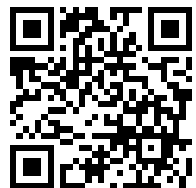


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REPORT  
OF  
THE DIRECTORS  
OF THE  
BOSTON AND MAINE RAILROAD  
TO THE STOCKHOLDERS.

WEDNESDAY, SEPT. 14, 1870.

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BOSTON:  
PRINTED BY HENRY W. DUTTON & SON,  
TRANSCRIPT BUILDING.  
1870.

## BOSTON AND MAINE RAILROAD.

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The Annual Meeting of the Stockholders of the Boston and Maine Railroad will be held at LAWRENCE, in the City Hall, on WEDNESDAY, the fourteenth day of September next, at Ten o'clock, A. M., for the following purposes, viz.:—

1. For the choice of Directors for the ensuing year.
2. To act upon any amendments to the first and fifth articles of the by-laws.
3. To see if the Corporation will issue additional Capital Stock.
4. To act upon the subject of communication with deep water.
5. For the transaction of any other business which may be brought before them.

By order of the Directors :

CHAUNCY P. JUDD, *Clerk.*

Boston, August 17, 1870.

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# ANNUAL REPORT.

*To the Stockholders of the Boston and Maine Railroad:—*

The Directors take pleasure in submitting the following Report:

The amount of Capital Stock authorized by Charter is 50,000 shares, which, at par, amount to - - - - - \$5,000,000 00

There have been sold by direction of the stockholders, 45,500 shares.

From these the Corporation realized - - - \$4,471,274 52

The construction and improvement accounts, representing the cost of the road, depots, buildings, land, equipment, &c., exceed the amount received from Capital Stock by - 689,658 82

Table B, in the Appendix, will furnish the particular classes of the expenditure.

The undivided earnings are - - - - \$1,002,978 77

The value of the property of the Corporation, its available assets and the amount of pecuniary liabilities, will appear in Table A.

Many of these items have been before you in our previous Annual Reports, and their value is pretty well known. The item of \$1,002,978.77, representing the earnings of the Road which have not been divided, and which is frequently called the "*Surplus*," is by no means a representative of so much money on hand. Far otherwise. Table C will sufficiently explain where it has been invested.

The result of the operations of the year ending May 31, 1870, is as follows:

The gross receipts from all sources were	-	-	\$1,866,061	70
The gross expenditures of every kind were	-	-	1,401,283	79
Net revenue,	-	-	464,777	91
Deduct two dividends of five dollars per share each,	-	-	455,000	00
Amount of earnings undivided,	-	-	\$9,777	91

This is explained in Tables C and D.

During the past year, the work upon the extension and reconstruction of the passenger depot in Boston has been substantially brought to a close. The most important rooms below were occupied in the winter of 1869. The new offices, in the front end of the building, have been occupied since about June 1, 1870. In most of these rooms the fixtures have been erected and the furniture procured. It has taken about two and one-half years to accomplish all that has been done. It is believed to be well done and will be sufficient for many years to come.

The plan, arrangement and execution of the work reflect credit alike upon the architect and the contractors. The whole cost has been, at least, \$250,000.00, of which \$175,000.00 have been charged to construction; the balance to repairs of stations in the current expenses of the road.

The gale of September last completely demolished the car-house northerly of Charles River draw.

As the space formerly occupied by this building was much needed for track-room, a new car-house has been erected on the island in Miller's River. This is the first station building that has been constructed by us, at the Boston terminus, north of Prison Point. But as we own about twenty-five acres of land between Miller's River channel and the Eastern Railroad crossing, south of Somerville Station, extending along more than sixteen hundred feet on each side of our tracks, and as the

business of the Road increases, and more rolling-stock of all kinds will be required, it may become necessary to put up other and more expensive buildings upon that tract of land.

The crowded condition of our buildings on the island, south of Miller's River draw, will, sooner or later probably, compel a removal of a large portion of our mechanical business to the locality north of Miller's River channel.

We have recently made contracts for the erection of passenger depots at Reading and Malden, each to be of wood, slated, and one hundred feet long. The whole expenditure, including the foundations and platforms, will be about \$5,000 each.

In order to make provision for future contingencies, another tract of land has been purchased in the immediate neighborhood of the passenger depot in North Lawrence. For this the sum of \$7,437.00 was paid.

In addition to our extensive depot grounds in North Lawrence, we have in South Lawrence about thirty acres of land. A small portion only of it is occupied by the Road for depot purposes. Much of it was purchased for protection and with an intelligent appreciation of the future. A new passenger depot here is much needed. The principal difficulty has heretofore been to decide upon the proper spot where to erect it.

Grading has been commenced near the bridge in Bradford on the new location between that place and North Andover. In addition to the expense of this alteration and the laying of a double track, a new set of station buildings will become necessary at Bradford. When this work is accomplished, and a double track laid from North Andover to the bridge over the Merrimac and continued to Newton, and also another track for several miles midway between Boston and Portland, so that the through trains can pass each other on the double track, a long desired object will be accomplished.

The iron bridge over the river in Exeter, alluded to in the last Annual Report, has been finished, and thus far gives satisfaction. This, with the alteration in the grade at this place, was an expensive job, but it is a great improvement to the road.

A new freight house has been built at South Newmarket at an expense, above the foundation, of about \$950. It is narrow, and within the limits of the location, but it is sufficiently large to accommodate the public.

Much inconvenience has, in years past, been experienced, both by us and the public, in consequence of our straitened accommodations for freight purposes in Dover. This, you all know, is a very important station. It is destined to increase in importance. In order to do this business properly it became necessary to purchase land and erect a freight house without the compact part of the city.

We accordingly purchased of several parties a tract of land, 3,200 feet long, averaging 200 feet wide, containing some fifteen acres, together with several houses, at a cost of more than \$16,000.00. It is not interfered with by a single road crossing, while it has easy communication with the new road from Dover to Great Falls, east of Garrison Hill. A freight house, 250 × 44 feet, brick, with slated roof, is now in process of erection. The whole outlay, including land, grading and depot, will be not less than \$25,000.00. It cannot fail to give the business community in Dover general satisfaction.

The pressing need of tenements at South Berwick Junction, for the accommodation of our employes engaged upon the trains, induced us to provide three commodious houses, fitted up for two families each. We previously had at that station two other small houses, occupied by one family each, and also a tenement in the passenger depot building where the station agent has usually lived. Therefore there are now accommodations, at that place, for nine families and more will be wanted. In process of time this station will become a very important point and centre on our Road, where several locomotives will be necessarily kept, and engine-men and firemen and other employes must make this their residence and home. This also is, and always has been, an important depot for wood. Several thousand cords have been bought here annually. It is also the point of junction with the road of the Portland, Saco and Portsmouth Railroad Co., with which we have been connected in business and

by contract, either separately, or in conjunction with the Eastern Railroad Co., ever since the opening of our Road in 1843.

It will be necessary soon to renew several depot buildings, both passenger and freight. Many of them were built when the Road was first constructed and before the necessities of the public were fully known. It will probably be found advisable also to provide tenements for the track men, so that they can live on the line of the Road. We have several such. They are good property to rent, and will insure the presence of a very important class of men at their posts, in time of need, by day and by night.

It has been our special object to keep the Road up to a high state of efficiency in all its departments, so as to meet the demands occasioned by the increased traffic and by the wishes and tastes of the patrons of the Road. To accomplish this, large expenditures have been made, within a few years past, in grading, rails, sleepers, cars, engines and depots, all which will appear in this and previous Reports. The same policy will have to be maintained in the future as in the past.

Three years since there were laid one hundred tons of steel rails. They cost about \$170 per ton. They promise to endure many years under the severest service.

We have recently received five hundred tons of the Sir John Brown steel rails, and one hundred and seventy-five tons of the Naylor stamp are contracted for. These rails will cost us not much more than one hundred dollars per ton, laid down on the wharf in Boston, only about twenty-five per cent. more than the best American iron rails.

During the last three or four years we have increased our rolling stock very largely. At the present time we have forty-six locomotives, eighty passenger cars—fifty-nine of them with monitor tops,—twenty baggage cars, and more than one thousand regular merchandise cars, besides nearly two hundred gravel and other cars of various kinds not used for the conveyance of general merchandise.



The general business upon the Road has increased during the same time in a corresponding ratio. Thus, the gross receipts from passengers and freight were :—

In the year ending May 31, 1866,	-	-	\$1,462,228	00
“ “ “ 1867,	-	-	1,558,680	25
“ “ “ 1868,	-	-	1,510,488	85
“ “ “ 1869,	-	-	1,687,310	94
“ “ “ 1870,	-	-	1,806,971	68

Scarcely anything demonstrates more clearly the growth and prosperity of the suburban towns, along the line of our Road, than the steady increase of the sales of season, family and other commutation tickets. The present number of regular season ticket passengers is about 2,550. These persons have a right to two passages, amounting to over 5,000 passages, daily. The transportation of them all, between any two points, would require ten trains of five cars each, between those points, twice daily. The compensation for the low fares of season ticket passengers is found in the increased incidental business brought by them upon the Road, which pays full fares and remunerative prices.

#### PORTLAND, SACO AND PORTSMOUTH RAILROAD COMPANY.

The contract now existing, between that Company on the one part and the Eastern and Boston and Maine Railroad Companies on the other part, is dated April 1, 1847. It is permanent in its terms, but a provision exists by which either of the three corporations may terminate the same by giving 180 days notice and paying the sum of \$100,000 to each of the other corporations.

By this contract the stockholders of the Portland, Saco and Portsmouth Road were insured semi-annual dividends of three dollars for each share, in United States coin. They received their dividends in paper currency, under protest, for six years commencing in June, 1863. Since May, 1869, the dividends have been paid in coin, and a satisfactory settlement made on

account of the arrearages by the payment of \$180,000, in currency, a sum equal to a dividend of twelve per cent. on the capital stock of that Road. We have paid directly to that Road, during the past year, the sum of \$148,107.07. The Eastern Railroad has paid the same amount. The sum of \$67,955.39 has been charged to suspense account and so reckoned among the current expenses of the year. The balance of \$80,151.68 is placed in a special account and will be found in Table A.

On the nineteenth day of July, 1870, there was served upon the President of this Corporation a notice of an intention, on the part of the Portland, Saco and Portsmouth Road, to terminate said contract, in accordance with the provisions thereof, to take effect January 20, 1871. A similar notice was also served on the President of the Eastern Railroad Company.

Upon any settlement that may be made under the provisions of that contract, there will be found justly due, from the Portland, Saco and Portsmouth Road, in addition to the forfeiture heretofore mentioned, a large sum of money for improvements made by the Eastern and Boston and Maine Railroads, which sums are to be paid contemporaneously with the termination of the contract.

The accounts of the Treasurer have passed under the examination of Mr. A. R. Turner, the auditor appointed by a committee of the Directors, and are reported to be correct.

In once more surrendering our trust into the hands of the Stockholders, we feel justified in congratulating them upon the continued prosperity of their Road.

We would also cheerfully express our obligations to the several officers and employés for their aid in carrying on, to a successful issue, the many and complicated operations of the Road during the past year.

In behalf of the Directors,

F. COGSWELL, *President.*

AUGUST 17, 1870.

## A.

DR. *Balance Account, after closing Books,*

CONSTRUCTION AND IMPROVEMENT ACCOUNTS, being cost of  
Road and Equipment, as per Table B, - - \$5,160,933 34

## PROPERTY ACCOUNTS—

Car-Shop stock, - - -	\$28,149 76
Engine-Shop stock, - - -	15,455 86
Wood, amount on hand, - - -	58,673 47
Oil, - - - - -	3,531 72
Waste, - - - - -	1,105 48
Iron rails, - - - - -	56,093 05
Ties, - - - - -	1,940 42
Coal, - - - - -	22,065 00

187,014 76

## ASSETS ACCOUNTS—

Cash, - - - - -	43,869 50
Freight Bills, &c., - - -	12,425 99
Rent bills, - - - - -	1,184 84
U. S. Post Office Department, - - -	2,487 50
Stoneham Street Railroad, - - -	246 13
Land and Improvements, D. and W. R. R.,	23,928 11
Prepaid Insurance, - - - - -	3,108 44
Portland, Saco and Portsmouth R. R. account,	80,151 68
Danvers R. R. bonds endorsed by us, taken at par,	73,000 00
“ “ account, - - - - -	27,430 00
Newburyport Railroad as per agreement,	300,000 00
Great Falls and Conway Railroad bonds, guaran- teed by Eastern Railroad in N. H., -	20,000 00
Insurance scrip, - - - - -	510 00
Dover and Winnipiseogee Railroad stock,	258,464 48

846,806 67

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\$6,194,754 77

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For the Year ending May 31, 1870.

CR.

CAPITAL STOCK ACCOUNT—

Received from sale of 45,500 shares, - - \$4,471,274 52

LIABILITIES—

Notes payable, - - - -	\$382,437 00	
Tax bills—estimated, - - - -	37,804 96	
Uncalled-for wages, - - - -	986 49	
Uncalled-for dividends, - - - -	5,577 50	
Sundry accounts, - - - -	1,569 78	
Danvers Railroad Rent account, - - - -	780 00	
Boston, Concord and Montreal Railroad, - - - -	736 88	
Boston and Lowell and Nashua and Lowell Railroads, - - - -	1,687 14	
Concord Railroad, - - - -	786 84	
Concord and Claremont Railroad, - - - -	115 18	
Contoocook River do. - - - -	21 60	
Dover and W. do. - - - -	2,416 66	
Manchester and Lawrence do. - - - -	12,163 93	
Manchester and North Weare do. - - - -	210 92	
Maine Central do. - - - -	238 80	
Northern do. - - - -	438 88	
Portland, Saco and Portsmouth do. - - - -	29,136 18	
Portland and Kennebeck do. - - - -	93 45	
Portsmouth, Great Falls & Conway do. - - - -	36 74	
Suncook Valley do. - - - -	10 95	
Deposit on account of Newburyport R. R. bonds, - - - -	2,160 00	
Amount payable on account of Newburyport Railroad bonds, as per agreement, - - - -	1,490 00	
Tax on dividend and surplus, - - - -	12,101 60	
		493,001 48
Dividend payable July 1, 1870, - - - -		227,500 00
General Reserve account, being undivided earnings to date, as described in Table C, - - - -		1,002,978 77

\$6,194,754 77

## B.

*Statement of Capital Stock, and Construction and Improvement  
Accounts, May 31, 1870.*

## CAPITAL.

Received from sale of 45,500 shares, - - -	\$4,471,274 52
	.....

## CONSTRUCTION.

Graduation and masonry, - - -	\$884,067 40
Wooden Bridges, - - -	371,468 55
Superstructure, including iron, - - -	1,023,173 89
Stations, buildings, fixtures and furniture, - - -	808,162 11
Land, land damages and fences, - - -	1,059,514 62
Engineering and other expenses, - - -	273,827 50
	<u>4,420,214 07</u>

## EQUIPMENT.

46 Locomotives, - - -	296,800 00
78 Passenger and 24 baggage cars, - - -	140,786 56
1021 Merchandise and 171 gravel, hand and other cars, - - -	303,132 71
	<u>740,719 27</u>

Total cost of Road and Equipment, - - -	\$5,160,933 34
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In Construction Account, - - -	4,471,274 52
In Improvement Account, - - -	689,658 82
	<u>\$5,160,933 34</u>

Number of Shares authorized by charter, - - -	50,000
“ “ “ issued, - - -	45,500

## C.

*Statement of Undivided Earnings, May 31, 1870.*

Balance, as per Report, May 31, 1869,	-	-	-	\$993,200 96
Earned this year, over expenses, as per Table D,	\$464,777	91		
Deduct two dividends of 5 per cent. each,	-	455,000	00	
				<hr/>
Earned this year, over expenses and dividends,	-	-	-	9,777 91
				<hr/>
Balance, May 31, 1870,	-	-	-	\$1,002,978 77

The above balance of \$1,002,978.77, is invested as follows:—

In Newburyport Railroad Bonds,	-	-	-	\$300,000 00
In Danvers Railroad Bonds (guaranteed by this Corporation),				73,000 00
In the Danvers Railroad Contract and Stock,	-	-	-	27,430 00
In the Dover and Winnipiseogee Railroad Stock,	-	-	-	258,464 14

The remainder, in expenditures on the Road, Rolling Stock, &c., in addition to the capital received from the sale of stock. It is, therefore, only an element indicating, in some measure, the value of the stock above par; but it is not available for the payment of debts or dividends.

## D.

*Comparative Statement of Earnings and Expenses.*

## EARNINGS.

YEAR ENDING MAY 31, 1869.		YEAR ENDING MAY 31, 1870.	
\$997,397	09	Passengers, - - -	\$1,113,119 32
689,913	85	Freight, - - -	693 852 36
27,568	60	Rents, - - -	32,708 09
14,139	51	Mails, - - -	14,516 09
		Interest, premium on stock	
32,474	50	sold, &c.,	
		Interest, - - -	11,865 84
\$1,761,493	55	Total Receipts, -	\$1,866,061 70

## EXPENSES.

\$178,920	37	Repairs road, -	\$165,024 99
32,777	59	" bridges, -	50,303 38
6,187	36	" fences, &c.,	13,446 29
57,071	53	" stations, &c.,	144,204 34
81,931	15	" locomotives,	73,258 98
48,502	41	" pass. & bag. cars,	62,185 75
62,850	69	" merchandise cars,	46,141 02
273	23	" gravel cars,	1,037 77
2,123	68	Removing ice and snow,	3,377 43
46,520	85	Switchmen, gatemen, &c.,	50,237 83
136,273	36	Passenger expenses,	152,778 95
116,874	60	Freight " "	126,806 76
62,325	22	Wood, - - -	61,596 53
		Sawing wood; expense of	
24,483	72	and pumping water,	
		Water; exp. of and pump,	5,436 93
14,948	17	Oil, - - -	15,725 13
4,698	73	Waste, - - -	5,011 21
6,303	23	Gratuities and damages,	6,325 50
33,895	72	General expenses,	26,267 78
90,984	96	Taxes, - - -	107,562 84
6,102	59	Insurance, - - -	8,022 84
7,500	00	Danvers Railroad rent,	7,500 00
83,588	17	Coal for locomotives,	111,779 82
99,365	95	Renewals of rails,	72,815 44
<u>1,204,503</u>	<u>28</u>		<u>1,316,847 51</u>
556,990	27		549,214 19
24,806	51	Less, tax on dividends and surplus,	24,436 28
<u>532,183</u>	<u>76</u>		<u>524,777 91</u>
		Less, suspense account, being amount	
		reserved for the purchase of rails	
60,000	00	and unadjusted liabilities, &c.,	60,000 00
<u>\$472,183</u>	<u>76</u>	Net earnings for the year,	<u>\$464,777 91</u>
965,108		Miles run,	1,017,312





