

ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

CENTRAL PACIFIC RAILROAD CO.

TO THE

STOCKHOLDERS.

FOR THE YEAR ENDING DECEMBER 31st, 1878.

SAN FRANCISCO:

H. S. CROCKER & CO., STEAM BOOK AND JOB PRINTERS

401 and 403 Sansome Street, corner of Sacramento Street.

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Central Pacific Railroad Photographic History Museum

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REPORT.

OFFICE CENTRAL PACIFIC RAILROAD CO.

SAN FRANCISCO, July 22, 1879.

The Directors herewith submit to the Annual Meeting of the Stockholders of the Central Pacific Railroad Company such reports of subordinate officers as will give a general résumé of the operations of the road for the year 1878, and a particular account of the condition of the Company's property and financial condition on December 31st of the same year.

Your careful attention to these reports is invited.

The capital stock authorized is	\$ 100,000,000 00
The capital stock subscribed is	62,608,800 00
The capital stock paid in is	54,275,500 00
Of the amount subscribed there is held in trust for the Company.....	8,333,300 00

INDEBTEDNESS.

The debts of the Company are :

Funded Debt.....	\$ 56,394,000 00
Less Sinking Funds	3,296,259 72
	<hr/>
	\$ 53,097,740 28
United States Subsidy Bonds.....	27,855,680 00
Balance of Accounts.....	1,819,486 69
	<hr/>
Total.....	\$ 82,772,906 97

For detailed statement of funded debt, see Secretary's report hereto appended—Table No. 2.

ASSETS.

The assets of the Company are :

1,214 miles main line of railroad and telegraph, with all necessary sidings, turnouts, switches, turn-tables, depots, depot buildings, round- houses and snow-galleries ; also, wharfs, slips, piers and steamers for ferries at San Fran- cisco .....(cost)	\$134,650,527 89
Equipment for same — locomotives, cars, snow- plows, etc. ....(cost)	7,956,113 66
Real estate purchased for use of road (cost)	1,480,267 67
Shops and machinery (cost)	1,692,152 73
Telegraph instruments, furniture, safe, etc., at sta- tions and offices .....(cost)	154,499 38
Sacramento River Steamers .....(cost)	644,840 60
Material on hand :	
For track repairs.....	342,884 92
In shops for constructing and repairs, per in- ventory .....(cost)	808,319 25
In store of supply department, per inven- tory .....(cost)	18,353 58
Fuel on hand, per inventory .....(cost)	498,381 61
Farming lands—estimated value.....	30,000,000 00
Undivided half 60 acres land in Mission Bay, in San Francisco; 500 acres water front at Oak- land; about 140 acres and water front at Sacramento; estimated value, independent of improvements.....	7,750,000 00
Cash	1,508,702 74
Total	\$187,505,044 03

The reports of the heads of Departments, submitted herewith, are, as usual, so complete, that in them you possess full details of the affairs of the Company.

Upon examination, you will perceive that there has been an increase of business during the past year. Although that increase has not been as great as you might have reasonably expected, yet, when you consider the vastness of our country, and its undeveloped

resources, you may anticipate, as time advances, a greater and greater increase of traffic. When the arts and sciences of China and Japan shall be supplemented with those of Europe and America, the people of these countries will be, in their productive capacity and in their readiness and ability to exchange, substantially equal to the same number of Europeans or Americans. No man can estimate what the business from that source will be, but it will be vast—probably far beyond what the most sanguine now anticipates. On the whole, the prospects of your Company are now as bright as ever they were, and since the time when your road made its junction with the Union Pacific, its future has been steadily brightening.

Since your last annual meeting, the Supreme Court of the United States has decided the “Thurman Bill” to be constitutional in its provisions. That bill assumes to dispose of the net income of your Company. The new constitution of the State provides for the control of the gross income by three commissioners. The two seem to be entirely inconsistent, for the control of the net income would appear necessarily to carry with it the control of the gross, so as to permit the possibility of a net. The commissioners elected under the new Constitution may so control the gross income as to leave no net.

In this there is a manifest conflict of jurisdiction, and a judicial decision determining between these two mighty and conflicting powers is necessary for the protection of the interests of the Stockholders and the creditors of the Company.

There is no foundation in good reason for the attempts made by the General Government and by the State to specially control your affairs. It is a question of might, and it is to your interest to have it determined where the power resides. Perhaps it is not strange that the attempt should be made to control the railroads of the State, however unwise it may be, or however arbitrary and absolute the manner, because upon them depends so largely the question of production, and the exchange of the products of the labor of the citizens of the State. Through the aid of the telegraph, the printing press and of steam, the whole civilized world is, in many respects, one great neighborhood; and the only question to be considered in the matter of the free exchange of the products of the most extreme portions, is that of transportation. The products, the wealth of the country, depend upon the cheapness of transportation. It is a problem that interests all, and particularly the managers of railroads.

In illustration: In this State, hitherto, the law has allowed a maximum charge of fifteen cents per ton per mile for freight. Your Company in many cases has been compelled to carry goods below that rate, and in doing so its first regard, as with all well regulated companies and individuals, has been the financial result of its business. Every reduction below the legal maximum of fifteen cents per ton per mile, is a discrimination in a measure forced upon the Company by distance, the character and value of the products moved, the community of interests between the producer and the carrier, and by competition. Other factors of minor importance not necessary to mention also enter into consideration, but these are the chief causes. Discrimination, in one sense, may be said to be made only upon compulsion, and always against the carrier, as he would not take less than his maximum rate unless forced to do so by some of the causes above stated. Discrimination against an individual or a community is a thing unknown.

The discrimination most prejudicial to the interests of the Company is that which arises from competition by other carriers, which forces the acceptance of a lower rate than could otherwise be wisely obtained; yet it is better to accept a low rate, even though it pay but one penny over the cost of movement, when that is all that can be obtained, than not to move the particular freight. For this reason, oftentimes where there is vigorous competition, the carrier finds it necessary to carry freights at less rates for a longer than for a shorter distance. To illustrate: Freight is carried by rail from San Francisco to Los Angeles at the present time for a less rate than to some intermediate points. This the Railroad Company is compelled to do to meet competition by ocean carriers, Los Angeles being a competing point. The rates to the intermediate points, however, are not affected at all by this competition, being neither raised nor lowered thereby. By this competition the real loser is the carrier, the competing point having all the benefit. The greater the competition between two points, the lower the rates and the smaller the profits of the carrier. Points where there is no competition, however, cannot justly claim the concessions which better located places can demand, but must pay the ordinary rates for carriage. In some cases the non-competitive point might be injured, because of the superior business location of the competing point, but that is not the fault of the carrier. A case in point has recently been brought to public attention in New York. Goods are sometimes, through the force of competition, carried from Chicago to New York City at a less rate than from

Rochester to New York. Rochester is situated upon the line of the New York Central Railroad, with great natural milling facilities, and with a long established business of that kind. It has been paying to the Railroad Company a fair compensation for transportation. The Rochester miller buys his wheat in Chicago, transports it to his mill to be ground and then ships it to New York to the same market which receives the wheat and flour of the Chicago dealer. Chicago is a great railroad center and a competing point with several of the great trunk lines leading to the seaboard, and between these lines competition is very strong. The New York Central, in order to get business from Chicago, is compelled, therefore, to its great loss, to bid against the other roads, and sometimes to accept a less rate for carrying grain and flour to New York City than is charged from Rochester, an intermediate, non-competitive point. In this case, while the railroad is the great sufferer, because its road is in operation and must take what it can get, even if there be no profit, the Rochester miller suffers with it. He finds, for the time, his profits destroyed or materially lessened; not because his own rates are too high, but because of the low rates prevailing between Chicago and New York. Somebody living at a competing point enjoys advantages he has not, and no legislation, no expenditure of money can equalize localities having different natural advantages; as between such nature herself has discriminated.

San Francisco, located as it is, upon the Bay of San Francisco, has an open highway for her products to almost every market in the world. As a seller, she has the advantage of the competition of purchasers, and as a buyer she has the same advantages of all markets at which to buy cheapest. She avails herself of competition. She profits by it, as people always do. She discriminates in her markets and in her routes of transportation; and so it is that San Francisco is a large, prosperous, commercial city, and is located upon this peninsula because of its great, natural advantages. She is able because of her location, to substantially dictate the price she will pay to the railroad companies for the transportation of freight from one ocean to the other. She has a route by the way of Cape Horn, another by way of the Isthmus of Panama, and the prices she pays the railroad companies are regulated by what she can command from these routes. In fact, the railroad company, aside from the one class of freight which pays the maximum, has no power to arbitrarily fix the prices of freights. They are fixed by circumstances which the railroad company cannot control. About seven per cent. only of

the freight moved upon your road pays the maximum, and probably the price to the consumer is not increased upon a single pound of this class of freight because of any charges made by your Company. In managing their business, railroad companies are influenced by a consideration of their own interests, the same as all corporations and all individuals. When, from any circumstances, the price of grain in Europe is high, and European purchasers are in the market as competitors with our own purchasers for the commodities of our State, we find the farmer takes advantage of that competition and obtains from the home purchaser a price equal to that which the foreign purchaser offers. In this way the farmer sometimes obtains double the price for the product of his farm that he would have received if it were not for this competition. In like manner, competition is availed of by all classes of people in all kinds of business, and it is a factor that must be considered and cannot be denied to any corporation or person, except at the expense of the business.

Again, referring to our local business here : at Los Angeles, under the new Constitution, the railroad company will be deprived of that freight business, absolutely. It is not large, in itself, and not therefore of very serious importance to the railroad company, but it practically deprives the people of Los Angeles of railroad freighting—perhaps of the use of the railroad entirely. When we reflect that the whole question of production, the exchange of products, and commerce, itself, is dependent upon transportation, it seems strange, indeed, that investments which tend to facilitate and cheapen it by offering additional accommodations or by increasing competition which increase and develop the resources of the country, should be discouraged or hampered, and their profits limited—possibly destroyed. It would seem that wise statesmanship requires that a business of this kind, which harms nobody, but which almost always tends largely to the benefit of the commonwealth, even though the stockholders should fail to reap the anticipated profits, would be encouraged, and, if regulated at all, that the State should provide a guarantee against loss of profits because of such regulation. It would seem but fair that if the State should regulate any legitimate business, so as to endanger its profits, it should make such a guarantee, and such will be the conclusion of a wiser statesmanship than was exhibited in the formation of the new Constitution. Your Company, however, has little to apprehend from the illy-digested and illy-considered article in the new Constitution, providing for the election

of commissioners with autocratic powers, because the Act of Congress authorizing the construction of your road has given to you the regulation of your own freights and fares up to a certain point, as appears in section 18 of the Act of July 2, 1862. If the commissioners should be inclined to rule hardly against the railroad companies, the interests of the State (which cannot be developed fairly except through the construction and operation of many more miles of railroad than it now has,) will require that they shall practically do no injury to existing railroads; because, if they do there will surely be no further construction of railroads in this State, for no capitalists can be found so reckless as to make investments where the gross proceeds are to be regulated by somebody aside from those who make the investment and who may be the owners.

This question of transportation is not settled by the new Constitution. It is so important that it will never be settled except upon a just and wise basis. This the new Constitution does not do; and while it will, in some respects, injure existing railroads, it will probably, in a narrow sense, benefit them by substantially guarding them against competition in the construction of new and competing lines. Your railroad, however, is so located, being a trunk line, that its interests are above any such narrow view, but will be best subserved by the largest development of the industries and the resources of the State.

How community of interests becomes a factor in the regulation of freights may be illustrated by assuming a country without railroads and unimproved. It may be rich in agricultural and mineral resources. One body of men may desire to cultivate the land, another to mine, and so on, and another may be willing to furnish means of transportation, the price to be regulated by what the commodities can afford to pay and by what the carrier can afford to move them for. Thus, if the product of the mines is gold, a very high rate could be charged on it, but if it is iron or coal, the rate must be so low as to permit the producer to meet competition in the market. The same rule applies in the case of agricultural products. In such cases, among other factors, not only should the products of the country be taken into consideration, their bulk, their value, but also the volume of business the railroad may have to do, and whether the freight moves principally in one direction or equally both ways. The prosperity of the railroad depends upon the prosperity of the State. The railroad, therefore, is always interested in

building up the country, as is the public in maintaining the railroad in order that it may have transportation.

Your Company has suffered from the influences of the communistic sentiment. Labor, machinery, and capital have been unemployed, and of course the business of the company has not improved as much as you might otherwise have reasonably expected. Communism, however, in our country, where every citizen is on an equality with every other citizen, can have no permanent hold. We have much more to fear from absolutism, without which communism is a mere sentiment. Our government is peculiar in that it was really founded upon a civilized idea and has thus far been mostly maintained upon it. Other governments have been founded in force, and have been maintained by force. Our fathers, declaring the inalienable rights of man, and, further, that governments were instituted to secure him in those rights, proceeded to form a Constitution based upon those principles, and for their maintenance, under which the one citizen was to be as safe in his person and his property as all the others; but, unfortunately, scarcely was the Constitution adopted when came the declaration that the majority should rule, intensified afterwards in its application by that calamitous declaration that to the victors belonged the spoils. The idea of the Constitution was that the majority should administer, but that the Constitution should always rule. As the idea that the majority should rule has grown, the protecting force of the Constitution has been weakened until, at last, the "Granger Cases," the "Warehouse Cases," the railroad laws of the north-west, your own case, under the "Thurman Bill," and the decisions in those cases, have been made possible. The principles laid down in those decisions seem to recognize two things: the communistic idea of the distribution of property, and the absolutism of control by a majority of the people. Absolutism may be as complete, and has oftentimes been more complete and tyrannical and oppressive, under a republican than under a monarchical form of government, and statesmen and teachers will be compelled to take consideration of the present tendencies to absolutism in our government and instruct the people as to the true interest they should follow. We shall then soon return to the civilized government of our fathers, which gave protection to the individual and made him truly a free and independent citizen. The idea of our Government was adverse to the paternal or patriarchal idea of guardianship of the individual in his person, and in the acquisition and disposal of his property, that so

long prevailed in the formation of governments. The intention of our system was, that every man should be perfectly free and independent, subject simply to police regulations, restraining him from using his own to the detriment of his neighbor.

The changes in the organic law in relation to railroad corporations were undoubtedly influenced by the consideration that your Company has received in some manner aid from county, State, and national governments; but, as to what this aid was, there is unquestionably great misapprehension. The fact is, there has never been any donation made to your Company either by the national, the State, or the county governments. The counties of Sacramento and Placer subscribed to the stock of your original Company, and gave their bonds in payment. Afterwards, they disposed of their stock for as much as, or more than, the bonds were worth at the time they issued them. The city and county of San Francisco, apprehensive of possible liability for the debts of the Company when its affairs did not look very bright, compromised with the Company, and, in lieu of subscribing for stock, gave four hundred of her bonds. The only aid rendered by the State was, under contract, to pay the interest on 1,500 of the Company's bonds of \$1,000 each—the Company to pay the principal, and in return it was to render, and has been rendering, very important service. The aid derived from the Government of the United States was its bonds loaned, and alternate sections of land given upon a contract very onerous upon your Company, and of which only its possible want of ability to otherwise construct the road, justified acceptance. Your Company has not been enriched by donations. The county, State, and national governments have, under their contracts, not only realized all, and more than they expected, but have had much the best of the bargain. If, when they made those contracts, they wanted something else than therein provided—a freer exercise of power of regulation, for instance—they ought to have so nominated in the bond. To claim and to take what is not so nominated, is to take by the exercise of might—not of right. Under these contracts, the Company owes the counties, the State, and the United States, nothing but its good-will and loyalty.

LELAND STANFORD.

REPORT OF THE SECRETARY.

Report of the Secretary.

CENTRAL PACIFIC RAILROAD COMPANY, SECRETARY'S OFFICE,
SAN FRANCISCO, July 1879.

Hon. Leland Stanford, President:

SIR:—Herewith are Statements Nos. 1 to 10, showing the financial condition of the Company on the 31st day of December, 1878, and its business for the year 1878 ; also, Statement No. 11, showing the earnings and operating expenses for the six months ending June 30th, 1879, compared with the same months of 1878.

Respectfully submitted,

E. H. MILLER, JR.,

Secretary.

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Funded Debt in Detail December 31st, 1878.

CHARACTER OF BONDS.	Series.	Date of Bonds.	Amount of Bonds Authorized.	Amount of Bonds Outstanding.	When Due.	Rate of Interest.	Interest Payable.	
Convertible Mortgage		Dec. 1, 1862	\$1,500,000	\$1,483,000	Jan. 1, 1883	7 per cent.	January and July.	Sinking Fund commencing 1863. \$35,000 yearly.
California State Aid		July 1, 1864	1,500,000	1,500,000	July 1, 1884	"	"	Interest payable by State of California—Sinking Fund commencing 1870. \$50,000 yearly.
Central Pacific—First Mortgage	A	July 1, 1865	3,000,000	2,995,000	July 1, 1895	6 per cent.	"	A, B, C, D. Sinking Fund commencing 1870. \$50,000 yearly.
" "	B	July 1, 1866	1,000,000	1,000,000	July 1, 1896	"	"	
" "	C	" "	1,000,000	1,000,000	" "	"	"	
" "	D	" "	1,390,000	1,383,000	" "	"	"	E, F, G, H, I. Sinking Fund commencing 1872. \$50,000 yearly.
" "	E	Jan. 1, 1867	4,000,000	3,997,000	Jan. 1, 1897	"	"	
" "	F	Jan. 1, 1868	4,000,000	3,999,000	Jan. 1, 1898	"	"	
" "	G	" "	4,000,000	3,999,900	" "	"	"	
" "	H	" "	4,000,000	3,999,000	" "	"	"	
" "	I	" "	3,525,000	3,511,000	" "	"	"	See Note.
Western Pacific—Old Issue		Dec. 1, 1865		112,000	Dec. 1, 1895	"	June and Decem.	
" First Mortgage	A	July 1, 1869	1,970,000	1,858,000	July 1, 1899	"	January and July.	
" "	B	" "	765,000	765,000	" "	"	"	Sinking Fund commencing 1876. \$25,000 yearly.
Cal. and Oregon "	A	Jan. 1, 1868	6,000,000	6,000,000	Jan. 1, 1888	"	"	Sinking Fund commencing 1876. \$100,000 yearly. (See Note.)
Central Pacific, Cal. and Oregon Division. . .	B	Jan. 1, 1872	7,200,000	2,000,000	Jan. 1, 1892	"	"	
San Francisco, Oakland and Alameda		July 1, 1870	1,500,000	500,000	July 1, 1890	8	"	Sinking Fund commencing 1880. \$100,000 yearly.
San Joaquin Valley R. R.		Oct. 1, 1870	6,080,000	6,080,000	Oct. 1, 1900	6	April and October.	
Land Grant		" "	10,000,000	7,713,000	Oct. 1, 1890	"	"	Sinking Fund commencing 1880. \$50,000 yearly.
Income Bonds		May 1, 1878	6,000,000	2,500,000	May 1, 1888	8	May and November	\$600,000 yearly commencing in 1879.
			\$63,430,000	\$56,394,000				

NOTE.—One hundred and twelve Western Pacific Bonds, Series "A," are reserved by the Company unsold, to take up, or exchange for, the 112 Bonds of issue of December 1st, 1865, still outstanding.

NOTE.—Former Reports stated separate sinking funds for Series "A" and "B" Cal. and Oregon Bonds, but only one sinking fund is authorized or provided for by the Mortgage.

E. H. MILLER, JR., Secretary.

\$18,784,923 02

\$18,784,923 02

*Statement of Earnings and Operating Expenses for the
Year ending December 31st, 1878.*

EARNINGS.	COIN.	CURRENCY.	REMARKS.
Freight.....	\$ 7,620,644 75	\$ 3,181,631 65	
Passenger.....	3,506,245 98	1,778,667 09	
Express.....	149,340 32	86,455 44	
Mail.....		438,799 51	
Miscellaneous.....	350,269 23	2,943 87	
Sleeping Car.....	68,553 50	93,445 00	
Telegraph.....	77,142 77		
Rental.....	62,413 69	3,561 02	
Baggage.....	17,670 69	33,441 83	
Mileage.....	13,772 63	3,110 59	
Wharfrage.....	42,748 94		
	\$ 11,908,802 55	\$ 5,622,056 00	
Expenses.....		11,908,802 55	\$ 17,530,858 55
Expense of Superintendents.....	\$ 71,122 74		
Station Service.....	609,546 12	6,510 10	
Telegraph ".....	105,741 46		
Train ".....	511,433 23	220 55	
Sleeping Car ".....	26,932 56		
Ferry ".....(Oakland)	416,981 48	30 00	
" ".....(Vallejo)	229,512 08		
Lighterage and Wharf Service.....	48,091 57		
Locomotive Service.....	1,716,058 83		
Snow ".....	57,556 76		
Repairs of Track.....	1,757,140 16	315 97	
" Snow Sheds.....	23,860 12		
" Bridges.....	158,272 29		
" Buildings.....	111,322 19		
" Engines.....	424,842 86		
" Cars.....	706,184 67	1,176 41	
" Docks.....	57,480 54		
Office Expense.....	218,885 77	83 33	
Stationery and Printing.....	45,197 43	1,688 60	
Advertising.....	15,727 48	4,257 38	
Loss and Damage to Freight.....	5,493 41	2,354 67	
Damage—Persons and Property.....	10,547 86	525 55	
Miscellaneous Expense.....	75,775 70	4,281 33	
Water.....	67,491 21	36 00	
Ins. and Loss by Fire.....	36,776 81	12 50	
Leased Railroads.....	1,215,129 90	18,888 60	{ From July 1st to Dec. 31st.
Mileage.....		16,826 26	
	\$ 8,723,105 23	\$ 57,207 25	
		8,723,105 23	\$ 8,780,312 48
Earnings over Operating Expenses.....			\$ 8,750,546 07
RECAPITULATION.			
Earnings.....	\$ 11,908,802 55	\$ 5,622,056 00	
Expenses.....	8,723,105 23	57,207 25	
Earnings over Operating Expenses.....	\$ 3,185,697 32	\$ 5,564,848 75	

Detailed Statement of Earnings (Monthly) for the Year ending December 31st, 1878—in Coin.

K I N D.	January.	February.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	TOTAL.
Freight.....	459,940 20	399,230 39	550,531 13	342,759 34	638,232 63	562,250 45	656,934 89	818,163 36	307,996 29	833,480 74	680,496 08	570,569 20	7,620,644 75
Passenger.....	242,161 44	199,129 91	250,202 17	302,138 13	339,363 01	309,130 19	326,399 05	350,365 43	352,281 70	309,059 35	276,260 62	258,754 98	3,506,245 98
Express.....	12,068 50	10,334 79	11,935 41	12,514 14	15,208 46	14,253 38	13,741 65	10,724 31	10,983 45	12,382 82	11,923 91	13,269 50	149,340 32
Mail.....													
Miscellaneous.....	22,617 04	23,444 45	27,545 28	18,686 68	24,603 82	25,793 13	33,585 56	37,292 80	38,696 63	42,977 89	30,612 38	24,413 62	350,269 28
Sleeping Car.....	4,843 50	3,539 00	5,194 00	5,813 50	6,087 00	5,352 00	5,413 50	6,355 00	6,531 50	7,220 50	6,063 50	6,140 50	68,553 50
Telegraph.....	6,560 20	6,417 81	6,416 66	6,416 68	6,416 66	6,416 68	6,416 66	6,416 66	6,414 74	6,416 66	6,416 66	6,413 70	77,142 77
Rental.....	4,898 00	4,892 50	4,569 50	5,849 35	4,776 17	5,157 17	4,630 75	5,218 65	5,880 50	5,394 00	5,351 50	5,795 60	62,413 69
Baggage.....	2,403 13	908 50	1,158 52	1,304 97	1,647 36	1,271 66	1,379 71	1,370 78	1,403 08	1,576 62	1,806 17	1,440 19	17,670 69
Mileage.....	1,223 75	996 99	1,028 34	1,152 07	1,202 56	1,140 00	1,220 62	971 66	916 70	1,418 24	1,429 66	1,072 04	13,772 63
Wharf.....	3,369 10	2,030 31	5,034 10	6,010 59	4,897 54	2,874 49	3,688 54	4,131 72	5,047 19	4,856 05	524 54	284 77	42,748 94
Totals, 1878.....	760,084 86	650,924 65	863,615 11	1002,645 45	1033,495 26	933,639 15	1053,410 93	1241,010 37	1236,151 78	1224,782 87	1020,885 02	888,157 10	11,908,802 55
Totals, 1877.....	753,641 70	606,412 85	750,534 96	822,242 18	874,352 43	833,084 64	818,123 45	869,130 17	917,694 80	1186,185 38	1305,746 97	900,179 11	10,637,328 64

Detailed Statement of Operating Expenses (Monthly) for the year ending December 31st, 1878—in Coin.

K I N D.	January.	February.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	TOTAL.
Expense of Supts.....	6,136 10	6,064 65	5,964 65	6,064 65	5,994 49	5,919 65	5,944 65	5,152 98	5,152 99	5,412 99	5,342 99	7,971 95	71,122 74
Station Service.....	47,483 50	44,354 76	48,743 12	48,979 57	50,169 01	48,167 87	51,027 04	56,161 91	56,219 95	54,210 79	53,741 04	50,286 56	609,546 12
Telegraph ".....	8,090 34	8,470 61	8,079 35	7,846 82	7,950 21	12,146 51	8,849 73	8,436 50	8,860 26	9,013 04	8,854 33	9,143 76	105,741 46
Train ".....	40,708 19	44,357 95	40,032 16	39,667 87	40,501 41	40,341 24	41,012 59	42,850 46	46,015 28	44,514 16	45,260 28	46,171 64	511,433 23
Sleeping Car ".....	1,952 98	1,881 54	1,789 62	1,945 50	2,109 17	2,249 65	2,188 98	1,982 75	2,266 67	3,303 96	2,818 07	2,443 67	26,932 56
Ferry Service (Oakland).....	31,014 50	26,651 32	28,349 65	36,046 22	34,137 32	34,734 44	36,868 31	37,511 16	39,008 56	36,130 47	37,484 98	39,044 55	446,981 48
" (Vallejo).....	23,393 10	19,073 00	13,575 80	13,019 80	13,342 09	21,956 68	21,798 78	21,404 41	21,528 80	22,379 70	17,555 77	20,484 15	229,512 08
Lighterage Service, and Wharf ".....	3,594 77	3,315 88	3,868 30	4,020 85	3,525 94	3,308 06	3,525 36	9,597 36	5,300 79	5,242 26	1,396 00	1,396 00	48,091 57
Locomotive ".....	138,364 10	113,927 05	133,489 71	137,615 45	139,568 85	129,081 50	139,119 68	152,437 95	152,535 49	161,282 30	154,147 80	159,188 95	1,716,058 83
Snow ".....	4,311 68	11,463 42	4,762 54	3,612 65	3,766 35	3,941 38	4,283 08	4,325 07	4,209 42	4,876 29	4,158 26	3,786 62	57,556 76
Repairs of Track.....	103,157 76	140,151 10	144,453 15	151,419 34	191,751 41	140,062 37	172,048 27	136,768 98	197,488 56	133,341 71	117,052 71	129,444 80	1,757,140 16
" Snow Sheds.....	126 46	495 15	861 11	93 25	57 86	307 43	674 11	2,692 59	4,952 14	10,562 14	610 48	2,427 10	23,860 12
" Bridges.....	9,702 33	6,082 17	6,656 79	9,044 58	10,647 05	18,325 10	29,935 45	8,290 19	12,692 21	20,715 76	13,765 14	12,415 52	158,272 29
" Buildings.....	3,155 24	5,327 54	4,201 54	3,907 73	6,758 70	10,056 35	11,700 23	8,312 77	22,914 09	10,050 71	13,890 48	11,046 81	111,322 19
" Engines.....	32,194 58	32,179 53	35,784 77	35,360 47	39,976 20	34,940 04	30,884 01	37,174 29	33,604 50	38,465 23	37,698 20	36,581 04	424,842 86
" Cars.....	71,289 12	53,744 44	63,736 78	64,159 60	58,698 36	52,347 08	51,666 61	63,800 75	55,566 70	63,234 31	53,893 38	54,047 54	706,184 67
" Docks.....	3,318 12	4,121 56	2,756 90	6,291 48	6,957 33	3,479 81	3,609 47	3,306 99	3,249 38	10,588 83	3,674 71	6,125 96	57,480 54
Office Expense.....	17,442 54	17,448 68	18,379 09	17,936 70	17,405 27	17,154 60	17,621 68	17,847 08	18,952 99	19,273 21	19,912 31	19,511 62	218,885 77
Stationery and Printing.....	4,280 40	3,028 90	2,798 19	3,071 99	3,526 19	3,374 12	5,053 56	4,139 24	4,168 78	4,253 67	2,317 37	5,185 02	45,197 43
Advertising.....	217 00	107 18	3,217 80	1,034 63	171 90	3,227 60	170 00	73 00	3,546 25	92 50	90 50	3,779 12	15,727 48
Loss and Damage to Freight.....	206 37	835 74	57 71	766 09	357 06	277 14	1,249 15	450 58	223 26	143 24	196 16	730 91	5,493 41
Damage to Persons and Property.....	898 45	150 00	627 71	1,465 43	864 50	1,754 34	1,316 50	1,256 90	765 95	388 58	.....	1,059 50	10,547 86
Miscellaneous.....	4,069 27	4,396 74	4,569 13	3,819 53	4,689 86	3,438 76	3,589 67	7,122 60	3,416 28	3,845 55	4,210 62	28,607 69	75,775 70
Water.....	5,647 89	4,472 75	4,611 11	4,688 08	5,922 06	5,710 80	6,361 34	5,709 48	4,839 59	7,048 55	6,812 65	5,666 91	67,491 21
Insurance and Loss by Fire.....	1,724 22	4,307 59	2,235 61	1,732 98	1,864 72	10,388 25	5,899 48	2,119 15	1,156 50	1,934 13	1,708 42	1,705 76	36,776 81
Mileage.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Leased Railroads.....	.....	.....	.....	.....	.....	.....	203,577 27	203,577 27	199,733 54	202,604 66	202,818 57	202,818 59	1,215,129 90
Totals, 1878.....	562,779 01	561,419 25	583,602 29	603,662 26	650,713 31	606,690 77	859,975 00	842,502 71	908,368 93	872,908 74	809,411 22	861,071 74	8,723,105 23
Totals, 1877.....	695,063 41	596,609 89	707,958 29	645,046 40	652,517 70	588,997 09	558,613 25	576,866 21	558,946 88	721,336 67	789,318 25	627,392 88	7,718,666 92

E. H. MILLER, JR., Secretary.

Detailed Statement of Earnings (Monthly) for the year ending December 31st, 1878—in Currency.

K I N D.	January.	February.	March.	April.	May.	June.	July.	August.	Sept.	Oct.	Nov.	Dec.	TOTAL.
Freight.....	195,501 90	180,712 83	203,990 90	304,071 23	314,072 12	252,581 96	284,817 20	273,910 61	304,843 06	315,427 97	293,489 80	258,212 04	3,181,631 65
Passenger	102,351 46	99,433 71	111,849 56	172,503 62	190,812 18	161,020 65	151,110 26	154,531 85	147,540 75	172,044 33	165,751 83	149,713 89	1,778,667 09
Express	7,431 19	6,670 38	6,432 94	6,257 66	6,101 83	4,218 45	5,147 02	5,985 88	7,162 05	10,080 02	9,167 61	11,799 41	86,455 44
Mail	23,272 24	23,272 24	23,272 24	23,272 24	23,272 24	23,272 24	23,272 24	36,798 42	57,794 25	32,165 14	34,014 41	115,121 61	438,799 51
Miscellaneous	287 24	31 70	85 57	212 51	187 50	391 70	155 93	394 37	188 78	152 79	230 50	625 28	2,943 87
Sleeping Car	4,770 00	4,371 00	6,582 00	9,612 00	11,574 00	8,526 00	7,976 00	7,697 00	8,937 00	8,574 00	8,106 00	6,720 00	93,445 00
Telegraph													
Rental	170 07	353 34	363 34	353 34	503 34	353 34		284 23	353 34	353 34	203 34	270 00	3,561 02
Baggage	1,704 70	1,740 21	1,605 14	4,060 10	3,636 48	2,846 20	2,545 27	2,951 55	3,415 79	3,545 77	3,092 50	2,298 12	33,441 83
Mileage	209 41									2,901 18			3,110 59
Wharf													
Totals, 1878.....	335,702 21	316,585 41	354,181 69	520,342 70	550,159 69	453,210 54	475,023 92	482,553 91	530,235 02	545,244 54	514,055 99	544,760 35	5,652,056 00
Totals, 1877	369,242 97	305,405 85	458,812 50	565,027 18	619,970 11	507,411 27	530,792 48	449,484 98	493,773 30	587,577 32	514,119 18	432,198 43	5,833,815 47

Detailed Statement of Operating Expenses (Monthly) for the year ending Dec. 31st, 1878—in Currency.

K I N D.	January.	February.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	TOTAL.
Expense of Supts.													
Station Service.	847 75	343 80	351 07	851 25	379 68	370 16	826 07	383 49	463 13	860 23	415 90	417 57	6,510 10
Telegraph "		73 85					146 70						220 55
Train "													
Sleeping Car "													
Ferry Service (Oakland)									30 00				30 00
" (Vallejo)													
Lighterage Service, and }													
Wharf "													
Locomotive "													
Snow "													
Repairs of Track				73 65	104 76	137 56							315 97
" Snow Sheds.													
" Bridges.													
" Buildings.													
" Engines.													
" Cars.	10 90	101 68	25 00	45 79	174 69	38 14	157 31		342 39	16 38	24 70	239 43	1,176 41
" Docks.													
Office Expense.	7 20	6 75	15 25	4 15	6 75	4 00	4 00	15 24		5 00	12 99	2 00	83 33
Stationery and Printing.	94 00	88 50		145 00	199 60	147 20	93 00	409 89	27 50	285 50	50 00	148 41	1,688 60
Advertising.	484 17	229 32	141 53	444 05	464 67	497 72	565 89	204 70	57 80	820 13	218 00	129 40	4,257 38
Loss and Damage to Freight.	215 27	481 79	38 46	2 49	208 97	79 22		963 02	275 27	31 04	59 14		2,354 67
Damage to Persons and Property.	10 00	115 00	150 00			78 75		112 50		59 30			525 55
Miscellaneous.	94 05	1,229 38	575 28	690 58	377 38	21 38	117 06	947 84	21 38	123 26	42 76	40 88	4,281 33
Water.			12 00			12 00			12 00				36 00
Insurance and Loss by Fire.											12 50		12 50
Mileage.		801 37	2,149 74	3,453 32	1,264 46	1,476 32	360 36	1,671 36	2,745 22		532 87	2,371 24	16,826 26
Leased Railroads.							18,888 60						18,888 60
Totals, 1878.	1,763 34	3,471 44	3,458 43	5,710 28	3,180 96	2,862 45	21,158 99	4,708 04	3,974 69	2,200 84	1,368 86	3,348 93	57,207 25
Totals, 1877.	18,570 27	2,054 11	12,237 41	2,908 72	2,966 90	1,194 07	2,867 06	2,187 37	1,326 52	2,324 89	5,560 03	1,553 49	55,750 84

*Statement of the Earnings and Operating Expenses (Monthly)
for the Years 1875, 1876, 1877, and 1878.*

Month.	GROSS EARNINGS.			OPERATING EXPENSES.			EARNINGS OVER OPERATING EXPENSES.
	Coin.	Currency.	Total Coin and Currency.	Coin.	Currency.	Total Coin and Currency.	
1875.							
Jan	559,197 31	332,045 35	891,242 66	482,931 00	2,308 70	485,239 70	406,002 96
Feb	540,832 79	286,905 58	827,738 37	442,380 24	2,815 75	445,195 99	382,542 38
March....	661,673 42	372,030 65	1,033,704 07	478,713 75	2,799 63	481,513 38	552,190 69
April....	738,032 3	518,246 89	1,256,279 22	475,940 92	1,157 91	477,098 83	779,180 39
May.....	811,246 59	857,422 61	1,668,669 20	502,898 63	2,393 72	505,292 35	1,163,376 85
June....	793,338 64	810,163 39	1,603,502 03	547,026 55	112,609 08	659,635 63	943,866 40
July.....	810,221 16	604,471 09	1,414,692 25	511,411 80	44,866 94	556,278 74	858,413 51
August..	855,954 41	581,506 10	1,437,460 51	521,162 86	8,788 84	529,951 70	907,508 81
Sept....	846,810 12	585,322 51	1,432,132 63	598,241 03	2,148 88	600,332 91	831,739 72
Oct.....	876,077 23	595,343 64	1,471,420 87	560,767 46	3,453 35	564,220 81	907,200 06
Nov.....	791,185 71	607,928 17	1,399,113 88	575,880 77	1,925 23	577,806 00	821,307 88
Dec.....	779,159 32	449,966 92	1,229,126 24	524,196 73	80,377 07	604,573 80	624,552 44
Totals.	9,063,729 03	6,601,352 90	15,665,081 93	6,221,554 74	265,645 10	6,487,199 84	9,177,832 09
1876.							
Jan	597,634 88	319,011 14	916,646 02	521,613 11	28,502 84	550,115 95	366,530 07
Feb	575,092 82	364,473 50	939,566 32	500,318 50	4,909 72	505,228 22	434,338 10
March...	639,075 84	462,526 90	1,102,602 74	583,065 43	1,792 63	584,858 06	516,744 68
April...	753,546 41	575,527 46	1,329,073 87	575,737 88	22,200 82	597,947 70	731,126 17
May....	889,631 50	756,579 41	1,646,210 91	611,567 23	4,868 75	616,436 03	1,029,774 88
June...	856,661 92	684,668 50	1,541,328 42	578,086 26	24,049 40	602,135 66	939,192 76
July...	878,677 22	557,103 69	1,435,780 91	596,416 62	3,883 36	599,799 98	835,980 83
August..	979,446 09	618,763 27	1,598,209 36	637,625 38	2,298 69	639,924 07	958,285 29
Sept....	1,099,558 60	662,416 12	1,761,974 72	784,276 29	5,939 49	790,215 78	971,708 94
Oct.....	1,120,422 75	668,962 68	1,779,385 43	806,854 18	3,844 01	810,698 19	968,687 24
Nov....	975,226 61	607,659 17	1,582,885 78	796,203 13	3,040 87	799,244 00	783,641 78
Dec....	836,208 79	525,393 63	1,361,601 82	750,389 37	10,218 56	760,607 93	600,993 89
Totals.	10,201,133 43	6,793,082 87	16,994,216 30	7,742,153 43	115,058 14	7,857,211 57	9,137,004 73
1877.							
Jan	753,641 70	369,242 97	1,122,884 67	695,063 41	18,570 27	713,633 68	409,250 99
Feb	606,412 85	305,405 85	911,818 70	596,609 89	2,054 11	598,664 00	313,154 70
March...	750,534 96	458,812 50	1,209,347 46	707,958 29	12,237 41	720,195 70	489,161 76
April...	822,241 18	565,027 18	1,387,269 36	645,046 40	2,908 72	647,955 12	739,314 24
May....	874,352 43	619,970 11	1,494,322 54	652,517 70	2,966 90	655,484 60	838,837 94
June...	833,084 64	507,411 27	1,340,495 91	588,997 09	1,194 07	590,191 16	750,304 75
July...	818,123 45	530,792 48	1,348,915 93	558,613 25	2,867 96	561,480 31	787,435 62
August..	869,130 17	449,484 88	1,318,615 05	576,866 21	2,187 37	579,053 58	739,561 47
Sept....	917,694 80	493,773 30	1,411,468 10	558,946 88	1,326 52	560,273 40	851,194 70
Oct.....	1,186,185 38	587,577 32	1,773,762 70	721,336 67	2,324 89	723,661 56	1,050,101 14
Nov....	1,305,746 97	514,119 18	1,819,866 15	789,318 25	5,560 03	794,878 28	1,024,987 87
Dec....	900,179 11	432,198 43	1,332,377 54	627,392 88	1,553 49	628,946 37	703,431 17
Totals.	10,637,328 64	5,833,815 47	16,471,144 11	7,718,606 92	55,750 84	7,774,417 76	8,696,726 35
1878.							
Jan	760,084 86	335,702 21	1,095,787 07	562,779 01	1,763 34	564,542 35	531,244 72
Feb	650,924 65	316,585 41	967,510 06	561,419 25	3,471 44	564,890 69	402,619 37
March...	863,615 11	354,181 69	1,217,796 80	583,602 29	3,458 43	587,060 72	630,736 08
April...	1,002,645 45	520,342 70	1,522,988 15	603,662 26	5,710 28	609,372 54	913,615 61
May....	1,033,495 26	550,159 69	1,583,654 95	650,713 31	3,180 96	653,894 27	929,760 68
June...	933,639 15	453,210 54	1,386,849 69	606,690 77	2,862 45	609,553 22	777,296 47
July...	1,053,410 93	475,023 92	1,528,434 85	859,975 00	21,158 99	881,133 99	647,300 86
August..	1,241,010 37	482,553 94	1,723,564 31	842,502 71	4,708 04	847,210 75	876,353 56
Sept....	1,236,151 78	539,235 02	1,766,386 80	908,368 93	3,974 69	912,343 62	854,043 18
Oct.....	1,224,782 87	545,244 54	1,770,027 41	872,908 74	2,200 84	875,109 58	894,917 83
Nov....	1,020,885 02	514,055 99	1,534,941 01	809,411 22	1,868 86	810,780 08	724,160 93
Dec....	888,157 10	544,760 35	1,432,917 45	861,071 74	3,348 93	864,420 67	568,496 78
Totals.	11,908,802 55	5,622,056 00	17,530,858 55	8,723,105 23	57,207 25	8,780,312 48	8,750,546 07

Statement of Earnings and Expenses Yearly.

YEAR.	EARNINGS.			OPERATING EXPENSES.			Earnings over Operating Expenses. Coin and Currency.	Per Cent. of Operating Expenses.	Miles of Road Operated.	Gross Earnings per Mile. Coin and Currency.	Operating Expenses per Mile. Coin and Currency.
	COIN.	CURRENCY.	TOTAL COIN AND CURRENCY.	COIN.	CURRENCY.	TOTAL COIN AND CURRENCY.					
1864 } and 1865 }	\$ 519,095 84	.....	\$ 519,095 84	\$ 190,886 14	.....	\$ 190,886 14	\$ 328,209 70	36.77	18 to 56	\$ 14,029 62	\$ 5,159 09
1866.....	864,268 16	.....	864,268 16	200,722 96	.....	200,722 96	663,545 20	23.22	56 to 94	11,523 58	2,676 31
1867.....	1,433,645 74	.....	1,433,645 74	333,623 92	.....	333,623 92	1,100,021 82	23.27	94 to 137	12,359 01	2,876 07
1868.....	2,312,017 15	.....	2,312,017 15	843,166 54	.....	843,166 54	1,468,850 61	36.46	137 to 468	7,630 43	2,782 73
1869.....	5,670,822 25	.....	5,670,822 25	2,993,523 19	.....	2,993,523 19	2,677,299 06	52.78	468 to 742	9,373 26	4,947 97
1870.....	4,033,132 48	\$3,355,837 72	7,438,970 20	3,549, 32 30	\$114,986 11	3,664,018 41	3,774,951 79	49.31	742 to 900	9,060 87	4,462 87
1871.....	4,991,529 04	3,870,525 42	8,862,054 46	3,799,280 54	41,522 38	3,840,802 92	5,021,251 54	43.34	900 to 1094	8,888 72	3,852 36
1872.....	7,400,089 35	4,563,551 22	11,963,640 57	4,953,612 42	57,666 42	5,011,278 84	6,952,361 73	41.88	1094 to 1222	10,349 18	4,335 01
1873.....	7,643,469 58	5,220,483 40	12,863,952 98	4,929,684 09	39,587 43	4,969,271 52	7,894,681 46	38.63	1219 to 1222	10,526 97	4,066 51
1874....	8,276,301 55	5,334,729 08	13,611,030 63	5,223,429 42	44,702 45	5,268,131 87	8,342,898 76	38.71	1219 to 1213	11,193 28	4,332 35
1875.....	9,033,729 03	6,601,352 90	15,665,081 93	6,221,554 74	265,645 10	6,487,199 84	9,177,882 09	41.41	1287 to 1309	12,068 63	4,997 84
1876.....	10,261,133 43	6,793,082 87	16,994,216 30	7,742,153 43	115,058 14	7,857,211 57	9,137,004 73	46.23	Average, 1425	11,925 76	5,513 83
1877.....	10,637,328 64	5,833,815 47	16,471,144 11	7,718,666 92	55,750 84	7,774,417 76	8,696,726 35	47.20	" 1783	9,237 88	4,877 58
1878.....	11,908,802 55	5,622,056 00	17,530,858 55	8,723,105 23	57,207 25	8,780,312 48	8,750,546 07	50.08	" 2119	8,274 15	4,129 56

NOTE.—Miles operated in 1876, 1877, and 1878, include *Leased Roads*.

E. H. MILLER, JR., Secretary.

General Superintendent's Report.

GENERAL SUPERINTENDENT'S OFFICE,

SAN FRANCISCO, June 30, 1879.

Hon. Leland Stanford, President C. P. R. R. Co.

SIR: The following Report of the operations of the Central Pacific Railroad and Leased Lines, for the year ending December 31, 1878, together with Comparative Statements of Earnings and Operating Expenses for the year 1877, is respectfully submitted.

EARNINGS.	1877.	1878.
Earnings, in Coin.....	\$10,637,328 64	\$11,908,802 55
Earnings, in Currency.....	5,833,815 47	5,622,056 00
Total Earnings, Coin and Currency	16,471,144 11	17,530,858 55

OPERATING EXPENSES.	1877.	1878.
Expenses, in Coin.....	\$7,718,666 92	\$8,723,105 23
Expenses, in Currency.....	55,750 84	57,207 25
Expenses, in Coin and Currency.....	7,774,417 76	8,780,312 48
Per cent. of Expenses to Gross Earnings	47 20	50 08

PASSENGER BUSINESS.

Passengers Carried and Earnings therefrom are shown in Statement below. Further details relative to Passenger Traffic will be found in the General Passenger and Ticket Agent's Report, on pages 43 and 44.

The number of passengers carried during the year	
was	6,979,188
An increase over 1877 of (2.32 per cent.).....	158,632
Passenger Earnings, coin.....	\$3,506,245 98
And in currency.....	1,778,667 09
Showing an increase in coin earnings of (6.29 per cent.).....	207,711 07
And a decrease in currency earnings of (18.60 per cent.)	406,502 35

FREIGHT BUSINESS.

The following is Statement of Tonnage moved, together with the Earnings therefrom. Statistics of interest, more in detail pertaining to this branch of the traffic, will be found by referring to annexed Report of the General Freight Agent, on pages 40, 41 and 42.

	Pounds.
Total tonnage, 1878.....	3,575,573.390
Total tonnage, 1877.....	2,831,176.981

The earnings from this department were as follows :

In coin	\$7,620,644 75
In currency	3,181,631 65
Being an increase in coin receipts over the previous year of (15.04 per cent.)	\$996.481 10
And an increase in currency receipts of (2.17 per cent.)	67.696 10

MOTIVE POWER.

The number of engines owned by this Company is..... 227

Engines belonging to leased roads as follows :

Southern Pacific R. R., south of Huron	18
California Pacific R. R.	12
Stockton and Copperopolis R. R.	3
Los Angeles and Independence R. R.	2

An average of eight (8) engines were employed in Construction Service during the year.

There will be found in the following tables the cost of maintenance of engines, together with miles run :

MILES RUN.	1877.	1878.
On passenger trains.....	1,946,199	2,058,559
On freight trains.....	3,441,614	3,469,885
On miscellaneous trains.....	505,678	569,860
Switching.....	720,903	753,866
Total	6,614,394	6,852,170

MILES RUN.	1877.	1878.
To one ton of coal.....	39.76	41.71
To one cord of wood.....	28.24	28.70
To one pint of oil.....	16.93	16.25
Pounds of waste, one hundred miles....	.77	.70

COST PER MILE RUN.	1877.	1878.
For running repairs.....	3.94	3.63
For extraordinary repairs.....	2.62	2.57
For enginemen.....	7.18	7.13
For fuel.....	17.47	15.73
For stores.....	.65	.54
For wiping.....	.83	.78
For watching and despatching.....	.43	.43
Cost per mile (in cents).....	33.12	30.81

CONSUMPTION OF FUEL AND STORES.	1877.	1878.
Tons of coal.....	118,683½	124,906
Cords of wood.....	67,999½	57,504
Pints of oil.....	390,653	421,532
Pounds of waste.....	50,914	47,962

COST OF MAINTENANCE.	1877.	1878.
Running repairs.....	\$261,158 42	\$248,530 94
Extraordinary repairs.....	173,245 05	176,311 92
Engineers' pay.....	305,167 60	315,053 74
Firemen's pay.....	169,558 64	174,218 29
Fuel consumed.....	1,155,691 07	1,078,114 04
Stores.....	42,703 24	36,630 37
Cost of wiping.....	54,692 67	53,328 41
Cost of watching and despatching.....	28,601 69	29,289 38
Total expense.....	\$2,190,818 38	2,111,477 09

AVERAGE COST OF FUEL.	1877.	1878.
Coal, per ton.....	\$6 71	\$5 95
Wood, per cord.....	5 28	5 82

CARS.

During the year there have been built at the Company's works at Sacramento and put into service, twelve (12) passenger cars, two (2) baggage cars, four (4) station cars, three hundred and one (301) platform cars, and three (3) others were added by duplicated numbers, one (1) tool car changed from old Oakland and Alameda coach, but not previously included in reports, and one smoking car, purchased from S. & C. R. R., showing the Passenger, Freight and other cars owned by this Company, as per statement below :

Passenger cars.....	129	Box freight cars.....	2,510
Sleeping cars.....	41	Box fruit cars.....	31
Mail and express cars.....	20	Box powder cars.....	2
Second-class and smoking cars	73	Platform cars (37 fitted up as water cars).....	2,015
Baggage cars.....	31	Oil cars.....	8
Directors' cars.....	2	Caboose cars.....	73
Gen'l Supt's car.....	1	Section cars.....	211
Chief Engineer's car.....	1	Hand cars.....	222
Paymaster's car.....	1	Dump cars.....	110
		Track-laying cars.....	9
		Derrick cars.....	7
		Derrick car (for tools).....	1
		Station cars (8 wheel).....	4
		Snow plows.....	9

Cars belonging to leased roads were as follows :

Southern Pacific Railroad, in use south of Huron.

Passenger cars.....	11
Second-class cars.....	4
Baggage, mail, and express cars.....	2
Baggage and smoking cars.....	2
Box freight cars.....	208
*Platform cars.....	157
Hand cars.....	88
Section cars.....	42

* Twenty of these platform cars are used as water cars. One second-class car added during the year from Northern Division.

Los Angeles and Independence R. R.

Between Los Angeles and Santa Monica. The parlor car reported last year was sold to the S. P. R. R., in April, 1878, leaving the present equipment as follows :

Passenger cars	3
Baggage and smoking car	1
*Box freight cars	16
Platform cars	62
Section cars	4
Hand cars	4

* One fitted up for tools.

California Pacific Railroad.

Passenger cars	12
Second-class cars	4
Baggage cars	6
Box freight cars	36
Platform cars	152
Caboose cars	3
Hand cars	21
Section cars	27
Iron cars	2

Stockton and Copperopolis R. R.

Passenger cars	3
Baggage car	1
Box freight cars	4
Platform cars	41
Hand cars	5
Section cars	3

One smoking car sold to C. P. R. R.

Amador Branch R. R.

Hand cars	2
Section cars	2
Iron car	1

Berkeley Branch R. R., N. Ry., and San Pablo and Tulare R. R.

Hand cars	14
Section cars	2
Iron car	1

REPAIRS AND MILEAGE OF CARS.

COST OF REPAIRS.	1877.	1878.
Sleeping cars	\$86,063 08	\$67,077 64
Passenger cars	125,891 30	132,221 47
Baggage, mail, and express cars.	57,179 73	42,272 61
Emigrant cars	34,022 79	41,569 35
Officers' cars	5,544 31	5,921 97
Freight cars	448,830 12	395,922 87
Miscellaneous cars	2,516 94	5,335 86
Foreign cars	9,265 42	15,861 15
Total	\$769,313 69	\$706,182 92

COST PER MILE RUN FOR REPAIRS (IN CTS.)	1877.	1878.
Sleeping cars	4.84	3.84
Passenger cars	2.51	2.56
Baggage, mail, and express cars.	1.68	1.11
Emigrant cars	1.42	1.86
Officers' cars .....	.62	.67
Freight cars .....	.79	.73
Foreign cars .....	.33	.31
Average of all cars, in cents.	1.07	.96

MILEAGE.	1877.	1878.
Sleeping cars	1,727,252	1,745,861
Passenger cars	5,011,547	5,172,858
Baggage, mail, and express cars.	3,388,146	3,704,051
Emigrant cars	2,384,931	2,235,516
Officers' cars	89,800	87,723
Freight cars	56,189,846	55,245,152
Foreign cars	2,859,516	5,174,893
Total	71,651,038	73,366,054

Mileage of Central Pacific cars on foreign roads was, in 1877, 6,603,353 miles; and in 1878, 3,903,094 miles.

FLOATING STOCK.

A statement showing names and number, together with expense of operating, and mileage of steamers in the *ferry service* between *San Francisco* and *Oakland*, for the years of 1877 and 1878, will be found

in tables below. The steamers "*Washoe*" and "*Louise*," on account of long service, were condemned, machinery ordered taken out, and hulls broken up. In the month of January, 1878, the steamer "*Amador*" was transferred from the river fleet to the ferry service between San Francisco and Oakland. The steamer was placed upon the Company's "ways" at West Oakland, changed to a double end boat, the hull and machinery receiving thorough repairs, and put in first-class order.

The freight transfer steamer "*Thoroughfare*" was taken out, machinery overhauled, hull caulked, and thoroughly and generally repaired.

Ferry Steamers.

NAME.	TONNAGE.	NUMBER, KIND AND SIZE OF ENGINE.		
		No.	Kind.	Size of Cylinders in inches.
Alameda.....	813	1	Condensing beam.....	42 × 120
Amador.....	896	2	Non-condensing, lever ...	25 × 84
Capital.....	1,989	1	Condensing beam.....	65 × 144
El Capitan.....	982	1	Condensing beam.....	36 × 144
Flora Temple....	334	1	Non-condensing.....	16 × 40
*Louise.....	386	1	Condensing.....	40 × 40
Oakland.....	1,672	1	Condensing beam.....	60 × 144
Transit.....	1,566	1	Condensing beam.....	60 × 132
Thoroughfare....	1,012	2	Non-condensing, lever ...	22 × 84
*Washoe.....	580	2	Non-condensing, lever ...	22 × 84

* Made no mileage, 1878. Ordered broken up, Nov. 6.

COST PER MILE RUN.	1877.	1878.
Repairs.....	\$ 67	\$ 23
Wages of crew.....	1 01	80
Fuel.....	1 46	1 50
Stores.....	02	01
Water.....	08	08
Cabin.....	01	01
Deck.....	02	02
Total.....	\$3 27	\$2 65

MILES RUN.	1877.	1878.
To one ton of coal.....	4.53	3.99

TOTAL FERRY MILEAGE.	1877.	1878.
Miles run	91,262	132,496

COST OF MAINTENANCE.	1877.	1878.
Repairs	\$61,566 40	\$30,149 37
Wages of crews	92,341 99	107,319 29
Fuel	132,986 62	197,520 99
Stores	1,909 30	1,757 92
Water	7,752 92	9,954 46
Cabin expenses	932 64	960 89
Deck	1,730 44	3,522 84
Total	\$299,220 31	\$351,185 76

RIVER STEAMERS AND BARGES.

There are belonging to this fleet twelve steamers and fourteen barges, which are in good order, having received necessary repairs during the year. The barge "Napa" was purchased from the California Pacific R. R. Co.

NAME OF STEAMER.	TONNAGE.	NUMBER, KIND AND SIZE OF ENGINES.		
		No.	KIND.	Size of Cylinder in Inches.
*Amelia.....	386	1	Condensing beam.....	36 × 72
Cora	298	2	Non-condensing.....	20 × 60
Chin du Wan....	181	2	" "	18 × 60
Dover	164	2	" "	14 × 60
Enterprise.....	246	2	" "	15 × 60
Flora.....	225	2	" "	14 × 60
Gov. Dana	300	2	" "	15½ × 60
Julia	520	2	" "	20 × 66
Red Bluff.....	249	2	" "	15½ × 60
Reliance	227	1	" "	24 × 24
T. C. Walker....	137	2	" "	14 × 48
*Yosemite.....	1,272	1	Condensing beam	57 × 120

* In service between San Francisco and South Vallejo, connecting with California Pacific R. R.

List of Barges.

NAME.	TONNAGE.	NAME.	TONNAGE.
Ace of Spades	250	Mount Eden	100
Aliso	400	Moulton	400
Chico	600	* Napa	250
Farmer	450	Suisun	100
Gov'r Hayes	800	San Antonio	700
Jacinto	800	Tehama	600
Mono	400	Volo	800

* Barge "Napa" purchased of Cal. P. R. R., May 7th, 1878.

The steamers and barges (Southern Pacific Rail Road, Leased) used between Wilmington and "Anchorage," as per following list, were sold Oct. 31st, 1878, to Gen'l P. Banning.

Steamers.

NAME.	TONNAGE.	NUMBER, KIND AND SIZE OF ENGINES.		
		No.	Kind.	Size of Cylinder in Inches.
Los Angeles.....	102	1	Non-condensing.....	18 x 60
Cricket	46	1	" "	16 x 36

Barges.

NAME.	TONNAGE.	NAME.	TONNAGE.
Breakwater	50	Jane	50
Bullion	60	Lumberman	50
Col. Keller	200	Mill Bellen	200
Don Quixote	90	Mud Hen	110
El Monte	200	Stranger	250
Farmer	50	Success	110

The Station appointments, together with rolling and floating stock, have been kept up to a high standard of excellence in character, and are all sufficient for present traffic.

HOSPITAL REPORT.

The following comparative statement shows the number of patients admitted to the Company's Hospital at Sacramento, from the year 1870 to 1878, inclusive :

YEARS TERMINATING DEC. 31ST.	Number admitted	Office patients and those receiving Treatment at their Residence.	No. of cases of Accidents.	Discharged cured.	Discharged improved, but incurable.	DIED.	Percentage of Deaths.	Remaining under Treatment, Dec. 31st
1870.	434	539	80	929	10	9	.92	25
1871.	438	915	140	1302	10	11	.81	30
1872.	512	1125	125	1561	15	25	1.57	36
1873.	370	966	175	1271	26	18	1.34	21
1874.	381	674	172	995	20	11	1.04	29
1875.	528	1250	108	1716	7	23	1.29	32
1876.	582	1340	164	1837	14	26	1.35	45
1877.	407	1520	136	1870	17	17	.88	23
1878.	446	1447	133	1841	13	10	.53	29

For matters pertaining to buildings, snow galleries and track, also docks and wharves, the Report of the Chief Engineer, on pages 47 to 50, will give full information.

MILES OPERATED.

As per my previous Report, the number of miles operated, including leased lines, December 31st, 1877, was $2074\frac{7}{100}$; additions have been made, and roads opened up to business at different times during the year, as follows :

NORTHERN RAILWAY.—January 9, 1878, Delaware Street to Martinez.....	Miles. 25.22
September 8, Martinez to Junction, San Pablo and Tulare R. R.....	1.09
September 8, additional track, West Oakland to Delaware Street	4.68
October 2, Williams to Willows.....	25.61
SAN PABLO AND TULARE R. R.—September 8, Junction near Martinez to Tracy.....	46.52
BERKELEY BRANCH R. R.—Berkeley to Berryman extension.....	.69
OAKLAND AND ALAMEDA BRANCH EXTENDED.....	.02

Adding to mileage of previous year, $103\frac{83}{100}$ miles, less $\frac{32}{100}$ of a mile of track shortened on Los Angeles and Independence R. R., making total miles operated, December 31, 1878, $2,177\frac{58}{100}$.

In conclusion, I will add that the road has been comparatively free from casualties, and trains have run with remarkable regularity.

Respectfully yours,

A. N. TOWNE,
Gen'l Sup't.

CENTRAL PACIFIC RAILROAD COMPANY,
GENERAL FREIGHT AGENT'S OFFICE, SAN FRANCISCO, June 26th, 1879. }

A. N. TOWNE, Esq., Gen'l Supt. C. P. R. R. Co.

Sir:—I have the honor to submit to you the usual Annual Statement of the Operation of the Freight Department for the year closing December, 31st, 1878, in connection with which are also annexed different tabulated statements comparing in detail business of a like character done in 1877 with that transacted in 1878.

	Pounds, 1877.	Pounds, 1878.
Local Freight.....	1,751,080,390	2,419,745,600
Through Freight.....	346,478,461	360,143,130
Company's Freight.....	753,618,130	795,684,660
Total.....	2,831,176,981	3,575,573,390

Of the Local Freight, there was forwarded from the agricultural districts to the general markets, 160,462,250 pounds in 1877 and 622,409,320 pounds in 1878, as follows:

	Pounds, 1877.	Pounds, 1878.
First six months.....	75,010,410	116,846,770
Last six months.....	85,451,840	505,562,550
Total.....	160,462,250	622,409,320
From which were earned, in coin.....	\$280,076 40	\$882,040 00

The exhibit for 1878 as compared with 1877, in Local Freight, shows an increase of 38.19 per cent. or 668,665,210 pounds, and an increase in tons hauled one mile of 15.22 per cent.

In Through Freight an increase of 3.95 per cent. or 13,664,669 pounds, and an increase in tons hauled one mile of 6.39 per cent.

Company's Freight hauled, increased over previous year, 08.46 per cent. or 62,066,530 pounds, and a decrease of 60-100 per cent. in tons hauled one mile.

Exclusive of grain hauled to the general markets, the local traffic shows an increase in 1878 of 12.99 per cent. or 206,718,140 pounds.

There was an increase of 287.88 per cent. in tonnage, and 214.92 per cent. in earnings, of the grain traffic of 1878, as compared with 1877.

This is largely due to the fact that the business of the California Pacific, the Northern Railway, and the Stockton & Copperopolis R.R. was included for 1878, showing the rich grain producing districts through which they run to be of much importance to the system.

THE AVERAGE LENGTH OF HAUL, IN MILES, PER TON, WAS—

	1877.	1878.
Local Commercial Freight.....	178.4	148.7
Through Commercial Freight.....	863.2	883.4
Total.....	291.5	243.6
Company Freight.....	145.3	133.9
Total.....	253.6	219.4

THE NUMBER OF TONS HAULED, PER MILE OPERATED, on a basis of 1783.28 miles (average) in 1877, and 2118.74 miles in 1878 (average), was—

	1877.	1878.
Commercial Freight.....	588.11	656.02
Company Freight.....	205.67	187.77
Total.....	793.78	843.79

THE FREIGHT EARNINGS per mile, on a basis of 1783.28 miles operated in 1877, compared with 2118.74 (the average number of miles operated in 1878), were as follows :

	1877.	1878.
In Coin and Currency, as earned.....	\$5,342 90	\$5,098 44
In Coin, at average rate of exchange.....	5,266 11	{ average of exchange
In Currency, at average rate of exchange.....	5,508 41	{ per year equal to coin

COMPARATIVE STATEMENT of Principal Articles of Through Freight for 1877 and 1878:

EASTWARD.

ARTICLES.	Pounds, 1877.	Pounds, 1878.	Per cent Incr'se.	Perct. Dec'se	ARTICLES.	Pounds, 1877.	Pounds, 1878.	Per cent Incr'se.	Perct. Dec'se
Antimony.....	63,190			100.00	Mohair.....	23,010	29,310	27.39	.....
Barley.....		16,360,180			Nuts.....	21,510	6,210		71.13
Beans.....	301,830	286,350		5.12	Ore.....	594,620	369,410		37.87
Blankets.....	125,180	200,470	60.14		Ore (Silver).....	161,260	44,700		72.22
Butter.....					Ore (Lead).....	21,550			100.00
Borax.....	536,030	221,020		58.76	Orchilla.....				
Cactus Pulp.....	20,000			100.00	Oil.....	46,760	4,020		95.68
Cann'd Fruits.....	2,289,820	2,659,820	11.78		Oil (Coal).....	48,110	46,060		4.26
Coffee.....	3,801,700	1,413,160		62.82	Plants.....	6,420			100.00
Copper & Cop- per Cement.....	20,100			100.00	P'wd'r (Giant).....	329,440	418,470	27.02	.....
Copper Ore.....					Quicksilver.....	751,550	682,390		9.20
Chinese Mdse.....	889,710	725,070		18.50	Raisins.....	239,260	192,860		19.39
Cocoons.....	117,460	22,060		72.19	Rice.....	479,000	550,840	14.99	.....
Cigars.....	10,320			100.00	Silk.....	1,300,100	1,529,560	52.48	.....
Flour.....	145,960	3,590		97.54	Silk w'm Eggs.....	82,600	137,650	61.80	.....
Fruit (Green).....	5,655,720	5,039,320		10.89	Salmon.....	7,841,680	5,402,380		31.10
Fruit (Dried).....	818,470	259,170		68.33	Seal Skins.....	1,022,360	756,930		25.96
Furs & Skins.....	524,910	180,760		65.55	Sugar.....	590			100.00
Fans.....	276,620	416,140	50.43		Syrup.....	740			100.00
Glue.....	283,940	181,540		36.08	Sea Lions.....	40,000			100.00
Glycerine.....					Seeds.....	43,840	46,460	5.93	.....
Hops.....	1,502,780	1,362,580		9.32	Sheep.....	40,000			100.00
Honey.....	161,830	1,313,680	711.76		Shells.....	149,070	725,060	386.39	.....
Hides.....	4,609,900	4,293,770		6.85	Silicon.....	20,000			100.00
Horses.....	67,000	47,500		29.10	Sulphur.....	20,000			100.00
Hats.....	98,830	36,330		63.24	Tea.....	18,403,520	16,431,380		10.71
Japan Mdse.....	253,150	205,810		18.70	Tobacco.....	87,630	90,100	2.83	.....
Leather.....	854,800	414,950		51.40	Vegetables.....	1,115,810	164,200		85.28
Lumber (pine).....	546,060	473,710		13.25	Whalebone.....	182,180	151,480		16.85
Mustard Seed.....	135,030	381,490	182.52		Wheat.....	173,290			100.00
Malt.....	60,740	40,270		33.70	Wine & Brndy.....	3,404,980	6,214,180		2.98
Machinery.....	333,310	1,488,300	346.70		Wool.....	44,884,340	36,647,140		18.35
Matting.....	148,820	2,690		98.26	Woolen Goods.....	155,410	169,880	9.31	.....
					Whisky.....		58,920		.....

WESTWARD.

ARTICLES.	Pounds, 1877.	Pounds, 1878.	Per cent Inc'r'se.	Per ct. Dec'se	ARTICLES.	Pounds, 1877.	Pounds, 1878.	Per cent Inc'r'se	Per ct. Dec'se
Agricultural. Implements	7,856,910	7,857,090	.02	.....	Iron Safes....	1,338,190	1,010,220	.....	24.51
Alcohol.....	1,075,080	1,076,910	.02	.....	Live Stock....	1,088,200	1,577,500	44.96	.....
Ale, P. B. & C.	3,589,590	3,845,950	7.14	.....	Lard.....	1,646,230	4,267,500	159.23	.....
Alkalies.....	852,990	304,590	.....	64.39	Lumber.....	1,203,060	550,800	.....	54.22
Ammunition....	278,700	188,150	.....	32.49	Lard Oil.....	1,388,710	1,210,090	.....	12.86
Axes.....	521,630	391,820	.....	24.80	Liquors.....	6,466,700	6,050,110	.....	6.47
Axles.....	284,200	397,300	39.79	.....	Leather.....	623,220	719,360	15.43	.....
Butter.....	619,040	267,370	.....	55.19	Locomotives..	220,110	621,460	182.34	.....
Boots & Shoes	2,841,000	2,948,790	3.79	.....	Machinery.....	3,865,480	3,138,180	.....	18.81
Bacon.....	1,616,290	4,760,130	194.51	.....	Musical Ins. Pianos, &c..	1,643,650	1,187,360	.....	27.82
Baking & Y. P.	363,560	263,140	.....	27.62	Marble.....	759,460	278,170	.....	63.37
Books.....	1,089,620	1,684,130	.....	.54	Met'l (Yellow)	307,870	216,690	.....	29.43
Bitters.....	512,860	557,890	8.78	.....	Metres.....	479,000	28,410	.....	94.07
Blue Vitriol..	734,770	731,180	.....	.49	Mouldings....	756,430	720,810	.....	4.71
Blacking and Polish.....	218,730	270,620	23.72	.....	Nails.....	5,631,330	4,161,410	.....	26.10
Brick (Fire)...	442,130	99,250	.....	77.55	Nuts.....	252,440	306,700	.....	12.98
Burial Cases..	238,260	209,250	25.59	.....	Oil (Coal)....	7,863,740	9,342,650	18.81	.....
Cheese.....	903,750	774,200	.....	14.33	Oysters.....	1,873,480	1,961,370	4.85	.....
Candles.....	2,662,110	3,921,090	47.29	.....	Oatmeal.....	426,950	1,075,460	151.89	.....
Carpets.....	1,511,040	1,706,610	12.94	.....	Oil Cloth....	334,630	467,710	39.77	.....
Clothing.....	1,317,330	1,871,700	42.08	.....	Paper.....	8,028,250	7,788,820	.....	2.98
Canned Goods	4,117,050	4,021,600	.....	2.32	Paints.....	2,323,800	833,450	.....	64.11
Clocks.....	692,780	328,460	.....	52.59	Quicksilver..	216,480	.....	.....	100.00
Cordage.....	502,510	550,570	9.56	.....	Rubber Goods	1,459,990	1,448,300	.....	.79
Carriages.....	1,160,350	1,038,030	.....	10.54	Soap.....	875,490	482,550	.....	44.88
Car Material..	382,910	354,020	.....	7.54	Spirits.....	.....	.....	.....	.....
Confection'ry	221,550	147,670	.....	33.34	(Cologne)...	5,753,740	6,469,560	12.44	.....
Copper.....	499,940	389,190	.....	22.15	Starch.....	1,215,880	1,145,790	.....	5.76
Cranberries..	443,500	326,040	.....	26.48	Sugar.....	7,042,470	4,252,300	.....	39.62
Crockery.....	238,170	197,040	.....	17.27	Scales and B.	448,340	379,700	.....	15.31
Dry Goods & Domestics..	15,638,350	13,542,900	.....	13.39	Seeds.....	375,980	306,420	.....	18.50
Dried Fruit...	1,492,700	1,633,360	9.43	.....	Sewing Machines...	890,390	1,247,920	40.15	.....
Drugs.....	2,550,300	2,632,850	3.24	.....	Ship Chand'y	277,900	357,620	28.68	.....
Duck.....	215,300	209,280	.....	25.07	Shovels.....	807,870	821,790	1.72	.....
Eggs.....	1,059,900	1,221,820	15.28	.....	Solder, &c... Solders.....	250,730	2,100	.....	99.15
Earthenware	228,340	222,240	.....	2.67	Springs.....	378,760	443,220	17.01	.....
Engin's (St'm)	517,830	854,570	65.03	.....	Staves and H.	302,710	942,880	211.45	.....
Fish.....	3,365,720	2,793,440	.....	17.00	Steel.....	2,744,180	2,375,380	.....	13.40
Furniture.....	5,743,350	3,975,150	.....	30.79	Stoves.....	1,359,270	1,424,660	4.81	.....
Fruit (Green)	203,670	235,360	15.51	.....	Syrup.....	966,070	2,081,470	115.46	.....
Furnishing Goods.....	318,980	305,420	.....	4.25	Stamp'd Ware	528,560	276,980	.....	47.59
Ginseng.....	389,250	411,000	5.59	.....	Tobacco.....	7,077,210	7,724,850	9.15	.....
Gas Fixtures..	216,580	164,360	.....	25.04	Thread.....	293,970	270,370	.....	8.03
Glycerine.....	498,200	394,100	.....	20.91	Tin.....	453,300	317,070	.....	30.03
Grain.....	504,330	3,054,480	505.65	.....	Twine.....	455,980	517,920	13.58	.....
Groceries.....	251,400	140,660	.....	44.05	Toys.....	295,210	290,340	.....	1.64
Glass.....	2,074,270	1,367,710	.....	34.06	Tools.....	429,330	292,410	.....	31.89
Hams.....	5,886,490	9,474,810	60.96	.....	Wagons.....	6,084,890	10,964,440	80.17	.....
Hardware.....	5,040,090	4,994,530	.....	.90	Wire.....	2,031,140	2,325,660	14.50	.....
H. H. Goods..	1,737,960	930,200	.....	43.48	Wheels.....	350,430	264,710	.....	24.17
Hats.....	1,125,630	1,103,460	6.03	.....	Woodenware	204,760	144,900	.....	24.33
Horseshoes...	513,390	1,125,780	119.28	.....	Wine.....	305,740	294,450	.....	3.69
Handles, P... Iron.....	789,980	760,680	.....	3.71	Wood in sh'pe	1,190,550	925,590	.....	22.25
Iron Pipe....	3,406,790	1,401,630	.....	30.22	Windmil's...	215,540	367,940	70.70	.....
				58.86	Woolen Goods	494,210	451,740	.....	8.59
					Zinc.....	356,260	356,070	.....	.06

ARTICLES NOT SPECIFIED IN 1877.

	Pounds.
Cigars.....	601,040
Molasses.....	271,910
Personal Effects	156,230
Potatoes.....	130,450
Printed Matter	124,090
Saddles.....	270,450
Stone.....	362,170
Wood Pulp....	84,600

Very respectfully,

Your obedient servant,

J. C. STUBBS,

General Freight Agent.

CENTRAL PACIFIC RAILROAD COMPANY,
PASSENGER AND TICKET DEPARTMENT, SAN FRANCISCO, June 9, 1879. }

A. N. TOWNE, Esq., Gen'l Supt. C. P. R. R. Co.

Sir:—Please find herewith a detailed statement giving the number of Passengers, both Through and Local, transported by the Central Pacific Railroad Company over its own and Leased Lines and Ferries for seven years, from January 1st, 1872, to December 31st, 1878.

STATEMENT OF NUMBER OF PASSENGERS carried over the CENTRAL PACIFIC RAILROAD, and LEASED
LINES, during years named below:

YEAR ENDING DEC. 31ST.		Eastward.	Westward.	Total, East & West.
1872.	*Through.....	21,645	34,040	55,685
	Local.....	265,247	267,901	533,148
	†Ferry.....	1,203,628	1,211,513	2,415,141
	Total.....	1,490,520	1,513,454	3,003,974
1873.	*Through.....	23,486	44,370	67,856
	Local.....	296,988	293,351	590,339
	†Ferry.....	1,310,327	1,311,649	2,621,976
	Total.....	1,630,801	1,649,370	3,280,171
1874.	*Through.....	24,782	55,509	80,291
	Local.....	269,733	274,425	544,158
	†Ferry.....	1,573,989	1,664,291	3,238,280
	Total.....	1,868,504	1,994,225	3,862,729
1875.	*Through.....	30,422	74,919	105,341
	Local.....	288,149	285,413	573,562
	†Ferry.....	1,935,661	2,147,750	4,083,411
	Total.....	2,254,232	2,508,082	4,762,314
1876.	*Through.....	37,855	60,565	98,420
	Local.....	352,753	338,529	691,282
	†Ferry.....	2,379,566	2,603,391	4,982,957
	Total.....	2,770,174	3,002,485	5,772,659
1877.	*Through.....	31,247	47,435	78,682
	Local.....	537,350	542,903	1,080,253
	†Ferry.....	2,690,527	2,971,094	5,661,621
	Total.....	3,259,124	3,561,432	6,820,556
1878.	*Through.....	25,938	37,556	63,494
	Local.....	572,106	588,986	1,161,092
	†Ferry.....	2,768,053	2,986,549	5,754,602
	Total.....	3,366,097	3,613,091	6,979,188

* Through or overland travel between the Termini "San Francisco and Ogden."

† Ferry travel between San Francisco and Oakland, Alameda, Berkeley, etc.

By referring to the foregoing statement, the yearly increase in the number of passengers carried is found to be as follows :

Increase.	Eastward.	Westward.	Total, East & West.
1873 over 1872.....	140,281	135,916	276,197
1874 " 1873.....	237,703	344,855	582,558
1875 " 1874.....	385,728	513,857	899,585
1876 " 1875.....	515,942	494,403	1,010,345
1877 " 1876.....	488,950	558,947	1,047,897
1878 " 1877.....	106,973	51,659	158,632

The variation yearly in the average number of miles traveled by each passenger and the decrease in the average charge per mile per passenger are as follows :

Year.	1872.	1873.	1874.	1875.	1876.	1877.	1878.
Average number of miles traveled by each passenger	35.33	36.85	34.77	35.35	29.90	26.64	25.61
Average charge per mile per passenger, in cents	3.83	3.65	3.52	3.27	3.24	3.02	2.95

Resulting in an average distance traveled by each Passenger, in 1878, of 25.61 miles, and an average charge per mile per passenger of 2.95 cents, showing a reduction in average rates charged during the year of 1878, as compared to that of 1877, of 2.32 per cent.

Very respectfully,

T. H. GOODMAN,

General Passenger and Ticket Agent.

CHIEF ENGINEER'S REPORT.

Chief Engineer's Report.

CENTRAL PACIFIC RAILROAD,
CHIEF ENGINEER'S OFFICE,
SAN FRANCISCO, June 30, 1879. }

Hon. Leland Stanford, President:

The following report for 1878 is respectfully submitted. As a statement in detail of the work done under the supervision of this department would necessarily embrace many matters of minor interest for the purposes of a general report, I will briefly mention the most important changes and improvements which were made during the year:

The usual work of maintenance and repairs has been carried forward, and where important changes and improvements have been necessary, they have—where practicable—been made permanent and with a view to economy in future repairs.

Fifty-nine and thirty-five one hundredths ($59\frac{35}{100}$) miles of track were relaid with steel, and one and sixty-two one hundredths ($1\frac{62}{100}$) miles with iron rail, and three hundred and ninety-seven thousand seven hundred and thirty (397,730) new ties were used during the year.

The total length of track laid with steel rail December 31, 1878, is three hundred and forty-seven and eighty-seven one hundredths ($347\frac{87}{100}$) miles.

The greater portion of the steel used thus far has given satisfaction, yet I regret to say that one or two lots of American manufacture have not been fully up to the standard of the best American and foreign makers.

The track is in good condition and will compare favorably with the best eastern lines. A material reduction of the track force has been made, and it is the intention to keep it at the minimum consistent with true economy.

The track, and other work on the leased lines, is under the same general supervision and is kept up to the same standard as the main line and branches.

A new pile bridge has been constructed at Bear river, on the Oregon Branch, and the grade at the crossing raised six (6) feet. Several of the former openings were filled, and the approaches to the new structure made by permanent rip-rapped embankments. It is hoped that with the aid of the levees, which have recently been constructed, that this stream may be controlled and further changes rendered unnecessary for a number of years.

Changes are taking place in the regimen of many of the streams crossed by your lines: notably the Yuba River at Marysville. The channel of this stream has been filled to a depth of twenty or more feet in many places, and, at the point of crossing by the railroad, it has shifted its position several hundred feet since the construction of the bridge, the main channel being now near the northern or Marysville bank. Two additional spans were constructed last year to provide for this change of channel, and it is probable that a further extension will be required. About twenty-four hundred feet of the trestle, forming the south approach to the bridge, can, I think, be safely filled, and to avoid the expense of renewal of the timber work this embankment should be made the present season.

Surveys have been made to determine the practicability of making some changes in the vicinity of Yuba and Feather rivers, to provide against damage by future freshets, the result of which I will place before you at an early day.

Additional grounds for station purposes at Marysville have been purchased and new freight depots and platforms erected thereon.

The round houses at Winnemucca and Carlin have been rebuilt with stone foundations and iron roofs, and similar improvements at Truckee and Wadsworth are contemplated during the present year.

An iron turn-table has been put in at Winnemucca, another is on the ground at Wells and will be placed in position when required.

No unusual repairs of snow-sheds and galleries have been required. Twelve hundred (1200) feet of shed near Owl Gap was burned and rebuilt. These structures are generally in good condition, and, considering the length of time they have been in service, the necessary current repairs are comparatively light. The question of maintenance will, however, soon embrace the renewal of a large portion, and it will undoubtedly be true economy to build a

more permanent structure than the present one. Probably a combination of wood and iron may be found to be the best.

New water tanks have been built at Galt, Roseville, Rocklin and Terrace.

New wood-sheds have been erected, as follows :

At Rocklin.....	24 × 608 feet.
“ Clipper Gap	24 × 500 “
“ Colfax	24 × 368 “
“ Alta.....	24 × 500 “
“ Camp 27	16 × 300 “

A new wharf and slip for the car-ferry steamers have been constructed near the mouth of Estuary of San Antonio, Oakland. This work rendered necessary the removal and rebuilding of one thousand (1,000) feet in length of the north training wall constructed by the U. S. Government for the improvement of Oakland Harbor, which was done with the concurrence of Col. Geo. H. Mendell, U. S. Engineer in charge, and without detriment to his proposed plan of harbor. The construction of additional wharves in this locality is proposed for the accommodation of vessels which now receive and discharge cargo at Oakland wharf. This will be practicable as soon as the channel between the training walls (above mentioned) is dredged to a sufficient depth to admit sea-going vessels. It is hoped that this may be accomplished in the near future, and thus enable you to concentrate your present, and provide for future business at this point.

Important improvements in connection with the Oakland passenger ferry are in contemplation, and will be commenced the present year.

The principal damage by freshets in 1878 was upon the Oregon branch. Several hundred feet of embankment near Bear River, and also near Tehama were washed away, and considerable damage done to bridges across Red Bank, Reeds, Dibble and Cottonwood Creeks; communication by rail between Red Bluff and Redding was suspended for twenty-five days.

The U. S. Commissioners examined that portion of the road between Red Bluff and Redding on April 9th, 1878, viz: from the $117\frac{60}{100}$ mile to the $151\frac{87}{100}$ mile, embracing part of the sixth, all of seventh, and part of the eighth, twenty (20) mile sections, and accepted the same as being constructed according to the requirements of the Department of the Interior.

The following table shows the length of main line and branches operated December 31st, 1878.

*Length of Road Operated—Main Line and Branches—
December 31st, 1878.*

MAIN LINE.		Miles.
San Francisco to Ogden.....		883.23
BRANCHES.		
<i>Oregon Branch—</i>		
Roseville to Redding.....	151.45	
<i>Visalia Branch—</i>		
Lathrop to Goshen.....	146.30	
<i>Oakland and Alameda Branches—</i>		
Oakland Wharf to Brooklyn.....	5.67	
Oakland Point to Masticks.....	3.80	
Extended during 1878.....	0.02	
	—	3.82
Alameda Wharf to Melrose.....	5.19	
Fruit Vale connection.....	0.88	
<i>San Jose Branch—</i>		
Niles to San Jose.....	17.54	330.85
Total.....		1,214.08
Length of sidings, Dec. 31st, 1877.....	171.41	
Sidings constructed in 1878.....	12.52	
Sidings removed in 1878.....	3.66	
Increase in sidings.....	—	8.86
Total sidings, Dec. 31st, 1878.....		180.27
Total length of all tracks, Dec. 31st, 1878.....		1,394.35

S. S. MONTAGUE,
Chief Engineer.

LAND AGENT'S REPORT.

Land Agent's Report.

LAND DEPARTMENT, CENTRAL PACIFIC R. R. CO.,
SAN FRANCISCO, CALIFORNIA, July 1, 1879.

Hon. Leland Stanford, President:

SIR:—In former reports I have shown that:

	ACRES.
The land grant from the United States Government to the Central Pacific Railroad Company of 12,800 acres per mile, for 742 miles, is.....	9,497,600
Deduct for lands previously granted and reserved, say.	1,500,000
Leaves.....	7,997,600
The land grant to the California and Oregon Railroad of 12,800 acres per mile, for 291 miles, is.....	3,724,800
Total.....	11,722,400

The grant to the C. and O. R. R. Co. provides that where lands are lost to the company by reason of previous grants or reservations, they can be made good from an indemnity grant of ten miles wide on either side of the twenty mile limit, which insures to the Railroad Company the full amount of land granted. The value of these lands, at the Government minimum price for adjoining lands, \$2.50 per acre, would be.. \$29,306,000

A large portion of this is the choicest agricultural and timber land in the country, and will sell for a much greater price.

The policy of the Company and of the Trustees under the Land Trust Mortgage has been to sell the farming lands at low prices, and on easy terms of payment, to actual settlers, believing the best

interests of the Company and the Bondholders are promoted by selling in limited quantities to those who will cultivate the soil, and who will own the land they cultivate. By this means an industrious agricultural population is invited, whose improvements and the product of whose labor tend to enhance the value of the unsold lands.

Most of the lands that have been sold were purchased for gold, on a credit of five years; a payment of twenty per cent. being made at the time of purchase, the remainder to be paid at the end of the term, with annual interest, payable in advance, on all sums remaining due.

No sales have been made during the past year except for gold.

There were sold prior to October 1st, 1870, $127,637\frac{55}{100}$ acres, for \$295,065.50, averaging \$2.31 per acre; and up to December 31st, 1878, there has been sold the timber on $7,318\frac{90}{100}$ acres of land reserved by the Government for mineral, for \$18,161.60; and there has also been received for stumpage \$22,481.45.

Of the lands in the California and Oregon R. R. grant, there were sold, prior to the consolidation of that company with the Central Pacific R. R. Company, $9,760\frac{87}{100}$ acres, for \$18,443.36.

There remained due and unpaid December 31, 1878, on lands sold prior to October 1, 1870, \$4,045.94 coin, and \$80.00 currency.

Since the execution of the Land Trust mortgage, October 1, 1870, there have been sold to December 31, 1878, $481,851\frac{60}{100}$ acres of land, for \$3,570,140 $\frac{2}{100}$ being an average of $\$7.40\frac{11}{12}$ per acre—as follows: From October 1, 1870, to December 31st, 1872, $122,765\frac{9}{100}$ acres, for \$484,227.97, averaging $\$3.94\frac{1}{2}$ per acre; from December 31, 1872, to December 31, 1873, there were sold $58,733\frac{60}{100}$ acres, for \$410,314.92, being an average of \$7.00 per acre; from December 31, 1873, to December 31, 1874, there were sold $63,846\frac{99}{100}$ acres, for \$388,824.26, being an average of \$6.09 per acre; from December 31, 1874, to December 31, 1875, there were sold $29,254\frac{76}{100}$ acres, for \$163,725.27, averaging about \$5.60 per acre (this includes 160 acres of granite quarry donated to the State); from December 31, 1875, to December 31, 1876, there were sold $36,503\frac{68}{100}$ acres, for \$275,400.75, averaging about \$7.54 per acre; from December 31, 1876, to December 31, 1877, there were sold $92,647\frac{35}{100}$ acres, for \$1,203,870.14, averaging about $\$12.99\frac{1}{4}$ per acre; and from December 31, 1877, to December 31, 1878, there were sold $78,100\frac{13}{100}$ acres, for \$643,776.71, averaging about $\$8.24\frac{23}{8}$ per acre.

There were also received from December 31, 1875, to December 31, 1878, \$625.00 from leases of railroad lands, and \$7,926.43 from stumpage of railroad trust lands.

There has been paid to the Trustees under the Land Trust Mortgage, up to December 31, 1878, the sum of \$2,429,542.26 coin and currency; deducting \$925 $\frac{24}{100}$ discount on currency, leaves a total of \$2,428,617.02.

There remained due and unpaid December 31, 1878, on the lands sold since October 1, 1870, \$1,765,704.06 in coin.

It will be seen from the above statement, that as population increases, the value of the Company's lands is gradually advancing. Lands which in 1870, at the time of their conveyance to the Trustees under the Land Trust Mortgage, were considered worth from \$5 to \$7 per acre, now readily sell for \$10 and \$12 per acre, and lands which at that date were considered by intending purchasers as too remote from settlements, are now sold without difficulty.

It has been found that the lands of the "foot hills"—that is, the lands lying at the base of the Sierra Nevada, and extending an average of twenty miles from the valley up to an elevation of twenty-five hundred feet,—have a climate warmer than the valley at the same latitude, and a rainfall in excess of that of the valley, increasing about one inch annually with each one hundred feet elevation. This is the explanation of the successful cultivation and prolific yield of orchards, vineyards and berries in this part of the State. The warmer climate of this region also explains the successful cultivation of oranges, lemons and other semi-tropical fruits, wherever they have been planted on these lands. Unfortunately these foot hills originally contained the shallow placer mines, on bars and benches of the rivers; and while all the gold was extracted from them by the earlier placer miners long before the grant to the Railroad Company, yet the Land Department, in an excess of caution, reserved all of these lands to the extent of two millions of acres as mineral. The expense of showing by testimony before the Land Office that each separate forty acres is more valuable for agriculture than for mining must be borne by the Railroad Company on odd numbered sections, and by the settlers on even numbered sections. This expense is almost equivalent to doubling the price of the land, and has seriously retarded the settlement of the State. So far as relates to the odd numbered sections within the railroad grant, but little has been done towards disproving mineral until within the past year, as I had hoped the Land Department at Washington

would revoke its unwise order and declare these lands open to settlement equally with other public lands of the United States. The Land Department having taken no action, I have within the past six months procured the testimony to show that the odd numbered sections are non-mineral, which proof has been found satisfactory to the U. S. Land Department, and we will soon receive patents for a half million of acres of these heretofore reserved lands. These lands will support a large population, and when the patents are received will readily sell at fair prices.

The drought in the southern counties, during the past year, has turned the tide of emigration to the north, where the annual rains are always more than sufficient to produce crops of the cereals. More than five hundred families have settled on the lands of the Company in the counties of Colusa and Tehama during the year. The Northern road having been completed to Willows, an increased area of valuable valley farming land has been brought into market and is selling at satisfactory prices.

The so-called desert lands along the Humboldt river, in Nevada, are being rapidly occupied by settlers; they are found to be very productive when water from the river is brought to them. These lands are now being examined in detail and prices fixed upon them, and large sales will be made during the present season. As the State fills up with population and experiments are made, it is found that lands once considered as fit only for grazing, are really valuable for grain and orchards. Ten years since only prairie lands were ploughed for wheat and barley; now the low foot-hills bordering the plains are found equally productive.

It will be but a few years when all the lands of the Sierra, below an elevation of 3,000 feet, and within reach of transportation by rail, will be filled with homes and planted in grain and fruits. The lands of the Central Pacific Railroad Company may be regarded as among its most valuable assets.

Respectfully,

B. B. REDDING,

Land Agent.

TRUSTEES' REPORT.

Trustees' Report.

Report of the Trustees under Land Grant Mortgage of the Central Pacific Railroad Company.

SAN FRANCISCO, July 1st, 1879.

*To the Board of Directors of the
Central Pacific Railroad Company:*

GENTLEMEN: Our report of July 1st, 1878, showed a balance of cash on hand of \$1,153,404 06; we received from the Land Department of the Company \$237,197 13, during the six months ending December 31st, 1878, the end of the fiscal year of your Company; and we will also state that during the last six months, ending June 30th, 1879, we have received \$162,595 98, making a total of \$1,553,197 17; and have redeemed 1,454 Bonds during the year at a cost of \$1,399,901 78, leaving cash on hand, July 1st, 1879, \$153,295 39.

S. W. SANDERSON, } *Trustees.*
J. O'B. GUNN, }

Officers of the Central Pacific Railroad.

DIRECTORS:

LELAND STANFORD,	E. W. HOPKINS,
E. H. MILLER, JR.,	S. T. GAGE,
CHARLES CROCKER,	C. F. CROCKER.

OF SAN FRANCISCO, CAL.

C. P. HUNTINGTON,

OF NEW YORK CITY.

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Vice-Pres't & Gen'l Ag't, C. P. HUNTINGTON, 9 Nassau St. N.Y. City.
Second Vice-President.....CHARLES CROCKER, San Francisco, Cal.
Treasurer.....E. W. HOPKINS, San Francisco, Cal.
Secretary.....E. H. MILLER, JR., San Francisco, Cal.
Land Agent.....B. B. REDDING, San Francisco, Cal.
General Superintendent.....A. N. TOWNE, San Francisco, Cal.
Assistant General Superintendent.....E. C. FELLOWS, San Francisco, Cal.
Division Superintendent.....A. D. WILDER, Oakland, Cal.
 " " J. A. FILLMORE, Sacramento, Cal.
 " " FRANK FREE, Wadsworth, Nev.
 " " G. W. CODDINGTON, Carlin, Nev.
 " " R. H. PRATT, Ogden, Utah.
 " " *of River Steamers*..W. H. MOOR, San Francisco, Cal.
Attorneys.....{ S. W. SANDERSON, San Francisco, Cal.
 { ROBT. ROBINSON, San Francisco, Cal.
Chief Engineer.....S. S. MONTAGUE, San Francisco, Cal.
Assistant Engineer.....L. M. CLEMENT, San Francisco, Cal.
General Passenger Agent.....T. H. GOODMAN, San Francisco, Cal.
General Freight Agent.....J. C. STUBBS, San Francisco, Cal.
General Auditor.....WILLIAM H. PORTER, San Francisco, Cal.
Auditor of Freight.....C. J. WILDER, San Francisco, Cal.
Auditor of Passengers.....A. D. W. McCULLOUGH, San Francisco, Cal.
Auditor of Motive Power and Machinery....C. A. GROW, San Francisco, Cal.
Master of Machinery.....A. J. STEVENS, Sacramento, Cal.
Master of Car Repairs.....BENJAMIN WELCH, Sacramento, Cal.
Superintendent of Bridges.....ARTHUR BROWN, Oakland, Cal.
Local Purchasing Agent.....J. R. WATSON, Sacramento, Cal.