at the same time offering to submit the question to arbitration. This change caused serious inconvenience to the business community, and the Legislature being in session, an order for inquiry by a committee was passed. After notice, the Directors expressed their willingness to abide by the opinion of the Committee, as to compensation for the mail service. Their decision was acquiesced in, and the mails were restored to the cars.*

At the same session of 1842, the protecting care of the Legislature, of the interests of the Western Railroad Company, was exhibited in two orders for enquiry.

1. That the Committee on Railways and Canals "examine the tariff of prices and report thereon.† 2. To enquire into the causes of the frequent accidents on the Western Railroad.‡

1. In answer to the first enquiry, the officers furnished, and the Committee reported, the printed tariffs of prices as established on the Road, and in daily use at all the stations, and distributed through the State.

2. On the subject of accidents, the Committee made a detailed report, specifying four. One at West Brookfield, in 1840, one at Spring-

* Senate Document No. 47, 1842.

† Senate Document No. 31, 1842.

‡ Senate Document No. 55, 1842.

field in December 1840, one at Chester in October 1841, and one at Richmond, in February 1842. (For particulars see Appendix O.)

A third order of the same Legislature, of February 12, 1842,* was "That the *State Directors*, or President of the Western Railroad, be requested to report *as soon as practicable*: 1. The amount of compensation and salary paid for two years past to each officer, agent or person, in the employ of the Corporation. 2. The amount paid for extra service, or in addition to regular compensation; to whom paid, the nature of the service, and the increase of salary, if any. 3. The charges and compensation of State Directors. 4. The amount paid for damages from accidents. Do. claimed and unliquidated."

The State Directors answered, that, (excluding contractors and day laborers,) upon inquiry in the proper quarters, they are not aware that any such payments were made for extra service, in addition to regular compensation. They reported schedules containing lists of officers and agents, with the compensation paid to each; also a schedule of payments to State Directors, amounting to \$1,114.43; and a detailed list of sums paid for losses by accidents,—damages to persons and property amounting in two years to \$8,700.21; and that, while negotiations were pending for unliquidated claims, it was inexpedient to give a public statement of such.

Thus the legislative investigations were closed for this session of 1842. They afforded active employment for the executive officers of the Company during much of the winter.

The Road being *practically* finished, and in successful operation from Worcester to Albany in December, 1841, Thomas B. Wales, Esq., who had been President of the Corporation from its organization in January, 1836, declined a reëlection in February, 1842.

Mr. Wales, after twenty or thirty years of active business, as one of "the most enterprising and successful merchants of Boston, distinguished alike for his integrity and punctuality, as well in Europe as in this country," had retired from mercantile business; and he was induced to accept the presidency of this Corporation, from the purest motives of patriotism, at a time when the promise of success was not flattering. He continued in service, by successive elections, for six years, through gloomy and prosperous times, with the entire confidence of the stockholders, and of the whole community, and with an unflinching belief in the final success of the enterprise, until he witnessed the consummation of all his hopes and labors, in the passage of the trains between Boston and Albany.†

* Senate Document No. 59, 1842.

† During Mr. Wales' presidency, active duties in the field or upon the line were not required of that officer. These were devolved upon a general agent.

At the Stockholder's meeting, February 9, 1842, Mr. Bliss having been re-elected to the Board, addressed a note to them, suspending the question of his acceptance of the office of Director, as he held the office of Agent, which was incompatible by law. At the organization of the Board, John Howard, Esq., was chosen President pro tem. Subsequently, on February 28, Mr. Bliss resigned the office of agent, and having accepted as a Director, was chosen President, March 1, 1842.

In March, 1842, the Directors invited the Executive Officers, and the Legislatures of the States of New York and Massachusetts, to meet at Springfield, and exchange congratulations, and reciprocate courtesies, on the occasion of the new and permanent union of the two States, by Rail. The invitations being accepted, the meeting was arranged for March 4th, 1842.

The Boston party arrived at Springfield at 12½ o'clock, the Albany at 1½ o'clock. Both were escorted to the Masonic Hall. Governor Davis and Governor Seward were formally introduced by the Hon. Josiah Quincy, Jr., President of the Massachusetts Senate, who presided, when Governor Davis welcomed the delegation from New York to the State of Massachusetts, in an appropriate address, to which Governor Seward responded, in his usual felicitous manner. After an hour spent in mutual introductions and social intercourse, the joint party repaired to the Town Hall, where dinner was prepared. President Quincy presiding, gave as a toast, "The Western Railroad Corporation,"—which was responded to by Mr. Bliss, the President of the Company, who closed with a sentiment, to the State of New York. This was responded to by Mr. Paige, Acting President of the New York Senate, and speeches were made by Mr. Walley, Speaker of the House of Representatives of Massachusetts,—Dr. Taylor, the Speaker of the New York Assembly, and Gen. Root, the father of the New York Senate, who gave "The happy union of the Sturgeon and the Codfish, may their joyous nuptials efface the melancholy recollection of the departure of the Connecticut river Salmon."

The returning trains delivered the parties, severally at Albany and Boston on the same evening, without the slightest accident or interruption.

The independent Road of the Albany and West Stockbridge Railroad Company, between Chatham Four Corners and the State Line, was finished and opened for use, September 12, 1842. This enabled the Western Company to dispense with the further use of the Hudson and Berkshire Railroad. The permanent depot at Greenbush was finished during that year. A communication was opened with the Albany shore, by means of an efficient and commodious steam ferry-boat, and the business of the station

was transferred to that point from the Greenbush village, where it had previously been done.

The extended business of the Road required now large additions to the depot accommodations, at almost every part of it, with a corresponding increase of engines and cars. These involved an expense much beyond any prior estimates, and affecting materially the finances of the Company. For the estimates had not generally been made for much *prospective* increase of business. The estimate in 1841 for rolling stock was \$450,000, and in January, 1843, it had been carried up to \$642,547.04. By the following comparison it will be seen how far the estimates of January, 1841, fell short of the actual expenditure up to January 1, 1843 :

On the Western Road the total estimate of			
1841 was	-	-	\$5,235,025 87
Do. amount paid and contracted for, Jan-			
uary 1, 1843,	-	-	5,692,007 52—\$456,981 65
On the Albany Railroad, the estimate of			
January 1, 1841, was	-	-	\$1,412,804 00
Do. amount paid and contracted for, Jan-			
uary 1, 1843,	-	-	1,706,929 28—\$294,125 28
			<u>\$751,106 93</u>
And on January 1, 1843, there was further			
estimated, for future additions on the			
Western,	-	-	\$122,800 00
Do. on the Albany,	-	-	45,054 77—\$167,854 77
			<u>\$918,961 70</u>

The *entire* excess of cost of the *Albany* Road above the estimates, was for additions and work *not* included in the original estimates.*

In the annual report of February, 1843, the Treasurer gave the total nominal assets for construction, (supposing the whole capital of \$3,000,000 to be realized,) as	-	-	-	-	\$7,702,097 91
Cost of both Roads as above, January 1, 1843,	-				<u>7,566,791 57</u>

Leaving a surplus, subject to contingencies, - \$136,306 34

In addition to the twelve assessments of \$5 each laid prior to January 1, 1842, and principally required by the State grants, two assessments of \$10 each, and one of \$20, were laid in 1842, making the whole capital of

*Of this, \$18,136.58 was for amount paid the original stockholders of the Albany Company, for expenses of surveys, &c., before the lease of the Road to the Western Company, and \$103,600 was for enlarged accommodations at the Greenbush depot and ferry.

\$3,000,000. On December 31, 1842, there remained uncollected of the \$3,000,000 only \$56,425. The Directors and Treasurer had hoped to avoid the call of these three assessments; or at least to postpone them to a time, when the payments would be less onerous to the stockholders. But the pressure of the times was such, and the discredit thrown upon State scrip, by the repudiation of some States, and default in payment of interest by others, was so great, that the Massachusetts scrip could not be sold, without very serious sacrifices, and the only alternative was to call in the assessments, or stop the work. For both scrip and assessments would eventually be needed. The stockholders responded to the call with great cheerfulness.

The report made to the Legislature next after a Railroad is opened for use, is required by law to contain certain statistics of construction. The report of January 4, 1843, contains a variety of these data, from which the following are extracted:—

The length of the Western Road, from its junction with the Boston and Worcester Road, at Worcester, to the east abutment of the Connecticut River bridge, is	-	-	-	54 miles, 3,680 feet.
From thence to the line of New York,	-	-	-	63 " 0,568 "
Total of Western Road in Massachusetts,				117 " 4,248 "
The Albany and West Stockbridge Road, from the State line to the face of the Greenbush dock, at the Hudson River, as then constructed, was				38 " 1,180 "
Total both Roads,	-	-	-	156 miles, 148 feet.
Total from passenger depot, in Boston, to the Hudson River,	-	-	-	200 " 468 "
Total from passenger depot, in Boston, to Albany shore,	-	-	-	200 " 888 "

Elevations above base line of Worcester Road, on the Mill Dam, Boston:—

Western depot, at Worcester,	-	-	-	473 $\frac{83}{100}$ feet.
Charlton Summit,	-	-	-	908 $\frac{75}{100}$ "
Depot at Springfield,	-	-	-	70 $\frac{91}{100}$ "
Washington Summit,	-	-	-	1,456 $\frac{51}{100}$ "
Track at State line,	-	-	-	916 $\frac{7}{100}$ "
Summit in Canaan,	-	-	-	954 $\frac{61}{100}$ "
Depot at Greenbush,	-	-	-	26 $\frac{11}{100}$ "

On the Western there are one hundred and forty-two separate *planes*, twelve of them level; ascending west, eighty-three; descending west, forty-seven.

Of the highest grades, or over sixty-nine feet per mile, there are,—

Of 74 feet,	$5\frac{6}{10}\frac{2}{00}\frac{9}{00}$ miles.	Of 81 feet,	$0\frac{1}{10}\frac{1}{00}\frac{3}{00}$ miles.
78 “	$1\frac{8}{10}\frac{8}{00}\frac{1}{00}$ “	82 $\frac{6}{10}$ “	$0\frac{5}{10}\frac{4}{00}\frac{9}{00}$ “
79 “	$4\frac{1}{10}\frac{2}{00}\frac{9}{00}$ “	83 “	$1\frac{5}{10}\frac{0}{00}\frac{5}{00}$ “

The highest grades on the Albany and West Stockbridge Road, are of 40 to $44\frac{8}{10}$, - - - - $9\frac{1}{10}\frac{5}{00}\frac{3}{00}$ miles.

Length of straight line on the Western, - - - $62\frac{9}{10}\frac{3}{00}\frac{5}{00}$ miles.

Length of straight line on the Albany, - - - $17\frac{7}{10}\frac{6}{00}\frac{0}{00}$ miles.

The Springfield bridge is of seven spans, of 180 feet each, or 1,264 feet long.

The entire cost of the Western Road to January 1, 1843, paid and estimated for, or contracted, was - - - \$5,814,807 52

The Albany and West Stockbridge Road, - - - 1,751,984 05

Total, both roads, - - - - - \$7,566,791 57

The mountain division, of $13\frac{8}{10}$ miles, cost \$980,000, or over \$70,000 per mile, and a single mile of it cost \$219,929.87. The summit section, in Washington, $1\frac{8}{10}$ miles, cost \$241,311.39, or per mile \$134,000.

About 1,100 feet of an embankment in the Richmond Swamp settled below the natural surface from seventy-five to ninety feet, (as estimated by the quantity of earth put in). The Connecticut River bridge cost \$131,612.12.

The session of the Legislature for 1843 was not allowed to pass, without evidence of their great regard for the interests of the Western Railroad, in the appointment of a special joint Committee, of which George S. Boutwell of the House was the acting Chairman, “to examine into the past management and present condition of the Western Railroad Corporation, *with power to send for persons and papers.*” A very wide commission, covering periods embraced by former Legislative Committees of investigation.

In the same month, or January 10, 1843, a Committee of thirteen was appointed by the stockholders, with James Savage as Chairman, “to investigate the affairs of the Corporation, and to make any suggestions which they may deem useful.” The Legislative Committee reported that they had more than twenty arduous sessions. Those of the stockholders’ Committee were more numerous; and as both these investigations were carried on during the same time—the stockholders’ Committee in the mornings, and the Legislative Committee in the afternoons and evenings—and were much upon the same subjects of inquiry, it will be convenient to give here an account of the proceedings, as somewhat connected.

Before each Committee, stockholders and past or present directors appeared, and made serious complaints against the directors, the former

agent, and the former chief engineer, on account of the purchase of the *Winans engines*, and the proceedings and reports were principally confined to that subject.

In providing motive power, it had always been conceded, that the transportation of *freight* over the heavy grades of the Road west of the river, would require powerful engines. The Legislative Committee report that Messrs. Howard, Jackson, Lincoln, Bliss and Whistler were appointed in July, 1841, a Committee on moving power, "with power to authorize the purchase of such engines as they thought proper." That they issued circulars and received replies. Major Whistler, the engineer of the Road, went to Baltimore and examined "*The Maryland*," an engine by Ross Winans, of twenty tons, eight wheels, all connected, making the whole weight effective for adhesion. He reported favorably, and Messrs. Jackson and Lincoln were appointed a sub-committee to make a further examination and enquiries, with power to purchase. In company with the chief machinist of the Lowell Locks and Canal Company, manufacturers of locomotives, they went to Baltimore, and after satisfactory experiments and inquiries, they confirmed the opinion of Major Whistler, and the Committee on moving power, on August 26, 1841, closed a contract with Winans for seven engines, to be delivered by December 16, 1841, at \$11,000 each.

The Company had previously had engines of the Lowell Locks and Canal Company at about the same price. A minority of the Directors were strongly in favor of engines by Norris of Philadelphia, who *proposed* to make equally good ones at less prices.

Major Whistler, a life-long engineer, and at one time in superintendance of the Lowell Machine Shops, had known the character and capacity of the Norris engines, as they were running on the Worcester, Norwich and Hudson and Berkshire Roads, and preferred the Winans machines for heavy *freight* trains, for which service they were designed. The other members of the Committee on moving power, except perhaps Mr. William Jackson, had had no experience and no practical knowledge upon the subject. They had confidence in the opinion and skill of Major Whistler, under whose supervision the engines were to be used. Mr. Jackson, as a director and agent of the Worcester Road, was familiar with the Norris engines, which daily passed his door.

During the hearings before the legislative Committee, the President informed them, that the stockholders' Committee had appointed a sub-committee to witness trials of the Winans with other engines, with authority to invite others to witness them; that the principal Railroad Superintendents and engine builders in the vicinity were requested to attend. Several of the legislative Committee expressed reluctance to proceeding fur-

ther on the subject of the engines, relying upon a full examination by the Committee of stockholders; to which the President replied, that, if the Committee went into the subject sufficiently to express an opinion, he wished to produce witnesses from the road, who had run the Winans engines; and to exhibit evidence of trials. Upon which the Committee had a consultation, and the President understood the chairman to say, that the Committee did not wish to proceed farther *on this subject*, unless the Directors desired to go on. The President in a subsequent letter to a majority of the Committee, stated that he did not suppose they would express any opinion upon this subject, and he forebore to bring in witnesses from the road.

In the mean time the sub-committee* of stockholders having procured the attendance of Messrs. Parker, and Woodworth of the Worcester road, Storrow of the Lowell, Lee of the Providence, Pratt of the Norwich, Whitwell of the Lowell and Nashua, Hill of the Eastern, Waterman of the Hudson and Berkshire, Messrs. Hinkley of Boston, and Brownell of Lowell, engine builders, proceeded with the proposed experiments and trials, on the twenty-first and twenty-second of February, 1843. At the close, the sub-committees submit the certificates of the *experts*, and say, "that upon one point, as regards these engines, there will be no dissenting voice, viz: that the main feature in which they differ from all others, in use on the road, is, their having eight wheels, all of which are drivers; thus making the whole weight of the machines effective, while it is so distributed as to produce the least possible injury to the road. Seven of the gentlemen invited, reported that from the trials had, as to the power of the Winans engines to draw over the eighty-three feet grade, loads of eighty tons of merchandise and sixty tons of cars, in all one hundred and forty tons behind the tender, which they were told was the performance expected of them, and for which they were constructed, they had no doubt they were equal to it, because they had seen them do more." That they saw no defect in principle, and did not believe any such existed, that the principal fault was a frequent deficiency of steam, not from want of fire surface, or of furnace, but that it probably arose from the short chimney rendered necessary, by the upright position of the boiler, and that this want of draught can probably be obviated at a comparatively small expense. That as to the consumption of fuel, and as to repairs, it requires a larger experience to judge; that as to the peculiar principle of these engines, abundant adhesion, and weight on wheels, below what is usual in other engines, "we regard it as of very great value, and one which should not

* Messrs. Ward, Pickering, Daricott and Dickinson.

on any account be relinquished. It is peculiarly important, on the Western Road, because of the steep grades, requiring great adhesion to surmount them.”*

Contrary to the understanding of the President of the Road, the Legislative Committee did report on the subject of the Winans engines, giving their “opinion that the directors assumed too great a responsibility in the purchase of so large a number of engines, as they had not at that time been sufficiently tested with the use of wood, to justify an outlay of nearly \$80,000.” The majority of the Committee also express the “opinion, that on the 1st of February, 1842, when the third engine was delivered, they had been sufficiently tried to justify a well-founded apprehension, that they would prove incompetent, without material alterations, to perform the duty expected of them.†

The Committee also stated their conviction, that the Winans engines consumed more fuel, and were more expensive for repairs than others. Upon neither point, had there, at the date of the report, been sufficient experience to judge correctly. As to the repairs, they were principally made by Winans in 1842. The Committee estimate the cost of fuel, oil, and repairs, *per mile run*, in comparison with other machines. The President contended that the true measure was *the duty performed*, and this more especially as applied to the consumption of fuel. Mr. Barnes, the Engineer, said, “The comparative expense will depend upon the *duty performed*.” *The cost per ton per mile, or per passenger per mile run*, is universally held as the only true criterion. In 1841, the cost of fuel per ton per mile, was $\frac{1}{1000}$ of a cent. In 1842, with the Winans engines, it was $\frac{1}{1000}$ cents.

It is proper to note, that in June, 1842, Major Whistler was called into the service of the Russian Government, to construct the St. Petersburg and Moscow Railroad, and the Company were not only deprived of his services, and supervision, when the Winans engines were getting into full operation, in 1842, but also of his advice and assistance during these protracted trials and investigations. His duties were, by vote of the Board, devolved upon the President, who had no professional experience on the principal subject before the committees. Upon the appearance of the report of the Legislative Committee, however, he addressed a letter

* The chimney of the first of these engines brought upon the road proved too high for some of the bridges, and the chimneys of all were shortened, thus affecting the draught. Subsequently all the low bridges on the road were raised. Some parts of the engines proved too weak, and Mr. Winans came upon the road and made the necessary changes at his own expense.

† Messrs. Edward Dickinson, and Samuel H. Walley, dissenting.

to them, with a statement of facts and arguments in opposition to the conclusions of the report, which was printed in connexion with the report.*

The sessions of the stockholders' Committee were much delayed by the attendance of the officers, with the books and papers of the Company, before the Legislative Committee. Nine of the Committee spent two days at Springfield, in sundry examinations, and read the voluminous reports of this and prior years, on the subject of engines, and in their report they gave a history of the proceedings of the directors on the subject of motive power. They say that at the request of Norris, a committee made a trial of one of his engines, with the Lowell engine Suffolk, and reported, "that no part of the performance of the Norris engine, either on the Worcester or Western Road, indicated that its power was at all superior to that of the Lowell engines;" "that at the trial at Springfield, the Suffolk gave decided and unequivocal evidence of superiority."

A majority of the stockholders' Committee reported, "that reasonable care was taken in examining the pattern engine, America, (the Winans machine, at Baltimore,) and that the purchase of the engines was judicious"—and "that they were satisfied with the honorable fulfillment of their contract by the contractors"—that "the Winans machine failed in many parts, which were too small; but that Winans made changes and repairs at his own expense, during the ninety days allowed for their trial.

On the contrary, a minority of the Committee, Messrs. Pickering, Homer, and Thomas, in their report, condemn the engines in every respect—their construction, their power, the expensiveness of operating them, uncertainty of keeping time,—the want of capacity of the tenders, being on four wheels, and they add, that the first engine delivered should have been tried on the Western Road, before ordering or accepting others.

The Legislative Committee called for a statement of the number of officers attached to the Road, and the salaries paid them. The list was furnished, embracing all clerks, conductors, way-agents, &c., in number fifty-seven, and paid in the aggregate, \$43,911.

The Committee express the "opinion that these salaries are too high, and ought to be materially reduced,"—and this without excepting one in the whole list, the lowest of which was \$144 per annum. The President named several which might be reduced, amounting in the aggregate to \$8,760.

This Committee examined the finances of the Company, and alluded to the fact that they held shares of stock forfeited for unpaid assessments, or pledged for the same, on which they estimate a loss of \$139,510, on sale. But the Treasurer was so fortunate as to dispose of those shares, at

* House Documents, No. 65, 1843.

an advance beyond their cost, or at a profit of over \$30,000—and they close by saying, “The condition of the Corporation is such, that any delay in applying retrenchment where it is needed, will be fatal to the stockholders and dangerous to the State.”

On the subject of salaries, the Stockholder’s Committee deemed it unnecessary to go behind the report of the stockholders’ Committee of March, 1840, who had canvassed the subject fully, and who expressed entire satisfaction with them. They reported, that in the organization of the Board in 1840 and 1841, there appeared by the record no difference of opinion on this subject. In March, 1842, the former agent having succeeded Mr. Wales in the presidency, a committee recommended, and the Board resolved, that the duties of President and Agent be combined in one person, and that he give his whole time to the business of the Road; that he be paid \$3,000 and his expenses on business of the Road, or when out of the Commonwealth, and that the salary of the Engineer be \$5,000. A stockholders’ director moved reductions in each case, which did not prevail. The majority of this Committee made no recommendation on the subject of salaries. The minority recommended that “all our salaries be cut down in the ratio at least of twenty-five per cent.”

One of the Directors of 1841, having declined a re-election, had addressed a letter to the stockholders, recommending among other things, a “low rate of charges.” This Committee say “what is *low* is a matter of positive, or comparative estimate,” that “distinct parties have not been formed on this subject in the Board of Directors;” that before opening the road through to Albany, the passenger fare was proposed at \$6 and \$5; and compromised at \$5.50; that in May 1842, a director moved that the first class passenger fare between Boston and Albany be \$4, upon which no definite action was had. On November 29, 1842, the fare was fixed at \$6, for the winter, and \$5 afterward. The Committee say, that all the roads between Albany and Buffalo, charged four cents per mile,* while the Western has two and one-half.

As to freight charges the Committee say “the established rates are even lower generally than the Committee of investigation of March 1840 recommended. The majority of this Committee made no specific recommendation on the subject of passenger or freight charges. The minority said, it would be much better to reverse the rule then adopted, by fixing the passenger fares in *summer* at \$6, and at \$5, in the winter, but that \$4, the year through would be the best point, if the Worcester Company would take a *pro rata* share.

We have thus given an abstract of all the essential parts of these two

* The law now limits the roads on that line, to two cents per mile.

investigations and Reports. The only matter which fell under the animadversions of either Committee, was the purchase of the Winans' engines, which it was conceded had not been sufficiently tested, to judge of their economical efficiency. The contract for freight engines had been too long postponed, as the road was to be opened through in December, 1841, giving only a few months for construction of the engines. This was the reason assigned by the Engineer and Superintendent for engaging so many at once. All were anxious to get powerful machines, with the least weight on each wheel. Probably no man in the country was more competent to judge of the character of the different kinds of engines for specified work, than Major Whistler. He, and the Directors, and Agent, acted in good faith in the matter; and, from the evidence they then had, and the examinations made in 1843, and the trials and experiments of the experts, the purchase was fully justified.

But it is proper, in this connection, to say, that, upon a trial of several years, either on account of the prejudices against them among the operatives, or some of the officers, and consequent want of care, or the practical defects in their construction, and operation, or both, the Winans engines did not, on this Road, meet the expectations of their early friends; and that, after eight years from the time of their introduction on the Road, they were gradually laid aside, and the annual report of the Directors, of January, 1850, does not include one of them in the schedule of engines on hand.

The writer is, however, favored with a letter of late date, from one of the *experts* on the trial of engines by the last Committee, and who subsequently had a large experience as Superintendent of the Baltimore and Ohio Road, where Winans' engines of somewhat similar, though modified construction, were extensively used. The writer says, "he found a dozen engines similar to the 'Crabs' in all respects, excepting that they had horizontal boilers; that they were of the heaviest class at that time in use, and did good service;" that Winans "deserves the credit of having been the maker of successful engines, having all their weight applicable to draft, on eight wheels, and more simple in their *plan* than any machines I have ever seen built or pictured;" that "engines now (in 1862) in use on the greatest Railroad in our country, attest the soundness of the main distinctive principle of the 'Crabs,' viz., the adhesion of all the wheels in connection, whereby a machine of given weight, propels a larger load than under the more popular plan."

On the retirement of Mr. Wales from the presidency in February, 1842, and the election of Mr. Bliss, the General Agent, to that office, the Board voted, that the duties of Agent and President should be united in one person, and that he should give his whole time to the service of the

Company. And, when in June, 1842, Major Whistler, the Engineer and Superintendent resigned, to go to Russia, the Directors ordered that the duties of Engineer and Superintendent should be devolved upon the President—thus concentrating upon one officer, the duties of President, Agent, Engineer, and Superintendent.

The organization then was—the President the only general executive officer, with local masters of transportation at Springfield and Pittsfield, and local agents, as now, at the several stations.

The President, from time to time, advised the Board, that his health and strength were not adequate to this accumulation of duties, and urged that the interests of the Company required the appointment of a *Superintendent*. After an interval of three months, the Board, on September 29, 1842, chose James Barnes, the acting master of transportation, at Springfield, as *Engineer*, and as such he assumed, with consent of the President, certain duties of Superintendent.

The election of Directors in February, 1843, was the first occasion of the kind, in which there was any considerable contest or excitement. The subject of fares and charges was much agitated during 1842, and a difference of opinion existed in the Board of that year. One or more members had advocated and recommended to the stockholders, that the passenger fares between Boston and Albany should be put at three dollars. But a majority advocated a *medium* charge, in opposition to that *low* fare. The efforts made, and the interest felt, in this question, aided by personal partialities or antipathies, induced a large attendance, or representation at the election. Nearly fourteen thousand of the twenty thousand shares of private stockholders, were represented and voted upon. The result was, the election of John Henshaw, E. H. Derby, George Bliss, William Jackson, and Jonathan Chapman, to which were added, as State Directors, Thomas F. Plunkett, S. C. Allen, J. P. Tarbell, and Edmund Dwight. All parties were so much occupied in the several investigations of Committees, that the Board was not organized till March 21st. Before the choice of President, a vote was passed, six to three, on motion of Mr. Dwight, that the duties of President and Superintendent should not be united in the same person. And on motion of Mr. Plunkett, another State Director, it was “resolved that the compensation of the President be three dollars for each day engaged in the business of the Corporation, and all expenses when absent from home on said business.” Soon after the election, this vote was rescinded, and at the close of the year, a salary of \$500 was voted. There were five ballotings without success. After an adjournment, one of the candidates stated to the Board, that he considered there was an important principle involved in that election, and that he should cast a vote for himself. This, his opponent declined to do. On the sixth ballot, Mr. Dwight was elected.

The new President proposed to his predecessor to take the chairmanship of an Executive Committee, with executive powers in the management of the business of the Company, but this offer was declined.

On April 7, 1843, a resolution was adopted, that the duties and powers exercised by the Superintendent and Engineer, should be exercised by one person, to be styled *Superintendent*, and to be thereafter chosen by ballot. Under this, James Barnes was chosen Superintendent.

One of the first acts of the new administration was, a vote to reduce first class passenger fares, Boston to Albany, to \$4, provided the Worcester Company would unite in the reduction. That Company declined a *pro rata* reduction, but assented to take \$1, instead of \$1.25, as on the previous year. The Western Directors then voted to make the residue of the reduction themselves. This gave the Worcester Company \$1, and the Western for 156 miles \$3, or $1\frac{9}{10}\%$ cents per mile. This was from April 12, to December 1, 1843, when the fare was advanced to \$5.*

To the low fares of 1843, a portion of the Board, and many of the stockholders were decidedly opposed, and, as the administration had pledged themselves upon the low fare system, the operation of it was watched by all parties with much interest.

During the summer or early autumn of 1843, at a meeting of Directors at Springfield, a member called their attention to the fact, that the business of the road was not equal to the estimates formed for it, and had not increased over the prior year, as much as it should have done; and he assigned as a reason, that proper efforts were not made by the managers, to attract business to the road, either at Albany, or the way stations. The President remarked, that it was not his duty to take measures to secure traffic to the road.

In the annual Report of January 1844, the business of 1842, and 1843 is compared, claiming an advantage of the latter year. Such comparisons are unreliable, unless all the extraneous circumstances are considered. The year 1842 was the first one of the opening through to Albany, and the business was done over fifteen miles of the Hudson and Berkshire Road, with its flat rail, and high grades; and the traffic was not yet accustomed to a new channel.

*In these $7\frac{1}{2}$ months, April 15, to December 1, 1843, the number of first class through passengers on the Western was 17,653, paying at \$3,	\$52,959
In the same $7\frac{1}{2}$ months of 1842, number of passengers, 12,443 paying \$4.	49,772

\$3,187

Not a large increase for nearly fifty per cent. more service, and upon a road recently commencing, and gradually increasing in business.

The total receipts in 1843 were	-	-	-	-	\$573,882 51
“ “ “ “ 1842 “	-	-	-	-	512,688 28
The total increase in 1843, was	-	-	-	-	\$61,194 23
The increase of 1844, over 1843 was	-	-	-	-	179,870 21
“ “ of 1845 over 1843 was	-	-	-	-	239,597 64
The same report claims an increase of receipts in the last eight months, of 1843, over the same months in 1842, of					\$59,797 86
The increase in the same months of 1844 over 1843, was					144,939 35

The Report of January 1845, states the increase of passenger receipts from 1842 to 1843 at $3\frac{1}{4}$ per cent., merchandise, $21\frac{1}{2}$; The increase of passenger receipts from 1843 to 1844 at $30\frac{3}{4}$ per cent., merchandise $34\frac{1}{2}$.

In the spring of 1843 a committee on retrenchment was raised, and on their report, the Board directed important reductions in salaries and pay of operatives; stated at \$15,767. The actual reduction proposed was, \$12,625. This caused great dissatisfaction, some left the service, and, within the succeeding year, it became *necessary* to restore the pay of many minor officers and operatives. By a reference to the table of market sales of the stock of the Company, in Appendix P., it will be seen that in 1841, sales were as high as $85\frac{1}{2}$ per cent. and for five years preceding they had not been below 74 per cent. In 1842, very unexpectedly, assessments to the amount of 40 per cent. were laid, payable at short dates. The stockholders had received strong assurances, that these assessments would not be called for.

This threw large masses of the stock upon the market, and depressed the price. In that year, it sold as high as $80\frac{1}{2}$.

In 1843, the highest sale was,	-	-	-	59 $\frac{3}{4}$
“ lowest “	-	-	-	40 $\frac{3}{4}$
1844 the highest “	-	-	-	92
“ lowest “	-	-	-	51 $\frac{3}{4}$

And for five years thereafter, the highest prices ranged from 85 to $114\frac{3}{4}$. From the market price of stock, the public readily form an opinion of the success of the business.

By a Resolve of the Legislature of 1843, chap. 66, it was provided, that the State Directors should represent the shares of the State in all meetings of the stockholders, and act therein, except for the choice of Directors.

At the election of February, 1844, the representation of stockholders was again large, 10,597 shares being voted upon. It resulted in the choice of G. Bliss, W. Jackson, J. Stickney, E. Austin, and George Pratt. The

State Directors were, James Russell, A. H. Howland, R. Campbell, and E. Dwight. At the meeting of Directors for organization, they first voted "that the person who shall be chosen President, shall perform active duties as General Agent of the Corporation." George Bliss was chosen President. The Board raised the through first class passenger fares to six dollars, or three cents per mile, and way to three and one-half cents per mile.

During this year, the Hartford and Springfield Railroad was opened, giving a continuous railroad route between Boston and New Haven, and thence by steamer to New York. The Troy and Greenbush Railroad was also opened at the western terminus, and the inclined planes with stationary power, at each end of the Mohawk and Hudson Railroad, were dispensed with, in exchange for reasonably practicable grades for locomotive power. The Utica and Schenectady Railroad was authorized to carry freight during the suspension of navigation on the Erie Canal. That was the only Road between Albany and Buffalo which, before that time, was forbidden to carry freight.

From the opening of the Western Road to Springfield, there had been uniformly a difference of opinion between the Directors of the Boston and Worcester and Western Roads, on the subject of *fares*. Before that opening, the rates of the Worcester Road for their own business, were higher than a majority of the Western Board approved, and when it became necessary to establish charges on the joint business of the two Roads, and the proper division of receipts, it was often difficult to reconcile the views of the two Boards. These differences, however, did not seriously interrupt their harmony, until the winter of 1843-4, when the Western Company applied to the Legislature for relief. The controversy thus commenced, has been continued, with longer or shorter intervals of peace, to the present time, (1863,) and is still in progress.

For a better understanding of the subject, it is proposed to exhibit the whole history of it in one continuous narrative, hereafter, rather than interpolate detached portions of it in the text of this Memoir.

In the Annual Report to the stockholders in February, 1845, the Directors submitted full statements of the past financial operations of the Corporation, and of its then present condition, and the provision for future exigencies. (For particulars, see Appendix Q.)

The receipts in 1844, were	-	-	\$753,752 72
Exceeding those of 1843, by	-	-	\$179,870 21
The expenses were	-	-	314,074 20
Exceeding those of 1843, by	-	-	10,102 14

The net receipts were - - -	\$439,678 52
This was applied to interest, sinking funds, and one dividend of three per cent on 26,734 shares,* declared in January, 1845, and paid from receipts of 1844, - -	418,189 49
Surplus to contingent fund, - - -	<u>\$21,489 03</u>

At the annual meeting in February, 1845, George Bliss, William Jackson, J. Stickney, George Pratt, and E. Austin, were chosen Directors, and they with J. Russell, R. Campbell, E. Dwight, and A. H. Howland, State Directors, constituted the Board for the year. At the organization of the Board, Mr. Bliss was chosen President. An act of February 10, 1845, provided for the choice of two of the State Directors annually, to hold office for two years, with a provision for filling vacancies by the Legislature. It authorized the Governor and Council, for good and substantial reasons, upon complaint, to remove any State Director, and appoint another, to hold until an election by the next Legislature.

An act of March 25, 1845, authorized the Directors to increase the capital stock, by adding from time to time, for two years, a number of shares of \$100 each, equal in amount to the sums before paid, or thereafter to be paid, to the Sinking Fund, with the interest accumulated thereon, at the times of such increase; with power to sell the same, at not less than par; requiring that \$330,000 of such increase be expended for construction, and for engines and cars; and that the residue might be added to the general receipts, and appropriated as the Directors should judge best.

The controversy with the Worcester Company had been continued, and at this date, it had been transferred to the Supreme Court; where, by the law's delays, it was likely to be suspended indefinitely, without any decisive result. The Western Directors still claimed that the Worcester Company, under existing arrangements, received an undue share of the receipts of joint business. In this state of things, parties interested in each Company determined to make a new effort for an amicable adjustment by a union, or consolidation of the two Corporations. On March 13, 1845, Samuel Greele, as chairman of a Committee appointed at a meeting of sundry stockholders in both Corporations, made a communication to the Western Directors, enclosing a copy of proceedings of said meeting, in relation to a union of the two Corporations, requesting them to call a meeting of the stockholders of the Western Company, to consider

* Three thousand two hundred and sixty-six shares were owned by the Company, taken in the collection of assessments, and afterwards sold at a profit of over \$30,000.

the subject. The Board instructed the clerk to call such meetings in the succeeding month of April.

The meeting was accordingly held on May 27, 1845, the object was approved, a Committee appointed, and the result with a proposition for the union, communicated to the Directors of the Worcester Company; who called a meeting of the stockholders of that Company, at which a Committee was appointed to act upon the subject, in concert with the Committee of the Western Company.

On behalf of the Western, were J. Quincy Jr., Addison Gilmore, H. Andrews, and Joseph Whitney, and for the Worcester, Jonathan Chapman, S. Bartlett, John Hatheway, and Moses Williams.

These Committees called for a variety of statistical and other information, to show the debts, obligations and condition of the two roads, their equipments, and property, and the proceeds of the business of each, to enable them to form an estimate of the comparative value of the two properties. This information was given much in detail, and the substance of it will be found in the Appendix, as subsequently given to a Committee of the Worcester Company, to whom the Report of this joint Committee was referred. (See Appendix R.)

After several conferences, the Committee of the Worcester Company were requested to state the terms upon which they would recommend to their stockholders the proposed *Union*. On full deliberation, they proposed terms which were assented to by the Committee of the Western Company, and they were *unanimously* recommended by both Committees in substance as follows.

The joint Report held, that the proposed union of the two roads is desirable, if an unexceptionable mode of accomplishing the object could be suggested, for the reasons, 1. That the great Western route from Boston, the capital of New England, to Albany, which is the Gateway of the West, is so clearly marked out as a *single, distinct, and entire route*, that the great channel of communication between the two prominent points, should be *one* likewise.

2. A saving of *expenses* in management, a less number of officers, agents, &c.,—the engines and cars more advantageously arranged, and a less aggregate of motive power necessary.

3. It will put an end to perplexing questions and controversies, prejudicial to the public interests “and to the safety and value of private property in the stocks.”

As to a plan of union, the Committees discarded the idea of a lease by one Company to the other, at a stipulated rent—or a purchase by one of the Road of the other; but recommended, that a new charter be obtained for a new road between Boston and the line of New York, embracing the

limits of both existing roads—with authority to the new Company, to purchase both properties, and their appurtenances, at rates to be agreed upon by the existing Companies, the details of the charter to be arranged by them,—the existing companies to agree, thus to sell to the new company, with provision, that *each stockholder in both Companies, might take the value of his present shares, either in stock of the new Company at par, or in cash at his election.*

As to the *price* to be fixed to the property of each Company, they took into consideration the market value of the shares of the two Companies, and the condition, and prospects of the two roads; and they came to the unanimous conclusion, that the property of the Worcester Company should be valued at twenty per cent. per share, above that of the Western, or a share of the Western considered worth \$100, of the Worcester, \$120. The capital of the Worcester, with additions then about to be made, to be three millions, for which the new Company were to pay \$3,600,000, in stock or money, and that of the Western at \$3,000,000, to be paid by the new Company in stock or cash. These two amounts, \$6,600,000, with such additions as the new Company might need, were to constitute the capital of the Company,—any shares of either Company not taken by stockholders, to be sold for the benefit of the new Company; the transaction to be as of February 1, 1846, and the accounts of both Companies to be made up to that date. The Worcester Company to be at liberty to make a dividend not exceeding five per cent., the Western one of three per cent. After that date, the earnings to enure to the benefit of the new Company. The Committees, however, say, that such a change should not take place, unless by the very general concurrence of the stockholders of both Companies.

This *joint Report* was submitted to the stockholders of the Worcester Company December 17, 1845, and committed to a committee consisting of A. Walker, J. Hatheway, D. Denny, W. T. Andrews and T. C. Leeds, “to ascertain and report upon the present pecuniary condition and property” of the two Companies, and the rate of interest on the loans, and time of maturing of the debts, of the Western. That Committee addressed a variety of questions to the officers of both Companies, to which answers given, are annexed to their Report, of January 2, 1846. A meeting of stockholders of the Western Company was holden December 18, 1845, at which the joint Report was submitted and ordered printed, and a Committee was appointed, to enquire and report upon the financial condition of the Worcester Company.

The answers of the Western officers gave the lengths of the Western and Albany roads, the cost of construction and equipments, fully paid for; materials on hand, length of double track, schedules of engines and

cars, and the condition of them and of the road—debts due, and a statement of all legislation respecting both roads. Similar answers were given by officers of the Worcester Company so far as applicable. Abstracts of the material parts of these answers will be found in the appendix R.

At an adjourned meeting of the stockholders of the Worcester Company January 12, 1846, the President of that Company submitted to his Board, a communication on the subject of the comparative condition and value of the properties of the two Corporations; which being read, the Honorable Jonathan Chapman offered three resolutions, approving and authorizing the union on the terms proposed by the joint Committee, and a fourth, that the proposed new charter be submitted to, and approved by, the stockholders, before a sale should be made to the new Company; and a fifth, that the sale be not made, unless approved by a vote of two-thirds in interest of the stockholders present, or represented at the meeting at which the subject should be finally acted upon.* After a full discussion, Mr. Chapman's resolutions were, on motion of Sidney Bartlett, laid on the table, and the President's *address* was ordered to be printed and distributed to the stockholders—and thereupon, on motion of Honorable Samuel Hoar, the whole subject was indefinitely postponed. This was done without taking any vote as to the propriety of the terms proposed, or any change of them, but repudiating the idea of *any union*, upon *any terms*.

A meeting of stockholders of the Western Company was called and holden January 13, 1846, to act upon the joint Report of the two Committees; when the proceedings of the Worcester stockholders and the address of their President were officially communicated to them. Whereupon the Directors were requested to apply to the Legislature for a reduction of the rates charged by the Worcester Company for doing the business of the Western, and for a right to construct an independent branch from Worcester to Boston, and that they be requested to make the necessary surveys.

The *address* of the President of the Worcester Company, was a labor-ed attempt to enhance the value of the Worcester Road and property,—and to depreciate the value of the Western road and property; and it finally arrived at the conclusion that the \$3,000,000 of stock of the Western Company was worth \$2,562,649 only.

This address, with the proceedings of the Worcester stockholders upon the subject, were referred to a Committee, consisting of G. Bliss, W.

* Mr. William Sturgis moved to amend the resolution fixing the price of the Worcester shares, by striking out \$3,600,000, and inserting \$4,000,000, (or \$133 $\frac{1}{2}$ per share.) The meeting declined to act upon this, and it was cut off by the motion for indefinite postponement.

Jackson, J. Savage, A. Walker, T. J. Lobdell, B. R. Nichols, and S. Fairbanks. Their report was made to the stockholders, in January, 1846. Abstract of address and report are in Appendix, S.

The traffic department of the road was successfully conducted in 1845 and with satisfactory results. These exhibited a constantly increasing business, as the facilities for it became more widely known, and as efforts were made to draw to the road from greater distances, on lateral points, traffic which had been accustomed to seek other channels of communication. Short lines of stages were established to come directly to the road, and increased facilities were given for way freight, as well as passengers.

The Railroad between Springfield and Northampton was opened during 1845, giving promise of no inconsiderable additional business to the Western. And the Hartford and Springfield road, opened near the close of 1844, gave new facilities for business between Boston and New York, by way of New Haven, during the whole of 1845.

The receipts of 1845 were	-	-	-	\$813,480	15
Exceeding those of 1844, by	-	-	\$59,727	43	
The expenses of all kinds were	-	-	-	370,621	25
Exceeding those of 1844, by	-	-	56,547	05	
The net income was	-	-	-	442,858	90
This was applied to interest, sinking funds, and one dividend, of three per cent., paid September 1, 1845,	-	-	-	420,255	70
Balance,	-	-	-	22,603	20
During the year, the 3,260 shares of stock of the Company, held by the treasurer, and taken for assessments, and paid for out of income, were sold at an advance above cost, of	-	-	-	\$31,973	50
This amount being deducted from the interest of the year, add surplus of 1844,	-	-	-	21,489	03
Amount of contingent fund, carried to 1846,	-	-	-	\$76,065	73

The Report for 1845, (January, 1846,) gives a number of statistical tables of through and way passengers in 1842-3-4 and 5,—the passenger fares charged from the opening of the road to Springfield, in October, 1839,—the receipts from through and way passengers in 1843-4 and 5, with the rates charged at the several dates. In the greatest part of 1843, the first class through fares between Boston and Albany were \$4. From April 1, 1844 to December 31, 1845, they were \$6. From 1844 to 1845, there was a diminution of through passengers, and of gross receipts from them.

The Directors say, it appears from the tables "that nearly all this diminution was in the six months from May to October inclusive, when competition was rife on the Sound and by the Hudson river,—passengers passing thus between Boston and Albany for \$2, and \$2,50 only." They add, "that these statistical results afford very important aid, in deciding upon the rates of charges which will produce the greatest net income from that source," and "that we have arrived at a point, when from the experience of the last four years, the Directors may form a tolerably correct opinion, as to the rate of passenger fares to produce the greatest income." "And, after maturely weighing all these considerations," the Directors "have unanimously arrived at the conclusion, that a moderate reduction of the passenger fares, both through and way, is advisable the present year," (1846) and they add, "should a competition exist upon the Sound, and upon the Hudson River, reducing the fares, so as to threaten materially to draw off the Boston and Albany passengers to that route, it would be advisable to run a quick special train between Boston and Albany, for through passengers at reduced fares, stopping only when necessary."

The market price of the stock of the Company in 1845 indicated the estimate of the public in the success of the business, and its general management. In 1843 it ranged from forty-two and three-fourths to fifty-nine and three-fourths, and in 1845 from ninety and one-half to one hundred and four and one-half. In 1845 two dividends were made of three per cent. each, beside paying into the sinking fund \$50,000. In 1842 and 1843 the income did not warrant any payment to the Western Railroad Fund.

An act of March 3, 1842, revised on March 18, 1845, incorporated the Pittsfield and North Adams Railroad Corporation. In the course of the autumn of 1845, the requisite capital was subscribed, the Company was organized, and the road located and put under contract. It extends from a junction with the Western road, about two miles easterly of the Pittsfield station, about eighteen and one-half miles to North Adams. The Western Company had previously made a preliminary contract with the Pittsfield and North Adams Company, that the road should be constructed by the Western Company, with funds provided by the former Company, the Western to take a lease of it, and run it under a contract of transportation for thirty years, paying a rent at six per cent. annually on its cost, payable semi-annually; and after the expiration of that period, the Western agreeing to buy the road, its franchise and property at cost; or to take a new lease for ninety-nine years, at an annual rent of five per cent. payable semi-annually. That contract of transportation was made January 30, 1846, and a copy of it is annexed to the annual Report of January 1846.

Parties in North Adams gave to the Western Company a guaranty, with collateral security, deemed then to be adequate, to secure any deficiency of income to pay the rents for the first ten years. The capital on which the six per cent. rent is paid, is \$450,000. The road was opened for use in the fall of 1846, and the result of the first years' business,—to November 30, 1847, showed a deficiency of net income to pay the stipulated rents, of \$17,128.04. This was charged to the guaranty fund. The parties providing that fund claimed, that in stating the business of that road for the year, there should be allowed, as income, in addition to the direct earnings on the eighteen and one-half miles of road, a reasonable sum for the joint business carried upon it to and from the Western, and passing over the long line of the Western or parts of it; and that this benefit to the Western was more than adequate to pay the deficiency of the stipulated rents. But the officers of the Western Company declined to acknowledge that principle.*

In February, 1846, complaint was made in the New York Assembly, against the Albany and West Stockbridge Railroad Company, for refusing to carry over their road, the United States mails for the city of New York, to a connection with the Housatonic Railroad. The subject was referred to the Committee on Railroads. The Postmaster of Albany, the President of the Western Railroad, and their Agent at Greenbush, were summoned and examined by the Committee; when it appeared that, for the winter mail between Albany and New York, the Post-office Department advertised for service by stage only, and had not asked for railroad service. But that the Railroad Company had voluntarily carried the mails in the cars between Albany and the State Line, for a month, without compensation, when the Department transferred them to the stage route, via the Hudson river. The Committee, on February 16, 1846, reported the facts, and say "they arrive at the conclusion which they have with greater pleasure, as the Road in question is distinguished for its punctuality and speed,—and its attention to the wants of the traveling and business community," and they ask to be discharged from the further consideration of the subject.

On the 3d day of January, 1846, just ten years from the organization of the Western Railroad Corporation, the President, Mr. Bliss, who, during that time had been in the active service of the Company, issued a circular letter to the Stockholders, declining to be a candidate for re-elec-

* In November 1848, the guaranty fund, was in the same way, charged for deficiency of income for that year, \$15,929 54, and in November, 1849, \$7,475 36. In November, 1850, the deficiency was \$7,851 59. But the guarantee fund being exhausted, by payment of only a part of the deficiency of 1849, the balance and the deficiency of 1850, were paid by the Western Railroad Company, being \$11,279 11.

tion as a Director, on account of the state of his health, and the necessity of relief from the pressure of business. (See Appendix T.)

During these ten years, with the exception of 1843, when he served as a Director only—he had given his whole time to the service of the Company, and been intimately connected with its operations in both States, and in both the construction and traffic departments. In the first six years, the roads had been finished through between Worcester and Albany, at an expenditure of about seven and three-quarter millions of dollars, including equipment—and as efficiently for purposes of traffic, as the means which could be controlled allowed. This was done under the immediate direction of Captain William H. Swift* and Major George W. Whistler.

The traffic department, commencing east of the river in October 1839, and continued through in December 1841, with the use of fifteen miles of the Hudson and Berkshire Road, was at first organized by Captain Swift, and afterwards perfected and systematized by Major Whistler; and, until June 1842, when the latter went to Russia, he was relied upon for providing the motive power and rolling stock, and for the rules and regulations of the trains, and for systematizing the operations of employees of every grade. He had partially matured a system of discipline and responsibility, applicable to every department of business; and when he resigned, he had entire confidence that, not only the basis thus commenced, but the motive power to carry the system into execution, were the best that could then be provided for the success of the business. This system was continued under other auspices, with such improvements and changes, as the exigencies of the service from time to time required, until the declination of his associate in February 1846.

A reference to the table in appendix U, will show that the traffic of the road had gradually increased from year to year,—each year showing a satisfactory gain over the preceding. The Company had paid two dividends of three per cent. each in 1845, and the stock of the Company had appreciated from less than fifty per cent. in 1843, to near par at the close of 1845.

The necessity of a double track in parts of the road, had been felt, the want of it causing an increase of expenses by delays of trains; and it had become apparent that the large and increasing freight business would soon imperatively require this addition to the facilities of the road. As yet, however, the finances of the Company had not been sufficiently established to warrant entering upon so large an expenditure. But the managers of the road then believed, that these facilities might soon be provid-

* Captain Swift resigned the office of Resident Engineer in the winter of 1839-40.

ed to a reasonable extent, by an addition to the capital, or an increase of the funded debt, or by both, without hazarding regular dividends.

At the annual election, February 11, 1846, Messrs. Bliss, Jackson, Pratt and Austin, (four out of five of the stockholders' Directors) declined a re-election, and Messrs. Addison Gilmore, Josiah Stickney, Stephen Fairbanks, John Howard and Jonathan Chapman were chosen Directors on the part of the private stockholders, who with James Russell, Dr. R. Campbell, E. Dwight, and A. H. Howland, on the part of the State, constituted the Board for the year. Mr. Gilmore was chosen President.

The controversy with the Worcester Company had continued actively to the close of 1845, and in January 1846, a new application was made to the Legislature, by the Western Company, for authority to purchase lands in Boston, for an independent depot for that Company. Still new propositions passed between the two Boards, but without any successful result.* The proposed change in the Presidency of the Western Company having been announced in the circular of the President, early in January, it was understood that Mr. Gilmore was designated to take that office, and he having been an active stockholder and director of the Worcester Company for many years, it had been intimated that the Worcester Board would not farther negotiate with the old members of the Western Board.†

Immediately after the organization of the new Board of the Western Company, an agreement was made, bearing date February 17, 1846, through Mr. Gilmore and Mr. Hale, the Presidents of the two Companies, settling the matters in controversy, and under which all the adversary proceedings were staid. This "*Contract of 1846*," as it has ever since been designated, prescribed rules for the division of the joint receipts for three years from its date.‡

Up to the commencement of 1846, the duties of Attorney and Solicitor of the Company had been performed by Mr. Bliss, during the ten years of his General Agency and Presidency, (except in 1843,) with such aid in suits as was necessary. The Board subsequently established a separate department of Solicitor and Attorney.

* The whole is given in the continuous narrative hereafter.

† This view was confirmed by a letter addressed by Mr. Gilmore to the then President, February 7, some days before the election, requesting "information in relation to all the points of difference between the two Corporations," as "prompt action was necessary, in order to ascertain whether any arrangement can be made with the Worcester Company," &c.

‡ In commemoration of this event, a great entertainment was given by the Worcester Company, in the Hall of the United States Hotel, to some two or three hundred guests.

With a view to the convenient making up accounts, and preparing for dividends, and a report to the Legislature, the close of the financial year was changed from December 31, to November 30, and, of course, the financial year of 1846 could embrace the business of eleven months only.

At the close of 1846, the Directors reported that the business of the Company was increasing, and their "affairs in a flourishing condition." That the increase over the corresponding eleven months of 1845, was twenty and one-half per cent. on freight, and thirteen and seven-tenths on passengers, averaging seventeen and one-fourth per cent., "besides the amount overcome by the reduction of passenger fares." In 1845, the *through* passenger fares were six dollars. Under the conviction that this charge was too high, to control the competition by other routes, the Board of 1845, had, as has been before noted, advised a moderate reduction. From April 1, 1846, that fare was fixed at five dollars, giving the Western four dollars and the Worcester one dollar, under the late *contract*. Of the six dollar fare, the Western had four dollars and ninety cents, the Worcester one dollar and ten cents.

As suggested at the close of the Report of the preceding year, the competition by water at low prices, in the summer of 1846, induced the Directors to put on a cheap through train by night, for through passengers only, and stopping only when necessary for wood and water. It commenced running, May 18, 1846, and continued till August 24th, at a fare of three dollars through; of which the Worcester Company had fifty-six cents, and the Western, two dollars and forty-four cents. It left Boston and Albany at evening, arriving at each city at four A. M. The fare being less than that of the second-class cars on the regular trains, it attracted the second-class passengers from those trains, to the discomfort of the regular passengers by the night train; and, not being successful, it was discontinued before the close of the season of navigation.

The receipts of 1846, for eleven months, were,	*\$878,417	89
The expenses,†	-	412,679 80
Net receipts, for eleven months,	-	\$465,738 09
Of this, was applied to interest, and two three per cent. dividends,	-	448,731 57
Surplus carried forward,	-	\$17,006 52

The income was not adequate to pay eleven-twelfths of the one per cent. to the Sinking Fund, and those payments were made from the proceeds of shares of the increased capital. An engine, and passenger and

* Adding December earnings, the receipts for the year were \$954,417.89.

† Against \$332,012.38 in the same months in 1845.

freight cars were added to the Road, at a cost of \$22,950, and charged to expenses. The capital stock was increased by adding \$400,000, under the act of March 25, 1845, making \$3,400,000. The Pittsfield and North Adams Road was opened for use, December 1, 1846, when the Western Company commenced operating it.

By act of the Legislature of April 24, 1847, the Company was authorized further to increase the capital stock, not exceeding \$1,600,000, the proceeds to be appropriated for expenses of additional construction,—for engines and cars,—for payments to the Sinking Fund, and purchase of Massachusetts sterling scrip; with authority to pay that fund in sterling scrip, and to purchase the securities of the fund with sterling scrip,—no shares to be sold under par. The addition was made—in the first six months, of fifteen hundred shares, and afterwards four thousand five hundred shares, making, with the increase of the act of 1845, a capital of \$4,000,000.

The receipts of all kinds, in 1847, were,	-	-	\$1,325,336	06
Expenses were,	-	-	676,689	75
Net earnings,	-	-	\$648,546	31
Of this was applied to balance of interest,	\$264,854	52		
Two dividends, each four per cent.,	302,000	00		
			566,854	52
Surplus to contingent fund,	-	-	\$81,791	78
Surplus of last year,	-	-	104,011	99
Total contingent fund, carried to 1848,	-	-	\$185,803	77

It will be observed, that the above does not make any provision for the payment of \$50,000 to the Sinking Fund for 1847. These payments were made from proceeds of new stock, as authorized by the act of April 24, 1847, above mentioned.

Monthly statistics of business are not given in the Report, and no comparison can be made with the eleven months of the previous year. The gross receipts of twelve months in 1846, as given in a note to the Report for 1846, were \$954,417 89. The gross receipts of 1847 exceeded those of 1845 by over sixty per cent., and the expenses of 1847 were over eighty per cent. above those of 1845. The Report states, that considerable sums were charged to expenses for deterioration of rails, sleepers, &c., of former years, as was \$27,000 for new engines and cars. It represented that the increase of business for the year, compared with 1846, was fifty-seven per cent. on freight, and twenty-one per cent. on passengers; average increase, forty-two per cent. The increase of expenses was thirty-nine per cent.

During 1847, a movement was made by the citizens of Worcester, for a change of the passenger depot of the Western Company, from Washington square, (where it was first located and now is,) to a connection with the passenger depot of the Worcester Company near Main street. A public meeting of citizens was held, resolutions adopted, and a large committee appointed, who presented a petition to the Directors March 14, 1847, asking for the change. They had a hearing by the Board in April. The memorial was referred to a committee, who reported against the change, for the following reasons. 1. It would cost not much short of \$100,000. 2. It would lengthen the road about three-eighths of a mile. 3. It would affect the Western unfavorably, in the division of receipts for joint business with the Worcester Company. 4. It would substitute a curved line of about six hundred feet radius, for one nearly straight. 5. On account of the curve, and necessary switches, and increased distance, the trains would be delayed, on an average, nearly fifteen minutes. The Report was accepted unanimously, and a copy sent to the petitioners.

Whereupon the committee of citizens made an elaborate Report to their constituents, at a meeting held August 28, 1847. (See Appendix V.)

During 1847, twenty, ten-ton Engines, and one hundred freight cars were added to the equipment; and twenty-eight, twenty ton Engines and four hundred freight cars were ordered; and about twelve miles of second track were constructed. The Directors, in their Report for 1847,—dated in January 1848, express a conviction, if the capital should be increased, to an amount sufficient for the construction of “fifty miles of second track, the ensuing year, the income had been such the past year, that stockholders would be quite sure of receiving eight per cent. on their shares.” The market price of the shares ruled during the year, from ninety-nine to one hundred and fourteen and three-fourths per cent.

At the commencement of 1848, the Honorable Josiah Quincy, Jr., retired from the Treasury-ship of the Company, after a successful and laborious service of twelve years, from its organization. The Directors bore testimony to the value of his services in a resolution, which was richly deserved.*

Stephen Fairbanks Esq., of Boston was chosen Treasurer, and Ansel Phelps Jr., of Springfield, was appointed Solicitor.

By act of the Legislature of May 9, 1848, the Company was authorized further to increase their capital stock, by adding from time to time, one million of dollars, to be sold not under par; with a *proviso*, that no branch railroad should be constructed, with-

* See Appendix W.

out consent of the Legislature, unless the location should be filed within one year from the passage of the act, and the branch completed within two years.* The act provided, that the proceeds of the increased shares should be appropriated to construction, and for engines and cars, and to no other purpose; but that the Company should continue payments to the sinking fund, as required by the act of 1839, and not from proceeds of new stock. Such payments had been made to both funds from proceeds of sales of stock or bonds, to the amount of \$213,-111 10; exceeding four years contribution to the funds.†

During this year, thirty-two miles of second track were constructed, and laid with a seventy pound rail, and four hundred freight cars, and twenty-five engines of twenty-three net tons, were added to the equipment; making a complement of seventy engines. In addition, a large and commodious freight house was erected at Greenbush,—seven hundred and fifty-six feet by one hundred and thirty-three, costing, with land, tracks, bridges &c., \$115,000.

The gross earnings were	-	-	-	-	\$1,332,068 29
Exceeding those of 1847, by	-	-		\$6,732 23	
The expenses were	-	-	-	-	652,357 11
Exceeding those of 1847 by	-	-		24,332 64	
The net earnings were	-	-	-	-	\$679,711 18
Applied to interest, and two four per cent. dividends— one upon \$40,000 shares, the other upon \$51,500,					\$632,380 77
Balance of income,	-	-	-	-	\$47,330 41
Of this eleven-twelfths of \$50,000 to sinking funds required \$45,533.34. This payment to the funds was not actually made till January 1850, one year after due.					
To the balance of 1848, add contingent fund of 1847,					\$185,803 77
Contingent fund carried to 1849, subject to the above payment to the sinking fund, of \$95,833.34,					\$233,134 18
In 1848, 11,500 shares were added to the capital stock, making a total of	-	-	-	-	\$5,150,000

In July of this year, the President reported to the Board in favor of making a branch road from Charlton to Southbridge, and he was authorized to take measures therefor, and report to the Board. No action was had under this authority, and it is now forbidden by law.

* By the charter, the Company had power to build branches, within limited distances from the main road.

† See Report of January 1849, page 12.

In the same year, a new element of anxiety was introduced, by the application to the Legislature, for the incorporation of "the Troy and Greenfield Railroad Company," to construct a Railroad from Greenfield, by way of Hoosac Mountain, to the State line, with a view to its extension to Troy in the State of New York. The favorite route of the Petitioners involved a *Tunnel* of four and one-half miles through the Hoosac Mountain. To this project, the Western Company presented a long and able remonstrance. The majority of the Committee, having the subject in charge, reported against the application. The minority made a report with a bill in favor of the incorporation, which was passed.

It is not within the scope of this Memoir, to present the details of that controversy, but the existence of it, and the part taken by the Western Company, are properly due to an attempt at a continuous history of the affairs of the Company.

On July 6, 1848, the resignation of James Barnes, as Superintendent, was accepted to take effect August 1.

In 1849, no addition was made to the capital stock, or to the second track. The construction account was not materially increased. But a change was made in the items. By the Report of January 1843, the aggregate net balances of receipts for the four preceding years, was stated at \$349,440 70. Instead of a dividend from this sum, or carrying it to the credit of a contingent account, for a future appropriation to deterioration, or dividends, the Board of 1842, at the close of that year, directed the whole to be applied to the interest account, which was then about \$306,000, for interest which had accrued on the loans and floating debts; during the past six years of the construction of the road. The principle, afterwards generally practiced upon by other roads,—that, during construction, interest should be charged to construction account, was not then fully recognized and settled.

The Report of January, 1850, considered this a diversion from income to construction; and placed the item to the credit of "Engineering and other expenses," deducting \$310,739 28 from locomotive account, and the balance from merchandise car account, leaving the aggregate to the debit of construction, as before.

The gross receipts of 1849 were	-	-	\$1,343,810 57
Exceeding those of 1848, by	-	-	\$11,742 28
The expenses were	-	-	588,322 58
Less than those of 1848, by	-	-	64,034 58
The net income—about \$75,000 over 1848—			755,487 99
was applied to interest and two four per cent. dividends,	-	-	694,339 26

Surplus—the payments to sinking fund, not made,	-	-	-	\$61,148 73
Reported contingent fund, November 30, 1848,				233,134 18
				<hr/>
Nominal amount of “	1849,			\$294,282 91
From which deduct loss on North Adams road,	\$3,427 52			
‡‡ amount due sinking fund, January, 1849,	45,833 34			
One per cent. to “ “ 1850,	50,000 00			
				<hr/>
				99,260 86
Balance of contingent fund carried to 1850,				\$195,022 05

Soon after the organization of the Board of Directors, in February, 1850, the accounts of the Cashier and Book-keeper, at the Springfield office, were found to be in great confusion. After repeated examinations by the Committee on Accounts, a deficiency in the cash account was disclosed, and the Cashier, Addison Ware, made an assignment, for the benefit of the Company, of all his property, estimated by the Committee, at from seventeen to twenty thousand dollars. The Cashier admitted that the books were correct, and that the cash balance was on hand, December 1, 1847—and there has been no evidence that any defalcation existed prior to that date. An experienced accountant was employed; and he confined his examinations to the transactions from that time to May, 1850. He reported a deficiency of cash, amounting, to \$68,354.98—which was reduced to \$51,524.04, by the sale of the proceeds of the assigned property.

The Cashier received his appointment in August 1839, and he had, from that time, been regarded by all the officers of every year, as one in whom implicit confidence might be placed. (See Appendix X.)

On examination of the books of the Albany station, there was found to be a deficiency, principally from neglect of prompt settlements, amounting to \$10,667.29.

After this defalcation and this confusion of accounts was ascertained, the office of Auditor of Accounts was established, and his duties prescribed, viz.,—the supervising the collecting department, and the auditing of all the accounts; including the books and accounts of the station agents.

February 19, 1850, Henry Gray was appointed superintendent.

The receipts in 1850 were, (as corrected page 7, of Report,)	-	-	-	\$1,366,252 74
Exceeding those in 1849, by	-		\$22,442 17	
The expenses were	-	-	-	607,549 36
Exceeding those of 1849, by	-		19,225 78	

The balance of net income, allowing for the loss of \$10,667 29, at the Albany station, was reported at	-	-	-	\$761,964 32
This was applied to interest, two four per cent. dividends, and \$7,851 59, loss on North Adams road,	-	-	-	756,708 92
				<hr/>
Balance to contingent fund,	-	-	-	\$5,255 40
Add fund at close of 1849,	-	-	-	195,022 05
				<hr/>
				\$200,277 45
From which the Report deducts for losses now ascertained, but applicable to several past years,				
Defalcation of cashier at Springfield,			\$51,524 04	
Balance of errors and omissions in settling his books,	-	-	-	26,723 72
				<hr/>
				\$72,247 76
Amount to contingent fund for 1851,	-	-	-	\$122,029 69

The President of the Company, Mr. Addison Gilmore, died very suddenly towards the close of 1850; and John Gardner, Esq., one of the Directors was chosen President *pro tem*.

In noticing this death, the Board, at the close of their annual report, say: "His name has been identified with the principal railroad enterprises lately commenced in New England; while his close connection, for several years, with the Western Railroad, shaping its policy, and, by his business capacity and energy, doing so much to give the Corporation its present position, has earned for him a high place in the confidence of this community."

At the annual election in February, 1851, considerable changes in the Board of Directors took place, and, at their organization, Capt. William H. Swift was chosen President.

At that stockholders' meeting, they appointed A. H. Bullock, William Jackson, John Gardner, D. Wilder, Jr., and William Raymond Lee, a Committee to examine the system of pecuniary accountability, in operation since December, 1847,—the method of auditing accounts,—the collecting and disbursing funds, with instructions, also, to examine and report upon the value of all the property, and assets of the Corporation.

In March of that year, the greater part of the old passenger house at Springfield was destroyed by fire. It had become inadequate to the wants of the Road, and the loss was comparatively unimportant. In the course of the season, it was replaced by one of brick, four hundred feet by one

hundred and thirteen, with walls twenty-five feet high, with iron doors, window frames, and sashes. It was planned and built under the immediate supervision of the President, with convenient sitting and refreshment rooms. It contains suitable accommodations for the Western, the Hartford and New Haven, and the Connecticut River Companies, for use of which, the latter Companies pay a stipulated rent.

Near the close of 1851, arrangements were made with the New York and Harlem Railroad Company, for doing the work of that Company between Albany and Chatham Four Corners, a distance of twenty-three miles, thus making a continuous interior line between New York and Albany, of one hundred and fifty-one miles. The Harlem Company furnish their own cars; the engines and train hands to be provided by the Western Company, and their officers and agents to have the entire control and management of the trains between Chatham and Albany. The trains commenced running through, January 19, 1852, and the opening of this new avenue promised an important accession to the business of the Western Company.

In January, 1851, the application of the Troy and Greenfield Railroad Company was presented to the Legislature, for a loan of the credit of the State for two millions of dollars, to be applied to the construction of a *tunnel* of four and one-half miles through the Hoosac Mountain. A bill for this object passed the Senate, and was rejected in the House. The Western Company did not appear as remonstrants.

The receipts of the Road in 1851 were	-	-	\$1,353,894 63
Less than in 1850, by	-	-	\$12,358 11
The expenses of 1851 were	-	-	597,756 20
Less than in 1850, by	-	-	9,793 16
The net earnings being	-	-	756,138 43
Were applied to interest, two four per cent. dividends, sinking fund, and \$5,449 68 for loss on the North Adams Road,	-	-	750,046 61
Surplus carried to the contingent fund,	-	-	6,091 82
Which added to that fund of 1850,	-	-	122,029 69
Total carried to contingent fund for 1852,	-	-	128,121 51

In closing their Report, the Directors say, they think there is ample reason for the Stockholders to be satisfied with the general results of the year's work.

At the Stockholders' meeting, February, 1852, the Committee appointed the previous year, on the subject of the system of accountability, and

the value of the property of the Company, made an elaborate Report. They gave a minute account of the organization, and operations of all the departments, under the heads,—1. The Treasurer's office at Boston. 2. The office at Springfield and its organization. 3. Returns and collections of the passenger and freight traffic. 4. The Cashier's duties. 5. The ticket system, and 6. The freight office, or freight clerks duties.

Under the order for the *valuation* of property they assume (except as to rails,) "the original cost as stated in the books of the Company," "less its depreciation, assuming a reasonable annual expenditure from the net earnings thereafter sufficient to maintain it in a good serviceable condition," and as to the rails, the cost of renewal at the then market price.

After a personal examination, the Committee give the results under the heads, 1. Of graduation and masonry. 2. Wooden bridges. 3. Superstructure, including iron, frogs, chairs, spikes, and cross-ties. 4. Land and fences. 5. Station buildings and fixtures. 6. Locomotives. 7. Passenger and baggage cars. 8. Merchandise cars. 9. Ferry-boat and wharf property at Greenbush. 10. Sinking funds. The details of this document, though practically of great importance, as developing, and tending to improve, a valuable system of operations and responsibilities, are too voluminous to be given here, even in a condensed abstract. A few important facts and principles will be stated, and reference for an abstract of the document made to Appendix X.

At the Treasurer's office in Boston, the stock transactions, the transfers, and issuing certificates are had, and dividends and bond interest paid. Funds, the proceeds of business, are deposited to his credit, with few exceptions; and at the close of the year, a return is made from the Springfield office, giving a statement of the year's business. In connection with the State Treasurer, the Treasurer of the Company has charge of the Massachusetts Sinking Fund.

The Committee recommended, that the Treasurer's office should be kept at Springfield; but the Directors, after referring the matter to a Committee of the Board, decided otherwise.

At the Springfield office, "the Superintendent, under the authority of the President, has the entire supervision of the operations of the office." Under him are—a Cashier, a Pay Clerk, a General Freight Clerk, a General Ticket Clerk, with under Clerks.

As to the value of the property, the Committee estimated the depreciation of the road and equipment, as follows:

Wooden bridges, - - - -	\$11,267 00
Rails, - - - -	165,400 00
Stations and fixtures, - -	18,100 00
Amount carried forward, - -	<hr/> \$194,767 00

Amount brought forward,	-	\$194,767	00
Fences,	-	12,160	00
Merchandise cars,	-	48,704	34
			<hr/>
		\$255,631	34
Less <i>increased</i> value of locomotives,	-	39,100	00
			<hr/>
Total depreciation,	-	\$216,531	34
The whole cost of the Road and equipment, Dec. 1, 1851,		*9,953,758	84
Gives value of do., as estimated by the Committee, Feb.			
11, 1852,	-	\$9,737,227	50

Connected with this Report, was a letter from the President, Captain William H. Swift, containing detailed computations, with elaborate tables, in reference to the expenses of operating the Road, of its repairs, and the deterioration of the roadway and equipment. An abstract will be found in Appendix X.

For the views of the Committee on the Sinking Funds, reference is made to the continuous narrative respecting those funds, given hereafter. The Committee, however, say, taking the funds as they were December 1, 1851, at \$1,018,506.75, and computing interest thereon at six per cent. per annum, and adding \$50,000 annually from the income of business, the funds will amount, on the first day of January, 1870, to \$4,452,424.

The <i>receipts</i> of 1852 were	-	\$1,339,873	09
Less than in 1851 by	-	\$14,021	54
The expenses of 1852 were	-	656,678	17
			<hr/>
Exceeding the expenses of 1851 by		58,921	97
The net earnings in 1852 were,	-	\$683,194	92
These were applied to interest, two dividends of six and one-half per cent., the Sinking Funds, and \$4,691 78 to loss on the North Adams Road,	-	673,902	48
			<hr/>
Balance for contingent fund,	-	\$9,291	94
Add amount of fund last year,	-	128,121	51
			<hr/>
Contingent fund carried forward 1853,	-	\$137,413	45

The diminution of receipts was, in the freight department, \$29,300; there being a gain on passengers of \$12,274.

The causes of this diminution of receipts, and increase of expenses, are stated by the annual report to be:—1. An excessive competition for the Western business, on the south, by way of the Erie Railroad, and the

* Notwithstanding this reduced appraisal by the Committee, this old item (from the books) has been since carried forward, as the cost of the Road and equipment, in subsequent reports.

Sound; and, on the north, by three lines, the Vermont Central and Ogdensburg, the Rutland and Burlington, and the Rutland and Schenectady; all circuitous routes, but all competing with the Western for the same business, at rates not only unremunerative, but ruinous. On this account, an express passenger train was run between Springfield and Albany, and the rates of freight were reduced, as compared with former years. Thus "more work was done in 1852 than in 1851, and less money received for it." This increased the expenses, and hence a reduced net income.

The Report says, the renewals of rails, sleepers, bridges, &c., were fully equal to the deterioration for the year. One first class passenger engine and eight freight cars, built in the shops of the Company at Springfield, were added to the Road, and charged to expenses. To supply rails for renewals, the old rails were re-manufactured, at twenty dollars per ton, in preference to buying rails of an inferior quality from Wales, at four pounds sterling per ton. And this is stated as the established policy of the Company.

In referring to the cost of doing the work in the traffic department, the Directors cite from the computation annexed to the Report of the Committee of Investigation, and say, that, taking eight of the principal Roads in New England, it appears from official returns, for five consecutive years, that the transportation of passengers and freight cost $1\frac{4}{10}\frac{5}{10}$ cents per passenger, or per ton of freight, per mile, or nearly $1\frac{1}{2}$ cents. This is exclusive of interest on capital employed.

To show the success of the system of establishing and administering the Auditor's office, it is worthy of note, that at the close of the business year, the uncollected freight bills were only about \$1,000, in a freight business of \$685,062.85, through all the stations on the Road.

In this year the "*Contract of 1846*" with the Worcester Company, was further renewed, but only by a concession of the twelve cents extra, for certain freight before allowed to the Western—the renewal to extend to June 1, 1856, or until six months' notice given for its termination, after that date.

At the session of the Legislature, in January, 1853, the application of the Troy and Greenfield Railroad Company, for a grant of aid from the State, in construction of the Hoosac Tunnel was renewed—and the Western Company presented a remonstrance. A long and laborious hearing was had before a Committee. But the grant was not made.

The gross receipts in 1853 were	-	-	\$1,525,223 92
Exceeding those of 1852, by	-	-	\$185,350 83
The expenses of 1853 were	-	-	778,487 92
Exceeding those of 1852, by	-	-	121,809 75

The net earnings were	-	-	-	\$746,736 00
Applied to interest, seven per cent., in two dividends—to sinking funds and loss on North Adams Road,	-	\$741 19	-	695,259 81
Surplus carried to contingent fund,	-	-	-	\$51,476 19
Add fund of 1852,	-	-	-	137,413 45
Contingent fund carried forward to 1854,				\$188,889 64

During the year, ten new merchandise cars were added to the equipment, and charged to expenses.

The comparative cost of the work in 1852 and 1853, is stated thus: In 1852 it cost for each passenger or each ton of freight carried one mile, $1\frac{4}{10}\%$ cents. In 1853, $1\frac{3}{10}\%$ cents per mile.

A conditional guaranty of three and a half per cent. semi-annually for twenty years, on \$50,000 of the stock of the North Brookfield and Barre Railroad, was voted by the Western Company, provided the Worcester Company would guarantee the same amount for the same time. The guaranty was given by that Company; but the road has not been made.

On the organization of the Board of Directors in 1854, Captain William H. Swift having declined further to serve as President, Chester W. Chapin, Esq. of Springfield, was elected to that office.

The receipts of 1854 were	-	-	-	\$1,763,944 26
Exceeding those of 1853, by	-	\$238,720 34	-	
The expenses of 1854 were	-	-	-	1,045,241 19
Exceeding those of 1853, by	-	266,753, 27	-	
The net receipts were,	-	-	-	\$718,703 07
These were applied to interest, seven per cent. dividends, sinking funds, and \$1,480 to loss on North Adams Road, making	-	-	-	\$699,426 84
Surplus carried to contingent fund	-	-	-	19,276 23
Add balance of do. last year,	-	-	-	188,889 64
				\$208,165 87
Less amount paid the Worcester Company, on settlement,	-	-	-	23,242 46
Total carried forward to 1855,	-	-	-	\$184,923 41

In the Report, the Board say, that, in addition to the large amounts for renewals, new cars, &c., charged to expenses, "there has been expended for bridges, cars, locomotives, iron, &c., \$189,735.39,* which stands

* This was disposed of in 1855.

charged to *Extraordinary Renewals and Equipment*—a little exceeding the above contingent fund.

It will be noticed, that there was the very large sum of \$238,720.34, increased receipts, over 1853—but there was the larger amount of \$266,753.27, of increased expenses, in addition to the above item of \$189,735.39, charged to *extraordinary renewals, &c.*

The Report states the comparative cost of doing the business, as follows—for carrying one passenger and each ton of freight one mile, in 1854, 1 $\frac{714}{1000}$ cents against 1 $\frac{399}{1000}$ cents in 1853. The larger amount of business done, and increased gross receipts, would of course involve increased expenses. But very much was, doubtless, owing to the necessity of doing the business over a single track, west of Springfield; and to the fact, that much of the iron of that track had been in use for ten or twelve years, and the necessary renewals made, were very large. The passenger trains, having the preference of the road, caused great delays in the freight trains. With the addition of the Harlem business, there were, daily, from twenty-five to thirty trains over the road, in both directions, between Albany and Chatham; causing great derangement of the freight trains.

In 1853, the Western Company had contracted with the Worcester, to furnish all the cars for the joint business, which required large additions to the stock in 1854. Two new locomotives, ten freight, and two passenger cars were added; in addition to twenty new freight cars, for that number broken up.

In 1854, the Troy and Greenfield Company renewed their application to the Legislature for aid, and a grant of State scrip, for two millions of dollars was made, to enable them to construct the Hoosac Tunnel. To this grant conditions were annexed, involving the Company in controversies, which are not yet terminated.

The Report of the Directors, of January, 1855, calls the attention of the stockholders, to the importance of laying a double track upon the one hundred and twelve miles of road not thus provided. The Board say, “that less than \$10,000 per mile will complete the work,” and that true economy, and the just demands of the public require, that the second track be commenced, as soon as the necessary means can be provided; and the work should be prosecuted as rapidly, as might be consistent with the payment of regular dividends.

We have before stated* that some portions of the independent Albany line between Chatham and the State boundary, were, by contract with the Hudson and Berkshire Company, located upon the lands of that

Company and that they had refused to release them, as by indenture, they had covenanted to do. In this year, (1854) the embarrassments of that Company culminated, by their inability to pay* either principal or interest on their mortgages to the State of New York. On November 24, 1854, the Controller of the State sold the road, franchises, and property of the Company, at auction, and they were purchased in behalf of the Western Company. The road is about seventeen miles long, between Hudson and Chatham Four Corners, and about fifteen miles, thence to the State Line. The rolling stock, lands at Chatham and Richmond, and the wharf property, at the Hudson terminus, were owned by individuals, and were purchased separately. The entire purchases cost \$273,131 18. The part of the road between Hudson and Chatham, was believed, and has since proved to be, an important auxiliary to the Western, in the transportation of coal, iron, and other heavy materials—as the navigation of the river is more reliable, at and below Hudson, than between there and Albany. This section of the road is operated in connection with the Western, and with their rolling stock, and in the name of “The Hudson and Boston Railroad Company.” The receipts and expenses of this branch are merged in the general accounts of the Western Road. The part of the Hudson Road between Chatham and State Line is discontinued, and the materials and land are from time to time sold for the benefit of the Western Company—the Albany Road having now a double track through its whole length.

On application to the Legislature of Massachusetts, in January, 1855, an act was passed, May 21, 1855, authorizing the issue of *Bonds* by the Company, not exceeding \$1,500,000, to be expressed in United States, or, in Sterling currency, with power to secure the same by mortgage of the road and its equipment; the bonds to be of such denominations, payable at such time, or times, and bearing such rate of interest, and to be negotiated on such terms, as the Directors should determine.

The gross receipts for 1855 were, of the			
Western Road, -	-	\$1,858,861 75	
Of the Hudson and Boston,	-	10,811 30	
		<hr/>	\$1,869,673 05
Exceeding those of 1854, by	-	\$105,728 74	
The expenses were	-		1,236,659 74
			<hr/>
Exceeding those of 1854,	-	191,418 55	

* Subsequently to the location of a part of the Albany Road on the lands of the Hudson Company, that Company made a second mortgage to the State for a new loan.

The net income of 1855 was	-	\$633,013 31
Add balances of contingent fund last year,		184,923 41
		<hr/>
		\$817,936 72
Applicable to interest, sinking funds, seven per cent. dividends, and \$1,388 61 loss on North Adams Road,	- -	709,749 09
		<hr/>
Balance carried forward to contingent fund of 1856,	- - -	\$108,187 63

The suspended item of \$189,735 39 in 1854, for "extraordinary renewals and equipment," was this year disposed of, by charging \$179,125 to construction account, being the cost of one hundred sixty-five new freight cars, and eight new engines. The balance was charged to expenses. The necessary renewals of superstructure, which operated in 1854 to increase the expense account, operated more largely in 1855. More than fifty miles of track were renewed, the new superstructure of the bridge across the Connecticut river was completed, and, within the two years, twelve first class engines, one hundred eighty-five freight cars, and six passenger cars, were added to the equipment, and all except the \$179,125 above, was charged to expenses, besides rebuilding cars rendered useless by accident, or long service.

The Report states the comparative rates of cost of the work, as for each passenger or each ton of freight carried one mile, $1\frac{91}{100}$ cents against $1\frac{74}{100}$ cents in 1854, or reckoning one ton of freight equal to two passengers, it was in 1855 for each passenger one mile, $1\frac{35}{100}$ cents for each ton of freight $2\frac{71}{100}$ cents.

Under the authority to issue the bonds of the Company, the Directors *borrowed* in London, £100,000 sterling, (at \$4.80,) four hundred and eighty thousand dollars,—and twenty-five thousand dollars were negotiated in this country, to be applied to additional equipment, and the purchase of the Hudson and Berkshire Road. No addition was made to the second track, on account of the state of the money market.

At a meeting of the Board, December 27, 1854, the President made a communication, stating that the feverish condition of the money market during the year, had prevented the sale of bonds at satisfactory prices, for meeting the expenses of the double track; and representing the urgent necessity for that improvement, as an economical measure, for the largely increasing business of the Company.

Under these circumstances the President proposed, that a loan be made from the securities and assets of the sinking fund, by an investment of part of the fund in those bonds, adequate to the cost of the double track,

with the mortgage security of the Road and their appurtenances. This communication was submitted to the stockholders at the meeting, February, 1855. A letter of the Hon. William Jackson was submitted on the same subject. Whereupon, Francis B. Hayes, J. Ingersoll Bowditch, and J. J. Dixwell, were appointed a Committee, to whom those communications were referred, with instructions, "to consider and report on the means of obtaining the necessary funds for constructing a second track from Springfield to Albany, either by the application to that object, with the consent of the Legislature, of the whole, or a part of the sinking fund, or in such other manner as the Committee should judge expedient; and also to examine and report upon the present condition of the sinking fund, and to inquire whether any change is desirable in its present investment, or future management." At an adjournment of the annual meeting of stockholders held on the 7th day of March, 1855, that Committee made a detailed Report.

The Committee say the Commonwealth and the City of Albany issued their scrip for the benefit of the Road; and the holders, in this country, and in Europe, received it on the pledge of the establishment of a sinking fund for its redemption, and the Roads and property were mortgaged for the security. From 1838 to the date of the Report, by many acts of the Legislature, and of the stockholders, the fund had been recognized as a sacred deposit, for payment of the bonds. They say, that "in the establishment of the sinking fund and in the negotiation of the bonds (or scrip,) there was a compact between the Company, the State, and the bondholders, and that the sinking fund should be kept inviolate, for the future purchase or final redemption of the scrip; and that it cannot be used for any other purpose, except with the consent of all parties to the compact."

The Committee name two other means to raise the requisite funds,—one by bonds of the Company, the other by the issue of shares; and they add, that there will be little difficulty by sale of bonds, at five or six per cent., or stock at par—the amount to be limited to one million. But they recommend, that this should not be done, so as to hazard regular dividends; and that no work be done, unless the money is procured to meet the expenses as it progresses.

The Committee think a second track necessary for the safe and economical performance of the business of the Company, and that, with the bridges, culverts, and masonry originally constructed for a double track, they think \$10,000 per mile sufficient, and that the expenditure will rather increase, than diminish, the ability to pay dividends.

In reference to the *sinking funds*, the Committee find them both safely invested, and in the hands of gentlemen of proved integrity and known ability, who deserve the confidence of the stockholders. A statement of

the results of their examination of the funds will be given in another place.

The Committee, however, recommended to the stockholders to appoint annually, one of their number of skill and experience, to supervise the condition of the fund, and aid and advise the Commissioners in their investments, and to report annually to the stockholders. The Report was accepted, and it was

Resolved unanimously, "that, in view of the rights and interests of the bondholders, and other parties in interest, it is inexpedient that any part of the sinking fund should be diverted from its original purpose."

J. Ingersoll Bowditch was appointed Supervisor of the Funds. The Directors were authorized to increase the capital by issue of new shares, and to issue bonds of the Company at interest not exceeding six per cent. payable semi-annually, not to exceed in the aggregate—of shares and bonds—\$1,000,000; to be appropriated to the completion of the second track, and to payment for the purchase of the Hudson and Berkshire Road, and other construction and equipment purposes; neither to be sold under par.

An act of the Massachusetts Legislature, dated May 15, 1855, authorized the Western, the Albany and the Hudson and Boston Companies to be consolidated into one Company by the name of the Boston and Albany Railroad Company, at such times and on such terms as they might mutually agree upon.

The "*Contract of 1846*," modified upon several renewals, with concessions by the Western Company, continued the guide of the clerks of the two Companies, in dividing the joint receipts, without any question as to the accuracy of its construction; until in 1855, the officers of the Western, upon examination of the subject, claimed that there was a misconstruction of the terms of that contract and its modifications on renewals, by which a much larger share of the joint receipts had been, since 1846, allowed to the Worcester Company, than they were justly entitled to. As it was originally a favorite arrangement of Mr. Gilmore, made and agreed to by him, and subsequently administered under his supervision, until his death, no suspicion was entertained by his associates or successors, that there was any error in its practical administration. The officers of the Worcester Company denied that there was any such error, and refused to change the rule of division. This produced a renewal of the old controversy, for particulars of which we refer to another part of this Memoir.

On April 9, 1856, the Legislature of New York incorporated "the Hudson River Bridge Company at Albany," "for the purpose of erecting and maintaining a bridge, for the purposes of railroad travel and transportation across the Hudson River,"—the location to be fixed by commissioners named in the act,—with a capital of \$500,000 in shares of \$100 each, but

not exceeding the cost of the bridge and appurtenances. The elevation of the bridge and the width of draw are prescribed, with a provision that it shall cause no substantial impediment or obstruction to the navigation of the river. The act provides that any Railroad Company may subscribe to the capital, and any such Company with a terminus at Albany, or East Albany, may use the bridge on terms agreed upon,—or if not agreed, the New York Canal Board may fix them. The Western Company, in the name of the Albany and West Stockbridge Company, subscribed 1,008 shares, and the balance was taken by the New York Central and the Hudson River Companies, and sundry individuals. Five dollars per share was paid in, the Company organized, the location agreed upon, and measures were taken to complete the bridge in 1857.

The business of the Western Company in 1856, was very prosperous, and much exceeding that of any former year.

The receipts, including a surplus of			
\$2,162 41, on the North Adams			
Road, were	-	-	\$2,117,982 46
Exceeding those of 1855, by		-	\$248,309 41
The expenses and renewals were	-	-	1,228,219 46
Less than in 1855, by	-	-	8,440 28
The net income was	-	-	889,763 00
And was applied to interest, sinking fund,			
and seven and a half per cent. dividend,			742,209 29
Balance to contingent fund,	-	-	\$147,553 71
Add balance of fund, November, 1855,	-		108,187 63
Amount of fund carried forward to 1857,	-		\$255,741 34

The policy of relaying the superstructure of the old track, at a large expenditure, during the two or three past years, was shown in the fact, that, with increased traffic, the expenses were not thereby increased. The comparison of the cost of the two years' work, was that in 1855, for each passenger, and each ton of freight, it cost $1\frac{21.5}{1000}$ cents, and in 1856 $1\frac{7.7}{1000}$ cents, or calling one ton of freight equal to two passengers, it was in 1856, for each passenger one mile, $1\frac{14.8}{1000}$, and each ton of freight $2\frac{29.6}{1000}$ cents; in 1855 for each passenger one mile, $1\frac{23.5}{1000}$, and each ton of freight, $2\frac{47.1}{1000}$.

The Directors congratulated the Stockholders on the prosperous condition of the Company, and say: "the ability to make in future four per cent. semi-annual dividends, should be regarded as beyond any probable contingency." They ordered the construction of twenty to twenty-five miles of second track in 1857.

During the years 1856 and 1857 twenty-nine miles of second track were laid down on the Albany and West Stockbridge Road, thus providing a second track throughout the whole of that Road, and making seventy-three miles on the whole line.

For the Hudson River Bridge, an Engineer was appointed, plans and estimates were prepared, proposals for the work of the superstructure made and accepted, when a temporary injunction from the United States' Court suspended proceedings.

The Receipts of 1857 were	-	-	\$1,910,342 48
Less than those of 1856 by	-	\$207,639 98	
(but in excess of those of 1855, by about \$40,000.)			
The expenses and renewals of 1857, were	-	-	\$1,084,118 55
Less than in 1856 by	-	144,100 91	
The net receipts were	-	-	826,223 93
Applied to interest, sinking fund, eight per cent. dividends, \$1,918,43, to loss on North Adams Road,	-	-	777,045 12
<hr/>			
Surplus carried to contingent fund,	-	-	\$49,178 81
Add contingent fund of November, 1856,	-	-	255,741 34
<hr/>			
Total carried forward to 1858,	-	-	\$304,920 15

The decrease of the income was principally \$200,603 on freight, The *revulsion* in business was sudden and very severe and wide-spread in 1857.

Comparatively, the cost of each passenger and each ton of freight one mile was, in 1857, $1\frac{77\frac{1}{10}}{100}$ cents, and in 1856, $1\frac{79\frac{7}{10}}{100}$ cents, or assuming two passengers equal to one ton of freight, it cost in 1857, $1\frac{107\frac{1}{10}}{100}$ cents per mile for each passenger, and in 1856, $1\frac{108\frac{8}{10}}{100}$ cents, and in 1857, for each ton of freight, $2\frac{34\frac{2}{10}}{100}$ cents, and in 1856, $2\frac{39\frac{6}{10}}{100}$ cents. The suspension of business was too sudden, to afford an opportunity to graduate the expenses to the reduced business.

The depression and derangement of business of the country continued, with much severity through most of the succeeding year, 1858. Notwithstanding this, all the important interests of the Company were provided for, and the dividends of eight per cent. were made, without encroaching upon the contingent fund, and thirteen miles of the second track were laid down.

The receipts of 1858 were	-	-	\$1,700,293 60
Less than in 1857 by	-	\$210,048 88	
The expenses and renewals were	-	-	890,930 40

Less than in 1857 by	-	\$193,188 15
The net income was	-	\$890,363 20
Applied as usual to interest, sinking fund, eight per cent. dividends, and \$4,093 82 loss on North Adams Road,	-	808,536 02
Surplus to contingent fund,	-	\$827 18
Add do. of 1857,	-	304,920 15
Total carried forward to 1859,	-	\$305,747 33

The diminution of receipts and expenses were nearly of the same amount.

The comparative cost of each passenger and each ton of freight per mile, in 1858, was $1\frac{5.45}{1000}$ cents, and in 1857, $1\frac{7.71}{1000}$ cents, or calling two passengers equal to one ton of freight it was in 1858 for each passenger one mile, $\frac{9.82}{1000}$ cents, and $1\frac{9.64}{1000}$ cents per ton of freight against in 1857, each passenger $1\frac{17.1}{1000}$ cents and $2\frac{3.42}{1000}$ cents for each ton of freight.

At the close of 1859 the Directors in the report say, "The roadway, engines, and cars were never in better condition than they now are," and "every material interest of the Corporation is in the most prosperous condition."

The receipts of 1859 were	-	\$1,767,068 13
Exceeding those of 1858 by	-	\$66,774 53
The expenses and renewals were	-	936,920 12
Exceeding those of 1858 by	-	45,989 72
Of this, \$33,000 was for new cars and engines to cover depreciation.		
The net income was	-	\$830,148 01
Applied to interest, sinking funds, eight per cent. dividend, and \$1,872.36 loss on North Adams Road,	-	814,051 39
Surplus for the year to contingent fund,	-	\$16,096 62
Add amount of that fund November, 1858,	-	305,747 33
Contingent fund carried to 1860,	-	\$321,843 95

The comparative cost of transportation was as follows: for each passenger and each ton of freight one mile $1\frac{5.92}{1000}$ cents, against $1\frac{5.45}{1000}$ cents in 1858, or assuming two passengers equal to one ton of freight, the cost in 1859 per passenger was $1\frac{17}{1000}$ cents, and $2\frac{3.4}{1000}$ cents per ton of freight, against $\frac{9.82}{1000}$ cents per passenger, and $1\frac{9.64}{1000}$ cents per ton of freight per mile in 1858. About twelve miles of second track were laid down in 1859; making, in all, about ninety-eight miles of double track.

The receipts of 1860 were	-	-	-	\$1,881,350 72
In excess of those of 1859 by	-	\$114,282 59		
The expenses and renewals were	-	-	-	993,096 39
Exceeding those of 1859 by	-	56,176 18		<hr/>
The net income was	-	-	-	\$888,254 42
Applied to interest, sinking funds and eight per cent. dividends,	-	-	-	810,223 24
				<hr/>
Surplus carried to contingent fund,	-	-	-	\$78,031 18
Add balance of do. last year,	-	-	-	321,843 95
Gain from North Adams Road,	-	-	-	769 20
				<hr/>
Total contingent fund carried to 1861,	-	-	-	\$400,644 33

The comparative cost of each passenger and each ton of freight one mile was, in 1861, $1\frac{4}{10}\frac{3}{10}\frac{6}{10}$ cents, in 1859, $1\frac{5}{10}\frac{9}{10}\frac{2}{10}$ cents; or if two passengers equal one ton of freight, it was per passenger in 1860, $\frac{8}{10}\frac{8}{10}\frac{3}{10}$ cents, and per ton of freight $1\frac{7}{10}\frac{6}{10}\frac{6}{10}$ cents, against in 1859 per passenger $1\frac{1}{10}\frac{7}{10}\frac{0}{10}$ cents, and per ton of freight $2\frac{3}{10}\frac{4}{10}\frac{0}{10}$ cents. The Directors say they deferred continuing the second track, on account of the difficulties with the Worcester Company.

On July 5, 1861, a serious fire at East Albany consumed all the station buildings, one of the bridges leading to the island on which they stood, and sixty-seven freight cars. The total loss, exclusive of freight cars, was estimated at \$113,143 76. Of this, \$92,127 57 was charged to expense account for the year, and the balance left to be so charged in 1862.

The re-building was commenced at once, and was nearly completed at the close of the year. Sixty new freight cars were also added to the stock.

About eleven miles of second track were laid down, leaving less than forty-eight miles to complete the double track between Worcester and Albany.

The receipts of 1861 were	-	-	-	\$1,894,567 96
Exceeding those of 1860 by only	-	\$13,217 24		
The expenses and renewals were	-	-	-	1,081,571 17
Including \$92,127 75 for the Albany fire.				
The whole exceeding expenses of 1861 by	88,474 87			<hr/>
The net balance of income was	-	-	-	\$812,996 79
Applied to interest, sinking funds, and eight per cent. dividend,	-	-	-	800,952 43
				<hr/>
Surplus carried to contingent fund,	-	-	-	12,044 36
Add that fund November 30, 1860,	-	-	-	400,644 33
				<hr/>
Amount carried forward,	-	-	-	\$412,688 69

Amount brought forward,	-	-	-	\$412,688 69
Less loss on North Adams Road,	-	-	-	7,939 81
Contingent fund carried to 1862,	-	-	-	<u>\$404,748 88</u>

The comparative cost of transportation was as follows—for each passenger and each ton of freight, one mile in 1861, $1\frac{525}{1000}$ cents, in 1860, $1\frac{436}{1000}$ cents—or assuming two passengers equal to one ton of freight, it was each passenger per mile in 1861, $\frac{910}{1000}$ cents, and each ton of freight $1\frac{820}{1000}$ cents, against in 1860, per passenger, $\frac{888}{1000}$ cents, and per ton of freight $1\frac{766}{1000}$ cents.

In 1862, the receipts were,	-	-	\$2,095,922 50
Exceeding those of 1861 by,		\$201,354 54	
The expenses and renewals were,	-	-	1,111,358 20
Exceeding those of 1861, by	-	29,787 03	
The net balance of income was,	-	-	984,564 30
Which was applied to interest, sinking funds, eight per cent. dividends—\$6,371 13 for excise tax on dividends, and \$3,323 34.			
Loss on North Adams Road,*	-	-	836,138 58
Surplus earnings to contingent fund,	-	-	148,425 72
Add amount of fund November 30, 1861,	-	-	404,748 88
Total contingent fund November 30, 1862,			<u>\$553,174 60</u>

The comparative cost of transportation was—1862, for each passenger and each ton of freight carried one mile $1\frac{467}{1000}$ cents against $1\frac{525}{1000}$ cents in 1861; or calling one ton of freight equal to two passengers, the cost in 1862 was $\frac{700}{1000}$ cents per passenger, and $1\frac{400}{1000}$ cents per ton of freight against in 1861, $\frac{910}{1000}$ cents per passenger and $1\frac{820}{1000}$ cents per ton of freight. † The Injunction upon the building of the Hudson River Bridge, was, in June of this year, so far modified, that the preparations for the structure are resumed, and in progress.

A little more than eight miles of second track was laid in 1862; leaving less than forty miles, to complete the line from Worcester to Albany. This is between Springfield and the Washington summit.

* For a table of statistics of business of the Pittsfield and North Adams Road from December 1, 1846, to December 1, 1862, see appendix, A. A.

† The statistics of the comparative cost of transportation for eight years are condensed in a table in appendix, B. B.

During the year the Boston Board of Trade, believing that the city of Boston was suffering in its business, in competition with New York, in consequence of the controversy between the Western and Worcester Companies, and an alleged excess of charges caused thereby, sought a conference with the managers of the two companies, which resulted in a reference of the matters in dispute, to a Committee of that Board, who made an award, and also an elaborate Report to the Board, both of which are noticed hereafter.

ORIGIN AND HISTORY

OF THE

CONTROVERSY BETWEEN THE WESTERN AND BOSTON AND WORCESTER RAILROAD CORPORATIONS.

Upon the opening of the Western Railroad to Springfield, the Directors of the Western Company claimed of the Worcester, that for the joint business—that passing over the whole or parts of both Roads—the Western should be favored in the division of receipts. The Worcester Company was then charging \$1.50 for passengers between Boston and Worcester. The through fare between Boston and Springfield was fixed at \$3.75 for the first six months, and divided \$2.50 to the Western and \$1.25 to the Worcester Company; the latter conceding one-sixth reduction of their local fares to the Western. The tickets were sold at the local rates of each Company, to guard against fraudulent evasions, and the twenty-five cents for each passenger, paid over to the Western, by the Worcester Company. No such arrangement was made as to freight. From April 1, 1840 to January 1, 1844, the through fare between Boston and Springfield was \$3.00, of which the same as before, \$1.25 was paid to the Worcester, and \$1.75 to the Western; the latter Company bearing the whole reduction.

When the Road was opened through to Albany in 1842, and the officers of the Western Company had gained some experience of the operations and expenses of this new business, they claimed that the Worcester Company should transport the joint *passengers* and *freight*, at rates much reduced below those charged by them for the past two or three years—and below those charged by the Western for the same business—and this for the following reasons :

1. That such was the manifest intention of the Legislature, by insert-

ing in the charter of the Worcester Company, a provision, that the Legislature might authorize any other company to enter the Worcester Road, paying for the right of using the same, such a rate of toll as the Legislature should prescribe.

2. That the making of the Western Railroad was, and always would be, of vast advantage to the Worcester Company, bringing it business, which it could not otherwise control, and affording means of transporting passengers and merchandise, to regions inaccessible to the Worcester Company.

3. That the Western was a large *wholesale customer*, bringing passengers and merchandise in *masses*, gathering them in retail from a great variety of sources, for many of which there was an active competition to divert it to other channels, and requiring vigilance, expense and a great effort to control it. That it *takes* passengers and merchandise from the Worcester in *masses*, and delivers them in retail at their numerous points of destination.

4. That it was much more difficult, hazardous and expensive, to operate the Western than the Worcester Road, for the same business,—instancing the high mountain grades of seventy-six to eighty-three feet per mile, an expensive ferry and ferry boat to maintain at Albany—and the costly bridge across the Connecticut River at Springfield, and the large cost of constructing the Road.* The experience of 1842 and 1843, only confirmed the Directors of the Western Company, in the conviction that their claim was a sound one. And in addition, they deemed it vitally important to them, that whatever was allowed to the Worcester Company, for the business of the Western, should be a fixed sum for each passenger, and each ton of merchandise—leaving to the Western Company to fix the aggregate amount for the two Roads, with liberty to raise or reduce the charges as the business should require, not in any case varying the sum to be paid to the Worcester Company.

That Company resisted all these claims, and on December 11, 1843, the Western Directors made a formal demand upon the Worcester for the proper allowance. The latter having, by their answer dated January 9, 1844, declined the proposition made to them, the Directors of the Western Company applied by petition to the Legislature, then in session, for relief.† While this petition was in hearing before a Committee, the parties, on January 31, 1844, agreed that it should be referred to “Linus Child of Southbridge, John M. Williams of Taunton, and Charles H.

* The Report of January, 1845, gives these reasons more in detail.

† See Tenth Report, January, 1844, for a review of the early history of this controversy.

Warren of New Bedford, with power to hear and determine all matters brought before them, as fully as the Legislature could do, under the petition"—their award, or that of a major part of them, to be binding for one year from January 1, 1844, and thereafter till the expiration of three months from notice of dissatisfaction by either party to the other in writing.

The hearing was had in the subsequent May, when the parties presented their claims and propositions, and, after a full hearing, the arbitrators made their award, dated May 21, 1844. They adopted as a general principle that the Worcester Company should be paid all expenses they were subjected to, in the transportation of freight to and from the Western Road; and that in estimating these expenses, all the freight carried on the Worcester road, from whatever source derived, should bear its proportion of all freight expenses on that Road, and in addition to the sum thus to be paid, as the amount of actual expenses incurred in transporting the freight aforesaid, the Worcester Company to have added, a *fair and reasonable profit* upon this portion of their business. In establishing a principle upon which this amount of profit was to be determined, the arbitrators say, they have regard—

1. To what they deem to be the policy of the Commonwealth, as established by its legislation, that the construction of new Railroads, to be connected with previous Roads in use, is to be encouraged; and that the business brought to the old Road by the new, is to be regarded as standing on a different footing from that brought from other sources.

2. That the new Road deals with the old one as a large customer, bringing business in large masses.

3. That to a certain extent the Western Road brings a new business to the Worcester.

4. In some degree, they regard the pecuniary situation of the Western Company, considered only so far, as it is for the interest of the Worcester, that their customers should realize a profit from their operations, to induce them to continue them.

They accordingly awarded, that for all freight brought from, or carried to, the Western Road, the Worcester Company was entitled to receive two and seven-eighths of a cent per ton for each mile transported on their Road—this to include depot accommodations and loading and unloading—each Company to supply motive power on its own Road, and each its proportion of cars and attendants, according to the number of miles on each Road each ton of freight is transported; and each subject to all expenses, and to assume all risks on its own Road. This sum was fixed in reference to the then existing freight tariff agreed upon by the parties. And if the Western Company increased the rates of freight passing over the Worces-

ter to or from the Western, the latter to pay a corresponding per centum of increase to the Worcester.

As to *Flour*, the award assumed the cost of transporting it over the Worcester Road at nine cents per barrel, over the whole Road—and it required the Western to pay that sum for the whole, and in proportion for parts of the Worcester Road. But if the Western fixed the rate, Greenbush to Boston, at over thirty-six cents per barrel, the Worcester Company to receive one-fourth part of the sum so fixed, over their whole Road, and in proportion for parts of it.

As to *Passengers*, the arbitrators adopted the same principle as for freight; and awarded, that the Western Company pay to the Worcester two and a half cents per mile, for each first class passenger, carried to or brought from the Western Road, and two-thirds of the same sum for second class. Emigrants to be considered as second class unless otherwise agreed. They award that if the Worcester Company thereafter should reduce the fare of first class passengers, to less than two and a half cents per mile, or of second class to less than two-thirds that sum per mile, the same deduction should be made from sums to be paid by the Western. Motive power, attendants, and depot accommodation, to be supplied by each as in the case of freight, and each subject to risks in the same manner. Under this award the Western Company paid the Worcester \$1 10 for passengers and \$1 26 per ton for merchandise passing the whole length of the Worcester Road.

At the time of this award, the local passenger fare on the Worcester Road was \$1 50. Towards the close of the year, during which the award was to operate, the Worcester Company reduced this to \$1 25, making it for the interest of joint passengers to buy separate tickets on each Road; thus destroying the evidence of their going from or to the Western, by means of which the Western could claim the benefit of the award. The Western Company then reduced the fare on all that class of passengers twenty-five cents each, and applied to the Worcester for a proportional reduction upon two and a half cents per mile to be paid them under the award. The latter declined the change; and on January 15, 1845, gave notice to the Western of their intention to terminate the award, and make a new proposition to the Western. Such a proposition was made January 23, 1845, and delivered to a Committee of the Western Board after their Directors had adjourned, and had instructed the Committee to apply to the Legislature for relief.

This new proposition was so nearly allied to the principle of a division *pro rata* per mile, and withal, was so complicated and uncertain, in its

* For a copy of this award see appendix, C. C.

proposed application to the business of the Roads, that it was declined by the Committee of the Western Company, and afterwards by the Board.

This new proposition varied from the former ones, in professing to give each Company an equal *profit* per mile, on the joint business. That to determine this *profit*, the expenses of each in doing its whole business for the year, and the annual interest of each on the cost of its road and appurtenances should be ascertained, and the passenger expenses, and half the annual interest of each be divided by the number of passengers carried one mile—and the merchandise expenses and half the interest, be divided by the number of tons of freight carried by each one mile and that “the difference between the results thus obtained should be the difference in the rate per mile” to be established on the two Roads, for the joint business.*

The Directors of the Western Company objected to this rule, that it prescribed a very uncertain and fluctuating standard,—varying from year to year, according to the charges and expenses of each Company, whose expense account had theretofore been—and might thereafter be, made up on very different principles,—that each Company being interested in the amount of expenses of the other, unavoidable disputes would arise in determining them, and in applying the rules for making them up, and that this would necessarily interrupt the harmony of intercourse, and embarrass the operations of business.†

In addition, the Western Directors objected that the *principle* disregarded the provisions of the Legislature, for favoring business carried by a new road to the old, or trunk road, and all the reasons before set forth, why the Western Road should be favored. It also gave to the Worcester Company the power to require a rate of charges, which might be prohibitory on the joint business; while their own *local* business would give them a fair income without it.

The application to the Legislature by the Western Company, for relief, and for an act prescribing the terms upon which the Worcester Company should transact the joint business, was made in January 1845. Thereupon, several hearings were had before a special joint committee, in which the Managers of the Western Company urged that the Legislature should themselves decide definitely the questions in issue between the parties.

But the Committee,‡ in view of the fact, that there were, or might be, other Railroad Companies in the State, under similar embarrassments,

* For a copy of this proposition, see Appendix, D. D.

† The reported expenses of the Worcester Company for 1844, were about \$1.05 per mile—those of the Western about 63 cents.

‡ Through Mr. J. H. Clifford, their Chairman.

reported against a specific remedy in the case before them; but presented a General law entitled "*An Act to regulate the use of Railroads.*"*

This act provided, that no locomotive engine, or other motive power should run on any Railroad, constructed by authority of the Commonwealth, except those owned and managed by the Company owning and managing such Railroad, unless by consent of such Company. It required every Railroad Corporation, at reasonable times, and for a reasonable compensation, to draw over their road, the passengers, merchandise, and cars of any other Railroad Corporation, which had been, or might be, authorized by the Legislature, to enter with their Railroad upon, and to unite the same with, and use, the Road of such Corporation,—and if such Companies could not agree upon such compensation, the Supreme Court, upon petition of either party, should appoint three Commissioners to fix the same,—their award to be binding, until it is revised or altered by Commissioners so appointed—but no such revision should be had within one year from the time of the award. The said Commissioners, upon the application of either party are authorized to fix the times, at which the cars shall be so drawn.

The Committee also reported a bill to supply, what was claimed to be a defect in the Western Railroad charter, giving to the Western Company, a right to enter upon and use the Worcester Road, at or near the place of the then and present junction of the roads in Worcester, paying such rate of toll or compensation as the Legislature might from time to time prescribe, or as might be fixed under any general law of the Commonwealth, and complying with reasonable rules and regulations established by the Worcester Company.† Both these bills were passed.

Although at the time of the grant of the earliest Railroad charters in Massachusetts, from 1830 to 1833, the use of steam power on railroads in England, was generally introduced with great success, yet the charters granted by this State, following the tenor and recommendations of the early reports to the Legislature, contemplated only the employment of the ordinary motive power, then in use upon turnpikes and common roads,—and that the Railroads should be used by the public with their own conveyances,—toll gates being erected and toll paid for all passengers and merchandise. Hence the provision in the charters, that the Legislature might authorize one Railroad to enter with their Railroad upon, and use, another Railroad or any part thereof, paying such a *rate of toll* or compensation, as the Legislature might prescribe, and complying with such other rules and regulations as such other Road might establish. This

* Senate Document, No. 106, 1845.

† Senate Document, No. 105, 1845.

phrasology was used as a precedent in subsequent charters—even after steam was designed as the only motive power—with an addition, however, in some later ones, of an alternative provision, that one corporation might enter upon and use another Railroad, unless that other should consent to draw over its Road, the cars of the corporation thus authorized to enter upon and use it. How far the Company whose Road might thus be entered upon and used, could establish “rules and regulations,” forbidding the use of steam power by the Company claiming to enter upon and use their Road, seems not to have been decided. But it was so manifest, that the use of one Railroad by two or more Companies, with the independent steam power of each, involved so much danger, that it was not allowed unless by consent, and under proper regulations. Hence the propriety of prohibiting such independent use by the statute of 1845.

After the passage of the laws before recited, the Directors of the Western Company made several attempts, without success, to arrange the controversy, by negotiation and by arbitration, and in April 1845, they applied to the Supreme Court for the appointment of commissioners, to fix the compensation to be paid to the Worcester Company for doing the joint business. To this application the Worcester Directors filed a long special answer, alleging certain (controverted) facts, and denying the power of the Legislature, and the rights claimed by the Western Company—thus laying the foundation for a long and expensive litigation. Of course no further proceedings could be had till this was terminated, or the Legislature should give other relief. Towards the close of the year, however, various conferences were held by the officers of the two Companies, suggesting new or modified terms of compromise. On the failure of these, the friends of both Companies, proposed a *union or consolidation* of the two Companies into one corporation on terms to be agreed upon. The subject being submitted to the Stockholders of each Company, they appointed committees, who on full examination, made a *joint report* to each, *unanimously recommending* such union on terms and conditions particularly specified. This report being submitted to a large meeting of the Stockholders of the Worcester Company, they voted to postpone the whole subject indefinitely—virtually rejecting the idea of the union on any terms.

Among the negotiations near the close of this business year,—which were conducted, principally, between the Presidents of the two Companies,—was one by which the Western Company proposed to the Worcester, that a modified principle of *equated distances*, or lengths of the two roads, should be recognized, upon which the divisions of the joint receipts should be made. The first proposal was to assume the lengths of the Western one hundred and seventy miles, and of the Worcester forty,—afterwards varied to one hundred and sixty for the Western, and forty

for the Worcester. The President of the Worcester Company at first replied, proposing—if other questions were properly arranged,—to apply the partial equation to the business west of the Connecticut river only, calling the Western its actual length, one hundred and fifty-six miles, and the Worcester forty, and claiming that the depot expenses should be deducted before the division, and that the arrangement should take effect as of January 1, 1846. The Western insisted that the depot expenses should not be so deducted, and that the agreement should take effect upon all the business, after the termination of the award in April, 1845. Subsequently the President of the Worcester proposed a *pro rata* division on the actual lengths of the roads, on *gross* joint receipts—except on *through* business, and upon that he would *recommend* equating the lengths of the roads, as one hundred and sixty to forty. And, on the subject of deducting the depot and station expenses of each Company before division, he proposed to waive that point, and to substitute a provision that each Company should deduct twelve and a half cents per ton, before division, and divide the balance, as one hundred and sixty to forty. But the Worcester Directors declined to abandon the charge for loading and station expenses, in addition to conceding near ten per cent. in the length of their Road,* and refused to make the arrangement retrospective—as of April 1845—as they said that “would be to adopt a rule for the business of the last year, less favorable to us, (the Worcester Company,) than the award, which has been uniformly considered as entirely unsatisfactory.”

At a meeting of the Directors of the Western Company, on February 10, 1846, the day before their term of office expired, the President made a detailed report of these various negotiations, when a *majority* of them insisted upon the retrospective provision, and upon the equation of the lengths of the two Roads, in the division of receipts, as one hundred and seventy to forty, and the whole matter was referred to the Board of 1846.

At the annual meeting, February 11, 1846, four of the old Directors, Messrs. Bliss, Jackson, Pratt, and Austin, declined a re-election, and Messrs. Addison Gilmore, Josiah Stickney, Stephen Fairbanks, John Howard, and Jonathan Chapman were elected by the Stockholders, and these with Messrs. Russell, Campbell, Dwight, and Howland, the State Directors, formed the Board for the year.

* In a letter of the President of the Worcester Company, dated February 3, 1846, he says, in reference to the charge for loading and station expenses, “This the Directors are unwilling to give up, in addition to conceding the difference of near ten per cent.,” in “the computation of our *whole freight* charge from forty-four miles to forty,” “that this amounts to considerable more than the loading, &c., and the Board were of opinion that this was making a sufficient allowance for the difference of expense in the working of the two Roads.

Immediately thereafter, the negotiations between the two Companies were resumed, and they came to an understanding, which was embodied in an agreement bearing date February 17, 1846,—ever since known as “*the Contract of 1846.*”

ARTICLE 1. This contract provided, that, in consideration of the higher relative cost of the Western Road, and expenses of transportation upon it, the Western Company should receive a larger proportion of fare from joint passengers than a *pro rata* per mile, viz., the through fare to be \$5 00—the *pro rata* being \$1 10 to the Worcester, and \$3 90 to the Western—the former should have \$1 00, and the latter \$4 00. Second class passengers two-thirds the first class, and divided in the same proportion*—that the mode of collecting the fares should be by sale of the tickets of each Road, by the agents of each, at their local rates, the proceeds to be divided as above.

ART. 2. If found expedient to run a special through train at a reduced rate, the parties agree to do so, and divide the fares in the same way, deducting ten cents from the *pro rata* share of the Worcester, and giving it to the Western. Way passengers on such trains to pay regular fares.

ART. 3. That the Western Company might charge *joint* passengers to and from their way stations, higher rates, not exceeding three cents per mile, the Worcester to receive \$1 00 only for such, over their road, and in proportion for parts of it.

ART. 9. As to *merchandise*, in consideration of the extraordinary expenses of the Western in hoisting and lowering freight from, and into, the canal boats at Greenbush, and of collecting freight in small parcels at many way stations, the expenses of loading and unloading, and of clerk hire, and other depot expenses, in management of the joint business of each Company, should be set off against each other, including the said extraordinary charges of the Western; and the gross receipts of *income* should be divided (as in the next article provided), instead of deducting said expenses of loading &c., before division as a charge on gross receipts, as before claimed by the Worcester Company.

ART. 10, reads as follows—“In consideration of the high grades on a part of the Western Road, and the consequent large amount of locomotive power required in passing them, and also of the greater wear and hazard of injury to the cars, it is further agreed, that the receipts from the transportation of all joint merchandise, shall be divided between the two corporations *pro rata*, according to the number of miles which each parcel is transported, with this exception that after ascertaining the said *pro rata* division, there shall be deducted from the proportion of the Boston and Worcester corporation, an amount equal to twelve cents per ton, for every ton transported to or from places west of Springfield, and the said amount shall be added to the *pro rata* proportion of the Western Road.”

ART. 11. Allows the parties to vary the rates by special bargains.

ART. 12. In consideration of expenses of the Western, in supporting a ferry boat

*This applied the effect of the principle of equation of the Road, (forty instead of forty-four miles for the Worcester) to the *passenger* fares, which, in the proposal of Mr. Hale to the last Western Board, was confined to *merchandise*,—the deduction of ten cents from the \$1 10 of the *pro rata* share of the Worcester, being nearly equal to the deduction of four miles from the length of the Worcester Road, as the basis of division, even assuming one hundred and fifty-six as the length of the Western.

between Greenbush and Albany, the Worcester Company agreed to pay the Western, \$2,000 per annum towards those expenses. This contract to be in force three years.*

It will be noticed, that in this and in the prior negotiations, certain prominent principles claimed by the Western, in 1843 and 1844, and set forth in their annual Report of 1845, are recognized and allowed by the Worcester Company—such as the high grades and greater cost of the Western, and the extra expenses at Greenbush, &c. The Western abandoned the claim of a right to fix the maximum of charges upon the Worcester Road for the joint business.

Although the new Managers claimed great credit for perfecting this arrangement, some of the old ones doubted whether the terms of it were more beneficial to the Western Company, than those offered to them by the President of the Worcester Company, at the close of the preceding year. Under it, however, the business was conducted with harmony between the two Companies, the mutual accounts being made up and adjusted from year to year, by the subordinate officers having charge of the passenger and freight departments, without a suspicion that they had not been governed by the terms of the contract. As practically administered, it was not easy to see, how far the division under the contract gave to the Western much, if any, advantage over the rules adopted and practiced prior to February, 1846.

This contract of 1846, expired in February, 1849, when it was renewed by Mr. Gilmore, for three years. But the provision in article twelve, for payment by the Worcester to the Western, of \$2,000 for ferry expenses, was excluded—and the third article was altered as to the amounts of passenger fares, still giving the Worcester Company one dollar over the whole of their Road.† In November, 1853, there was another renewal by Captain William H. Swift, the President, when the ninth and tenth articles, relating to divisions of freight receipts, and extra allowance of twelve cents per ton, for certain freight, were expunged; and the following substituted, viz., “The joint receipts for the transportation of freight, shall be divided between the respective Companies, according to the distance carried, without allowance to either Company, for depot charges,” this arrangement to continue in force till June 1, 1856, and “until six months notice in writing be given by either party, to terminate it, after that date.”

From 1846 to 1855, the business intercourse of the two Companies was continued with no material interruption, except such as was caused by the changes in the renewals of the contract, in 1849 and 1853.

*The material parts of this “contract of 1846,” will be found in the appendix E. E.

† See Appendix, E. E.

Towards the close of 1854, the officers of the two Companies were at variance, upon some minor points, in the practical application of the contract. One in referencê to the division of the receipts for the Boston and New York passenger travel;—a second, the division of receipts for freight between stations on the Pittsfield and North Adams Road, and stations on the Worcester Road—a third, the rule on the subject of damage or loss of goods, or damages to cars. These questions were, on November 1, 1854, referred to the decision of F. B. Crowninshield, Esq., his award to be final. The award, dated May 12, 1855, decided, that the Boston and New York passenger receipts should be divided *pro rata* per mile, or according to the distance the passenger was carried on each road,—but the Worcester Company not to receive over one dollar. 2. That the North Adams, &c., freight receipts should be divided according to the distance carried by each Company. 3. Virtually, that each Company be responsible for losses or damages on its own road—or if not ascertained, the losses, &c., to be borne in the proportions in which the freight money thereon would have been divided, with provisions for examination of cars passing from one road to the other.

In 1855, the officers of the Western Company represented, that upon careful computations and examination, they unexpectedly discovered, that the freight Clerks of the two Companies, had, ever since June, 1846, misapprehended the meaning of the Contract of 1846, and had, in their divisions of joint freight receipts, adopted a construction and rule, which gave to the Worcester Company, a much greater share than they were entitled to, by the fair construction of the instrument. It having been a favorite arrangement of Mr. Gilmore, and administered under his direct supervision, his successors had no reason to suspect any error in its application to the business of the Roads. This led to protracted negotiations, during which the Worcester Directors maintained that the divisions as practiced, and by which the accounts were settled, were right. The Western officers alleged that the error arose by the Clerks of both Companies, instead of giving to each Company an equal sum per ton per mile of the gross receipts, from joint freight, established a scale of decimals for each station, and, in making up the accounts for each month, divided the amount received *on each parcel of merchandise*, to and from both Roads, by these decimals, instead of dividing the gross receipts *pro rata by one rule*, thereby adopting as many divisions as there were stations on each Road. They claimed that the Contract of 1846 provided that the Western Company, for considerations named, should receive a higher rate for merchandise, as stated in the twelve cents per ton clause; and yet, by the process adopted, *to and from each station on each parcel*, the Worcester in fact received a higher rate than the Western, after paying the

twelve cents per ton to the Western; and that, to many stations on the Western Road, the Worcester Company received more than its *local* rates between Boston and Worcester.*

The two Companies not being able to harmonize in their views of the construction of the existing contract, after protracted negotiations, the Western Company on November 25, 1855, gave the notice to terminate the contract on June 1, 1856 and the Directors appointed a committee to agree upon and perfect a new contract prior to that date.

The only result arrived at, at that time, was an agreement to refer the foregoing question of division as affecting the years of 1854 and 1855—and some other questions of less importance, to the arbitrament of F. B. Crowninshield, Esq. His award was dated April 14, 1856. On the subject of the division of joint freight receipts, the award says the Western Company “claims for an error in the mode of dividing the joint freight receipts for the years 1854 and 1855, contending that the practice before prevailing of dividing each parcel of freight, according to, or in proportion to, the distance it was carried on the respective roads, was not correct, but that the computation and division should be made in proportion to the number of tons carried one mile on the two Roads.” The referee recites, that the contract of 1846, provided “for a division *pro rata*, according to the number of miles which *each parcel was transported*.” That of 1853 that the division be “according to the distance carried, without allowance to either company for depot charges.” The Western Company had claimed that even under the contract of 1846, with its expression, according to the distance *each parcel* was carried, the division should have been the same as under the expression of 1853—“according to the distance carried”—maintaining, that, in no other way, could the expressed intention of the parties to give the Western a larger share, be carried out. But if contrary to that intent, the *parcel division* under that contract must govern—manifestly under the contract of 1853, which leaves out the provision for the *parcel division*, the parties intended a different rule of construction by this change of phraseology. The referee however held that the parties did not intend to change the rule of division, by the change of phraseology used, and that he was confirmed in this view, by the acquiescence of the parties for so many years, under the contract of 1846,—the

*The Western Report of January, 1858, alleges that for joint *passengers*, the contract as practically construed and administered, gave to the Worcester Company, over fifty per cent. more per mile of road than to the Western from the same source, and that under the rule *adopted* for joint *freight*, it gave twelve to fifteen per cent. to the Worcester, more than to the Western, having reference to the work performed by each, in doing the business. (If so, it would seem to be no improvement to the practice prior to February, 1846, so far as the Western was concerned.)

absence of any evidence showing an intention or desire to change the rule, in making the contract of 1853, and the subsequent adoption in practice, of the same rule after 1853. He therefore awarded that the construction claimed by the Worcester Company was the correct one, the joint receipts to be divided pro rata, *according to the number of miles which each parcel was transported*. The other minor questions were decided partly in favor of the views of each Company. This being for the *past business only*, the parties had no arrangement for the division of receipts after June 1, 1856.

But the President of the Worcester Company, being desirous to embark for Europe on account of his health, a temporary agreement was made May 12, 1856, to continue till December 1, 1856, the then existing mode of division of joint passenger receipts. For freight receipts, some slight modifications from the existing mode were made, as specified in the agreement in appendix, F. F. This was considered *provisional* only, subject to any subsequent arrangement, which should have effect from June 1, 1856. On the expiration of this provisional agreement, no new arrangement was made, but numerous correspondence was had, without any satisfactory result.

On May 30, 1857, the Legislature passed an act in addition to the law of 1845, "on the use of railroads," providing, that the obligation of two connecting roads, to draw the passengers, freight and cars of each, over the road of the other, should be reciprocal; and that each should furnish depot accommodations for the business of the other; the whole to be on such terms as the Commissioners appointed by the Supreme Court should decide.

On June 15, 1857, the Worcester Company proposed that the two Companies, should make a joint application for Commissioners under said act. This was declined by the Western; and on June 23, 1857, the latter made a separate petition to the Court, for the appointment of Commissioners, to fix the compensation to be paid to the Worcester Company for the business of the Western, over the Worcester Road. The Worcester Company also presented a separate application for Commissioners—and at or about the same time, August 25, 1857, applied to the Western Company (under the new law of May, 1857,) for the terms on which the Western would draw the passengers, freight and cars, of the Worcester Company over the Western Road.

The applications for Commissioners by both Companies were heard by the Court together, on November 2, 1857; and they appointed Messrs. James W. Brooks, Holmes Hinckley, and Waldo Higginson, to that service. They heard the parties in December following, and their Report was returned to Court, in March, 1858. It adopted, to a great extent,

the principle of *station or parcel* division of joint receipts, as claimed by the Worcester Company—giving much in detail and in elaborate tables, the proportions and rules for each station, on each Road. The officers of the Western Company moved the Court to set aside the award—and the Worcester for its acceptance. A hearing was had before Judge Metcalf, who reserved the case for the consideration of the full Court. In December, 1859, arguments were had before that body. The Court refused to set aside the award, on the general ground, that it raised no questions of law for their decision, and that the questions submitted, and to be considered under the statutes, and decided by the Commissioners, were questions entirely within their discretion; and on those, and on questions of fact, their award was binding and conclusive. They held that it was no objection to the award, that it gave to either Company different amounts for carrying passengers and freight from the same station upon its road to the junction, whence they are to be carried to different stations upon the other road. The Court also held that such award could not affect business prior to the filing of the petition for appointment of Commissioners. Thus the parties had no rule of division from the expiration of the old contract, June 1, 1856, to the time when the award took effect. From that time to a period of one year from the taking effect of the award, the parties were bound by its terms, as no new Commission could issue within one year.*

At the session of the Legislature for 1860, under an order suggested by friends of the Western Company, the Committee on Railways reported a bill, providing that all future Commissioners under these laws should fix one rate of compensation, not to be varied by reference to the points from, or to which, passengers and freight might be transported, on the paying road. This bill was fully debated in the House, and passed by a majority of sixty-three, but it was postponed in the Senate on the alleged ground of want of time to consider it.†

In August, 1860, the two Companies agreed that the accounts from June 1, 1856, to August 31, 1858, should be settled according to the provisions of the contract of November 1, 1853, as construed by the award of F. B. Crowninshield, Esq., referee; and thereafter to November 30, 1860, according to the award of Messrs. Brooks, Hinckley and Higgin-

* The Western officers were so much dissatisfied with this award, that they offered the Worcester Company \$25,000 to vacate it, but this was declined.

† In March, 1860, the officers of the Western Company submitted to Professor Pierce of Cambridge, the question of the *practical* effect of the two rules of division, as claimed by each Company. Copies of the questions and answer will be found in Appendix, G. G.

son—said award to be deemed waived and released after the latter date, as to all subsequent transactions.

During most of the season of 1860, frequent conferences were had by the officers of both Companies, but no permanent adjustment was effected for the future. But on November 27, 1860, a temporary contract was executed, providing that the award of Messrs. Brooks, Hinckley and Higginson should be and continue binding, and the accounts be settled monthly in accordance therewith, for six months from November 30, 1860, the Worcester Company to pay the Western \$1,000 monthly during that time.

On the expiration of that time, the Directors of the Western say that "in consideration of existing national troubles, producing uncertainty in all departments of business," this temporary arrangement was continued for one year, to May 31, 1862.

In the Annual Report of January, 1861, the Directors of the Western Company repeated the complaint that, although the contracts between the parties, professed to give the Western a higher rate, than to the Worcester, for joint freight and passengers, yet, practically, by the construction insisted upon by the Worcester, that Company received a higher rate than the Western, and they give some statistics of business in 1859 and 1860, in confirmation of this position. See Appendix, H. H. They maintained that by this principle of construction, ("*the parcel and station division,*") the *aggregate prices* of transportation were increased so as to affect injuriously the business of Boston, in competition with other cities. They say, that, "while the Stockholders of this Company have no reason to complain, that their property is unproductive," it is, "our duty to see that in the future, the business between Boston, and the way stations on our Road, is relieved from the unjust tax, to which it is subjected for the benefit of the Worcester Road."

Under the suggestion that the business of Boston suffered from this cause, as well as by the effects of a serious want of harmony between the two Companies, the subject, early in 1862, attracted the attention of "*The Boston Board of Trade,*" whose Officers sought a conference with the Presidents of the two Railroad Companies—and after several interviews, and a free disclosure of the views of each Company, the two Companies after reciting the claims of each, and the reasons for different principles of settlement, entered into an agreement on April 12, 1862, to submit their differences, to Charles O. Whitmore, Nathaniel Harris, James H. Beal and Joseph S. Fay, of Boston, and George C. Richardson of Cambridge,—a Committee of the Board of Trade of Boston, with the powers of referees, to "settle the accounts of their joint business," "until the expiration of one year, from the 31st day of May next, and of three months notice, in wri-

ting, by either party to the other, of its desire to terminate the same, expiring with, or after said year,"—and providing that any question, arising in relation to the application or construction of their award, or relating to business done during its continuance, might be determined by a majority of said arbitrators.*

Very protracted hearings were had, which are stated with much detail in the subsequent Report of the Committee, to the Board of Trade, hereafter noticed—and on July 10, 1862, they as referees, made their award, a copy of which will be found in Appendix, I. I. Upon the main points of difference they decided, as follows :

1. Each to bear all expenses, and be liable for all injuries and losses on its own Road; and where it could not be ascertained on which Road the losses occurred, the amount to be deducted from the joint receipts before division.

2. That the "expenses of loading, unloading, cooperage, and collection charges," be "offset on each Road, by *similar* services of similar nature, and, on the part of the Western Road, by charges peculiar to that Road."

3. After deducting from joint receipts, any losses, as provided in article one, and also expenses of agents West of Albany, agreed upon by both, the joint freight, and passenger receipts to be divided as follows, viz. At the end of each month, the amount of joint freight and passenger transportation by each to be ascertained, by obtaining the number of tons, and passengers, carried one mile, by each, and the aggregate receipts of both therefor, shall be divided between the two, in proportion to the number of tons, and passengers, carried one mile by each.

These gentlemen, so acting as referees, having, previously to their appointment as such, been a Committee officially appointed by the Boston Board of Trade, to consider this subject, particularly as affecting the business of the city, made an elaborate Report to that Board, under date of August 8, 1862.

That Report recites with some particularity the origin and history of the controversy, the repeated negotiations and temporary contracts of the parties, applications to the courts and the Legislature, the awards of referees, and the appointments and reports of commissioners, during the long period of twenty years; and then presents abstracts of statistics of business, and of elaborate tables presented by both parties at the hearings.

The Committee say, they met the parties on seventeen days, examined

* It is proper to say, that in all the numerous submissions of the parties to referees, and in all the temporary agreements, for modes of division, and settling their accounts, for limited periods—they provided, that no such arrangements should be held as a concession by one, to the views of the other, but each maintaining its own positions.

forty-two annual Reports, fifty-one tables of statistics, many freight and passenger tariffs, several memorandum books, calculations of interest, and heaps of pamphlets and papers; that they listened to arguments, testimony and conversations, which, as written out by phonographers, fill four hundred and fifty-six foolscap and ninety letter-sheet pages, and had nine private consultations after the hearings; and then exclaim: "All this time, and all these documents, to fix terms for the 'joint business' of the Worcester and Western Railroads, from May 31, 1862, to the same day Anno Domini 1863." "What next?—without *union*, what?" "Probably frequent appeals" to the Court, or the Legislature, or referees. And they then add, "and this controversy is to continue; and this Board is to hear—as from its very organization it has heard—complaints, and just complaints, of injury—great injury—to the business of Boston, and, of direct consequence, to Massachusetts."

The Committee recommended strongly, as the only effective remedy for these evils, a *union or consolidation of the two Corporations*. They recite, on that subject, the proceedings of the two Companies in 1845, and the unanimous recommendation of able Committees of stockholders of both Companies, by a joint Report in favor of the measure. They quote and approve the language of that Report, that "the great Western route from Boston, the capital of New England, to Albany, which is the gateway of the West, is so clearly marked as a *single, distinct and entire* route, that it must strike every one as the most natural and proper course, that the great channel of Railroad communication between these two prominent points should be *one* likewise."

In the annual Report of January, 1861, the Directors of the Western say, "We have heretofore suggested that a *consolidation of the Roads*, on an equitable basis, would at once remove these sources of differences, so annoying, so interminable, and which bid fair to exist at all the numerous points, at which the interests of the two Roads come in contact. As another means of relief, it remains further to suggest, that the exclusive privilege now enjoyed by the charter of the Worcester Company, between Worcester and Boston, expires on the 23d day of June next," (1861,) "and it will then be in our power, with the proper legislative sanction, to extend our Road by a line wholly independent, or by connection with other Roads, to Boston."

So in the Report of January, 1863, the Board say "these wide differences, the hazard of submitting to the arbitration of outside parties," &c.,—"the importance, not only to the stockholders, but to the public, of terminating these difficulties,—compel us to ask for such legislation, as will either enable the stockholders of these Corporations to adjust these matters in their own way, or allow this Corporation to reach Boston with its busi-

ness, by some route, by which it can carry its freight at a rate no higher than it receives west of Worcester.”

In pursuance of this last suggestion, the Directors of the Western, after giving the notice required by law, and making surveys for an independent line, have, at the present session of the Legislature, (1863,) applied to that body for authority*to construct such Road between Worcester and Boston, either independently or partly in connection with some other Company.

While this application is pending in the Legislature, the stockholders of the Worcester Company have appointed a Committee of three, to meet a similar Committee of the Western Company, to confer upon the subject of a *consolidation of the two Companies*. The stockholders of the Western Company promptly responded to this invitation, by the appointment of a similar Committee, and the two Committees are acting in concert to obtain the necessary information, to enable them to judge of the expediency of the union, and the terms upon which it can be brought about.

ORIGIN AND PROGRESS

OF THE WESTERN RAILROAD AND THE ALBANY AND WEST STOCK-
BRIDGE RAILROAD

SINKING FUNDS.

The subject of the Sinking Funds has been purposely deferred, in order to present their origin, history, and progress in one continued narrative.

There are two separate Funds, the *Massachusetts* and the *Albany*.

1. All the *Massachusetts* grants of State scrip, provided that the premium or profits received on the sale of the scrip should be paid to the Treasurer of the Commonwealth, and in the later grants to the Trustees of the Sinking Fund; and that annually, after the Road should be opened for use, one per cent. on the amounts of the several grants of scrip should be set apart from the income of the Road, and should be paid to said Treasurer or Trustees, and the whole be placed at interest, and the same with the interest annually accruing thereon, should constitute a *Sinking Fund*, for the future purchase or final redemption of the scrip. As the scrip was made payable, and to be sold, abroad, the *profits* were held to include premium on exchange drawn for the proceeds of sales. All the scrip certificates were made payable in thirty years from the dates of their issues, severally.

By an act of March 13, 1839, the Treasurer of the Commonwealth, and the Treasurer of the Western Railroad Company for the time being, were made *ex officio* Commissioners of the Sinking Fund of the Western Railroad Corporation. They have the care and management of all the monies, funds and securities of the Sinking Fund—the monies uninvested and the securities, to be in the custody of the Treasurer of the Commonwealth. They were required to invest the monies securely, so as to be productive; and the investments originally required were, by loan to any

county, city, town or bank in Massachusetts—or well secured on mortgage of real estate, or by pledge of stocks of the United States, or Massachusetts, or the city of Boston—or of any Railroad in Massachusetts completed, and whose original capital was paid in, and whose property was unincumbered; one-third of the Fund to be loaned on mortgage of real estate, to an amount not exceeding two-thirds of its value. The Commissioners were authorized to invest a part of the Fund in the purchase of any of the stocks before mentioned, but not over twenty per cent. of it, at one time, in Railroad stocks, and not over seven per cent. in stock of any one Railroad Corporation. Authority was given to sell and transfer any stocks or securities of the Fund.

The Commissioners were required to keep a record of their proceedings, and annually, in January, make a report to the Legislature, setting forth their proceedings the preceding year, the amount and condition of the Fund, the investments and income for the year;—the record, securities and books to be at all times open to the inspection of the Governor and Council, or any Committee of the Legislature.

2. *The Albany Sinking Fund.*—By the two contracts with the City of Albany, for the loan of Bonds of the City, to the amount of \$650,000, and \$350,000, severally, or one million, to be issued and delivered, to the Western Railroad Corporation, for the construction of the Albany and West Stockbridge Road, it was provided, that the Chamberlain of the City of Albany, for the time being, and such person as should, from time to time, be named in writing, by said Western Railroad Corporation, should be Trustees of the Sinking Fund, therein provided for; and the Western Company agreed to pay to said Trustees, ten per cent. on such bonds, as they should receive the same, and, annually, after the said Road, should be opened for use, to pay also to said Trustees, one per cent. upon the whole of the Bonds which shall have been so issued.*

Thomas W. Olcott, Esq., of Albany, the President of the Mechanics and Farmers' Bank, and a distinguished financier, was appointed a Trustee on the part of The Western Corporation, and he has held the office ever since; having practically the entire care, and investment of the securities of the Fund; and he has, with unwearied labor and assiduity, managed the business with eminent success.

The contract required, that the monies received by the Trustees, and the interest accruing, should be invested in Bonds and Mortgages, on Real Estate, in the City of Albany, or in Stocks of the States of New York, or Massachusetts—the whole to constitute a fund for the final payment of the Bonds. In March, 1849, the contract was so modified, as to authorize

* See Appendix, J. J., for extracts from the contract of April 20, 1840.

a loan from this fund, to the Western Railroad Corporation, secured by a pledge of the Stock of that Company.

The Bonds of the City run thirty years from their dates, severally. The Western Company agreed to pay the interest upon them semi-annually; and when the Fund should amount to a sum sufficient to pay the Bonds, the payment of the one per cent. annually, is to cease—and thereafter any interest accruing on the Fund is to be paid to the Western Company. When the Bonds mature, and *as* they mature, the Fund is to be applied to their payment,—and any surplus of the Fund remaining is to be delivered over to the Western Company. And the City of Albany agree, then to transfer the whole of the one million of shares of the capital of the Albany and Western Railroad Company, (which they hold as additional security for the Bonds*) to the Western Company, or such parties as they shall designate, upon surrender of the Bonds to the City.

The three several grants of the Scrip of Massachusetts amounted to	-	-	-	\$4,000,000 00
The Bonds of the city of Albany to,	-	-	-	1,000,000 00
Total,	-	-	-	<u>\$5,000,000 00</u>

The Massachusetts Scrip matures as follows:

£135,000	-	-	-	April 1, 1868
337,500	-	-	-	Oct. 1, 1868
90,000	-	-	-	Oct. 1, 1869
180,000	-	-	-	April 1, 1870
157,400	-	-	-	April 1, 1871

£899,900† = \$3,999,555.56, all at five per cent., payable semi-annually.

Of the above, £380,800 is payable in London, and the balance in London or Boston, at the option of the holder.

If paid in London, it is subject to the ruling *exchange*, or if paid in Boston, it is entitled to an equivalent of exchange, then assumed at \$4.80. There should therefore be added to this part of the funded debt of the Company,

Company,	-	-	-	\$3,999,555 56
Exchange at \$4.80, or	-	-	-	319,964 44
Total Massachusetts funded debt,	-	-	-	<u>\$4,319,520 00</u>
Add Albany bonds,	-	-	-	1,000,000 00
Whole funded debt,	-	-	-	<u>\$5,319,520 00</u>

* Excepting about sixteen shares, which are held by individuals, in trust for the Western Company, to keep up the organization of the Albany Company.

† £100 of the scrip was never issued.

The Albany Bonds are payable in Boston at six per cent., payable semi-annually, say July 1, 1866,	-	-	-	\$250,000
July 1, 1870,	-	-	-	300,000
July 1, 1871,	-	-	-	200,000
July 1, 1876,	-	-	-	250,000
				\$1,000,000

At the time of the first grant of the credit of the State of Massachusetts, the friends of the Road represented, that the premium on the sale of the scrip, with the addition of one per cent. annually on the amount of the loan, from the income of the road—the whole being at interest of five per cent. annually—would pay the Massachusetts scrip at its maturity (the interest on the scrip being paid by the Company.) The first \$900,000 of the scrip sold, produced from premiums on sales, and exchange, eleven per cent. Assuming that the whole \$2,100,000 would sell at the same rate, it would produce \$231,000; with annual interest on this, at five per cent. for thirty years (assuming it was put on interest from *the date of the scrip*,) it would accumulate to - - \$998,360 53

One per cent. on the amount of the loan annually, for twenty-seven years (the payment to begin when the road should open for use,) would add - - \$1,205,425 92

\$103,786 45 in excess of the \$2,100,000 debt - - \$2,203,786 45

And if, as those parties then assumed, it was probable, a considerable part should produce six per cent., they felt confident that it would cover any probable losses of interest or principal.

But this computation was liable to several deductions.

1. The scrip was not sold till some months after its date, and the remittance to this country would take some time, so that the premium and exchange on the proceeds could not be on interest for thirty years.

2. The exchange at 4.80 when added to the debt, would require a large fund for its payment, when due, exchange was not then considered as a charge.

3. There was, in fact, beside the three years allowed for the opening of the Road—a drawback on the payment of the one per cent. on the amount of the loan—as by the terms of the grant, it was required to be *paid out of the income of the road**—as in 1842 the net receipts of \$349,440 70 for 1842, and prior years, were applied towards the payment of the interest account, which had accrued in several past years,† and in

* The road was opened for use in October, 1841.

† Annual Report of January, 1843, page 28.

1843, the earnings were hardly sufficient to pay the expenses and interest for the year, so that nothing was paid to the Sinking Fund from income in those two years—a loss to the fund of \$80,000 in the two years.

4. Further losses to the Fund, or deficiency of payments to it, unexpectedly occurred from the fact, that of the four millions of scrip, only \$1,503,555 55 sold at a premium—the amount of which pre-

mium was	-	-	-	-	\$28,425 40
The premium of exchange drawn for do. was	-				118,042 12

Total amount paid to Sinking Fund from sales of Massachusetts scrip	-	-	-	-	\$146,467 52
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The residue of the scrip was sold at a discount, amounting in the whole to a loss of					*\$179,462 24
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This loss was not a *direct* charge upon the Sinking Fund, but it diminished by so much the *assets* for the construction and equipment of the Road.

There was also a loss of some \$10,400 on the sale of Albany Bonds. This did not affect the Albany Sinking Fund. But that loss also diminished the assets for construction.

In their annual Report of January, 1842, page fifteen, the Directors say, "The novel and dangerous doctrines advanced by some of the States, in reference to the validity of 'State and city' securities, and the refusal or neglect of others to meet the interest upon their debts, have, during the whole of the past year, operated abroad to discredit and depress the price of all State stocks, indiscriminately, and to prevent sales, except at a ruinous sacrifice."

The sum of \$349,440.70, which in January, 1843, was the amount of net income to that date, as before stated, and which was then applied to the construction interest account, (though perhaps \$40,000 of it should then have been paid to the Sinking Fund,) was in 1849 restored to the income account virtually, but at the same time a part of it, viz., \$310,739.28, was charged off to depreciation of engines and cars. It would seem, if any transfer was to be made, that it was manifestly proper to have appropriated to the Sinking Fund \$40,000 of the amount, with interest upon that sum from January, 1843, when the one per cent. from income was due to that fund.

The first payment to the Massachusetts fund of the one per cent. from the income, was made December 31, 1844. From that time to the present, this payment has been made for every year; though in one or two

* Annual Report of January, 1843, page 1 of *Assets*.

cases the payment was not punctual. At the above date, this fund as reported, amounted to \$239,451.00.

The Albany Road was opened for use through the whole line, September 12, 1842. The payment of the one per cent. to the Albany Sinking Fund did not depend upon the income of business, but was due by contract from the Western Company. The first payment of \$10,000 was made by that Company, in December, 1843, and the second in December, 1844. These, added to the ten per cent. from proceeds of the Bonds and accumulated interest made the amount of the Albany Fund, January 1, 1845,

Value of both the funds January 1, 1845,	\$149,759 17
Value of both the funds January 1, 1845,	389,210 17

An act of the Legislature of Massachusetts, of March 25, 1845, authorized an increase of the capital stock, from time to time, equal to the sums paid, or thereafter to be paid, to the Sinking Fund, and the interest accrued thereon at the times of such increase,—of which \$330,000 should be applied to construction, and the residue from time to time to be added to the General Fund, and appropriated *as to the Directors should seem best*,—but such part as exceeded the amounts annually, paid to the Sinking Fund, should be appropriated to construction.

January 1, 1846, the value of both Funds, as per Annual

Report, was	\$465,251 28
Mr. President Gilmore, reported it as of November	
30, 1846, at	539,658 71

And that Report adds, that the value of the Massachusetts Fund at the average time the scrip will fall due—the one per cent. being annually paid, by reckoning compound interest at six per cent. would be

	\$2,783,286 22
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And of the Albany Fund, on the same basis,

	1,299,156 83
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Total, both funds, at average times of maturity,	\$4,082,443 05
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The Massachusetts act of April 24, 1847, authorized an increase of capital, by adding \$1,600,000—the proceeds to be appropriated to construction, to payments to the Sinking Fund—and the purchase of sterling scrip of Massachusetts. It provides that the Company might pay the Sinking Fund in sterling scrip, and might purchase the securities of said fund, with said scrip. The Annual Report of January, 1849, states, that up to January 1, 1848, there had been “paid to the Sinking Funds from the proceeds of shares

	\$213,111 10”
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The Investigating Committee of Stockholders, in their Report, dated February 11, 1852, page 35, say, that there had been contributed to the

Sinking Funds "from *proceeds of Stock and Bonds* as required or permitted by law prior to January 1, 1849," - *\$459,578 62

By an act of April 26, 1847, the provisions for investments of the Massachusetts Fund, were changed, by authorizing the Commissioners to invest in Railroad stocks of Massachusetts Companies, whose original capital was wholly paid in,—excepting the Western Railroad stock—also in the purchase of any stocks specified in the act of March 13, 1839,—but not over thirty per cent. in Railroad stocks, and not over ten per cent. of the fund, in the stock of any one Railroad. The Commissioners are also authorized to transfer to the Western Railroad Company, any stocks or securities of the fund, on receiving an equal amount of sterling scrip of Massachusetts; and they are *required* to receive in said scrip, all sums paid by the Western Railroad Company to the fund, if requested by the Company. This act repealed so much of the act of March 13, 1839, as militates with its provisions.

An act of May 9, 1848, prohibited further payments to the Sinking Funds from the sale of shares, but provided, that such payments should continue to be made according to the law of March 13, 1839.

April 12, 1848, the Common Council of Albany authorized investments of the Albany Sinking Fund, in bonds of the City of Albany, guaranteed by the Western Railroad Corporation, and in other stocks of that City, or of States of New York, or of Massachusetts, or the City of Boston.

An act of May 24, 1851, provided that the Commissioners of the Sinking Fund should have perpetual succession in law as Commissioners—that grants of land to them should be taken as in fee,—and all mortgages to them should enure in fee,—that they alone should have power to foreclose, and might give releases.

At the annual meeting of stockholders in February, 1851, Messrs. A. H. Bullock, William Jackson, J. Gardner, D. Wilder, Jr., and William Raymond Lee were appointed a Committee, among other things, to examine and report upon the property and assets of the Corporation, and their opinion of the value thereof. The Report was presented at the meeting in February, 1852. On the subject of the Sinking Funds it says: "As to the Commissioners who have charge of the Funds, it is but just to say that the interests have been carefully regarded; and that, while the income is uncommonly large from both, the securities are, (with perhaps the exception of one mortgage in the Albany Fund,) of the first class;

* This included \$100,000 paid to the Albany Fund from the proceeds of Albany Bonds, as per the original contract with the city of Albany—and \$146,467 52, premium and exchange on sales of Massachusetts sterling scrip—paid to the Massachusetts Fund, as required by the grants of the scrip; so that only \$213,111 10 was paid to the fund from proceeds of shares or bonds sold.

and that they cannot but feel, that this portion of the property belonging to the Corporation, is in a most satisfactory condition." They add, that the present value of the Funds (February, 1852,) is within a fraction of twenty per cent. per share of stock.

The value of the Massachusetts Fund, January 1, 1852, was	\$698,039 41
And of the Albany, January 1, 1852,	320,467 34
Total both Funds,	<u>\$1,018,506 75</u>

And the Committee say, that if interest is cast upon this at six per cent., and upon \$50,000 per year, added from the earnings of the Road, to January 1, 1870, they will amount to	\$4,452,424 00
The debt being	<u>5,319,256 00</u>
Deficiency only,	*\$864,826 00

In 1855, a Committee, consisting of F. Hayes, J. Ingersoll Bowditch, and J. J. Dixwell, was appointed on the subject of obtaining the necessary funds for constructing a second track from Springfield to Albany, either by use of a part of the Sinking Fund, or in such other manner as the Committee should judge expedient; also to examine and report upon the condition of the Funds, and whether any change was desirable in their investments or management. The President had made a communication, recommending such use of a part of the Fund for the second track, and for the payment for the purchase of the Hudson and Berkshire Railroad, which communication had been committed to this Committee. Their Report was dated March 7, 1855.

They examined the subject in detail, and reported against such use of the Sinking Fund; principally on the ground, that the Fund had, by many acts of the Legislature, been recognized as a sacred deposit for the redemption of the State scrip;—that it was not only a security to the holders of the scrip or bonds, but a safeguard to the stockholders, that the enterprise might not be overwhelmed at the maturity of the debt. They add, "we hold that in the establishment of the Sinking Fund, and in the negotiation of the bonds, there was a compact between the Company, the State and the bondholder, that the Sinking Fund should be kept inviolate, for the future purchase or final redemption of the scrip; and that it cannot be used for any other purpose, except with the consent of all

* If the one per cent., or \$40,000, had been paid to the Fund in 1842, and in 1843, from the receipts of \$349,440.70, instead of applying the whole to construction interest account, that, placed upon interest at six per cent. up to January 1, 1870, would have added about \$400,000 to the Fund at the latter date.

parties to the compact," and that it is impossible to obtain the consent of all the bondholders.*

1. In their examination of the securities of the fund, the Committee report, that they found nearly \$100,000 of the Massachusetts Fund invested in the shares of the Providence, the Worcester, the Lowell and the North Adams Railroads, at rates much above the then market price, though nearly all at rates under par; and they express the "opinion that the fund should not be invested in any other than those securities, which are sure of an income, and are not exposed to the hazards of business," and they recommend a change, when a good opportunity offers. They disapprove of a loan to the Connecticut River Railroad Company of \$200,000 without security; as they doubt the propriety of loaning to any person or Corporation without security.

They found in the Massachusetts fund notes of \$205,591 91, secured by fifty-one different mortgages—many past due, but, in almost all cases, there was sufficient property to secure the debts.

2. The Albany fund was, in part, of \$294,317, secured by more than one hundred different mortgages, all on real estate in the City of Albany. The Committee think the entire amount of investments will be collected. They recommend the collection of over-due loans and some others, and suggest some changes in the mode of keeping the accounts of the Commissioners,—the opening of new books and re-writing the old ones.

In view of the great and increasing magnitude of the funds, the Committee "recommend the appointment by the Stockholders annually, of a person from their number, of skill and experience, who should supervise the condition of the fund and its investments, and suggest to the Commissioners such changes, from time to time, and such investments, as he should judge advisable,—to report annually to the Stockholders. Mr. J. Ingersoll Bowditch was appointed supervisor.

An act of March 26, 1858, provided, that "all future investments of moneys belonging to the Western Railroad Sinking Fund *shall be made* in the following securities. The bonds of the Commonwealth for the redemption of which said Sinking Fund is provided.

Other bonds of the Commonwealth.

The public securities of the United States.

The public securities of the State of New York.

The public securities of either of the States of New England.

The public securities of the cities or towns in this Commonwealth.

*The Committee suggest two other modes for raising the necessary means, by the bonds of the Company, or increase of capital stock.

By section second, the Commissioners were required to collect as soon as may be, all loans which are overdue, or shall hereafter become due—and re-invest them as provided in the first section.

This act excludes investments on mortgages of real estate. It excludes, loans to counties or banks, or on *pledge of stocks of any kind*, all of which were authorized by previous loans.

By act of April 10, 1861, it is provided, that in addition to the securities specified in the above act—the moneys of the fund, “may be invested in the stocks of any Railroad Corporation in this State, whose Road is completed, whose capital has been wholly paid in, and whose Road and property are unincumbered, and which has earned dividends of at least six per cent. per annum, for three years next preceding such investment; but not more than twenty per cent. thereof, at any one time, to be invested in said Railroad stocks, and not more than seven per cent. thereof, in stock of any one Railroad Corporation—(no investments to be made in the stock of the Western Railroad Corporation.) Also in such securities as the deposits in Savings Banks of this commonwealth were authorized to be invested in—by the 142d, and 143d sections of chapter fifty-seven, of the general statutes,—subject, to the same restrictions as to amount, in proportion to the whole fund, to be invested in any one kind of security as are applicable to savings banks. Savings Banks, were by the fifty-seventh chapter of the general statutes, authorized to invest, in addition to some of the securities allowed for investment, of the Sinking Fund,—in the following—on first mortgages of real estate in this State, or in stocks of banks incorporated by the State—in loans to counties in this State, or on notes with a pledge of any securities authorized to be purchased—as collateral; but not more than half of the capital of any bank, to be held by way of investment or security—and not more than ten per cent. of its deposits—and not to exceed \$100,000—in the capital stock of any Corporation.

These two statutes contain all the provisions for the investments or securities of the sinking fund now in force. The last mentioned law (of April 10, 1861,) required the Commissioners to cancel the bonds of the Commonwealth and the coupons annexed, for the redemption of which the fund is provided, and which may be purchased by the Commissioners, in the investment of moneys of the fund;—*Provided* the Western Railroad Company shall give them an agreement to pay interest on said bonds to the time of maturity—the Treasurer of the Commonwealth to retain the custody thereof, as representing so much of the investment of said fund, to be surrendered at maturity.

The value of the Massachusetts fund November 30,

1862, was,

-

-

-

-

\$1,936,006 77

This had accrued:

1. From premium and exchange on sale of sterling scrip, - -	\$146,467 52
2. One per cent. on the loan, paid by the Western Railroad Company,	*760,000 00
3. Interest and accumulation, -	1,029,539 25
	\$1,936,006 77

The value of the Albany fund, November 30, 1862, was, \$778,349 79

This had accrued:

1. From the ten per cent. deducted from the original million, by the contract of 1840,	\$100,000 00
2. Contribution of one per cent. on the loan annually paid by the Western Company, from December, 1843, to November 30, 1862, inclusive, - -	200,000 00
3. Balance, interest and accumulation,	478,349 79
	\$778,349 79

Total amount of both funds, November 30, 1862, \$2,714,356 56

Of which were from accumulation, - - \$1,507,889 04

The two funds are equal to \$52.70 per share of \$100, on the capital of \$5,150,000.

It is very apparent, that, the Albany fund will accumulate sufficiently, to pay off the whole of the Albany bonds, long before the whole mature. A part of that fund is at seven per cent. It has never produced less than six per cent. At that rate, computing upon the amount of it November 30, 1862, with the one per cent. annually, the fund will be adequate to pay off the whole loan in 1866, when the first \$250,000 fall due. The last issue of the bonds of \$250,000, mature ten years later, in 1876.

But by the provisions of the contract with the city of Albany, dated, April, 23, 1840,† the expression is, that the Western Company shall pay annually to the Albany Trustees, "the amount of one per cent. on the *whole of the bonds which have been so issued,*" with a *proviso* that, when a sufficient sum is realized to "pay the amount due on the bonds, the said annual payment of one per cent. shall cease," and the interest thereafter be paid over to the Western Company. There is a further proviso that the Western Company shall have a right, at any time, to purchase and surrender to the city, "any portion of said bonds;" and thereafter,

* Of this amount there was paid from sales of shares, \$213,111 10. The balance was paid from the income of the business of the Road.

† This was for the first city loan of \$650,000. On the subsequent addition to the loan of \$350,000, a similar contract was made, and is presumed to be in the same terms. See Appendix, J. J.

the said annual payment of one per cent. to the Sinking Fund shall be reduced in the same proportion."

If by such purchase or surrender, the fund "shall be more than sufficient to pay the balance of the bonds on scrip outstanding, said surplus shall be paid over to the Western Company;—and when the bonds fall due, the fund, or such part of it as is necessary therefor, shall be applied to their payment—and when all are paid and surrendered, such part of the fund as remains, if any, shall be paid over to the Western Company."

No direct provision is made for the contingency of the bonds maturing in different years. But it seems clear that some part, at least, of the fund must be preserved intact, till 1876, when the last parcel of the bonds, (\$250,000) falls due, unless they are purchased and surrendered before that time. The holders of that class of bonds are entitled to this. But the clause authorizing the Western Company to purchase and surrender any part of the bonds at *any time*, and have a corresponding reduction of the annual payment of one per cent., will justify the construction, that there shall be a similar reduction of the one per cent., when, *upon maturity* of part of the bonds, such part shall be paid. Thus if \$250,000 is paid July 1, 1866, the payment, November 30, 1866 would be one per cent. on \$750,000, and so of subsequent payments on maturity of the bonds. Upon this principle, assuming the fund, as per report of the Directors, to be on November 30, 1862, \$778,349 79, annual interest cast upon this sum to July 1, 1866, when the first bonds mature, and adding the one per cent. annually, with interest upon that, then deducting the payment of \$250,000, and carrying along the annual payment of \$7,500, and the interest to July 1, 1870, and deducting the payment of \$300,000 then due, and the same process to 1871—and to 1876—when the last payment is due, there would remain of the fund nearly the sum of \$500,000, to be paid over to the Western Company.

But here interposes a provision of the contract, that when the fund is sufficient to pay all the bonds, the payment of one per cent. shall cease—and thereafter, the interest accruing, shall be paid over to the Western Company. This goes upon the presumption, that the fund is adequate to meet *all the bonds*, before they mature, and before they can be called in. The fair construction is, that it was the intent and object of the parties to the contract, always to have in the hands of the Trustees of the fund, a sum sufficient to meet all the outstanding bonds, as they should mature; and that the surplus should enure to the benefit of the Western Company. On July 2, 1870, there will be unpaid of the bonds but \$450,000. The fund at six per cent. will be about \$680,000. Clearly, according to the above construction of the contract, the payment of one per cent. should

cease, and the accruing interest thereafter be paid over to the Western Company.*

The last of the Massachusetts scrip matures April 1, 1871, about four years before the last of the Albany bonds. And it is worthy of note, that there is no provision that the surplus of the Albany fund may be applied to the deficiency of the Massachusetts fund to pay the whole of the Massachusetts scrip.

The only provision is that such surplus of interest and principal, shall be paid to the Western Company. It would be very desirable that such an arrangement should be made by contract between all parties, that that surplus might be applied to Massachusetts scrip—such part of the Massachusetts scrip as is not paid by the Massachusetts fund—to be renewed until the surplus of the Albany fund falls in. That surplus will not, however, be sufficient to pay all the Massachusetts scrip, otherwise unprovided for. The balance will probably be supplied by increase of capital, and sale of new shares. In this view, it will be noted, that when the Albany bonds are paid and surrendered, the city is to transfer the million of stock of the Albany Company, held by the city as additional collateral, to such persons as the Western Company shall designate. Perhaps these shares may be used instead of increasing the shares of the Western Company.

An act of the Massachusetts Legislature of May 15, 1855, authorizes the Western Company, the Albany Company, and the Hudson and Boston Company, to be consolidated into one Company, by the name of the Boston and Albany Railroad Company, at such times, and on such terms as they may mutually agree. With similar authority from the New York Legislature, it may be desirable not only to provide for the disposition of the Albany shares, and future surplus of that fund, but very essentially simplify the ordinary operations of the business and accounts of the three Companies.

We have thus given, in a condensed form, the history and progress of the Western Road, from its organization, in January, 1836—twenty-seven years—to the present time,—embracing twenty full years of business *upon its own track* through, between Worcester and Albany. The documents and tables in the Appendix show in detail, the gradual increase from year to year, of the capital and cost of the road and equipment, the additions to the means of doing the business, and the great increase of that business.

* Possibly, this might safely be done at an earlier date. On July 2, 1868, \$750,000 of bonds will be unpaid, and the fund will then be \$890,000, in either case the one per cent. being paid only upon the amount of bonds not matured.

The following table presents a comparison of various items in 1843 and 1862:

Years.	Cost of Roads and Equipment.	No. of Engines.		No. of Passenger Cars.		No. of Freight Cars.	Miles of Second Track.	Net Income.	No. of Passengers.	No. of tons of freight equal to through, 1846 to 1862.	Miles Run.	Amount of Sinking Fund.
1843	\$7,566,791.57	27	20	316				\$269,909.45	200,965½	(1846) 100,950	441,608½	\$177,529.58
1862	11,218,476.41	73	52	1099		116	116	984,564.30	558,047½	(1862) 332,296	1,257,201	2,714,356.56
Incr.	\$3,651,684.84	46	32	783		116	116	\$714,654.85	357,082	231,346	815,592½	\$2,536,826.98

For the last ten years, the dividends have averaged per share or, per cent., $7\frac{5}{10}$.

If the payments to the Sinking Funds had been divided also, the dividends would have been, per cent. average for ten years, $8\frac{5}{10}$.

On November 30, 1862, the amount of the two Sinking Funds was equal to \$52.70, on each share of the capital stock of the Western Company.

APPENDIX.

A. Page 5.

WHILE this Report in favor of a *Canal*, was pending in the Legislature, an anonymous writer in the Boston Courier, of February 28, 1826, (understood to be David Henshaw, Esq.,) made two computations of the time it would take to complete the Hoosac Tunnel, upon data furnished by the Report.

1. Taking the Schuylkill canal tunnel, four hundred feet long; the sectional area eighteen feet by ten, making the transverse section one hundred and eighty feet. It took as many men as could work night and day for eight months, or two hundred and eight working days. Thus $180 \times 400 = 72,000$ cubic feet. The Hoosac tunnel being four miles, or 21,120 feet, the area $20 \times 13\frac{1}{2}$ gives 5,702,400 cubic feet. If 72,000 cubic feet took two hundred and eight working days and nights, it would take to excavate 5,702,400 cubic feet, fifty two years and one hundred ninety-seven days.

2. Taking the Lehigh tunnel, six hundred linear feet, by the same process, the same writer stated, it would take one hundred eighty-two years and fifty-eight days.

B. Page 7.

Early in July, 1826, and a few days after the appointment of Dr. Phelps' Committee, some members of the Legislature attended the funeral of President John Adams, at Quincy; and then visited the Quincy Railway. Mr. Webster being of the party, Dr. Phelps had some conversation with him on the subject of the *new proposition*, then much ridiculed. Mr. Webster, after making some inquiries, said, "Well it is certainly a subject for very grave consideration, whether roads for general travel cannot be made as you propose." This remark, as Dr. Phelps says, in a recent letter, gave him great encouragement and satisfaction.

C. Page 33.

This Committee, who reported the first successful bill for aid to the Road, consisted of Messrs. Hubbell, Lawrence, Rantoul, Whittemore, Draper, Longley, Loud, Ruggles of Fall River, Bryant, Parker, Coffin, and Briggs.

D. Page 39.

The approximate location on the northern route, gave one grade of 82 18-100 feet per mile, at North Becket. On the final location, this was reduced to 80 feet, as the maximum grade on the route. When that part of the road was nearly graded, and the bridge masonry finished, a severe freshet raised the stream so much above what had been known before, that it was deemed prudent to raise the grade for about three miles to, from 81 to 83 feet, varying at different points. About $1\frac{1}{2}$ miles is at 83 feet per mile.

D 2. Page 40.

The early advocates of the Road were not entirely unanimous, on the propriety of constructing it beyond the Connecticut river. One gentleman who was on the first Board of Directors, and who was continued as a Director for many years thereafter, gave an opinion to the writer, that the Road could not be carried beyond Springfield. And on a hearing before a Legislative Committee, having in charge a petition of the Company for aid, he expressed a doubt, whether it were worth while to provide means for the road west of the river.

E. Page 42.

During the pendency of the bill in the Legislature for the first grant of State scrip, a detailed computation was made, printed, and circulated, showing that a *premium* of eleven per cent. on the sterling scrip (the then ruling price in London) together with exchange upon it, with the addition of one per cent annually upon the amount of the loan, from the income of business, and the whole put at interest, at five per cent., would, at the end of thirty years, the maturity of the scrip, pay the scrip in full—the Company keeping down the interest on the scrip. Thus eleven per cent on \$2,100,000—\$231,000, at five per cent. compound interest, would, in thirty* years, produce

	\$998,360 53
One per cent. annually for twenty-seven years, (after the Road should be opened) at the end of the same thirty years, would be,	1,205,425 92
Amount provided to pay \$2,100,000	\$2,203,786 45

F. Page 56.

IN SENATE, February 4, 1840.

Ordered, That the Joint Special Committee on Railroads be instructed to inquire into and ascertain the following particulars in relation to the Western Railroad Corporation, viz:

First.—The amount of expense for printing all documents or papers from January, 1836, to the present time, designating as far as practicable, the purpose and intent of

such documents or papers, with their cost, which have been ordered by any officer or agent of said corporation. Also the number and expense of printing and forwarding circulars signed by William Savage, one of a Committee of forty-six, chosen by said corporation, and directed to the ministers of the gospel, requesting them to preach to their people on the morality of railroads.

Second.—The amount paid or promised to any person or persons as counsel, or otherwise employed by said corporation or any of its officers, to aid in obtaining an act of the Legislature for a loan or loans of the credit of the State or scrip to the said corporation, with the name or names of such person or persons, if any, and the amount paid or promised to each person so employed.

Third.—What persons formed a combination and to what extent, on or near the line of said railroad, to extort an extravagant price for timber and lumber, from the corporation.

What amount was paid for wood-land by said corporation to break up such combination. The name of the agent making such purchase; of whom purchased; the amount saved to said corporation by such purchase.

Fourth.—Whether said railroad, or any of its depots, are located on land purchased of any officer or agent of said corporation. If so, how long had such officer or agent been the owner of said land before such purchase by said corporation.

Fifth.—Whether any person or persons receiving a stated salary, have been paid such salary by said corporation, when they have been absent from the duties assigned them for months on other business, and whether the corporation have hired others to perform said duties or portions of them, in consequence of such absence.

Sixth.—The amount paid all officers or agents of said corporation, the name of the person, the office held, and the business employed about; whether stated salary, and what per annum; what other allowance to such salaried officer, if any, and for what purpose granted, with a detailed statement of such expenditures from January, 1836, to January 1840.

IN SENATE, March 2, 1840.

Ordered, That the Joint Committee appointed to investigate the affairs of the Western Railroad, be directed to ascertain and report the whole expense and outlay on said Road, in each year since its commencement, specifying the separate items, particularly all sums paid for personal services, either as salaries or otherwise, and the kind of services, for which any money has been paid.

IN SENATE, March 5, 1840.

Ordered, That the Committee on the Western Railroad be directed to report the number of salaried officers holding the office of director in said Railroad Company, and to consider the expediency of providing by law, that no salaried officer except the president, be permitted, at the same time, to hold the office of director; also, to consider the expediency of increasing the number of directors to be chosen on the part of the State, or of lessening the number to be chosen on the part of the stockholders.

G. Page 59.

To the third enquiry, the Directors answered, that the agent having represented that a large quantity of timber and lumber would be wanted, and when known, prices would advance, and the Company be in the power of the owners, and recommending

the purchase of good timber lands near the Road, the Board, by vote, gave him the authority. Under this, the agent, himself, and through F. Morgan, of Palmer, purchased six tracts for - - - - - \$5,464 59

Before cutting the timber, advertisements were issued, for timber to be delivered, and it was found, that it could be purchased one hundred miles up the Connecticut, River, brought down and drawn out from Springfield, twenty or more miles by teams, cheaper than offered on the line. The prices offered on the line were so nearly uniform, as to induce the belief of a *combination* among the bidders, to extort from the Company.

The timber of the Company was cut by contract, and produced, net,	\$5,591 02
The land left (since sold for \$6,000) was then called	2,775 00
The Engineer and Agent estimated a saving in controlling other purchases of	5,000 00
	<u>\$13,366 02</u>
A saving of	\$7,901 43

H. Page 59.

To the fifth enquiry, absence of officers from duty, the Directors made the following answer: There was no such case. By contract with the chief or consulting Engineer, he was to give to the Company only a portion of his time, for an agreed salary.

And in 1839, the General Agent being a member of the Legislature, and the Corporation having applied for additional aid, he asked instructions of the Board, whether he should remain at Springfield, occasionally visiting Boston, or attend the Legislature, with occasional absence on the line.

The Directors decided that he should attend at Boston, while their Petition was pending, as on former similar occasions. And the Directors further answered, that so far as they knew, he, both at Springfield and Boston, attended to all the duties of his office. The agent stated that his pay as a member, exceeded his expenses while attending the Legislature, by some two or three dollars, and the expenses were not charged to the Company.

I. Page 59.

Sixth enquiry—payments to all officers and agents, and extra allowances to salaried officers, from January 1836 to January 1840. In answer, the Directors submitted a detailed schedule of several pages, of which the following is a summary:

In 1836, payments to President, Treasurer, Agent, Clerk and assistant to Agent,	\$6,025 20
Chief Engineer, Resident Engineer and Assistants,	12,144 53—\$18,169 73
1837, to President, Treasurer, Agent and Assistant, and Clerk,	\$6,968 06
1837, to Engineers and Assistants,	16,940 90—\$23,908 96
1838, to President, Treasurer, Agent and Assistant, and Clerk,	\$7,437 50
1838, to Engineers and Assistants,	14,558 00—\$21,995 50
Amount carried forward,	<u>\$64,074 19</u>

Amount brought forward,	-	-	\$64,074 19
1839, to President, Treasurer, Agent and Assistant, and Clerk,	-	-	\$9,666 67
1839, to Engineers and Assistants,	-	-	15,241 33—\$24,908 00
Total four years,	-	-	\$88,982 19
(Per year average, \$22,245 29.)			

For the general expenses of organization,—surveys, and location of 116½ miles of Road, two or three thousand miles of trial lines run, and three years expenses of officers, and engineers in construction.

J. Page 59.

On this subject of the agent's speculation in lands, as charged by Mr. H. Sterns, and Mr. E. Dwight, he submitted to the Legislative Committee, facts and explanations of which the following is an abstract.

The preliminary surveys of Fessenden in 1835, at Springfield, were run to the river, across the Worthington estate, a tract of four and a quarter acres, extending from the Hill, across Main street to near the river; then owned by a Springfield gentleman, residing in New York. When, after the organization of the Company, early in 1836, the question of location at Springfield was agitated, no other line had been surveyed then; and as that was the only estate large enough for the road and depot, general opinion at Springfield had early fixed upon that, as the best location. The Agent was decidedly of this opinion, formed long before he thought of abandoning his profession, and taking the agency. On returning from the South, he happened in the store of the owner of that estate, when he was informed by the owner, that a company of gentlemen at Springfield, had applied to him to sell them that property on speculation, and he added that the Railroad Company ought to have it for a depot. To an enquiry if he would sell it, he answered yes, for a depot, but not otherwise; for he purchased it for a residence. He then gave the agent terms and a refusal for one week. The latter returned to Springfield, went direct to Boston, got together a majority of the Board, and advised them to make the purchase. But they declined, being unwilling to pledge themselves, even provisionally, in favor of any location. He then asked the members of the Board if they were willing he should buy the estate, to hold it until the Board should decide upon the question. The answer was, yes, we should be glad to have you, but do not advise it. But before he came to any decision, the week limited for the refusal had passed; when he ascertained that some speculators, who had purchased other large estates near by, were negotiating for that estate.

The Agent then proposed to a neighbor, a zealous friend of the road, Mr. Charles Stearns, to unite with him in the purchase, on condition that neither should sell any part of the property until the Corporation was provided for, and to hold it and offer it to the Company at cost. The purchase was made by contract given for a deed at about \$11,000. The speculators above named threatened the New York owner with suit for not closing a sale with them; they having bought one hundred acres where the road now runs, and aiming to control the location, as was supposed. The purchasers offered the property to them at cost, if they would hold it for the Corporation on the same terms. But this was declined. At the first meeting of the Directors, the estate was offered to them at cost, and was so held for a long time.

On April 4th, 1836, Mr. H. Sterns met the Board and proposed to sell them for a depot, a tract of land of about one acre on State street, in the meadow east of Main street, and below the Court House, and he wished the Board to order a survey to it, from the Fessenden line, across the Worthington estate. At the same time he complained of the Agent for speculating in lands there, for a depot. The facts of the purchase by the Agent, and his offering it to the Corporation at cost, being explained to him by Mr. Dwight, his reply was, that if he had known those facts, he should not have said anything on the subject, and that he was perfectly satisfied. And yet four years afterwards, he repeated the same complaint to this Legislative Committee, and Mr. D. sustained him by saying to the Committee that the Agent wanted to get the depot near his own lands.

The Board finally directed the location on a different line, and the Agent released his interest in the Worthington purchase, to his co-purchaser at cost; the deed of the whole having been made to him alone. He made a large profit on the purchase.

K. Page 59.

In noticing this Report of Mr. Allen, it is due to several eminent citizens of Worcester, to allude, briefly, to the important and effective agency they had in initiating, and carrying forward, measures in favor of this great thoroughfare, between Boston and Albany.

The Honorable Levi Lincoln, from the time of his first election in 1825, as Governor, and for a series of years, while he held that office, and while he acted as Chairman of the Board of Directors for Internal Improvements, let no opportunity pass, to impress upon successive Legislatures, the importance of measures, for the construction—at first, of a *Canal*, and afterwards of a *Railroad*, from Boston, westward through the State; and as a means to effect this object, he repeatedly recommended, that the State should embark in the enterprise.

The Hon. Emory Washburn, then of Worcester, was a member of the Legislative Committee, of 1826, of which Dr. Abner Phelps, was Chairman, which made the first report in favor of a Railroad to Albany. Mr. Washburn, as a member of the House, in 1838, presented the petition of the Western Company, for the first grant of the scrip of the State,—made an able report in its favor, and sustained it in an effective and eloquent speech.

In 1839, when it became necessary to ask further aid from the State, the application was committed to the care of William Lincoln, Esq., of Worcester, who presented it, conducted the examination of its merits, made the report in its favor,—sustained it with all his powers in debate, and carried the grant triumphantly through.

And now in 1840, when Governor Eustis suggested the necessity of an investigation of the concerns of certain Railroad Companies, and when serious complaints were made in the Legislature, against the officers of this corporation, and numerous orders for enquiry were presented, intended to implicate them, the Hon. Charles Allen, of Worcester, was chairman of the Committee on the part of the House, to whom the whole were committed. He gave patient and devoted attention to all these examinations for several weeks, and, on behalf of the Joint Committee, made a full report, with a complete vindication of the Company and all its officers.

K. 2. Page 63.

Mr. P. P. F. Degrand was an ardent and devoted friend of the Western Railroad enterprise, from the earliest efforts for the organization of the Corporation, to its final completion; and indeed, to the day of his death. In all the financial plans, he was the constant counselor of the Treasurer; and no one was more engaged, or more efficient, in promoting the measures, for procuring the several grants of aid from the State. He often took out of the market, large amounts of the stock of the Company, and held it, frequently, at considerable pecuniary sacrifice; and when, in 1842, contrary to the general understanding of the stockholders, assessments were unexpectedly laid, to the amount of forty per cent., at short intervals, it was understood that Mr. Degrand sustained a considerable loss to meet those payments. Ardent and enthusiastic in his views of the prospective success of the Road, he was exposed to much ridicule, for the extravagance of his predictions; but the result has long since shown, that, in most respects, his anticipations have been more than realized.

L. Page 63.

The Committee annexed to their report, a table showing the residences of the Stockholders, the number in each place, and the number of shares in each; of which this is an Abstract:

In Boston,	1095	Stockholders,	owning	14,729	shares.
Charlestown,	42	"	"	288	"
Roxbury,	43	"	"	307	"
Springfield,	209	"	"	817	"
New York,	11	"	"	711	"
75 other places	549	"	"	3,148	"
	1949	"	"	20,000	"

There were	1652	persons	owning	from	1	to	10	shares	each.
	126	"	"	10	to	20	"	"	
	125	"	"	20	to	50	"	"	
	29	"	"	50	to	100	"	"	
	17	"	"	100	and	upwards	shares	each.	

Senate Doc., No. 35, 1841.

On call of the Legislature, there were reported January 20, 1838, 2331 stockholders, viz.—in Boston 1330, and the residue in fifty other places.

Senate Doc., No. 28, 1838.

M. Page 65.

From the New York Standard of January 12, 1842.

"We cut the following from a Utica paper. It shows us in what estimation the Western Railroad is held in the center of the State—how accessible, residents there now regard the city of Boston, and all New England—how ready they are to go there for travel and for trade, and exhibits to us their opinion as to the probability of the products of the Western part of this State, and of the Western States, pouring into the Yankee city. We wonder if they are blessed with any Mr. 'Front

Street' in Utica? If so, how he must mourn, in sackcloth, to see all this 'tapping' going on. New England is 'tapped,' and Yankee notions, importations, manufactures, sea products, &c., &c., are flowing out, in inexhaustible exuberance, to travel over the iron *faucet*, through Utica, to the mighty West. Lake Erie is a great natural *tap* into, and out of the illimitable West.

"The Erie Canal, and its parallel line of Railroad, 'taps' into and out of the craft-crowded Lake. Millions of tons of freight and passengers, will come through these 'taps,'—rush down the valley of the Mohawk, *tangential*, by the Albany contract and the Western Railroad, into the land of the Pilgrims; diffusing life and wealth and joy, throughout the line from Buffalo to New Bedford. What admirable *tapsters* these Yankees are. Pity Boston had not, with the keen-sightedness of Mr. 'Front Street,' discovered the ruinous policy of 'tapping,' before she made that huge bung-hole in the Hudson River at Greenbush—through which, (unless New York *taps* Lake Erie at Dunkirk) all the trade, freight, travel and opulence of the West will pour—running up the 'steep grades' of the Berkshire mountains—and sweeping, at last, into the 'Queen city of the East.' There can be no 'Front Street' in Boston."

From the Utica Daily News.

" ' WESTERN RAILROAD.

"A new era commences with the opening of the Great Western Railroad which connects Albany and New Bedford. New England, the birth place of many of us, and the home of many of our Fathers, which we have been accustomed to regard as far removed from us, has, by this magical operation, approximated to our border. The influence of this road upon New England and upon New York can hardly be estimated. We have hitherto been strangers to the people of Boston, and they to us. We saw but few of her citizens here. They saw but few of our citizens there. A summer tourist, would occasionally, visit the 'Yankee city,' but he would regard it with almost as much curiosity as a city of Europe. To have visited Boston was no inconsiderable feat. But the Capitols of the Bay and of the Empire State, now lay, as the Boston Mayor wittily expressed it, 'cheek by jowl.' Visiting and trading calls will frequently interchange. Let our friends down East, look out for that big Serpent off Nahant. An Oneida bullet will not be long in finding its way through his alligator hide. Take care, Mr. Serpent, take care.

"When the Frost-King has swayed his icicled sceptre over the congealed waters, we have held ourselves to be as far removed from the city of New York, as Buffalo was, when the Summer-King unlocked his avenues of water—at this time the cheapest and most expeditious route from the center of the State to the metropolis of the State, requires us to pass through two other States and to travel one hundred miles out of the way. Boston will now be our sister depot. Throughout the year, now, we stand upon the very Sea-board.

"The Yankee travel and notions will pass through our city for western New York, and for the westward of New York. Boston may now double her importations, and her manufacturing of wooden nutmegs, and bass-wood cucumber seeds; and of all other knick-knacks, that render life agreeable. Bring them on gentlemen, bring them on. Here is a western world now open to you Yankees, which all your ingenuity and industry cannot fill. Give us your fine oysters, cool and racy from the shell. Pull us out, after Ike Walton's most approved plan, some of those thumping fresh finny chaps, that are darting about in your deep waters. How they will wag their tails in astonishment to find themselves in Utica;—a place, I dare say, they have

never even read of, or heard broached in conversation by any of the old gray-headed, grandfather fishes thereabouts. They would feel like a fish out of water. Think of the delicious relish—How our mouth waters. The idea makes us as hungry as, a perusal of Charles Lamb's inimitable chapter on roast pig. Waiter, bring us a dozen raw oysters, and two more New Bedford candles.

“We can now go, comfortable pilgrims, to the place where our pilgrim fathers landed. We can stand on Bunker Hill, consecrated by pure American blood, and immortalized by unflinching American valor. We can tread New England's classic soil, and if need be, pour in an army of sturdy boys to help our Maine friends on the Aroostook.

“Yankees, we will supply you with whatever you desire—Wheat will ye have? Our ground grows it, and our mills grind it. Salt? It gushes up to us from vast salt mines far below the surface. Cracow is fresh compared with them. Lumber? We will make the rocks of old Berkshire tremble with the weight of millions of feet, excellently sawed by Avery's rotary steam engine—or, if you prefer it in the rough, we will send you masts for a seventy-four.

“Success to the connection of New England with the West, and of the West with New England. L. R.”

N. Page 66.

The New York Standard, of January 12, 1842, in a long article on the subject, says of this remonstrance, that, “in January 1839, a large number of the most respectable men in Albany, protested against the subscription of \$650,000, by that city, to the Albany and West Stockbridge Railroad.” In their remonstrance, these gentlemen object among other things, “that the citizens of the city of New York, may regard the construction of the Albany and West Stockbridge Railroad, as an *undisguised effort, on the part of the citizens of Albany, to direct the Western trade from our commercial metropolis to the city of Boston*; thus bringing the route of the *New York and Albany Railroad* in direct collision with said route, to the *certain ruin* of the *former Railroad*.” The remonstrance says, “as citizens of the State of New York, our feelings revolt at, and our judgments unfeignedly deprecate, such untoward and unnecessary results as unjust to the *commercial capital*, as they would prove disastrous to the *political capital* of the Empire State.”

“We therefore respectfully, but earnestly pray the Legislature, to refuse to grant the power applied for by the Corporation aforesaid.”

“JOHN I. BEEKMAN,	BARENT BLEEKER,
TOBIAS VAN SCHAIK,	JOHN VAN ZANDT,
J. S. VAN RENSSELAER,	BARENT SAUNDERS,
JOSEPH MANUEL,	JOHN R. BLEEKER,
K. K. VAN RENSSELAER, and others.”	

O. (ACCIDENTS) Page 68.

1. At West Brookfield, in a deep snow, a man stopped his team on the track, at a road crossing, and was run over and killed; and as the Committee say, without fault of any one connected with the road.

2. At Springfield, in December 1840, a powerful engine, with a long train of empty cars, was approaching Springfield from the east, with orders to the engineer, to divide his train at the head of the plane of sixty feet. The track was so slippery, (in December,) that, on reaching the plane, the engine got so much headway, that the brakes could not control it, and the engine and train descended with great velocity, carrying the engine through the brick wall of the engine house, and killing four employees of the Company.

The Committee were of opinion, that there was *then* a deficiency of brakes on the freight cars, but at the date of their report brakes had been attached to all of them. At the time of this accident, the freight cars of the Worcester Company had no brakes, and some of them were in this train.

3. The accident at Chester, was by a collision of two passenger trains meeting at full speed, on a single track, on October 5th, 1841. It was the day after the road was opened through from Springfield to the State line. The train going east was fifty minutes behind time at Chester village; and, by the printed standing rules of the road, should have waited for the up train. But, by some strange misapprehension, Warren, the conductor, pressed forward at great speed, and lost his life. In addition to the standing rule above, the Chief Engineer sent by Lee, the conductor going west on the *morning* train, an order to Warren, if his train was delayed, to wait one hour at Pittsfield, behind his time, and keep one hour behind all the way. This paper Lee, on meeting Warren at Pittsfield, omitted to deliver. Besides Warren, there was one death of a child, a number of fractured limbs, and other injuries to passengers more or less serious.

A Committee of Directors made an investigation at Springfield and requested three respectable citizens to attend, and hear the evidence and report the facts. Their Report was laid before the Legislative Committee; and the latter say, they "are not satisfied, from investigations made, that the Directors have *been justly chargeable with any neglect of duty which has caused these accidents.*"*

4. At a fourth accident, at Richmond, the train ran off the track in a deep cut, and the engineman and fireman were killed. The cause could not be ascertained.

• † Sen. Doc. 55, 1842.

Comparison of prices of Stock and rates of Dividends of the Worcester and Western Railroads, 1845 to 1862 inclusive.

Year.	1845	1846	1847	1848	1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	Average for 18 yrs.	Average last 10 yrs.
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HIGHEST MARKET PRICES.

Worcester,	122½	118	126	118	107	104	106¼	107¾	105	102	95½	90	92½	101	103	112¾	114¼	132½	108.77	104.85
Western,	104½	100	114¾	110	107	105½	107½	107½	102½	100½	98	94	100	108	111	117	116½	147	108.35	109.40

LOWEST MARKET PRICES.

Worcester,	116½	110½	111½	106½	98½	91¾	98	98	100¼	89½	86½	81	74½	78	91¾	102½	100¼	107	97	91.52
Western,	90½	85	99	96¾	100½	100½	99½	99½	97	89	87	87½	87½	91	103	107	105¾	111	96½	96.55

RATES OF DIVIDENDS.

Worcester,	4—4	4—4	4—5	5—4½	4—3	3—3	3½—3½	3½—3½	3½—3½	3—3	3½—3	4—4	3—3	3—3	4—4	4—4	4—4	4—4	7.28	6.95
Western,	3—3	2—3	3—4	4—4	4—4	4—4	4—4	4—3½	3—3½	3½—3½	3½—3½	3½—3½	4—4	4—4	4—4	4—4	4—4	4—4	7.39	7.55

NOTE.—If for the last ten years, the \$50,000 annually paid to the Sinking Funds, had been divided to the Stockholders, adding ninety-six cents per share, the average dividends of the Western would have been 8 51-100; and this was the actual average net income of the Road for the last ten years.

Q. Page 82.

The *Financial exhibit* in the Annual Report of February, 1845, was presented under the following heads:

I. Chartered Capital. II. *Nominal* means provided for construction. III. Assets actually received from nominal means, and available for construction. IV. Debts contracted for construction. V. Amount expended for construction. VI. Sinking funds for payment of debts.

I. The Chartered Capital, was	-	-	-	-	\$3,000,000	00
<hr/>						
II. The Nominal means,—1. capital,	-	-	-	-	\$3,000,000	00
2. scrip or sterling bonds of Massachusetts,	-	-	-	-	*3,999,555	56
3. bonds of the city of Albany,	-	-	-	-	1,000,000	00
<hr/>						
Total,	-	-	-	-	\$7,999,555	56
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III. Assets realized from do. available for construction.						
1. chartered capital,	-	-	-	-	\$3,000,000	00
2. Massachusetts State scrip sold,	-	-	-	-	3,861,175	51
3. proceeds of Albany bonds,†	-	-	-	-	890,425	65
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Total realized,	-	-	-	-	\$7,751,601	16
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IV. Debts contracted for construction.						
1. Massachusetts scrip at \$4 80 per sterling pound					\$3,999,555	56
Add exchange for do. on England,	-	-	-	-	319,964	44
					\$4,319,520	00
2. Albany bonds,	-	-	-	-	\$1,000,000	00
<hr/>						
Total construction debt, January 1, 1845, (funded)	-	-	-	-	\$5,319,520	00
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V. Amount expended,						
1. on the Western Road (in Massachusetts)	-	-	-	-	\$5,919,260	95
2. on the Albany Road (in New York,)	-	-	-	-	1,766,941	52
<hr/>						
Total expended to December 31, 1844,	-	-	-	-	\$7,686,202	47
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VI. Sinking Funds.						
1. Massachusetts fund, value January 1, 1845,	-	-	-	-	\$239,451	00
2. Albany fund, value January 1, 1845,	-	-	-	-	149,759	17
<hr/>						
Total applicable to debts, January 1, 1845,	-	-	-	-	\$389,210	17

R. Page 86.

Abstracts of answers to questions of the Committee of the Worcester Company on the subject of the *union of the two Roads*.

1. By the Western officers.

Length of Western, 117 miles 4248 feet, Albany, 38 miles 1180 feet, making 156 miles 148 feet.

* Of the four millions of scrip authorized £100 was never issued.

† \$1,000,000 less ten per cent. required to be paid to Sinking Fund, - - - \$100,000 00
And less loss on sales, - - - - - 9,574 35

Length of turnouts available for second track, 8-26 miles.

Cost to December 1, 1845, Western,	-	\$5,995,799	71	
Albany,	-	1,769,105	82	\$7,764,905 53
Capital stock all paid in,	-	-	-	3,000,000 00
Increase of capital stock voted, but not sold, or used.				
Funds provided and realized for construction,	-	-	-	\$7,791,794 36
Balance of funds provided and unexpended,	-	-	-	26,888 83
Value of real estate not wanted for the road,	-	-	-	11,500 00
Materials on hand,	-	-	-	71,409 00
Sinking funds, December 1st, Massachusetts,	-	\$252,488	91	
Albany,	-	157,883	01	\$410,371 92

Engines—passenger 16, freight 15, gravel 2,	-	-	-	32
Passenger cars, first class, equal to four wheeled,	-	-	-	39
Passenger cars, second class, post office and baggage, equal to four wheeled,	-	-	-	24
Freight cars, equal to four wheeled,	-	-	-	736

Several engines require extensive repairs. The Superintendent says \$6000 will put them in good order; and \$2500 to 3000 will restore passenger and freight cars to good order.

Funded debt due from 1868 to 1881,	-	\$3,999,555	56	
Albany bonds due 1866 to 1876,	-	1,000,000	00	\$4,999,555 56

Receipts for 1845, about \$810,000. Expenses 365,000.

Repairs of road and bridges have been more thorough than in former years. The Superintendent reports that "the Roadway has been maintained in an order and condition, I believe, not excelled by any of the New England roads. The bridges and masonry are in good general repair. An examination shows that thirty to forty tons of iron only are necessary to supply defective rails. Buildings are all in good condition, and will compare favorably with any of our best roads."

The Treasurer reported due to the Company,	-	-	\$667,182	08
due from the Company,	-	-	153,086	32

2. Answers from Worcester Company.

Capital stock \$2,900,000; further authorized \$100,000—\$3,000,000. Cost of construction; road, \$2,995,043 11; engines and cars, \$253,969; materials on hand, \$72,747 50.

Length of road and branches, 51 5-6 miles, double track, 44 2-3 miles. Rents of property leased, \$11,066. Due Corporation, and cash on hand, \$93,130 79. No reserved fund, depreciation being made good by new rails, engines and cars, charged to income.

Value of real estate, supposed not needed,	-	-	\$175,377	00
Amount of indebtedness, including unpaid dividends,	-	-	369,999	12
Amount earned in 1845, \$504,458 18; expenses,	-	-	267,848	60

The Superintendent says the road is in good order. First track good as ever as to use; iron requiring renewal, five or six miles per year; sleepers all renewed since 1840. Second track in perfect order, except seven miles laid in 1839, where sleepers were partly renewed, and the balance to be renewed next year.

Bridges nearly all lately renewed at charge of repair account. Buildings ample and in good condition; engines and tenders worth full three-fourths cost, if now purchased. Passenger cars; \$1200 would make as good as new. The twelve old cars to be replaced by four eight-wheeled, for \$6000. Freight cars in good average condition, kept good by new ones in 1844, charged to repairs.

S. Page 87.

Abstract of the *address* of the President of the Worcester Company, on the subject of the *Union of the Road*, and the answer of the Commissioner of the Worcester Company to the same.

The address concedes that the consolidation would probably lead to some retrenchment of expenses, but it is not apparent, that there would be any material reduction of officers and agents, or diminution of their duties, not "of sufficient power to throw into the shade the more important question of the reasonableness of the terms proposed." The *terms*, he states, are that each share in the Western was entitled to one share in the new Company, and each five shares in the Worcester have six in the new Company, and, "that the reasonableness of this, depends on the comparative value of the two properties. The Western Committee say that here is an error, or omission running through the whole of the address. The Joint Committee proposed an *alternative*, that each stockholder in the Worcester Company might take in the new Company six shares for every five in the old, or \$120 *in cash*, for each share held,—and this was \$6 per share above the market price of the Worcester stock—not, as the address claims, "a great sacrifice on the part of the Worcester stockholders."

The address maintains that the Worcester Road and property is fully equal in value to the capital of three millions, has a double track throughout, a net income sufficient to pay two dividends of eight per cent., with improving business—and that, with the charge to income, of expenses for depreciation, there is a fair prospect that the amount of business and profit will be maintained, &c.

As to the Western Road, the *address* says it is represented by a capital of three millions and a funded debt, making the entire cost of road and equipment at \$7,764,905. It claims that from this should be deducted a sum to make the sleepers, rails, bridges and buildings, equal to *cost*,—say, - - - \$100,000
That the engines and cars, being set down at *cost*—to bring them to present value requires a deduction of - - - 200,000
\$300,000

To this, the Committee of the Western, answer, that "the road and its equipment are well worth the amount of their *cost*, and they could not then be built for a sum much, if any, less—that a large part of the iron rails, were purchased at rates, not much over half what they would now cost—making a difference of half a million of dollars. That other elements besides mere cost, were to be considered, in estimating the intrinsic value of a railroad. They instanced the Albany Road, as the key to the Western trade, both for the Western and Worcester Roads—the good will of the traffic, the accustomed business of the Western—the connecting Roads in the valley of the Connecticut river—the security of the Western by its charter, from interfering or parallel roads—and the long loan of four millions at five per cent. interest.

As to *depreciation*, they refer to the letter of their Superintendent, that the road, engines, and cars, were all kept in good order,—the road wanting only thirty or forty tons of iron, and the engines and cars some ten or eleven thousand dollars in repairs.*

The *address* further says that the Western Road had but a single track, with sidings and turnouts at stations, and cost \$43,000 per mile, the same as the Worcester with a double track throughout.

To this the Western Committee answer, that, "although but a single track is laid

* See Appendix R.

down, all the masonry for bridges and culverts, (except the Connecticut river bridge, where a second track is unnecessary), all the rock cuts, with trifling exceptions, and heavy embankments, and very much of other parts of the road, were originally constructed and graded for a double track."

The *address* then submits a detailed examination of the finances of the Western Company; the debts, sinking funds, income, expenses, dividends, &c., &c., through all which the *answer* of the Western Committee follow and controvert. And the *address* closes in estimating the then value of the three millions of Western stock at \$2,-562,649.

Appendix P is a table of the prices of the stock, and the amount of dividends of the two Companies, from 1845 to 1862, inclusive. From which it appears, that averaging the *highest* market prices of the stock each year for eighteen years, 1845 to 1862, inclusive, the highest price of stock of the Worcester Company, monthly, averaged - - - - - \$108 77-100 per share.

The highest price of stock of the Western Company, monthly, averaged,	- - - - -	108 35-100	"
The lowest prices of the Worcester Company, monthly, averaged	- - - - -	97	"
The lowest prices of the Western Company, monthly, averaged	- - - - -	96½	"
For the last ten years, 1853 to 1862, inclusive, the <i>highest</i> prices of the Worcester, monthly, averaged	- - - - -	104 85-100	
Western,	- - - - -	109 40-100	
And the <i>lowest</i> of the Worcester,	- - - - -	91 52-100	
<i>Lowest</i> of the Western,	- - - - -	96 55-100	
For the last eighteen years, the average dividends of the Worcester, were	- - - - -	7 28-100	
Western,	- - - - -	7 39-100	
For the last ten years, 1853 to 1862, inclusive, average dividends of the Worcester, were	- - - - -	6 95-100	
Western,	- - - - -	7 55-100	

RATES OF FARE, and the division with the Boston and Worcester Railroad, from October 1, 1839, to January 1, 1846, on First Class Passengers—Second Class Passengers being two-thirds these amounts.

	Fares.	W. R. R. Proportion.	W. R. R. Proportion per mile.	B. & W. R. R. Proportion.	B. & W. R. R. Proportion per mile.
<i>Between Springfield and Boston.</i>					
From Oct. 1, 1839, to April 1, 1840,	\$3 75	\$2 50	4. $\frac{4.6}{1.00}$	\$1 25	2. $\frac{8.4}{1.00}$
“ April 1, 1840, to Jan. 1, 1844,	3 00	1 75	3. $\frac{1.00}{1.00}$	1 25	2. $\frac{8.00}{1.00}$
“ Jan. 1, 1844, to April 1, 1844,	3 00	1 90	3. $\frac{3.00}{1.00}$	1 10	2. $\frac{5.00}{1.00}$
“ April 1, 1844, to Dec. 30, 1844,	3 40	2 30	4. $\frac{1.11}{1.00}$	1 10	2. $\frac{5.00}{1.00}$
“ Dec. 30, 1844, to Jan. 1, 1846,	3 15	2 05	3. $\frac{6.6}{1.00}$	1 10	2. $\frac{5.00}{1.00}$
<i>Between Greenbush and Boston.</i>					
(After the road was opened through.)					
From Dec. 20, 1841, to April 1, 1842,	5 50	4 25	2. $\frac{7.00}{1.00}$	1 25	2. $\frac{8.4}{1.00}$
“ April 1, 1842, to Dec. 15, 1842,	5 00	4 00	2. $\frac{5.6}{1.00}$	1 00	2. $\frac{9.70}{1.00}$
“ Dec. 15, 1842, to April 12, 1843,	6 00	4 75	3. $\frac{5.00}{1.00}$	1 25	2. $\frac{8.4}{1.00}$
“ April 12, 1843, to Dec. 1, 1843,	4 00	3 00	1. $\frac{9.20}{1.00}$	1 00	2. $\frac{2.7}{1.00}$
“ Dec. 1, 1843, to Jan. 1, 1844,	5 00	4 00	2. $\frac{5.6}{1.00}$	1 00	2. $\frac{2.7}{1.00}$
“ Jan. 1, 1844, to April 1, 1844,	5 00	3 90	2. $\frac{5.1}{1.00}$	1 10	2. $\frac{5.00}{1.00}$
“ April 1, 1844, to Jan. 1, 1846,	6 00	4 90	3. $\frac{1.4}{1.00}$	1 10	2. $\frac{5.00}{1.00}$

Previous to April 1, 1840, way fares, about four cents a mile.

From April 1, 1840, to April 1, 1844, 3 cents a mile.

From April 1, 1844, to January 1, 1846, 3½ cents a mile.

T. Page 90.

WESTERN RAILROAD OFFICE, }
 Springfield, Jan. 3, 1846. }

To the Stockholders of the Western Railroad Corporation :

Ten years will have passed to-morrow, since the organization of your Corporation. During the whole of that period I have been in your service; and with the exception of the year 1843, I have actively devoted all my time, talents and energies, to your interests. In these ten years, the Corporation has passed through many vicissitudes; and I, in common with other friends of this great enterprise, have at times been exposed to severe trials, and to intense anxiety, lest it should prove a failure. I trust all the occasion for such anxiety or trials has passed away; and that the finances and business of the Company are now placed upon such a substantial basis, as, with proper care and supervision, will rank this among the permanent dividend paying stocks.

Under these circumstances, and with these prospects—after so long, so laborious, and I trust I may say, so successful a tour of service, it will not be deemed presumption in me to suppose, that some of my partial friends may look to a continuance of my official connexion with the Corporation, at and after the next election. To such and indeed to all, I beg leave to say, that private considerations, arising in no small degree from the state of my health, and the absolute necessity of relief from the pressure of business, entirely forbid my continuance at the Board of Directors, and that I respectfully decline being a candidate for re-election.

I cannot thus dissolve a connexion of so long continuance, without expressing to the Stockholders my heartfelt thanks for their uniform confidence and unwavering support. And it is due to the several Boards of Directors, under which I have in early stages, held office, or over which it has been my pleasure to preside in later years, to acknowledge their habitual courtesy, and their cheerful and efficient aid, in the duties devolved upon me. And I am constrained to improve this opportunity to offer one or two suggestions upon points of great practical interest to the stockholders. I do this the more readily, because they are on subjects, upon which I have had the best opportunities of judging from long experience and observation.

Independent of the "running of the road"—the care of the trains, the supervision of the traffic, and of the repairs of the road and its equipment, and the care of the large force of operatives employed in these several departments, duties which properly devolve upon the Superintendent, and absorb most of his time,—there is a large class of duties of great importance to the Corporation, and on the proper discharge of which their success is vitally dependent. Of these, the direct connexion, and interchange of business, already with four Railroad companies—soon to be increased to eleven or more—the arrangement with them—and for ourselves, of tariffs of charges, and of the variations required in them by increasing and active competition—the stated business at the meetings of the Board, and the preparation of reports and documents for the Directors—the mail contracts, and the detail of mail arrangements—the yearly and pressing business before the Legislatures of two States, the Reports required by law to be made to both, the preparation for, and attendance upon, the trial of suits in New York, Albany, and in all the counties on the line in this State, with a general supervision of every department of service,—all these indicate a mass of duties heretofore and now devolved upon the President of the Corporation. With how much success or fidelity these, or any duties, have been discharged, it is not my purpose to say.

But if there is any one principle or rule, regulating the administration of the affairs of the Company, which, from daily and habitual experience and observation, has been

impressed on my mind more indelibly than any other, it is that the interests of the Corporation imperatively demand that the President—the head of it—should be an active executive officer, required to reside upon the line of the road, and to devote all his time and faculties to the service of the Company—that the necessary authority should be given to him, and the appropriate duties freely imposed upon him. Upon this subject I cannot doubt. And whatever changes may now or hereafter be made, I have an entire confidence, that the administration of affairs will settle down permanently upon the necessity of the rule which requires the head of the Company to be an active officer, devoting his whole time to their service. This is a concern of immense magnitude—of great detail, and heavy responsibilities. With an outlay in construction of near eight millions of dollars, and a gross income already of eight hundred thousand—with business and duties, to hardly the half of which have I alluded, too much care cannot be taken to ensure an energetic, faithful and economical administration of its affairs.

And I trust I may, without presumption, be permitted to allude to one other subject intimately connected with this. The Directors have an authority and a supervision above, and paramount to those of the Executive officers. It has always appeared to me essential, that a considerable portion of the Board should be located upon, or near the line of the Road and in the different counties. They are advisory officers, not only collectively when in session, but individually, and as members of standing committees. *Practically*, they can know little of the administration of so long a road, when residing more than forty miles from any part of it. In fact also, I presume nineteen-twentieths of the stockholders live in Boston or its vicinity, and they of course cannot be relied upon to observe the wants or the deficiencies of the service; and if they could, they are without authority.

It has also happened, that for some years past, not more than two out of nine Directors have had their residence within about forty miles of any part of the road; and one of these has been the President. In this state of things it has not been possible for the President or Superintendent to consult with even one Director, without going in one direction fifty, and in the other near one hundred miles from the place where the principal business is done, and the large disbursements are made.

It is enough to *allude* to this state of things, in addressing practical business men; and if, on reflection, they think this organization, for so long a road, is unobjectionable, they will continue it. If, on the contrary, they believe its efficiency can be better promoted by distributing the watchmen along the line, I doubt not they will, in due time, apply the proper corrective.

But I am trespassing, and I will only add, that with my best wishes for the future success of an enterprise with which I have been identified for so great a fraction of life thus far, it will be my purpose and my pleasure to do all in my power to promote its prosperity, and increase its usefulness, in whatever situation I may hereafter be placed.

I am most respectfully,

and gratefully yours,

GEORGE BLISS.

Receipts and Expenses of the Western and the Albany & West Stockbridge Railroads 1839 to 1862, inclusive.

	Passengers.	Merchandise.	Mails, &c.	Total.	Expenses.	Balance of Receipts.	Miles Run.
3 months in							
1839	\$13,472 94	\$4,136 21	\$3,166 82	\$17,609 15	\$14,380 64	\$3,228 51	94,404
1840	70,820 79	38,359 78	4,000 00	112,347 39	62,071 72	50,275 67	160,106
1841	113,841 85	64,467 14	19,566 84	182,308 99	132,501 45	49,807 54	397,295
*1842	266,446 83	226,674 61	23,046 68	512,688 28	266,619 30	246,068 98	441,608 ⁺
1843	275,139 64	275,696 19	23,926 88	573,882 51	303,973 06	269,909 45	439,968
1844	358,694 00	371,131 84	26,009 83	753,752 72	314,074 25	439,678 52	530,201
1845	366,753 02	420,717 30	29,191 29	813,480 15	370,621 20	442,858 90	573,956
11 months in							
1846	389,861 42	429,365 18	37,668 48	878,417 89	412,679 80	465,738 09	819,010
1847	502,321 92	785,345 66	35,120 10	1,325,336 06	676,689 75	648,646 31	804,492
1848	551,038 43	745,909 76	36,841 51	1,332,068 29	652,357 11	679,711 18	730,491
1849	561,575 25	745,393 81	35,015 47	1,343,810 57	588,323 58	755,487 99	768,764
1850	590,743 74	740,493 53	36,324 36	1,366,252 47	607,549 36	761,964 32	774,609
1851	603,207 05	714,362 92	39,329 37	1,353,894 63	597,756 20	756,138 43	848,002
1852	615,480 87	685,062 85	45,718 04	1,339,373 09	656,687 17	683,194 92	947,382
1853	693,290 01	786,215 87	82,468 03	1,525,223 02	778,487 92	746,736 00	989,432
1854	756,502 91	924,973 32	87,831 59	1,763,944 26	1,045,241 19	718,703 07	1,021,630
1855	763,037 32	1,007,992 84	95,151 36	1,858,861 75	1,236,659 74	622,202 01	1,027,018
1856	812,880 08	1,207,788 61	94,179 49	2,115,820 05	1,228,219 46	887,600 59	950,103
1857	808,977 37	1,007,185 72	94,734 97	1,910,342 48	1,084,118 55	826,223 93	944,951
1858	637,042 25	968,566 38	101,641 90	1,700,293 60	890,930 40	830,148 01	1,020,054
1859	679,121 23	986,305 00	89,240 21	1,767,068 13	936,920 12	888,254 42	1,114,091
1860	690,991 87	1,101,118 64	116,882 65	1,881,350 72	993,096 30	812,996 79	1,234,018
1861	613,365 08	1,164,320 23	109,403 86	1,894,567 96	1,081,571 17	984,564 30	1,257,201
1862	634,656 44	1,351,862 20		2,095,922 50	1,111,358 20		

*First year of opening through to Albany.

U. Page 90.
Number of Through and Way Passengers, 1842 to 1862, inclusive.

	Through Passengers.		Total.	Way Passengers.		Total.	Total 1st Class.	Total 2d Class.	Grand Total.
	1st Class.	2d Class.		1st Class.	2d Class.				
1842	15,890	2,680 $\frac{1}{2}$	18,570 $\frac{1}{2}$	148,500	23,366	171,866	164,390	26,046 $\frac{1}{2}$	190,436 $\frac{1}{2}$
1843	19,987	6,608	26,595	140,425	33,945 $\frac{1}{2}$	174,370 $\frac{1}{2}$	160,412	40,553 $\frac{1}{2}$	200,965 $\frac{1}{2}$
1844	17,016 $\frac{1}{2}$	7,314	24,330 $\frac{1}{2}$	140,868 $\frac{1}{2}$	55,058 $\frac{1}{2}$	195,927	157,885	62,372 $\frac{1}{2}$	220,257 $\frac{1}{2}$
1845	13,401 $\frac{1}{2}$	5,791	19,192 $\frac{1}{2}$	144,723	59,717 $\frac{1}{2}$	204,440 $\frac{1}{2}$	158,124 $\frac{1}{2}$	65,508 $\frac{1}{2}$	223,633
11 months in 1846	21,033	8,799 $\frac{1}{2}$	29,832 $\frac{1}{2}$	165,196	70,635 $\frac{1}{2}$	235,831 $\frac{1}{2}$	186,229	79,435	265,664
1847	23,678	10,621 $\frac{1}{2}$	34,299 $\frac{1}{2}$	264,444 $\frac{1}{2}$	89,567	354,011 $\frac{1}{2}$	288,122 $\frac{1}{2}$	100,188 $\frac{1}{2}$	388,311
1848	21,647	12,084	33,731	287,480	84,403	371,883	309,127	96,487	405,614
1849	20,440	13,311	33,751 $\frac{1}{2}$	319,202	82,851	402,053	339,642 $\frac{1}{2}$	96,162	435,804 $\frac{1}{2}$
1850	23,575	11,744 $\frac{1}{2}$	34,319	416,915	79,082 $\frac{1}{2}$	495,997	440,490	90,827	531,317
1851	23,074	10,897	33,971	377,874	68,059	445,933	400,949	78,956	479,905
1852	29,946	5,487	35,433	401,907	59,953	461,860	431,853	65,140	497,293
1853	31,804	6,363	38,167	561,312	56,714	618,027	593,116	63,078	656,194
1854	46,968	7,667	54,635	486,679	56,245	542,924	533,647	63,912	597,559
1855	50,829 $\frac{1}{2}$	9,237 $\frac{1}{2}$	60,067	485,474	47,836	533,310	536,303 $\frac{1}{2}$	57,073 $\frac{1}{2}$	593,577
1856	55,840 $\frac{1}{2}$	7,405 $\frac{1}{2}$	63,246	511,926	46,523	558,449	567,766 $\frac{1}{2}$	53,928 $\frac{1}{2}$	621,695
1857	51,155	8,223	59,378	519,167	50,509	569,676	570,322	58,732	629,054
1858	42,591	5,046	47,637	442,412	41,865	484,277	485,003	46,911	531,914
1859	42,284	1,967	44,251	516,467	17,052	533,519	538,751	19,019	577,770
1860	39,105 $\frac{1}{2}$	2,568 $\frac{1}{2}$	41,674	563,738 $\frac{1}{2}$	12,470	576,208 $\frac{1}{2}$	602,844	15,038 $\frac{1}{2}$	617,882 $\frac{1}{2}$
1861	30,930 $\frac{1}{2}$	3,099 $\frac{1}{2}$	34,030	514,733 $\frac{1}{2}$	14,376 $\frac{1}{2}$	529,110	545,664	17,476	563,140
1862	32,634	2,863	35,497	512,005	10,545 $\frac{1}{2}$	522,550 $\frac{1}{2}$	544,639	13,408 $\frac{1}{2}$	558,047 $\frac{1}{2}$

THE WESTERN RAILROAD.

U. Page 90.

Number of Tons transported, 1846 to 1862, inclusive.

11 Months in	GOING WESTWARD.			GOING EASTWARD.			Total No. of Tons Moved.	Equivalent No. of Tons carried one mile.	Equivalent No. of Tons carried over the whole road.
	Through from Boston to Albany.	All other Tonnage.	Total going West.	Through from Albany to Boston.	All other Tonnage.	Total going East.			
1846	8,358	40,251	48,609	36,403	81,382	117,785	166,394	15,748,223	100,950
1847	11,962	56,554	68,516	88,438	117,737	206,175	274,691	28,037,628	179,728
1848	10,808	68,610	79,418	63,667	122,457	186,124	265,542	4,656,112	158,052
1849	14,222	67,506	81,728	58,217	133,663	191,880	273,608	5,307,146	162,289
1850	12,390	60,430	72,820	60,900	127,549	188,449	261,269	25,206,308	161,579
1851	13,731	57,855	71,593	47,057	132,116	179,173	250,766	23,304,050	149,385
1852	14,989	67,436	82,425	44,386	141,242	185,628	268,053	23,724,070	152,078
1853	20,317	89,729	110,046	59,018	155,764	214,787	324,833	28,153,554	180,471
1854	20,991	89,088	110,079	55,874	189,100	244,974	355,053	32,284,823	206,954
1855	22,808	95,908	118,716	65,839	213,494	279,333	398,049	35,541,725	227,832
1856	33,054	104,698	137,752	62,517	218,401	280,918	418,670	38,605,615	247,472
1857	25,544	93,723	119,267	40,041	218,199	258,240	377,507	31,286,514	200,555
1858	18,383	103,582	121,965	56,245	259,686	315,931	437,896	33,043,106	211,815
1859	22,673	115,794	138,467	60,795	249,083	309,878	448,345	33,299,566	213,459
1860	24,350	147,788	172,138	66,355	267,054	333,409	505,547	43,311,064	277,635
1861	20,295	106,974	127,269	111,272	269,638	380,910	508,179	47,924,408	307,208
1862	22,785	136,521	159,306	113,040	315,158	428,198	587,504	51,994,206	333,296

V. Page 94.

PASSENGER DEPOT AT WORCESTER.

The Charter of the Western Company in 1833, procured and drawn up by the Directors of the Worcester Company, in their individual names, authorized the construction of a Railroad "from the western termination of the Boston and Worcester Railroad" to Connecticut river, &c. The latter road, though not then completed, was designed to terminate for the passenger depot, near Main street—the freight depot to be at Washington Square, about one-third of a mile farther east. If the Western joined the Worcester at Washington Square, the road might proceed thence westerly, in a straight line; but to unite at the Worcester passenger depot, required a serious deflection from a straight line, and the distance to be extended. In either case, the freight depots of both roads were to be at Washington Square.

To obviate any question as to the right of the Western to connect at Washington Square, the County Commissioners, on application, after public notice, authorized the union at that point. The Report of the citizens of Worcester, in 1847, says, their Committee were led to believe, that had the Commissioners supposed the arrangements for the location at Washington square, were *more than temporary*, the authority would not have been granted.

The writer, then the General Agent of the Western Company, was the only person connected with that Company, who had any direct agency in the proceedings before the Commissioners, and having been abroad in 1847, he had no knowledge of the proceedings of the citizens of Worcester, in that year, until the present writing (in 1862,) and this, is the first intimation to him that *any one* supposed those proceedings were for a temporary object. If carried out by a legal location—as they subsequently were—such location could not be changed, except by the Legislature, or by legal process. The authority of the Commissioners was not deemed necessary, but was obtained from extreme caution.

The officers of the Worcester Company were very desirous to have the location of the passenger depot of the Western, in connection with theirs near Main street. That Company owned all the available land at Washington square, and offered to sell to the Western two acres there for their freight depot, but declined to part with any for the passenger depot.

The question of this location was long pending before the Western Board. As early as August 1836, it was referred to a Committee, who examined several plans or modifications for the location of both passenger and freight depots near Main street. The Committees of the Worcester, Western, and Norwich Companies, had repeated meetings at the Worcester passenger depot. Various plans were drawn up, and submitted for the accommodation of the three Companies; and estimates of expense were made, upon the several modifications. The Worcester Committee offered a plan with estimates, to which the Western Committee assented, provided their Board would agree to locate at Main street; but to this plan the Norwich Company objected. The latter then proposed a plan with estimates, which the Western Committee approved, under the same proviso, but to this the Worcester Committee would not consent.

All these proceedings and facts, with the estimates in detail, upon the several modifications of the plans, were reported to the Western Directors by their Committee, January 9, 1837, with a recommendation to establish both merchandize and passenger depots, at Washington square; with the location of the road in a direct line westward. The subject was postponed for consideration. The Report was finally accepted, Janu-

ary 20th, 1837, and the depots and line of the Road ordered to be established accordingly. In 1838, more than a year thereafter, the Worcester Company sold to the Western, the land they then needed for both depots. Since the application of the citizens of Worcester for a change of the Western passenger depot, the establishment of the *junction depot*, at or near the crossing of the Western, Norwich and Providence Roads, affords the desired accommodations to the citizens of Worcester. And the terminal station of the Providence Road is considerably removed from the depots of all the Roads entering Worcester.

W. Page 94. .

STOCKHOLDER'S MEETING OF THE WESTERN RAILROAD.

February 9, 1848.

“Resolved, that the warm and grateful thanks of the Stockholders of the Western Railroad, be, and are presented, to the Hon. Josiah Quincy, Jr., for the untiring zeal, unshrinking courage, distinguished ability, and great practical usefulness, which he has devoted to the interests, and to the honor of the stockholders of the Western Railroad, during the last twelve years; embracing periods of great danger to the very existence of the enterprise;—of an enterprise, the success of which has led, and still leads, to consequences of the highest import to the stockholders of the Western Railroad, to the city of Boston, to the State, and to the great cause of internal improvements throughout the Union;—of an enterprise, the failure of which would have chilled the hopes, and blasted for many years, the now cheering prospects of the friends of internal improvements all over the United States.”

X. X. Page 97.

Previous to his death, Mr. Gilmore had prepared a long communication to the stockholders, to be presented on the occasion of his declining a re-election. This, the Directors published in connection with the sixteenth annual Report—January, 1851.

In this document, Mr. Gilmore, in alluding to the defalcation of Addison Ware, says, “he was regarded by all the Presidents who preceded him, as one in whom implicit confidence might be placed,” . . . “and that, at the very time they were eulogizing him,” . . . “he was making improper use of the funds of the Corporation,”—that he “was handed down to the present administration, endorsed by all the preceding, *with a portion of the late defalcation then upon his shoulders.*”

Mr. Gilmore, was first chosen President, as successor of the writer of this memoir, in February, 1846. At his request, he was relieved from the duty of a personal examination of accounts, and a standing Committee on accounts was appointed. No suspicion was entertained in reference to the Cashier's accounts, until early in 1850. A most searching examination of his books and accounts was made during that year, by an experienced accountant, who had the personal assistance of the Cashier. The Committee of Directors, who had charge of the subject, say in their report, that Mr. Ware admitted that the books were right, and the cash balance was on hand December 1st, 1847.

Mr. Ware always affirmed that the difficulty commenced after that date. At that time a committee of Directors visited Springfield, and examined the books and vouch-

ers, and marked them correct. Mr. Warren, the accountant, had long kept the books of the Treasury, in Boston, and had thus become much acquainted with the accounts at Springfield, and other transactions relating to the Company's affairs. He, acting under the direction of the Committee, of 1850, confined his examination to the transactions from December 1, 1847 to May 1, 1850. The amount of the defalcation thus shown was acknowledged by Mr. Ware to be correct; and the Committee settled with him, taking his property, and gave him a discharge.

There is not a tittle of evidence, that there was any deficiency prior to December 1847. Indeed, this is clearly acknowledged by the fact, that no examination prior to that time was deemed necessary, and the *Standing Committee, on accounts, in December, 1847, had certified to the accuracy of the books and accounts at that date.* There is therefore no foundation for the assertion, that the Cashier "was handed down to the President of 1846, by his predecessors, with a portion of the defalcation upon his shoulders." The defalcation commenced after the election of February, 1846.

In the same communication, Mr. Gilmore, states the price of the stock of the Company January 16, 1846, at 85,—and that of the Worcester Company, at 114. On January 1, 1846, the stock of the Western was at $97\frac{1}{2}$, and that of the Worcester, $116\frac{1}{2}$. The account of stock sales in the middle of January, is not at hand.

X. Page 100-101.

ABSTRACTS OF PART OF THE REPORT OF THE COMMITTEE,

Made in February 1852, on the subject of the system of accountability, and to ascertain the value of property, &c.

In estimating the value of the property, the Committee assume the cost as stated on the books of the Company, less its depreciation; assuming an annual expenditure from net earnings thereafter, to keep it in good serviceable condition, except as to rails, they take the costs of renewal, at the then market price.

1. *Graduation and Masonry.* The Committee consider this greatly improved, in comparison with its condition in years immediately following its construction.

2. *Wooden Bridges.* The whole amount charged to these on the books was \$231,996 26, as stated in the reports to the Legislature. But their examination fixes the actual cost at \$192,148, depreciation \$11,267; that renewals for five years, will require an expenditure of \$81,587, on an average of \$16,317 60.

3. *Superstructure, including iron, and exclusive of ties.* As to *rails*, the committee in addition to personal examinations, had resort to the record of *rail-renewals* on the Western Road, and the quality of the iron as disclosed by its use.

Length exclusive of *sidings*, 156 miles, 46 miles of double track; of this $41\frac{1}{2}$ miles had been renewed, all in the original track, after an average use of ten years; (none less than nine). The Committee judge the residue of that track, $114\frac{1}{2}$ miles, "after a careful inspection, will be serviceable for traffic a further average of eight years—giving twenty years as the mean durability of this $114\frac{1}{2}$ miles."

As to the 46 miles of double track, it had been down three to four years. Sixteen miles of American iron, showed "great inferiority of quality," and they assumed a mean service as of the $41\frac{1}{2}$ miles above, say ten years. The residue being English iron, promised a term of usefulness about equal to the $114\frac{1}{2}$ miles above, and they assign to it the same rate of depreciation. By minute computations, the Committee arrived at the result, that the average annual expenditure for maintaining the rails of

the original single track, will be \$19,750; and, bringing the results together, they say, that for the next ten years the income of the road will be taxed *per annum*, for original single track,

Forty-six miles second track,	-	-	-	-	-	\$31,200
						8,040
						<u>\$39,240</u>

For frogs, fastenings, chairs and spikes, the Committee value them as kept fully equal to original cost.

Cross Ties. These have been entirely renewed, once since opening the road, and a second time to about ten per cent.

For six years, between December 1845 and December 1851, renewals as follows:

1846,	-	-	-	35,000		1849,	-	-	-	-	28,245
1847,	-	-	-	85,000		1850,	-	-	-	-	50,198
1848,	-	-	-	65,000		1851,	-	-	-	-	38,914
											<u>302,357</u>
Average 50,390 per annum.											

The average life of ties on this road, the Committee estimate at six and a half years and as the ties of the entire road, and an additional number of 27,000 have been replaced in six years, and all charged to income, they allow nothing for depreciation.

Station Buildings and Fixtures. The Committee estimates the depreciation of the old passenger house at Springfield, (before it was burned), at \$10,000, and other buildings on the road at \$8,100, making \$18,100.

Lands and Fences. In Massachusetts, generally, the grantors of the roadway assumed to erect and maintain fences; and though considerably dilapidated, it arises from neglect of abutters. In New York, the Company are bound by law to build and maintain fences, and the Committee set the depreciation at fifty per cent, or \$12,160.

Locomotives. The whole amount charged to Locomotives was \$672,739 28. But as per the annual report of Directors for 1849, the sum of \$310,739 28 had been transferred from interest account (where it was placed from income in 1842) and credited as depreciation to engines and cars account—and \$6,000 had been credited to the same account from income in 1851—the sum to debit of engines was at the time of the Committees Report, \$362,000.

The value of the Locomotives was appraised by Messrs. "Holmes, Hinckley, and George S. Griggs—men of high repute for judgment and skill, in the manufacture, and use of locomotives, at \$395,100," and this valuation the Committee assume, after a personal examination; making an increased value of the locomotives, of \$39,100, of course no depreciation was allowed.

Passenger and Baggage cars. The Committee think they are fully worth the amount with which they are charged in the construction account.

Merchandise cars. The Committee think they required an expenditure beyond ordinary repairs of \$48,704 34.

The *Ferry Boat and Wharf*, at Greenbush, not requiring extraordinary expenditure, are not charged with depreciation.

Sinking Funds. An abstract of this part of the Committee's Report is deferred in connection with the continuous history of those Funds.

The whole aggregate of depreciation is estimated	-	-	\$216,531 34
The annual report of December 1, 1851, gives cost of road and equipment at	-	-	9,953,758 84
Deduct depreciation above, gives present value	-	-	9,737,227 50

The Committee add the following as assets and liabilities:

Assets, Materials on hand,	-	-	-	-	-	\$121,979	36	
Road and equipment,	-	-	-	-	-	9,737,227	50	
New station house, Springfield,	-	-	-	-	-	19,775	11	
Cash and cash assets,	-	-	-	-	-	42,549	58	
Paid the sinking fund from proceeds of stock and bonds sold, prior to								
January 1, 1849,	-	-	-	-	-	*459,578	62	
							\$10,381,110	17
Liabilities—stock,	-	-	-	-	\$5,150,000			
State scrip or bonds,	-	-	-	-	5,319,520	—10,469,520 00		
							88,409	83

Appended to the Report of this Committee, was a communication from Captain William H. Swift, the then President of the Western Road, presenting various valuable calculations and statistics on the subject of repairs of track, road bed, &c., and all embraced under the heads of 1, "*Maintenance of Way.*" 2, *Repairs of Engines and Cars* and their renewals. 3, And Miscellaneous expenses, or every thing not embraced under the other heads.

The *data* for these statistics, were drawn principally from the annual reports to the Legislature, of eight of the principal Railroads of Massachusetts, for five years—1846 to 1850, inclusive, with the addition, as to the Western, of facts within the control of the President. The results are contained in five elaborate tables, copies of which are annexed—The first, embracing cost of maintenance of way, and repairs of engines and cars on the eight roads, for five years. By this, it appears, that the average paid for *Maintenance of Way*, per mile run, on all the roads for the five years, was

was	-	-	-	-	-	\$14	57
And for repairs of engines and cars for the five years, was	-	-	-	-	-	13	66
The average (or mean) of both items for the five years, was	-	-	-	-	-	28	23
The average of both on the Western for five years, was	-	-	-	-	-	33	22

The second table relates to the *work done*, on the same roads for the same time, and the *gross expenses* of the same. It assumes the same cost for transporting a passenger one mile, as for one ton of freight one mile.

Giving the number of passengers and tons of freight carried one mile, on all the eight roads, for five years, and the gross cost, and gross miles run, it appears that the *mean average* of the whole was, per mile,

-	-	-	-	-	-	1.445	cents
On the Western only, the mean average was	-	-	-	-	-	1.373	cents

The third table exhibits the *useful effect*, or *work done* for each mile run, by all the trains of the eight roads in five years and shows the average number of passengers or tons of freight per mile, at

-	-	-	-	-	-	54.12
In the case of the Western, it was	-	-	-	-	-	57.9

The fourth table shows the number of passengers carried one mile, and number of tons of freight one mile, and amount received for transportation of each, on the eight roads for five years. The mean average of cost, per cent. of receipts of the whole, was

-	-	-	-	-	-	50.4
Western cost per cent. of receipts,	-	-	-	-	-	47.0

* In this item there appears a slight error. See Annual Report, January 1840, page 12, and ante page 139 note.

NOTE.—In the Western only, the number of tons carried exceeds the number of passengers, and as “passengers move themselves without cost, and freight requires an average expenditure of twenty-seven or twenty-eight cents per ton, for loading and unloading,” the result is less favorable to the Western than to the other roads, in all of which, the number of passengers was in excess.

The fifth table is a consolidation of the results of all the prior tables.

The letter of the President to the Committee furnished in detail, facts and estimates, on the renewal of sleepers, rails, freight cars, and Connecticut River bridge. The opinion is given, that the life of the *sleepers* depended upon the kind of timber, and nature of the soil, and the kind of usage. In loam soil the experience on the Western had shown, that the sleepers will last about five and a half years; in sand six and a half years; in dry gravel seven years; in moist gravel seven and a half years; the average duration has been six and a half years.

On the subject of *iron rails* the results are principally given in the body of the Report of the Committee. To show how much depends upon the *quality* of the iron, the facts are given, that the first iron rails used in this country were from the other side, and cost from £12 to £15 per ton; and that those then (1851) purchased, cost about £5. That the number of fifty-six pound rails necessary to remove from the track after twelve years' service, was much less in proportion to those of the seventy pound rail, than would be supposed.

As to the Connecticut River bridge, the letter of the President says, that in his opinion, for four per cent., or one twenty-fifth part of the annual earnings of the road for the (then) last three years, the bridge could be rebuilt and covered, and would be then good for at least twenty years.

As a large Committee of the Board of Trade of Boston, have recently very strongly recommended a *union* of the Worcester and Western Roads; and as Committees of both Companies are now (1863) in consultation upon the same subject, it has been deemed proper to give as fully as is here presented, an abstract of the statistics and calculations of the Report of the Committee of the Western Company, of February, 1852.

X. Page 101.

TABLES ACCOMPANYING THE COMMUNICATION OF THE PRESIDENT
OF THE WESTERN RAILROAD TO THE COMMITTEE OF
INVESTIGATION, JANUARY 24, 1852.

Cost of Maintenance of Way and of Repairs of Engines and Cars, on each of the following Roads, per mile run by trains, from 1846 to 1850, inclusive, Five Years.

No. 1.

Roads.	Miles run by Trains.	Maintenance of Way.	Do. per Mile.	Repairs of Engines and Cars.	Do. per Mile.	Total per Mile.
		Dollars.	Cents.	Dollars.	Cents.	Cents.
Western,	3,696,713	690,049	18.66	547,651	14.56	33.22
Boston and Worcester,	2,063,632	321,521	15.72	355,621	17.23	32.95
Boston and Maine,	1,812,422	206,136	11.37	191,209	10.55	21.92
Fitchburg,	1,557,937	127,307	8.17	148,356	9.39	17.56
Boston and Lowell,	1,202,088	269,440	22.41	296,380	24.65	47.06
Eastern,	1,356,136	142,048	10.45	97,659	7.20	17.65
Boston and Providence,	1,165,079	152,328	13.07	133,136	11.42	24.49
Old Colony,	901,543	95,734	10.57	109,318	12.12	22.69
	13,755,550	2,004,563	14.57	1,879,320	13.66	28.23

No. 2. Page 101.

Table exhibiting the quantity of work done in five years, (1846 to 1850, inclusive,) on each of the following roads, expressed in passengers carried one mile and in tons of freight carried one mile; also the gross expenses of each road for the same period. For the purposes of this comparison, the cost of transporting a passenger one mile, and a ton of freight one mile, is assumed to be the same.

Roads.	No. of Passengers and number of tons carried one mile, aggregate.	Gross Expenses.	Cost per Passenger, or per Ton, per mile carried.
Western,	213,925,952	2,937,593	1.373 cents.
Boston and Worcester,	126,499,456	1,899,845	1.502 "
Boston and Maine,	92,997,700	1,237,515	1.330 "
Fitchburg,	82,702,400	1,077,169	1.302 "
Boston and Lowell,	82,227,452	1,258,519	1.535 "
Eastern,	74,720,643	985,066	1.318 "
Boston and Providence,	50,118,288	860,220	1.716 "
Old Colony,	36,198,135	721,912	1.994 "
	759,390,026	10,977,839	1.445 cents.

No. 3. Page 101.

Table exhibiting the useful effect, or work done for each mile run by trains, on the following roads from 1846 to 1850, inclusive, expressed in passengers and tons of freight carried one mile.

Roads.	Aggregate of miles run by the Trains.	Aggregate Pas- sengers and Tons Freight.	Average number carried for each mile.
Western,	3,696,713	213,925,952	57.9
Boston and Worcester,	2,063,632	126,499,456	61.3
Boston and Maine,	1,812,422	92,997,700	51.3
Fitchburg,	1,557,937	82,702,400	53.8
Boston and Lowell,	1,202,088	82,227,452	68.4
Eastern,	1,356,136	74,720,643	55.1
Boston and Providence,	1,165,079	50,118,288	43.0
Old Colony,	901,543	36,198,135	40.0
	13,755,550	759,390,026	54.12

No. 4.

Table exhibiting the number of Passengers carried one mile, and the number of tons of Freight carried one mile; also, the amount received for transportation of Passengers, and amount received for Freight, &c., on each of the following Roads during the years 1846 to 1850, inclusive.

Roads.	Trains, Miles run.	Number carried one mile.			Gross Receipts.			Gross Expenses.	Expenses Per cent.
		Passengers.	Tons Freight	Total 1 Mile.	Passengers.	Freight, &c.	Total Receipts.		
Western,	3,696,713	94,960,518	118,965,434	213,925,952	\$2,595,538	\$3,653,601	\$6,249,139	\$2,937,593	47.0
Boston and Worcester,	2,063,632	79,482,610	47,016,846	126,499,456	1,645,111	1,809,356	3,454,467	1,899,845	54.9
Boston and Maine,	1,812,422	75,812,377	17,185,323	92,997,700	1,596,428	893,130	2,489,558	1,237,515	49.7
Fitchburg,	1,557,937	52,739,430	29,962,970	82,702,400	980,951	1,227,362	2,208,313	1,077,169	48.7
Boston and Lowell,	1,202,088	48,641,939	33,585,513	82,227,452	953,224	1,163,675	2,116,899	1,258,519	59.4
Eastern,	1,356,136	67,690,908	7,029,735	74,720,643	1,339,556	937,553	2,327,109	985,066	42.3
Boston and Providence,	1,165,079	40,197,354	9,920,934	50,118,288	1,145,810	637,820	1,803,630	860,220	47.7
Old Colony,	901,543	31,313,550	4,884,585	36,198,135	758,434	336,969	1,095,403	721,912	65.9
Totals,	13,755,550	490,838,686	268,551,340	759,390,026	11,015,052	10,729,466	21,744,518	10,977,839	50.4

THE WESTERN RAILROAD.

No. 5. Page 101.

Consolidation of the General Results furnished by the Four Tables.

CLASSIFICATION.		Western.	Boston and Worcester.	Boston and Maine.	Fitchburg.	Eastern.	Boston and Lowell.	Boston and Providence.	Old Colony.	Aggregates and Averages.	EXPLANATIONS.
1	Number miles run by Trains,	1	2	3	4	5	6	7	8	13,755,550	The num-
2	“ Passengers carried one mile,	1	2	3	5	4	6	7	8	490,838,636	bers 1, 2, 3,
3	“ Tons Freight carried one mile,	1	2	5	4	7	3	6	8	268,551,340	&c., indicate
4	Aggregate of Passengers and Tons carried,	1	2	3	4	6	5	7	8	759,390,026	comparative
5	Receipts from Passengers carried,	1	2	3	6	4	7	5	8	11,015,052	results; No.
6	Receipts from Freight, &c.,	1	2	6	3	5	4	7	8	10,729,466	1 in all cases
7	Aggregate Receipts from all sources,	1	2	3	5	4	6	7	8	21,744,518	represents
8	Gross Expenses, all kinds,	1	2	4	5	6	3	7	8	10,977,839	the largest
9	Cost of Maintenance of Way, per mile run,	Cents. 18.66	Cents. 15.72	Cents. 11.37	Cents. 8.17	Cents. 10.45	Cents. 22.41	Cents. 13.07	Cents. 10.57	14.57 mean	case may be,
10	“ Repairs of Engines and Cars, per mile run,	14.56	17.23	10.55	9.39	7.20	24.65	11.42	12.12	13.66 “	and No. 8 the
11	“ both, per mile run,	33.22	32.95	21.92	17.56	17.65	47.06	24.49	22.69	28.23 “	least; and
12	“ carrying one Passenger, or one ton of Freight, one mile,	1.37	1.50	1.33	1.30	1.32	1.53	1.71	1.99	1.445 “	the same of
13	Useful effect, or No. of Passengers or Tons carried, per mile run,	57.9	61.3	51.3	53.8	55.1	68.4	43.0	40.0	54.12 “	the number
14	Cost of all the work done, per cent. of the gross receipts,	47.0	54.9	49.7	48.7	42.3	59.4	47.7	65.9	50.5 “	at the num-

A. A. Page 113.

Statistics of the business of the Pittsfield and North Adams Railroad.

YEARS.	RECEIPTS.	EXPENSES.	Dividends or interest paid by contract on cost, \$450,000.	Paid from North Adams Guaranty Fund.	Deficiency paid by the Western Company.	Surplus received by Western Company.
1847	\$25,974 94	\$17,798 23	\$25,991 00	\$17,728 04		
1848	28,319 52	17,467 84	26,755 00	15,929 54		
1849	31,358 30	11,833 66	27,000 00	7,475 36		
1850	32,605 02	13,456 61	do.	7,851 59		
1851	37,514 32	16,012 00	"	5,497 68		
1852	40,395 55	18,087 33	"	4,691 78		
1853	47,332 81	21,124 00	"	791 19		
1854	50,895 29	25,376 00	"	1,480 78		
1855	54,842 39	29,231 00	"	1,388 61		
1856	58,819 01	29,656 60	"			\$2,162 41
1857	53,543 21	28,461 64	"		\$1,918 43	
1858	47,035 16	24,128 98	"		4,093 82	
1859	48,355 51	23,227 87	"		1,872 36	
1860	49,169 99	21,400 79	"			769 20
1861	36,538 37	17,478 18	"		7,939 81	
1862	43,142 14	19,465 48	"		3,323 34	
16 Years	\$688,841 53	\$334,206 21	\$430,746	\$62,834 50	\$19,147 76 2,931 61	\$2,931 61
Average per year.	43,052 59	20,887 88			\$16,216 15*	

B. B. Page 113.

Table showing the comparative cost of transportation for eight years, for Passengers and Freight per mile, assuming, 1st, one passenger equal to one ton of freight; and 2d, what the annual reports assume to be more just—two passengers equal to one ton of freight; the cost for passengers and freight not having been kept separately.

Years.	1st.		2d.	
	For each Passenger or each Ton for Freight carried one mile.		Supposing two Passengers equal to one ton of Freight.	
	Cents.	Cents.	Cents.	Cents.
1855	1 $\frac{915}{1000}$	1 $\frac{235}{1000}$	2 $\frac{471}{1000}$	
1856	1 $\frac{797}{1000}$	1 $\frac{148}{1000}$	2 $\frac{246}{1000}$	
1857	1 $\frac{771}{1000}$	1 $\frac{171}{1000}$	2 $\frac{342}{1000}$	
1858	1 $\frac{545}{1000}$	1 $\frac{882}{1000}$	1 $\frac{864}{1000}$	
1859	1 $\frac{532}{1000}$	1 $\frac{017}{1000}$	2 $\frac{034}{1000}$	
1860	1 $\frac{436}{1000}$	1 $\frac{883}{1000}$	1 $\frac{766}{1000}$	
1861	1 $\frac{525}{1000}$	1 $\frac{910}{1000}$	1 $\frac{820}{1000}$	
1862	1 $\frac{467}{1000}$	1 $\frac{700}{1000}$	1 $\frac{400}{1000}$	

* Average loss per year to Western R. R. Co., \$1,044 76.

C. C. Page 118.

AWARD OF THE ARBITRATORS, MADE MAY 21, 1844.

The undersigned, the Arbitrators named in the Submission hereto annexed, marked A, having met and fully heard the parties thereto, do make the following award:

The Boston and Worcester Railroad Corporation, having waived certain objections supposed by them to be well founded, to any action by the Legislature or by the arbitrators, in the premises, as appears by the paper hereto annexed, marked B, the arbitrators have passed upon the questions submitted to them, and make this award, upon what they deem to be just and equitable principles, without regard to legal objections.

They, in the first place, adopted the principle that the Boston and Worcester Railroad Corporation are to be paid all the expenses to which they are subjected in the transportation of freight to and from the Western Railroad, and that, in estimating these expenses, all the freight carried on the Boston and Worcester Railroad, from whatever source derived, should bear its proportion of all the freight expenses on that road.

In addition to the sum thus to be paid as the amount of actual expense incurred in transporting the freight aforesaid, the arbitrators are of opinion that the Boston and Worcester Railroad Corporation is entitled to a fair and reasonable profit upon this portion of their business.

In establishing a principle upon which the amount of this profit is to be determined, the arbitrators have had regard,

First. To what they deem to be the policy of the Commonwealth, as established by its legislation, that the construction of new Railroads, to be connected with roads already in use, is to be encouraged; and that the business brought to the old road by such new road is to be regarded as standing on a different footing from that brought from other sources.

Second. To the fact independently of such considerations of public policy, that the new road deals with the old road as a large customer bringing business in large masses.

Third. To the fact that, to a certain extent, the Western Railroad brings a new business to the Boston and Worcester Railroad; and,

Fourth. In some degree, to the pecuniary situation of the Western Railroad.

The arbitrators, however, would say that the consideration last mentioned has had no weight with them, except so far as they have thought it for the interest of the Boston and Worcester Railroad Corporation that their customers should be enabled to realize a profit from their business operations, which will induce them to continue them.

Proceeding upon the principles above indicated the arbitrators are of opinion, and do award accordingly, that for all freight brought from or carried to the Western Railroad, the Boston and Worcester Railroad Corporation is entitled to receive two cents and seven-eighths of a cent. per ton for each mile of their road over which the same is transported; that this sum includes a compensation for the use of the depots of the said Boston and Worcester Railroad Corporation, and for the expense of loading and unloading thereat; that each Corporation is to supply the motive power over its own road; that each is to provide its proportion of cars and attendants according to the number of miles on each road each ton of freight is transported, and that each is to be subject to all expenses and to assume all risks on its own road.

The sum above named is fixed with reference to the now existing freight tariff,

agreed on by the parties. If the Western Railroad Corporation shall hereafter increase the rates of freight, passing over any part of the Boston and Worcester Railroad, to or from the Western Railroad, they shall pay to the Boston and Worcester Railroad Corporation a corresponding *per centum* of increase upon the sum above named.

The article of flour is not included in the foregoing part of this award. The rates of transportation of that article, in the judgment of the arbitrators, and, as it should seem, in the opinion of the parties, should stand upon other and peculiar grounds. In reference to this article, the arbitrators have endeavored to ascertain the cost to the Boston and Worcester Railroad Corporation, of transporting it, and finding it to be about nine cents per barrel over their whole road, do award that that sum shall be paid by the Western Railroad Corporation, for such transportation over the whole of the Boston and Worcester Railroad, and *pro rata* for transportation over any part thereof. *Provided*, that if the rate of transportation from Greenbush to Boston, shall be fixed by the Western Railroad Corporation at a sum exceeding thirty-six cents per barrel, the Boston and Worcester Railroad Corporation shall receive one fourth part of the said sum so to be fixed, for transportation over their whole road, and *pro rata* for transportation over any part thereof.

In coming to this conclusion, the arbitrators have proceeded upon the principle that they would not be justified, in compelling the Boston and Worcester Railroad Corporation to carry any article over their road for a sum less than the actual cost of transportation. If there be any counterbalancing incidental advantages, which should render it expedient for them to do so, they can be best weighed by the parties, and may become the subject of an agreement dictated by a regard to their common interests.

In regard to the transportation of passengers, the arbitrators have proceeded upon the principles heretofore stated, as adopted by them, in reference to the transportation of freight; and in pursuance of those principles, do award, that the Western Railroad Corporation pay to the Boston and Worcester Railroad Corporation, two and one half cents per mile for each passenger of the first class carried to, or brought from the Western Railroad to the Boston and Worcester Railroad, and two-thirds of said sum for each such passenger of the second class.

They further award that emigrants are to be considered as passengers of the second class, unless the parties, by mutual agreement, shall otherwise treat them.

And they further award, that, if the Boston and Worcester Railroad Corporation shall hereafter reduce the fare for passengers of the first class on their road to less than two and a half cents per mile, or for passengers of the second class to less than two-thirds of that sum per mile, the same deduction shall be made from the sums to be paid them for passengers by the Western Railroad Corporation.

Each Corporation shall supply motive power, cars, attendants, and depot accommodations, and be subject to risks in the transportation of passengers, in the same manner, and to the same extent, as is herein before provided in regard to freight transportation.

In witness whereof, we have hereunto set our hands this twenty-first day of May, in the year of our Lord one thousand eight hundred and forty-four.

(Signed,)

J. M. WILLIAMS,
LINUS CHILD,
C. H. WARREN.

I hereby certify, that the foregoing is a true copy of the award of the arbitrators.

(Signed,)

J. M. WILLIAMS, *Chairman*.

D. D. Page 119.

Proposition submitted January 23, 1845, by the Directors of the Boston and Worcester Railroad, to the Directors of the Western Railroad, for the mutual Regulation of the Joint Fares and Freights.

1. Each Corporation shall be entitled to the whole income earned upon its own road.

2. The rates of fare and freight, for the joint business of the two roads, shall be determined by mutual agreement between the two Boards of Directors.

3. In determining the rates of fare and freight for the joint business of the two roads, it shall be first ascertained what difference between their respective rates will afford to each Corporation an equal net profit per mile, on each passenger, and each ton of freight transported (over the whole or any part of both roads), taking into consideration the annual charges and the annual interest on the cost of each, with its appurtenances, and averaging these on the whole business of the respective roads. The rates established shall be such, as with a just allowance for this difference of annual expenses and interest, will give to each road an equal net profit per mile on each passenger of the same class, and each ton of freight of the same class.

4. For the purpose of ascertaining the said charges of the two roads for current expenses and annual interest, averaged on each passenger and each ton of freight carried one mile, for regulating the comparative rate of fare and freight on them for the year 1845, an accurate statement shall be made of the business of each road in the year 1844, which statement shall exhibit:—

1. The amount of freight transportation, estimated by the number of tons conveyed one mile, and the amount of passenger transportation by the number of first class passengers conveyed one mile, including also an allowance for second class passengers, equal to two-thirds of the number so carried.

2. A statement of the current expenses of the year, including the cost of repairs of road, bridges, buildings, engines, and cars, and all charges for loss, damage, and general expenses. The charges for the passenger and freight departments of business, to be stated separately, and those which cannot be divided by a more equitable rule, to be divided between the two departments, in proportion to the gross receipts from passengers and freight.

3. A statement of the cost of each road, with the annual interest thereon. The interest to be reckoned at six per cent., except such part of the cost of the Western road as is defrayed by loans on State stocks, and Albany bonds, which shall be stated at the amount actually paid. The interest so ascertained on the cost of each road, to be divided between the passenger and freight departments, in proportion to the amount of receipts of income from passengers and freight.

4. These amounts being ascertained, the aggregate of the expenses of the passenger department on each road, including its proportion of general expenses, and also its proportion of interest, to be divided by the number of passengers conveyed one mile on the same road, ascertained as above prescribed; and the difference between the results, so obtained, shall be the difference in the rate per mile of first class fare to be established on the two roads, for the joint business during the current year. The difference between the second class rate to be in the same proportion. The aggregate of expenses of the freight department on each road, with the interest apportioned thereto as above prescribed, to be divided by the number of tons conveyed one mile, and the result so obtained to govern the difference per mile, in the rates of freight to be charged on the two roads.

5. At the commencement of each succeeding year, similar statements to be made of the business and expenses of the preceding year, with the interest, and divided between the two departments as above prescribed, and new results obtained, for regulating the difference in the rates of fare and freight, which each road shall receive for the joint business on their respective roads for the current year.

E. E. Page 124.

Extracts from the contract of February 17, 1846, and a memorandum of its changes in 1849 :

“ARTICLE 1. That in consideration of the higher relative cost of the Western Railroad as well as the expense of transportation upon it, in proportion to the amount of its business, it is agreed between the parties aforesaid, that the said Western Corporation shall receive a larger proportion of the fare from joint passengers, than a pro rata division per mile, as follows, viz :—

“*Provided*, The said Western Railroad shall so reduce its fare on the through passengers, that the rate from Boston to Albany shall be \$5, the full proportion of which for the forty-four miles of the Worcester Road would be \$1 10, it is agreed that ten cents shall be deducted from the said proportion, and added to the proportion of the Western Road, so that the said Worcester Company shall receive \$1, and the Western Road \$4 of the said through fare, and the mode of collecting said through fares, as well as the joint way fares shall be the same as has been practiced heretofore, by the sale of the tickets of the several roads, by the Agents of each, at their respective local rates, and dividing and accounting for the proceeds in the manner herein provided for. Second class passengers are to be charged at two-thirds the rates of those of the first class, the proceeds in all cases to be accounted for in the same proportion.

“ARTICLE 2. In case it shall become necessary or expedient for encouraging the through travel, to establish an extra through train to run at lower rates of fare than those above stipulated to be established by mutual agreement, the parties hereto engage to consent to the same, and the proceeds of the fare so established shall be divided on the same principle of deducting ten cents from the pro rata share of the Boston and Worcester Road and adding it to that of the Western. Such way passengers as may be carried in the said extra train shall pay the regular rates of fare, unless a different rate shall be established by mutual consent.

“ARTICLE 3. The Boston and Worcester Corporation agrees that the Western Corporation shall be permitted to charge the joint passengers going to or from the way stations on their road at a higher rate than the above, but not exceeding three cents a mile, and that they will claim on this account no more than \$1 for the whole length of their road, and in the same proportion for parts of it.

“ARTICLE 9. In regard to the income derived from the transportation of merchandise, in consideration of the extraordinary expenses represented by the said Western Corporation to be incurred by them in hoisting and lowering goods between the Railroad and Canal boats at Greenbush, and of collecting considerable portions of the freight in small parcels at a large number of way stations, and of other stipulations in this agreement, the Boston and Worcester Corporation agree that the expenses of loading, unloading, clerk hire and other depot expenses incurred in the management of the joint business on their part of the line, shall be set off against the like expenses, including the said extraordinary charges incurred by the Western Corporation on their part of the line, and the gross receipts of income shall be divided between the

Corporation, and the Boston and Worcester Railroad Corporation to pay four mills per ton per mile.

The passenger cars to be furnished, as under the present contract, by the Western Railroad, and the sum to be paid therefor by the Boston and Worcester Railroad Corporation the same, with a fair allowance for Boston and Worcester local and way passengers in said cars. All risk of cars and contents to be assumed by each party on their own road, and any car condemned by the agents of the Boston and Worcester Railroad, on its reception at Worcester, shall be unloaded by the Western Railroad, at their own cost, and another furnished and reloaded.

The whole matter shall be revised and settled, relating back to June first next, as shall be agreed upon. The division shall continue till December first next, unless sooner arranged and agreed upon by the parties, and is to be regarded, and all settlements or monthly returns under it, to be held or considered provisional only, and without prejudice to the equitable claims or rights of either party.

Western Railroad Corporation, by

(Signed)

C. W. CHAPIN, *Pres.*

Boston and Worcester Railroad Corporation, by

(Signed)

THOS. HOPKINSON, *Pres.*

G. G. Page 128.

Professor BENJAMIN PEIRCE, Cambridge, Mass. :

DEAR SIR,—The subscribers, a Committee of the Western Railroad Corporation, desire Professor Peirce to make certain computations for their use, having relation to the pending controversy between the Western Railroad Corporation and the Boston and Worcester Railroad Corporation upon the question of a just division of the joint business of these two Corporations.

1. In this controversy two principles of division of this joint freight are claimed.

First, by the Boston and Worcester Railroad, *that each parcel or ton of freight to each station on the Western Railroad should be divided separately*, and the quota of the Boston and Worcester Railroad determined thereby, and *vice versa*.

Second, by the Western Railroad, *that the entire receipts of the joint business should be divided in the proportion in which each Company has performed the work, i. e., that the share of each should be determined by the number of tons carried one mile by each Corporation.*

There being various prices for the several classes of freight to all the stations, and various prices according to the distance to which the same is transported, the share of the entire receipts from the joint business must vary, for or against one or the other Corporation, as one or the other rule or principle of division shall be adopted.

2. For the purpose of showing the extent of this variation, the Committee have caused the entire joint business for one month (October, 1859,) to be made up, that is to say, the whole number of tons carried from Boston to all the stations on the Western Railroad, the several classes of the same, the price of each class, the distance from Boston to these several stations, and other data necessary for the computation, and desire Professor Peirce to determine upon the data what amount of money the Western Railroad would be entitled to receive upon the principle which they contend for, the number of tons of all classes which they carry one mile, and the sum which they would be entitled to receive for doing the same amount of work under the rule

or principle contended for by the Boston and Worcester Railroad Company, *i. e.*, that each ton or parcel of freight to each station of the Western Railroad shall be divided separately.

3. Upon an examination of the tables, here it is discovered that the several classes of freight have not been separately entered; the aggregate of the three classes is alone given; this will confine the question of division of the receipts, and instead of three classes as alluded to in the second paragraph, Professor Peirce is requested simply to divide the whole joint receipts without reference to classification of the freight.

C. W. CHAPIN,
W. H. SWIFT,
STEPHEN A. CHASE, } Committee.

WESTERN RAILROAD OFFICE, Boston, March 29, 1860.

TO MESSRS. CHAPIN, SWIFT and CHASE, the Committee of the Western Railroad Corporation:

GENTLEMEN,—I have carefully examined the questions which you have submitted to me, and ascertained the relative effect of the two different methods of dividing the receipts from joint freight between the Western and the Worcester Railroad Corporations, and I have made a special investigation of the results for the month of October, 1859.

The accompanying table (A) contains the number of tons of joint freight carried during this month between any two stations upon the different roads, and also the corresponding amount of work performed by each Corporation, estimated in tons carried a mile.

The table (B) contains the receipts from the carriage of this freight.

The table (C) contains the proportion of joint freight allotted to each Corporation according to the principle of division claimed by the Worcester Railroad, *viz*: that the receipts from each package shall be divided independently of all other packages according to its own rate.

The whole amount of the receipts for the joint freight of October, 1859,

is by table B, - - - - - \$74,044 $\frac{1}{10}$

Of which, by this principle of division, the portion of the Western Rail-

road is - - - - - 52,746 $\frac{5}{10}$

And the portion of the Worcester Railroad is - - - - - 21,297 $\frac{5}{10}$

Now it appears from table A that the amount of

service performed by the Western Railroad in

the carriage of this freight was - - - 2,933,103 $\frac{8}{10}$ } Tons carried

While that of the Worcester Railroad was - - - 955,494 $\frac{8}{10}$ } one mile.

By this mode of division, therefore, the Western Railroad receives for every thousand tons carried a mile \$17 $\frac{9}{10}$, and the Worcester Railroad for the same service \$22 $\frac{2}{10}$.

For the same service, then, the Worcester Railroad receives \$4 $\frac{3}{10}$ more than the Western Railroad, or twenty-four per cent more; and reciprocally, for every hundred dollars thus paid to the Worcester Railroad it carries 4,486 $\frac{4}{10}$ tons a mile, while for the same money the Western Railroad carries 5,560 $\frac{7}{10}$ tons a mile, which is 1,086 $\frac{3}{10}$ tons more than that carried by the Worcester Railroad for the same money.

It is apparent then that the carriage of this joint freight is most unequally profitable to the two roads upon this principle of division, and that it is worth twenty-four per cent. more to the Worcester than to the Western Railroad.

It is quite possible, indeed, that this work may be profitable to the Worcester Railroad, while it is of insignificant value, or even a loss to the Western Railroad; if the profits which accrue from it to the Western Railroad are just, those derived by the Worcester Railroad must be excessive. I cannot understand how such an unequal compensation of services can be consistent with the public interests.

If the principle of division claimed by the Western Railroad be adopted, the receipts from the joint freight must be divided exactly in proportion to the work performed by each Corporation; this gives in the division of the receipts from the October freight,

To the Western Railroad,	-	-	-	-	\$55,850	$\frac{14}{100}$
To the Worcester Railroad,	-	-	-	-	18,193	$\frac{87}{100}$
Which differs in each case,	-	-	-	-	3,103	$\frac{67}{100}$

from the results of the previous division; the rate of compensation is here the same for both roads, being $\$19\frac{4}{100}$ on every thousand tons carried a mile.

All of which is respectfully submitted by

BENJAMIN PEIRCE,

Perkins Professor of Astronomy and Mathematics in Harvard College.

HARVARD UNIVERSITY, MAY 1, 1860.

H. H. Page 129.

The annual Report of January, 1861, says, "The *parcel* and *station* division only partially applied, produced the following results, for the year ending November 30, 1859. Of the whole amount of freight received and delivered by the Western Road at Worcester, amounting to 165,634 tons—159,769 tons was through freight, to and from Boston and Brighton; and only 5,865 tons was way freight to and from stations of the Worcester Road. By excluding Brighton, of this whole amount, only 101,209 tons was through freight to the Western; and this whole freight was carried, on an average, forty-three miles by the Worcester, or ninety-eight per cent. of the whole length of their road, and only one hundred seventeen miles by the Western, (of a road one hundred and fifty-six miles long,) or seventy-five per cent. of its whole length. The gross amount received by both Companies for transporting this freight was \$647,744 59, and averaged for each ton carried one mile, 2 45-100 cents. While of this the Worcester received 2 83-100 cents and the Western but 2 31-100 cents for each ton carried one mile; thus yielding to the Worcester a rate of $22\frac{1}{2}$ per cent. more than to the Western." As stated by the Report, the same process for 1860, gave to the Worcester an average of 2 63-100 cents, and to the Western 2 23-100 cents—or to the Worcester eighteen per cent. higher than to the Western.

The following table, annexed to a Report of a Committee of the Western Company in answer to the Worcester, on the subject of the union of the two roads in 1845, was prepared to exhibit similar inequalities at an earlier date.

Table showing the amount of the Joint Freight of the two Roads for the years 1843, 1844 and 1845, with the amount received by each Company.

Time.	Western R. R. Tons one Mile.	B. & Worcester R. R. Tons one mile.	Rate per Ton per mile received by the		Amounts received by each Company.		Excess which the Boston and Worcester Co. has received over the amount which they would have received at the rate received by the Western Railroad.
			Western.	Worcester.	Western.	Worcester.	
1843	6,624,267	2,713,037	2 $\frac{47}{100}$	3 $\frac{33}{100}$	\$164,256 11	\$90,424 49	\$23,168 31
1844	8,158,999	3,283,187	2 $\frac{68}{100}$	2 $\frac{89}{100}$	219,459 36	95,120 42	6,901 19
1845	9,992,310	3,818,635	2 $\frac{55}{100}$	2 $\frac{66}{100}$	255,713 94	117,093 10	19,374 24
Totals,	24,775,576	9,814,859			\$639,429 41	\$302,638 01	\$49,443 74

In the three years the Worcester Company carried one mile 9,814,859 tons and received for it,
 In one year, 1845, the Western carried 9,992,310 tons one mile, and received for the greater tonnage,

Amount in favor of the Worcester, \$46,924 07

\$302,638 01
 255,713 94

I. I. Page 130.

AWARD OF COMMITTEE OF BOSTON BOARD OF TRADE, JULY 10, 1862.

ARTICLE 1. Each Corporation shall perform all services and bear all expenses on its own road, and shall be liable for all injuries and losses which may be sustained by passengers, baggage and freight while upon its own road; and when such injury or loss having been sustained on the road or roads of one or both, if it cannot be determined that it was sustained wholly on the road of either, then the loss shall be deducted from the joint receipts before the division hereinafter provided for.

ARTICLE 2. We decline to allow the claim of the Boston and Worcester Railroad, "that a joint and specific allowance or sum should be paid out of the joint receipts to each road, to cover expenses of loading, unloading, cooperage and collection charges," and award that the services above named are offset on each road by services of similar nature, and on the part of the Western Railroad by charges peculiar to that road.

ARTICLE 3. After deducting from all joint freight and passenger receipts of both roads for freight and passengers passing over the whole or parts of both roads, any losses which may happen as provided in article first of this award, and also any expenses of agents west of Albany, who may be agreed upon by both corporations, for the promotion of the joint business, said receipts shall be divided between said corporations by the following rule, viz: at the end of each month the amount of joint freight and passenger transportation by each corporation shall be ascertained by obtaining the number of tons and passengers carried one mile by each, and the aggregate receipts of both for such transportation shall be divided between the two corporations in proportion to the number of tons and passengers carried one mile by each.

ARTICLE 4. All accounts between the two corporations shall be adjusted and paid in the manner now practiced between said corporations, except as herein provided, for the division of the joint receipts, and the payment of losses and expenses as above stated.

ARTICLE 5. This award shall take effect on the 31st day of May, eighteen hundred and sixty-two, and continue in full force for the term of twelve months from said date, and until the expiration of three months' notice, given in writing by either party to the other, of a desire to terminate the same, said three months' notice expiring with or after said twelve months.

 J. J. Page 134 and 143.

Extracts from the Tripartite Agreement of April 23, 1840, between the City of Albany of the FIRST part, The Albany and West Stockbridge Railroad Company of the SECOND part, and The Western Railroad Company of the THIRD part:

After providing for the issue of the bonds of the City, and their delivery to the Western Company for the construction of the Albany Road, and the entire use and control of the road by the Western Company, the agreement proceeds, "And the said party of the third part further agree, that, as a rent or compensation for the use of said road, they will punctually pay the interest on such bonds as may be issued in pursuance hereof, according to the tenor thereof, as the same shall fall due, and that they will assume all risks of loss upon said bonds, receiving all profits arising therefrom. And it is hereby agreed by the parties, that the Chamberlain of the said city of

Albany, for the time being, and such persons as shall from time to time be named in writing, by said party of the third part therefor, shall be the trustees of the Sinking Fund, hereafter provided for. And tho said party of the third part hereby agree, that they will pay the said trustees ten per cent. on such bonds, as they shall receive the same, and annually, after said road shall be opened for use, will pay also to said trustees, the amount of one per cent. upon the whole of the bonds which shall have been so issued; and the sum so received by said trustees, and the interest or profit annually accruing thereon shall be by them, from time to time, securely invested in bonds and mortgages on real estate in said city of Albany, or in the stocks of either of the States of New York or Massachusetts: and the same, with the income thereof, shall constitute a sinking fund for the future purchase or final redemption of said bonds or scrip: provided, that when a sufficient sum shall have been thus realized to pay the amount due on said bonds, the said annual payments of one per cent. shall cease; and all the interest thereafter accruing on said sinking fund, shall be paid over to said party of the third part, excepting, however, any part thereof which may at any time be necessary to make up any losses accruing upon the principal of said fund, and any current expenses of the same. And provided, further, that the party of the third part shall have the right, at any time, to purchase and surrender to said party of the first part, any portion of said bonds or scrips; and thereupon, the said party of the third part shall be entitled to receive, from said party of the first part, a transfer to them, or such person or persons as they shall designate, of an equal amount, at par value, of the shares in the capital stock of said Albany and West Stockbridge Company; and the said annual payment of one per cent. to the sinking fund, shall be reduced in the same proportion; and if, by said purchase and surrender of bonds or scrip, the said sinking fund shall be more than sufficient to pay the balance of the bonds or scrip outstanding, the said surplus shall be paid over to said party of the third part; and when said bonds shall fall due, the said sinking fund, or such part thereof as may be necessary therefor, shall be applied to their payment; and when the whole of said bonds shall have been paid and surrendered, such part of the sinking fund as shall remain, if any, shall be paid over to said party of the third part; and the said party of the first part shall transfer, or cause to be transferred, to said party of the third part, the whole of the residue of the shares in the capital stock of said Company, and so *pro rata* for any portion of said bonds which shall be so paid and surrendered. And it is further agreed and provided, that the said trustees shall annually, on the first day of December, transmit to the parties of the first and third parts, detailed statements of their proceedings in relation to said sinking fund, for the year preceding, with a statement of their account and a schedule of all the securities held by them, with the income of the several parts thereof for the year. And the books of accounts of said trustees, and the securities of said fund shall, at all times, be open to the inspection of Committees, appointed by said party of the first part, or said party of the third part.

And the said party of the third part further agree, that if they shall at any time neglect to pay the interest on said bonds punctually, as it shall fall due, the said parties of the first or second part, may enter upon and take possession of said road, and the appurtenances and equipments on the same, and use them, and receive the profits thereof in trust, until all arrears of interest shall be paid, and the party of the third part shall be liable for any deficiency. And the said party of the third part also agree, that if the New York and Albany Railroad shall hereafter be constructed so far as to unite the same with the Albany and West Stockbridge Railroad, the party of

the third part will, at their option, either allow the New York and Albany Railroad Company to use the Albany and West Stockbridge Railroad, with their engines and cars, paying for such use a reasonable sum, or will transport the passengers and merchandize of the said New York and Albany Railroad, over said Albany and West Stockbridge Railroad, on as favorable terms as the average of those upon which passengers and similar merchandize are, for the time being, transported over the Railroad between Worcester and said point of junction with the New York and Albany road, and without unreasonable delay; and in case of any disagreement in executing these provisions, the matter in issue shall be decided by three commissioners, to be appointed by the chancellor of the State of New York. And the party of the third part reserve the right, at any time, to discharge the trustee of the sinking fund, appointed by them, and to appoint another in his stead.

And in order to preserve the organization and corporate powers of the said Albany and West Stockbridge Railroad Company, as hereinbefore provided, it is agreed by the parties, that such number of the shares of the stock of said company as shall be necessary therefor, shall from time to time, by the procurement and appointment of said party of the first part, be held by individuals to be named and designated by the said party of the third part, in trust for the benefit of said party of the first part, and such shares shall be subject to all provisions herein stipulated for, in relation to shares held directly by said party of the first part, and be eventually transferred to said party of the third part, on the same conditions and contingencies.

And the said party of the third part, further agree, that they will not run their locomotive engines north of the village of Greenbush, or of the city of Albany, without the consent of the party of the first part: and that they will assume and pay the reasonable expenses heretofore incurred by the party of the second part, for the preliminary surveys for said road, and for the salaries of officers and other general expenses of said Albany and West Stockbridge Railroad Company in prosecuting the object of their incorporation, and in case of disagreement, the parties shall abide by the decision of three commissioners to be appointed by the chancellor of the State of New York.

And the party of the first part, agree to give their consent and approbation for the construction by the said party of the third part, of one or more depots within the city of Albany, and to connect the same with said Albany and West Stockbridge Railroad, by a single or double track, with suitable turnouts and branches, upon the terms and conditions prescribed in the act giving such authority, passed on the thirteenth day of April, A. D. 1840.

And the said party of the first part, further agree, that no change shall be made to said party of the third part, for the right and privilege, at their own cost and expense, to convey across the Hudson River, at Albany, the passengers and freight transported or to be transported upon said Railroad, or the officers, agents and servants of said party of the third part, or their engines, cars or other property.

ERRATA.

- Page 12, line 9, after "session" insert "of."
- " 24, line 4 from bottom, for "thirty-six" read "seventy-six."
- " 37, line 17, after *party*, insert *—line 18 dele *.
- " 37 last line Note, dele "subsequently."
- " 40, line 33, dele "Appendix, D. 2."
- " 40 line 31, for "has" read "had."
- " 55, line 4 from bottom, for "G. 2," read "S. 2."
- " 66, line 3, for "twenty," read "twenty-three."
- " 87, last line—add "See Appendix, S. 2."
- " 88, line 27, for "revised" read "revived."
- " 90, line 28, for "table" read "tables."
- " 97, line 25, for "X" read "X. X."
- " 111, line 3 from bottom, for " $\frac{222}{1000}$ " read " $\frac{282}{1000}$."
- " 118, line 20, after "manner" add *.
- " 134, last line Note, for "twenty" read "twenty-three."
- " 160, line 3, for "Commissioner of the Worcester" read "Committee of the Western."

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