

ANNUAL REPORT
OF THE
PENNSYLVANIA AND OHIO CANAL.

IN SENATE — February 1, 1817.

To the General Assembly of the State of Ohio :

In accordance with the laws of the State, the Pennsylvania and Ohio Canal Company herewith presents its annual report, exhibiting the transactions of the company the past year, and its present financial condition.

Up to the present period, the books of the Treasurer show the following sums to have been paid and credited to various accounts, to wit :

| | |
|--|----------------|
| Cash credited to capital stock, - - - | \$1,270,299 21 |
| Do interest and exchange account, - - | 1,308 32 |
| Do for tolls and rents prior to 1846, - | 156,226 91 |
| Do for tolls and rents for 1846, - - | 27,895 20 |
| Do received on loan, but remaining unpaid, - | 412 00 |
| | ----- |
| Total amount of receipts at Treasury, - - | \$1,456,141 64 |
| | ----- |

The disbursements up to the same period, and cash on hand at the present time, are as follows :

| | |
|---|----------------|
| For work, including construction and repairs, - - | \$1,207,250 05 |
| For contingent expenses, - - - - | 116,072 76 |
| For damages and purchase of lands for water power, - | 40,850 97 |
| For dividends declared, - - - - | 73,601 00 |
| For amount charged delinquent stockholders, on sale of their stock, - - - - | 8,129 44 |
| For cash on hand at present time, (small portion uncurrent,) - - - - | 10,237 42 |
| | ----- |
| Aggregate amount of disbursements and cash on hand, - - - - | \$1,456,141 64 |
| | ----- |

The following is the amount of receipts and expenditures, as presented in the last annual report to the Legislature :

| | |
|---|-----------------------|
| Cash credited to stock, - - - - - | \$1,269,998 21 |
| Cash credited to interest and exchange, - - - - - | 1,284 92 |
| Cash credited for tolls and rents, - - - - - | 156,226 91 |
| Cash received on loan, then unpaid, - - - - - | 4,141 91 |
| | <hr/> |
| Aggregate amount of receipts, - - - - - | <u>\$1,431,651 95</u> |

Disbursements, and cash on hand :

| | |
|---|-----------------------|
| For work, - - - - - | \$1,195,134 62 |
| For contingencies, - - - - - | 113,189 17 |
| For damages, - - - - - | 40,358 08 |
| For dividends paid, - - - - - | 73,377 00 |
| For delinquent stockholders for stock sold, - - - - - | 8,129 44 |
| For cash then on hand—uncurrent funds, - - - - - | 1,463 69 |
| | <hr/> |
| Total amount of disbursements and cash, - - - - - | <u>\$1,431,651 95</u> |

By examination and comparison of these two accounts, it will be seen that the following sums have been paid into the Treasury, during the past year :

| | |
|--|-------------|
| For tolls and rents for 1846, - - - - - | \$27,895 20 |
| For cash credited to capital stock, - - - - - | 301 00 |
| For cash on interest and exchange account, - - - - - | 23 40 |
| To which should be added cash then on hand, uncurrent, - - - - - | 1,463 69 |
| | <hr/> |

Total amount of available funds for the past year, \$29,683 29

It will also appear from said accounts, that the following sums have been drawn from the Treasury, the preceding year :

| | |
|---|-------------|
| For construction and repairs, (increased amounts from last report,) - - - - - | \$12,115 43 |
| For contingent expenses, - - - - - | 2,883 59 |
| For damages and purchase of land, - - - - - | 492 94 |
| For dividends paid since last report, - - - - - | 224 00 |
| For payment, in part, of loan, as stated in last report, - - - - - | 3,729 91 |
| For cash on hand at present time, mostly current funds, - - - - - | 10,237 42 |
| | <hr/> |

Total amount of disbursements for 1846, and cash on hand, - - - - - \$29,683 29

The foregoing statement will show that there has been paid out, the past year, and charged to construction and repairs, and contingent expenses, the sum of \$14,999 02.

Of this sum, about five thousand dollars is properly chargeable to the erection of a new sawmill at Muddy Lake feeder, the past season, for the use of the company, and to original construction, for work done on the main line some years ago, the contract for which having been in litigation, was adjusted and paid the past year. This would leave about ten thousand dollars of the above expenditures for repairs, superintendence, and other contingent expenses of the company, on the entire line of canal, for the preceding year.

The contingent expenses of the company have been gradually diminishing since the canal was first put in operation, by reducing the number and compensation of its officers and agents, and by furnishing the superintendents with boats fitted up for boarding and lodging the workmen, and transporting them from one point to another with their utensils, wherever their services were needed to secure the work from injury where it was apprehended, or promptly to repair it when it occurred.

The officers proper, of the company, consist of a President, Secretary, Treasurer, and nine Directors, and these, with the Principal Engineer, and three collectors of toll, have received, altogether, from the company, for their services the past year, less than two thousand dollars.

Having erected two substantial sawmills, at different points on the canal, where there is an abundance of timber, the whole line can be furnished with all the lumber required for repairing locks, bridges, &c., at short notice, and at prices greatly reduced. Under this system of constant supervision of the whole line by the superintendents, with their workmen in boats, the weaker points are discovered and strengthened, extensive breaches often prevented, slight injuries promptly repaired, and the whole work kept in good repair, at an expense falling far below those of a similar character in other sections of the country.

No essential injury has been sustained by the canal from the unprecedented flood a few days since, which has been so destructive of dams, bridges, mills and other works in this vicinity, and throughout the State. From the best information obtained since the waters have subsided, it is estimated that about one thousand dollars will be required to repair all the damages thus incurred.

For the last two seasons, since the Beaver division of the Pennsylvania Canal has been completed to the Lake, we have been reluctantly compelled to reduce the rate of tolls (in conformity to that which was adopted at that time) far below what had been previously established by the Board of Directors, which in no instance exceeded that adopted by the Board of Public Works for the Ohio Canal during the same period. This new channel of communication from river to lake, commences at the mouth of the Big Beaver, on the Ohio river, about thirty miles below Pittsburgh, and passing along near the dividing line of the States, unites with Lake Erie at the town of Erie. From its junction with the Pennsylvania and Ohio Canal near Newcastle, about twenty miles from the Ohio river, to the town of Erie, the distance is about the same as by the latter to Cleve-

land. The lockage being less, and other facilities of communication with the upper lakes greater, by the Cleveland route, than by Erie, a large proportion of the commerce between the river and lakes would naturally seek this passage, were the charges of transportation the same. A small increase of these transit charges, by tolls or otherwise, on one route over the other, would be sufficient to neutralize these advantages, and turn this extensive trade into the less expensive channel.

Having the control of a portion only of this route to Cleveland, arrangements were made early in the spring of 1845, with the Board of Public Works of Ohio, by which many of the most important articles of commerce between the river and the lakes were to be subject to no higher rate of tolls on the Ohio Canal in passing from the river to Cleveland or vice versa, than should be established on the Pennsylvania and Ohio Canal. Having no desire of reducing the rates which had been previously fixed, overtures were made to the officers having charge of the Erie Extension, to adopt an uniform tariff of tolls on both. Failing to effect such an arrangement, and finding the rates adopted and published for that time materially lower than had been exacted and satisfactorily paid upon this, the Board of Directors, at the opening of navigation, made a reduction of nearly fifty per cent. of their former rates, on all articles passing through from the river to the lake, or the lake to river.

In most cases the tolls were yet higher than on the Erie Extension Canal; and on the Ohio Canal between Akron and Cleveland, with the exception of a few leading articles, were all subject to the payment of higher duties. Under all these disadvantages, the returns of the collectors for that year, as published in the annual report, will show that, in most of the articles which were subject to the same rate of tolls on the Ohio Canal as on this, there was a handsome increase of business, amounting in the aggregate to about thirty per cent., while by the reduction of tolls the gross receipts were diminished about seventeen per cent. on that of the preceding year.

Satisfied that this trade could be retained in its present channels, with fair competition and equal exactions, application was made to the Board of Public Works to procure a modification of the order adopted by them the year previous, so as to extend it to all articles passing through the entire line of this Canal, to the lake or the reverse. From information obtained from the agent making the application, it was supposed such modification had been effected, and it was so represented in the last annual report. When the order was published at the opening of navigation, it was found to embrace no other articles than the one of the preceding year, but changed the eastern point of discrimination in the rate of tolls from the junction, or river, to the town of Warren.

The object in making this change was to extend the same facilities of transportation to the lake, to the large iron, nail, and other manufacturing establishments located on the line of canal east of Warren as were proffered to those east of the junction. So far as this object was effected, it was judicious and unobjectionable. On other articles of

way-freight, such as wheat, salt, &c., its practical operation has been beneficial to Warren and the towns east, and prejudicial to the towns west of it. Such results are unsatisfactory to the Board of Directors, as well as to others, and should be avoided in all future arrangements. The desire of the directors is to fix upon a reasonable rate of tolls, not exceeding those on the Ohio canal, on all local business which cannot be diverted to any other channel, and still extend the same facilities to the immense carrying trade between the lakes and the river as other lines competing for it. In this policy the interest of the State and this company are the same. The question involved is not whether this trade shall be taxed a few dollars more or less, but it is emphatically whether it shall be retained at all, and subjected to any rate of tolls, or surrendered up to other competitors having less facilities, but who may be willing to submit to a greater reduction of duties. In the proper decision of this question the State has a much deeper interest than the Canal Company, inasmuch as all the business passing through this canal is introduced on to the Ohio Canal and passes thereon to Cleveland or to the different ports south.

In this way the revenue of the State is enhanced, by this improvement, doubly the amount it receives directly from the company by way of dividends.

So true, and so susceptible of proof is this position, that a reference only, to the reports of the Board of Public Works, for a few years past, will most strikingly confirm it. From these reports it will be seen that, up to 1840, the year this canal was first put in operation, the amount of tolls collected on the Ohio Canal, at Akron, was uniformly less than at any other office on the main line of that canal. In 1841, the year following, while the receipts at almost every other office were reduced in amount, from 1839, in Akron they were more than doubled, and since that time they have steadily increased at that office, until they exceed every other on the line, except Cleveland, although located the shortest distance from the lake, whereby the tolls would be less on the same amount of business than the offices south of it. It is further shown by these reports that, up to 1840, the aggregate amount of merchandise, iron, and nails which arrived at Cleveland, by the Ohio Canal, was about three hundred thousand pounds. In 1843 and 1844 the returns show that the arrivals of these articles amounted, in each year, to nearly twelve million of pounds. In 1844 these reports show that about four hundred ninety-five thousand barrels of flour arrived at Cleveland, via canal, of which two hundred ten thousand were cleared at Akron; of the nine hundred seventy-six thousand bushels of wheat arrived at Cleveland, two hundred sixty-four thousand bushels were cleared at Akron; of the eight hundred forty-nine thousand pounds of wool arrived, four hundred six thousand pounds were cleared at Akron; of one million ninety-nine thousand pounds of butter arrived, four hundred thirty-one thousand pounds were cleared at Akron; of one million three hundred thousand pounds of pot and pearl ashes arrived, seven hundred sixty-four thousand pounds were cleared at Akron; of five hundred forty thousand bush-

els of mineral coal arrived, five hundred ten thousand bushels were cleared at Akron.

By the returns of the collectors on this canal, at Warren and Youngstown, for 1846, embraced in this report, it will be found there has been cleared, the past year, more than twenty-two millions and a half pounds of merchandise, iron, nails, glass, sugar, and molasses: and by the returns of the collector at Akron it will be seen that nearly twenty million pounds of these articles arrived at that place, most of which must have passed down the Ohio Canal to Cleveland, or to other parts on that canal, south.

These facts show conclusively the large amount of revenue derived from this work to the State, beyond the dividends of the company, and the importance of adopting proper measures to retain this trade in its present channels. Efforts are now in progress to secure, through the officers of the Erie Extension Canal Company, a uniform and liberal rate of tolls for both canals. Should this be effected and a tariff adopted equal to that on the Ohio canal, no other arrangements will be necessary with the Board of Public Works, than that the same allowance for distance in passing upon this canal shall be extended to it as they shall provide for other canals of the State.

If such arrangements cannot be effected through the officers of the Erie Canal Company, it will become indispensable to the retention of this trade in its present channels, that the tolls on the Ohio Canal between Akron and Cleveland on all property passing through the entire line of this canal shall conform to those established by this company on their line for the same articles, which shall be duly notified to the collectors at Akron and Cleveland. It will also be desirable to provide that iron, nails, and flour, as far east as Niles, shall be subject to the same regulations. With either of these alternatives, the Board of Directors have full confidence not only of maintaining their present business, but of greatly increasing it. The annual returns of the collectors show a constant increase of business on the canal from year to year since it was first opened.

Notwithstanding the great reduction in the rates of tolls made in 1845 and 1846 to conform to those on the Erie Extension, amounting to more than sixty per cent. on the previous rates, still the increase of business has prevented the gross amount of receipts from falling more than seventeen per cent. below that of former years.

By referring to the last annual report, it will be seen that in 1844 and 1845, about fifty thousand dollars were expended in the construction of feeders from Muddy and Sandy Lakes. If this income from the canal could have been appropriated to dividends, it would have amounted to four per cent. on the capital stock, and with the dividend of one per cent. in 1844, and the present dividend of the same amount, would have been equal to two per cent. per annum for the last three years, over and above the expense of superintendence and repairs; a net income, it is believed, greater than any of the public works of the State have yielded within the first six years after their completion.

In taking into consideration, however, the interests of the State involved in this enterprise, this work should be credited for all the business it introduces to the Ohio Canal, which never had, and never would reach any of the public works of the State through any other channel.

This additional business may be readily ascertained by taking the increased amount of tolls received at its office in Akron in 1841, the year after this canal was first opened, compared with the amount received at the same office in 1839, the year before it was opened.

The reports of the Canal Commissioners and Board of Public Works for a series of years present the following facts: that in 1839 the gross amount of receipts of all the collectors on the Ohio Canal was \$423,599, of which \$17,007 was received by the collector at Akron. That in 1841 the gross amount was \$416,202, of which \$35,191 was paid at Akron. In 1843, the gross amount was \$322,844, of which \$36,307 was received at Akron. In 1844 the gross amount was \$343,710, of which \$39,577 was paid at Akron.

These recorded facts clearly show that notwithstanding there has been a gradual falling off in the aggregate amount of receipts of all the other offices, they were increased at Akron, the first year more than eighteen thousand dollars, and in 1844 more than twenty-two thousand, by the additional business thrown upon it by this canal. This increased amount of receipts has been a yearly income to the State derived from this work in addition to the dividends received. Whatever reasons individual stockholders may have for disappointment and regret at the tardy and inadequate returns on their investments, it is confidently believed that the State of Ohio has embarked in no public enterprise of a similar character, which has yielded a more adequate return on its investment than this. To insure a continuance of these results, the same liberal and protecting policy should be extended to it by the public agents of the State it has heretofore received. Having funds on hand nearly sufficient to pay a dividend of one per cent., the Board of Directors have appropriated it for that purpose. A draft for the proportion coming to the State \$4,200, has been transmitted to the Auditor of State.

Respectfully submitted on behalf of the Directors.

LEICESTER KING, *Pres't.*

OFFICE OF THE PENN. & OHIO CANAL COMPANY,
Warren, January 21, 1847.

Statement of the principal Articles cleared on the Pennsylvania and Ohio Canal, at Youngstown, during the years 1845 and 1846.

| Articles. | 1845. | 1846. |
|----------------------------------|------------|------------|
| Barrels— | | |
| Flour ----- | 5,241 | 4,690 |
| Pork ----- | 425 | 146 |
| Beef ----- | -- | 13 |
| Fish ----- | 89 | 99 |
| Whisky ----- | 222 | 484 |
| Salt ----- | 532 | 119 |
| Bushels— | | |
| Wheat ----- | 17,154 | 7,568 |
| Barley ----- | 111 | 439 |
| Corn ----- | 96 | 538 |
| Oats ----- | 4,302 | 702 |
| Flaxseed ----- | 1,926 | 10,982 |
| Coal ----- | 29,812 | 140,588 |
| Pounds— | | |
| Pork and bacon ----- | 62,192 | 107,892 |
| Lard ----- | 29,197 | 2,717 |
| Butter ----- | 326,013 | 191,081 |
| Cheese ----- | 243,827 | 166,342 |
| Dried fruit ----- | 57,895 | 97,571 |
| Pot and pearl ashes ----- | 425,770 | 261,012 |
| Wool ----- | 167,144 | 134,754 |
| Feathers ----- | 2,710 | 3,216 |
| Hides and skins ----- | 30,783 | 42,528 |
| Merchandise, furniture, &c ----- | 2,003,392 | 1,823,471 |
| Iron, nails, spikes, &c ----- | 12,017,361 | 14,746,572 |
| Sugar, molasses, and glass ----- | 5,406,823 | 5,114,023 |
| Machinery ----- | 7,196 | 55,580 |
| Agricultural implements ----- | 8,114 | 12,647 |
| Pottersware ----- | 41,298 | 37,388 |
| Pig iron ----- | 507,720 | 1,000,594 |
| Iron ore ----- | 70,000 | 1,255,877 |
| Number— | | |
| Perches lime and stone ----- | 681 | 887 |
| Feet lumber ----- | 194,051 | 234,181 |
| Shingles ----- | 1,000,780 | 676,000 |
| Split and flat hoops ----- | 18,570 | 168,700 |
| Staves and heading ----- | 42,920 | 70,000 |
| Brooms ----- | 4,766 | 15,682 |
| Brick ----- | 22,592 | 33,550 |
| Cords of wood ----- | 98 | 90 |
| Empty barrels ----- | 823 | 1,626 |
| Passengers ----- | 2,986 | 3,503 |
| Miles conveyed ----- | 129,376 | 145,209 |

Statement of the principal Articles cleared on the Pennsylvania and Ohio Canal, for 1845 and 1846, at Warren.

| Articles. | 1845. | 1846. |
|-----------------------------------|-----------|-----------|
| Barrels— | | |
| Flour ----- | 1,974 | 2,793 |
| Pork ----- | 535 | 547 |
| Beef ----- | 115 | 124 |
| Fish ----- | 20 | 29 |
| Whisky ----- | -- | 46 |
| Cider ----- | -- | 34 |
| Salt ----- | 60 | 251 |
| Bushels— | | |
| Wheat ----- | 6,818 | 4,782 |
| Oats ----- | -- | 140 |
| Flaxseed ----- | 3,061 | 10,050 |
| Clover and grass seed ----- | -- | 60 |
| Coal ----- | 290,278 | 480,794 |
| Pounds— | | |
| Pork and bacon ----- | 4,390 | 19,819 |
| Butter ----- | 238,217 | 207,208 |
| Cheese ----- | 3,995,375 | 4,763,723 |
| Dried fruit ----- | -- | 172,876 |
| Pot and pearl ashes ----- | 971,653 | 825,657 |
| Wool ----- | 174,261 | 159,292 |
| Hides and skins ----- | 32,612 | 81,416 |
| Merchandise, furniture, &c. ----- | 306,125 | 340,947 |
| Iron, nails, tobacco, &c. ----- | 419,571 | 879,037 |
| Sugar, molasses, glass, &c. ----- | 10,559 | 25,026 |
| Machinery ----- | -- | 41,114 |
| Agricultural implements ----- | 1,196 | 36,691 |
| Pottersware ----- | -- | 17,114 |
| Iron ore ----- | 570,000 | 992,019 |
| Pig iron ----- | -- | 374,800 |
| Sundries ----- | 19,948 | 19,780 |
| Number— | | |
| Feet lumber ----- | 163,587 | 477,317 |
| Perches stone ----- | 236 | 257 |
| Shingles ----- | 150,500 | 143,000 |
| Hoops ----- | 431,100 | 507,300 |
| Staves and heading ----- | 318,350 | 88,317 |
| Empty barrels ----- | 1,527 | 3,410 |
| Passengers ----- | 1,867 | 2,342 |
| Miles conveyed ----- | 55,620 | 69,797 |

LIST of the principal articles arrived and cleared at Akron, on the Pennsylvania and Ohio Canal, in 1845 and 1846.

| Articles. | 1845. | | 1846. | |
|---|-----------|-----------|------------|-----------|
| | Arrived. | Cleared. | Arrived. | Cleared. |
| Barrels — | | | | |
| Flour, - - - - - | 29,006 | 1,441 | 31,562 | 433 |
| Pork, - - - - - | 1,700 | 34 | 1,768 | 28 |
| Beef, - - - - - | 76 | 4 | 516 | 280 |
| Fish, - - - - - | 9 | 1,573 | 39 | 1,834 |
| Salt - - - - - | ..... | 10,961 | 8 | 13,819 |
| Whisky, - - - - - | 38 | 422 | 150 | 866 |
| Oil, - - - - - | 1,329 | 28 | 1,074 | 142 |
| Bushels — | | | | |
| Wheat, - - - - - | 2,740 | 82,160 | 6,706 | 35,747 |
| Rye and barley, - - - - - | ..... | 5,262 | 80 | 7,931 |
| Corn, - - - - - | ..... | 23,803 | 160 | 5,492 |
| Oats, - - - - - | 2,395 | 9,364 | 511 | 3,703 |
| Grass seed, - - - - - | 96 | 1,155 | 100 | 203 |
| Flaxseed, - - - - - | 7,471 | 7,320 | 3,026 | 1,185 |
| Coal, - - - - - | 527,483 | ..... | 536,567 | ..... |
| Coke, - - - - - | 10,973 | ..... | 18,812 | ..... |
| Bran and shorts, - - - - - | 4,223 | 21,421 | ..... | 19,942 |
| Pounds — | | | | |
| Pork and bacon, - - - - - | 65,348 | ..... | 37,251 | 5,070 |
| Butter, - - - - - | 146,990 | 4,543 | 311,244 | 16,160 |
| Cheese, - - - - - | 521,856 | 85,393 | 415,489 | 12,677 |
| Dried fruit, - - - - - | 43,794 | 4,403 | 83,545 | 8,639 |
| Sugar, glass, &c. - - - - - | 3,892,454 | 49,000 | 3,873,042 | 329,095 |
| Pot & pearl ashes, salaratus, - - - - - | 412,740 | 909,169 | 290,263 | 289,735 |
| Wool, - - - - - | 153,222 | 12,976 | 235,581 | 20,911 |
| Lard, - - - - - | 17,417 | 63,150 | 13,679 | 39,846 |
| Merchandise, - - - - - | 1,097,786 | 1,235,243 | 1,168,273 | 1,223,811 |
| Furniture and extra baggage, - - - - - | 407,857 | 139,344 | 279,849 | 206,576 |
| Scrap & pig iron, & castings, - - - - - | 21,379 | 1,713,528 | 201,018 | 2,063,982 |
| Iron, nails, &c., - - - - - | 9,943,601 | 25,016 | 14,174,138 | 260,547 |
| Marble, - - - - - | 2,794 | 189,000 | 280 | 313,648 |
| Rags, - - - - - | ..... | 98,282 | ..... | 47,947 |
| Gypsum, - - - - - | ..... | 635,142 | ..... | 289,467 |
| Tobacco, - - - - - | 200,000 | 28,927 | 117,752 | 96,186 |
| Machinery, - - - - - | 22,217 | 35,650 | 35,252 | 45,286 |
| Sundries, leather, &c., - - - - - | 42,044 | 74,440 | 156,913 | 228,871 |
| Flax, - - - - - | ..... | ..... | 31,481 | ..... |
| Oil cake, - - - - - | ..... | ..... | 304,155 | ..... |
| Iron ore, - - - - - | 1,756,407 | ..... | 1,748,919 | ..... |
| Number — | | | | |
| Feet lumber, - - - - - | 569,523 | 65,075 | 358,200 | 106,648 |
| Hoops and staves, - - - - - | 337,000 | ..... | 302,000 | 118,200 |
| Empty barrels, - - - - - | 507 | 516 | 1,809 | 2 |
| Shingles and lath, - - - - - | 907,550 | 223,529 | 275,170 | 107,750 |
| Passengers, - - - - - | 1,603 | ..... | 1,234 | ..... |
| Miles conveyed, - - - - - | 96,350 | ..... | 74,821 | ..... |