

**File Unit - 002/002.01-17365.00.01**



**Series Nbr:** 002.01  
**File Unit Nbr:** 17365.00.01  
**Catalog #:** STEA 7158  
**Accession #:** STEA-00033  
**Category:** CORRESPONDENCE  
**Dates:** 1915-1916

<b>Extent</b>	
<b>Count</b>	[Count]1
<b>Extent</b>	[Extent]
<b>Type of Unit</b>	[Type of Unit]FOLDER

**Title:** DL&W RR--Correspondence--General Superintendent--17365: Bath Branch of B&P  
--Connection to Bethlehem Steel  
**Add By:** RED  
**Add Date:** 9/8/2009 5:03:22 PM  
**Change By:** RED  
**Change Date:** 9/8/2009 5:08:25 PM  
**Location:** 002/002.01-B16-038

<b>Proc By</b>	
<b>Processed By</b>	Pat McKnight
<b>Processing Date</b>	September 2009

**Record Id:** 50559

17365

December 23, 1916.

17365:

Mr. R. M. White,  
Superintendent.

Dear Sir:

For your information, I enclose copy of letter to me from Vice President Flynn, dated December 22, about reaching plant of the Bethlehem Steel Company.

Yours truly,

1-p

December 22nd, 1916.

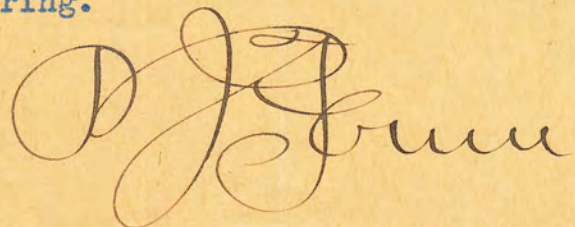
Mr. Rine:-

Answering your 17365 of 20th instant, about the matter referred to by Superintendent White in his letter of 18th to you, copy of which he sent us, would say that our information is to the effect that our Board of Managers took, some time ago, the necessary action in the way of adopting the proposed line from Nazareth to connect with the P., B. & N. E. Railroad.

Mr. Warriner, President of the L. & N. E. Railroad, called on Mr. Truesdale some time ago and suggested that some changes, which he then had in mind, be made in proposed line, explaining that, if agreeable, he would prepare blue-print, etc., submitting same to Mr. Truesdale, all of which was satisfactory to latter. After this data has been received and considered, the question of changing to meet the suggestions of Mr. Warriner will be determined.

It is my understanding that, should these suggestions prevail, the new line will be built jointly by the L. & N. E. and ourselves.

In any event, the work of building the line will not be started before next Spring.



17365

December 20, 1916.

17365:

Mr. P. J. Flynn,

Vice President.

Dear Sir:

You have copy of letter from Superintendent White to me, dated December 18, his file 7706, relative to handling traffic to and from the Bethlehem Steel Company.

Will you please let me know how this matter now stands?

Yours truly,

1-G

17364  
December 20, 1916

Mr. J. H. Crawford,  
Freight Traffic Manager.

Dear Sir:

Replying to your letter December 19, file L-45122, regarding reclaim allowance requested by the Bethlehem Steel Company in connection with proposition involving extension of the P.B.& N.E.R.R. to connection with branch of our B. & P. Division:

The allowance of 3.55 days per car made to the South Buffalo Railway on both system and foreign cars works out as follows:

(a) The South Buffalo Railway pays full per diem to car owners at the prevailing per diem rate for all cars on their rails received from this Company.

(b) Reclaims on D.L.& W.R.R. 3.55 days for each and every car handled for account of D.L.& W.R.R.

This allowance is based upon actual check which showed the average days detention of all cars on the South Buffalo Railway for a given period, and the same allowance is being made to the South Buffalo by its other connections under mutual agreement. The present allowance of 3.55 days per car is to be continued until July 1, 1917, at which time, if conditions warrant, a change in the allowance might be made.

Yours truly,

# The Delaware, Lackawanna & Western Railroad Company.

GENERAL FREIGHT DEPARTMENT

New York, December 19th, 1916.

File L-45122.

Mr. E. M. Rine:

Your letter December 16th in connection with the PB&NE.

The three and four day proposition was adopted primarily because that was the allowance the PB&NE got from the LV and P&R Roads and it was further our idea that as the greater portion of the equipment would be foreign cars, that if we could hold the allowance down to three days we would be that much the gainer.

I do not believe the Bethlehem Steel Company would have any objection to taking the same arrangement as the South Buffalo have, although I am afraid I am not just exactly clear as to what this allowance is. Based on the figures given in your letter, will you kindly advise just how the South Buffalo allowance is worked out?

*J. H. Crawford*  
F. T. M.



The Delaware, Lackawanna & Western Railroad Co.

17365  
Form G. 26-C.  
9-15

Easton, Pa., December 18, 1916.

7706

*626  
11-17*

Mr. E. M. Rine:-

Will you kindly refer to my letter October 26th., 1915, which was a reply to your letter October 22nd., with regard to the handling of traffic to and from the Bethlehem Steel Co.

There is nothing in our file to show whether or not our Board of Managers had taken any action in the way of adopting the proposed line from Nazareth to connect up with the P.B. & N.E.R.R. (Bethlehem Steel Co's line) and I am bringing the matter to your attention, at this time, as I have just been informed that the L. & N.E. people have a field party on the ground, putting in stakes, on practically the line which we had in mind.

Superintendent.

COPY:

Mr. P. J. Flynn.

17365

December 16, 1916.



Mr. J. H. Crawford,  
Freight Traffic Manager.

Dear Sir:

Replying to your letter December 8, file L-45122, relative to allowance requested by the Bethlehem Steel Company, in connection with proposition involving extension of the PB&NE R.R. to a connection with branch of our B. & P. Division.

If the PB&NE.R.R. is given the same status as the South Buffalo Railway I see no reason why it cannot be handled on the same basis, so far as the per diem feature is concerned. I note in third paragraph of your letter you make reference to allowance of three days free time on foreign cars and four days on home cars, per diem accruing after such allowance to be paid by the Industrial Line. The allowance of the South Buffalo Railway, July 1, 1916, to July 1, 1917, is 3.55 days per car on all cars, both foreign and local. Whatever allowance is made the PB&NE R.R. should, in my opinion, be the same on home and foreign cars.

Yours truly,

*File*  
Scranton, Pa., December 12, 1916.

File CD

Mr. E. M. Rine,  
General Superintendent.

Dear Sir:

I return Freight Traffic Manager Crawford's letter dated December 8th, addressed to you in connection with proposed extension of the PB&NE R.R., owned by the Bethlehem Steel Company.

If the PB&NE R.R. is given the same status as the South Buffalo Railway, as I see it at the present time there are no reasons why it cannot be handled on the same basis, so far as the per diem feature is concerned.

I note, however, in the third paragraph of letter attached, reference is made to an allowance of three days free time on foreign cars and four days on home cars, per diem accruing after such allowance to be paid by the industrial line.

I would direct your attention to the fact that the allowance of the South Buffalo Railway July 1st, 1916 to July 1st, 1917, is 3.55 days per car on all cars, both foreign and local. ✓

Personally, I believe whatever allowance is given the PB&NE R.R. should be the same on home and foreign cars.

Yours truly,

*W. M. Casper*  
Supt. Car Service.

1-c

# The Delaware, Lackawanna & Western Railroad Company.

GENERAL FREIGHT DEPARTMENT

3.55 days  
in S.A. file  
7/1/16 - 7/1/17

New York, December 8, 1916.

File L- 45122

Mr. E. M. RINE:

You are acquainted in a general way with the proposition involving an extension of the PB&NE RR, which is owned by the Bethlehem Steel Co., to a connection with a branch of our B&P Division to be built down to the interchange yard which will be in the vicinity of Broadhead.

The Bethlehem Steel Co. have asked for the same allowances and arrangements as are in effect between the Trunk Lines and the South Buffalo Railway, owned by the Lackawanna Steel Co.

The proposed new connections of the PB&NE, viz. CRR of NJ, L&NE and ourselves, are satisfied that these allowances will be proper and they include an allowance of free time of three days on foreign cars and four days on home cars, thereafter regular per diem to be paid by the industrial line, which is somewhat less than the South Buffalo allowances and is the exact arrangement of the PB&NE with its present connections - The P&R, LV and CRR.

Will you please advise your views in connection with this matter

*Just T. Crawford*

F. T. M.

17365

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

90 West Street, New York.

E. E. LOOMIS,  
Vice-President.

July 14th, 1916.

Mr. E. M. Rine,  
General Superintendent,  
Scranton, Pa.

Dear Sir:

I have yours of the 8th instant, in reference to proposed connection with the Bethlehem Steel Company's plant. This matter has been in the hands of our Traffic Department and I understand Mr. Flynn explained the present situation to you while on inspection trip this week.

Yours truly,

*E. E. Loomis*  
Vice President.

17365

July 8, 1916.

17365:

Mr. E. E. Loomis,  
Vice President.

Dear Sir:

Referring to mine of January 29, in reply to yours of October 18, 1915, relative to proposed connection with the Bethlehem Steel Company's plant, near their proposed new yard, just across the Lehigh River from South Bethlehem:

Please advise what conclusions have been reached in your negotiations with the Bethlehem Steel Company and the L. & N.E. Railroad, and if any decision has been arrived at regarding the adoption of Route No. 2, as indicated on blue print accompanying my letter.

Yours truly,

4-G

17365

January 29, 1916.

*ERL*  
*What has been done*

Mr. E. E. Loomis,  
Vice President.

Dear Sir:

Referring to your letter of October 18, enclosing copy of files, re. proposed connection with the Bethlehem Steel Company's plant, near their proposed new yard, just across the Lehigh River from South Bethlehem:

Superintendent White and Division Engineer Tallyn have gone over the proposed connection between the L.& N.E. R.R. Bethlehem Branch and the north end of the proposed P.B.& N.E. Yard, and find that the estimated cost as given by President Warriner, of the L.& N.E., is approximately correct. This route, however, would mean that our Company would have to operate over three miles of our Bath Branch, plus three miles over the Bethlehem Branch of the L.& N.E., and two and one-half miles over the proposed new line to a connection with the P.B.& N.E. Company's new yard, a total distance of about nine miles from Nazareth.

We would recommend against the use of this route, and would suggest, instead, our building a connection, designated as Route No. 2, and indicated on attached print, which would be a direct connection from the east or north end of the P.B.& N.E. Yard, running directly north and connecting with our Bath Branch about one-half mile west of the Dexter Crossing. This would re-

duce the operating distance from Nazareth to the P.B. & N.E. from 9 miles to  $3 \frac{7}{10}$  miles, and permit of more favorable grades than we would find over the L. & N.E. Route.

From an Operating standpoint, Route No. 2 would be a much more favorable plan, due to the fact that the operation over three miles of the L. & N.E. Bethlehem Branch is on single track and in the face of very heavy traffic, and also through their Bath Yard, which is ordinarily badly congested.

So far as the cost of operation, interest and maintenance of the two lines is concerned, detail figures given in statement enclosed with Mr. Tallyn's letter of January 4, to Mr. Ray, copy of which is attached hereto, show that the annual cost, based on business as outlined in Vice President Flynn's letter of September 7, of operating over the L. & N.E. Route is \$16,380.95 as against the cost over the recommended Lackawanna connection of \$13,601.21.

In connection with this, we believe that the recommended Lackawanna connection would be possibly more favorable to the L. & N.E. than the proposed connection from their Bethlehem Branch, and that they might desire to operate over our line if constructed, bearing proper proportion of the interest and maintenance charges, in which event, the cost of the construction and maintenance of our proposed line would be reduced accordingly. On this basis, it would be necessary to make the connection with our Bath Branch, as shown in black on attached blue print, and which is covered in the estimate for Route No. 3.

Neither Mr. Tallyn nor Mr. White have conferred with the Bethlehem Steel Company people as to details of the proposed connection, not wishing to do this until after the matter has been further considered by you.

Chief Engineer Ray's recommendation is identical with ours, as you will observe by his letter of January 26, attached.

In this connection, would state that there is a possibility of the Thomas Iron Company, who are interested in mining ore near Wharton, and in the possible operation of the Wharton furnaces and construction of coke ovens, etc., having considerable freight moving between Wharton and their Hellerton furnaces, located about one mile south of the Lehigh Coke Plant, into which the P.B. & N.E. operate, and which would no doubt move over our rails if our connection were made to the P.B. & N.E. We understand that the matter of extending the P.B. & N.E. tracks to the Hellerton plant is under consideration.

Messrs. White and Tallyn were present when this letter was dictated.

Awaiting your further instructions, I am,

Very truly yours,

R-G

Hoboken, N. J., January 26, 1916.

Mr. E. M. Rine,

General Superintendent.

Dear Sir:

I am sending you herewith report from Mr. Tallyn, dated January 4th, covering the proposed connection with the P.B.& N.E., and L.& N.E., on the Bangor & Portland Division, for the purpose of reaching the Bethlehem Steel plant.

After looking over Mr. Tallyn's letter and the map attached, it would seem to me that Scheme No. 3 would be the best one to carry out if it is intended to proceed with this work. As I understand it, Scheme No. 3 provides for the construction of a connection, as recommended by Mr. White, leaving our line near mile post 108, and connecting with the P.B.& N.E. at or near the point where they propose to construct an interchange yard; this connecting line to be so constructed as to provide a connection with the L.& N.E. so that the new line can be operated jointly by the two companies.

This entire matter was held up to some extent in my office on account of my absence.

You will note from Mr. Tallyn's letter that he and Mr. White have not yet conferred with the Bethlehem Company's engineer or the L.& N.E. people.

Yours truly,

(Sgd) G.J.Ray,

Chief Engineer.

RM  
Incls.

Hoboken, N. J., January 26, 1916.

Mr. E. M. Rine,

General Superintendent.

Dear Sir:

I am sending you herewith report from Mr. Tallyn, dated January 4th, covering the proposed connection with the P.B. & N.E., and L. & N.E., on the Bangor & Portland Division, for the purpose of reaching the Bethlehem Steel plant.

After looking over Mr. Tallyn's letter and the map attached, it would seem to me that Scheme No. 3 would be the best one to carry out if it is intended to proceed with this work. As I understand it, Scheme No. 3 provides for the construction of a connection, as recommended by Mr. White, leaving our line near mile post 108, and connecting with the P.B. & N.E. at or near the point where they propose to construct an interchange yard; this connecting line to be so constructed as to provide a connection with the L. & N.E. so that the new line can be operated jointly by the two companies.

This entire matter was held up to some extent in my office on account of my absence.

You will note from Mr. Tallyn's letter that he and Mr. White have not yet conferred with the Bethlehem Company's engineer or the L. & N.E. people.

Yours truly,

(Sgd) G.J. Ray,

Chief Engineer.

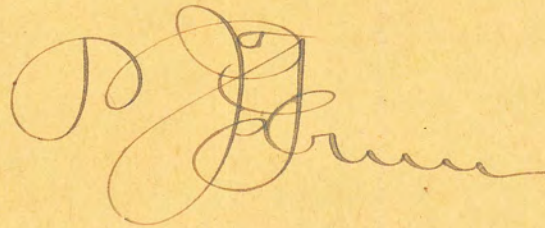
RM  
Incls.

January 24th, 1916.

Mr. Rine:-

Referring to last paragraph of Superintendent White's letter of 21st instant addressed to yourself and having reference to conversation he had with Mr. Sweester, President of the Thomas Iron Company.

Mr. White is mistaken in his surmise that the matter of our Company itself building a connection with the P. B. & N. E. R.R. is in our hands. As I understand it, Mr. Loomis is dealing with it.



*Kelly says Morley  
dis not get to this yesterday -  
asked him to hurry*

Easton, Pa., January 21, 1916

Mr. E. M. Rine:-

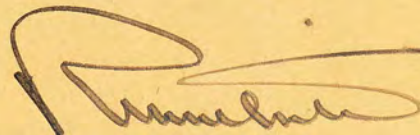
Mr. Sweester, President of the Thomas Iron Co, spoke to me last evening in regard to their opening up and extending their Hellertown plant, which is located about one and one-half miles south of the Lehigh coke works, from which the Bethlehem Steel Company get their coke and which is served by the P.B.& N.E.R.R. (Bethlehem Steel Co.)

The Thomas Iron Company, as you know, are interested in the Richards mines at Wharton and have also got control of another mine at that point. They also control the Mt. Hope Mineral R.R.

Present plans are to take over and operate the Wharton furnaces and mines and also build a coke plant at that point with provisions for taking care of the bye-products. Mr. Sweester stated that if the proposition went through - and it now looks as though it would - if the P.B.& N.E.R.R. had a connection with us, it would result in the movement of iron ore and coke from Wharton and pig iron and slag from Hellertown, to the extent of about 1500 tons per day - possibly 600 tons out-bound from Hellertown and the balance inbound.

Without mentioning to Mr. Sweester that we were in any way considering such a connection, I suggested that he have a talk with Mr. Flynn, who I know would be glad to meet him and take the matter under consideration.

It would seem to me that this proposition might have a very decided bearing as to whether or not we should build a connection with the P.B.& N.E.R.R. from Nazareth and which matter, I believe, is in Mr. Flynn's hands at the present time.



Superintendent

COPY

Mr. P. J. Flynn.

January 20, 1916.

Mr. E. E. Loomis,  
Vice President.

Dear Sir:

Referring to the attached letter of President Warriner, of the L. & N. E. R. R., which you handed me Tuesday last, re. proposed trackage arrangement to enable us to reach plant of the Bethlehem Steel Company:

I was advised this morning by Mr. Ray's office that the papers in connection with this matter are on Mr. Ray's desk and that he is to pass on them Monday next and they will reach me on Tuesday, after which I will forward them promptly to you.

Yours truly,

3-M

Subject:

THE DELAWARE, LACKAWANNA &amp; WESTERN RAILROAD CO.

OFFICE OF DIVISION ENGINEER,

L. L. TALLYN,  
Division Engineer.

Scranton, Pa., January 4, 1916.

Mr. G. J. Ray,  
Chief Engineer.

Dear Sir:-

I am returning herewith the correspondence which you sent me relative to proposed trackage arrangement with the L&NE Railroad Company to enable us to reach the plant of the Bethlehem Steel Company at Bethlehem, Pa., and in reply to your letter to me of October 30th in which you advise us to run a line as recommended by Mr. White between Nazareth and the proposed connection with the PB&NE, beg to advise as follows:

On November 30th I walked over the ground with Assistant Engineer Dershimer from Hecktown to Bethlehem, and yesterday I went over with Mr. White, at Easton, the entire proposition. We have not talked with the L&NE people concerning this, and have not gone over with the Bethlehem Steel Company's Engineer the line and yard which they propose to build and with which the connection will be made.

We have made a survey of the layout which is proposed by the L&NE and have also made a survey from a point on this Company's line near M.P. 108 to the connection with the PB&NE proposed yard. The information we have gathered is shown by map entitled:  
"D.L. & W.R.R., Banger & Portland Division, Plan Showing Proposed

Subject:

THE DELAWARE, LACKAWANNA &amp; WESTERN RAILROAD CO.

OFFICE OF DIVISION ENGINEER,



--2--

L. L. TALLYN,  
Division Engineer.

Scranton, Pa.,

Location of connection with the PB&NE Railroad Tracks between Nazareth, Pa., and Broadhead, Pa." and profile entitled: "Profile of Connection L&NE R.R. with PB&NE R.R. at Broadhead, Pa." There are shown on the map three schemes by which the DL&W can make connection with the proposed PB&NE.

First: The route proposed by the L&NE, which is to use the present tracks of the L&NE/<sup>Bath</sup>Junction to Broadhead, than a new line to be constructed Broadhead to proposed extension of PB&NE. The new line to be built by the L&NE Railroad is shown in red on the print. The reference line AA showing how the line lies on the ground. The estimated cost of this line is \$171,331.69.

Second: A proposed line to be built by the DL&W, starting near M.P. 108 and connecting up with the proposed extension of the PB&NE. This line is also shown in red, and is estimated to cost \$153,686.92.

Third: The proposed line in scheme #2 is extended so as to provide a connection with the L&NE. Mr. White has suggested that it is possible the L&NE would join the DL&W in this. This connection is shown in black on the print. Estimated to cost \$164,822.04.

#### ANNUAL COST OF OPERATION:

Assuming that the L&NE and the DL&W will share equally in the business from the PB&NE and that the DL&W will make one trip

Subject:

THE DELAWARE, LACKAWANNA &amp; WESTERN RAILROAD CO.



OFFICE OF DIVISION ENGINEER,

--3--

L. L. TALLYN,  
Division Engineer.

Scranton, Pa.,

per day, handling 3600 cars outbound and 650 carloads inbound per year, the cost to this company for this business delivered to the connection with the present track near M.P.108, is as follows:

Scheme #1		
Interest on \$171,331.69, at 3%		\$ 5139.95
Interest on \$ 75,000.00, at 3%		2250.00
4860 train miles at 1.85		-8991.00
	Total	\$16380.95
Scheme #2.		
Interest on \$153,686.92, at 6%		\$ 9221.21
2190 train miles at \$2.00		-4380.00
	Total	\$13601.21
Scheme #3.		
Interest on \$164,822.04, at 3%		\$ 4944.66
2190 train miles at \$1.79		3920.10
	Total	\$ 8864.76

DISTANCES OVER WHICH DL&W EQUIPMENT WOULD MOVE:

Scheme #1. New construction L&NE to PB&NE	2.53 miles
L&NE present track Bath JCT. to Broadhead	3.00 miles
DL&W Bath Jet. to near M.P.108	2.57 miles
Total	8.10 "

Scheme #2 and 3.	
New construction M.P.108 to PB&NE	3.65 miles

In arriving at the cost per train mile, we have taken the following:

DL&W operating and maintenance of equip. expenses per train mile	\$1.58
Maintenance of Way expenses	.42
	\$2.00
L&NE operating and maintenance of equip. expenses per train mile	\$1.63
Maintenance of Way expenses, per train mile	.63
	\$2.26

Subject:

THE DELAWARE, LACKAWANNA &amp; WESTERN RAILROAD CO.

OFFICE OF DIVISION ENGINEER,



--4--

L. L. TALLYN,  
Division Engineer.

Scranton, Pa.,

In the above comparison of schemes it is figured that the DL&W will make one trip per day to the PB&NE yard, and where the DL&W operates over L&NE tracks Bath Junction to Breadhead they will pay one-sixth (1/6) of the maintenance of track.

Concerning grade crossings: Whether the new line as proposed by the L&NE or the one which we propose, is built, it will be necessary to cross the Lehigh Valley Traction Company, and the estimates mentioned above cover the placing of an overhead structure. In addition to this on the line which we propose, there is another highway crossing eliminated, leaving four (4) crossings at grade.

On the line as proposed by the L&NE there will be three (3) crossings at grade.

Yours truly,

t-2

Division Engineer.

Copy R.M.W.

A.F.D.

ESTIMATE OF COST OF PROPOSED BANGOR & PORTLAND LINE  
DEXTER HILL, NAZARETH, TO CONNECT WITH EXTENSION OF P.B. & N.E.R.R.  
NEAR BETHLEHEM

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Estimate to accompany plan dated January 3rd, 1916, entitled:  
"D.L. & W.R.R., B. & P. Division, Plan Showing Proposed Location of  
Connection with P.B. & N.E. Tracks between Nazareth, Pa., and Brod-  
head, Pa. Scale 1"-400'"

Length of track - 19,300 feet.

28.5 acres right of way	@1000.00	\$ 28500.00
2340 rods fencing	@ 1.60	3744.00
70000 cu.yds. grading	@ .50	35000.00
<u>Drainage:</u>		
120 ft. 24" concrete pipe	@ 3.00	\$ 360.00
96 ft. 36" " "	@ 3.75	360.00
144 ft. 16" C.I. Pipe, 18000#	@ .025	450.00
225 cu.yds. concrete, culvert 4x6	@ 7.00	1575.00
190 cu.yds. headwalls	@ 7.00	1330.00
200 cu.yds. concrete, misc.	@ 7.00	1400.00
		<u>5475.00</u>
<u>Two Undergrade Crossings:</u>		
300000 lbs. steel	@ .04	12000.00
1500 cu.yds. concrete abut.	@ 7.00	10500.00
8000 ft. B.M.	@ 70.00	560.00
<u>Track:</u>		
19200 lin.ft. track	@ 1.80	34560.00
1 #12 switch, complete		500.00
170 lin.ft. planking for highways	@ 1.50	255.00
Crossing signs, whistle posts, etc.		72.00
4 automatic flagmen	@750.00	3000.00
<u>Telephone Line:</u>		
160 poles, in place	@ 8.00	1280.00
2 copper wires, 800#	@ .25	200.00
		<u>135646.00</u>
Engineering, legal and contingent expenses, 10%	- - - - -	<u>13564.60</u>
		149210.60
Interest during construction of one year, 3%	- - - - -	<u>4476.32</u>
		<u>\$ 153686.92</u>

ESTIMATE OF COST FROM ABOVE PROPOSED TRACK TO  
L. & N.E. NEAR M.P. 108.

3 acres right of way	@1000.00	\$ 3000.00
145 rods fencing	@ 1.60	232.00
4 #10 switches	@450.00	1800.00
1920 lin.ft. track	@ 1.80	3456.00
2500 cu.yds. grading	@ .50	1250.00
30 ft. 24" concrete pipe	@ 3.00	90.00
Engineering, legal, etc., 10%	- - - - -	<u>982.80</u>
		10810.80
Interest during construction, 3%	- - - - -	<u>324.32</u>
		<u>\$ 11135.12</u>

Office of Division Engineer,  
Scranton, Pa., January 4th, 1916.

ESTIMATE OF COST OF PROPOSED LEHIGH & NEW ENGLAND  
LINE TO CONNECT WITH EXTENSION OF P.B. & N.E.R.R. NEAR BETHLEHEM

Estimate to accompany plan dated January 3rd, 1916, entitled:  
"D.L. & W.R.R., H. & P. Division, Plan Showing Location of Connection  
with B.P. & N.E. Tracks between Nazareth, Pa., and Brodhead, Pa.  
Scale 1"=400'."

Length of Track - 13,350 feet.

25 acres right of way	@1000.00	\$ 25000.00
1620 rods fencing	@ 1.60	2592.00
140000 cu.yds. grading	@ .50	70000.00
<u>Drainage:</u>		
96 ft. 16" C.I. Pipe, 12000#	@ .025	\$ 300.00
48 ft. 36" concrete pipe	@ 3.75	180.00
75000 lbs. steel	@ .04	3000.00
1600 cu.yds. concrete	@ 7.00	11200.00
<u>Track:</u>		
13250 lin.ft. track	@ 1.80	23850.00
1 #12 switch complete		500.00
1 crossing frog with L.V.T.Co.		400.00
Crossing protection		500.00
Changing highways, etc.		500.00
160 lin.ft. planking of highways	@ 1.50	240.00
Crossing signs, whistle posts, etc.		60.00
<u>Telephone Line:</u>		
110 poles	@ 8.00	880.00
2 wires, copper, 550#	@ .25	137.50
		<u>139339.50</u>
Engineering, legal and contingent expenses, 10% - - - - -		13933.95
		<u>153273.45</u>
Interest during construction of one year, 3%		4598.20
		<u>\$ 157871.65</u>
The above based on grade crossing with the L.V. & T.Co. If this crossing is eliminated cost will be:		
800 cu.yds. concrete	@ 7.00	\$ 5600.00
150000 lbs. steel	@ .04	6000.00
4000 ft. B.M. timber	@ 70.00	280.00
		<u>11880.00</u>
Engineering, legal, etc., 10% - - - - -		1188.00
		<u>13068.00</u>
Interest during construction, 3% - - - - -		392.04
		<u>13460.04</u>
		<u>\$ 171331.69</u>

Office of Division Engineer,  
Scranton, Pa., January 4th, 1916.

ESTIMATE OF COST OF PROPOSED BANGOR & PORTLAND LINE DEXTER HILL, NAZARETH TO CONNECT WITH EXTENSION OF P.B. & N.E.R.R. NEAR BETHLEHEM.

Estimate to accompany plan, Dated, January 3rd, 1916, Entitled  
D.L. & W.R.R.  
B. & P. DIV.

Plan Showing Proposed Location of Connection with P.B. & N.E. Tracks between Nazareth, Pa., and Brodhead, Pa. Scale 1"-400'  
Length of track, 19300. feet.

Right of way,	28.5 acres,		<del>\$ 500.00</del>	\$ 14,250.00
Fencing,	2340. rods,		1.60	3,744.00 ✓
Grading,	70000. c.y.		.50	35,000.00 ✓
Drainage,	120. ft. of 24" concrete pipe,	@ \$5.00	\$ 360.00 ✓	
	96. ft. " 36" " "	3.75	360.00 ✓	
	144. ft. " 16" C.I.P. 18000#	.025	450.00 ✓	
Concrete,	Culvert, 4x6, 225 c.y.	7.00	1,575.00 ✓	
	Headwalls, 190 c.y.	7.00	1,330.00 ✓	
	Miscl. 200 c.y.	7.00	1,400.00 ✓	5,475.00 ✓
Two undergrade crossings				
	300,000.# steel	.04		12,000.00 ✓
	1,500. c.y. concrete abut.	7.00		10,500.00 ✓
	8,000. f.b.m.	70.00		560.00 ✓
Track,	19,200. lin ft.	1.80		34,560.00 ✓
	1 - #12 switch complete,			500.00
Planking Highways,	170. lin. ft.	1.50		255.00 ✓
Crossing signs, Whistle Posts, etc.				72.00
Automatic flagman, 4,		750.00		3,000.00 ✓
Telephone Line, 160 poles, in place		8.00		1,280.00 ✓
	2 wires, copper, 800#	.25		200.00 ✓
			135626.00	\$121,596.00
Engineering, Legal and contingent expenses, 10%			13564.60	12,159.60
Interest during construction of one year, 3%			149210.60	\$133,535.60
			4476.32	4,006.07
			153686.92	\$137,541.67

~~Bangor, Pa., January 3rd, 1916.~~

*Est. of Cost of Connection from above Proposed tracks to P. & N.E. near M.P. - 105.*

Right of way	3 acres	<del>\$ 1000.00</del>	<del>\$ 3000.00</del>	✓
Fencing	145 rods	@ 1.60	232.00	✓
4 - #10 switches	@	450.00	1,800.00	✓
1920 lin ft track	@	1.80	3,456.00	✓
Grading 2500. c.y.	@	.50	1,250.00	✓
30' of 24" concrete Pipe	@	3.00	90.00	
			<del>\$ 9,078.00</del>	9828.00
Engineering, legal etc	10%		907.80	9828.00
			<del>\$ 9,985.80</del>	10810.80
				32432

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY

OFFICE OF GENERAL SUPERINTENDENT

E. M. RINE,  
General Superintendent.

SCRANTON, PA.

December 28, 1915.

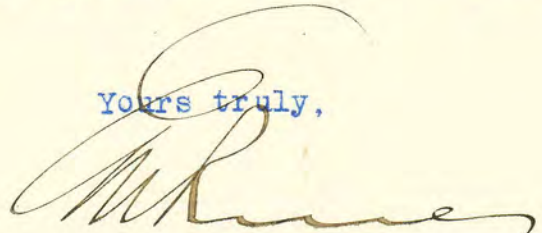
Mr. G. J. Ray,  
Chief Engineer.

Dear Sir:

Please refer to my letter of October 27 relative to proposed trackage arrangement with the L. & N.E. to enable us to reach the plant of the Bethlehem Steel Company at Bethlehem, Pa., in order to obtain our share of the tonnage originating at and destined to that point, in which I requested that you have figures checked with engineers of the L. & N.E. Company, and also have survey made of the line suggested by Superintendent White:

Are you now in position to advise regarding this matter?

Yours truly,



3-M

Expected to hear  
from Mr. [unclear] on  
this shortly after first  
7 year 12/28/15 GR

17365

December 28, 1915.

Mr. E. E. Loomis,  
Vice President.

Dear Sir:

Referring to your letter of December 27 and returning papers relative to the proposed track connection so our Company may reach plant of the Bethlehem Steel Company at Bethlehem, Pa.:

I have not yet received from Mr. Ray data requested in my letter of October 27, but have again taken up with him requesting that it be hurried and as soon as received will advise you further.

Yours truly,

3-M

December 28, 1915.

Mr. G. J. Ray,

Chief Engineer.

Dear Sir:

Please refer to my letter of October 27 relative to proposed trackage arrangement with the L.& N.E. to enable us to reach the plant of the Bethlehem Steel Company at Bethlehem, Pa., in order to obtain our share of the tonnage originating at and destined to that point, in which I requested that you have figures checked with engineers of the L.& N.E. Company, and also have survey made of the line suggested by Superintendent White:

Are you now in position to advise regarding this matter?

Yours truly,

3-M

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

*Ray ✓*  
90 West Street, New York.

December 27th, 1915.

E. E. LOOMIS,  
Vice-President.

P.J.F. 23rd, note on letter from  
T.J.Fretz, GFA, L&NE RR, re pro-  
posed track connection to reach  
plant of the Bethlehem Steel Co.; ✓

LACKAWANNA R  
GENERAL Supt's OFF  
DEC  
28  
1915  
FILE

Respectfully referred to

Mr. E. M. Rine,  
General Superintendent,  
Scranton, Pa.

Have you heard anything further  
from Mr. Ray on this subject ? See your letter of  
October 27th. ✓

*E. E. Loomis*

October 27, 1915.

Mr. G. J. Ray,  
Chief Engineer.

Copy to Mr. E. E. Loomis: Will advise  
you definitely as soon as Mr. Ray's  
report is received.

E. M. R.

Dear Sir:

Referring to attached correspondence, relative to proposed trackage arrangement with the L. & N. E. to enable us to reach the plant of the Bethlehem Steel Company, at Bethlehem, Pa., in order to obtain our share of the tonnage originating at and destined to that point.

You will note from Superintendent White's letter, to whom this matter was referred for investigation, that while the proposed arrangement represents some advantageous features, it would evidently be of greater benefit, based on Mr. White's estimate, to build our own line to reach this plant direct, thereby shortening the distance considerably and reducing our operating costs correspondingly.

In order to enable me to make full reply to Mr. Loomis on all the features involved, will you please have the figures referred to by Mr. Loomis checked with engineers of the L. & N. E. Co.; and, also, have survey made of the line suggested by Superintendent White, advising me result.

I am sending Mr. White copy of this letter with instructions to co-operate with your representatives assigned to this work.

Yours truly,

R-W

Copy to Mr. R. M. White.

Easton, Pa., October 26, 1915.

COPY

Mr. E. M. Rine:-

Replying to your letter October 22, with regard to making trackage arrangements with the L. & N.E.R.R., for the handling of traffic with the P.B. & N.E.

Enclosed blue-print will show the general layout as proposed; the P.B. & N.E. to build line and yard between the steel plant and point "C"; L. & N.E., to build connection from "B" on their Bethlehem branch to P.B. & N.E. yard at "C", about  $2\frac{1}{2}$  miles at <sup>an</sup> estimated cost of \$175,000.00 .

"A" to "B", Bethlehem branch of the L. & N.E., over which we would have trackage rights for a distance of 3 miles, between Beth Junction and the branch leading to the P.B. & N.E. yard, Between "C" and a point on our line between Nazareth and Belfast Jct., is shown a location made by the P.B. & N.E. for a connection with us. This evidently is not being considered at this time.

The estimated cost of operation over L. & N.E. tracks to the P.B. & N.E. yard is as follows - based on movement of 12 loads out-bound and 2 loads in-bound per day, including in-bound movement of necessary empty equipment--.

Tonnage rating for standard switch engine B to A 3000 M's.

Distance A to B 3 miles

Distance B to C  $2\frac{1}{2}$  miles

Time for round trip - 11 miles - including making up of trains in P.B. & N.E. yard, 3 hours.

Cost of reproducing line A to B	\$ 75,000.00	
Cost of building line B to C	<u>175,000.00</u>	\$250,000.00

3% on \$250,000.00 \$7,500.00

Yearly maintenance line A to B @ \$1,500.00 p. mile	- \$4500.00	
Divided on basis of tonnage - one-sixth Lackawanna -		750.00

Maintenance line B to C @ \$750.00 per mile	\$1875.00	
Divided on basis of tonnage - one-half Lackawanna		937.50

Wages, engine and train crews \$1.71 per hour - \$5.13 per trip.

Engine fuel, supplies, repairs, etc., 25¢ per mile		
3 hours @ 6 miles per hour (18x25)	\$4.50 per trip.	

Total operating cost per trip \$9.63 - \$3,000.00 per year 3,000.00

Total cost per year \$12,187.50

Estimated car loads 4250 (yearly)

Average cost per car \$2.86

Tonnage out and in-bound can be doubled without materially increasing our cost per year and with a consequent reduction in cost per car.

I wish to call your attention to another way to get into the P. B. & N.E. yard, by our building a connection from a point on the Bath branch, just west of the Dexter Hill crossing (marked "D" on map) to "C" (P.B. & N.E. yard) a distance of 3½ miles, which I believe could be built for less than \$150,000.00, and which would reduce the distance from Hazareth, over the proposed route by the L. & N.E. from 10 miles to 4½ miles, or make a saving of 11 miles on a round trip.

The estimated cost of operation and maintenance of this line is as follows - (used by D.L. & W. only):-

6% on \$150,000.00	\$9,000.00
Maintenance $3\frac{1}{2}$ miles @ \$750.00 p.mile	<u>2,625.00</u>
Cost per year	<u>\$11,625.00</u>

The cost of train operation, Nazareth to Bath, not taken into account in estimate covering operation over L. & N.E., and as the cost of operating over the  $3\frac{1}{2}$  mile branch would not exceed that it is not included in the estimate. Therefore, I believe, we could build a line of our own, which would cost us less for interest, and maintenance and operation, than the proposed joint use of L. & N.E. facilities. It would also put us in a position to get into the Easton District, where there is a large producing center developing and which should be given serious consideration. Distance from "C" to the Taylor-Wharton plant is about  $3\frac{1}{2}$  miles. There is a possibility that our L. & N.E. friends might be interested in operating over this location, as it would not exceed the cost of the proposed connection "B" - "C", and would save them the same mileage on their north or east bound business by making a connection across our Bath branch at their Northampton Junction.

Superintendent

173265

Easton, Pa., October 26, 1915.

Mr. E. M. Rine:-

Replying to your letter October 22, with regard to making trackage arrangements with the L. & N. E. R. R. for the handling of traffic with the P. B. & N. E.

Enclosed blue-print will show the general layout as proposed; the P. B. & N. E. to build line and yard between the Steel plant and point "C"; L. & N. E. to build connection from "B" on their Bethlehem branch to P. B. & N. E. yard at "C", about 2 1/2 miles, at an estimated cost of \$175,000.00.

"A" to "B" Bethlehem branch of the L. & N. E., over which we would have trackage rights for a distance of three miles, between Bath Junction and the branch leading to the P. B. & N. E. yard. Between "C" and a point on our line between Nazareth and Belfast Jct. is shown a location made by the P. B. & N. E. for a connection with us. This evidently is not being considered at this time.

The estimated cost of operation over L. & N. E. tracks to the P. B. & N. E. yard is as follows: based on movement of 12 loads out-bound and two loads in-bound per day, including in-bound movement of necessary empty equipment:

A 3000 M's	Tonnage rating for standard switch engine B to	
	Distance A to B 3 miles	
	Distance B to C 2 1/2 miles	
	Time for round trip - 11 miles - including making up of trains in P. B. & N. E. yard, 3 hours.	
	Cost of reproducing line A to B	\$ 75,000.00
	Cost of building line B to C	<u>175,000.00</u>
	3% on \$250,000.00.....	\$250,000.00 7,500.00
	Yearly maintenance line A to B @ \$1,500.00 per mile -	\$4,500.00
	Divided on basis of tonnage - one-sixth Lackawanna.....	750.00
	Maintenance line B to C @ \$750.00 per mile	1,875.00
	Divided on basis of tonnage one-half Lackawanna	937.50
	Wages engine and train crews \$1.71 per hour - \$5.13 per trip	
	Engine fuel, supplies, repairs, etc., 25¢ per mile	
	3 hours @ 6 miles per hour (18x25)	\$4.50 per trip
	Total operating cost per trip \$9.63 - \$3,000.00 per year	<u>3,000.00</u>
	Total cost per year.....	\$12,187.50
	Estimated car loads 4250 (yearly)	

Average cost per car \$2.86

Tonnage out and in-bound can be doubled without materially increasing our cost per year and with a consequent reduction in cost per car.

I wish to call your attention to another way to get into the P.B.&N.E. yard, by our building a connection from a point on the Bath branch, just west of the Dexter Hill crossing (marked "D" on map) to "C" (P. B. & N. E. yard) a distance of  $3\frac{1}{2}$  miles, which I believe could be built for less than \$150,000.00, and which would reduce the distance from Nazareth, over the proposed route by the L. & N. E. from 10 miles to  $4\frac{1}{2}$  miles, or make a saving of 11 miles on a round trip.

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6% on \$150,000.00	\$9,000.00
Maintenance $3\frac{1}{2}$ miles @ \$750.00 per mile	<u>2,625.00</u>
Cost per year.....	\$11,625.00

The cost of train operation, Nazareth to Bath, not taken into account in estimate covering operation over L. & N. E., and as the cost of operation over the  $3\frac{1}{2}$  mile branch would not exceed that it is not included in the estimate. Therefore, I believe we could build a line of our own, which would cost us less for interest, maintenance and operation, than the proposed use of L. & N. E. facilities. It would also put us in a position to get into the Easton District, where there is a large producing center developing and which should be given serious consideration. Distance from "C" to the Taylor-Wharton plant is about  $3\frac{1}{2}$  miles. There is a possibility that our L. & N. E. friends might be interested in operating over this location, as it would not exceed the cost of the proposed connection "B" - "C", and would save them the same mileage on their north or east bound business by making a connection across our Bath branch at their Northampton Junction.

(Sgd) R. M. White,

Superintendent.

October 22nd, 1915

Personal

Mr. R. M. White,  
Superintendent

Dear Sir:-

I enclose herewith letter from Vice President Loomis under date October 18th, together with copies of correspondence pertaining to our Company handling traffic to and from the Bethlehem Steel Company plant by making a trackage arrangement with the L. & N. E. R. R.

You will note the proposition submitted by President Warriner of the L. & N. E. to Vice President Loomis October 12th is for our Company to pay one half the interest at 6% on the investment of \$250,000, or \$7,500 per annum, and in addition a portion of the cost of maintenance, repairs, and renewals, etc.

I wish you would look into this matter thoroughly and advise me fully, not later than Wednesday next, just what you think of the proposition, whether it would pay us to conclude negotiations now under way on basis stipulated, and submit figures showing just what you figure our cost of operation would be, so far as you can ascertain.

The entire matter must be treated as confidential.

Yours truly,

17365  
THE DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

90 West Street, New York.

E. E. LOOMIS,  
Vice-President.

October 18, 1915.

Mr. E. M. Rine,  
General Superintendent,  
Scranton, Pa.

Dear Sir:-

I am sending you herewith copy of my files in reference to the proposed connection with the Bethlehem Steel Co's. plant.

Will you kindly arrange to develop the details in connection with the train operation and also arrange to have our engineers confer with the Engineering Dept. of the Lehigh & New England RR. to check over the figures named in Mr. Warriner's letter of the 12th instant. In other words, what we want to develop is, what this business is going to cost us. We can then very soon decide whether it is going to be attractive or not.

Yours truly,

*E. E. Loomis*  
Vice President.

October 14, 1915.

Copy of letter from S.D.Warriner, Pres.,  
L&NE RR. 12th, re. trackage arrangement  
to reach Bethlehem Steel Plant:

Respectfully referred to,

Mr. P. J. Flynn,  
Vice President,

To note. Before actually entering into  
a contract with these people covering this transaction, we will  
want to have our Engineers carefully check up and agree on these  
estimates.

(Sgd.) E. E. Loomis

COPY

#

Lehigh and New England Railroad Co.

Philadelphia, Pa.

October 12, 1915.

Mr. E. E. Loomis, Vice President,

Delaware, Lackawanna & Western Railroad Co.

90 West Street, N. Y.

My dear Loomis:

Replying to your letter of September 30th, referring to trackage arrangement with your Company for the purpose of reaching the Bethlehem Steel Plant:

I herewith give you more or less tentative figures, but which are accurate enough for your purpose of estimating, being as follows:-

That portion of our line over which we contemplate giving you trackage rights, from Bath Junction to Brodhead, it is estimated can be duplicated for about \$75,000. The proposed connection from our line at Brodhead to the Bethlehem Steel line is about 2.58 miles in length. Preliminary estimates of our engineers show the cost to be about \$175,000. This is rather high for the length of line, but is occasioned by a heavy fill of about 120,000 yards. It is possible that a resurvey of this line will avoid a large part of this fill.

The maximum cost which you can figure on is therefore about \$250,000, and in accordance with the proposed form of agreement, 3% on this would amount to \$7,500. a year. In addition to this you will bear your portion of the cost of maintenance, repair and renewal, based on the amount of business which is handled by the two companies over the tracks referred to, as well as bear the additional cost of the employment of any operators or switchtenders who may be employed exclusively for your use.

(SGD.) S. D. WARRINER

COPY

D. L. & W. Railroad Co.

New York, Sept. 30, 1915.

My dear Mr. Warriner:-

Referring again to the proposed trackage arrangement with your company for the purpose of reaching the Bethlehem Steel plant:

We cannot definitely decide just what advantages we will derive from this business until we arrive at more accurate figures as to what it is going to cost us. One of the items of cost will be the amount we will have to pay to your company in the way of trackage.

With this end in view, can you furnish me with a statement of the cost of the line to be used jointly, under the arrangement you named in your letter to me of May 18th, 1915; or, would you prefer to have us send one of our Engineers to confer with your Engineering Dept. to prepare a statement of the value of the property to be used jointly?

Yours very truly,

(Sgd.) E. E. Loomis,

Vice President.

Mr. S. D. Warriner,  
Pres. Lehigh & New England RR. Co.  
437 Chestnut St. Philadelphia, Pa.

COPY

The D. L. & W. Railroad Co.

N.Y. September 17, 1915.

Mr. T. J. Fretz,

General Freight Agent,  
Lehigh & New England RR Co.

South Bethlehem, Pa.

Dear Sir:-

About our proposed trackage arrangement with your Company for the purpose of reaching the Philadelphia, Bethlehem & New England Road and the plant of the Bethlehem Steel Co.

Understanding that our Management had not reach a settlement of this trackage question with yours, I spoke to Mr. Loomis, who was negotiating for our company, and he informed me that this feature had been disposed of some time ago and that he had neglected to advising us at the time.

He wrote Mr. Warriner on 8th inst. asking what, if any, progress was being made in reference to the proposed connection with the Bethlehem road and received reply dated September 9th, reading as follows;

"I understand that our traffic people, in connection with representatives of your company, had several conferences with the Bethlehem Steel traffic people, but that no definite traffic arrangement had been concluded.

" I understand further that the Bethlehem Steel Company do not propose to build their bridge across the river until these matters are concluded, and I have an idea that they are so filled up with press of other work that it is very difficult to get them to give prompt consideration to the matter.

"We are however, keeping in touch with them as well as we can, and hope to push the matter to some final conclusion shortly."

May we ask whether Mr. Cole is not satisfied with the allowance of 8¢ per ton, minimum \$2.50 per car, and which we understood you to say would be your proposition to him, if so, what is to be your next step ?

Yours truly,

P. J. Flynn (Sgd)

(Vice Pres.

DL&W RR. Co.

September 10, 1915.

, P. J. Flynn:-

I am sending you herewith my entire file in reference to proposed connection with the Bethlehem Steel Co.

I was under the impression that you had seen the letter I received from Mr. Warriner last May in which he outlines the basis for our using their tracks, which would seem to be fair, and, you will note, I advised him promptly that this was agreeable to our company.

Mr. Warriner, you will note from his letter of the 9th, seems to think that nothing further can be done until the Traffic representatives of our companies come to some definite understanding with the Steel people.

Kindly return papers after they have answered your purpose.

(Sgd. E. E. Loomis

COPY

Lehigh & New England RR.

Philadelphia, Pa. Sept. 9, 1915.

Mr. E. E. Loomis, Vice President,

The Delaware, Lackawanna & Western Railroad,

90 West St. N. Y.

My dear Loomis:-

Replying to your letter of the 8th instant,  
in regard to proposed connection with the Bethlehem Steel Plant:

I understand that our traffic people, in connection  
with representatives of your Company, had several conferences  
with the Bethlehem Steel traffic people, but that no definite  
traffic arrangement has been concluded.

I understand further that the Bethlehem Steel Co.  
do not propose to build their bridge across the river until these  
matters are concluded, and I have an idea that they are so filled  
up with the press of other work that it is very difficult to get  
them to give prompt consideration to the matter.

We are, however, keeping in touch with them as well  
as we can, and hope to push the matter to some final conclusion,  
shortly.

Yours very truly,

(Sgd.) S. D. Warriner

Pres.

COPY

DL&W RAILROAD CO.

September 8, 1915.

My dear Warriner:

What, if any, progress have you made in reference to the proposed connection with the Bethlehem Steel Plant, referred to in your letter to me of May 18th, and my reply of May 19th ?

Yours very truly

(Sgd.) E. E. Loomis,  
Vice President.

Mr. S. D. Warriner,  
Pres. L&NE.RR.  
Philadelphia, Pa.

COPY

17365.

September 7th, 1915.

Copy

Mr. Truesdale:-

Referring to our conversation, growing out of the inquiry of Mr. Grace of the Bethlehem Steel Company, about a connection between the Philadelphia, Bethlehem & New England Railroad (controlled by the Bethlehem Steel Company) and our road, and concerning which Mr. Loomis has been corresponding with the Lehigh & New England people looking to our making a trackage arrangement with them between Bath, Pa. and their proposed point of connection with the Bethlehem road.

We have delayed making report to you, expecting that Mr. Loomis would receive a definite proposition from the L. & N. E., and which would enable us to give you some idea of the revenue we might receive from our share of the traffic of the Bethlehem Steel Company after considering the amount accruing to the L. & N. E. under the trackage arrangement, together with our cost of operating thereover, and which former information has not been received by Mr. Loomis to date.

There are two ways of engaging in the traffic: One, a trackage arrangement with the L. & N. E.; the other, joint rates and divisions with same road.

Understand, however, that nothing short of our reaching the P. B. & N. E. direct, whether by a line of our own or trackage arrangement with the L. & N. E. R.R., will be satisfactory to the Bethlehem Steel people.

The Lehigh Valley Company now makes the following allowances to the P. B. & N. E. R.R. Co:

Coal, \$1.00 per car.

Coke, \$1.50 per car.

Other freight, when revenue of the carrying roads is 40¢ per ton or more, net or gross as rated, \$2.50 per car.

Mr. Cole of the Bethlehem Company takes the position that, because of the heavy expense of extending his road to the Lehigh & New England and the greater service to be performed compared with interchanging with the Lehigh Valley, he will have to have at least 10¢ per ton and Mr. Fretz, General Freight Agent of the Lehigh & New England, informed me that his Company had decided upon an allowance of 8¢ per ton with minimum of \$2.50 per car.

Mr. Jarvis, Vice-President of the Lehigh Valley, has made it unmistakably clear that his Company will meet any allowance made by any connection of the Bethlehem Road in excess of those now being made by the Lehigh.

My inquiry of Mr. Cole about his general business developed the following, taken from his record of a representative month's business in normal times:

Total outbound 80,000 to 90,000 tons per month; 67,500 tons of which moved as follows:

Buffalo and beyond, 13,500 tons.

New York Export, New York Domestic, New York State points and New England, 54,000 tons.

Remainder going to points outside of our reach, such as Philadelphia, Baltimore, etc.

Mr. Cole stated that the policy of his Company would be to divide its competitive traffic between the roads having direct con-

nection with the railroad of his Company so long as rates and service were equal, and that, in the event of one or two providing better service than the others, these would receive a greater allotment.

He also stated that roads purchasing material from the Bethlehem Steel Company would receive special consideration.

As four roads -- the Central of New Jersey, Lehigh Valley, Lehigh & New England and our own -- would be interested in the tonnage moving to New York City and New England, and five roads -- the Central of New Jersey, Lehigh Valley, Lehigh & New England, Philadelphia & Reading and our own -- in that moving to New York State points and to points west of Buffalo, the best we could hope for would be one-fourth of that moving to New York City and New England and one-fifth of that moving to New York State points and points west of Buffalo.

Taking the present freight rates of the Lehigh Valley as a guide and allowing the Bethlehem road 8¢ per ton, minimum \$2.50 per car, our road as a direct connection of latter, through trackage arrangement with the Lehigh & New England, would receive the following revenue:

OUTBOUND

Carloads - Average load 50,000 lbs.

P. B. & N. E. Arbitrary 8¢ per ton, Minimum \$2.50 per car.

	Rate	D. L. & W.	
		Cents per cwt.	Per car.
New York, Domestic	7.9	7.9	37.00
New York, Export	6.3	6.3	29.00
Buffalo	16.9	16.9	82.00
Albany	12.6	8.2	39.74
New Haven	14.2	5.9	28.56
Providence	14.2	5.2	25.30
Boston (NYNH&H)	14.2	5.2	25.30
Boston (B. & M.)	14.2	7.3	35.38

	<u>Rate</u>	<u>D. L. &amp; W.</u> <u>Cents per cwt.</u>	<u>Per car.</u>
Portland	14.2	6.4	31.12
Worcester (B. & M.)	14.2	6.9	33.50
Cleveland	20.4	15.5	75.58
Detroit	22.6	15.0	73.47
Chicago	29.5	15.5	76.27
St. Louis	34.9	14.0	69.05

Steel Rails, Carloads, Forty Gross Tons

P. B. & N. E. Arbitrary 8¢ per Gross Ton

	<u>Rate</u>	<u>D. L. &amp; W.</u> <u>Per Ton.</u>	<u>Per car.</u>
New York, Domestic	1.36	1.36	51.20
New York, Export	1.16	1.16	45.20
Cleveland	2.88	2.24	87.44
Detroit	3.22	2.23	86.92
Chicago	4.30	2.37	93.10

Less Carload - Figured on 10,000 Lbs. Per Car

P.B.& N.E. Switching 8¢ per ton, Minimum \$2.50 per car.

	<u>Rate</u>	<u>D. L. &amp; W.</u> <u>Cents per cwt.</u>	<u>Per car.</u>
New York	11.0	11.0	8.50
Buffalo	20.1	20.1	17.60
Albany	15.8	10.6	9.00
Boston (NYNH&H)	16.8	6.9	5.98
Boston (B. & M.)	16.8	9.2	7.93
Portland	16.8	8.2	6.93
New Haven	16.8	7.7	6.53
Cleveland	24.1	18.6	16.75
Detroit (M.C.)	26.7	18.2	16.56
Chicago	34.8	18.8	17.50
St. Louis	41.1	17.2	16.13

The inbound traffic consists of Bituminous Coal, ores and occasional shipments of machinery.

Our Company would not be interested in the Bituminous nor in the ore coming from South America, and for receipt of which latter commodity the Lehigh Valley people are now constructing extensive and

expensive facilities at Perth Amboy.

Mr. Cole stated that we would share in the ore from Port Henry, N. Y., of which his Company receives about 150,000 tons per year and which, after allowing the P. B. & N. E. road 8¢ per ton, would leave us \$25.60 per car of forty gross tons for our haul Binghamton to Bethlehem, taking no notice of the trackage rental of the Lehigh & New England road, our share of maintenance nor cost of our operation thereover; in fact, we are not dealing with these latter items in any of our computations, due to our not having this information at hand.

Making an appreciable reduction in tonnages given us by Mr. Cole and then using a sort of an average revenue per car, we have arrived at the following conservative result:

Outbound via D. L. & W. R. R., 3600 carloads per year, with D. L. & W. revenue of \$120,000.00.

Inbound via D. L. & W. R. R., 650 carloads per year, with D. L. & W. revenue of \$16,250.00; or a total of \$136,250.00 per year.

Less than carload business, some of which we would not want because of the low net earnings, not included.

Mr. Cole told me confidentially that his Company had recently acquired considerable additional land for the purpose of extending its manufacturing business as soon as possible, and that it had been decided to expend several million dollars in this direction, all of which should increase the present output of traffic very materially.

He also stated that these extensions included an Eastern plant of the Bettendorf Company of Davenport, Ia., and in which concern his Company is interested.

If it should be decided to engage in this Bethlehem Steel

business in the way proposed, we would have to establish more adequate facilities at or near Hoboken for the storage of structural steel, etc., intended for New York City proper, the Bethlehem people shipping largely to New York City in competition with the United States Steel Corporation, and the same may be said of their Coastwise and export business.

Increased facilities of this kind would also enable us to secure considerably more of the profitable business of the United States Steel Corporation than we now carry.

These facilities should be sufficiently ample to meet the needs of the shippers as to preserving the identity of their various lots.

Our estimate of the number of carloads to and from the Bethlehem Steel Company as given herein ought to be helpful to Mr. Rine in figuring all costs of operation after Mr. Loomis receives the proposition of the Lehigh & New England Company covering the proposed trackage arrangement.

Now that we are about to restore the former allowance to the Northampton & Bath Railroad, we should be able to handle the Bethlehem business, in conjunction with that of the Atlas Cement Company, to and from Portland, more economically than if we had the Bethlehem alone.

It is unfortunate that the loaded movement into and the loaded movement out of the Bethlehem plant are so far out of balance as to necessitate our handling so many empty cars inbound.

Where rates are shown to points beyond our road, we have pro-rated the allowance of 8¢ per ton accruing to the P. B. & N. E. R.R. before arriving at our own earnings per car.

You will observe that we make no recommendation at this time, it being somewhat difficult to do so without having before us the proposition of the Lehigh & New England Company as to trackage rental and maintenance, also our own cost of operation.

*A. J. Brown*

The DL&W RR. Co.

New York, May 19, 1915.

Dear Mr. Warriner:

I have yours of the 18th instant, and in reply would state, the basis you name for a contract between our respective companies, covering the use of your tracks by our company between Bath Junction and the Bethlehem Steel Company's tracks, would seem to be fair and is agreeable to our Company.

Just as soon as the Bethlehem Steel Company's plans are definitely decided on, and the amount of Lehigh & New England property that would be utilized in making a proper connection therewith, if you will send a statement of the value of the property to be used jointly, we will have our Engineers go over the estimate with your people, after which there would seem to be nothing to interfere with the drawing up of an agreement to cover the transaction.

Yours very truly,

(Sgd.) E. E. Loomis

Vice President.

Mr. S. D. Warriner,  
Pres. Lehigh & New England RR.  
437 Chestnut St. Philadelphia, Pa.

COPY

Lehigh & New ENGLAND RR.

437 Chestnut St.

Philadelphia, Pa.

May 18, 1915.

Mr. E. E. Loomis, V. P.

The DL&W RR. Co.

90 West St. N. Y.

Dear Mr. Loomis:-

Replying to your letter of the 15th instant, in which you ask what would be a fair charge for the use of our tracks.

I would suggest as a basis for a contract granting your company the use of tracks from Bath Jct. to a connection with the Bethlehem Steel Co's. tracks, that the DL&W Company pay to the Lehigh & New England annually one-half of the interest on the cost of the line use jointly, such interest being figured at 6% per annum, and to jointly bear with the L. & N.E. the cost of maintenance, repair and renewal of such tracks, together with the cost of their operation, the division of cost to be based on the tonnage handled by each party. In addition thereto, should any telegraph operators, signalmen, switchtenders or other employes be required solely for the benefit of the DL&W at junction points for instance, the salaries of such employes to be paid by the DL&W Co.

This, I believe, is the usual arrangement, and if it meets your views, will be entirely satisfactory to us.

Yours very truly,

(Sgd.) S. D. Warriner

President.

COPY

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

90 West Street, New York.

E. E. LOOMIS,  
Vice-President.

May 15th, 1915.

My dear Warriner:

I have yours of the 14th instant, and in reply would state that we agree with you there would seem to be no good reason for us to build an independent track to connect with the Bethlehem Steel Company's tracks should they construct a bridge across the Lehigh River, providing we can make a fair trackage arrangement to use your Company's tracks from Bath Junction.

What, in your opinion, would be a fair charge for the use of your tracks ?

Yours very truly,

(SGD.) E. E. LOOMIS

Vice President.

Mr. S. D. Warriner,  
Pres., Lehigh & New England RR Co.,  
437 Chestnut St., Philadelphia, Pa.

COPY

Lehigh & New England RR.

May 14, 1915.

Mr. E. E. Loomis, V.P.

The DL&W RR. Co.

90 West St. N. Y.

My dear Mr. Loomis:-

I regret that I was not able to come over to N.Y. to-day, as I had expected to do, but some important matters came up which demanded my presence here.

I wish to talk with you further regarding the matter you brought up some weeks ago concerning a connection on the north side of the Lehigh River with the plant tracks of the Bethlehem Steel Co.

As I understand the situation at present, the Bethlehem Steel Co. contemplates the construction of a bridge across the Lehigh, and possibly of a track three or four miles along, terminating in a yard.

I doubt very much, on careful consideration, that they will build the extension north from the Lehigh River, as I do not quite see where they will get a return on so large an investment.

But in any event, whether connection is made at the Lehigh River or at a point three or four miles north of it, the construction of approximately twelve to fifteen miles of track by your Company will be saved by a joint connection with this Company, making use of our line from Bath Junction to the connection with the Bethlehem Steel Company tracks.

I merely wish to say at this time that it is agreeable to us to offer you trackage facilities, on a fair basis, over that part of our track which will be used for this service.

(SGD) S. D. WARRINER