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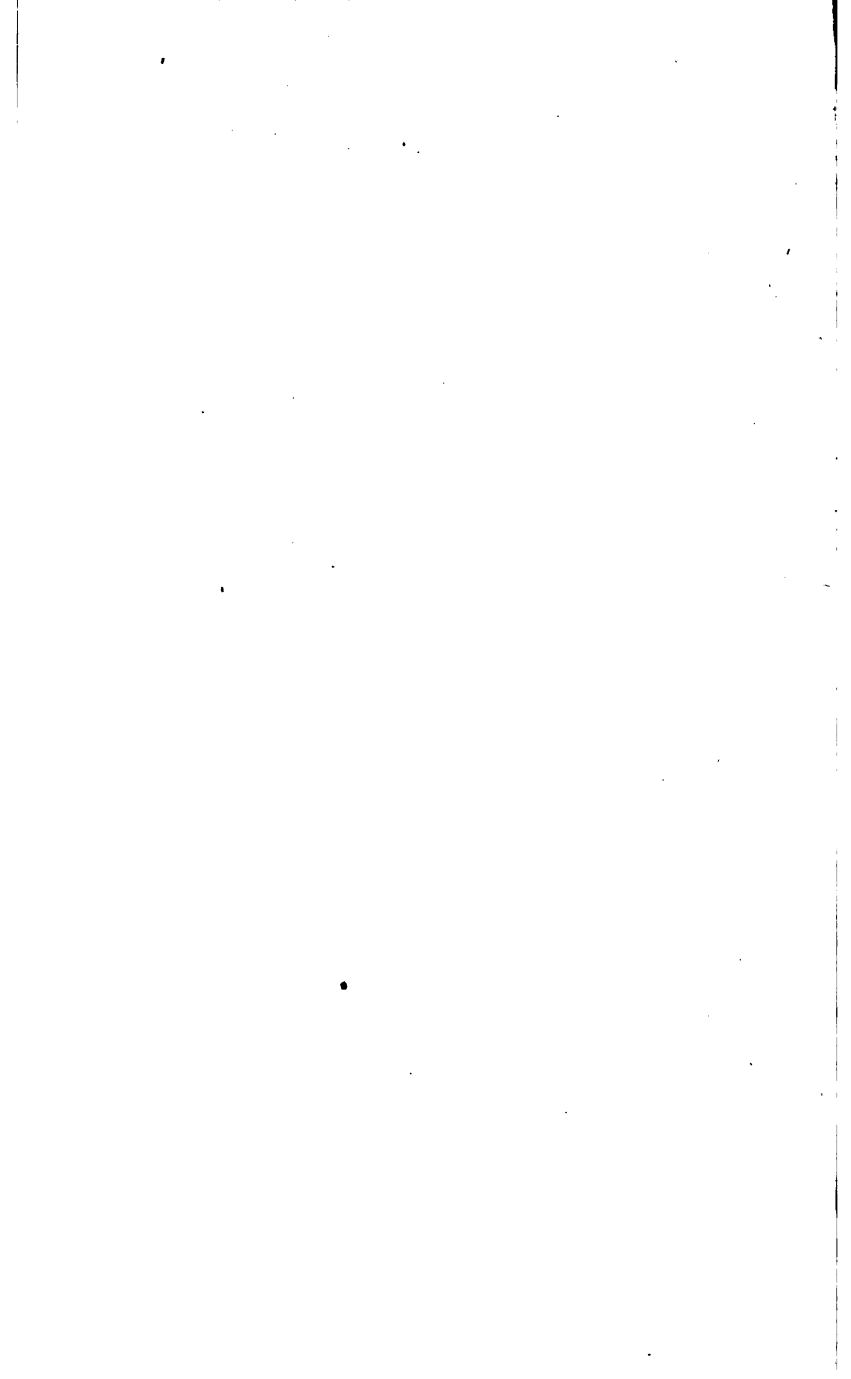


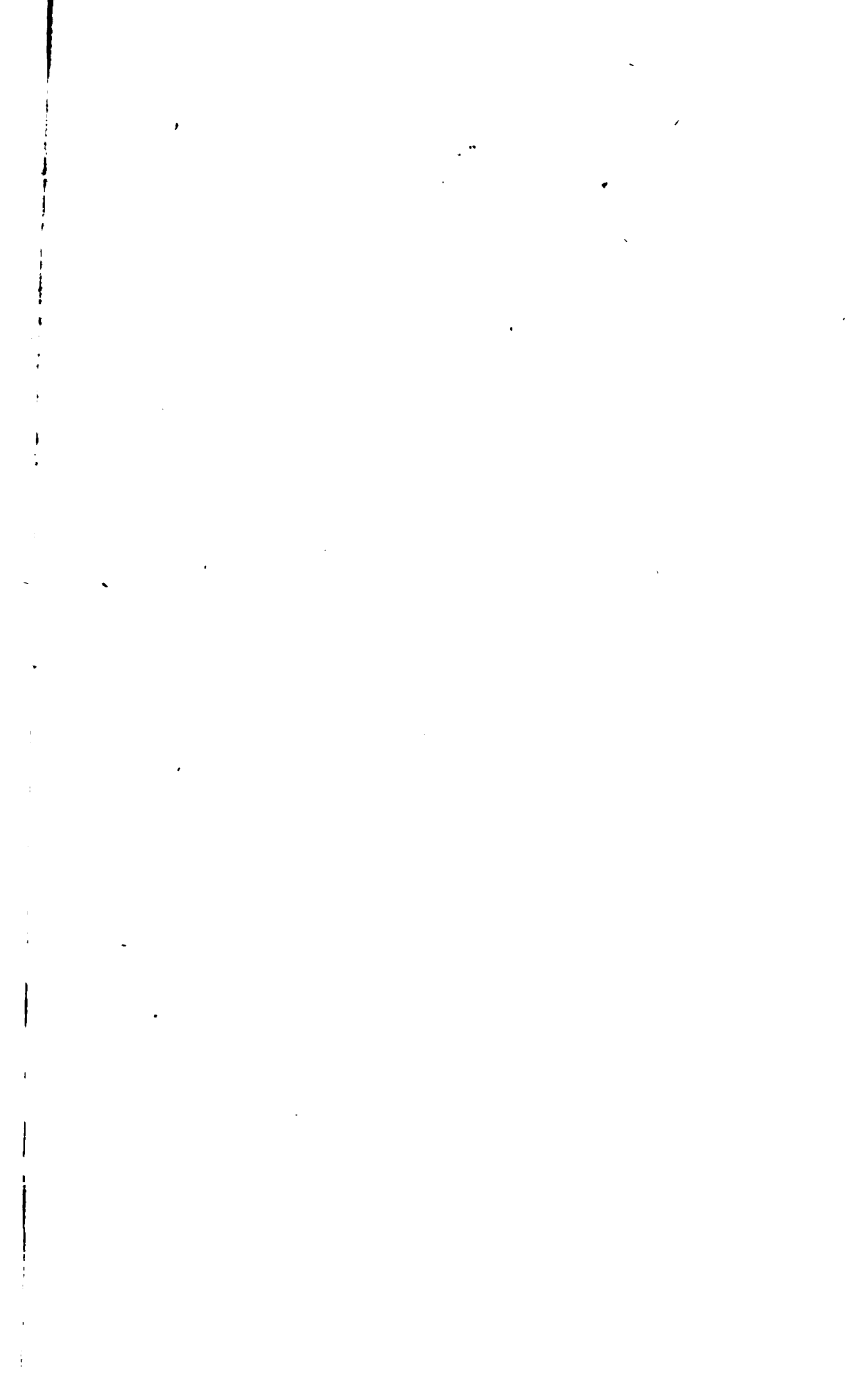
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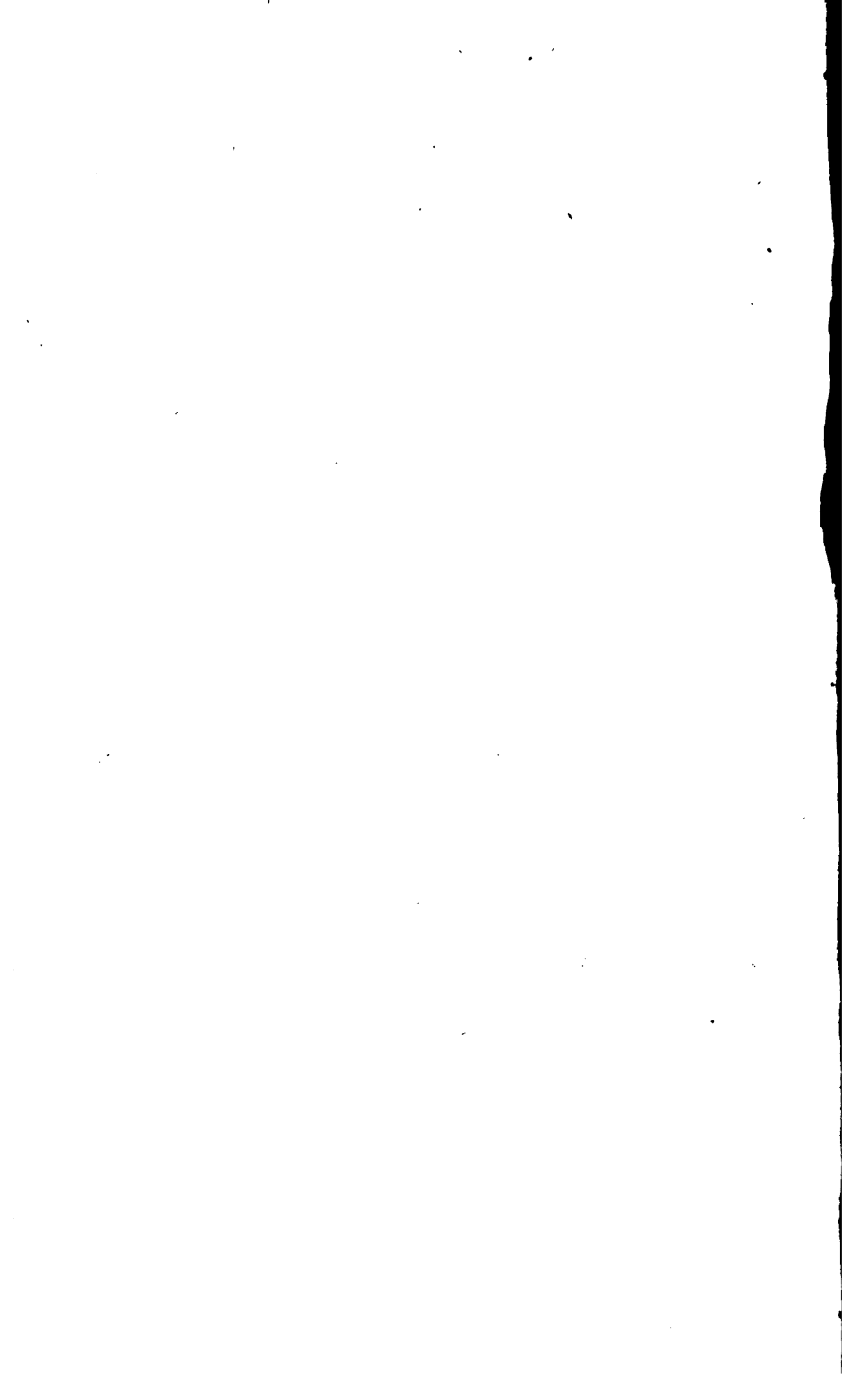
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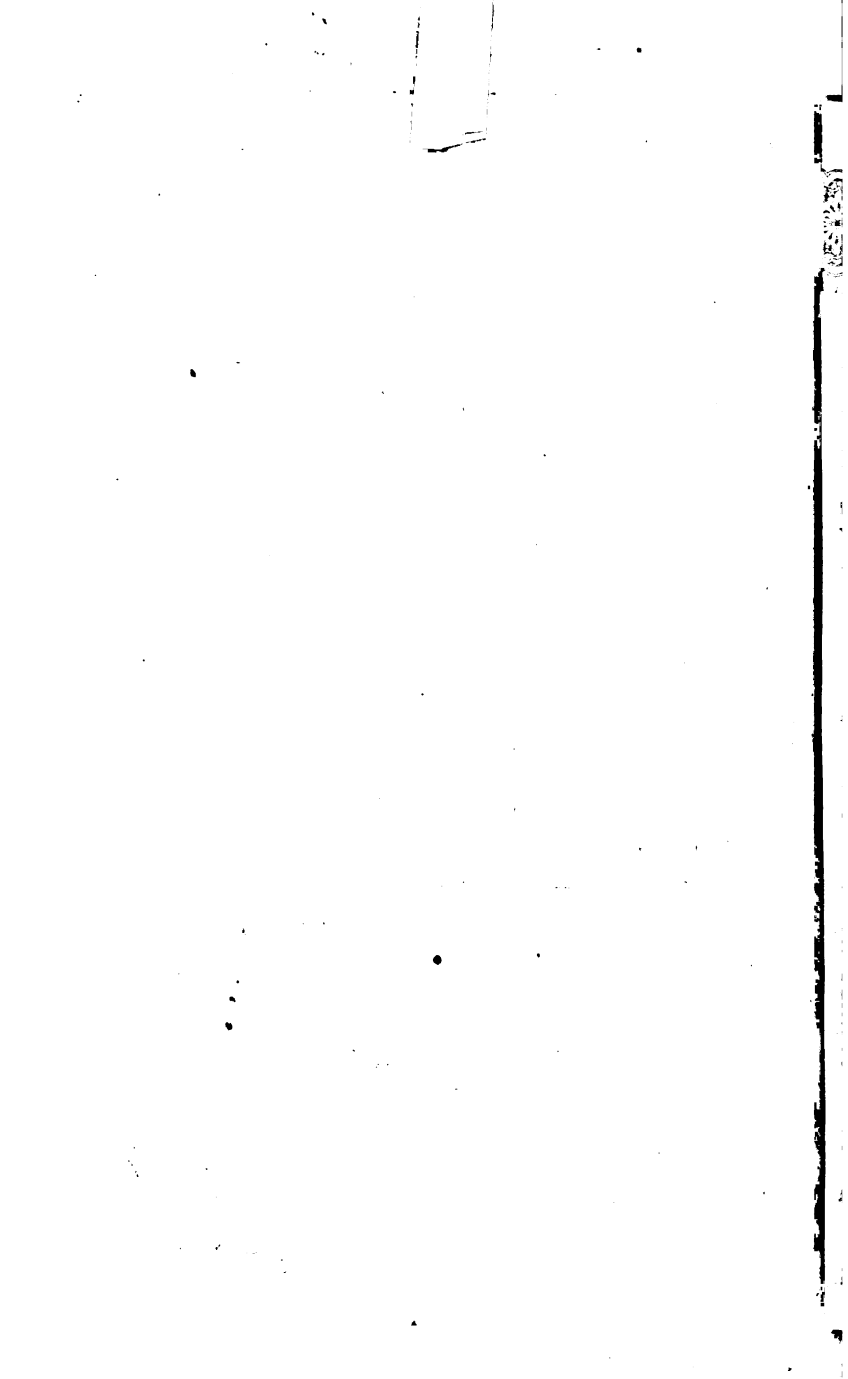
BY

GEO. CROUCH.



NEW YORK.

1869.



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CHAPTER OF ERIE.

“Trade now dominates the world, and railways dominate trade,” says the author of the first “Chapter of Erie,” and, accepting this hypothesis as correct, it follows that the men who dominate railways, dominate pretty nearly all that is worth dominating in this mundane sphere. There are countries where railway presidents and directors are held subject to the laws of governments, which are jealous governments and will not tolerate the worship of any other powers but their own; but here, owing to certain little defects in “the best government the world ever saw,” railway rule is becoming stronger every day, and, in default of check, will soon be paramount. If current reports are to be believed, the State of New York affords the most remarkable instance of the kind of *imperium in imperio* referred to, yet developed. The “Erie ring,” then, being such a “power in the land” for good or evil, and the Erie road being one of the great lines of travel and commerce, the public cannot know too much concerning the men who rule Erie, and the manner in which they wield the tremendous power vested in them and discharge their respective duties.

James Fisk, Jr., and Jay Gould have figured so frequently in the public prints during the past two years that their names have become as “familiar as household words,” but as they were first forced into notoriety in con-

nection with their veteran opponents, Cornelius Vanderbilt and Daniel Drew, in consequence of the extraordinary legal, and other proceedings, which marked the exciting contest for the control of the Erie road, and latterly in connection with Abel R. Corbin, General Butterfield and others, concerned in the recent gigantic gold-ring conspiracy, the fact that Messrs. Fisk and Gould have the business and working of the Erie Railway under their immediate control has been generally overlooked. They have been discussed and criticised as financiers and speculators; some censuring their conduct, some applauding them, but all astounded at the grandeur of their schemes. Fisk has been "written up" repeatedly in his character of speculator, operatic manager, and admiral, but of his rendition of his principal role, that of a "railway manager," little or no notice has been taken. So far as his connection with the business of the Erie road goes, Mr. Gould has also escaped attention hitherto. The object of this Second Chapter of Erie is to show how the road is worked under the present dynasty, and how far Messrs. Gould and Fisk are qualified for the responsible positions to which they have been elected. With this highly important end in view, the writer has recently made a close and careful survey of the entire line, not omitting even the smallest of its numerous branches, and the information thus obtained will enable the reader to draw his own conclusions as to whether or no the Erie princes fail in their duties as servants of the travelling public.

ERIE HISTORY.

The history of the Erie Railway has been, indeed, a checkered one, and, if written in full, would be as instructing as interesting. But great as its financial difficulties has been, or may yet be, they can never be at all

commensurate with the physical difficulties which were surmounted or removed by the indomitable energy of its constructors. Scaling lofty mountains, skirting rugged precipices, skimming through fertile valleys, and bridging broad rivers—connecting the Hudson, the Susquehanna, the St. Lawrence and the Ohio, and spreading its terminal branches along the shores of Lakes Erie and Ontario, well has it been said that this magnificent monument of national enterprise is as important in our civilization as was the Appian Way in the “most high and palmy days of Rome.”

The financial troubles of Erie commenced long before Messrs. Gould and Fisk became connected with the line, and, *apropos* of this fact, it may be parenthetically remarked that financial troubles are as inevitable in the early days of railway corporations as measles in infancy. The difficulties which resulted in the titanic conflict of 1868 had their origin as far back as 1850, when Mr. Daniel Drew first took his seat in the directory and commenced manipulating the stock, and culminated in consequence of Vanderbilt's manœuvres to obtain absolute control of the Erie road in order to establish a gigantic monopoly by which he could lock the vast trade of the West in his iron arms. At any rate, all accounts agree that when “the cruel war” was over, and in accordance with terms upon which the settlement was effected, Messrs. Fisk and Gould assumed the control of the Erie Railway, they found its treasury empty, and its reputation ragged in the extreme. “It may well be believed,” says the author of the First Chapter of Erie, “that Messrs. Fisk and Gold could not have regarded their empty treasury, just depleted to the extent of nine millions—trust funds misapplied by directors in the process of stock-gambling—without serious question as to their ability to save the

road from bankruptcy." But the road *was* saved from bankruptcy; and to-day there is abundant evidence to show that it is in a fair way of becoming, ere long, the most prosperous line in the country. Gould and Fisk boldly undertook the apparently hopeless task of engineering the Erie corporation through the financial difficulties which impeded the working of its existing lines, and blocked its destined path through the fertile valleys and growing cities of the far West, and the sequel, so far as it has been developed, has demonstrated that they are men fully as skilful, energetic, and persevering in their respective ways as were the engineers who blasted their path over the rugged heights of the Shawangunk ridge, scaled the perpendicular precipices along the Delaware, and ran their line to stations 1,800 feet above the level of the sea, and thence to the objective points on the lake shores.

THE INDEPENDENCE OF ERIE.

Nor Drew nor Vanderbilt believed in the possibility of maintaining the independence of Erie after the crisis of 1868, but up to the present Messrs. Gould and Fisk have held their own against all comers, and even their bitterest opponents cannot but admire the extraordinary abilities they have displayed. Deplorable, however, as was the depletion of the treasury at the time that Vanderbilt and Drew concluded to compromise with their opponents and abandoned the struggle they had so remorsefully waged for the control of Erie, the dangerous condition and defective equipment of the road was a subject for still wider and deeper lamentation. Only stock holders and speculators were effected by the grievous reduction of the Company's finances, but the ruinous condition into which the road and all connected therewith had been allowed to fall was a public calamity. Mr. Fisk who, like his predecessor,

Drew, and his wily antagonist, Vanderbilt, is evidently a believer in the Jesuit dogma that "the end justifies the means," makes no secret of the *modus operandi* by which the treasury was refilled, and the much-neglected machinery of the Erie road lubricated and put in running order; so that it now works, as all who make examination must admit, far smoother, and more profitably than at any previous period in its eventful history. Whatever complaints the Erie stock holders may have against Messrs. Fisk and Gould, on account of stock manipulations, &c., are matters in which the travelling public and the traders and manufacturers who freight the trains on this great national thoroughfare have very little concern. The morality of Wall Street is a distinct virtue, peculiar to the locality, and professed only by those who are engaged in the more or less questionable transactions to which it alone applies. The outside public cannot consistently be called upon to render decisions in cases where breaches of this unique virtue are alleged, and consequently all matter pertaining to the charges of "watering stock," "gold-corning operations," "unlawful appropriation of funds," &c., &c, which have been preferred against Messrs. Fisk and Gould and their associates in the Erie directory, must be ruled out of this chapter as altogether irrelevant.

In the cases referred to, were they guilty of all the "irregularities" of which they stand accused, it would be hard to decide—blamelessness giving priority, by virtue of the scriptural precedent, which of their many accusers would be entitled to the privilege of casting the first stone at them. In the case in hand, however, Jay Gould and James Fisk, Jr., are arraigned before the public solely in their capacities as "railway men"—as the parties directly responsible for the conduct of the vast business of the Erie road.

First and foremost among the accusers at the present time stands one Joseph H. Ramsey, who has been at loggerheads with Messrs. Fisk and Gould for several months, respecting the directorship of the Albany and Susquehanna Railroad. Mr. Ramsey having recently come into possession of a small quantity of Erie stock and been furnished with a bond or two, has been induced by certain parties who are desirous of ousting some of the present incumbents and securing for themselves positions as directors, to commence an action "on behalf of the stockholders and bondholders" generally, against Jay Gould, James Fisk, Jr., Frederick A. Lane, "and other leading conspirators in the present management." From the carefully prepared abstract of the multitudinous charges crammed into the complaint entered in this case, the following are selected as the only points on which the people who are in the habit of travelling over, or of doing business with the Erie Railway are at all seriously interested.

THE ACCUSATIONS.

Concerning the defendants as "railway men," Mr. Ramsey alleges that while "the said three persons and their confederates" have largely increased the common stock of the Erie Railway Company, no material additions have been made to the earnings of the road, and little or nothing has been done in the way of extending the line or improving its equipment; that their management of the road has not been attended with any advance of its credit or good name, "or with any advantage to any class of creditors, or with any gain of cheapness, safety, or comfort in transportation on its road; but on the contrary, and as the result of the abuses of the defendants, transportation on said road has been visited with calamities of unusual horror, damage and death; the credit of said

Company has been impaired, and its good repute has been injured; its most experienced and valuable servants have been forced from self-respect to seek employment elsewhere; its creditors have suffered loss, delay and vexation; its employes are becoming demoralized and less serviceable; its stock and bonds have greatly fallen in all the markets of the world, and its net earnings have diminished, while all its rival roads have made increase in such earnings, and have had their stock greatly advanced in all such markets, and the Erie Railway, and its managers in such period, have become, in the highest degree, unpopular and disreputable, to the great loss of patronage, confidence, credit and earnings. That several of the most efficient and experienced men, long in prominent positions in the employment of said Company, have, in self-respect, been compelled to resign their places, rather than hold them subject to such demands as said three persons made upon them; and by reason thereof, the discipline of the men on the line is much impaired; that there are an unusual and needless number of ill-advised and unjust business arrangements relative to the affairs of said Company; the men on the line are dissatisfied; their most experienced, able and superior executive officers have been driven away, and strikes and other combinations are constant, increasing, and of threatening proportions, and the relations of the Company with competing roads are needlessly unfriendly and disadvantageous to the Erie Railway Company. That said three persons are extremely unpopular among the employes of the Company, and are by them, when they think it safe to do so, severely blamed; and the agents of the road generally regard said three persons as having impaired the public respect for the said corporation and its road, and as having disgraced the corporate name; and for such reasons all said persons

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are under less discipline, serving the Company less efficiently, and many of them have all the more readily engaged in the recent strikes and dangerous combinations lately so much more frequent than formerly existing along the road; and the great body of the disinterested bond and stockholders and creditors of said company, and the better public sentiment of the people of New York, hold said three persons in abhorrence, and consider it a public disgrace and wrong that they are allowed to control said corporation."

The real origin and principal object of the Ramsey suit are revealed by the alleged fact that the documents setting forth the above charges were prepared in the office of the private attorney of the President of the New York Central.

THE BALLET-GIRL CHARGES.

Now, although there is a superabundance of matter in the complaint, about scantily attired ballet-girls dancing around the desks of the railway office to the lascivious strains of lutes, dulcimers, and all kinds of wind and string instruments, while the demoralized clerks and attaches are accused of singing time-tables set to opera-bouffe melodies, and otherwise disporting themselves with an outrageous disregard to the proprieties of business—and a sufficient amount of similar nonsense to warrant the belief that the whole thing is simply a burlesque, written to order, for the purpose of affording a vehicle for the promulgation of the false and malicious statements concerning the working of the Erie road, which have been concocted in the interest of rival lines and parties—yet public interest requires that the actual condition of the road—good, bad, or indifferent—should at once be investigated and published for the benefit of those who intrust life and

property to the care of those responsible for its working. The comparatively unimportant questions between the Erie managers and their disaffected stockholders are matters for the courts to decide at some time or other, but the charges concerning the road are matters which require immediate investigation and thorough ventilation. However, before submitting the evidence collected on this point, let us hear what the accused have to say for themselves, accepting Mr. Fisk as their spokesman.

A VOICE FROM ERIE.

“We have never done anything—we have never attempted to do anything—but there was somebody to find fault with it for the mere reason, as it seemed, that we had done or attempted to do it.” With this preliminary protest, the irrepressible Admiral proceeds as follows: “The first thing we found in our investigation of Erie matters was a very well ‘dusted’ treasury. We were not made aware that on each side of Erie there existed antagonistic lines, which were aiming at its speedy absorption. We resolved to preserve the independence of the road, and to do all that lay in our power to extend it. But we found that our equipment was altogether inadequate to our work. We needed more engines, more cars, and the track was in bad order. The trouble was there was not money to carry up and complete the foundations that had been laid. As we went on, our need for money became more pressing. I did not stop to run and ask my mother how I should get it—the first thing was to get it—get it. I knew if we got it at all we should get it right. Well, we issued five millions of Boston, Hartford and Erie bonds, and that five million secured us the State aid, which enabled us to put the road in good order and extend the lines, connections, and business. We kept on selling

bonds, and have paid out, on the Erie Railway bills that have been audited, fourteen millions of dollars. These fourteen millions have been expended on the road, its equipments, its engines, its cars, its steel rails, its road-beds, its connections, and in increasing its business conveniences. This has been done notwithstanding the great plannings, and plottings, mandamuses, and injunctions of our opponents. Mr. Gould has in all this been entitled to a great deal more credit than I. His head is long enough to control and carry out all the projects he undertakes; but it may be well enough, you know, to have a little assistance, and I have assisted him a little. We didn't suppose that money could be created and paid out in such magnitude without making a world of comments, but we paid little heed to comments. We were pushing on our railroad, making our connections and getting ready to do our work. We have a good road to-day, and can do an enormous amount of work with it. The road earned for the year ending September 30, 1869, \$18,790,905, against \$14,376,872 for the year ending September 30, 1868. How's that? An increase of three and a quarter million dollars! No wonder Messrs. Vanderbilt, Ramsey & Co. swear we are neglecting the interests of the road, and 'damaging and demoralizing everything in general.' It seems to me that if we continue 'fighting it out on that line,' we shall succeed in 'damaging and demoralizing' the monopolists who are now in league against us. We'll try, anyhow."

THE ERIE RAILWAY SHALL GO ON.

"We don't care how low the competing lines on each side of us put down their rates, we can run our road to-day and haul our freight cheaper than they can, if they are forty years older. We shall go on with the Erie Railway as we have been going. If there are others that own, or

have larger interests in it, let them come and take charge and we will stand aside. As long as we have the control we will do our best to break up the monopoly that charges one dollar and eighty cents per hundred for freight, and three dollars on a barrel of flour from Chicago to New York. We are content to abide by the voice of the majority of the stock; but don't see any reason, if we can manage the Erie road why we should give it up. We are doing all we can for it. If our ideas are wrong, sooner or later the road will pass into other hands. At any rate we are doing no harm in laying steel rails, building comfortable cars, and in making travel safe and pleasant. The accidents which have occurred are not attributable to want of care on the part of the company, but to the villany of the man Bowen in the Carr's Rock disaster, and to the negligence of an engineer at Mast Hope. The Erie is the greatest corporation on the American continent, and is as vital to the welfare of New York City as the Croton water is to her comfort and safety.

"As to this Ramsey case it amounts to nothing. He has been at law with us for several months respecting the possession and directorship of the Albany and Susquehanna Railroad. Being unfriendly towards us, and having more or less influence with certain county judges, he was imported from Albany by some of our Wall Street enemies, and furnished with a little stock in order to enable him to harrass us, and produce a counter-irritation to this suit now pending at Rochester. D. B. Eaton, who is engaged as Ramsey's attorney, was dismissed by us from the Erie service for causes for which the company is now suing him. That 100 page complaint, of which they furnished their own abstracts to all the city papers, contains hardly anything calling for a serious reply—the greater portion of it being a mass of absurdities—one cannot call it mali-

scious, it being so completely ridiculous. In order to put us to greater trouble and inconvenience, Ramsey was sent off to Delhi, in the County of Delaware, the most out-of-the-way place in the State, being 40 miles from the Erie road, 20 miles from the Albany and Susquehanna, and 150 miles from the residence of any person who could be a witness in the case. By swearing 'upon information and belief,' Ramsey procured from his friend Judge Murray, one of the most extraordinary injunctions ever heard of. Judge Murray was then a member of the Court of Appeals, and was not obliged to act at all in the Supreme Court. Generally speaking I find the press to be tolerably fair and impartial, but in this case I think the papers which have abused the judge who thought it his duty to grant an order giving us a moment's time to answer a complaint of 100 pages or so, which has taken malicious parties and learned attorneys months to concoct and draft, have not taken a proper view of the matter."

CONDITION OF THE ROAD.

The people who are most competent to give information as to the actual condition of the Erie road are those who are engaged in working it, and those who are most in the habit of travelling over it. The former class will, of course, make their testimony as favorable as possible to their employers, and the latter will be more likely to exaggerate in blaming than in praising. While engaged in making a thorough survey of the lines and works, the writer availed himself of every opportunity of conversing with the company's servants, and of comparing notes with fellow-passengers. The men engaged on the line make only one serious complaint against the management, and that is the excessive severity of the discipline now enforced.

ed, and the rigor of the rules which Messrs. Fisk and Gould, and their Division Superintendents, have framed to insure "eternal vigilance" and the faithful discharge of the respective duties of their subordinates. The patrons of the road make no other complaint than that one or two serious accidents have occurred. Those most conversant with the affairs of the road admit, however, that it would be wrong to lay the blame of those disasters upon Messrs. Fisk and Gould, knowing, as they do, how much the road has been improved by the present managers, and what great exertions are being made to improve it still further.

THE FUTURE OF THE ERIE RAILWAY.

It needs only a glance at the map to convince one that the Erie Railway is destined to be the grand highway for the Western portion of this continent. The glorious future of the interminable and all-embracing network of rail, of which the Erie of to-day, great and important as it is already acknowledged to be, is but the parent stem, is an interesting and pleasing subject for the contemplation of such as take a patriotic concern in the welfare of this country, and desire to see the present altogether inadequate facilities for communication between the different sections of the republic speedily improved upon, and our railway system brought as near perfection as possible. It needs no prophet to tell us that the Erie Railway will soon be to the continent what Broadway is to New York—a central artery whose tributary branches ramify the most out-of-the-way corners and vitalize the most remote extremities. Eminent foreign engineers and competent native authorities concur in the opinion that the Erie is one of the best constructed roads in America, and when it is considered that its broad gauge double track already

unites the great Lakes with New York—the destined commercial centre of the world—and connects all the important lines of the productive West with the great Eastern centres of trade and manufactures, who can doubt the glorious future of Erie? What can obstruct its manifest destiny as the great business thoroughfare of the iron age? Nothing. It is already the principal thoroughfare for the teeming products of the mighty West in their transit to the sea. It is much to be marvelled at that the men who helped to bring into existence this vast artery of trade and travel, and those who have hitherto had control of it, should have contented themselves with uniting New York with Lake Erie, and never have made any effort to push forward within its grasp the colossal fortunes awaiting them in the West. Evidently they were not up to the age in which we live. The present managers are men of the period, however—a little in advance if anything. With a deep and well-founded faith in the glorious commercial future of the country, these men have bent themselves to the task of securing a continuous line of railroad penetrating to the very heart of the immense agricultural basin of the Ohio River, and thence, following the course of the empire of civilization to the shores of the Pacific. In getting the control of the Atlantic and Great Western, they have made their first successful step towards securing the business of the rich regions lying east and west of the Mississippi River. Despite the genius and energy of the late management, and the liberal support of foreign capitalists, the Atlantic and Great Western, although a line of magnificent construction and equipment—second only to Erie, in fact—went steadily down until it was reserved for Messrs. Fisk and Gould to rescue it from bankruptcy and impending ruin, as they had previously rescued Erie, and make it one of the con-

necting links in the all-circling chain which their fertile brains have patterned, and which they have determined to devote all their vast wealth and exhaustless energies and resources to create. The prospects of the Atlantic and Great Western were bright and flattering at first, but the anomalous position it held between competing roads cramped its growth, and, not receiving the support of any great arterial line of communication, its business finally dwindled to a deplorable extent. Its history is not alone curious but instructive, as illustrative of the fate which is sure to overtake any enterprise started in opposition to the natural laws of commerce. The Atlantic and Great Western road can only be rendered a success by a union with Erie—a union under one management, with identity of interests and co-operation of capital and influence. Far-seeing and full of enterprise as they are, Fisk and Gould readily comprehended the necessities of the Atlantic and Great Western, and bent their energies to the work of accomplishing the desired consolidation. It needs no stretch of imagination to realize that when these two roads are as one, stretching from the great port of New York to the central waters of the Ohio, Erie stock will rise with a calm and steady and well-warranted persistency above all other stocks in the market. Look at the map and say if this is not an inevitable consequence.

THE DIVISIONS.

The main track is divided into four divisions, viz.: The Eastern division, under division superintendent A. P. Berthoud; Delaware division, G. S. Redington; Susquehanna division, H. D. V. Pratt, and the Buffalo and Northwestern divisions under H. C. Fisk. The important post of general superintendent of the Erie road is filled by Mr. L. D. Rucker, a gentleman whose long ser-

vice, extensive experience, and great executive ability eminently qualify him for the position. Mr. Rucker is ably seconded by Mr. J. W. Guppy, assistant general superintendent.

THE EASTERN DIVISION.

Take the first, or Eastern Division of the Erie road, and follow the line of its broad-gauge, steel-railed, double track, past busy Paterson, and other of the more important and populous cities of New Jersey, thence through the heart of the rich farm lands of far-famed Orange County, connecting a thickly dotted line of thriving towns and growing cities, such as Turner's, Monroe, Graycourt, Chester, Goshen, Middletown, Otisville and Port Jervis. At the last-named point, which is the terminal station of the Eastern Division of the line, the Company has located extensive machine-shops, car-shops and other works. At Port Jervis the Erie commences to freight its trains with the precious produce of the vast coal fields of Pennsylvania, and consequently the earnings of this division, with its immense local traffic, profitable connections, and tributary branches, are enormously large.

The Newburgh branch, extending from Greycourt Junction to Newburgh, on the Hudson, affords an outlet to tide-water for immense quantities of anthracite coal, which is transhipped to various ports of the United States. The Boston, Hartford, and Erie Railway, terminating at Fishkill, opposite Newburgh, connects with Boston, passing through numerous thriving manufacturing towns, and branches to Providence. From the important cities above named, lines radiate to every portion of New England and the Dominion of Canada. The Warwick Valley Road, extending from Greycourt to Warwick, is operated by the

Erie Company. The branch from Suffern to Piermont, on the Hudson, is eighteen miles in length. An immense pier, one mile in length, runs out into the river at the terminus of the line, and extensive freight-houses, engine-houses, and workshops are located at this point.

THE DELAWARE DIVISION.

The Delaware division extends from Port Jervis to Summit station. The scenery along this section is beautiful in the extreme. Three miles beyond Port Jervis the line crosses the Delaware River over a wooden bridge 800 feet in length, and for the next 26 miles runs on the soil of Pennsylvania. The Erie Company pays to the Quaker State \$10,000 per year for the privilege of running their road on this side of the river, but in consideration of that sum is exempt from further taxation. Leaving Pond Eddy the road runs for a long distance along the steep and rugged bank of the Delaware—occasionally passing along the edge of some tremendous precipice. The most timid passengers need not be alarmed while in transit over these seemingly dangerous points, however, for every precaution is taken against accident. This portion of the road was extremely difficult and expensive to construct, being hewn through solid rock. In making the surveys for this portion of the line, the engineers had to be lowered down the almost perpendicular sides with ropes. The Hawley branch, which connects with the Erie main line at Lackawaxen, carries over a million tons of coal annually from the mines of the Pennsylvania Coal Company to Newburgh, Piermont, and Jersey City. Hancock, one of the most western stations of this division, is destined to be a place of considerable importance, it being the railroad outlet for the entire valley of the East Delaware branch.

THE SUSQUEHANNA DIVISION.

The Susquehanna division, which terminates at Hornellsville, three hundred and thirty-two miles from New York, embraces about one-third the distance between this city and Buffalo. It is under the superintendence of Mr. H. D. V. Pratt, a gentleman who has been connected with the road for over twenty years. The business of this section is really immense, and the fact that no accident of a serious nature has ever occurred on it is sufficient evidence of the satisfactory manner in which it is worked. The local business of the Susquehanna division pays the expenses of the road three times over. This section connects with the Delaware, Lackawanna and Western at Great Bend, and the trains of that line carry coal along the Erie track to Binghamton. They also run one or two trains per day to Owego and Ithaca. At Binghamton the Syracuse and Binghamton road, controlled by the Delaware and Lackawanna, and the Albany and Susquehanna lines connect with Erie. At Owego, the Owego and Ithaca connects, as also the Southern Central, running from Owego to Auburn. The Lehigh Valley road connects at Waverly, and brings the Erie an immense business in the way of coal, iron, and merchandise from Philadelphia, receiving as return freight grain and other products of the West. The Lehigh Valley line runs in direct and damaging competition with the Northern Central. Two new lines now in the course of construction will also connect with the Erie at Waverly—a line of forty miles from Ithaca, and a line of about twenty connecting with the Southern Central. Both will be completed some time next summer, and, as tributaries of Erie, will monopolize the immense business of the great coal fields of the Lehigh Valley, Towanda, and Fall Creek. The Northern Cen-

tral road, running trains direct for Harrisburg, Philadelphia, Baltimore, and Washington, connects at Elmira, as also the Chemung branch. The Tioga road, which in the summer season brings in about 5,000 tons of bituminous coal per day, joins at Corning, and last there is the line from Corning to Rochester, with the Branch from Avon to Attica, of which the Erie Company has a perpetual lease.

At Waverly the Erie Company has a branch line extending to the Towanda mines, thirty-four miles distant; from which source is drawn all the coal consumed by the Erie line, along its entire length. No other line in the country is so advantageously provided for in this respect, an enormous saving being effected by supplying trains with coal fresh from the mines. The town of Waverly owes its importance in a great measure to the fact of its being one of the principal coal depots of the Erie road. The "pockets" erected by the Company at this point are capable of containing 14,000 tons of bituminous coal, and an equal quantity of anthracite. The former quality comes from Towanda, and the latter chiefly from Pittston and Lehigh Valley. Under the present management the station buildings are being extended, additional tracks laid, and the most modern and improved appliances for handling coal, loading locomotives, &c., have been erected.

VAST IMPROVEMENTS.

Twelve years ago the number of cars passing Susquehanna station, bound east, averaged but 2,412 per month, The average of the last ten months is 7,778—the bulk of the freight being grain, flour and stock. Twelve years ago the sale of tickets at this point amounted to \$300 or \$400 per month, and about \$600 or \$700 was received for freight. Ticket sales now amount to \$2,000 per month,

and about \$5,000 is collected for freight. It is estimated that the population of the towns and cities along the Erie road has more than doubled within the past ten years, and the probabilities are that within the next ten years a much larger increase will take place. Competent authorities at Susquehanna and elsewhere declare that the business of the line has largely increased since Messrs. Gould and Fisk assumed control, and the impression generally prevails that the present managers are by far the most efficient men ever in charge of Erie. Owing to Fisk's enterprise and Gould's careful nursing, it appears that the local business of the road has been doubled along its entire length.

Principal among the important improvements and extensions now being made in the neighborhood of Susquehanna, is a branch road from Carbondale to Lanesborough, connecting with Erie at the latter point. The object of this extension is to carry the coal from the mines at Carbondale to the Western markets. The new line will be thirty-five miles in length. About twelve hundred men are now engaged upon it. The work of laying rails will be commenced by May, and July will probably find the line in running order. The track follows the Lackawanna about half way from Carbondale, and then follows the course of the Starrucca Creek. Its profitable working is already assured—the Delaware and Hudson Canal Company having agreed to ship at the rate of 750,000 tons of coal per year over it—coal which is now being forwarded by the longer and proportionately expensive route of the Delaware, Lackawanna and Western line. This is only one of the numerous extensions projected by the genius and enterprise of Messrs. Fisk and Gould for the purpose of increasing the earnings of the Erie road—but this one alone adds \$3,000,000 to the yearly revenues. The present ma-

nagement have determined on accomplishing, as soon as possible, two vast improvements, which, even in the absence of its other advantages, will render the Erie line first among the railroads of the future. Steel rails are to be substituted for iron, from one end of Erie to the other, and massive iron bridges are to span the waters now crossed by wooden frames, which are liable to be swept away by every freshet. Already some 180 miles of steel rails have been laid, and this work is being rapidly proceeded with. From New York to Susquehanna the rails are nearly all steel. One of the new iron bridges is now being thrown across the Susquehanna river, a short distance beyond the station. The bridge was constructed at Paterson, from the plans furnished by S. S. Post, civil engineer of Jersey City—a gentleman who has the reputation of being one of the most experienced bridge builders in the country. A mile or so on this side of Susquehanna is the Starrucca viaduct, one of the great wonders of American engineering. This magnificent and costly structure is 1,200 feet in length, 110 feet in height, and has eighteen arches. The span of the central arch is somewhere near 100 feet. Viewed from the valley below, the appearance of this massive yet graceful structure is imposing in the extreme. Some idea of the difficulties surmounted by the engineers of the Erie road may be formed on considering the following points: Twenty-six miles on the east of Susquehanna is Deposit, a station some 997 feet above the level of the sea; between Deposit and Susquehanna is Summit, which is exactly 1,366 feet above the level—a difference of 369 feet in eight miles. From Summit to Susquehanna the road descends at a grade of fully 60 feet to the mile for a distance of eight miles. Six or seven heavy engines are kept on either side of Summit for the purpose of acting as “pushes.”

SUSQUEHANNA AS AN ERIE DEPOT.

The picturesque and prosperous town of Susquehanna is one vast Erie depot. Of its population of 5,000, nearly all are dependant on the road. Twenty-two years ago the site of Susquehanna was a wild forest, but in 1848 the spot was selected as a central point, and the Erie Company purchased about 300 acres, and, levelling a space by the side of the river, erected repair shops and other necessary buildings. No better location could have been chosen. The town has grown with the business of the road, and the greater portion of the 300 acres is now owned by the employes of the company, \$375,000 having been realized so far by the sale of lots. The station buildings are handsome and commodious, and the company's hotel is a first-class institution, its accommodations comparing favorably with the best metropolitan establishments. The shops connected with the road form a considerable town by themselves, covering over six acres of land and employing about 600 men. They are under the immediate superintendence of Mr. J. B. Gregg, who has been connected with them since 1851. The machine or main shop is the largest of these structures, being 774 feet by 138—probably the largest building of its kind in the world, but certainly one of the best appointed and arranged. The centre aisle of this vast temple of industry is lined with locomotives—some just built, and others being repaired and reconstructed. Here is a spick-span new one, glittering with polished brass, and gorgeous with paint, snorting impatiently as it is driven out for its first trip on the road, and there is a worn-out iron-horse, being dragged on to the traverse table, which is used as an ambulance for disabled locomotives to be taken down to the other end of the shop and broken up. Looking

down the long avenue of lathes with their interlacing bands humming so smoothly and rapidly over the whirring wheels, and listening to the tremendous "thuds" of the ponderous steam-hammers, the ringing blows which the muscular sons of Vulcan are showering upon their sounding anvils, and the deafening rattle of boiler-makers, who are busy, like Shakespeare's armorers, "closing rivets up," the visitor to these shops realizes in a measure the vastness of the business, and the wealth, power and importance of the corporation which built the town of Susquehanna for a division depot. The under-mentioned buildings adjoin the machine department: Boiler shop, measuring 200 feet by 116; blacksmith's shop, 180 feet by 86; carpenter's shop, 120 by 70; pattern shop, 120 by 70; paint shop, 120 by 60; pattern store-room, 120 by 60; coppersmith's, tin, and sheet-iron shop, 120 by 50; store-room, 120 by 50; foundry, 200 by 62; cleaning room, 85 by 40; sand rooms, 100 by 25; engine-room for foundry, 35 by 20; engine room for shops, 85 by 25; and the hammer shop, which contains several steam-hammers, the heaviest being a 2,200-pounder.

In the semi-circular engine-house, from which the different tracks connecting with the depot lines diverge, forty first-class locomotives repose, each in its separate stall. This is the stable for such of the iron horses of the unequalled Erie stud as are kept in reserve. Adjoining this building are handsome quarters occupied by the engineers of the station. At the rear is the gas manufactory, from which the whole of this extensive range of shops is lighted. The superintendent's office adjoins and overlooks the main machine shop, and attached to the offices is a large library of well-selected works, and a magnificent lecture-hall, capable of seating 600, provided for the use of the employes of the company. Some further idea of the

extent of these works may be formed when it is stated that the steam-pipes which heat the different departments measure altogether something over ninety miles. A magnificent Corliss engine of 100-horse power, drives the machinery of the shops and gives motion to the line of shafting attached to the lathes. A fire engine of 100 lbs. pressure is kept going night and day, ready and equal for any emergency. The capacities of these works—enormous as they are—require frequent extensions to enable them to meet the daily increasing requirements of the road. The machinery employed throughout is of the most modern and approved pattern. The company's hotel, known as the Starrucca House, forms the center of the long range of station-buildings. The dining hall is a magnificently appointed apartment, 120 feet by 40, and lofty in proportion. The meals furnished here, as at the other establishments along the line provided by the company for the express accommodation of their passengers, are vastly superior to the "refreshments" supplied along other lines, and ample time is allowed for their dispatch. In this important particular the Erie managers have effected wonderful improvements, and are entitled to the gratitude of the travelling public. Why do the managers of rival lines—the New York Central and the Pennsylvania Central, for instance—not endeavor to compete with Erie in this respect?

ERIE WORKS AT ELMIRA.

At Elmira the Erie Company has some extensive works, principal among which are the car shops, which are superior in some particulars to the kindred establishments located at Jersey City, Port Jervis, and Buffalo. The work performed at Elmira is mainly of the better class. The magnificent drawing-room coaches and luxurious

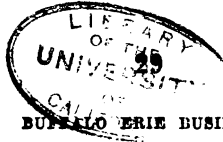
sleeping cars of the Erie line, which so far surpass those of any other road in the country, are mostly built at the Elmira shops, as also the superb first-class carriages now in use. The machinery of the Erie car shops is marvelously complete—performing almost everything but the joining and upholstery work. The greater portion of the elaborate carvings and costly ornamental wood-work which decorates the palatial drawing-room coaches is, of course, the result of artistic handiwork. Fresco artists of rare ability are employed to gild and fret the roofs with rich designs, and landscapists of considerable genius enrich the panels and fixtures with charming little bits of picturesque scenery. Occasionally fruit, flower, and even figure pieces enliven the interiors, and transform the drawing-room coaches into ambulatory art galleries. Of the men employed in the Elmira shops, about 150 are skilled artisans of the first-class. Mr. Rutter, the superintendent of the works, is engaged upon some new cars of his own design, which promise to be marvels of railway architecture, and will inevitably attract much additional traffic to the road.

THE BUFFALO AND NORTHWESTERN DIVISIONS.

The Buffalo division diverges from the main road at Corning, a large and rapidly growing town, situate in Steuben County, 291 miles from New York. Leaving Corning, the line of this division runs parallel with the main road for a short distance, and then diverges to the north, passing up the valley of the Cohocton River, through Steuben County, thence through Livingston County, between Conesus and Hemlock Lakes, to Avon, from which point a branch extends to Rochester. From Avon the route continues directly west through Batavia,

in Genesee County to Buffalo. From Livonia, a station on the eastern border of the rich Genesee Valley, more grain is shipped than from any other point on the road. The most important station between Corning and Rochester is Avon, which is the center of one of the richest agricultural districts in the State of New York. From this point the Erie has two lines, one to Rochester, the other running west to Buffalo; and here the Genesee Valley road connects, and opens communications with Genesee and Mount Morris. Enormous quantities of grain, wool, fruit, and other farm produce are shipped from this locality. The Erie's connection with the flourishing City of Rochester results in tremendous additions to its revenues, making the grand total larger than the revenue of the government of the United States under Washington's administration.

The North-Western division diverges from the main line at Hornellsville, 332 miles from New York, and runs to Buffalo via Portage and Attica. The line crosses the Genesee river, in close vicinity to the famous Falls, over one of the largest wooden railroad bridges in the world. This wonderful structure stands upon thirteen massive stone piers, set in the bed of the river and rising sufficiently above high-water mark to be secure against freshets. The timber trestle-work supporting the track rises 234 feet above the piers. The bridge is 800 feet long and is so constructed that any timber in the whole structure can be removed and replaced at pleasure: it was built at a cost of \$175,000. At Attica the Buffalo division of the Erie Railway, which diverges at Corning, as previously stated, re-unites with the North-Western division, forming a single line from this point to Buffalo, which city is twenty-five miles distant.



BUFFALO ERIE BUSINESS.

Mr. H. C. Fisk, the Superintendent of the Buffalo and North-Western divisions (who is, by the way, no relative of James Fisk, Jr.), speaks in glowing terms of the enterprise and ability of the present managers, and adduces much that is patent and irrefutable in support of his assertion that Messrs. Fisk and Gould have done more to extend the business and increase the earnings of the Erie road during the short time they have had the management of it than all the "old fogies" who preceded them put together could ever have accomplished, had they the brains to conceive such masterly plans and lives of patriarchal length to devote to their execution. And Mr. H. C. Fisk must be allowed to be somewhat of an authority on this point, since he has been in the employ of the Erie Company for over fifteen years, and is thoroughly posted as to the affairs of the road.

Until Fisk and Gould assumed the reins, the depot and freight buildings at Buffalo were altogether inadequate to the requirements of the road at that important point; but Gould "came, saw," and, with the able assistance of the Admiral, soon "conquered" the many difficulties which had so long cramped the business of the Buffalo division. "There never was such a team as Gould and Fisk!" exclaimed one of the Erie veterans on being asked for his candid opinion of the present managers; "let Gould make his plan, and Fisk put his broad shoulders to the wheel, and the thing is done instanter." The old servants of the Erie, by whom all positions of responsibility are occupied, express the greatest surprise at the close attention Messrs. Fisk and Gould pay to the business and condition of the road—nothing of any importance escaping their notice; and say there is some satisfaction in working under men who can appreciate their services.

The Erie freight houses on the dock at Buffalo measure respectively, 300 feet by 200, and 560 by 200, and are fitted with every convenience for the handling of goods. The arrangements for the shipment of coal are being rapidly extended to meet the constantly increasing requirements of the road. The company owns about 2,000 feet of dockage on the river, and contracts for the excavation of rock along the bank have been entered into, which, when fulfilled, will give 3,000 feet additional dock room, and a coal yard of about two acres. A double track connects with the Niagara elevator—the largest and best in the city; and the extensive elevator owned by the company is similarly provided. In this respect the Erie enjoys a great advantage over every other line. Among other important matters to which Mr. Gould has devoted special attention is the loading of grain in bulk, and under his able management this new feature has been developed until it adds about a million and a half per year to the earnings of the road. In this particular, the interests of the corporation have not been neglected, and there is abundant evidence of a like nature all along the line, to prove that Messrs Fisk and Gould have done, and are still doing, all that lies in their power to benefit the Erie road. An important addition has recently been made to the freight facilities in the shape of a transfer house 600 feet in length, attached to which is a platform measuring 800 feet, specially designed and constructed for the purpose of transferring grain in bulk. In connection with these conveniences, arrangements have been made with the Lake Shore and Michigan Southern, which result in very material additions to the Erie revenues—from 75 to 100 cars of additional freight being received per day. When all the improvements projected by Fisk and Gould shall have been completed the business of the Buffalo division

will be about three times as extensive and fully four times as profitable as it was before they became a power in Erie. The additional car and machine shops erected at this point during the past summer are now in full blast. The new engine-house, 150 feet by 30, is fully as well appointed as the larger establishment at Susquehanna. One hundred and fifty skilled artisans are kept constantly at work in the Buffalo shops. The passenger depot at this station is by no means in keeping with the handsome and commodious structures the company have provided at other points, but plans for a new range of buildings have just been approved, and the work of construction will be pushed on with all possible speed. Much attention has recently been devoted to the improvement of facilities for lake shipments, and twenty-one first-class steamers are now engaged in the transport of Erie freight. Here, then, is another instance of the extraordinary enterprise and exhaustless energy of Fisk and Gould—another illustration of their far-seeing policy. Then, again, the agencies and connections they have established in the different villages, towns and cities along their line influence additional business from all the points now touched, and pave the way for future extensions.

HORNELLSVILLE TO DUNKIRK.

Hornellsville is 332 miles from New York and 128 from Dunkirk. Leaving the valley of the Canisteo River at this point the line now bends towards the south and commences ascending the Whitney Valley at a grade of about fifty feet to the mile. From Tip Top Summit Station, the highest point on the entire route, being 1,760 feet above tide water, the road descends on a grade of forty feet to the mile. At Genesee the trade of a large region of country, extending into Potter County, Penn-

sylvania, centres, this being the nearest railway station, and accessible by the deep valleys of the tributaries of the Genesee River. From this point the route changes abruptly to the northwest, running through picturesque valleys flanked by steep hills ranging from 700 to 1,000 feet. Belvidere, the lowest point of the Genesee Valley reached by the Erie Railway, has become the outlet for the business of the surrounding country. From Cuba Summit, which is 1,677 feet above tide-water, the road passes over the Alleghany ridge, on the eastern side of which rills, rivulets and rivers flow towards the great lakes, and thence down the St. Lawrence to the Atlantic; while on the other side, only a few rods further west, the water-shed becomes tributary to the Alleghany River, and passing down its devious course to the Ohio and Mississippi, finds its way to the Gulf of Mexico. From Olean, which is situate at the junction of Oil Creek and the Alleghany River, a new branch of Erie will, at no distant day, extend into the Pennsylvania coal regions. The Bradford, Buffalo, and Pittsburg Railroad (Bradford branch) connects with the Erie at Carrolton, Cattaraugus County, and runs south about twenty-eight miles to the bituminous coal mines of McKean County, Pennsylvania. At the junction of Little Valley Creek with the Alleghany River is Salamanca, the initial point of the Atlantic and Great Western Railway, which extends from this point through Pennsylvania and Ohio to Cincinnati. From this station the Erie runs northwardly, while the Atlantic and Great Western follows the course of the Alleghany River. Leaving Little Valley, the Erie again strikes the Alleghany water-crest. From Dayton, which is 1,595 feet above the sea-level, and 1,015 above that of Lake Erie, the road descends on a gentle grade until it reaches Dunkirk, its original western terminus.

DUNKIRK.

Dunkirk was selected as the western terminus of the Erie Railway on account of its fine harbor, which is the best between Buffalo and Cleveland. At this point the Erie Company has an extensive range of warehouses and a number of workshops.

THE PRESENT EQUIPMENT.

While showing the enormous increase of three and a quarter millions of dollars in the earnings of the road for 1869 over the total of the previous year, the present management has increased the equipment as under :

<i>December 1st, 1868.</i>	<i>December 1st, 1869.</i>
Engines,..... 371	Engines,..... 448
Passenger Cars,..... 183	Passenger Cars,..... 225
Freight Cars,..... 6,200	Freight Cars,..... 8,748

The difference being 77 engines and 2,585 passenger and freight cars.

FOURTEEN MILLIONS ACCOUNTED FOR.

The following statement, which is compiled on information obtained from most reliable sources, shows the cost and magnitude of the extensions and improvements made by Messrs. Fisk and Gould :

Constructing the New York and Newburgh Railroad,....	\$500,000
Constructing the Paterson and Newark Railroad,.....	600,000
Cost of Cattle-yards at Weehawken,	900,000
Cost of Oil-yards and Elevators at Jersey City,	1,800,000
Cost of improvements at Jersey City—new Passenger and Freight Depots, &c.,	250,000
Constructing new anthracite coal road from Susquehanna to Carbondale, 40 miles,	1,200,000
Cost of new Machine and Car Shops at Buffalo,	50,000
Cost of improvements at Buffalo for coal and freight traffic,	200,000
	<hr/>
<i>Carried forward,.....</i>	<i>\$5,500,000</i>

<i>Brought forward</i> ,.....	\$5,500,000
Constructing Pockets, Shoots, and Tressels at Waverly for coal brought by the Lehigh Valley Railroad,	25,000
Cost of new Freight House at Binghamton,	6,000
Cost of additional equipment, Engines, and Freight and Passenger Cars,	2,500,000
Purchase of half share in Rolling Mill at Trenton,.....	250,000
Cost of Steel Rails,.....	1,920,000
Improvements at Honesdale to do the traffic for Delaware and Hudson Coal Company,	40,000
Cost of establishing Steamboat Lines running in connection with railway from Buffalo to Toledo, Detroit, and Chicago,	700,000
Coal mines to supply the line with cheap fuel,.....	450,000
Laying Double Track,.....	1,200,000
Advance to Atlantic and Great Western Railway Company, under lease securing control of the road	1,600,000
New Coal Pier at Weehawken for traffic of Penn. Coal Co.	78,000
Track to connect with same, and right of way,	20,000
Cost of new Oil Depot and real estate at Pen Horn.....	192,000
Cost of new Iron Bridge at Susquehanna.....	64,000
Total ,.....	\$14,545,000

The fourteen millions expended as per above statement, may be regarded as a dividend shared between the traveling public and the freight patrons of the Erie road.

THE RAILWAY OF THE FUTURE.

That there is a glorious future for Erie must be evident to all. Its great destiny is already manifest. The untold mineral wealth which lies buried in the Susquehanna hills will ere long freight its trains, and this traffic alone will make Erie a dividend-paying corporation. Coal is abundant along the entire line, and capital is all that is required to make certain sections of the adjacent country rival the Lackawanna Valley. Money, enterprise, and increasing population will in a few years hence open up the immense resources of Western New York, and a little later in the

coming period of general wealth and prosperity the wharves of Buffalo, Dunkirk, and the other harbors of Lake Erie will be crowded with shipping, freighted with the produce of the North-West—copper, lead, and quicksilver from the Superior mines; lumber and grain from Minnesota, and products of various kinds from the country bordering Lake Michigan. Extended according to the grand design of the present managers, the Erie will soon draw off the thronging freights which crowd the wharves and docks of Cleveland. This is no fancy picture. The Union Pacific Railroad was an "impossible scheme" ten years ago. To-day it is a marvellous reality. But greatest prospect of all for the Erie road is that of controlling the carrying trade of the Mississippi Valley and the Pacific slope. Striking St Louis, twenty miles below the junction of the Missouri with the Mississippi, the connection of the Erie Railway extending from Cincinnati, will draw off the produce of the States bordering on the two greatest western rivers. Over the Central Pacific Railroad, now being pushed forward to the Rocky Mountains, the great bulk of California trade will finally be carried, and the dream of uniting the opposite civilizations of the world—the hoary oriental with the young and vigorous occidental—will be realized by the completion and consolidation of the Erie, Atlantic and Pacific, the railway of the future. Where will Erie stock be then? Built in the face of such formidable natural obstacles as met its course at every step; continued as a double track from the blue Atlantic to the gleaming waters of Lake Erie; with whole towns owing their birth and prosperity to it; with millions upon millions of dollars expended in improving its road-bed and equipments, and with an army of 23,000 men in its employ, the Erie Railway is not destined to be ruined by speculators.

The fight for the possession of the Albany and Susquehanna Railroad suggests a few thoughts which are in perfect harmony with the foregoing predictions as to the destined greatness of Erie. United to the Erie at Binghamton, the Albany and Susquehanna will connect at Albany with the New England lines running through the manufacturing sections "down East." By following the line of the Atlantic and Great Western road to Cincinnati, it will be seen that direct communication can be had with the cotton-growing regions of Tennessee, Georgia, and Alabama, and that New England manufacturers can purchase on a plantation and ship cotton direct to their factories. By this route it will come far cheaper than via the Mississippi and New Orleans, and thence transshipping by sea to New York, breaking bulk again for transit per rail to its destination. Every year the quantity of cotton consumed by New England mills is increasing immensely, and if only five dollars a bale is saved by direct railway transportation, we can easily see a quarter million dollars economized in the course of a month or so. If any men can accomplish this great overland freight line they will earn a high niche in the commercial wing of the Temple of Fame. Messrs. Fisk and Gould have already shown their appreciation of the one great difficulty under which our producers, manufacturers, and merchants are at present laboring, viz: the absence of cheap and sufficient freight accommodation, and it remains to be seen whether they will succeed in bringing about the much-desired improvements. Full and fast freight trains are particularly needed, for the country is filling with astounding rapidity and its distant parts demand better means of communication. The traffic of the continent centers to New York, and this city is altogether inadequately supplied with lines of communication for the accommodation of the ever-

increasing burden of trade that seeks its patronage. Of all the roads leading from this point, however, the Erie offers superior facilities for the present trade, and makes the greatest efforts to meet the requirements of the future.

[Commenting editorially on the contents of this second CHAPTER OF ERIE, the *World* of December 11, 1869, says:]

“*Audi alteram partem*, even on Erie matters. So many charges of fraud and corruption have of late been made against Messrs. Gould and Fisk—charges, too, which, with all the circumstance of detail, have attracted wide attention everywhere—that the *World*, true to its usual fairness and impartiality, gives the defendants a chance to be heard in public. Their case certainly is a strong one, and the plea set forth in their behalf certainly has the merit of novelty. Fisk and Gould virtually appeal from Wall street to the people; from stockholders and speculators to Erie passengers and railway travellers; from courts and juries to shippers of grain and merchandise generally, and ask, “Are these our enemies?” and console themselves with the idea that they are not. They then show the improvements made on their great highway—the depots, workshops, and other buildings erected for the better traffic of the road; and last, but not least, furnish a tabular statement of extraordinary expenses incurred for said improvements, which, they say, accounts for the \$14,000,000 over which there has been so much hue and cry since the Ramsey suit was first instituted.”

THE SECRET HISTORY OF THE RAMSEY CASE.

[The following "summing up" of the Ramsey suit was given in the New York *Herald* of December 21, 1869:]

"During the protracted trial that has taken place at Rochester with respect to the Directorship of the Albany and Susquehanna Railroad but meagre reports of its progress have been sent to the New York papers, and none of the testimony has been published here. It will be remembered that seven out of the fourteen directors of that road, being desirous to change it from an obscure route for local traffic into a great trunk line in connection with the Erie Railway, opposed the policy of Mr. Ramsey and the six directors that sided with him, and that each of the opposing parties endeavored to purchase enough stock of the road to secure a majority. By the testimony it appeared that Ramsey and his friends, finding that his opponents had secured a clear majority, first removed and concealed the books and then made a secret illegal subscription for 9,500 shares of stock in order to overcome our majority at the then approaching election, and that they pretended to have paid ten per cent. upon this stock and intended to vote upon it. By the testimony, of which extracts are herewith submitted, it appears that this ten per cent. was obtained from Groesbeck, who discounted Ramsey's note for \$100,000, secured by \$150,000 of the company's bonds. It further appears that when Mr. Banks was appointed receiver, and an exposure of the transaction was imminent, they attempted to cover it up by handing the bonds to the receiver and substituting certain stock of the company. It was even intimated by Mr. Groesbeck upon his examination that Mr. Samuel Sloan approved of this remarkable transaction.

The books were removed by stealth from the company's office on the night of the 6th of August and kept concealed in divers places till the 6th of September. when, on the night before the election, they were drawn up in a basket at midnight, by a back window, and privately replaced in the company's safe. The testimony I refer to

was as follows: In answer to a question put to Ramsey as to where he got the \$95,000 which was paid as the ten per cent. upon the secret subscription, he stated that it was lent him by David Groesbeck, and the following questions and answers were put:

Q. At that time had Groesbeck in his hands any property or money of the company?

A. At the time I drew the draft I left my note, and I think there were some of the equipment bonds there at the time I gave him my note individually for the \$100,000.

Q. And left the bonds there as security?

A. They were there as collateral security.

Q. You gave a \$100,000 note and left the equipment bonds as security for it?

A. Yes, sir.

Q. What was the amount of the bonds?

A. There were \$150,000 there at that time.

Ramsey's letter to Groesbeck enclosing the bonds was as follows:

[CONFIDENTIAL.]

THE ALBANY AND SUSQUEHANNA RAILROAD Co., }
PRESIDENT'S OFFICE, ALBANY, *August 14, 1869.* }

DAVID GROESBECK, Esq.:

MY DEAR SIR—The bearer, W. F. Ramsey, my son, will deliver you the \$150,000 Albany and Susquehanna Railroad bonds, upon which I desire to make a loan for six months, \$100,000. Enclosed you will receive note for the amount, and will execute the other paper you referred to when at New York. The subscription is all O. K., \$1,000,000, by first class men in the city and country.

There is a very strong feeling along the line of the road against Gould & Co's having the road under their control.

Very truly yours,

J. H. RAMSEY.

P. S.—My son will pay the stamps required, or I will the first time I am at New York. Please inform him when the matter is closed that he can telegraph "All is right."

On a subsequent day Mr. Groesbeck was asked to explain this transaction, and I give you a part of his testimony :

Q. You have heard a draft spoken of that was drawn on you by Ramsey in August last ?

A. Yes, sir.

Q. Is that the draft (presenting a paper marked exhibit 18 to the witness) ?

A. Yes, sir; that is it.

Mr. Hale read the draft, as follows :

\$100,000.

ALBANY, *Aug. 5, 1869.*

At sight, pay to the order of James Hendrick, President of Hope Bank, Albany, one hundred thousand dollars, value received, and charge the same to account of
J. H. RAMSEY.

To DAVID GROESBECK, Esq.,
No. 20 Broad Street, New York.

Endorsed,

JAMES HENDRICK,
President.

Pay F. P. & H. OLCOTT, or order.

DUDLEY OLCOTT,
Cashier.

TWO CENT REVENUE STAMPS CANCELLED.

On the face of the draft is marked, "Paid August 6, 1869."

Q. Was that draft paid ?

A. It was.

Q. Look at that paper. [Presented paper to witness.] Was that note given you by Ramsey for that draft ?

A. Yes, sir.

Mr. Hale read the paper referred to as follows :

\$100,000.

Six months after date I promise to pay David Groesbeck, or bearer, one hundred thousand dollars, with interest, for value received.

J. H. RAMSEY.

Dated Aug. 4, 1869.

Endorsed—Pay D. Groesbeck & Co., or order.

D. GROESBECK.

Q. When was that draft paid ?

A. The day after it was drawn.

Q. The same day that is mentioned on the face of it ?

A. Yes, sir.

Q. Was that loaned to Mr. Ramsey, individually ?

A. It was, sir.

Cross-Examination by MR. FIELD.

Q. What security had you for that note of \$100,000 ?

A. \$150,000 of the third mortgage equipment bonds of the Albany and Susquehanna Railroad Company.

Q. What right had you to suppose that Mr. Ramsey could dispose of the company's bonds for individual uses ?

A. The thing did not occur to me until I heard of the appointment of Mr. Banks as financial agent in the company; and just as soon as I did I advised Mr. Ramsey that the thing looked irregular, and the bonds had better be handed to Mr. Banks.

Q. Why didn't you take what is commonly called a stock note ?

A. I cannot answer that question; it certainly was not to give any different coloring to the affair.

Q. What was the wish in relation to these bonds being held as collateral security for this note ?

A. Mr. Ramsey when he sent me these bonds wrote me a letter to that effect.

Q. Is that letter here ?

A. Yes, sir; I think it is. [Letter produced and shown to witness.] Yes, sir; that is the letter.

Mr. Field read the letter quoted above

On the back it is endorsed:—

NEW YORK, Nov. 5, 1869.

D. GROESBECK, Esq.—You will please hold the within-named one hundred and fifty thousand A. & S. R. R. Co. equipment bonds subject to the order of Robert Lenox Banks, Receiver Albany and Susquehanna R.R. Company, and I will arrange to give you other satisfactory security as collateral on my note, dated August 4, 1869. \$100,000.

Yours, &c.

J. H. RAMSEY.

Q. At the time you received this note did you know that these bonds were the property of the Albany and Susquehanna Railroad Company ?

A. I did.

Q. Had you large dealings with that company previously ?

A. Yes, sir.

Q. Had you previously received the equipment bonds of the company in negotiations with the company ?

A. These are the first I had ever seen.

Q. What security of the company had you previously ?

A. Second mortgage bonds.

Q. And had sold for them how large an amount ?

A. I don't recollect ; I got my friends to take the balance ; those 800,000 were the principal portion.

Q. At the time this letter was written to you were you the creditor or debtor of the company ?

A. Neither.

Q. Had you a private account with Ramsey at that time ?

A. I really can't say positively ; but I think very likely I had.

Q. When I say you I mean your firm.

A. Yes, sir ; I understand you.

Q. What was the state of that account ?

A. If there was an open account he probably was a little in debt to me

Q. To what amount ?

A. Perhaps \$5,000 or \$10,000.

Q. You state you didn't think of the irregularity of the transaction at the time it was made ?

A. I did not.

Q. And did not until Banks demanded these of you ?

A. It never occurred to me at all until the money was paid and I was looking over the entries on the books, as I always do at night or in the morning, and then it struck me as being irregular ; and it was but a short time after that that these troubles commenced, and Mr. Banks was appointed financial agent by the government, and I immediately wrote to Mr. Ramsey I thought there was an irregularity about this transaction ; and that while everybody understood that he was the head and front of the Albany and

Susquehanna Railroad Company, and was looked upon as the party to take care of it, &c., &c., still this transaction might be misconstrued, and he had better take those bonds and hand them over to Mr. Banks

Q. Did you telegraph that immediately?

A. I telegraphed him immediately that I thought there was an impropriety about the transaction and he had better hand them over to Mr. Banks; a few days after that Mr. Ramsey came to New York and this conversation passed between us.

Q. The impropriety was in his using the property of the company for himself?

A. I did not consider it an impropriety; I thought it was his duty to take care of the interests of the company, but I was afraid it might be misconstrued.

Q. Do you suppose that the President of a company has a right to put his hands into the company's funds and take \$150,000 of its bonds to use for himself?

A. I have my own notions about it; if I had been in Ramsey's position, with all his surroundings, I should have gone as far as he did, and further if necessary, and that was the advice that Mr Sloan gave him; he told him it was his duty as President of the company to take matters in his own hands, and leave nothing undone to prevent any—

Q. Did he tell him it was his duty to take the property of the company to pledge for his own private note?

A. Mr. Ramsey went to Mr. Sloan for assistance.

Q. Did Mr. Sloan say it was his duty to take the property of the company to pledge for his own private note?

A. If I answer that question precisely as you ask it you will compel me to state differently from the facts; I propose to tell you precisely what Mr Sloan said.

Q. I ask you to tell me this: Did Mr. Sloan advise Ramsey to use the property of the company as security for his own individual debt?

A. Mr. Sloan advised Mr. Ramsey to do anything, to take any responsibility that he might think necessary to preserve that property, and prevent those scoundrels, Fisk and Gould, from getting possession of it. Those were the words.

Q. Did Mr. Sloan say that Ramsey had a right to steal in order to keep the company?

A. I don't think he did; I don't believe he ever thought he would steal.

Q. What do you think of a transaction such as this, then?

A. I think Mr. Ramsey did perfectly right in that matter.

Q. That is your idea of morals?

A. I think so.

Finally, Phelps, the secretary of the company, and Ramsey's tool, made the following statement:

William L. M. Phelps, cross-examined by Mr. Field.

Q. Did you know Ramsey had sent \$150,000 of coupon bonds to Groesbeck?

A. Yes, sir.

Q. Did you see the letter marked confidential before it was sent?

A. No, sir; I never heard mention of it till it was mentioned in court last night.

Q. Never saw it till yesterday?

A. I saw it in the hands of counsel yesterday.

Q. You did not know it at the time?

A. No, sir.

Q. Did you know these bonds belonged to the company?

A. Certainly.

Q. Did you know they were sent as collateral for Ramsey's private note?

A. No, sir.

Q. What did you suppose they were sent for? What did you understand they were sent for?

A. During the month of July Mr. Ramsey remarked to me that Squires was not selling bonds as fast as he liked, and that he did not like the manner of doing business; Mr. Ramsey spoke several times that parties in New York would like to have the sale of these bonds, and that when those in Mr. Squires' hands would be disposed of he did not intend to give him any more for sale.

Q. Did you understand these bonds were sent to Groesbeck as collateral for Ramsey's private note?

A. No, sir.

Q. What did you understand they were sent for?

A. On the morning of the 4th of August Mr. Ramsey remarked to me that he either had obtained subscriptions, or would, of the stock of the company; I do not know whether he gave the name of the party who would make advances, but I think Groesbeck, and that the amount would be drawn, but did not state the manner it would be drawn for; I didn't ask him.

Q. What did you understand the \$150,000 of bonds were sent to Groesbeck for?

A. I have given you my whole recollection of that day.

Q. You handed the bonds to Ramsey, did you not?

A. Yes, sir.

Q. Did he demand them from you?

A. He asked for them.

Q. For what purpose did you give them to him?

A. I suppose for the purpose he mentioned in the morning.

Q. To pay the ten per cent?

A. The draft at that time.

Q. Answer my question—for the payment of the ten per cent?

A. I don't know anything about it.

Q. What do you mean by that—you suppose the bonds were to pay for that ten per cent?

A. I think very likely.

Q. Didn't you?

A. No, sir; not that day.

Q. Did you afterwards?

A. I had suspicion.

Q. When first?

A. I think the day of the 5th.

Q. Did you mention that suspicion to Ramsey?

A. No, sir.

Q. To any of the directors?

A. Never to a soul.

Q. Kept it entirely to yourself?

A. Yes, sir.

Q. How are those bonds entered on the books of the company?

A. There is a receipt.

Q. Where is it?

A. In the safe of the company at Albany.

Q. What are its terms?

A. It is dated as of the 4th of August; the number of bonds was named in the receipt; I think it was mentioned they were to be negotiated for the company; that is as near as I can recollect.

Q. Of Phelps, treasurer?

A. I think it is.

Q. Received of J. H. Ramsey?

A. Yes, sir.

Q. When was that receipt given?

A. I think that was given the afternoon of the 4th of August.

Q. After they had gone?

A. Before.

Q. You said closed as of the 4th; it was closed on the 4th?

A. Yes, sir.

Q. It was a true date?

A. Yes, sir.

Q. When that receipt was given did you understand the bonds were taken by Mr. Ramsey to negotiate for the company?

A. I didn't; I haven't much recollection on that subject now.

Q. Mr. Phelps, did not you understand the receipt was false in fact, and made false to carry on a fraudulent transaction?

A. I have no indication.

Q. Did you not understand that receipt was false in fact and made to carry up a fraudulent transaction?

A. There was no indication of that; it was worded in the same words as the previous receipts given by Mr. Ramsey for former lots of bonds.

Q. Did you understand at the time the receipt was false?

A. No, sir; I didn't look at it in that light.

Q. Did you suppose it was true?

A. From what followed I should judge it not to be true.

[The following correspondence needs no comment
It furnishes a damaging *expose* of Mr. Ramsey's tactics:]

December 17, 1869.

SAMUEL SLOAN, Esq., *President Delaware, Lackawanna and
Western Railroad Company* :

DEAR SIR:—On receiving the testimony recently taken before the Supreme Court at Rochester, in the suit brought to determine the question of the control of the Albany and Susquehanna Railroad, I noticed a remarkable statement made by Mr. David Groesbeck when on the witness stand, and I wish to call your particular attention to the evidence of this gentleman as reported in the "Rochester Journal" of the day.

When asked how it happened that he accepted the charge of the bonds of the Albany and Susquehanna Railroad from Mr. Ramsey, knowing that said Ramsey had stolen the bonds, thus making himself a party to the fraud, he replied: "I consider myself justified in doing anything that will help to ruin those d——d scoundrels Fisk and Gould, and Samuel Sloan says the same."

Now, Mr. Sloan, when it is considered that this statement regarding you is made by Mr. Groesbeck, deliberately and under oath, you cannot fail to perceive that some explanation is due to myself and Mr. Gould, especially in view of the very friendly expressions used by you to us personally, when on several occasions we have been brought together for the discussion of matters affecting the business interests of the corporations we represent.

I would, therefore, respectfully request from you an explicit statement of the feeling entertained towards us by you. We desire to be on friendly terms with you and your company, and for this reason we are unwilling to allow such a statement as that made by Mr. Groesbeck to remain without either explanation or contradiction.

Respectfully yours,

JAMES FISK, JR. •

NEW YORK, *December 18, 1869.*

DEAR SIR:—In reply to yours of the 17th, respecting certain testimony given by Mr. Groesbeck in the Albany and Susquehanna Railroad suit (which is the first intimation or knowledge I have of the matter), I have to say that Mr. G. has made a mistake. I did not use, nor am I ever in the habit of using, such language as he attributes to me.

Notwithstanding I feel as a stockholder personally aggrieved in the matter of the A. & S. R. R. affair, I have always desired to maintain the friendly spirit in which all our reciprocal interests affecting the corporations we represent have been discussed and treated.

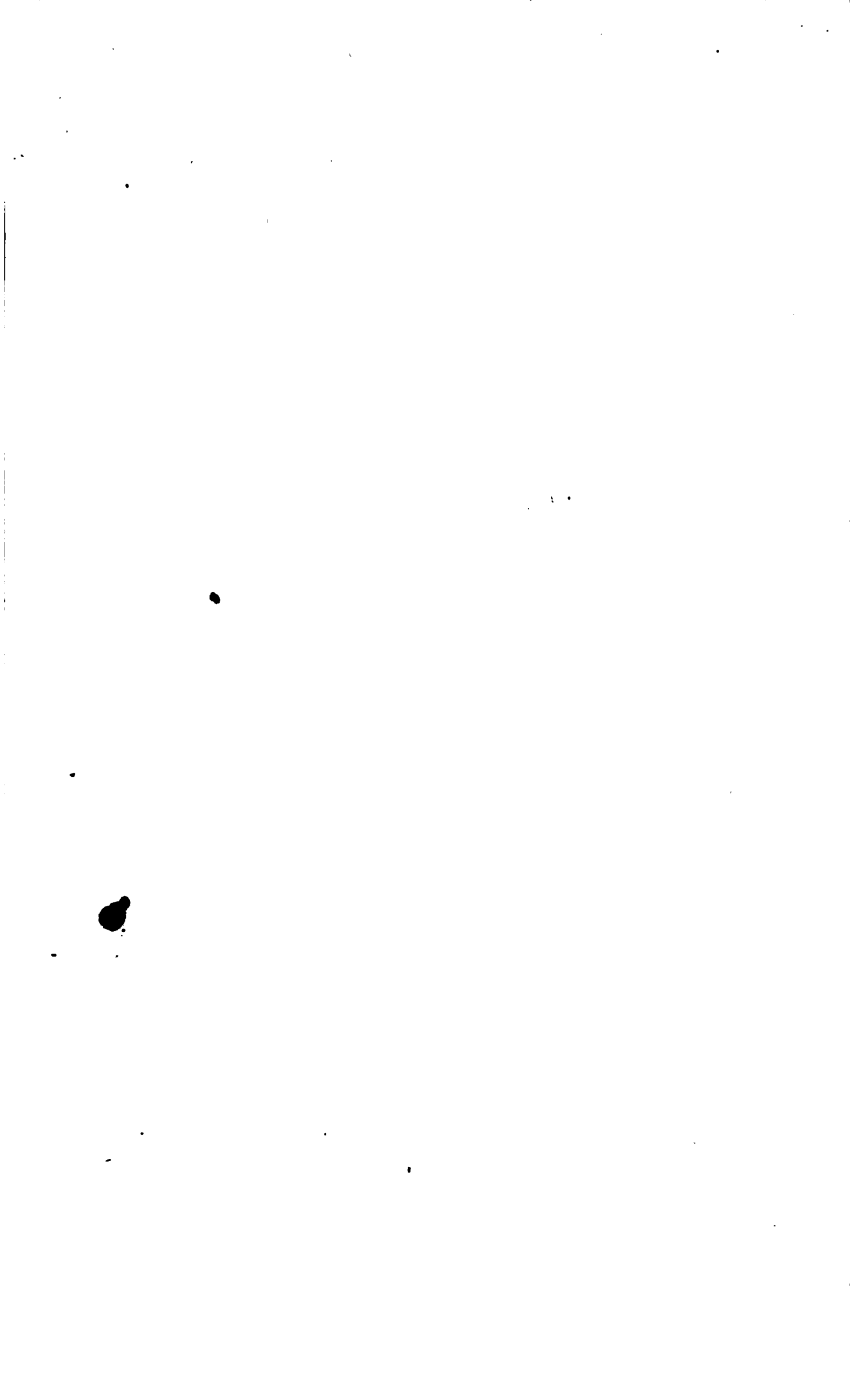
Respectfully yours,

SAM'L SLOAN.















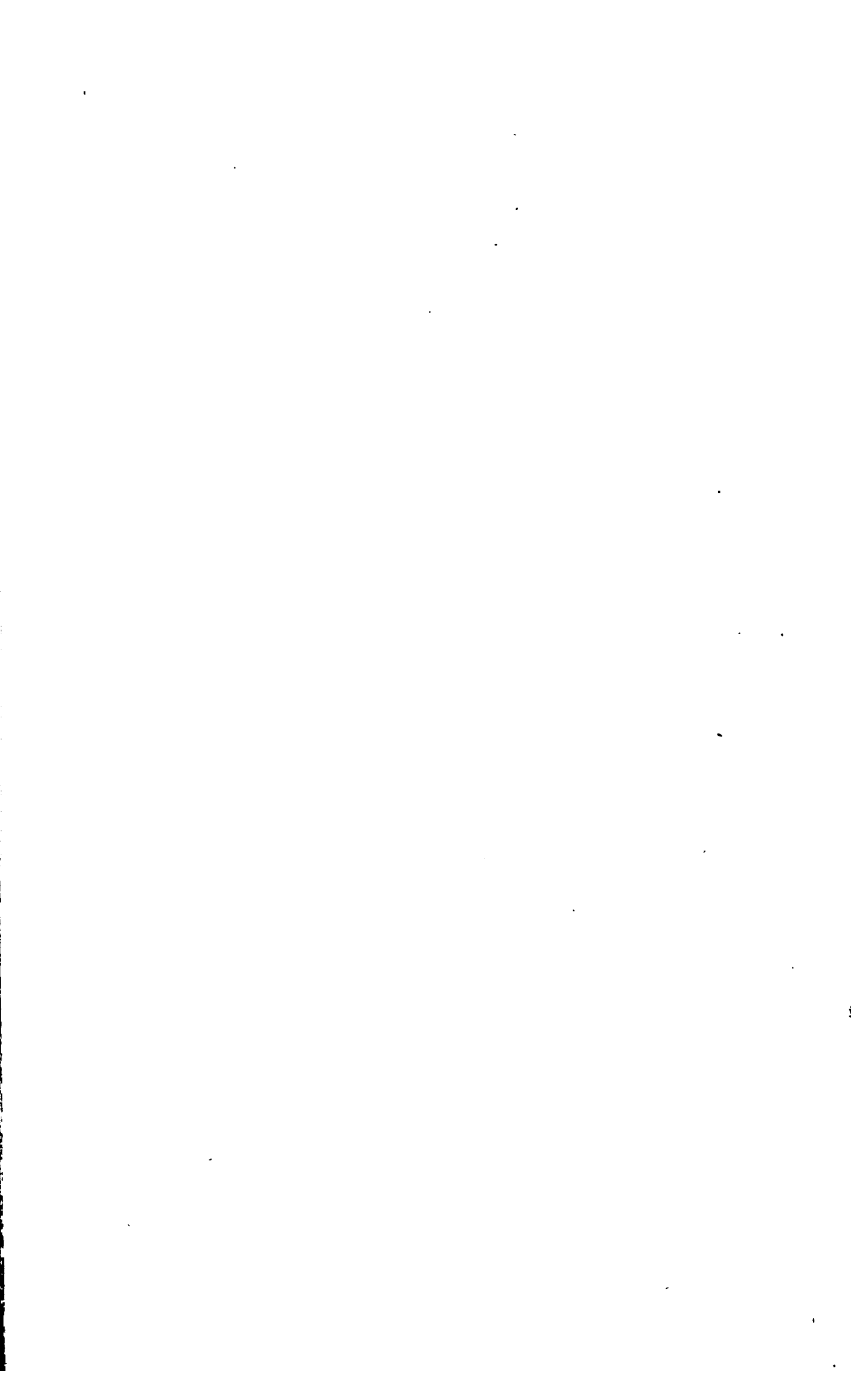








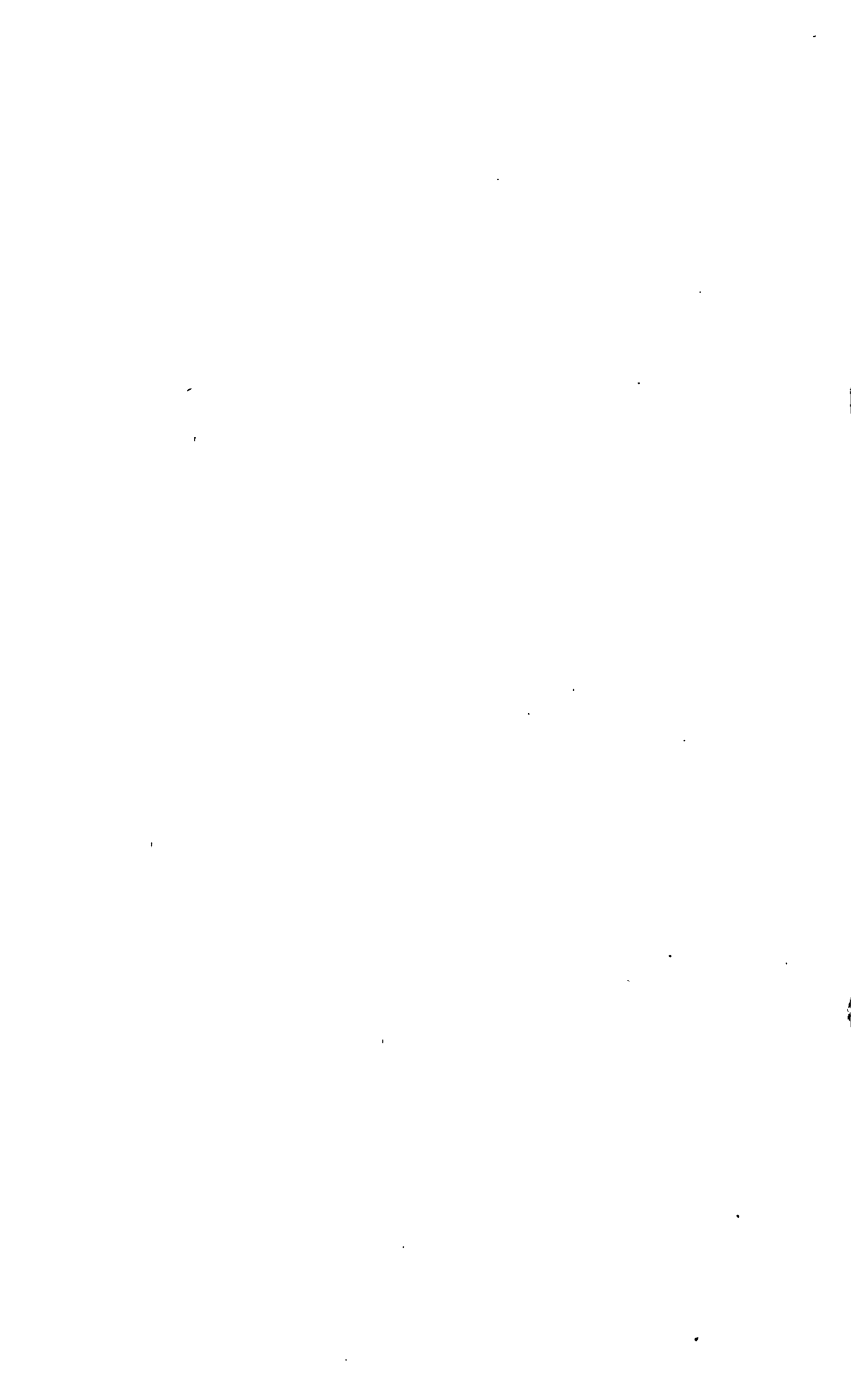


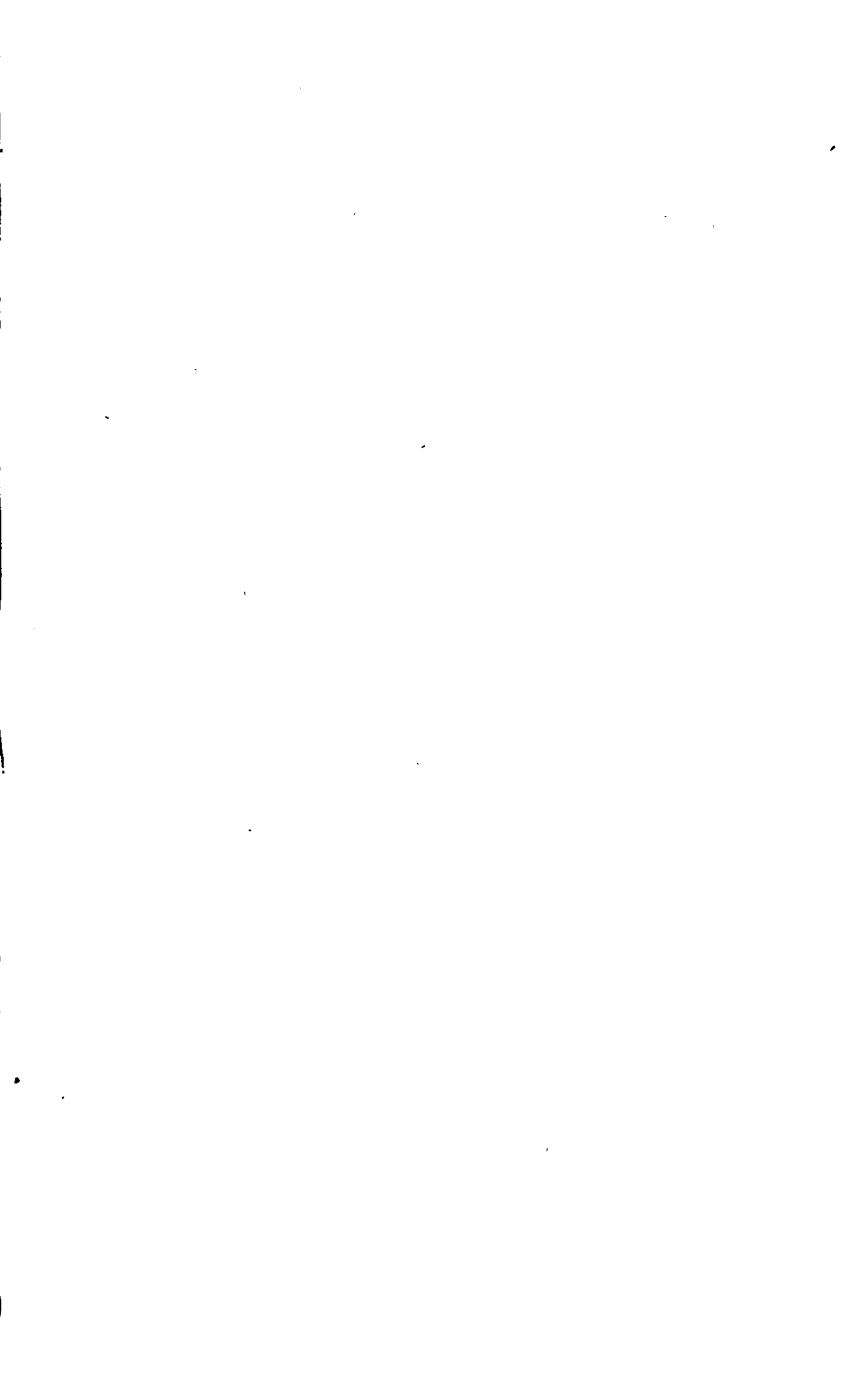


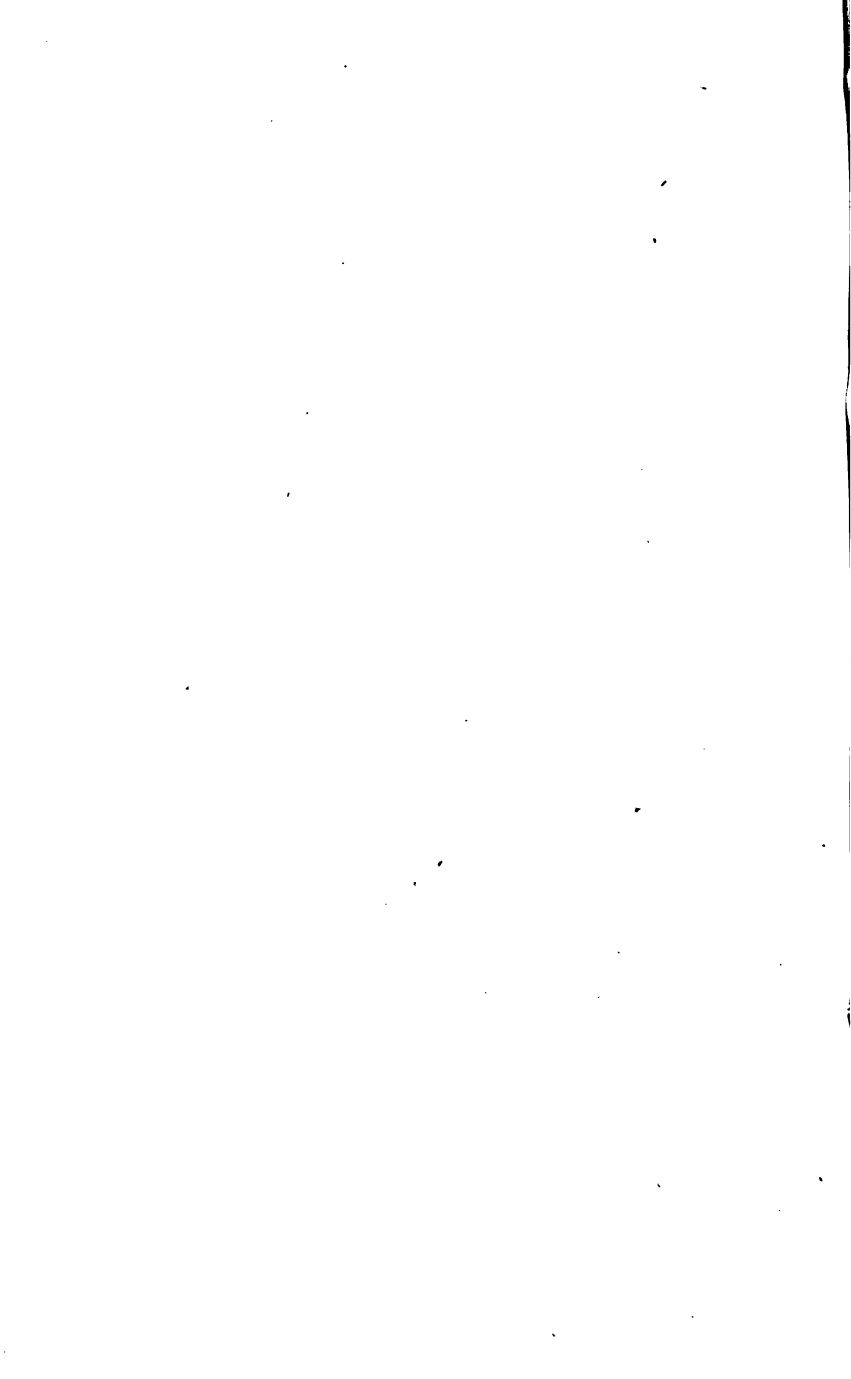


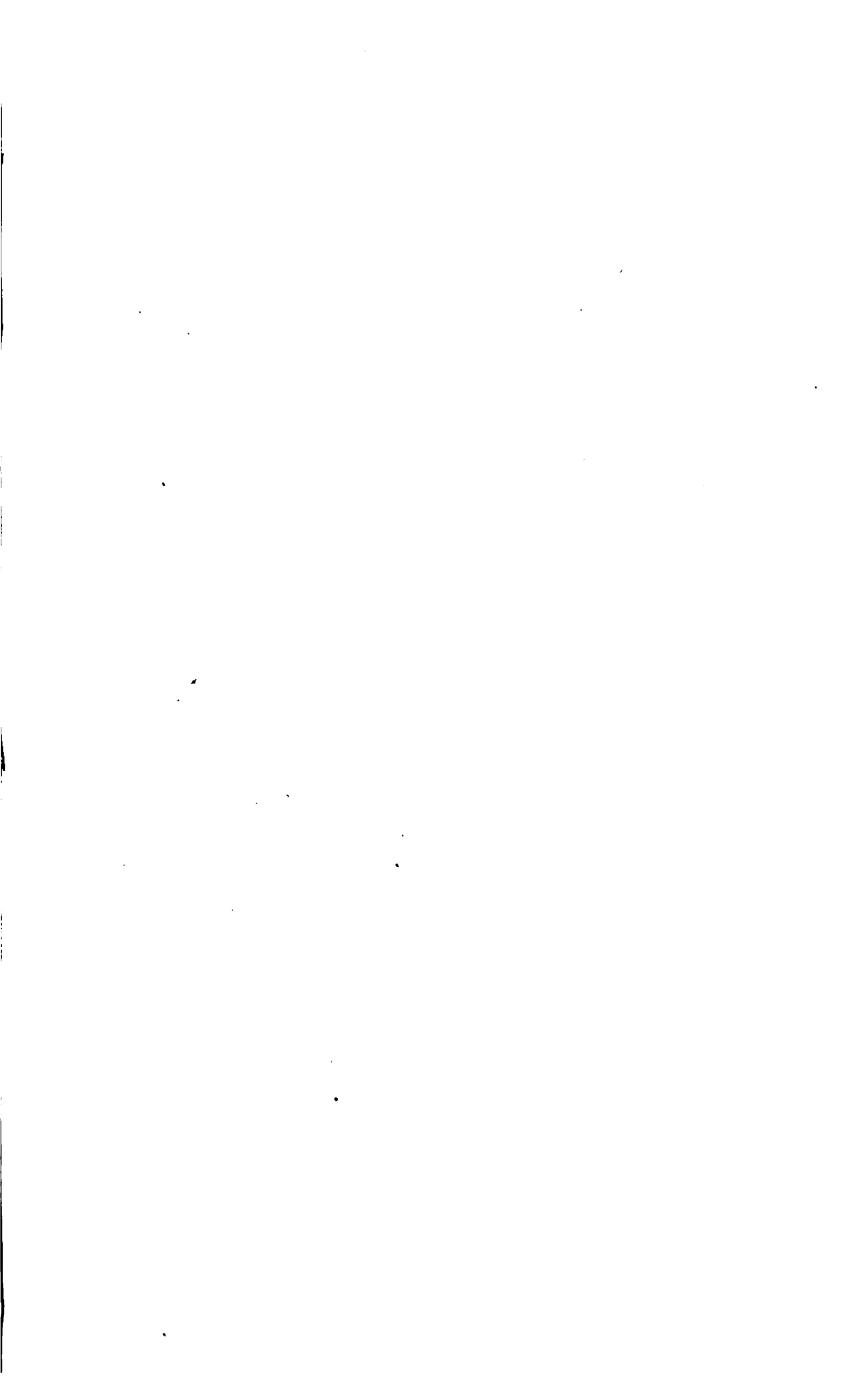


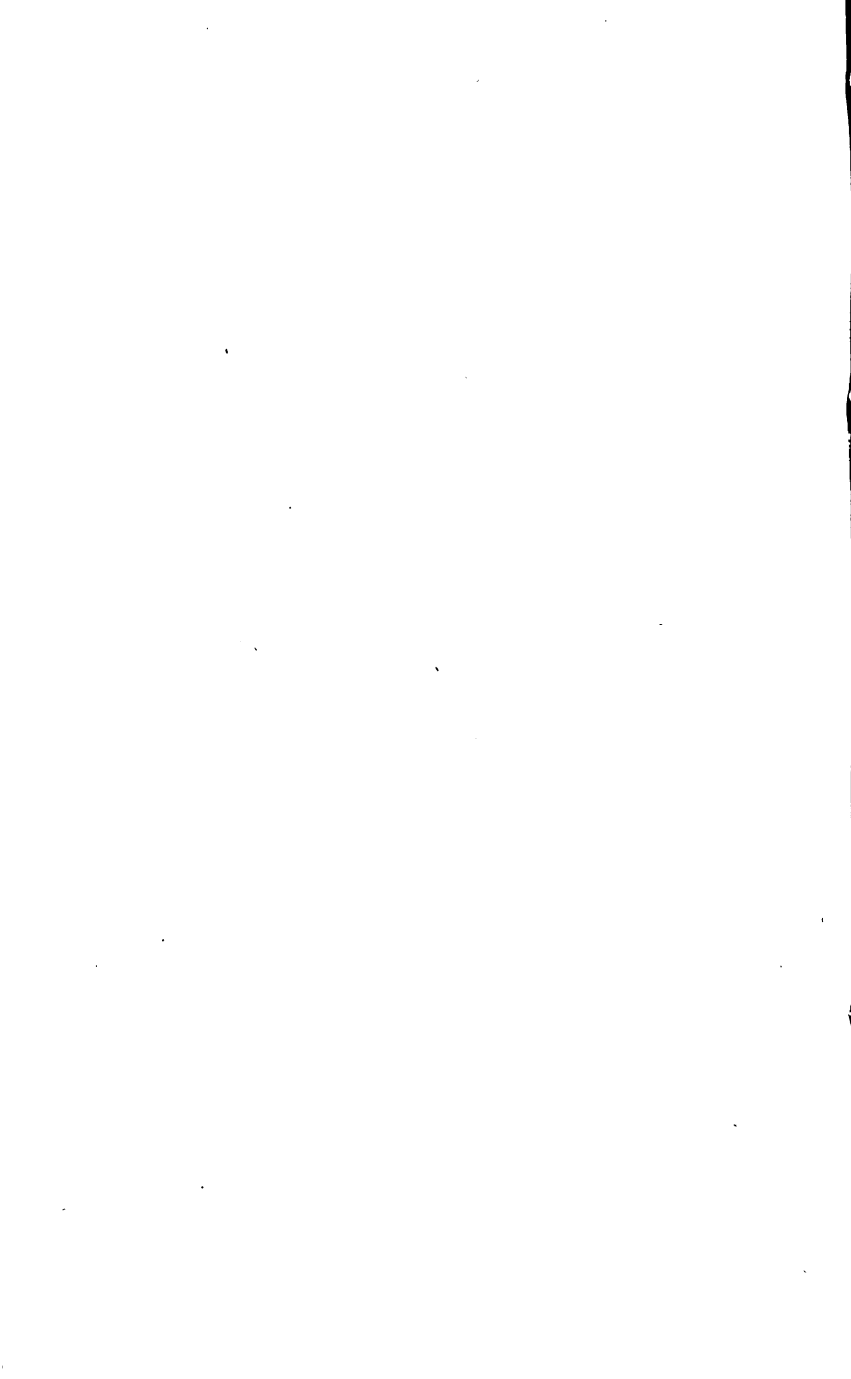


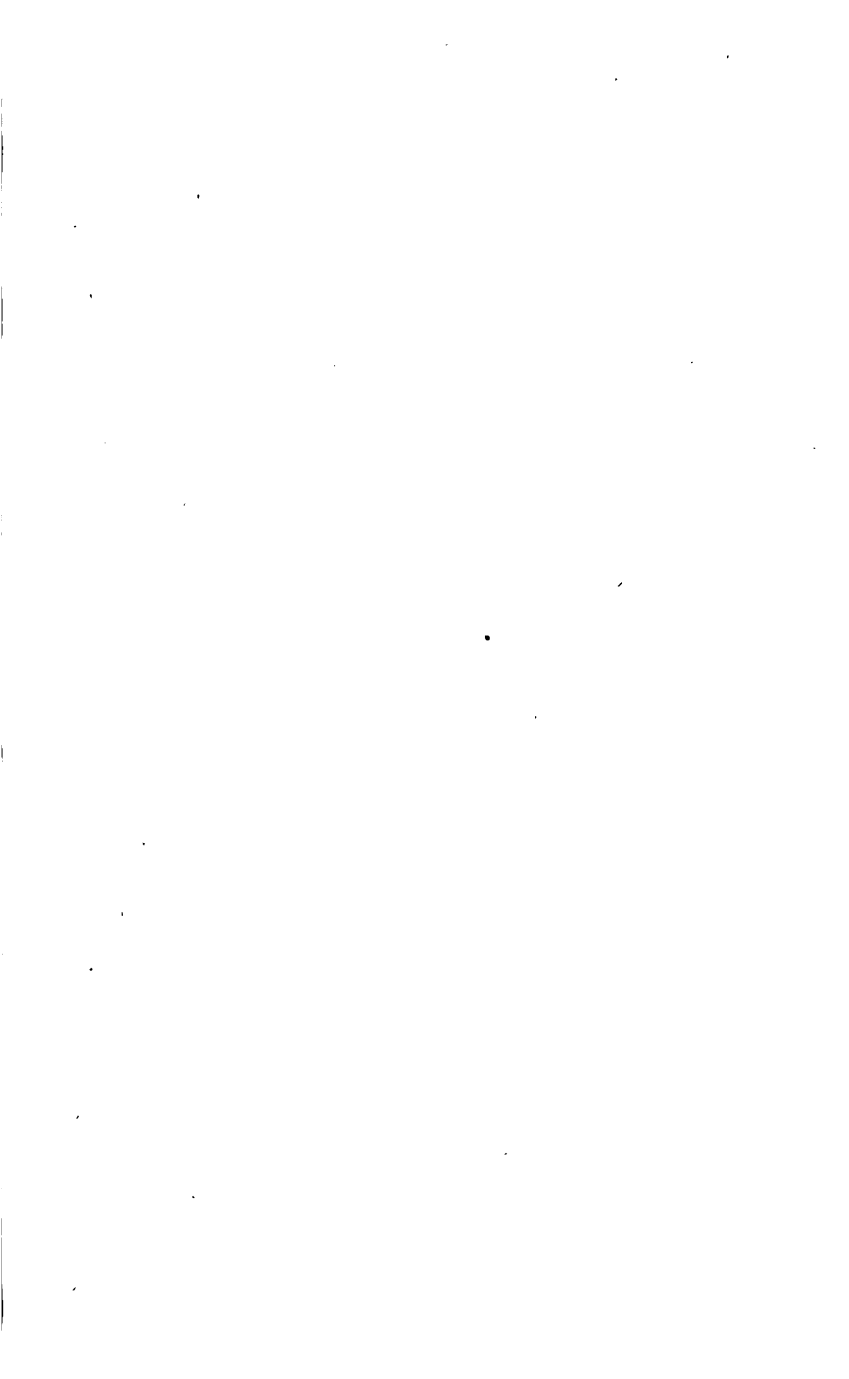


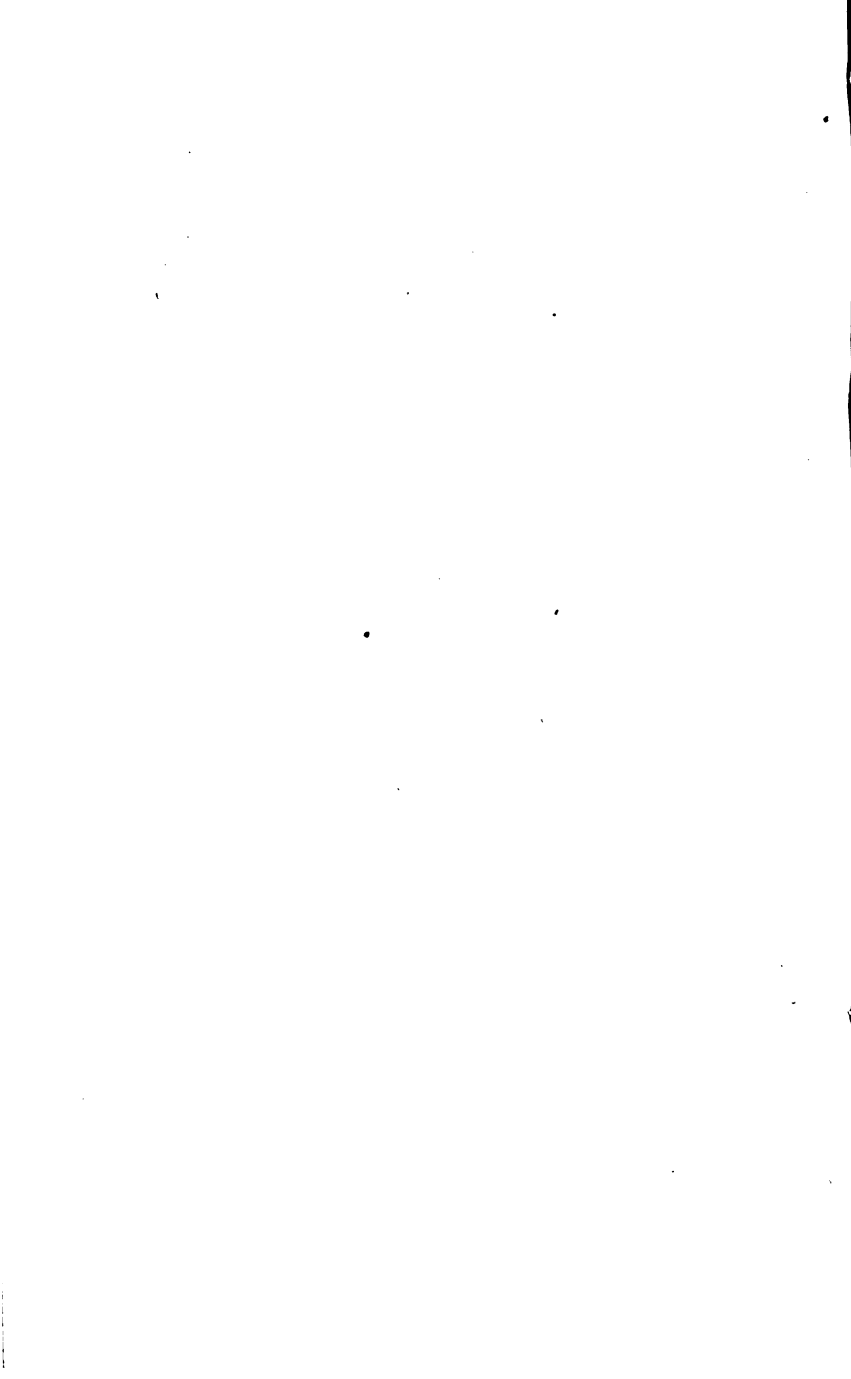


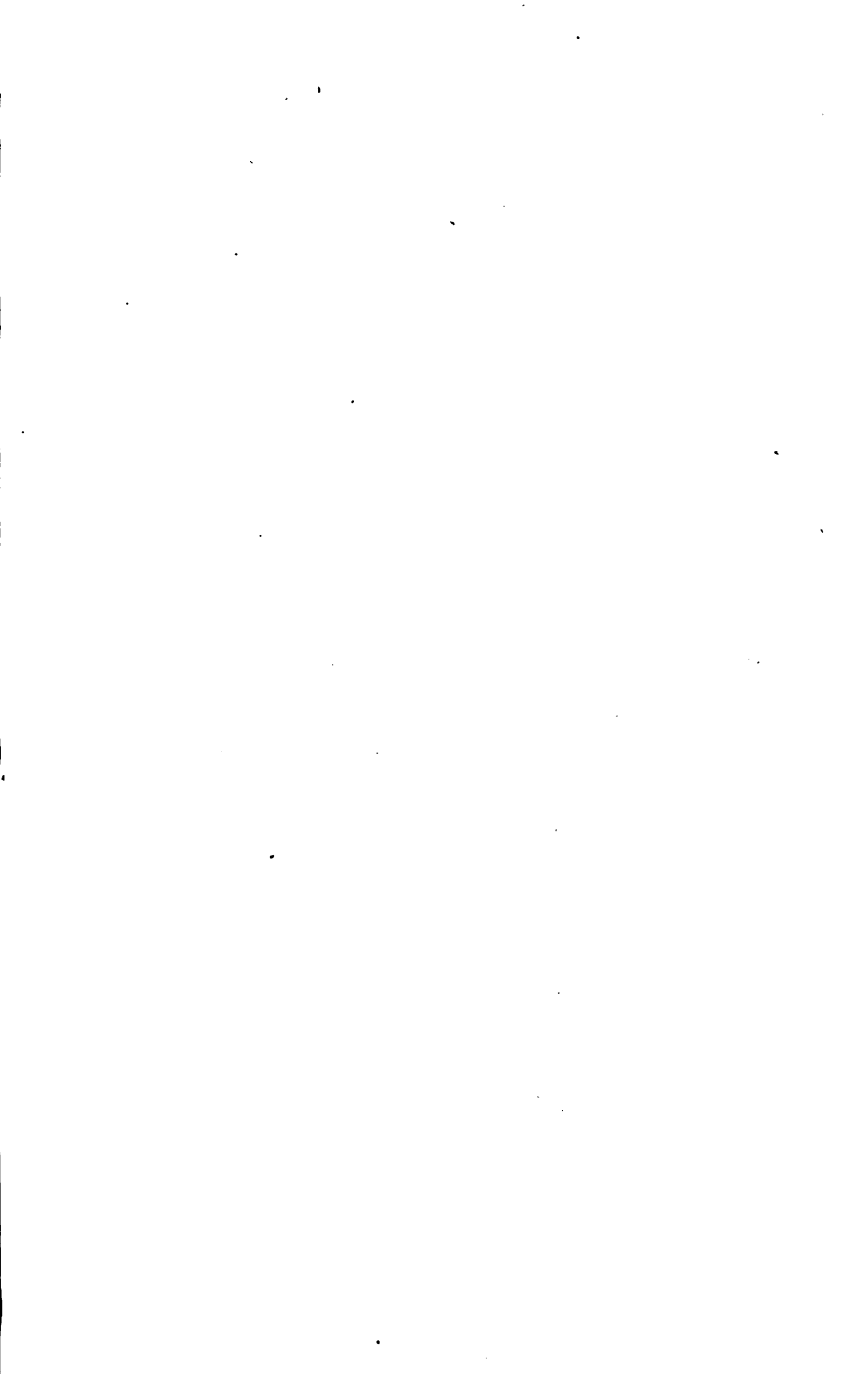


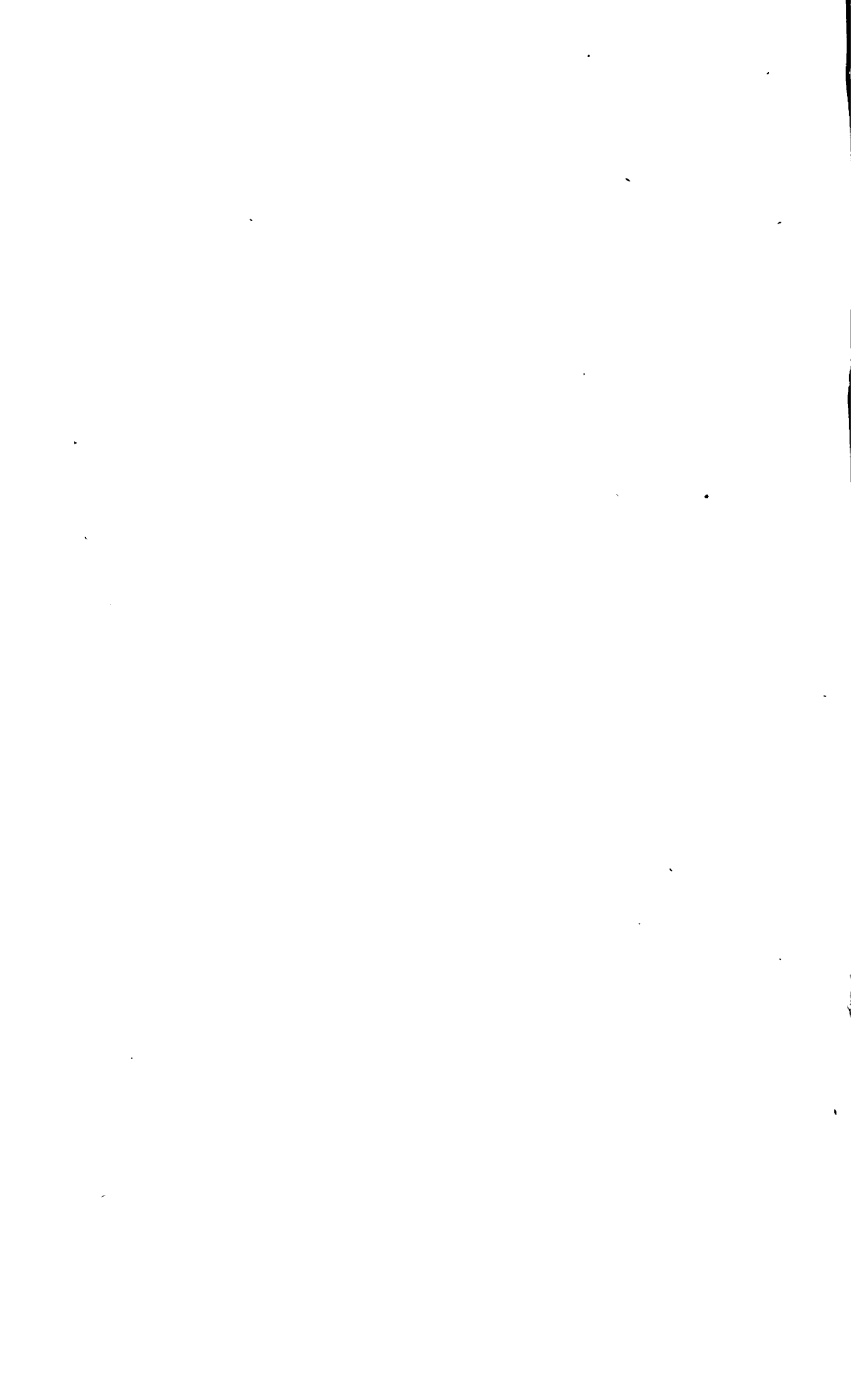


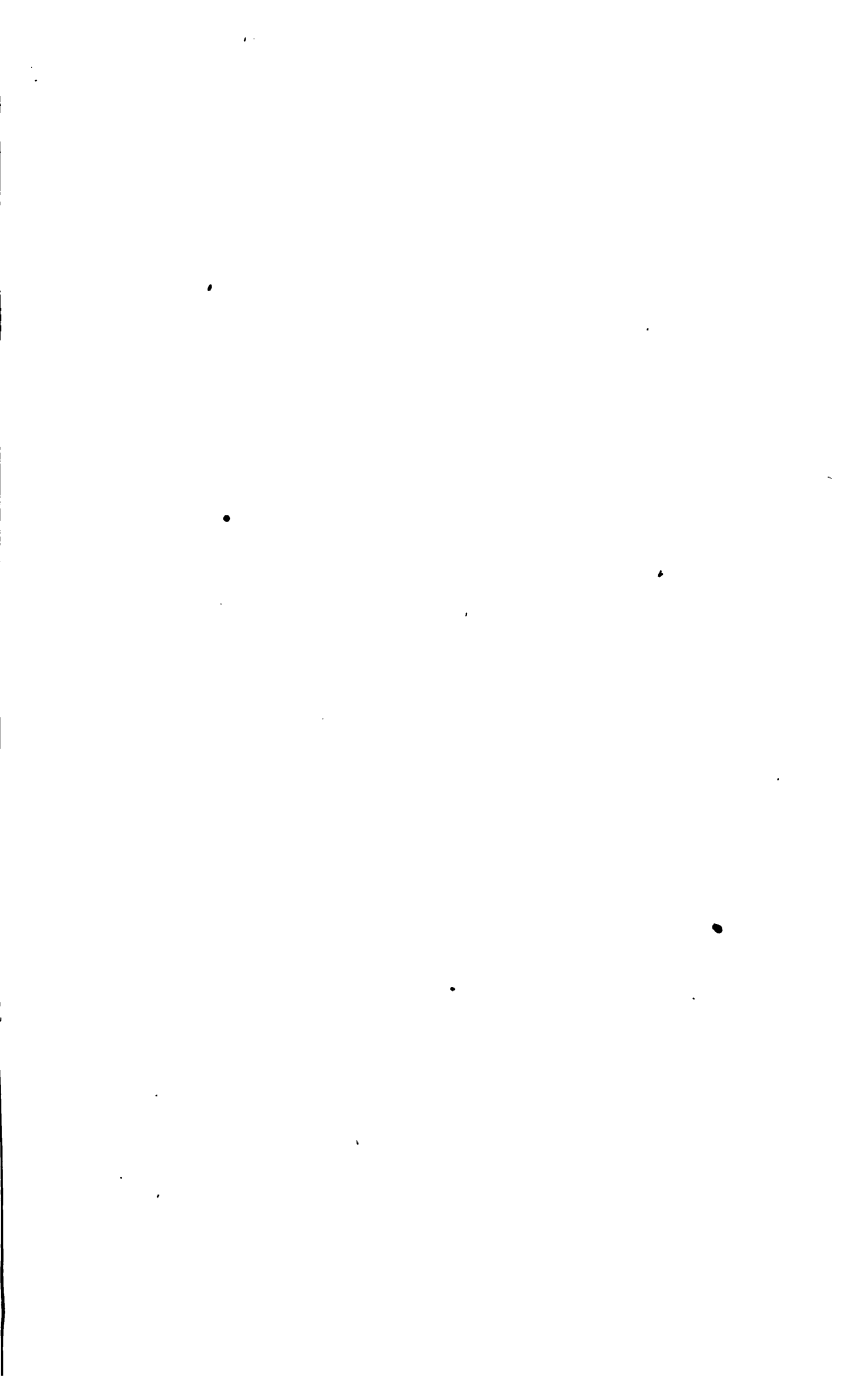




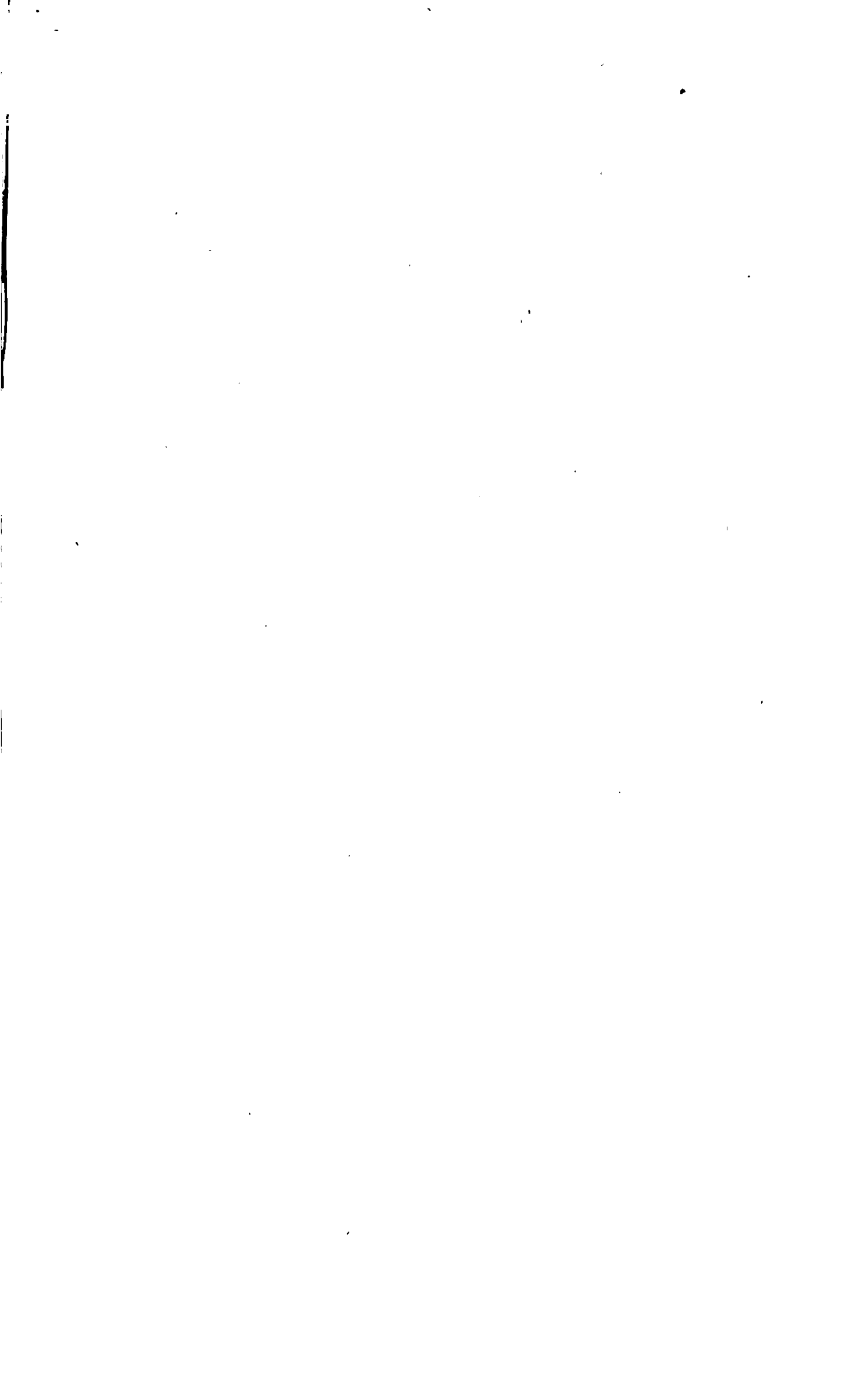






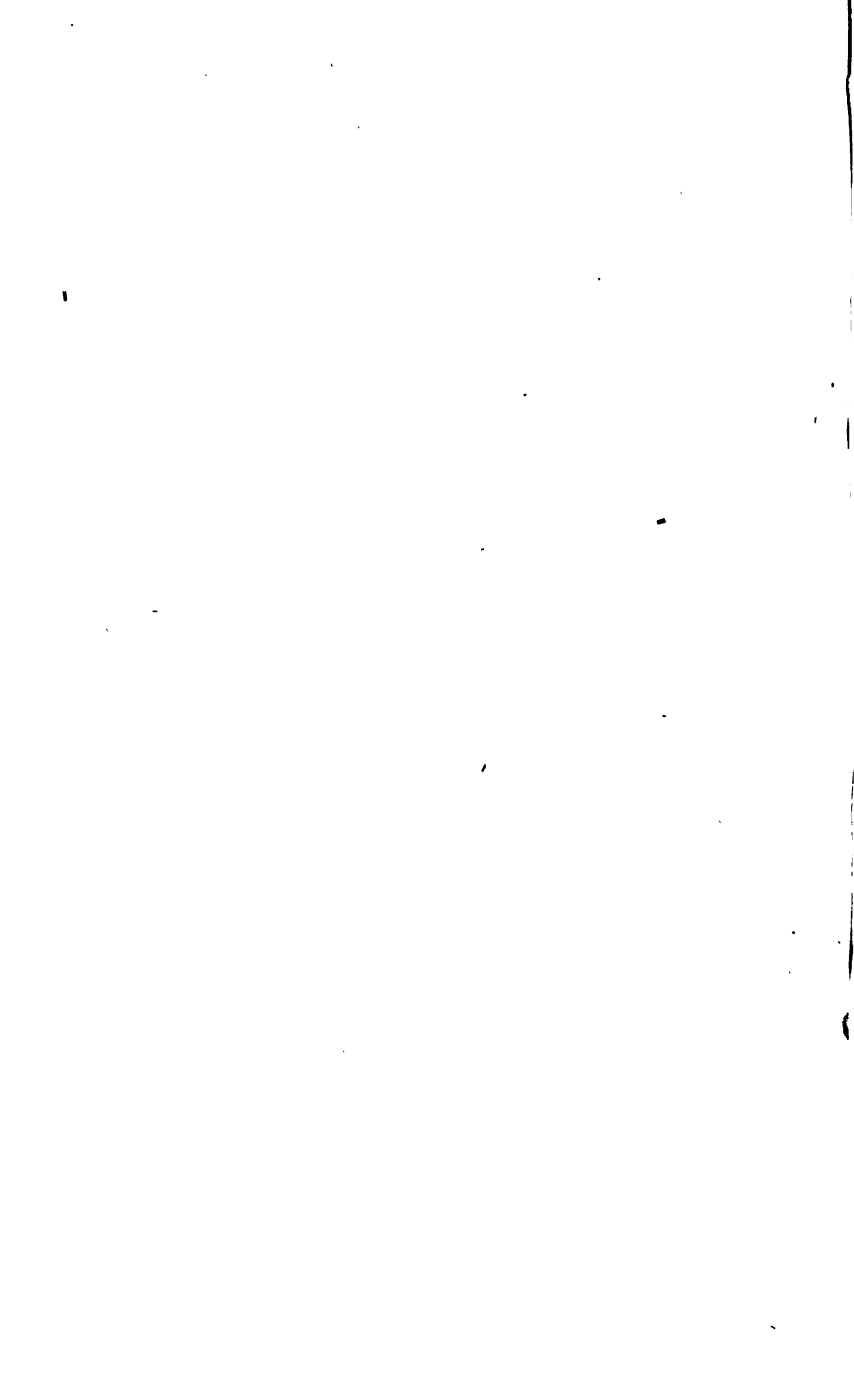




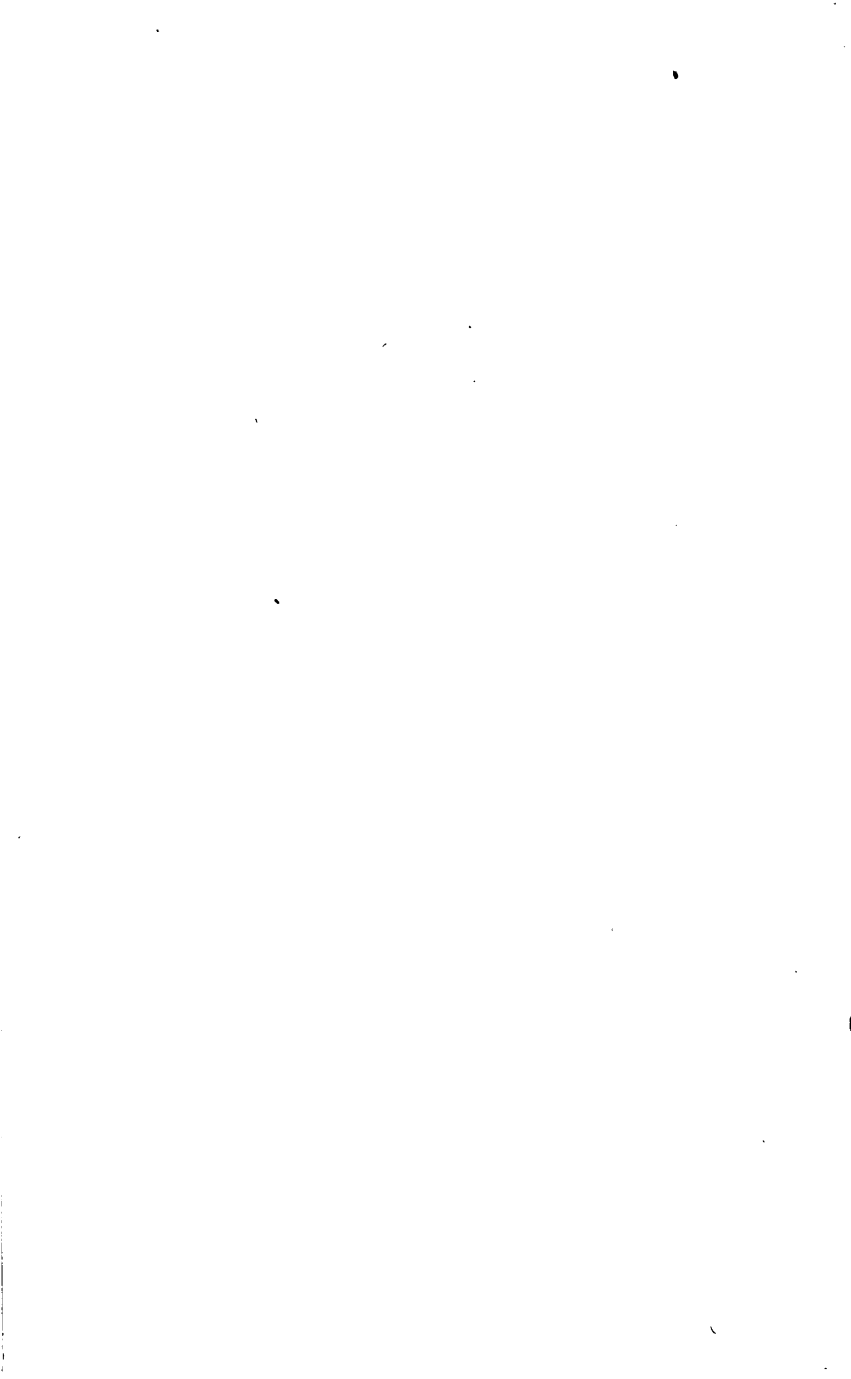


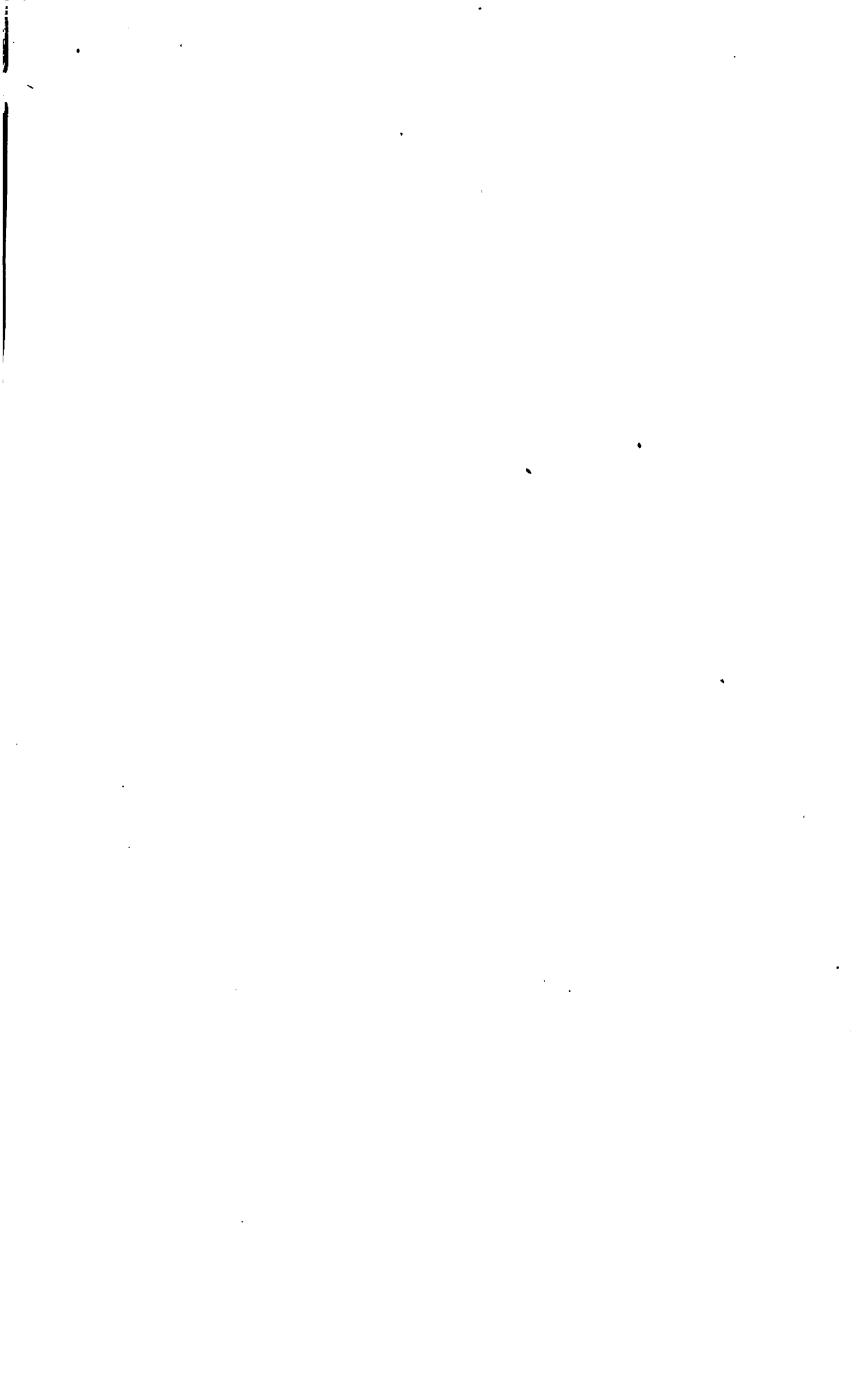


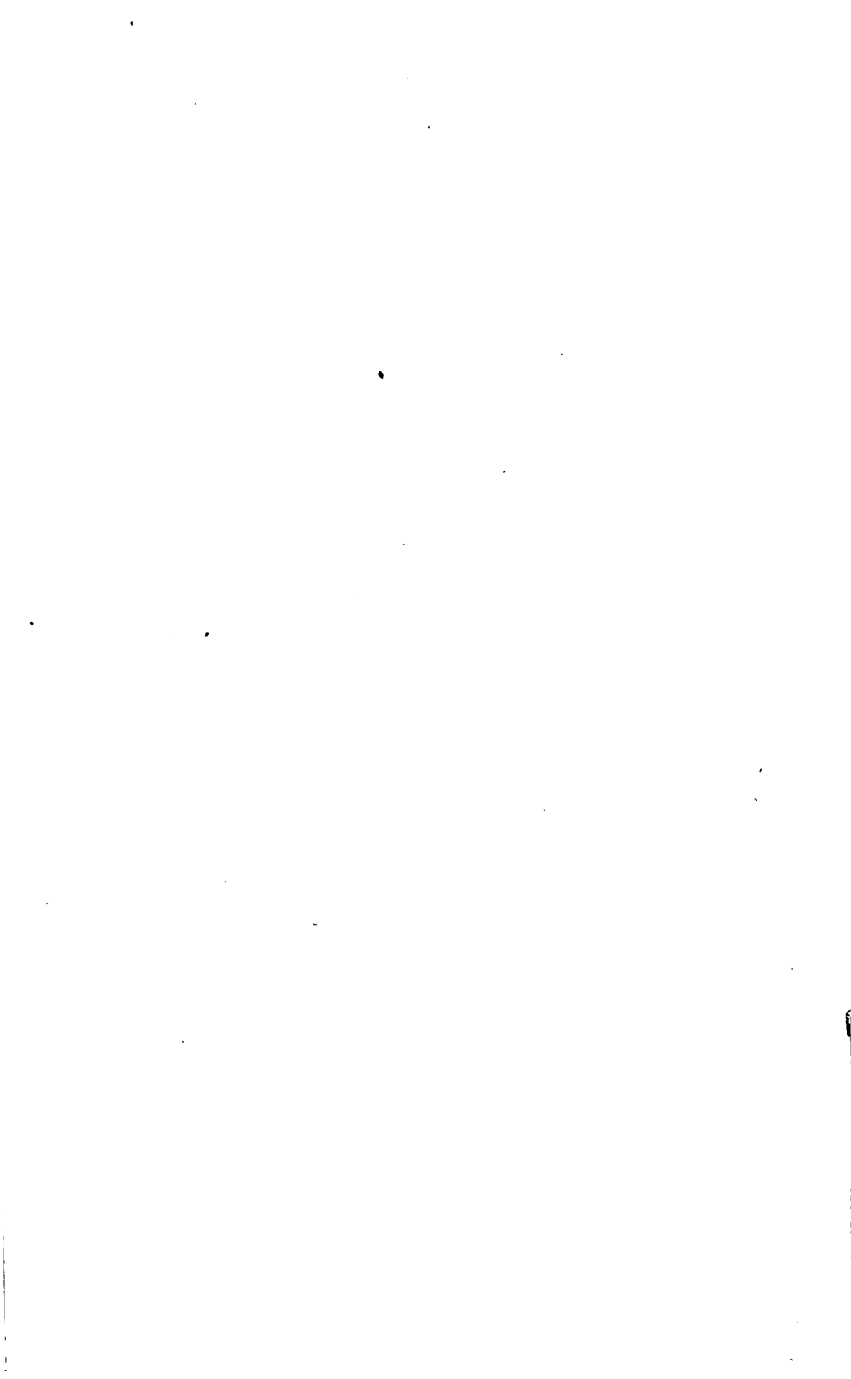


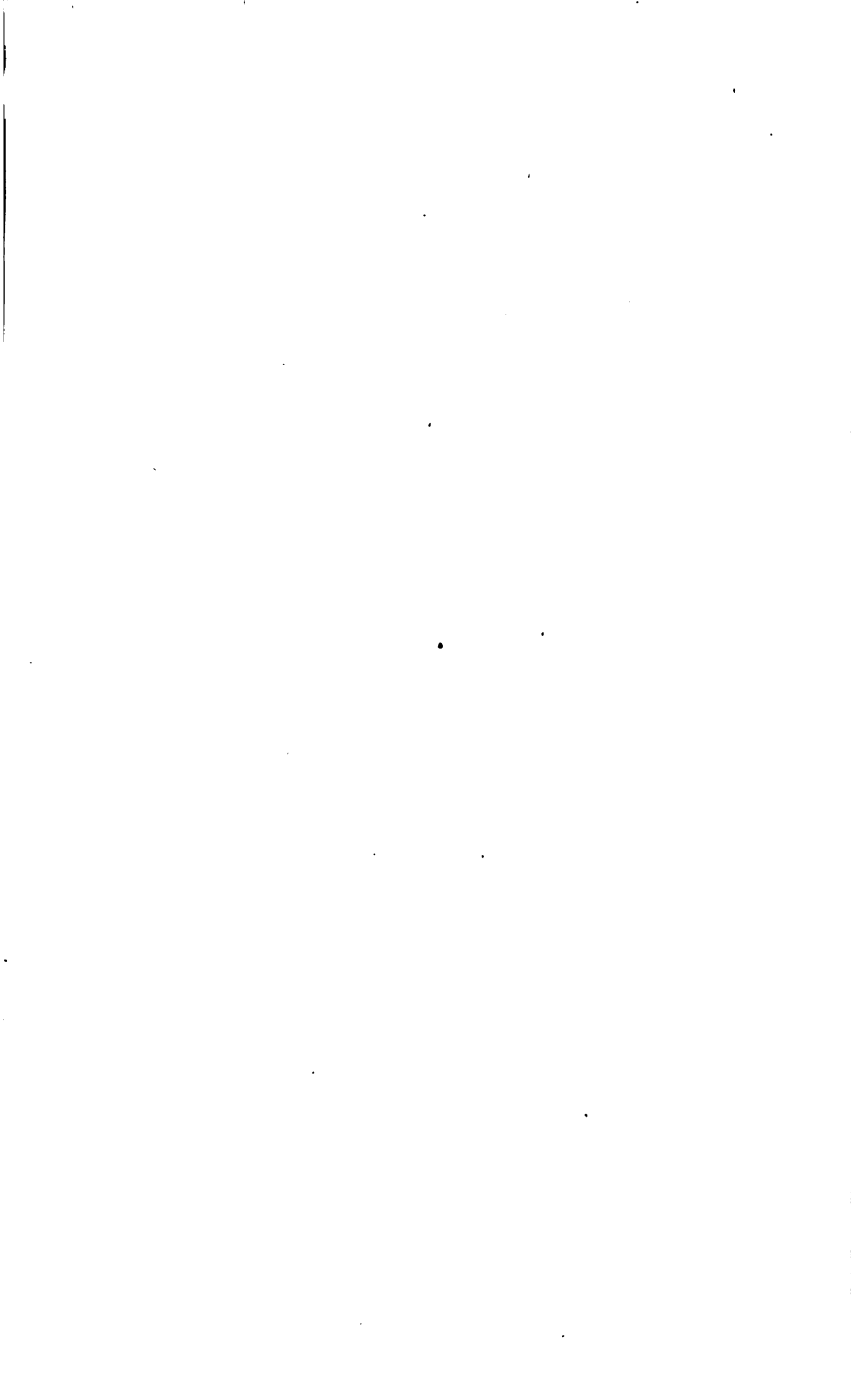




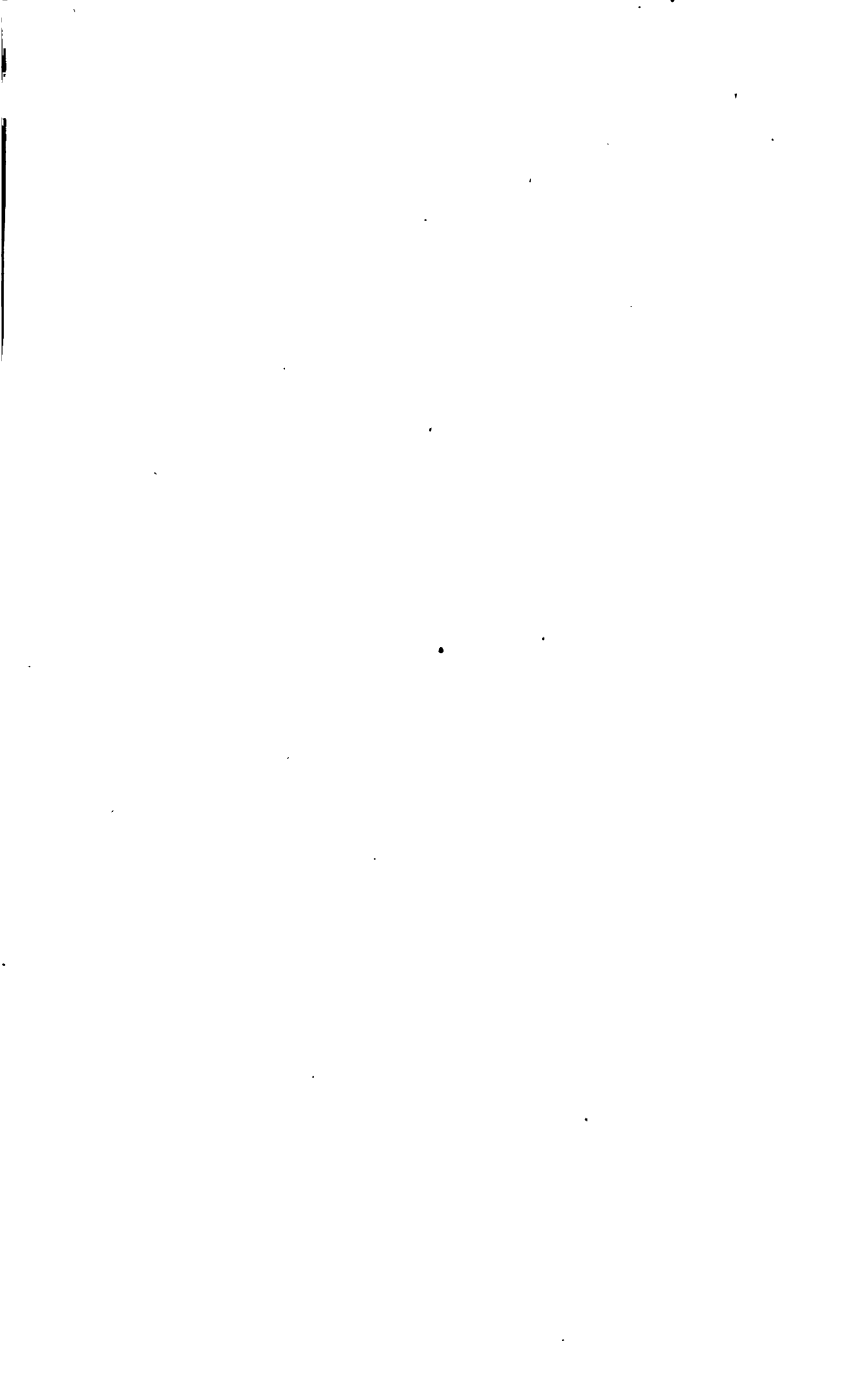




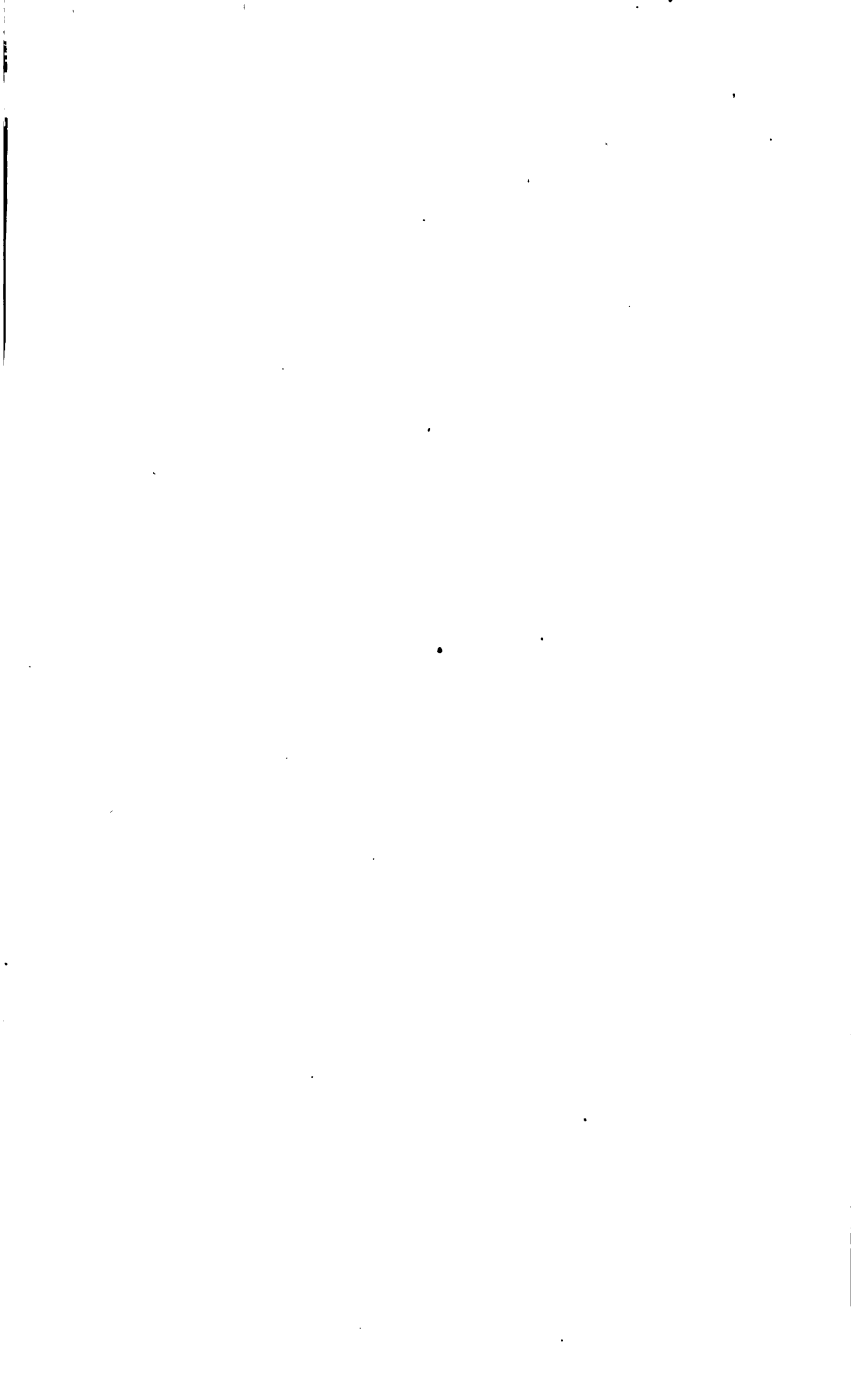




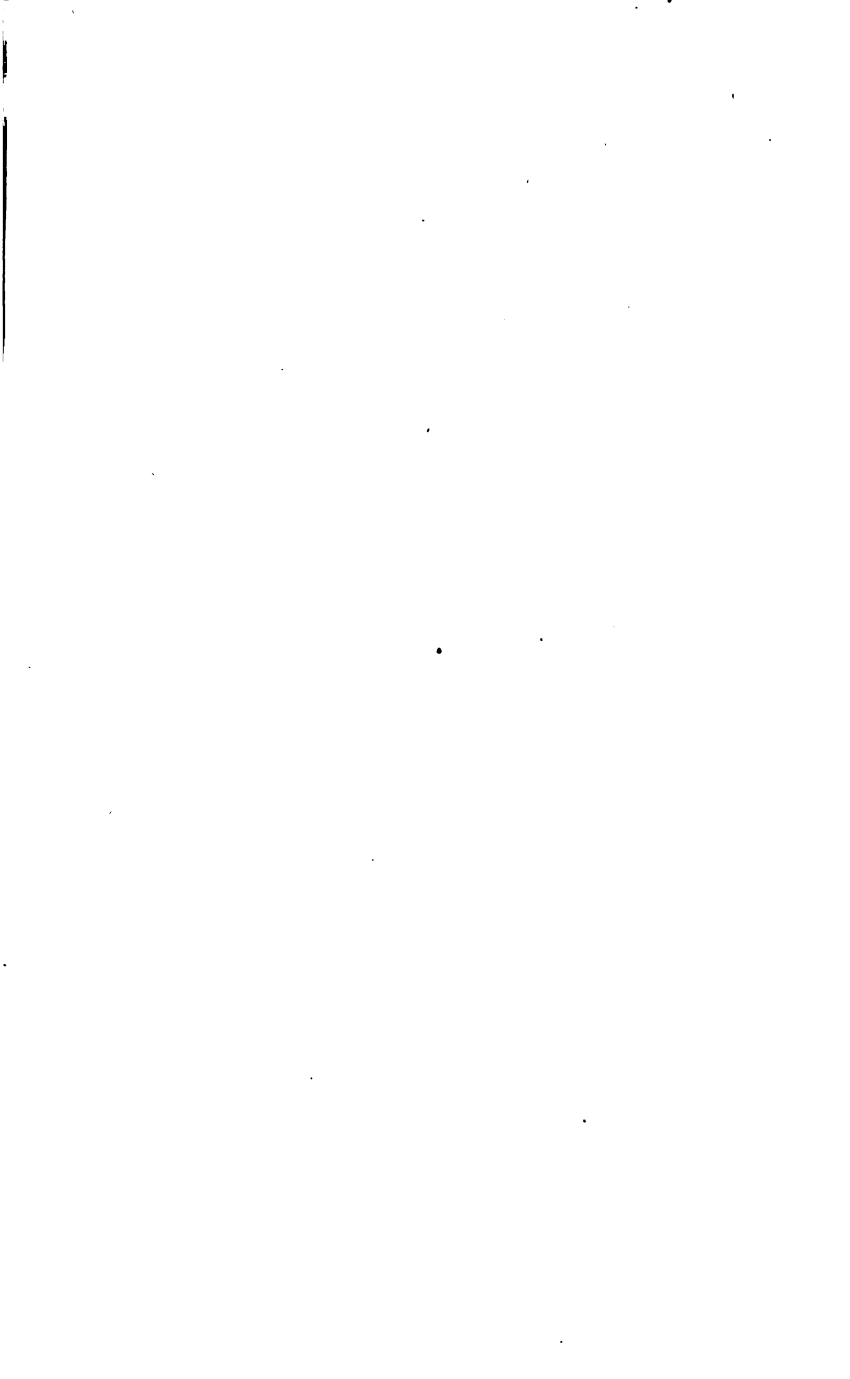


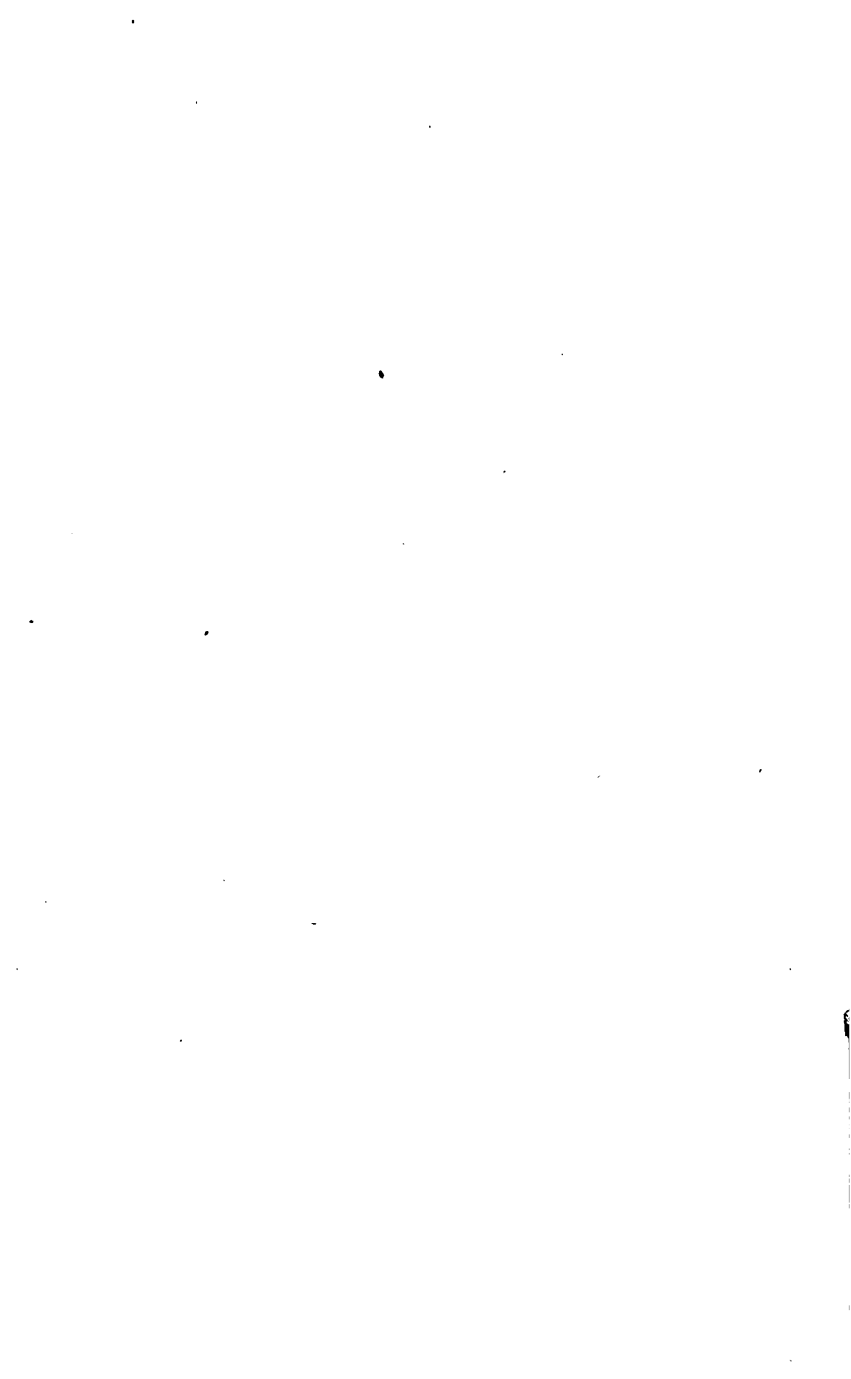


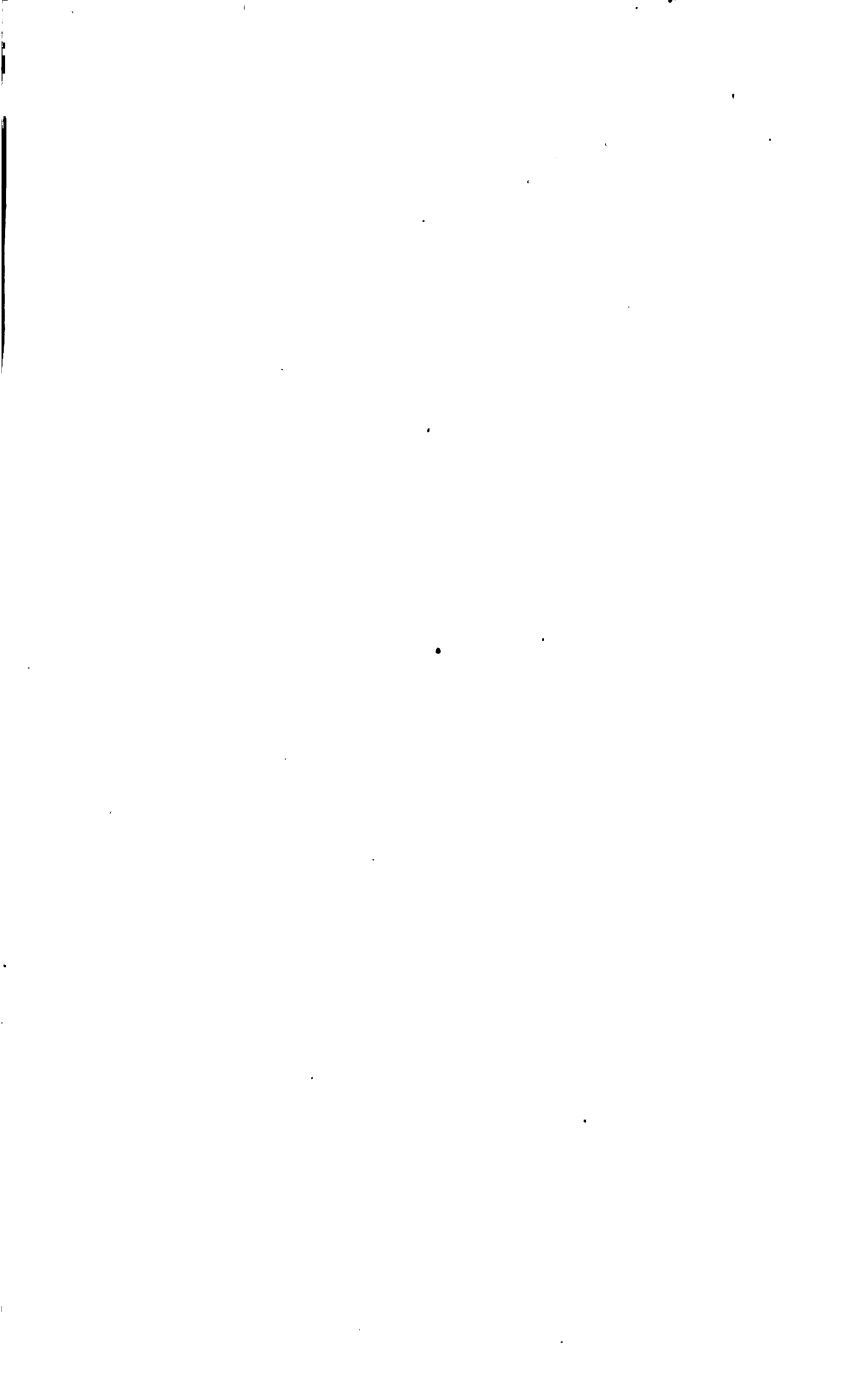


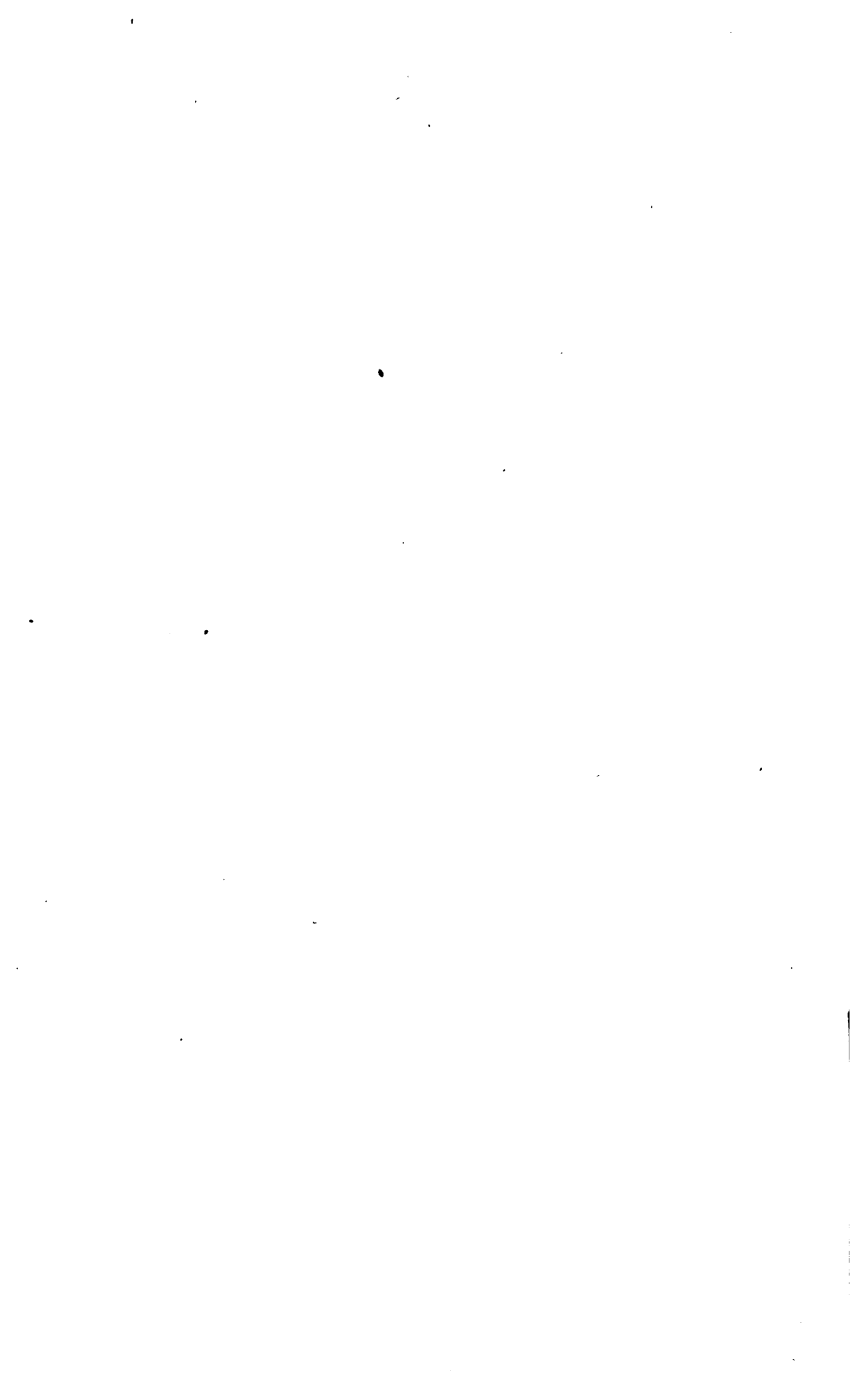


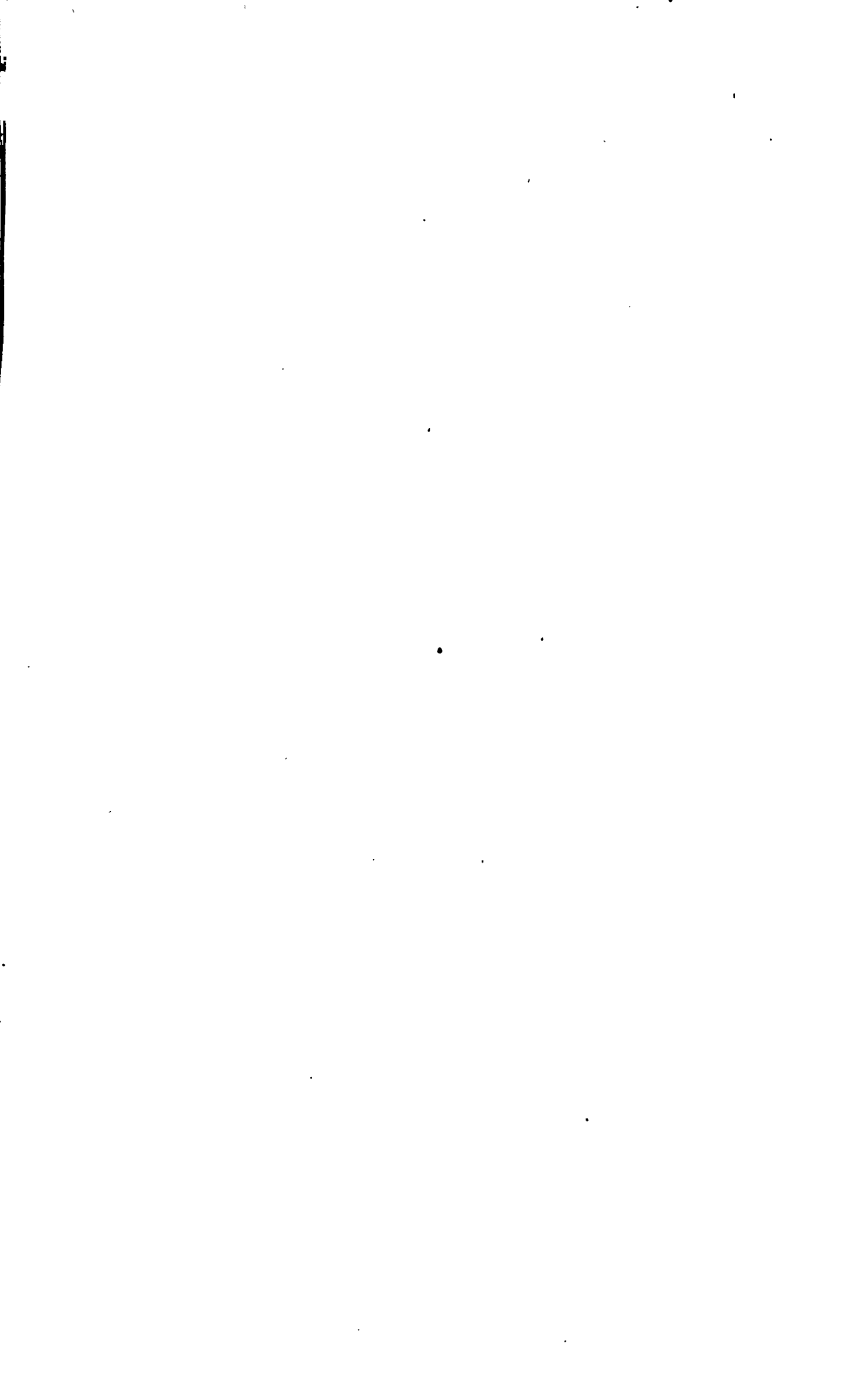




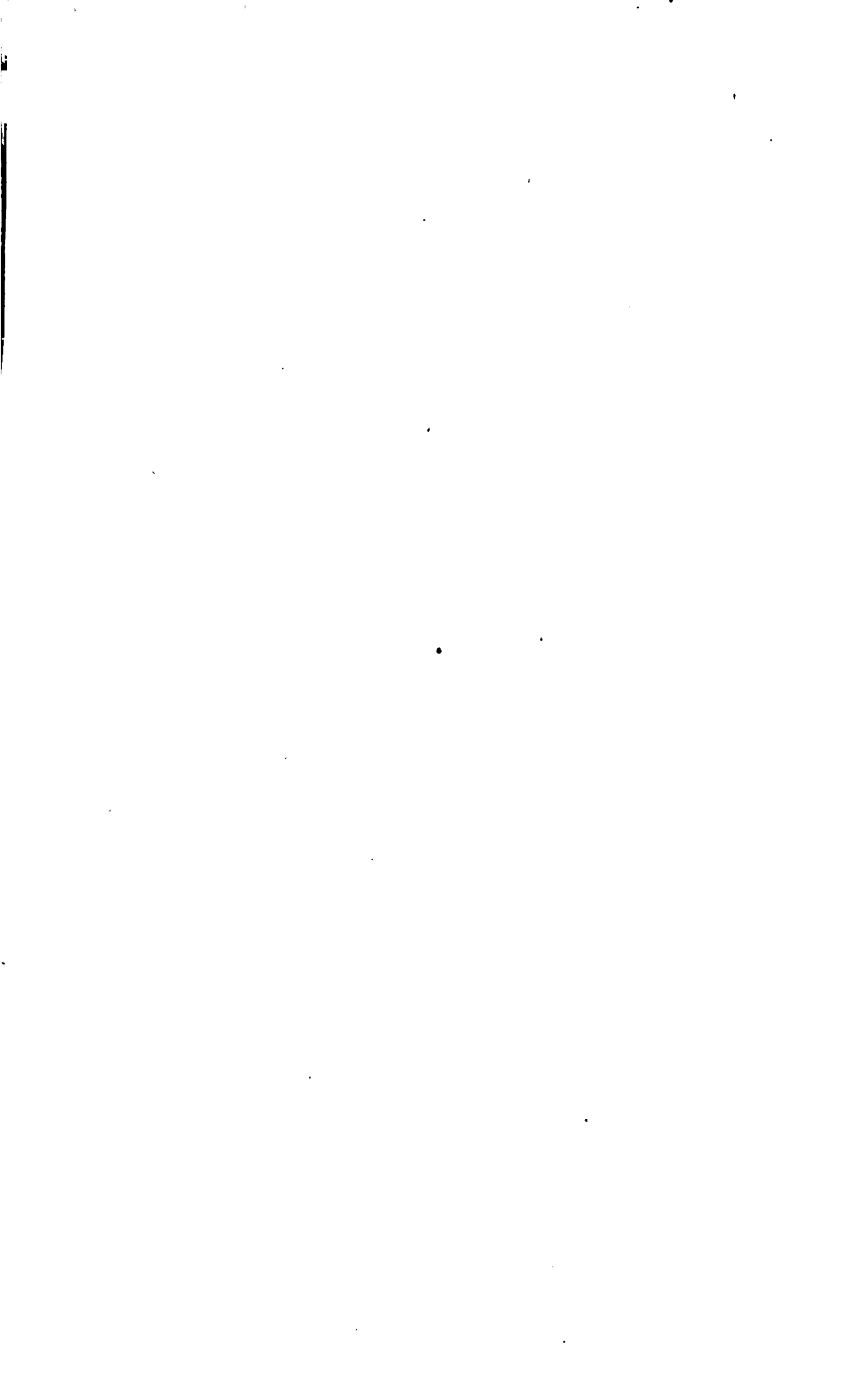




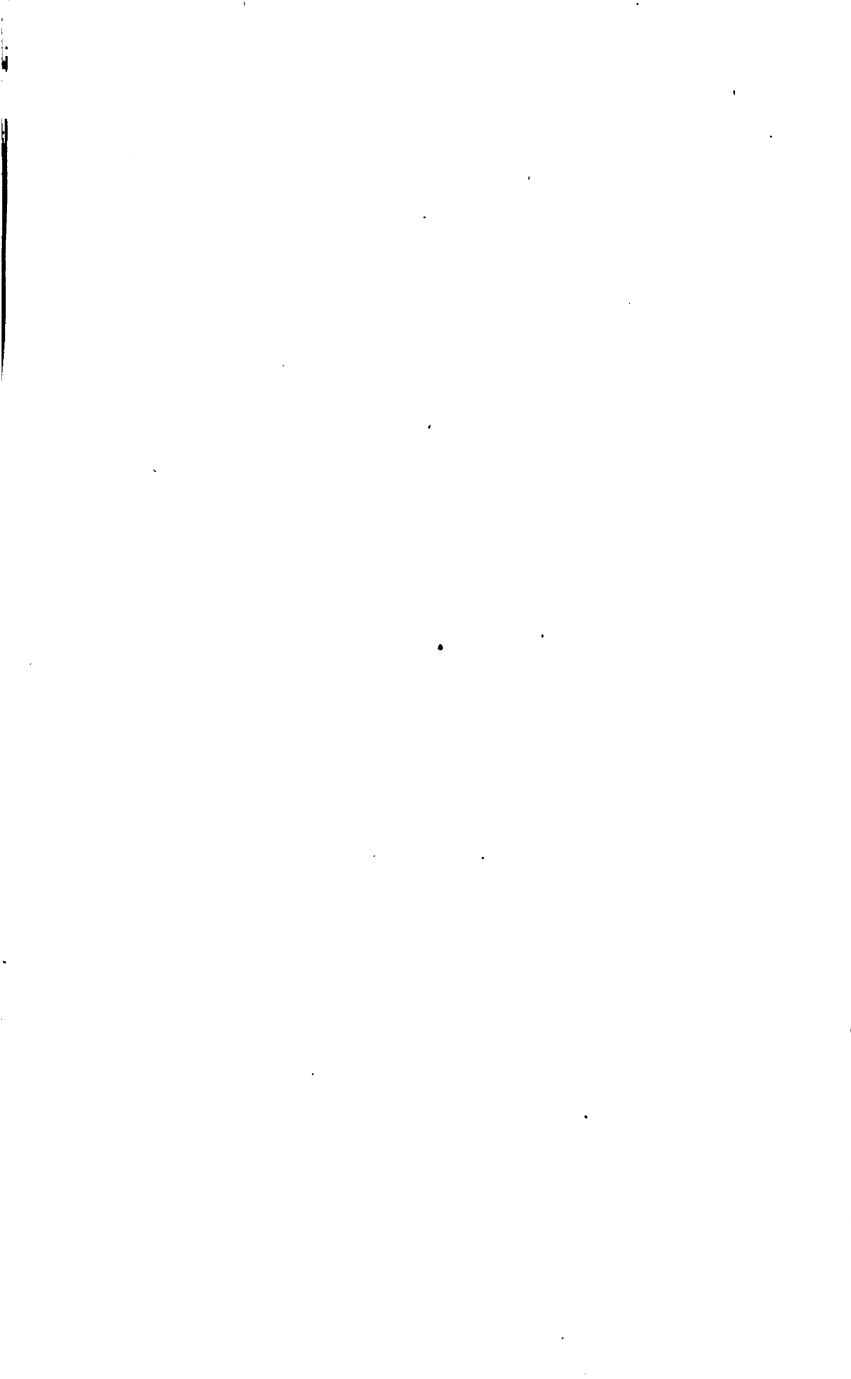


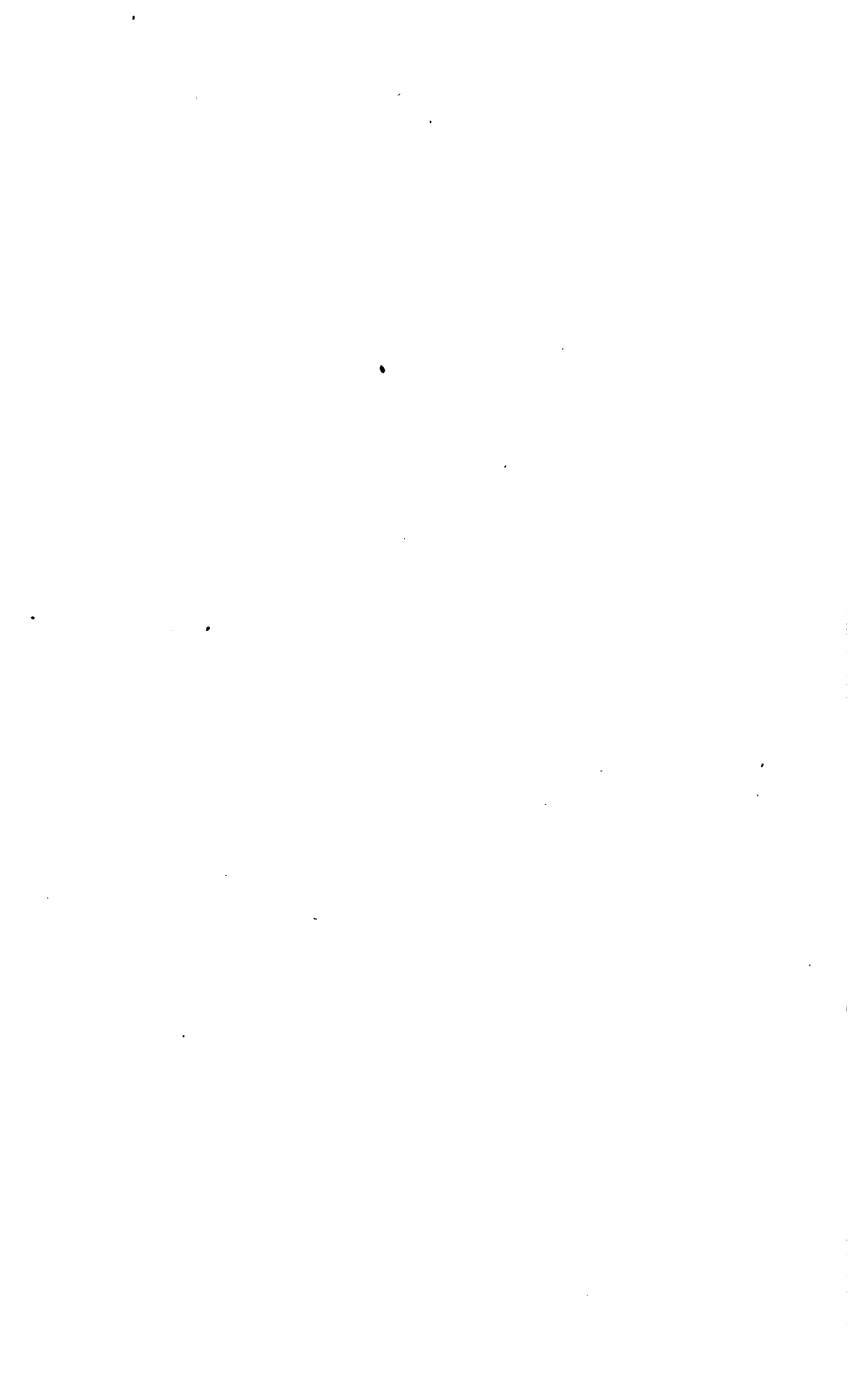


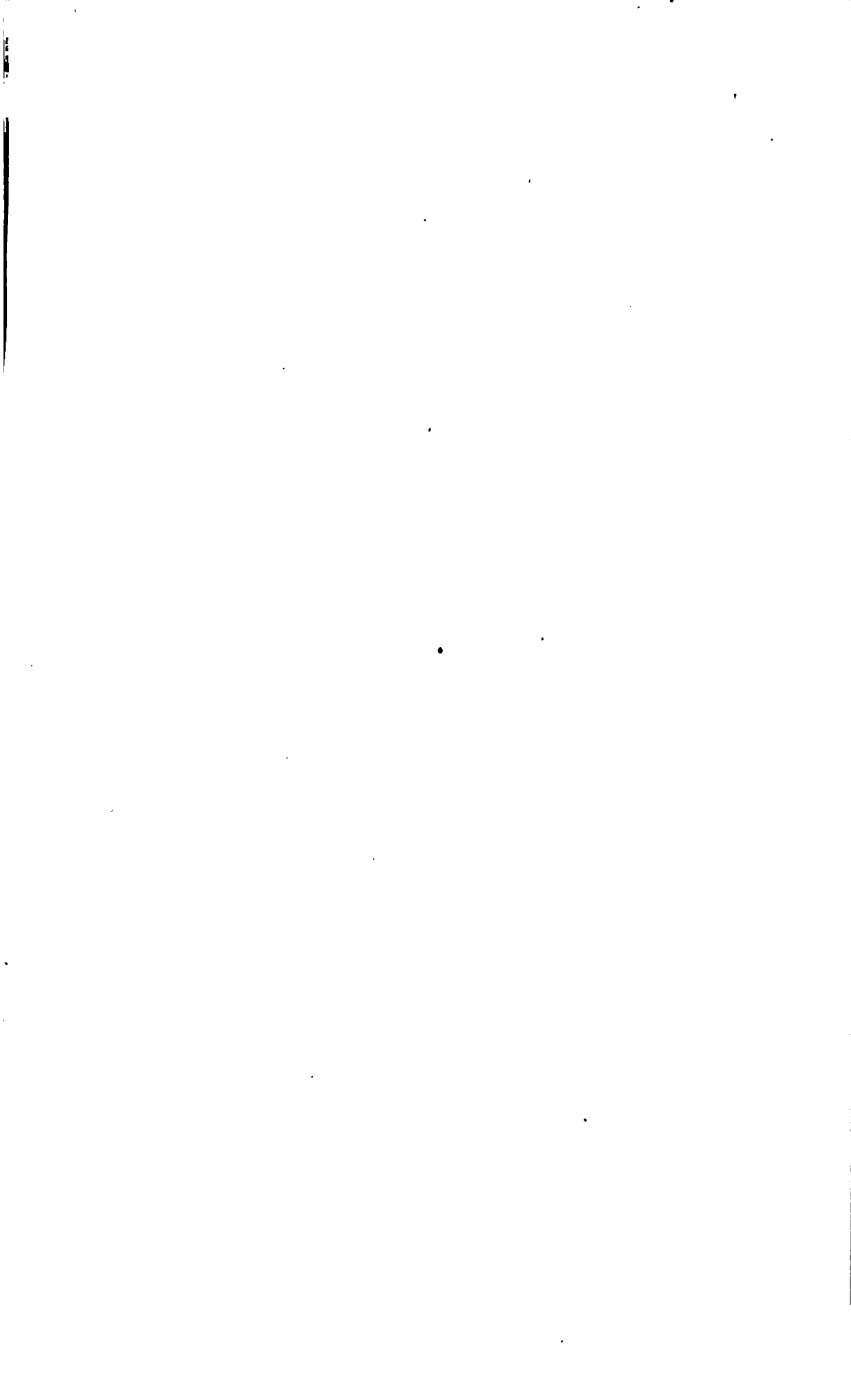


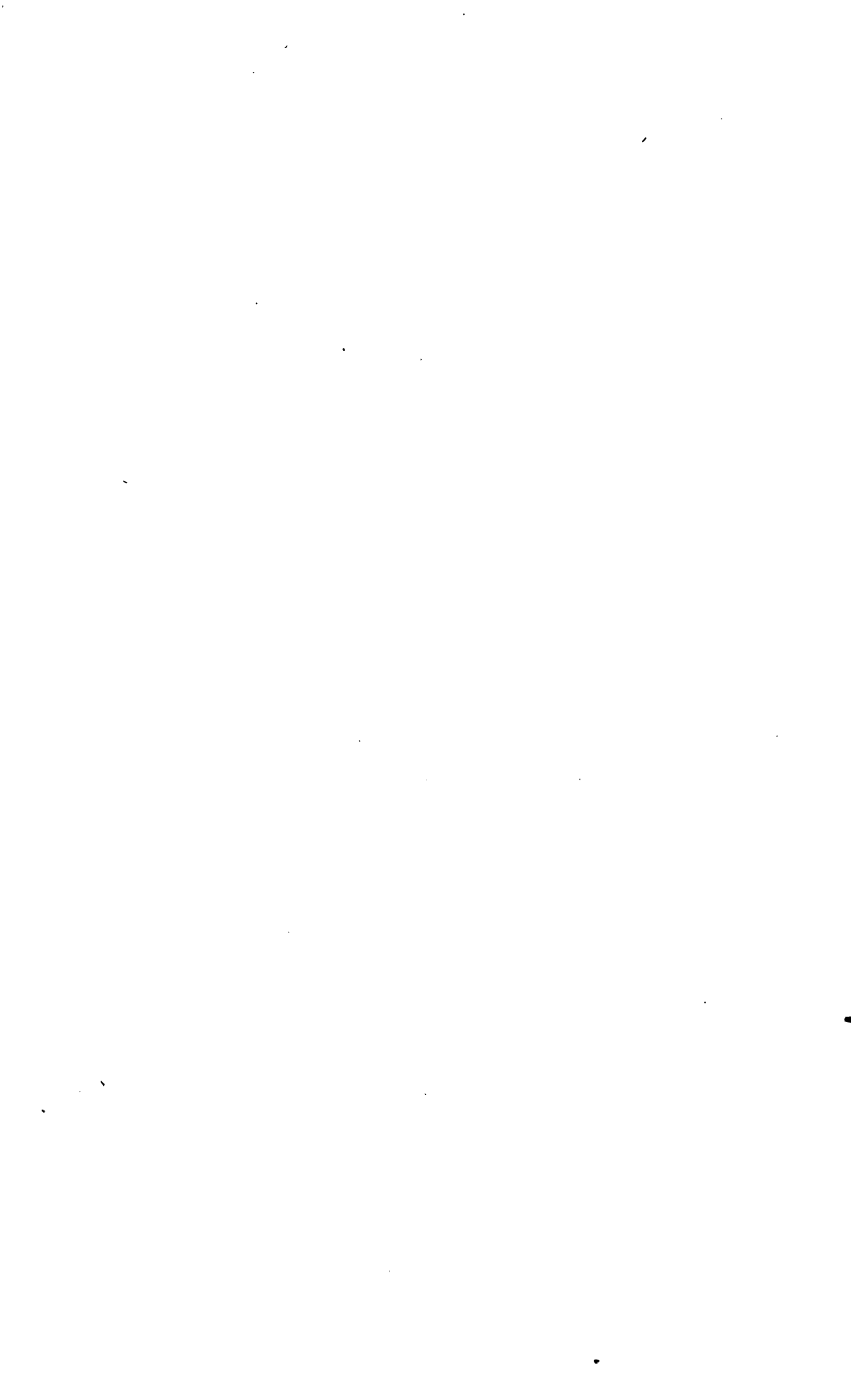


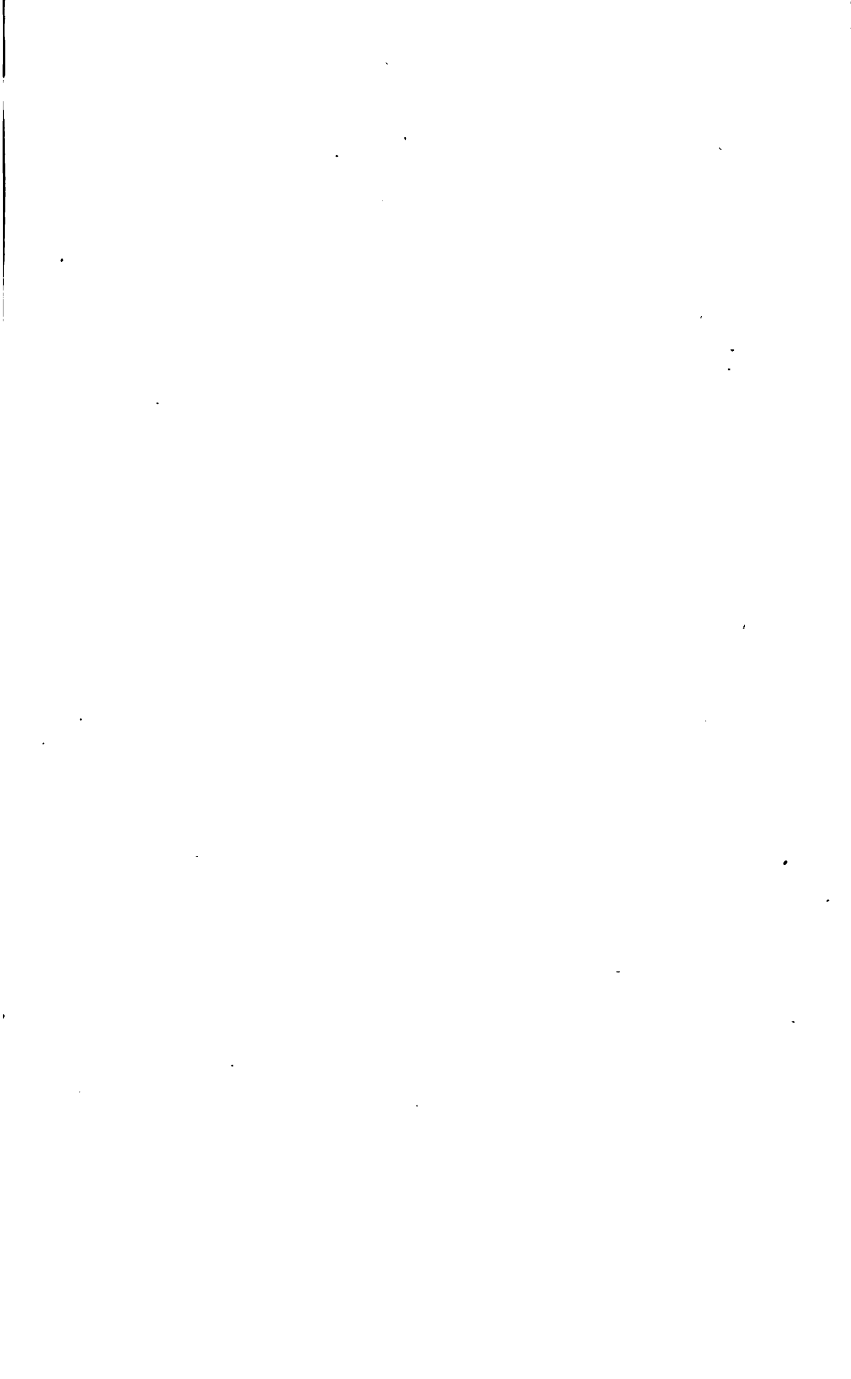


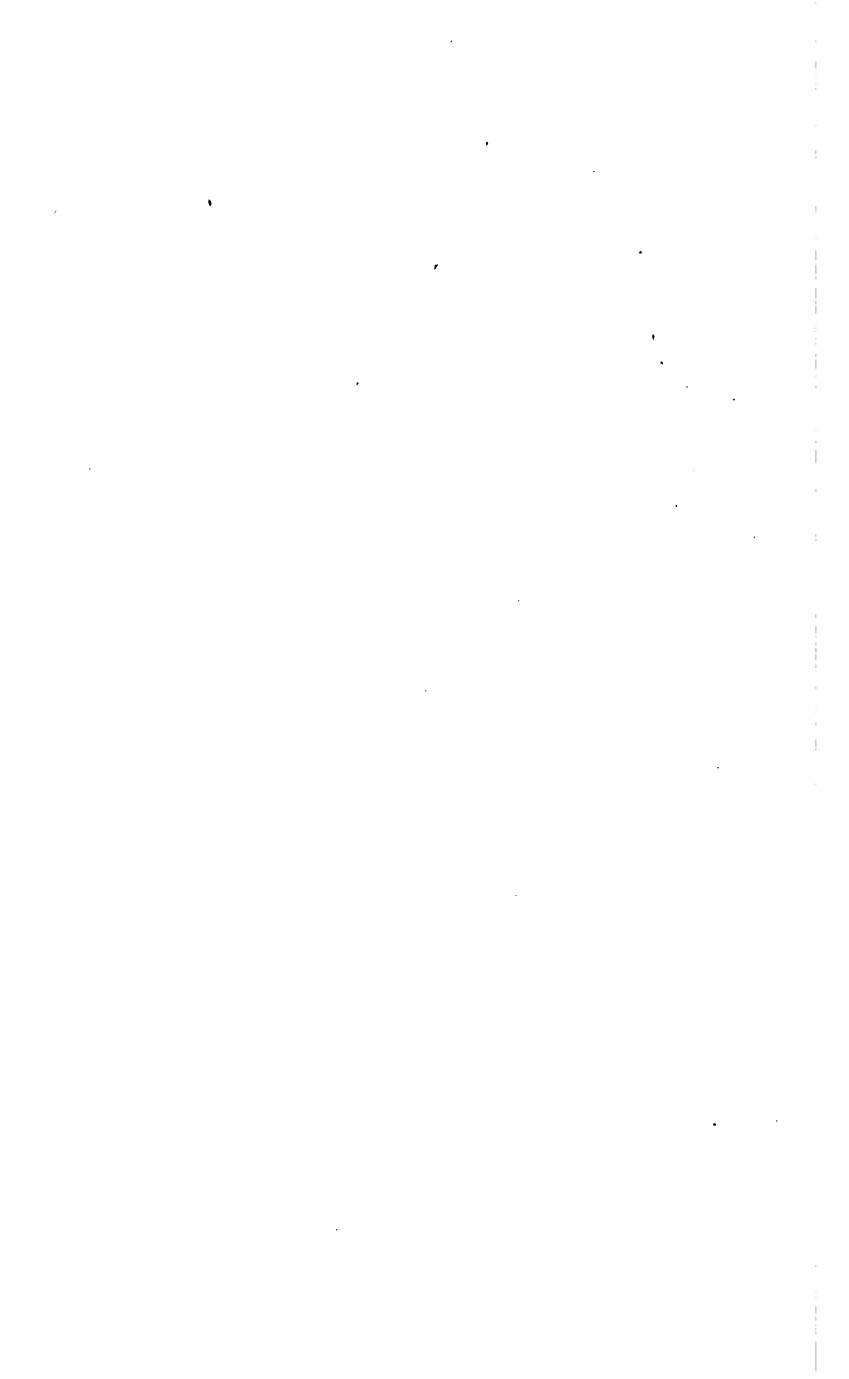


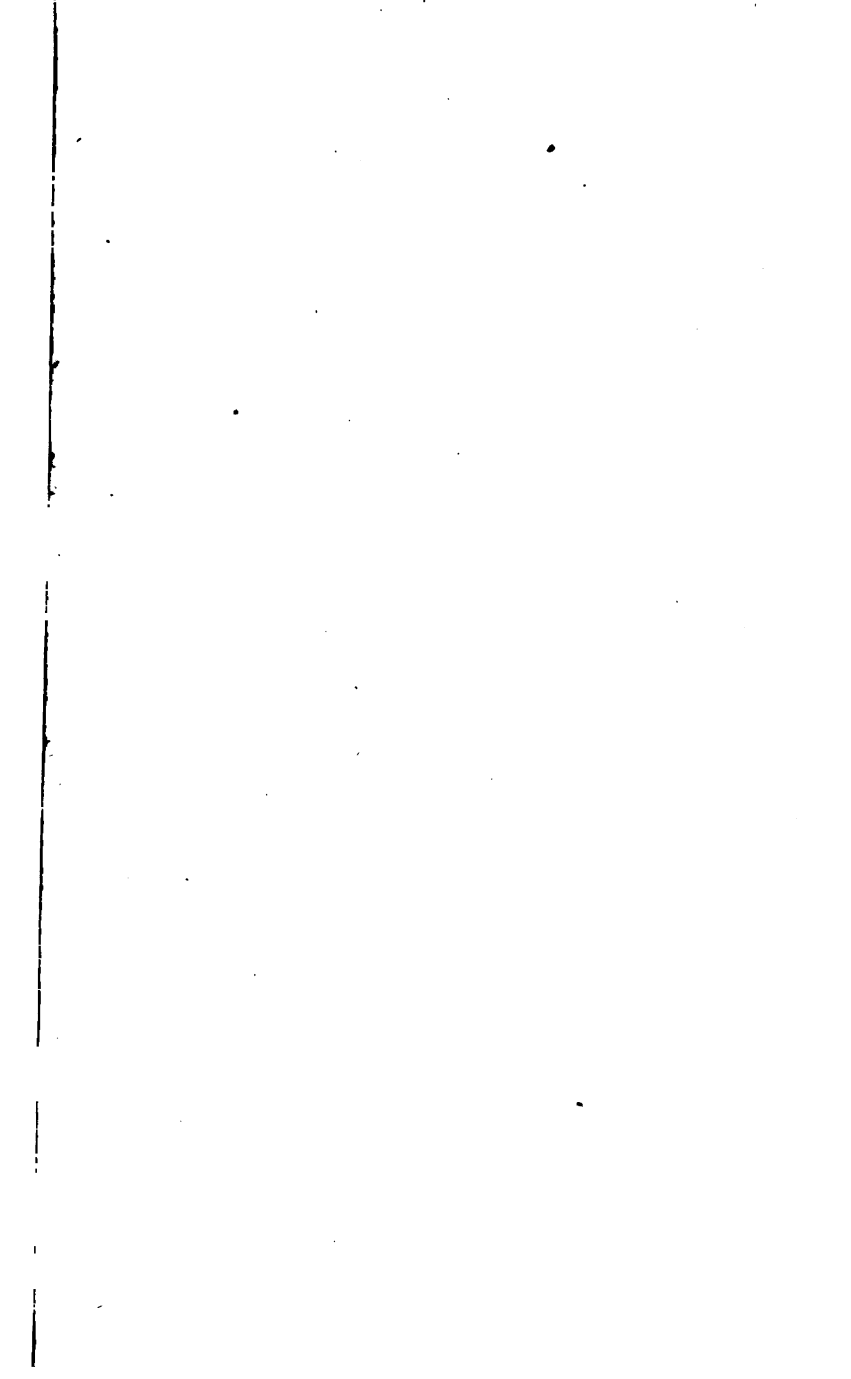


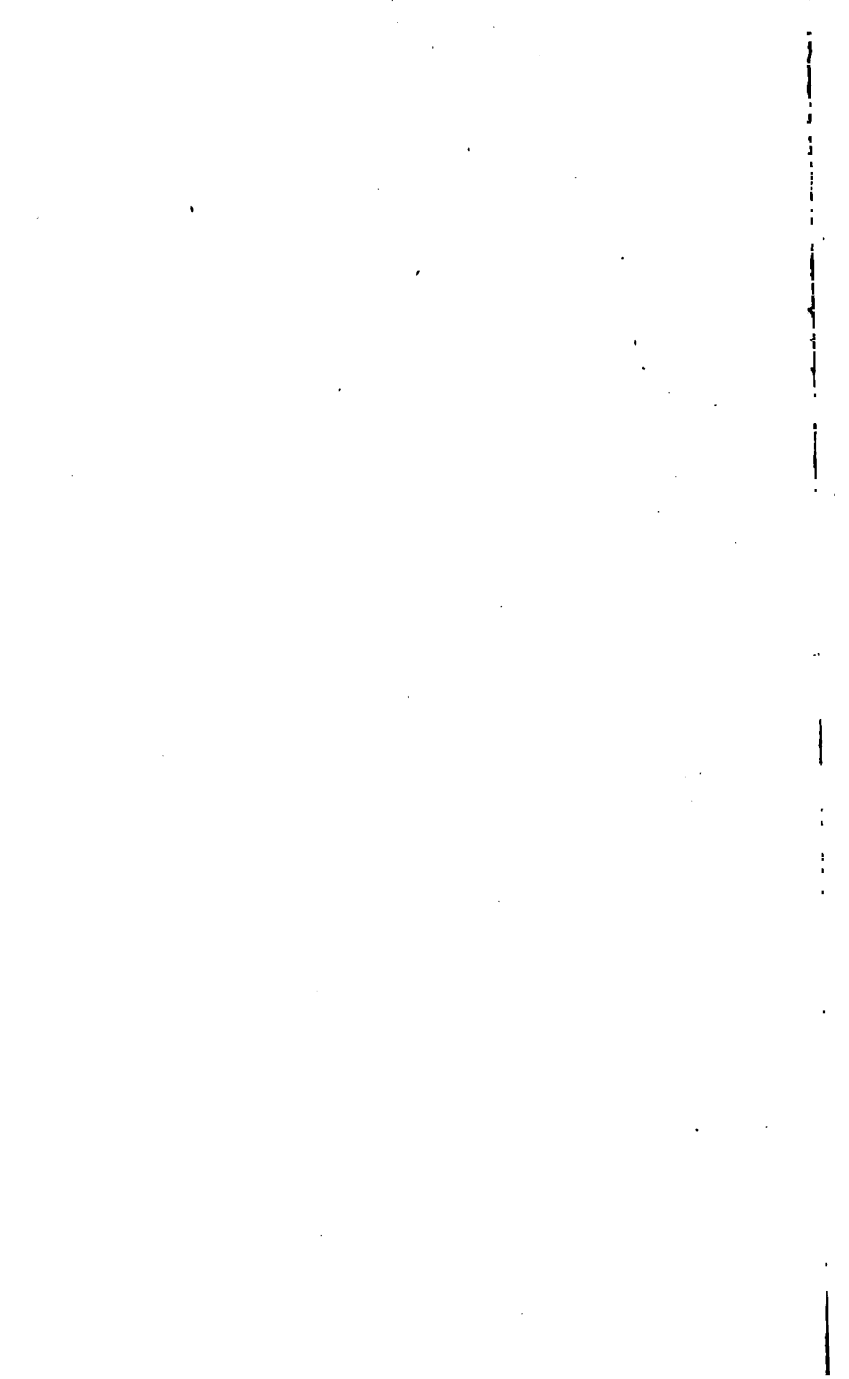


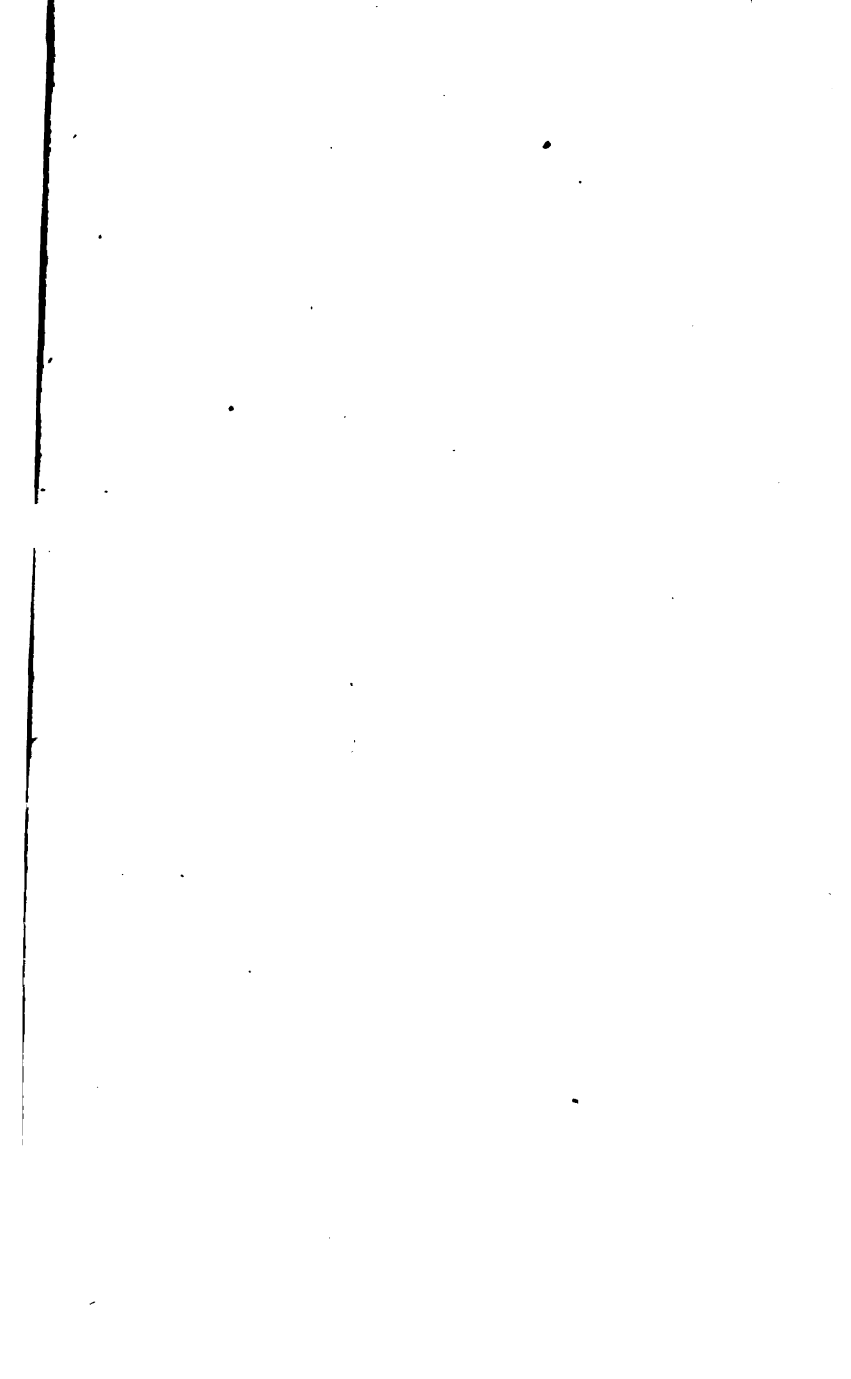


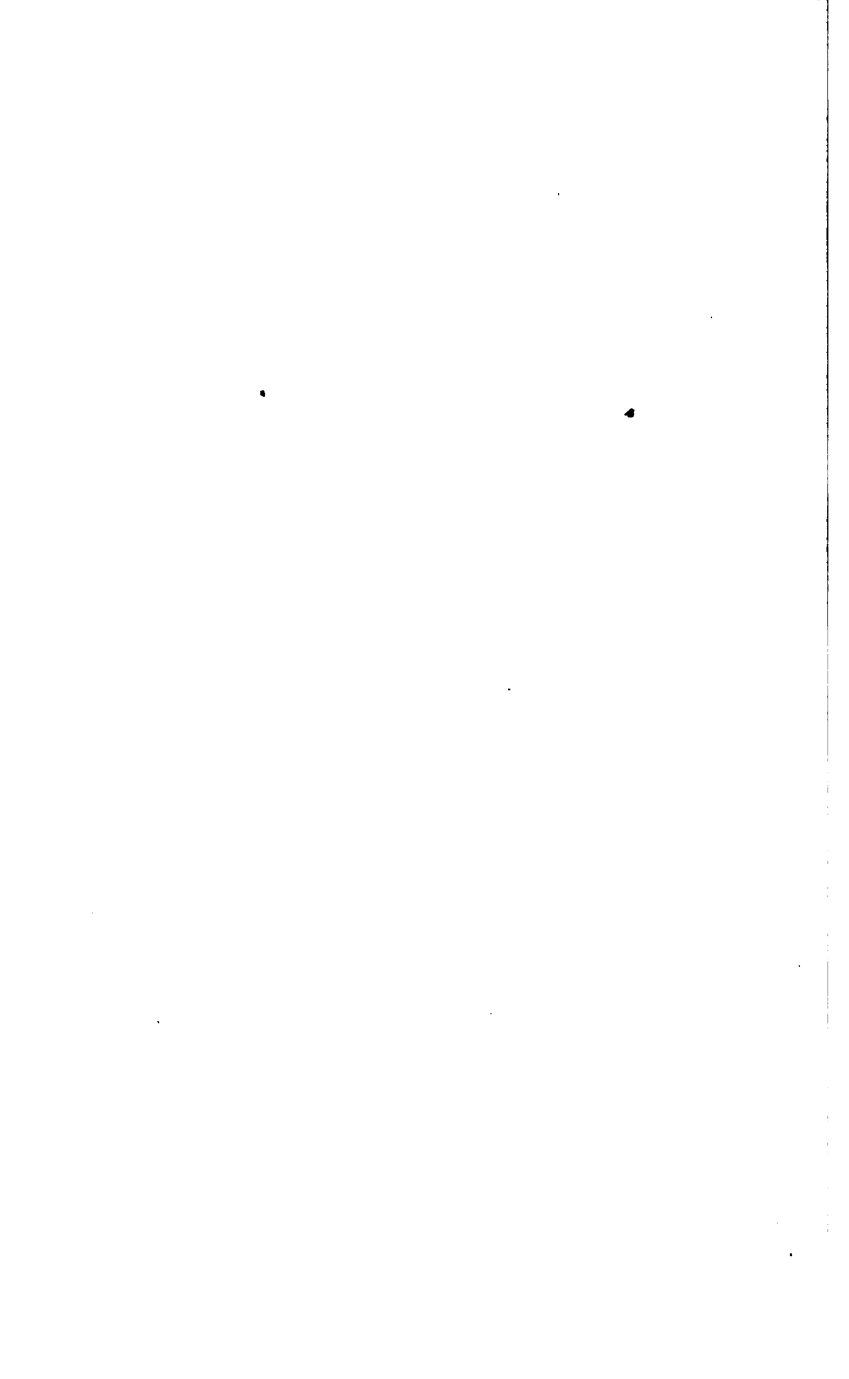


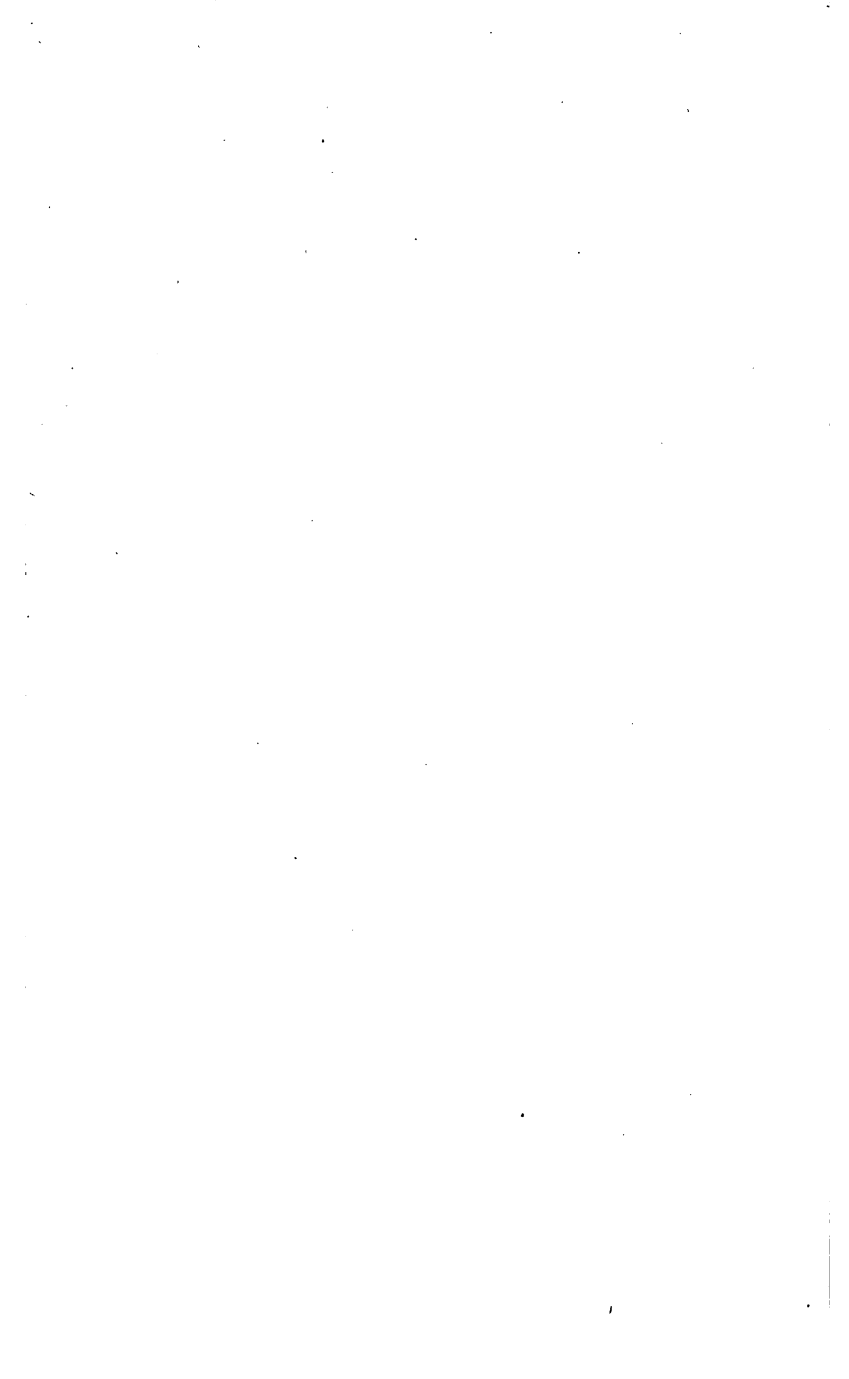












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