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A. S. HATCH.

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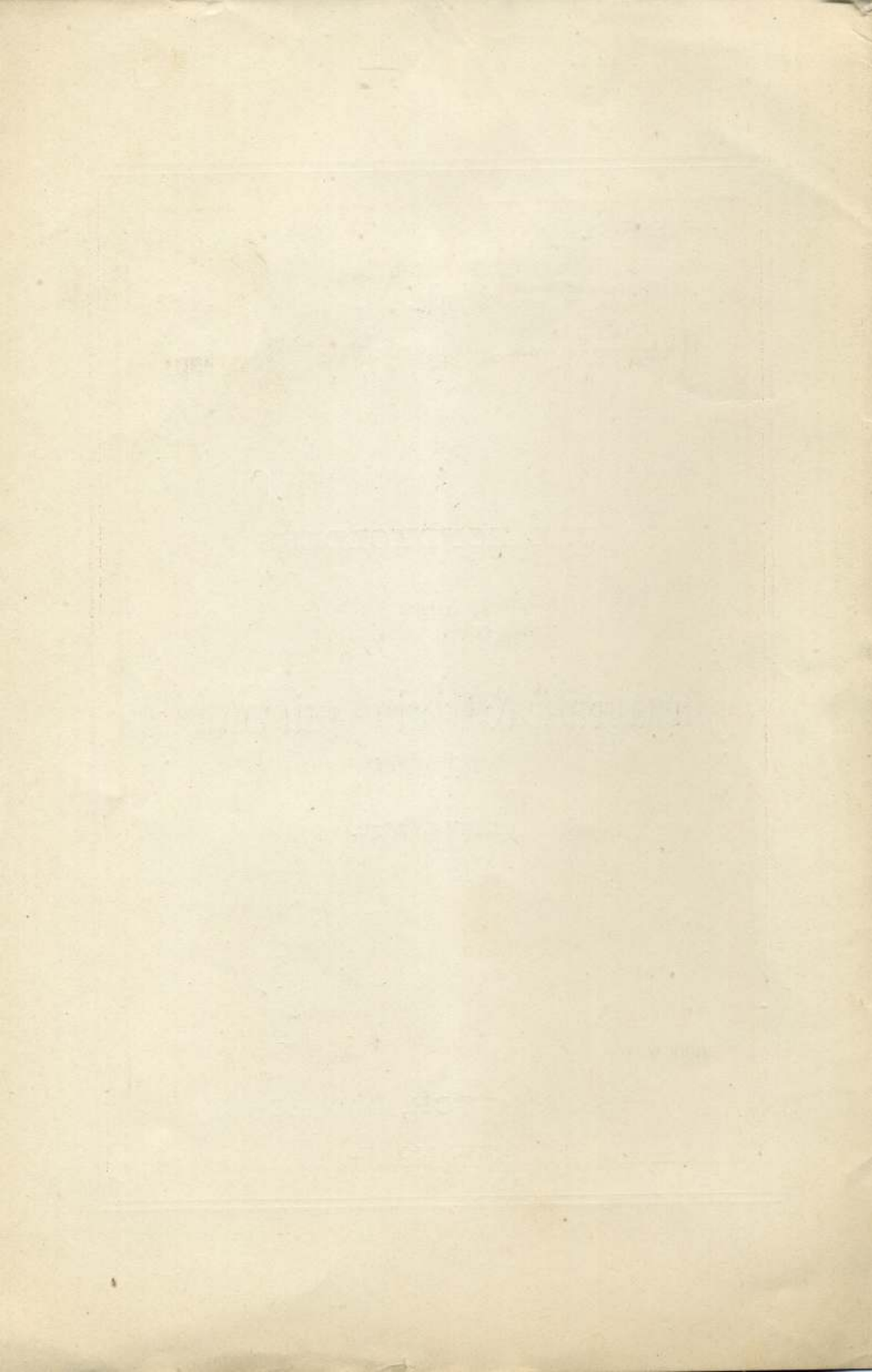
THE BONDHOLDERS

OF THE

Chesapeake & Ohio Railroad Co.

MAY 1, 1872.

FISK & HATCH, BANKERS,
NEW YORK.



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OF THE
Chesapeake and Ohio Railroad Company.

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Miscellaneous,

OFFICE OF FISK & HATCH,
No. 5 NASSAU STREET,

NEW YORK, May 1st, 1872.

As the great work of extending the CHESAPEAKE AND OHIO RAILROAD to the Ohio River progresses and approaches completion, its value and importance to the trade of the country, as a low-grade and economical trunk line between the Mississippi Valley and the Atlantic coast, and in developing and bringing into use the unexampled resources in iron, coal, timber, salt, etc., of Virginia and West Virginia, is daily becoming more apparent and is attracting attention both in this country and Europe more largely than any similar work has done for years, if we except the Pacific Railroad.

It is found from experiments and estimates which are unquestioned, that in the production of bituminous, splint and cannel coals, and in the manufacture of iron, the country lying along and adjacent to the railroad in the States of Vir-

ginia and West Virginia, will, with the railroad traversing it, be almost without competition, either as to quality, cheapness of production, or the facility and economy with which they can be delivered for market East and West.

The completion of the Chesapeake and Ohio Railroad, which it is expected will be accomplished by October next, will witness the beginning of a new and important era in the mining of coal and the manufacture of iron which is destined to crowd the valleys of Virginia and West Virginia with a large and busy population and render them one of the principal sources of supply for these two great staples, and the Chesapeake and Ohio Railroad one of the most important and profitable in the country, as a coal and iron thoroughfare alone, without reference to its other large and varied sources of local traffic, and the very large through business, in the transportation of Western products to the sea, and of European immigrants and merchandise westward, which its superior advantages in grades, curves, climate, fuel, and all the conditions of economical working, will command.

Since our last Report increased attention has been attracted to the quantity, variety and very fine qualities, of the TIMBER of West Virginia, especially White Oak and Black Walnut; and Charleston, the capital of the State, Huntington, the terminus of the road on the Ohio River, and other points, are destined to become important centres for the manufacture and distribution of lumber, which must find its way to market East and West over the Chesapeake and Ohio Railroad.

A new impetus is also given to the revival and increase of the SALT manufacture in West Virginia, whose salt wells are the finest in this country. Two millions of bushels of salt per annum were produced here and profitably marketed, without railroad facilities for its transportation. With the Chesapeake and Ohio Railroad connecting this great salt basin with the Ohio River on the one hand and the Atlantic coast on the other, it can supply the principal markets with this great necessity of life and commerce absolutely without competition, and produce a very large tonnage for the railroad.

Equally with these various and important local

interests, the advantages and value of the Chesapeake and Ohio Railroad as a through route for freights and travel between the Atlantic ports and the great West is receiving daily-increasing attention and recognition. This attention is taking practical shape in the projection and rapid construction of connecting lines to meet the Chesapeake and Ohio at Huntington, which must thus become a great centre of railroad connection and interchange of traffic.

THE ELIZABETHTOWN, LEXINGTON and BIG SANDY RAILROAD, connecting Huntington with Lexington, Kentucky, is being energetically and rapidly constructed.

The LOUISVILLE, CINCINNATI and LEXINGTON SHORT LINE RAILROAD, a completed road in successful operation, connecting Lexington, Louisville and Cincinnati, is now under control of the Chesapeake and Ohio Railroad Company. Louisville is an important railroad centre, having direct communications by rail with St. Louis and the South-West; and an additional short, direct and easy route between Louisville and St. Louis is under construction.

These various connections will form, with the Chesapeake and Ohio, the most direct route between St. Louis, Louisville and the Eastern markets and Atlantic ports, with grades so uniformly low as to place it beyond competition for the transportation of heavy freights.

The Elizabethtown, Lexington and Big Sandy Railroad, above referred to, connecting Huntington, the western terminus of the Chesapeake and Ohio, with Lexington, Kentucky, is one of the most important short roads now under construction in this country; forming, as it does, the essential link in the great new trans-continental system now developing in connection with the Chesapeake and Ohio Railroad, and which is destined to command a tonnage not exceeded by that of any other route between the Pacific Railroad and the East.

This line from Huntington to Lexington is about 120 miles in length and traverses the famous "blue-grass" region of Kentucky, which is noted as one of the most beautiful and fertile sections of country in America. It also passes through and will develop the well-known Kentucky coal-fields,

which are a part of the same great bed of bituminous treasure which exhibits such wonderful resources, and facilities for easy development, in the Kanawha Valley. From Lexington to Mount Sterling, 33 miles, the grading is substantially finished and the rails are now being laid. The road can be completed for the whole distance between Huntington and Lexington by July, 1873. The Company have ample resources in county bonds and Stock subscriptions to complete and equip the road, with a moderate First Mortgage Loan, which from the very high character of the security which it will afford, will be readily taken up whenever offered for sale.

The SOUTHERN OHIO RAILROAD COMPANY have a valuable charter for a road from the Ohio River, opposite Huntington, to Dayton and Cincinnati. They have secured a large amount of cash subscriptions and a considerable amount of grading has been done upon a portion of the line. This road will be promptly built and will form a very valuable connection for the Chesapeake and Ohio, controlling for this route the trade of southern Ohio, to a large extent, and

forming a direct and short line to Cincinnati, Dayton and the North-West, with the same low grades, which will be a marked characteristic of the Chesapeake and Ohio Railroad, and its entire system of Western connections.

While the foregoing preparations for the development of the resources along its line, and for its connection by the most direct and easy routes with all the principal business centres of the West and South-West have been progressing with so much vigor and earnestness, the work on the unfinished portion of the Chesapeake and Ohio Railroad itself has been going forward with steady rapidity. On the western division the track is now laid for about 100 miles, from Huntington to Gauley River, which with the 227 miles from Richmond to the White Sulphur Springs, previously in operation, makes about 327 miles of completed road. On the intermediate section between these two portions, rapid and satisfactory progress has been made since our last report. Many of the contracts for grading, masonry, bridging, etc., are now closing up. The headings

are now out for nearly the entire length of the Big Bend Tunnel, and the tunnel will be ready for the track in July next. It is expected that the whole line will be completed and trains running through from Richmond to the Ohio River during the month of October next.

Over 5,000 men are now at work upon the unfinished portions of the road, and every department of the work is being pushed with the greatest energy, combined with the utmost thoroughness and the most rigid economy.

The City of Richmond has appropriated \$300,000 for the construction of a tunnel between the present depot of the road in Richmond and the docks, for the accommodation of the road, which is being rapidly built.

Previous to the recent advance in the price of iron, the entire amount of rails, principally steel, necessary for the whole line, had been contracted for; together with fifteen additional locomotives and about three hundred freight and coal cars, at a large saving of cost from present prices.

Since our last Report to the bondholders, issued

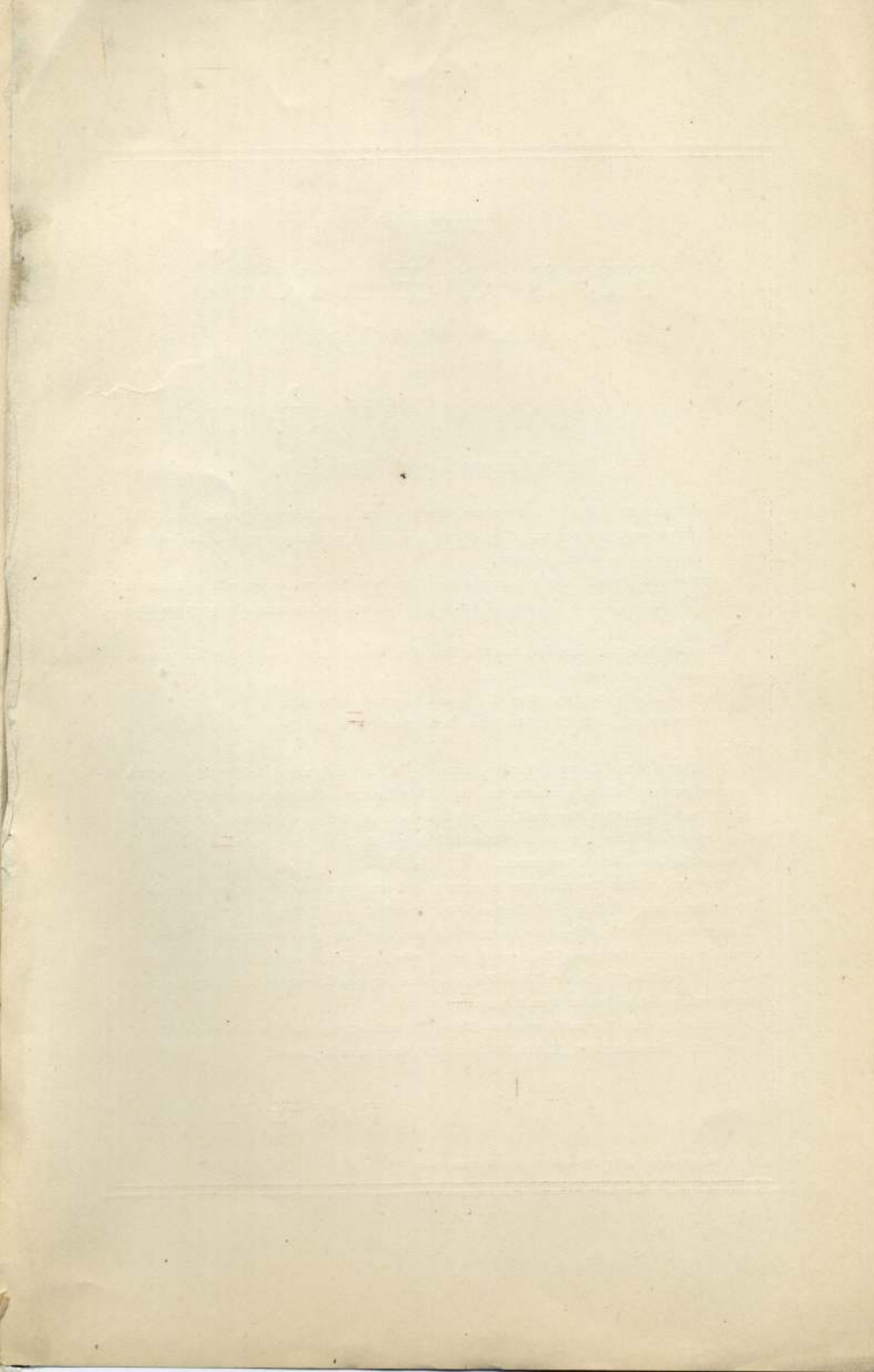
in November last, the negotiation of the Company's bonds has continued with the most satisfactory results, and the balance of their Fifteen Million loan now remaining unsold is less than \$1,500,000.

The developments and results of the last six months have been in every respect of the most satisfactory and encouraging character; strengthening and extending the credit and resources of the Company; adding largely to the previously existing assurances of an enormous and profitable traffic for the road; attracting thousands to the various industries which are springing into life and activity along its line and at the City of Huntington, its western terminus on the Ohio River; greatly enhancing the value of the Company's property; and further establishing the fact of the unquestionable security of their bonds, and their claim to be ranked among the most substantial and satisfactory investment securities in the country.

Very respectfully, yours,

FISK & HATCH,

Financial Agents C. & O. R. R. Co.



HARVEY FISK.

A. S. HATCH.

OFFICE OF

FISK & HATCH,
BANKERS,

AND DEALERS IN

GOVERNMENT SECURITIES,

No. 5 Nassau Street, New York.

Deposit accounts of Banks, Bankers, and others received, on which we allow interest at the rate of four per cent. per annum. Checks drawn on us are payable on presentation, without notice, the same as at a National Bank.

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THE BONDS OF THE CENTRAL PACIFIC RAILROAD Co., originally negotiated by us, and which we now buy and sell at market rates, are widely known and highly esteemed in all the leading money markets of the world, and are dealt in at all the principal Stock Exchanges in this country and Europe, where they take rank in popularity and market value next to the Bonds of the United States Government.

THE SIX PER CENT. BONDS OF THE CHESAPEAKE AND OHIO RAILROAD COMPANY, are secured by a First Mortgage upon their great East and West Trunk Line of Railroad extending from the Chesapeake Bay to the Ohio River, forming a short, easy, low-grade and economical through route for the transportation of Western products to the sea, and traversing the wonderful Iron and Coal deposits of Virginia and West Virginia, which are well known to be among the most important, varied, and valuable on this continent.

Interest payable May and November. Principal and interest payable in Gold in the City of New York. Denominations, \$1,000, \$500, and \$100, Coupon or Registered.

FISK & HATCH.

E. Wells Sackett, & Bro., Printers, 56 & 58 William Street.