

enough or the spring strong enough. I have been induced to make this communication on account of the great use which may be made of such an apparatus.

*Florian, Torquay, September 19.*

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*Communication of the Board of Directors of the Panama Railroad Company to the Stockholders, together with the Report of the Chief Engineer to the Directors.*

*Communication of the Board of Directors.*—Geo. M. Totten, Esq., the Chief Engineer of the Panama Railroad Company, has just submitted to the Board of Directors his annual report of the condition and prospects of this important work.

In presenting his report to the Stockholders of the Company, the Board deem it fitting that it should be accompanied by a brief statement of their views of the enterprise in which they are engaged.

Confident as they have ever been of the final accomplishment of the work, and at one period entertaining the hope of its completion during the present year, they have never realized so strongly as they now do, the certainty of the early consummation of their plans.

When the enterprise was commenced, the undertaking was as novel as it was formidable, and your Board enjoyed no advantage from the experience of others, no work of the kind having ever been performed under similar circumstances.

In a foreign country, where no road for wheel vehicles had ever existed, and possessing no supplies either of food or materials, it became necessary to send every thing from the United States, even laborers themselves to a great extent. Yet under these disadvantages, the road was so far finished in seventeen months, for a distance of twenty-three miles, as to admit of the passage of the cars, and over this portion of it daily trains have been run from that time to this.

At this point in the history of the road, your Board changed their mode of operations, and entered into an arrangement with other parties for the prosecution of the work, under the expectation that it would be pushed forward more vigorously, and be completed earlier, than by adhering to their previous plan.

They were disappointed in this expectation, and after the lapse of about fourteen months, during which time only eight miles more of the road were graded, in addition to the labor performed on the bridge crossing the Chagres River, they again took the work into their own hands, and are now carrying it on in the same general manner which was adopted at first, but with greater advantage, derived from their former experience, and from the increased facilities of obtaining native and other labor, and having the use of that portion of the road now in operation, for the conveyance of materials and men.

In view of the past history and present condition of their operations, in connexion with the character of the country over which the remaining eighteen miles of the road are to be constructed, and relying, as they do,

on the ability and intelligence of their Chief Engineer, the Board feel no hesitation in expressing to the Stockholders, their firm conviction that the work will be so far completed in all of the ensuing year, as to admit of the regular passage of the cars from ocean to ocean, and they entertain the hope that the time will not be prolonged beyond the month of August.

The Chief Engineer, in making his report, prepared some estimates of the income which may be anticipated from the business of the road on its completion, but inasmuch as they might be deemed extravagant by those not so familiar with the subject as himself, the Board have thought it best to omit them. Some idea may be formed, however, of the probable results, when it is considered how large the earnings have been on the section of the road now in operation, and how large a proportion of the expense of transporting passengers and merchandize across the Isthmus, is now received by the muleteers,\* whose business will pass to the road, at once, when finished.

It should also be borne in mind, that the running expenses on a line like this, must necessarily bear a much less proportion to the receipts, than on any other road in the world.

That the business of the road will not remain stationary, but be greatly enlarged, admits of no question, and it will not be surprising should the views of the most sanguine in this respect be realized. A material increase may be looked for, on the opening of the line to the Obispo, at the close of the present year.

Already has the attention of capitalists in Great Britain and on the continent of Europe, been awakened to the importance of this route as a means of communication with the west coast of South America, the Sandwich Islands, China, Australia, and California. In addition to the Royal Mail Steamship line, now running between Southampton and Aspinwall, by way of the West Indies, three other lines have been organized to ply between Aspinwall and England. Besides, a French Company are engaged in building several steamers, under the auspices of the Government, to run to Aspinwall, and connect with other lines from Panama to Australia.

Add to these, the two American lines of first class steamers from New York, and one from New Orleans, and we have eight lines which will connect with the Atlantic terminus of our road when completed.

On the Pacific side, at least five lines will soon radiate from Panama, and probably others, with passengers and merchandise for California, Valparaiso, Australia, &c.

The Board might greatly enlarge, but it is not necessary. They entertain no apprehension of any want of employment for your road. On the

\* The Railroad now receives less than one cent per pound for ordinary freight, and two cents per pound for express freight and extra luggage carried over the twenty-three miles, from Aspinwall to Barbacoas, while seventeen cents per pound are paid the muleteers from the latter point to Panama. On the opening of the road to the Obispo—eight miles further—the rates charged by the road will be considerably enhanced.

The rates for through freight, when the road shall be completed, has not been fixed, but the proportion will be materially increased, while the expense to shippers will be greatly diminished.

contrary, they are persuaded that, with a single track, its utmost capacity will be tested by the business which will be offered.

Should any of the Stockholders deem them visionary in their views, or too sanguine in their expectations, the Board beg leave to remind them that most of their number have been identified with the enterprise from the beginning, through good report and evil report, and have thus had superior opportunities for forming correct opinions; and although they would not conceal from themselves the fact that difficulties are yet to be encountered, they are willing to hazard their reputation as men of judgment on the success or failure of the enterprise they have undertaken.

The Board think the following information in relation to the real estate of the Company will be interesting to the Stockholders, most of whom, it is presumed, are not acquainted with the facts.

Under the original grant from the Government of New Grenada, for the exclusive privilege of constructing a railroad across the Isthmus of Panama, they ceded to the grantees about 300,000 acres of land, to be located along the line of the road, or at other points within the territory of the Government, as the grantees might select, together with the right to all the mineral wealth which the same might contain. In transferring their rights and privileges to the Panama Railroad Company, the grantors ceded to the Company one-half of the lands thus obtained.

By a subsequent arrangement with the Government, the Island of Manzanilla (Navy Bay) was received in exchange for a portion of the wild lands previously ceded, two acres of the latter being given for one of the former. The Island of Manzanilla, on which the city of Aspinwall is situated, comprises an area of about 650 acres.

The Island has been surveyed, and a portion of it laid off into blocks and lots, and prepared for the erection of buildings; of which over 300, of substantial character, have already been put up, by parties who have leased the ground, and which yield an annual income of about \$15,000. A largely increased income from this source is anticipated at no distant day.

In addition to this, the Company possess one-half interest in three Islands in the Bay of Panama, which, it is believed, will ultimately be of great value.

They have also secured by purchase, at Panama, and grant from the Government, all the ground which may be required for depots, workshops, &c., together with the right to reclaim and hold in perpetuity so much of the lands and flats lying below high water mark, as may be found necessary or desirable for their purposes.

It is difficult to estimate the importance of these possessions to the interests of the Company; in the judgment of many well informed parties, they will prove equal to the entire cost of the road.

The Board take much pleasure in stating that the Government of New Grenada, with a just appreciation of the importance of the undertaking, not only as bearing on the prosperity of their own country, but in its relations to the commerce of the world, have manifested every disposition to second the Board in their efforts to promote the objects they have in view; and in closing this communication, they would do injustice to

their feelings, were they not to express their grateful sense of the spirit of liberality and the courteous deportment, which have characterized the Government in all their intercourse with the officers of the Company.

WILLIAM H. ASPINWALL,	CORNELIUS W. LAWRENCE,
HENRY CHAUNCEY,	EDWIN BARTLETT,
G. B. LAMAR,	HENRY A. COIT,
EDWARD J. WOOLSEY,	GEORGE LAW,
JOSEPH B. VARNUM,	WILLIAM C. YOUNG,
DAVID Hoadley.	

The signatures of Gouverneur Kemble and Thomas W. Ludlow are omitted, in consequence of their absence in Europe.

*New York, Nov., 1853.*

*Report of the Chief Engineer.*—The period of the year having arrived when it is usual to prepare for the operations of the approaching dry season, I beg leave to present to your Board the following Report upon the condition and prospects of your road:

The whole length of the road from ocean to ocean, as finally located, is 49 miles, of which distance the portion from Aspinwall, the Atlantic terminus, to Barbacoas, where the line crosses the Chagres River,  $23\frac{1}{2}$  miles, has been in operation the past sixteen months (since July, 1852).

Nine miles of this division were originally laid on piles and cribbing, which were the means adopted for crossing the low grounds and swamps, through which this part of the line passed; all of which, with the exception of about 1000 feet, is now filled in with earth. This track at present lies on firm embankments.

During the past year many of the original trestle structures for crossing the streams have been replaced by substantial culverts, or bridges, with masonry abutments, and iron superstructures, which style of work is being adopted throughout the whole line as rapidly as circumstances will admit.

During the past year, also, many portions of the track have been ballasted, and a large number of the original spruce and native soft wood cross ties, have been replaced with others, of *lignum-vitæ*, and other hard and durable woods, which will be continued throughout the whole road.

These improvements being completed, as they shortly will be, and your iron, which is of the bridge pattern, being of very superior quality, weighing 60 lbs. to the yard, it cannot fail to be seen that you will soon have as perfect a road as can be found in the United States, as it is already of fair average character.

The erection of the bridge over the Chagres River has been impeded by various causes, among which may be mentioned, an untimely flood in April last, which carried away the main span, when nearly completed. This span is now securely placed, and the whole bridge will probably be completed by Dec. 1st. The substantial stone piers and abutments are already finished.