Louisiana's Transportation Revolution: the Railroads, 1830-1850.

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LOUISIANA'S TRANSPORTATION REVOLUTION:
THE RAILROADS, 1830 - 1850

A Thesis

Submitted to the Graduate Faculty of the Louisiana State University and Agricultural and Mechanical College in partial fulfillment of the requirements for the degree of Doctor of Philosophy in

The Department of History

by
Marl Ellyn Reed
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August, 1957
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ABSTRACT

The story of Louisiana's railroads has for too long been shrouded by half-truth, myth, oral tradition, inaccuracy and glib generality. Actually, in the period between 1830 and 1850, Louisiana's railroad builders accomplished more than was generally believed, although the railroad mileage was small compared with the whole nation, or even the South.

Almost all of Louisiana's pre-1850 railroads were planned, chartered and built in the decade between 1830 and 1840. This fact alone suggests the inextricable bond between the railroads and the business cycle of that era. Railroad fever came to a climax at the height of the economic cycle, in 1837, and practically ended after the panic of that year. Prior to the panic of 1837, shortages of supplies, labor and capital continually hindered the railroad companies in accomplishing their objectives. A few of the railroads that survived the panic continued their construction during the depression years between 1837 and 1841. They were aided in this pursuit by state loans enacted after the panic, a fact little known up to this time. Nevertheless, in spite of state aid, the most important source of capital was the private stockholder.

The pre-1850 railroads of Louisiana could be classified into three groups: rural railroads, local New Orleans railroads, and one, long-distance, interstate railroad, projected from New Orleans.
to Nashville, Tennessee. The three all-rural railroads were each under thirty miles in length, and acted as appendages to the major waterways of the state, connecting the interior with the rivers. New Orleans' local railroads were built to connect waterways, to provide better port facilities for the city, and to aid in the expansion of New Orleans' growing population into the suburbs. Two of these local railroads developed into the New Orleans street railway system during the latter part of the Nineteenth century. The interstate railroad to Nashville was planned in order to meet the challenge of the eastern coastal cities to New Orleans' monopoly of the western trade. This project failed because the state was unwilling to become a partner in the venture.

The early period of railroading in Louisiana was an inglorious saga of many plans, numerous failures and few successes, while the mileage constructed was unimpressive. Nevertheless, valuable experience was gained in construction techniques, company organization and railroad financing which could be put to good use in the decade of railroad building during the 1850's.

Most of the secondary sources dealing with the early railroads of Louisiana were generally inadequate. Caroline MacGill, in a short section on Louisiana railroads before 1860, gave the best overall picture of railroad development in the state. Most of the writers of the standard histories of Louisiana and New Orleans, with the
exception of Henry Rightor, gave little attention to railroads, while
Rightor's history merely listed the railroads chartered with the dates
and capitalization figures. Among the histories of the state, a near
pathetic treatment of Louisiana's railroads appeared in the more re­
cently published history of Louisiana by McCinty. This writer told
his readers that two railroads were chartered before 1850, and then
proceeded to list three — but only three of the twenty-five rail­
roads chartered before 1850. The best treatment of the New Orleans
and Nashville railroad appeared in an article by R. S. Cotterill,
who placed the railroad and its relationship with Louisiana's econ­
omy and the western trade in proper prospective. Generally speak­
ing, however, there was little information on early Louisiana rail­
roads to be gleaned from secondary sources. In preparing this the­
sis, the author has relied chiefly upon federal and state documents,
and newspapers and periodicals, supplemented with various manuscript
material such as family papers and railroad collections.
Introduction

A glance at a relief map of the United States is a fitting prelude to the study of transportation in Louisiana. Between the Appalachian Mountains to the east, and the Rocky Mountains to the west, a vast inland plain stretches northward from the Gulf of Mexico to Hudson Bay. In the United States, this plain is drained by two great water systems. The Great Lakes-St. Lawrence River system flows northeastward into the northern Atlantic Ocean. The Mississippi River, fed by its tributaries, flows southward into the Gulf of Mexico. It was the Mississippi River system that affected the economic development of Louisiana so greatly and determined the course of the trade and commerce of New Orleans. It shaped attitudes, established a way of life, and subtly influenced almost every economic thought of the population.

The Mississippi River system also influenced the economic development of the old West. Settlers crossed the Appalachian Mountains, cleared land, and grew crops. As soon as a marketable staple existed, the problem of transportation became paramount. Nature offered a ready solution. The river became the most important avenue of commerce. Until better transportation could be found, the products of the farms, like the waters of the rivers, followed the easiest course to the sea. Canoes, flatboats, keelboats, and numerous other types of craft drifted down the rivers...
to New Orleans, the main place of deposit for the products of the West. The development of New Orleans into an important exporting center was practically assured, and the city anchored her faith for future economic growth in the waters of the mighty river.

The successful application of the steam engine to water transportation only served to confirm this faith. With the appearance of the steamboat on the Mississippi River, the economic ties with the interior seemed even more secure. The steamboat quickened the pace of activity on the western rivers, and the journey up the Mississippi against the stream now became a matter of course instead of a nightmare of hardship. But the steamboat did even more. It facilitated the passage of vessels between the port of New Orleans and the sea. Steam towboats guided unwieldy ocean sailing vessels over the shifting bar at the mouth of the river, through the tortuous passes, and past the windless English turn, to the wharves of the city. Another serious obstacle to the growth of the city had been partially overcome.

Despite the benefits made possible by steam power, the Mississippi transportation system had serious shortcomings. One was the distance involved. The principal markets for the goods of the Ohio valley were the cities of the East and the countries of western Europe. The Mississippi system at best offered a long, circuitous route for the western staples before reaching their markets. The journey also had its dangers. Rapids, shifting sand bars, and snags took their toll of the river craft laden with produce. There was also considerable spoilage of perishable
commodities during the long period from the time of departure until the goods finally came to rest in the sea-going vessels at New Orleans. These disadvantages were considered unavoidable then, but the day would come when this would not be the case. There would be other, more direct outlets from the West than those provided by nature. The building of canals supplied those outlets.

The beginning of the canal era in the United States followed rapidly upon the invention of the steamboat. Whereas the steamboat improved the commerce of the Mississippi system, the canal revolutionized the commerce of the East. The completion of the Erie Canal through New York state in 1825 provided a direct route between East and West. The trickle of goods between the Lakes and the Hudson River during the first year of its operation was a harbinger of the approaching changes in the trade patterns of the upper Mississippi and Ohio valleys. It was also an ominous portent for the more distant future of New Orleans which, up to this time, had enjoyed an almost complete monopoly of the western trade. Quickly other states moved to emulate New York. Pennsylvania and Maryland each projected elaborate canal systems to tap the western trade, and Ohio constructed a maze of canals which, among other things, connected the Ohio River with the Great Lakes. The waterway between East and West was completed.

The impact of the East-West canals upon the trade and commerce of New Orleans was at first not apparent because the West developed so rapidly. Western exports over both the northern and the southern
routes increased yearly. During most of the fifteen-year period following the completion of the Erie Canal, New Orleans experienced unprecedented prosperity and economic growth. Produce from the western hinterland crowded the wharves of the city, enabling New Orleans to challenge New York, her greatest rival, for first place among the exporting cities of the United States. Although some citizens viewed with alarm the inroads of the East on western trade, New Orleans' faith in the river and the natural advantages it offered generally remained unshaken. Her approach to the problem of improved transportation had become water-logged.

It was in this economic climate that Louisiana entered the railroad era. Up to this time, three interrelated themes dominated Louisiana's economic development -- the river, inland trade, and the expansion of New Orleans. The role played by Louisiana railroads in this economic situation must be told elsewhere. Suffice it to say that, when the first period of railroad expansion in Louisiana ended, the river was still supreme.
Chapter I
THE ECONOMIC BACKGROUND

The railroad era began in Louisiana in the midst of a rising business cycle, increasing prosperity, and general optimism. The state and its port city, New Orleans, stood in 1830 at the threshold of a period of incredible growth in population, in agricultural development, and in trade and commerce. In ten years' time, whether by natural increase or by immigration, thousands of additional inhabitants would crowd the streets of New Orleans, or fill the empty spaces of the interior. During this decade the number of people living in New Orleans more than doubled, while the population of the state increased by 30 per cent. At the port, where majestic ocean vessels mingled with a motley assortment of river boats, the decade of the 1830's brought hustle, bustle, and above all, unprecedented profits. Never before had so many steamboats and other types of river craft moved down the Mississippi and emptied their cargoes of western produce upon the wharves of the city.2

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1 Between 1830 and 1840, New Orleans' population increased from 49,626 to 102,195. The population of the state increased from 236,209 to 354,148. United States Fifth Census, 1830, and United States Sixth Census, 1840, Louisiana, photographed in Micro-film Laboratory, Bureau of Census.

As the value of the river trade rose steadily, the pace of the export trade also quickened. In ten years, the value of Louisiana's exports, which were essentially the exports of New Orleans, increased about 45 per cent. As far as the state of the economy was concerned, this period should have been advantageous for the coming of railroads to Louisiana.

Most of the factors that retarded railroads in other southern states also influenced Louisiana. One important obstacle was the rural nature of the state. Sparsely populated and dominated by the plantation economy, rural Louisiana as a fertile field for railroad development left much to be desired. The plantation trade, centered primarily around cotton and sugar cane, was barely sufficient to sustain the few short line railroads that were constructed. Seasonal in nature, this trade overburdened railroad facilities from October to January during the marketing season while, for the remainder of the year, most of the rolling stock remained idle. Although locally desirable and necessary as a cheap means of transportation, few rural railroads were financially sound.

If railroad building was handicapped by Louisiana's rural conditions, it received a further setback by the scarcity of population.
centers. Although Louisiana commanded much of the Mississippi River trade, she had few towns along this waterway of any economic significance, and New Orleans was her only city. In contrast to the more populous North, where cities built railroads to other cities and towns, New Orleans had to be content with short line railroads between her waterways, and to the suburbs. While rails were spanning the distance between Boston and Worcester, and while New York pressed northward toward Albany and the interior, New Orleans clung to the river. The nearest centers of population were hundreds of miles away. There was no Albany or Worcester nearby, nor any other town worthy of communication by railroad. An attempt in 1835 to reach Nashville proved premature. The distance involved, the panic of 1837, and New Orleans’ own unwillingness and inability to sustain the project spelled its doom.

The early railroads also suffered as a result of the river psychology that dominated Louisiana's approach to her transportation problems until the middle of the nineteenth century. The Mississippi River, plied by modern steamboats, continually held the loyalty of even the most ardent railroad enthusiasts. Its preeminence led to confused thinking and divided allegiances. For example, the New Orleans Bee in 1835 was a noisy supporter of the New Orleans and Nashville railroad. In promoting the railroad, the paper warned New Orleans businessmen of the competition that river traffic faced from eastern canals and railroads. A short time later, the same paper confidently boasted

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5New Orleans Bee, 18 June 1835, p. 2.
of the natural advantages of the Mississippi system and urged that steamship companies be chartered to ensure New Orleans' continued control of the river trade as far as Cincinnati.°

Although New Orleans by 1830 ranked fourth in size among the cities of the United States, the economic pattern remained typically southern. As the port of the Mississippi River, her energies were concentrated on the transshipment of goods arriving from the interior. The success achieved could hardly be questioned, for at times the value of New Orleans' exports exceeded her rival, New York. Unfortunately for New Orleans, other forces were working to offset her apparent advantages. For one thing, like most southern cities, New Orleans lagged far behind in manufacturing. Preoccupied with the entrepot trade, the business interests in the city showed little enthusiasm for the development of industry. In 1840, over twenty-seven million dollars was invested in commission houses and foreign trade, while only one and one-half millions was invested in industry.7 Consequently the city had to import large amounts of manufactured goods just to supply the home market.

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6Tbid., 16 August 1835, p.2.

7In 1840, the bulk of the capital was invested in commission houses for foreign trade, $16,490,000, and in retail stores, $11, 018, 225, a total of $27,508,225. All of the industry in New Orleans was capitalized at only $1,513,800. United States Sixth Census, 1840, quoted in Hunt's Merchants' Magazine and Commercial Review XI (November, 1844), 423.
This deficiency in industrial development was a problem to be reckoned with, but important also was the gradual loss to the East, of the western market for imported goods. Handicapped by geographic location as well as by poor communications up the river, New Orleans’ wholesalers waged a losing battle to maintain their position as a distribution center for the West. Evidence was plentiful that towns as far west as St. Louis as well as Mississippi river towns south of the Ohio were by-passing the New Orleans wholesalers to trade with the eastern merchants. For example, "...Enoch G. March had goods shipped from the East, via Chicago, as early as 1831, at one-third less cost than by way of New Orleans," a harbinger of the later shift of St. Louis from the New Orleans Market.

There was no doubt that the condition of the export trade, the wholesale market, and industry each influenced the development of railroads in Louisiana before 1850. If the glittering success of the first had not obscured the importance of the others, the merchants of New Orleans might have seen more clearly that inland markets, inland

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8 A comparison of the foreign imports of New Orleans with those of New York indicates the importance of this struggle. The value of imports into the two cities for three years, 1839 to 1841, were:

<table>
<thead>
<tr>
<th></th>
<th>1839</th>
<th>1840</th>
<th>1841</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orleans</td>
<td>$12,064,942</td>
<td>$10,673,190</td>
<td>$10,256,350</td>
</tr>
<tr>
<td>New York</td>
<td>99,882,438</td>
<td>60,440,750</td>
<td>75,713,426</td>
</tr>
</tbody>
</table>

Bust's Merchants' Magazine and Commercial Review, VII, (September, 1842), 288.

railroads, and home industries were all vital in the struggle for western trade. They did not foresee in 1830, or in 1840, that the key to the West would be the railroad. By 1850, however, cold, immutable economic facts had driven this point home, and soon iron fingers from the metropolis of the South began pointing to the east, to the north, and to the west. But by this time railroad development in Louisiana was already fifteen years behind the East and the West.

These problems did not seriously trouble the men who guided Louisiana's economic destinies during the 1830's. In addition to the export trade and agricultural development, their attention was turned to internal improvements. Since 1826, the problems of drainage, public health, public utilities, and improved transportation had occupied an increasingly important position in contemporary thinking.10 Railroads were only one aspect of this program of progress. Both public and private institutions were created to promote, finance and construct the desired improvements. The state concentrated on a program of public works aimed at the deepening of natural waterways and the building of roads. In 1833, a Board of Public Works was created which expended annually $20,000 on public

works\textsuperscript{11} and supervised the work of gangs of negro laborers owned by the state.\textsuperscript{12} At the same time, private promoters of internal improvements were encouraged by monopolistic charters, and by financial aid from the state.\textsuperscript{13} Companies for the construction of canals, railroads, drainage projects, water works, street lighting, and even a hotel, were chartered by the legislature.

Planning internal improvements was one thing but financing them was another matter. Almost every economic institution in Louisiana during the 1830's was seeking capital and loans. Exper­ters, crop financiers, land speculators, and internal improvement companies vied with one another for the seemingly scarce supply of capital.\textsuperscript{14} The problem of the scarcity of capital had to be solved, and it was obvious to the legislature, at least, that the solution lay in the creation of more banks. During the short period between 1831 and 1836, no fewer than eleven banks were chartered in New Orleans, with individual authorized capital ranging from a modest

\begin{small}
\textsuperscript{11}Louisiana, Acts, 11 Legis., 1 Sess., 1833, p. 36.  
\textsuperscript{12}In 1833, the purchase of 150 Negro laborers was authorized for use in public works projects. When these laborers were not employed by the state, they were hired to internal improvement companies. Louisiana, Acts, 11 Legis., 2 Sess., 1833, p. 106-107.  
\textsuperscript{13}The Board of Public Works was authorized to subscribe to the capital stock of improvement companies on behalf of the State, provided such subscription was authorized by the legislature, and provided also, that "...no part of the said fund shall be subscribed towards the stock of any company, until an equal amount shall have been first paid..." by the stockholders. \textit{Ibid.}, 11 Legis., 1 Sess., 1833, p. 39  
\textsuperscript{14}Between 1830 and 1837 the total railroad capitalization alone was $24,115,000. See Appendix A.
\end{small}
$1,000,000 to a staggering $14,000,000. The New Orleans Bee, in 1835, objected vigorously to the legislature's irresponsibility in creating so many banks and internal improvement companies. In addition, it attacked the close relationship between the legislators and the improvement company promoters. "Scarcely an object of the most trifling nature was undertaken by the clients, not the constituents of our legislators, without being sanctioned by banking and insurance privileges," The Bee observed. In the recent session of 1835, a "legislative panic" existed, and "...so great was the bastard ardor for internal improvements, that verily the legislature might have been tempted to create a bank to drain the swamps, or close the bayous in the State." The legislators did "... actually establish a bank to build an exchange..." for which the terms were so ridiculous that even the company rejected the charter. Nevertheless, the sensible advice of the Bee to the legislature, that it was "...high time to terminate these gambling speculations..." went unheeded.

15 Babin, "Economic Expansion of New Orleans," 256-257. Mr. Babin failed to include three railroad banks in his list of chartered banks.
Louisiana banks followed banking procedures characteristic of other banks in the South during this period. Capital was created by using "the combination of two transactions, of getting money through 'Melting-down' property (by issuing bonds on the basis thereof), and of using this money for the purpose of banking..." Louisiana banks answered the almost insatiable demand for more capital by issuing bonds based upon two types of securities: mortgaged land, slaves, and houses; and state-secured bonds. Loans were frequently obtained from European capitalists using these mortgages and state bonds as security. In their eagerness to supply banking capital, the banks permitted their credit operations to reach far beyond the bounds of their resources. Immediately before the crash of 1837, the ratio between the loans and the specie of the banks was over 19 to 1. If all of this specie was retained


18 In 1835, the Citizens' Bank of New Orleans negotiated a loan from Hope and Company of Holland for three million dollars, guaranteed by the state. New Orleans Bee, 16 November 1835. The Union Bank owed over $450,000 to Baring of London, and over $16,000 to Andre and Cottier of Paris. Ibid., 4 November 1835.

19 In 1830, the ratio was 6 to 1. The relationship between loans and specie in 1830 compared with 1837 was:

<table>
<thead>
<tr>
<th></th>
<th>Loans</th>
<th>Specie</th>
</tr>
</thead>
<tbody>
<tr>
<td>January, 1830</td>
<td>$6,796,351</td>
<td>$1,492,674</td>
</tr>
</tbody>
</table>

in the vaults of the banks as reserves, Louisiana's banks would have maintained, in 1837, only 3 per cent reserve requirements.

As internal improvement companies seeking capital and loans, the railroads had close economic ties with the banks. Consequently, much inflated banking capital was used in the building of the early railroads in Louisiana. The New Orleans Canal and Banking Company, itself engaged in internal improvements, held shares of stock in an insurance company, a navigation company, and the New Orleans and Carrollton Railroad Company. 20 In its zeal for internal improvements, the legislature occasionally forced banks to aid improvement companies. Under such coercion, the Gas Light and Banking Company agreed to loan $150,000 to the Red River Railroad Company for the construction of its railroad between Alexandria and Cheneyville. 21 This same banking company was also placed under pressure to aid the Clinton and Port Hudson Railroad Company, and it agreed to purchase $250,000 in railroad bonds and to loan $100,000 for the construction of the railroad. The legislature rewarded the banking company by releasing it from its charter obligation of establishing a branch bank in Port Hudson. 22

As if banking privileges and practices were not diffused enough already, more inflationary pressure was applied by permitting banks to

20 This banking company owed $58,131.12 to the London firm of Wilson and Company. New Orleans Bee, 4 November 1835, p. 2.
21 Louisiana, Acts, 12 Legis., 1 Sess., 1835, p. 193. The railroad company was forbidden to declare any dividends until the principal and interest on this loan had been paid. Ibid., 194. The Gas Light and Banking Company was also forced to purchase 500 shares of the stock of the Barataria and Lafourche Canal Company. Babin, "Economic Expansion of New Orleans," 256.
22 Louisiana, Acts, 12 Legis., 2 Sess., 1836, p. 3.
pursue ends other than banking, or to put it differently, by permitting
improvement companies to exercise banking privileges. Canal companies,
gas lighting companies, railroad companies, and a company for the
erection of a hotel, were authorized to conduct banking operations.
The Louisiana legislature granted banking privileges to three rail-
road companies. The New Orleans and Carrollton Railroad Company,
which operated eleven miles of railroad between New Orleans and
Carrollton, received in 1835 "...all rights and privileges usually
exercised by a bank..." to facilitate an extension of the railroad
northward to Bayou Sara. The company's original capitalization was
increased ten-fold. The Atchafalaya Railroad and Banking Company,
chartered in 1835 with $2,000,000 capital to build a railroad between
the Mississippi River and Opelousas, was granted banking privileges
at the time of its incorporation. The Pontchartrain Railroad
Company, chartered in 1830, received banking privileges six years
later to facilitate the construction of a branch line to Lake Borgne,
to complete its harbor at Lake Pontchartrain, and to lay a second track
next to its completed route between Lake Pontchartrain and New Orleans. The attempt to grant banking privileges to the Red River Railroad
Company was unsuccessful because the requisite number of subscribers

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23 Ibid., 12 Legis., 1 Sess., 1835, p.p. 82-86. Accompanying the
privilege was the obligation to open offices of "discount and deposit,"
i.e. banks, in the towns of Lafayette, Bayou Sara, Providence, Idropoli
and Baton Rouge.
24 The railroad company had been capitalized at $300,000. The new
railroad and banking company was authorized a $3,000,000 capitalization.
25 Louisiana, Acts, 12 Legis., 1 Sess., 1835, p. 51. A curious amend-
ment to this act later separated the management of the bank from the
management of the railroad. Of the sixteen elected directors, nine had
charge of the bank and seven were to manage the railroad. Ibid., 12
26 Ibid., 39.
to its capital stock could not be found.\textsuperscript{27}

The attempt to speed railroad construction by granting banking privileges was a complete failure. The Pontchartrain Railroad Company did not even get its banking operations under way before the crash of 1837 brought an end to all speculative operations. The Atchafalaya and the Carrollton Railroad and Banking Companies did not progress far beyond their banking operations, for neither company was able to carry out its intended internal improvement before the crash. The economic contribution of these banks was dubious, if not detrimental, to the economy, for they created banking capital, invested heavily in real estate, and loaned money at a time when speculation was already running wild.\textsuperscript{28} Both banks survived the panic of 1837 and continued their precarious existences until the 1840's when they

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
& Capital & Real Estate & Discounts & Specie in Vaults \\
& Nominal & Paid Up & & & \\
& & & & & \\
\hline
Carrollton & 3,000,000 & 1,949,350 & 993,381 & 1,773,006 & 57,937 \\
Atchafalaya & 2,000,000 & 788,990 & 417,107 & 985,092 & 81,513 \\
\hline
\end{tabular}
\caption{Statistics on the activities of the Carrollton Railroad and Banking Company, and the Atchafalaya Railroad and Banking Company banks illustrate their speculative nature.}
\end{table}

\textsuperscript{27}New Orleans Bee, 12 June 1835, p. 2.
\textsuperscript{28}The following statistics on the activities of the Carrollton Railroad and Banking Company, and the Atchafalaya Railroad and Banking Company banks illustrate their speculative nature.
were liquidated.\textsuperscript{29} One other railroad company, the West Feliciana, which operated in Louisiana and Mississippi, was authorized by its Mississippi charter to engage in banking operations in Mississippi for that section of its line.\textsuperscript{30} The railroad bank, located at Woodville, Mississippi, defrayed costs of construction with circulating notes, or so-called West Feliciana Railroad money. After 1837 these notes, greatly depreciated in value, were being discounted from 30 to 50 per cent.\textsuperscript{31} Like other railroad banks, the West Feliciana failed to contribute to the program of internal improvements. Construction of the railroad proceeded at a snail's pace, and people along the projected route bitterly charged that the bank had become an instrument for the enrichment of the stockholders rather than for the construction of the railroad.\textsuperscript{32}

Louisiana's internal improvement program sought to achieve laudable ends, but too much was attempted. Even had plans been more

\textsuperscript{29}The Atchafalaya Railroad and Banking Company bank was liquidated in 1847. Louisiana, House Journal, Session of 1848. The New Orleans and Carrollton Railroad and Banking Company stockholders voted to end the operations of the bank in 1845. New Orleans and Carrollton Stockholders Meeting, New Orleans, 31 March 1845.

\textsuperscript{30}Typewritten MSS, History of the West Feliciana Railroad, by C. R. Calvert, 16-17, McElhose (J. Burruss) Papers, Department of Archives, Louisiana State University, hereinafter cited, Calvert typewritten MSS.

\textsuperscript{31}Testimony, Isaac McCord and Company versus West Feliciana Railroad Company, Case 1978, Butler (Thomas and Family) Papers, 1845-69, Department of Archives, Louisiana State University, hereinafter cited, Testimony, McCord Case.

carefully formulated, the economic conditions of the 1830's might still have seriously hampered its success. Unsound state banking practices, speculation in land, over-extended credit, and reckless promotion of internal improvements, all pushed the spiraling cycle higher and higher. The outlays of money by internal improvement companies stimulated the economy at a time when retrenchment should have prevailed. Capital, labor, and natural resources were strained to meet the demands of the numerous projects of public improvement, and the competition for stock subscribers, loans, laborers, and materials usually resulted in shortages of all of these. Examples of these shortages were abundant. Only twelve of the twenty-one railroad companies chartered between 1830 and 1837 were financially strong enough to begin construction operations. Long term credit could usually be obtained only through intervention by the state. While skilled workmen had to be imported from the North, even the local labor supply appeared always to be inadequate. Frequently, shortages of lumber, that time almost an ubiquitous material, were complained of by company officials and contractors. The panic of 1837 ended the speculation madness, but it was also the coup de grâce for serious railroad development in Louisiana until 1850.

33 Testimony, McCord Case.
35 Pontchartrain Railroad Company, Minutes, 89. Testimony, McCord Case.
Chapter II

PLANNING AND BUILDING THE RAILROADS

During the first three years of the 1830's, most of the enthusiasm for railroads came from a small group of New Orleans businessmen, and an even smaller body of plantation owners in one of the Florida parishes. Out of the efforts of these two groups, Louisiana's first two railroad companies were organized, one in 1830, the other in 1831. As the business cycle gyrated upward, and as the program for internal improvements changed into a promoters' debauch, the planning and chartering of railroads was also caught up in the tidal wave. While in 1833, only four railroad companies were chartered by the legislature, in the sessions of 1835, 1836, and 1837, sixteen companies received legislative approval.\(^1\) If all of the projected railroads had been completed, rural Louisiana would have had a curious system of railroads cutting from one parish to another, from one navigable

\(^1\)The chartering of railroads by years, 1830 to 1840, was:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1830</td>
<td>1</td>
<td>1840</td>
<td>1</td>
</tr>
<tr>
<td>1831</td>
<td>1</td>
<td>1836</td>
<td>5</td>
</tr>
<tr>
<td>1832</td>
<td>0</td>
<td>1837</td>
<td>6</td>
</tr>
<tr>
<td>1833</td>
<td>4</td>
<td>1838</td>
<td>0</td>
</tr>
<tr>
<td>1834</td>
<td>0</td>
<td>1839</td>
<td>0</td>
</tr>
<tr>
<td>1835</td>
<td>5</td>
<td>1840</td>
<td>1</td>
</tr>
</tbody>
</table>

Louisiana, Acts, 1830 to 1840.
waterway to the other, and from inland town to river port. Although these projects probably represented the honest desires of local leaders to improve transportation and break down the barriers of distance and isolation, usually they were unrealistic. The majority never progressed beyond the plans of their charter blueprints.

West of the Mississippi River, many railroads were planned. The most ambitious project would have connected Louisiana's three great rivers by rail. The Lake Providence and Red River Railroad Company, chartered in 1836, hoped to build from the port of Lake Providence in northeast Louisiana, to the Red River at Natchitoches.² The Natchitoches and Sabine Railroad Company was created in the following year to carry this project on to the Sabine River.³ If completed, a continuous railroad line would have linked the Mississippi, the Red, and the Sabine Rivers. Farther to the south, plans were being made for another Mississippi to Red River railroad, from Vidalia to Alexandria. In addition to linking the waterways by rail, this railroad's promoters also desired to provide the inland town of Harrisonburg with railroad communications to the rivers. Thus it was that the Vidalia, Harrisonburg, and Alexandria Railroad Company, according to the provisions of its charter, planned a zig-zag railroad between the rivers, first to the northwest, then to the southwest, to accommodate Harrisonburg.⁴ Even if the panic of 1837 had not intervened, the chances of success for these railroads were highly dubious. The

²Ibid., 12 Legis., 2 Sess., 1836, p. 106.
³Ibid., 13 Legis., 1 Sess., 1837, p. 126.
⁴Ibid., 143.
most ominous portent was the lack of population in the areas through which the railroads would pass. Louisiana west of the Mississippi River was in many places still the frontier, and so sparse was the population that even the parish system was not yet completely organised.\(^5\) Another organisation, the Atchafalaya Railroad and Banking Company, planned a railroad across the less sparsely settled parishes of St. Landry and Point Coupée, connecting the town of Opelousas with the

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\(^5\)The population of the area through which railroads were planned was:

<table>
<thead>
<tr>
<th>Lake Providence and Red River Railroad</th>
<th>1830</th>
<th>1840</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carroll</td>
<td>---</td>
<td>4,237</td>
</tr>
<tr>
<td>Richland</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Caldwell</td>
<td>---</td>
<td>2,917</td>
</tr>
<tr>
<td>Ouachita</td>
<td>5,140</td>
<td>4,620</td>
</tr>
<tr>
<td>Winn</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Natchitoches and Sabine Railroad</th>
<th>1830</th>
<th>1840</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natchitoches</td>
<td>7,903</td>
<td>14,350</td>
</tr>
<tr>
<td>Sabine</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vidalia, Harrisonburg and Alexandria Railroad</th>
<th>1830</th>
<th>1840</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concordia</td>
<td>4,662</td>
<td>9,414</td>
</tr>
<tr>
<td>Catahoula</td>
<td>2,581</td>
<td>4,953</td>
</tr>
<tr>
<td>Rapides</td>
<td>7,575</td>
<td>14,132</td>
</tr>
</tbody>
</table>

United States Fifth Census, 1830. United States Sixth Census, 1840.

*These parishes, part of the present day parish system, were not organized in 1840. Their inclusion, however, emphasizes the frontier nature of the area and aid in plotting the proposed route of the railroad.
Mississippi River across from Port Hudson. Although the route was surveyed and application made to Congress for a grant of land, little construction was accomplished. Other railroads were planned in Plaquemines Parish and in Iberville Parish, but the companies chartered to build these railroads apparently accomplished nothing.

Only one railroad was constructed in Louisiana west of the Mississippi River, and this for only part of the original route authorized. The Red River Railroad Company was chartered in 1835 to build in Rapides Parish, beginning at Alexandria southward via Cheneyville, to Bayou Hufpower. Although the population of the parish almost doubled between 1830 and 1840, this railroad led a most precarious existence. The hardships of the Red River Railroad, in spite of its location in Louisiana’s most populous western parish, served to illustrate the futility of the other railroads projected west of the Mississippi River.

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6Louisiana, Acts, 12 Legis., 1 Sess., 1835, p. 39. The population of Point Coupee and St. Landry parishes was:

<table>
<thead>
<tr>
<th></th>
<th>1830</th>
<th>1840</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point Coupee</td>
<td>3,942</td>
<td>7,898</td>
</tr>
<tr>
<td>St. Landry</td>
<td>12,586</td>
<td>10,706</td>
</tr>
</tbody>
</table>

United States Fifth Census, 1830. United States Sixth Census, 1840.

7United States Executive Documents, No. 258, 24 Cong., 1 Sess., Vol. VI, 1836.

8The Plaquemines Railroad Company was chartered to run on several plantations in that parish to facilitate the carrying of plantation products. Louisiana, Acts, 12 Legis., 1 Sess., 1835, p. 218. The Iberville Railroad Company would have connected the town of Plaquemines with Bayou Plaquemine. Ibid., 12 Legis., 2 Sess., 1836, pp. 137-138.

9Ibid., 12 Legis., 1 Sess., 1835, p. 187.

10The population of Rapides parish in 1830 was 7,575; in 1840, 14,132. United States Fifth Census, 1830. United States Sixth Census, 1840.
East of the Mississippi River, many railroads were also planned. In the rural areas, railroad promotion was centered in the Florida parishes. Seven local railroads were chartered to serve the parishes of St. Tammany, Washington, St. Helena, Livingston, East Baton Rouge, East Feliciana, and West Feliciana. Only two of these railroads were constructed, however. In St. Tammany Parish, two railroads were planned. The Madisonville and Covington Railroad Company was chartered to connect Covington with Lake Pontchartrain, passing through the towns of Madisonville and Jefferson. Northward from Covington, another railroad, the Louisiana and Mississippi, would have reached the Pearl River at the northeast corner of Washington parish. In Livingston Parish, the Livingston Railroad Company was authorized to build a feeder line from the interior to the Amite River, while the Springfield and Liberty Railroad Company, authorized to build between Springfield and Liberty, Mississippi, would have served the

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11Louisiana, Acts, 13 Legis., 1 Sess., 1837, p. 27.
12Ibid., 122-123. The population of St. Tammany and Washington parishes were:

<table>
<thead>
<tr>
<th>Parish</th>
<th>1830</th>
<th>1840</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Tammany</td>
<td>2,864</td>
<td>7,248</td>
</tr>
<tr>
<td>Washington</td>
<td>2,286</td>
<td>2,649</td>
</tr>
</tbody>
</table>

Fifth Census, 1830. Sixth Census, 1840.
Louisiana parishes of Livingston and St. Helena. The meager resources of these two parishes did not justify the creation of any local railroad system. None of these railroads progressed beyond the planning stage.

In the Feliciana parishes bordering the Mississippi River, three railroads were planned. Two of these were completed. The West Feliciana Railroad Company, chartered in 1831, constructed after much delay, a railroad from Bayou Sara, on the Mississippi, inland to Woodville, Mississippi. Two years later, the Clinton and Port Hudson Railroad Company was chartered to build a railroad across East Feliciana Parish, from Port Hudson on the river, to Clinton. In 1837, this same company projected a branch railroad eastward from Clinton to the Tangipahoa River, where a junction was planned with the New Orleans and Nashville Railroad, then in the process of construction. The failure of the Nashville Railroad, however, brought an end to the Clinton and Port Hudson branch. Another railroad company was authorised to build between Baton Rouge and Clinton,

The population of Livingston and St. Helena parishes was:

<table>
<thead>
<tr>
<th>Parish</th>
<th>1830</th>
<th>1840</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livingston</td>
<td>2,315</td>
<td></td>
</tr>
<tr>
<td>St. Helena</td>
<td>4,038</td>
<td>3,525</td>
</tr>
</tbody>
</table>

United States Fifth Census, 1830. United Sixth Census, 1840. The New Orleans and Nashville Railroad, if completed, would have run eastward along the Tangipahoa River, almost parallel to the proposed Springfield and Liberty railroad.

14 Ibid., 76-77
15 The population of Livingston and St. Helena parishes was:
16 Ibid., 10 Legis., 1 Sess., 1831, p. 124.
17 Ibid., 11 Legis., 1 Sess., 1833, p. 15
18 Ibid., 13 Legis., 1 Sess., 1837, p. 9
but nothing was accomplished. Of all the rural areas of Louisiana, the Feliciana parishes, in the 1830's, probably offered the most favorable place for the building of rural, short line railroads. These parishes bordered the Mississippi River, Louisiana's main avenue of commerce. Their soil was fertile, and their populations were relatively large in comparison with other rural parishes.

With the exception of the Red River Railroad, the West Feliciana Railroad and the Clinton and Port Hudson Railroad were the only rural, short line railroads completed in the state. In addition to the advantage of being located in relatively populous parishes, these railroads had other common characteristics. Both functioned as feeder railroads to the Mississippi River. They were planned and chartered prior to 1835. By that year, most of the projects for internal improvements had completely lost touch with reality. Both companies somehow managed to weather the financial storms of 1837, and complete the construction of their railroads during the depression years that followed. In a way, these railroads were symbols of the

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19Ibid., 12 Legis., 2 Sess., 1836, p. 123. This organisation, the Baton Rouge and Clinton Railroad Company, was promoted by citizens of East Baton Rouge Parish after unsuccessful attempts to divert the route of the Clinton and Port Hudson railroad from Port Hudson, to Baton Rouge. *Baton Rouge Gazette*, 17 January 1835, p. 2; 14 February 1835, p. 2.

20The population of the Feliciana parishes was:

<table>
<thead>
<tr>
<th>Year</th>
<th>East Feliciana</th>
<th>West Feliciana</th>
</tr>
</thead>
<tbody>
<tr>
<td>1830</td>
<td>8,247</td>
<td>8,629</td>
</tr>
<tr>
<td>1840</td>
<td>11,893</td>
<td>11,910</td>
</tr>
</tbody>
</table>

United States *Fifth Census*, 1830. United States *Sixth Census*, 1840.
rural transportation needs of Louisiana, and perhaps, also, of the whole South. As rural railroads, both were experiments on trial. The main issue of this trial was the economic feasibility of the completely rural railroad, isolated from population centers and dependent solely upon an agricultural economy. In the 1830's, this question was still to be answered.

If Louisiana's rural railroads were dependent upon the system of waterways, so were most of the railroads projected around New Orleans. The promoters and builders of New Orleans' first railroad, the Pontchartrain, hoped to provide better communications between the Mississippi River and Lake Pontchartrain. They also planned to tap the lake trade, as well as the coastal trade as far east as Florida. The Pontchartrain Railroad Company, chartered in 1830, completed its four and one-half miles of track by 1831, and then pushed forward the construction of port facilities on the lake.21 In capturing the eastward coastal trade, the Pontchartrain railroad provided New Orleans with a second port. The value of this port to the vessels small enough to sail on Lake Pontchartrain was important, because the voyage into the Gulf and up the Mississippi River to New Orleans was not only time consuming, but also dangerous.

The construction of the Pontchartrain railroad was not the only attempt to improve New Orleans' port facilities by using railroads. Later, in 1835, the Pontchartrain railroad directors planned a branch railroad eastward "...to some suitable points or places on Lake Borgne,

21 Louisiana, Acts, 9 Legis., 1 Sess., 1830, p. 2
the Rigolets, Chef Menteur or Bayou Bienvenu..." and secured a charter from the legislature for this purpose. Apparently the promoters anticipated capturing the trade of larger coastal vessels incapable of sailing on shallow Lake Pontchartrain. Another group of railroad enthusiasts hoped to shorten the voyage between New Orleans and the sea by building a railroad between the city and the English turn. In St. Bernard Parish, a railroad was planned to Bayou Terre aux Boeufs. Although none of these railroads was ever constructed, the idea of giving New Orleans a better port persisted. In 1837 a group of promoters put forth the most ambitious plan of all, an actual seaport for New Orleans on the Gulf of Mexico. Their organisation, chartered as the Mexican Gulf Railroad Company, chose the deep water off Cat Island as the most desirable place for this port, and began laying track eastward from New Orleans. Like so many other railroads chartered during the boom period of the 1830's, this company became a casualty of the panic and depression. Less than twenty miles of railroad were completed.

As the population of New Orleans spilled over into the suburbs, and as the lake trade declined in importance, the Pontchartrain railroad eventually served as part of the city's street railway system.

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22 Ibid., 12 Legis., 1 Sess., 1835, p. 206.
23 New Orleans Bee, 12 April 1837, p. 2.
24 This was the St. Bernard Railroad Company. Louisiana, Acts, 11 Legis., 2 Sess., 1833, p. 133.
25 Ibid., 13 Legis., 1 Sess., 1837, p. 54.
Since its terminus was on the lake, the railroad provided New Orleans residents easy access to recreation facilities that were much desired in that often disease-stricken city. Similar services were also provided by the New Orleans and Carrollton railroad. This organisation, chartered in 1833 to construct an eleven mile railroad between New Orleans and the developing suburb town of Carrollton, became the city's first street railway. At the Carrollton terminus the directors built a hotel and other recreation facilities, attractions which greatly augmented the railroad's receipts from passenger traffic. The unwise and ill-fated expansion of the company prior to the panic further weakened the financial sinews of a still unproven economic institution. The proposed branch northward to Bayou Sara never materialized, and the existence of the New Orleans and Carrollton Railroad Bank was of short duration. In 1840 the legislature chartered a railroad company to build from Carrollton through Jefferson parish to Lake Pontchartrain. The Jefferson and Lake Pontchartrain Railway Company built their railroad, constructed wharves on the lake, and competed with the Pontchartrain railroad company for the lake trade. The former was eventually taken over by the New Orleans and Carrollton Railroad Company and incorporated into its growing street network.

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26 Ibid., 11 Legis., 1 Sess., 1833, pp 9-10.
27 New Orleans Bee, 8 October 1835, p. 2.
28 Supra., 6-7
New Orleans' railroad system as described thus far answered only local needs. It provided inter-waterway communications, it facilitated the development and settlement of the suburbs, and in a minor way, it improved New Orleans' port facilities. But such a system did not solve the larger problem of New Orleans' economic relations with the interior. Undoubtedly much of the business community felt satisfied with the transportation nature had provided, and remained content to leave their economic fortunes to drift with the great river. Nevertheless, some of their more observing members were aware of the possibilities of the railroad for the long haul. They looked on with alarm as eastern seaboard cities planned and built railroads westward to channel off the goods that nature herself, so it seemed, had destined to be New Orleans' own. It was this apprehension that led a group of New Orleans' promoters to press for a railroad to Nashville. The New Orleans and Nashville Railroad Company, chartered in 1835, would have been the costliest, but also the most valuable, of all the projected railroads. Twenty miles of track had been laid when the panic of 1837 blighted the further growth of the company. The Nashville railroad was one of the many casualties of the depression, and its demise would prove to be a major tragedy for New Orleans.

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The railroad promoters received many privileges from monopolistic charters enacted by the legislature. In Louisiana, as in most states during this period, the creation of corporations rested exclusively upon the wisdom and discretion of the legislature. This legislative prerogative continued in Louisiana until 1845, when a new constitution provided for general incorporation laws. Since the legislature granted charters in answer to petitions received from various promoters, it was almost inevitable that the railroads became involved in the haggling and bargaining of the legislative halls, and in the partisanship and factionalism of contemporary Louisiana politics. The legislature, lacking experience or precedent, usually accepted railroad charters of other states as models. The promoters of the Pontchartrain railroad, for example, asked for charter privileges similar to those granted by the state of Maryland to the Baltimore and Ohio Railroad. The Pontchartrain railroad charter, in turn, became a model for later railroad charters in Louisiana. The Alexandria and Cheneyville railroad charter gave the company the same rights, privileges, and powers as those enjoyed by the Pontchartrain railroad.

Although the various railroad charters differed in detail, certain general provisions were included in all of them. The capitalisation of the company was specified. If the original capitalisation should prove to be insufficient, the Board of Directors was usually given power to increase the capitalisation up to a maximum amount, sometimes

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32 Benjamin W. Dart, editor, Constitutions of the State of Louisiana and Selected Federal Laws, 518.
double the original capitalisation. The directors of the Clinton and Port Hudson Railroad Company, capitalised originally at $100,000, doubled its capitalisation, while other railroads were permitted substantial increases in their capital structures. So inaccurate was the estimating of costs of construction, that most companies had to increase the original capitalisation before the railroad was completed.

The charters also gave the railroads many exclusive privileges and powers. One privilege of utmost importance was a long-term monopoly over the route described in the charter. This monopoly usually extended for periods of twenty to fifty years, although one company received such a monopoly for seventy-five years. If the railroad was not constructed by a specified time, the charter became null and void unless the legislature extended the time. The New Orleans and Carrollton railroad charter, granted for fifty years, provided that construction of the road must begin within one year, and the road completed within three years after enactment of the charter. Tax exemptions were widely used to encourage railroad construction, and eagerly sought by railroad promoters. Most railroads enjoyed tax exemptions on either their property, or their capital stock, although some railroads were exempted from both. The property of the New Orleans and Nashville railroad was free from taxation for twenty years and its capital stock was exempt forever.

34 Ibid., 15.
35 See Appendix A.
37 Ibid., 12; 12 Legis., 1 Sess., 1835, p. 17.
Another important power enjoyed by the railroads was eminent domain. This right was exercised through the regular courts. Although securing a right of way offered few serious problems to most railroads, some trouble occasionally developed in rural areas if a plantation owner opposed the railroad. In the case of the West Feliciana railroad, it was claimed that the difficulty in securing a right of way from various plantation owners delayed construction of the road as much as three years. After the route had been selected and the right of way agreed upon, damages were ascertained by a method that was a variation of the Anglo-Norman sworn inquest. Usually nine to twelve, but occasionally more, freeholders appointed by a local judge, examined the right of way and decided the damages by a three-fourths vote. In a few cases, damages were determined by commissioners, usually three, who were appointed by the governor for this purpose. The railroads were not always prone to use the power of eminent domain. The directors of the Pontchartrain railroad, rather than prejudice the company by unpopular litigation to secure its right of way, purchased a whole plantation at a price much above its normal value. The width of the rights of way were specified in the charters, usually eighty to one hundred feet.

38 Calvert Typewritten MSS, 16.
39 Louisiana, Acts, 9 Legis., 2 Sess., 1830, p. 6
40 Pontchartrain Railroad Company, Minutes, 60-63.
A few of the charters gave privileges that overlapped into other types of transportation only indirectly related to the business of building and operating railroads. The Louisiana and Mississippi Railroad Company, in addition to constructing its own line, received permission to deepen the "Bogue Falaya" and the "Techefonesta" River, between the town of Covington and Lake Pontchartrain. With this accomplished, the company anticipated operating steamboats and barges from Covington to the port of the Pontchartrain railroad across the lake, but the plan never materialized. Other railroad companies were permitted to construct toll roads. The Pontchartrain Railroad Company, by charter authorization, possessed the privilege of building a shell road parallel to its tracks, and exacting tolls for its use from single horsemen and carriages. The Rapides and the Atchafalaya railroads possessed similar privileges. There was no evidence that any of these railroads built the toll roads that were authorized.

Liberal as the legislature was in granting monopoly charter privileges to the railroads, it attempted half-heartedly to bridle the corporate monsters it created by imposing rates upon a few of the railroad companies. The legislature enacted railroad rates into six charters in an effort to control those monopolistic institutions endowed with so many privileges and powers. The charters of the Pontchartrain, the New Orleans and Carrollton, the St. Bernard, the

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42 Ibid., 9 Legis., 2 Sess., 1830, 10; 11 Legis., 1 Sess., 1833, p. 67.
Alexandria and Cheneyville, the Rapides, and the Iberville railroads, provided for maximum rates. The freight rates enacted for the Pontchartrain railroad imposed a charge of fifty cents per ton for the distance between New Orleans and Lake Pontchartrain, either way. Certain enumerated commodities such as bricks, lumber, fire wood, shells, and sand, received a lower rate of thirty cents per ton.

The legislature had, in effect, created two groups of commodities and placed them on two different levels of commodity rates. One group consisted of bulky, less valuable goods, upon which lower rates were prescribed in order to maintain volume movement. The other group consisted of less bulky, but more costly goods which, because of their value, probably would move regardless of higher rates. The legislature arbitrarily applied the Pontchartrain railroad freight rates to the eleven and one-half mile New Orleans and Carrollton railroad, in spite of the fact that this line was seven miles longer than the Pontchartrain railroad.

There was no indication of the yardstick, if any, that the legislature used in setting up the rates for New Orleans' first two railroads. Since the rates were enacted before the railroads were constructed, there was obviously no consideration of the problem of fixed and variable costs in railroad pricing. If there was any precedent for these rates, it probably was found in the only other modes of transportation that existed, water and wagon. Both the New Orleans and Carrollton, and the Pontchartrain railroads were faced with water competition for the entire lengths of their lines. The New Orleans and Carrollton railroad ran parallel to the Mississippi River, while
the Pontchartrain railroad competed with a canal connecting New Orleans with Lake Pontchartrain by way of St. John's Bayou. The legislature also enacted rates for the Alexandria and Cheneyville railroad. There was no water transportation competing with this railroad. The only possible precedent for the railroad rates in this area was the cost of wagon transportation from the interior to the Red River. Competition from wagons might have kept the railroad's freight rates at a lower level. Whether the legislators used precedents for railroad freight rates, or whether they legislated freight rates by whim, the results of their efforts were crude, clumsy, inadequate, rigid and unworkable.

The legislature also prescribed passenger rates for many railroads. The difference between the passenger rates applied to New Orleans' two local railroads left the implication that competition from water carriers existed. The Pontchartrain railroad, only four and one-half miles long, charged thirty-seven and one-half cents per person either way over the line. Water carrier competition for passengers might have existed on the canal and Bayou St. John, but this water route was slow, and not likely to offer serious passenger competition for the railroad. The New Orleans and Carrollton railroad, eleven and one-half miles long, charged only twenty-five cents one way, a lower passenger rate than the shorter Pontchartrain railroad charged. The proximity of the Mississippi River to the New Orleans and Carrollton railroad might have accounted for the lower passenger rates of this railroad.
Attempts were made to control railroad monopoly in other ways than legislating rates. For the railroads on which charter rates were not imposed, the legislators applied what appeared to be a more workable expedient. They limited railroad profits to the amount that would provide a maximum stockholders's dividend of 15 per cent. The charter of the New Orleans and Nashville Railroad stated that "...the rates shall be so fixed, as not to allow annual dividends upon the net profits of more than an average of 15 per cent per annum upon the amount paid in..." by the stockholders. The Atchafalaya railroad charter limited rates so that the net profits would not exceed 15 per cent of the amount expended on construction of the road.\(^4\) Fifteen per cent as a fair return to stockholders, or on the cost of construction, undoubtedly reflected the prevailing concept of the relationship between the investment, and the risk involved. This arbitrary method of determining fair return was almost meaningless considering the numerous ways in corporation financing practices of circumventing the law.

The granting of monopoly privileges to the railroads must have influenced many potential investors to risk their capital in railroad stock. The private stockholder occupied a position of great importance in financing early Louisiana railroads, and it was his approval, or disapproval, registered through the purchase of railroad stock, that often determined the success or failure of proposed railroad projects. The first step in raising capital for a railroad was selling

\(^4\)\textit{Idem.}, 12 Legis., 1 Sess., 1835, pp. 17, 45.
stock to private citizens. Residents along the proposed route of the railroad received first chance at the stock. The railroad charters, in order to insure as wide a distribution of stock as possible, specified the subscription commissioners, named towns where subscription offices must be opened, and limited the number of shares each individual could purchase in case of oversubscription. To prevent control of the company passing into the hands of large stockholders, most charters provided for a maximum number of votes for each stockholder regardless of the number of shares held. Subscribing to railroad stock was an easy matter because it could be bought on the installment plan. Subscribers made a down payment of five to ten dollars per one-hundred dollar share. The Mexican Gulf railroad stock, which could be purchased for only two dollars per share as a down payment, was an exception. Although company directors possessed much discretion in deciding the size and the frequency of remaining payments, charter provisions usually made it illegal to demand the whole amount at one time. The New Orleans and Nashville railroad charter provided that "...not more than one-third of the subscription...shall be demanded in any one year from the commencement of the work." Usually thirty days' notice was given by the directors before collecting the installment.

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44bid., 13 Legis., 1 Sess., 1837, p. 54.
45Ibid., 12 Legis., 1 Sess., 1835, p. 9. The directors were required to give the stockholders thirty days notice for each installment.
Sometimes stock subscribers made the required down payment in cash, and the remainder in mortgages. Stock of the Atchafalaya Railroad and Banking Company, chartered in 1835, could be subscribed for at five dollars per share, with installments of five dollars in October, 1835, and fifteen dollars in January, 1836. The remainder, seventy-five dollars per share, could be paid in bonds secured by stockholders' mortgages on real estate assessed at double the value of the bond. The Clinton and Port Hudson railroad also utilized this system of 'melting-down' property to raise capital for railroad construction. Half of the 5,000, $100 shares of stock of this railroad were purchased with mortgaged property. For example, Charles M. Smith of East Feliciana Parish mortgaged 640 acres of land with improvements thereon, in return for fifty-one shares of company stock valued at $5,100. Elsafine Jackson mortgaged 2,082 acres of land and twenty-two slaves, and received 358 shares of stock valued at $35,800. The Clinton and Port Hudson Railroad Company, with the mortgages as security, was authorised to take out a loan of $250,000, or half of its capitalisation. The company directors issued 5 per cent bonds, secured by the loan subscribers' mortgages upon lands, slaves, and town lots.46

Almost all of the intrastate railroad companies sold their stock to Louisianians except the New Orleans and Carrollton Railroad and

Banking Company, which was reputedly financed by eastern capitalists, and the Lake Providence and Red River Railroad Company, whose charter reserved 5,000 shares stock for the citizens of Philadelphia. Louisiana's two interstate railroad companies opened subscription offices outside the state. The West Feliciana Railroad Company's commissioners sold stock to Mississippians, while the directors of the projected railroad to Nashville invited citizens of Mississippi, Alabama, and Tennessee to purchase stock in the enterprise. Most railroad promoters overestimated the effectiveness of private stock subscriptions in financing railroads. Instead of oversubscription to railroad stock, as anticipated, the opposite situation usually prevailed. Railroad stock generally was undersubscribed, in spite of the liberal terms for stock purchasing.

The state of Louisiana, in 1833, adopted a policy of direct financial aid to the railroads, and began buying small amounts of railroad stock. In that year, the legislature empowered the Board of Public Works to subscribe for the stock of internal improvement companies if private stockholders had already subscribed three-fifths (later one-half) of the total capitalisation. The legislature reserved for itself the right to pass on the eligibility of each company for aid.

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47 New Orleans Bee, 20 June 1835, p. 2.
and in addition, ordered the Board of Public Works to refrain from paying installments on the state-purchased stock in excess of the installment payments of the private stockholders. Between 1833 and 1836, the legislators authorized the Board to purchase 1,600 shares of stock in nine railroad companies. If all of these railroads had secured the requisite number of private stock subscribers required by law, the state would have invested $160,000 in railroad stock. Because of the 'three-fifths' and 'one-half' provisions regarding private subscriptions, only three companies qualified for state aid, the West Feliciana, the New Orleans and Carrollton, and the Clinton and Port Hudson railroads. Six hundred shares of stock, valued at $40,000, were purchased from these companies by the Board of Public Works on behalf of the state.\(^{50}\)

Compared with the total capitalization

\(^{49}\)See Chapter 1, FN 13.

\(^{50}\)The legislature authorised the Board of Public Works to subscribe for the stock of the following railroads:

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Shares</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orleans and Carrollton</td>
<td>100</td>
<td>$10,000</td>
</tr>
<tr>
<td>Clinton and Port Hudson</td>
<td>200</td>
<td>20,000</td>
</tr>
<tr>
<td>West Feliciana</td>
<td>100</td>
<td>10,000</td>
</tr>
<tr>
<td>Red River</td>
<td>200</td>
<td>20,000</td>
</tr>
<tr>
<td>Baton Rouge and Clinton</td>
<td>200</td>
<td>20,000</td>
</tr>
<tr>
<td>Livingston</td>
<td>200</td>
<td>20,000</td>
</tr>
<tr>
<td>Lake Providence and Red River</td>
<td>200</td>
<td>20,000</td>
</tr>
<tr>
<td>Alexandria and Chesneyville</td>
<td>200</td>
<td>20,000</td>
</tr>
<tr>
<td>Springfield and Liberty</td>
<td>200</td>
<td>20,000</td>
</tr>
</tbody>
</table>

of the railroads involved, this sum was little enough. Probably a benefit greater than the actual state aid came from the confidence that must have resulted from state participation in the projects.

In addition to the state, the city of New Orleans manifested interest in railroad development. Although municipal aid was not extended to purely local railroads, the city fathers and the business interests bestirred themselves to action on behalf of the New Orleans and Nashville railroad. The railroad charter had reserved 5,000 shares of stock for New Orleans, and the directors, believing that municipal backing would awaken greater interest among individual stockholders, petitioned the City Council to subscribe for the stock. In January, 1836, the City Council assented, and apparently paid for the stock in full by issuing bonds for $500,000, which were negotiated through an arrangement with the Union Bank of Louisiana.

When it became apparent that public and private stock subscriptions had failed to provide sufficient funds for railroad construction, railroad promoters began to seek other sources of capital. The Pontchartrain railroad directors relied upon short-term loans. Sometimes individual directors paid the company's obligations out of their own pockets, or signed notes for the company when funds in the treasury were insufficient to meet the company's debts. Most railroad companies found it difficult to obtain either short-term, or long-term loans through regular New Orleans business channels. In November, 1836,

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51 Memorial to the City Council, Cabildo Record Book 4084, 20 November 1835, pp. 228-229.
53 Pontchartrain Railroad Company, Minutes, 114, 231, 234.
months before the panic of 1837, the directors of the New Orleans and Nashville railroad found only one bank in New Orleans willing to loan money to the company. The reason for this situation, in the opinion of the New Orleans Bee, was not a lack of confidence in the railroad's success, but rather, a shortage of capital. The shortage allegedly resulted from "...the large advances made by our merchants to the planters especially of Mississippi. By this means, all our capital is drawn into the interior..." and the construction of railroads delayed for the want of necessary aid. The Bee urged a boycott of all banks that financed planters at the expense of internal improvements.54

The financial vicissitudes of the New Orleans and Nashville railroad suggested the futility of relying solely upon local capital for financing Louisiana's railroad construction. Railroad promoters, inaccurate in their estimates of construction costs, and unfamiliar with the problems of railroad corporate finance, found the magnitude of their task too great for the limited resources of contemporary private enterprise. While entrepôt New Orleans could scarcely find capital sufficient for its own commercial pursuits, capitalists in the East and in Europe could not be induced to invest in doubtful railroad ventures unless some responsible agency other than the chartered railroad company agreed to underwrite the loans. Railroaders turned to the

54 New Orleans Bee, 21 November 1836, p. 2.
state for support, and the state, not unwillingly, came to their rescue
by issuing bonds based on the credit of the state, in favor of the rail-
roads. The legislators, between 1837 and 1839, authorized loans to five
railroad companies. Only three railroads, the New Orleans and Nashville,
the Mexican Gulf, and the Clinton and Port Hudson, took advantage of this
legislative generosity. The New Orleans and Nashville Railroad Company,
in return for a loan of $500,000, agreed to give "... first privilege,
lien, and mortgage to the State of Louisiana, upon machinery, lots,
railways and generally all property which may appertain to said company
within the limits of the State of Louisiana." The Mexican Gulf Rail-
road Company received a loan of $100,000, and the Clinton and Port
Hudson, a loan of $500,000. Both companies mortgaged their property
under terms similar to the New Orleans and Nashville mortgage. The
total of Louisiana's aid to railroads was $1,100,000 in loans, and
$40,000 in stock. Here was mute testimony to the fact that, during
one phase of American economic growth, platitudes extolling the glory
of laisses faire and the self-sufficiency of private enterprise did
not resound through legislative halls, or re-echo in the conference
rooms of businessmen and financiers.

Financial aid and monopolistic charters were the most important,
but by no means the only form of public encouragement to the railroads.
Privileges such as long-term tax exemptions, rights of way through state
land, and the power of eminent domain over private property, sought to
encourage the fledgling railroad companies in their struggles to improve

Louisiana's transportation system. In addition, the state awarded some railroads free surveys of their routes. Louisiana's civil engineer, already busy with the numerous tasks of surveying bayous and rivers, received additional duties when the legislature, either by charter provision or special resolution, ordered surveys, plans, and estimates for certain railroads in the state. Free surveys were a boon to the railroads because qualified engineers were scarce, and their services costly. The state paid nearly a thousand dollars for the survey of the twenty-seven mile route of the Clinton and Port Hudson railroad in East Feliciana Parish. In reporting to the legislature on this survey, the State Engineer discussed elevations along the route, recommended materials for building the road, and estimated the costs of construction.\textsuperscript{56} Not all railroads were favored with the free services of the State Engineer. The New Orleans and Carrollton, and the Pontchartrain railroads, hired their own surveyors, while the costs of surveying the New Orleans and Nashville railroad were defrayed through contributions from private citizens, the legislature having refused to appropriate $5,000 for this purpose.\textsuperscript{57}

The federal government also lent a helping hand to Louisiana's railroads. At least one railroad, the West Feliciana, was surveyed by United States Engineers,\textsuperscript{58} and other railroads received grants of public

\textsuperscript{57}New Orleans Bee, 23 January 1833, p. 2, and 18 January 1841, p. 2.
\textsuperscript{58}Report of James Bradford to the Board of Commissioners and Stockholders, quoted from the Mississippi Democrat, 17 December 1831, Calvert typewritten MSS.
land and rights of way. Petitions for land grants were sent directly
to Congress, reinforced by resolutions of the state legislature
instructing Louisiana's Congressmen to use their influence in getting
land grants. The promoters of five railroads, the New Orleans and
Nashville, the Atchafalaya, the Baton Rouge and Clinton, the Red River,
and the New Orleans and Carrollton, petitioned for grants of land. Each
petition included an additional request for the privilege of taking soil
and timber from public land adjacent to the railroad for construction
purposes. The New Orleans and Nashville directors asked Congress for
one township, to be selected from public land in the Florida parishes,
while the promoters of the Baton Rouge and Clinton and the Red River
railroads tried to procure six sections of public land for each rail-
road. The directors of the Atchafalaya Railroad and Banking Company
requested either land, or if land was not granted pre-emption rights.
In their petition, they anticipated the lavish land grants of the post-
Civil War period when they asked for a grant of land "...one mile in
depth on each side of the main line." If land was not given, they
requested "...the exclusive privilege of becoming the purchasers thereof
at a reduced price, or upon a credit of some years after the completion
of the road." In return, the Atchafalaya directors offered the federal
government the use of the road "...free of expense for the transporta-
tion of the munitions of war, and the conveyance of the troops of
the General Government during the continuance of the chartered privi-
leges." Here was the essence of the agreements made in a later period
of American history, between the United States government and the land
grant railroads. The federal government exacted lower rates from these
land grant railroads similar to those offered by the Atchafalaya rail-
road, until 1946. 59

The response of Congress to the petitions for land grants fell short of the petitioners' expectations. Rights of way across public land were forthcoming, but only small grants of land were approved. The New Orleans and Nashville, the Atchafalaya, and the New Orleans and Carrollton railroads each received eighty-foot rights of way across public land, plus the privilege of taking materials (earth, stone, and wood) from public land still unsold. Congress granted two railroads, the New Orleans and Nashville and the Atchafalaya, small amounts of land along the right of way for depots, watering places, and workshops. The New Orleans and Nashville railroad received, not the township requested, but only one five-acre square of land on either side of the track every fifteen miles across public land. The Atchafalaya railroad had the privilege of taking one four-acre square for every ten miles of track across public land. The grants became null and void if the railroads did not commence building within a specified time, usually two years, and complete the road within a reasonable period, generally eight years. 60 These railroads were unable to take advantage of either the rights of way, or the land grant privileges.

60 United States, Acts, 24 Cong., 1 Sess., 1836, pp. 142-143; 24 Cong., 2 Sess., 1837, pp. 86-89.
Railroad construction, like railroad finance, proved to be a hit or miss, trial and error ordeal for the businessmen-planter promoters of New Orleans and Louisiana. Inexperience in construction techniques, supply shortages, and labor difficulties, all contributed to the frustrations of railroad men already beset with financial problems, and hamstrung by the uncertainties of the economy. Railroad builders the nation over faced construction problems with the same inexperience and lack of know-how as Louisiana's railroaders. The first railroad builders in America looked to England for guidance, and Louisiana's first railroad builders, in turn, relied upon previous American and English experience. The Baltimore and Ohio railroad became the model this side of the Atlantic for Louisiana's railroad men to pattern after, but the geography of Louisiana and Maryland differed appreciably, and the problems of construction were in many instances dissimilar. Louisiana's swamps, bayous, and hardpan offered their own peculiar challenges to the ingenuity of the railroad engineer.

As the railroad era began in Louisiana, railroad men were experimenting with various types of foundations for the superstructure of the road. Most Louisiana railroad builders chose the more durable excavation and embankment type of foundation in preference to piling, although conditions of terrain sometimes dictated the use of both. Excavation involved cutting off soil when the grade of the line was below the natural surface of the ground, and embankment, filling in when the grade of the line was above the natural surface of the ground. Although a solid dirt roadbed was superior to piling, there still remained much to be desired, because the first engineers did not yet use ballast
between the roadbed and the superstructure. A task carried on simultaneously with excavating and embanking the road was grubbing, the clearing of trees, stumps, and bushes from the right of way. On the roadbed, a simple, and usually fragile, superstructure, was laid, consisting of three-by-twelve-inch wooden foundation sills, sixteen feet long; four-by-eight-inch cross sills, seven feet long; and six-by-six-inch wooden rails, twenty-one feet long. To complete the superstructure, iron straps of varying thicknesses and lengths on different railroads, but usually two and one-half inches wide, and two and eight-tenths inches thick, were fastened to the rails with screws. The gauge of Louisiana's early railroads varied with the preference, or whim, of the builder. The widest gauge was five feet six inches; the narrowest, four feet eight inches.

Since Louisiana's early railroads were built before the discovery of wood preservatives, it was important that good quality lumber be used in the superstructure. The most desirable lumber for this purpose was red cypress because of its superior lasting qualities, and hence, it also was the hardest to obtain. In the absence of red cypress, railroad builders experimented with other types of native lumber, including yellow heart pine, white oak, and yellow poplar. While most types of lumber went into the foundation sills and the cross sills, the rails, or stringers, were usually made from red cypress, red cedar, or yellow heart pine. Shortages of choice lumber were not infrequently reported by more than one railroad engineer. Railroad companies

purchased timber by the raft from individuals contracting for the supply. The rafts were floated on the lakes or rivers during high water season to points most accessible to the railroad. Each raft contained 570 sticks, fourteen and twenty-one feet long, half and half. Timber prices varied during the 1830's, reflecting the movements of the business cycle. In 1837, the average price of lumber was twenty-five to thirty dollars per thousand feet, whereas in the succeeding depression years, the price dropped to an average of fifteen and twenty dollars per thousand feet. Fluctuating prices for such an essential material as lumber could mean thousands of dollars to railroad companies. An advertisement for timber by the engineer of the West Feliciana railroad illustrated the high consumption of timber products in railroad construction. For seven miles of track, he estimated the need of 5,280 three-by-twelve-inch pieces, sixteen feet long, for foundation sills; 12,072 four-by-eight-inch pieces, seven feet long, for cross sills; and 4,024 six-by-six-inch pieces, twenty-one feet long, for rails. In constructing the Pontchartrain railroad, at least 100,000 feet of timber was required for the sills and stringers on five miles of track. 62

Procuring timber supplies was only a minor problem in comparison with the task of accumulating most of the other materials used in constructing and operating a railroad line. Next to timber, iron rails

were one of the costliest items in railroad construction. At the
beginning of the railroad era in America, railroad builders, by
necessity, purchased most of their iron in England. Because of dis­
tance and supply problems, contracts for English iron were made a year
in advance to insure delivery when needed. The supply situation was
so unsatisfactory that railroad companies frequently tried either to
borrow, or to purchase, surplus rails from one another, but usually
to no avail. The cost of iron increased because of the tariff
policy of the federal government, which sought to protect the American
infant iron industry from outside competition. Eventually, protect­
ing the iron industry seemed less impelling than encouraging railroad
building, for in 1832, Congress altered the iron tariff by granting a
drawback on imported iron used in railroad construction. In order to
receive the drawback, however, it was incumbent upon the railroad
companies to actually lay the rails. All of Louisiana's early rail­
road builders preferred English rails to American, chiefly because
the American iron industry had not yet been able to scale down its
costs of production to a level where price competition with English
firms was possible. In 1830, English rails sold for fifty dollars per
 ton delivered to New Orleans, while Pittsburgh rails cost $197 dollars
 per ton. Part of this difference in price was the result of higher
freight rates between Pittsburgh and New Orleans, amounting to twice
the rates between England and New Orleans. The price of English
rails remained steady throughout the 1830's.

63 Pentchartrain Railroad Company, Minutes, 173.
64 Hoffman to Haile, 6 September 1830, quoted in Calvert Typewritten
MSS, 11.
Acquiring rolling stock was another large item of expense for the railroaders. In purchasing this equipment, a two years' advance order was usually required. The sources of supply for railroad rolling stock increased more rapidly than for railroad iron. By the mid 1830's, railroad companies could purchase locomotives in Cincinnati and Philadelphia, as well as in England. While the Pontchartrain railroad directors preferred the English make, they once considered ordering a locomotive constructed by Thomas Shields of Cincinnati after their order could not immediately be filled in England. Because of the difficulty in locating suitable locomotives, more than one railroad had to turn temporarily to horse power for motivation. American locomotive makers gradually put a larger supply of locomotives on the market. Toward the end of the 1830's, three locomotives by the famous Mathias Baldwin of Philadelphia were hauling cars of cotton over the Clinton and Port Hudson railroad. The passenger cars on the early railroads were little more than horse-drawn type vehicles adapted to rails. A shortage in England forced the Pontchartrain directors to purchase coaches wherever they could be found, including new and used stock from the Baltimore and Ohio railroad. At the same time, they ordered wheels from New York for carriage bodies to be built by local craftsmen, a practice later followed by most rail-companies in Louisiana.

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66 Pontchartrain Railroad, Minutes, 183-184.
67 Baton Rouge Morning Advocate, Magazine Section, 3 May 1953, p. 6.
68 Pontchartrain Railroad, Minutes, 85, 96.
If the railroad builders found it difficult to obtain construction materials and rolling stock, they faced even further setbacks from shortages of labor. Even in 1830, skilled workmen were so scarce that many carpenters had to be imported from the North to work on the Pontchartrain railroad. As the number of internal improvements projects increased between 1830 and 1837, old and new companies had to compete for the already inadequate supply of skilled and unskilled labor, as well as hired-out slaves. The legislature, in its seal for progress, had unwittingly become the instrument that retarded progress. It created more improvement companies than the available resources of the state could sustain. Shortages of labor slowed down the construction of all improvement projects. In October, 1835, it was estimated that 6,000 laborers were needed immediately on the various improvements in the state, 4,500 of these on the railroads alone. During fall and winter months, when plantation operations slowed down, the labor force was swelled by hired-out slaves. Yet in the fall and winter of 1835-1836, there was no indication that, even with this extra seasonal supply of construction laborers, the estimated need of 6,000 workers was filled. The New Orleans and Nashville railroad, whose works alone could have accommodated a force of 2,000 laborers during the fall of 1835, had only sixty-three at work on the prairie section of the line. Somewhat reluctantly, the directors, looking ahead to the summer months of 1836, decided to purchase

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a number of slaves in order to forestall further disappointments resulting from labor scarcities. 70

Both skilled and unskilled white laborers who worked on the railroads were surprisingly mobile. Workmen moved from one railroad project to the other, especially from North to the South, where the skills of experienced carpenters were especially in demand. Louisiana's railroad builders tried to attract as many laborers from the North as possible in order to have workmen already familiar with the basic problems of railroad construction. Late in 1836, the New Orleans Bee announced the arrival in New Orleans of fifty-two "mechanics" fresh from the just completed Utica railroad, to work on the New Orleans and Nashville railroad. 71 The West Feliciana railroad directors contracted the building of the entire line to a northern firm which agreed to bring a large labor force from the North. Occasionally railroad builders tried to persuade laborers to leave other railroad jobs by offering higher wages. The unskilled worker's average wage was between twenty-six and thirty dollars per month, and in addition, room and board were provided. Almost every railroad company found it necessary to build sleeping quarters near the line for its workers. It cost between twenty-five and forty cents per day to board each worker. The take-home wages of white unskilled labor were higher in Louisiana than in the North, where common laborers

71 New Orleans Bee, 30 November 1836, p. 2.
could be hired for seventy-five cents per day. Skilled laborers in Louisiana earned almost twice the wages of unskilled laborers. The average carpenter received fifty dollars per month, while an exceptionally skilled carpenter sometimes received as much as sixty dollars per month. Superintendents of laborers commanded salaries of $100 dollars per month, and higher.

Another important source of labor were the slaves, who were hired out by the month to improvement companies after the cotton and sugar cane were harvested. Slave labor commanded almost as high a price as unskilled white labor. The Clinton and Fort Hudson Railroad Company paid twenty-five dollars per month for the services of slaves, while the New Orleans and Nashville railroad offered to pay twenty to twenty-six dollars per month for slaves and board them. Laborers on Louisiana's internal improvement projects faced constant harassment from diseases such as yellow fever and cholera. These maladies brought so much sickness and death among workers that railroad construction often came to a near standstill.

It was little wonder that Louisiana's railroad builders, faced with so many unforeseen problems, erred in estimating their costs of construction. Their greatest mistake was placing their probable costs too low, even though the experience of earlier railroad companies in

72 Testimony, McCord Case.
73 Receipt, Harris to Langfitt, 1 November 1839, W. Feliciana Parish Archives Collection, Clinton and Fort Hudson Railroad Company Papers, New Orleans Bee, 6 July 1836, p. 1
America gave Louisiana's railroaders no ground to do so. Most Louisiana railroad promoters believed that an outlay of $10,000 per mile would build the railroad and by the rolling stock for the line. The West Feliciana railroad directors found, as did many others, that $10,000 per mile did not even construct the line, but instead, $25,000 per mile was necessary to pay for construction and rolling stock. Even this figure, however, was much lower than the national average, as were the costs of construction of all southern railroads. Many reasons have been offered for the lower costs of railroad construction in the South than in the nation as a whole. Certainly the southern states possessed a less rugged terrain than other sections of country, the railroad lines were shorter and did not require as much rolling stock, and their construction was usually flimsier and less costly. Another reason frequently offered as an explanation for the lower costs of construction of southern railroads was the use of slave labor in building the roads. This claim was not completely borne out by conditions in Louisiana during the 1830's. Able-bodied slaves, when rented to the railroads by their owners, commanded monthly wages almost as high as those of free white labor. Nevertheless, most railroad men in Louisiana believed it was cheaper to purchase slaves than to hire a labor force, white or slave, regardless of the high initial capital outlay for slaves. Louisiana's railroad builders believed

this even though the facts in the case neither conclusively condoned nor disproved the idea.

The early railroads of Louisiana were experiments in constructing and operating a new and unfamiliar mode of transportation. The results of Louisiana’s first ten years of railroad building brought disappointments and disillusionment even to the most enthusiastic railroad promoters. By 1840, only about 120 miles of track had been laid in the state. Between 1840 and 1845, one-third of this track lay unused, or had been torn up after the failure of the companies to meet financial obligations to the state. Only five of the twenty-three railroad companies chartered between 1830 and 1837 survived after 1845, operating a total of about eighty miles of railroad. Even the survivors often hovered near financial collapse. Although the early railroad promoters left a record of numerous failures, they did, nevertheless, gain priceless experience. In many ways, these railroad builders, as much as any in the United States, pioneered in developing a new invention that would eventually revolutionise the transportation system of the nation. It was almost inevitable that, in the evolution of the railroad from a crude replica

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78 The following railroads were operating in Louisiana in 1840:

<table>
<thead>
<tr>
<th>Miles of track</th>
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<tbody>
<tr>
<td>New Orleans and Nashville</td>
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<tr>
<td>West Feliciana</td>
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<tr>
<td>Clinton and Port Hudson</td>
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<tr>
<td>Red River</td>
</tr>
<tr>
<td>Pontchartrain</td>
</tr>
<tr>
<td>Mexican Gulf</td>
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<tr>
<td>New Orleans and Carrollton</td>
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</tbody>
</table>
of a steam stagecoach running on wood rails and iron straps, to the modern steam engine and cars running on steel rails, many railroad projects would fall by the way-side. The account of the individual railroads built in Louisiana during the 1830's was a story of many failures and a few successes.
Chapter III

THE RURAL RAILROADS

The railroads of rural Louisiana were planned and built by the townspeople and plantation owners of the parishes in answer to pressing transportation needs. Although many of these rural railroads were proposed, only a few were constructed. After much delay and many disappointments, railroad enthusiasts in three rural parishes finally witnessed the completion of the West Feliciana railroad in West Feliciana parish, the Clinton and Port Hudson railroad in East Feliciana parish, and the partial completion of the Red River railroad in Rapides parish. The rural railroads of the 1830's and 1840's differed from any railroads built in Louisiana after that time because of necessity, they made no junction with larger railroad systems. Instead, they became appendages to the water transportation system, connecting interior towns and plantations with the rivers. In this situation, each railroad depended completely upon a local area and its monoculture economy for traffic and sustenance.

Because of this economic environment, the rural railroad builders faced many problems in operating their lines. The most important problem concerned the ability of the railroad to maintain sufficient earning power to pay for the costs of construction, as well as keeping the line in repair and the rolling stock in proper running order. Since these railroads were constructed chiefly to transport cotton from the
interior to the rivers, the destiny of the railroads became inextricably interwoven with the cotton economy of the local area they served. The first drawback from this situation was the seasonal nature of the movement of traffic over the line. Cotton producers overtaxed railroad facilities during the marketing season, but for the remainder of the year most of the rolling stock lay unused. Outside of the cotton traffic, the railroad's services were demanded by only a small number of commodities. Another problem inherent in this situation was the scarcity, and even non-existence, of goods for the back-haul. During the rush season, freight cars moved to the river loaded with cotton, but returned empty, a factor that greatly increased the railroad's inability to meet variable costs. Although the railroads would have been justified in levying tariffs on cotton sufficiently high to cover the charges of the movement of cars both ways, railroad pricing policies must have been limited by the ability of the plantation owners to haul their own products to the river, using plantation wagons and hands that were idle during the winter season.

The story of Louisiana's rural railroads was at first centered around the problems of raising capital and constructing the roads. After their completion, it remained to be seen whether or not these rural railroads faced with so many disadvantages, could successfully survive the struggle for existence.

THE RED RIVER RAILROAD

In Louisiana west of the Mississippi River, settlers searching for fertile cotton and sugar land gradually pushed back the frontier. As
agriculture moved inland from the rivers and bayous, the problem of
conquering the frontier gave way to a new problem of finding suitable
transportation from the interior to the navigable waterways. The
advent of the railroad appeared to the frontiersmen to be a most
timely panacea in aiding the movement of civilisation into the interior,
and in connecting isolated plantations with their markets. Thus it
was that Louisianans west of the great river outdid themselves in
planning railroads. Numerous railroad projects were plotted by
local promoters and chartered by the legislature until the financial
panic of 1837. The optimism engendered by the apparent prosperity
of the rising business cycle before 1837 made almost anything seem
possible to the railroad promoters. Progress, prosperity and expan­
sion deluded them like drugs, changing the difficult problem of
railroad finance and construction into an apparently easy task. In
their enthusiasm, the railroad planners were unrealistic and visionary,
but the panic of 1837 ended their dreams like a nightmare. Only one
railroad was constructed west of the Mississippi River.

The setting for this railroad was Rapides parish, one of the
fastest developing areas in western Louisiana. During the decade of
the 1830's, the population of the parish nearly doubled. As the
westward migration transformed virgin hardwood forests along the Red
River and the Bayous Rapides, Huffpower and Boeuf, into large plantations,

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1See Chapter 2, pp. 15-20.
2See Chapter 2, FN 10.
many sugar and cotton planters listened eagerly to proposals for providing the parish with railroad transportation. By early 1833, the local railroad promoters accomplished the first step in their project. In that year, the legislature chartered two railroad companies for the parish. One of these, the Rapides Railroad Company, received a charter to build a short line between the Red River and the mouth of Bayou Rapides. It was capitalized at $10,000. The other, the Alexandria and Cheneyville Railroad Company, was a more ambitious project. This company, capitalized at $250,000, was authorized to construct a line between Alexandria, on the River, and the town of Cheneyville, on Bayou Boeuf. Its charter granted the same privileges and powers as the Pontchartrain Railroad charter, and also, some of the same restrictions, including charter rates. Although the Civil Engineer of Louisiana was instructed by charter provision to survey the route, there was no indication that this service was begun.

Neither the Rapides railroad, nor the Alexandria and Cheneyville railroad was constructed, but two years later, renewed attempts to provide the parish with a railroad were more successful.

In 1835, railroad promoters in Rapides parish secured a charter from the legislature for another railroad company to build over approximately the same route as the proposed Alexandria and Cheneyville company. The new organization, the Red River Railroad Company,
authorized to construct a line from Alexandria to Cheneyville, and then from Cheneyville on to Bayou Huffower. The monopoly over the route extended for fifty years. Capitalised at $300,000, the company could increase its capitalisation to a maximum of $500,000 if necessary to complete the road. In order to facilitate construction, the charter authorised the railroad directors to borrow $150,000 from another improvement company, the New Orleans Gas Light and Banking Company, which the legislature compelled to make loans in return for certain privileges it had received. If the loan was taken, the railroad directors were forbidden to give dividends to stockholders without the permission of the Gas Light and Banking Company, until principal and interest on the loan had been paid. A capital surplus for the final liquidation of the loan would be acquired by placing the undistributed stock dividends into a sinking fund. Until the loan was paid off, the railroad directors were empowered to make loans from the accumulating sinking fund at a maximum of 8 per cent interest. This curious method of providing the railroad with a long term loan did not go into operation.

Instead of loans, the most important source of capital in the initial financing of all early railroads in Louisiana was the private stockholder, but in the case of the Red River railroad, he was the missing link. Chartering the railroad had been easy, but persuading a sufficient number of private citizens to risk capital in the venture

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proved unsuccessful. The first attempt to raise capital for the railroad found the public unresponsive, and the capital stock undersubscribed. To remedy the situation, the promoters called upon the state to subscribe for Red River railroad stock, and thus increase the attractiveness of the investment for private stockholders. In 1836, the legislature responded, partly through the efforts of State Senator Richard Winn, member of the Board of Directors of the railroad, and authorised the purchase of 200 shares of Red River railroad stock, provided private individuals had previously subscribed for one-half of the authorised capitalisation. The railroad directors once again opened the subscription books, but they were unsuccessful in selling enough stock to qualify the company for state aid. By late 1837, after the panic, the state began bolstering the shattered internal improvements program by granting loans to needy companies, and the railroads received special consideration. The legislature authorised a loan of $75,000 for the Red River Railroad Company and directed the Treasurer of the state to pay $10,000 to the railroad for each mile of track completed after authorisation of the loan. Because of serious construction difficulties facing the Red River railroad at this time, the company probably did not build enough track to qualify for any of this $75,000 loan. The company did not attempt to secure any other state financial aid until 1841, when the stockholders petitioned the

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legislature to purchase $20,000 (two-hundred shares) of unsubscribed stock, but the request was turned down. Presumably these shares were the same 200 authorized in the act of 1836. 7

The Red River railroad directors failed also to get a grant of six sections of public land from the federal government, 8 but in procuring the free services of the State Engineer, they were completely successful. This official made a detailed survey, although he did not finish the task until over a year after the company was chartered, a factor that undoubtedly contributed to the tardiness in getting the project started. In his report to the Board of Public Works, he submitted a plan including the distances of the route, recommendations for construction, and estimates of costs. Between Alexandria and Cheneyville, the route was twenty-four and one-half miles. The seven miles between Cheneyville and Bayou Huffpower made a total of thirty-one and one-half miles of track. Over this route were four bayous to be crossed. Numerous plantations also had to be traversed, but in securing the right of way for the road, the Engineer recommended the expropriation only of the land actually needed for the width of track, ten to twelve feet, instead of the thirty-foot right of way authorized. His plan of construction involved the barest minimum standards of construction and if adopted, must have been one of the most flimsy and poorly constructed railroads in the state. Instead of embankments, the State Engineer

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8See Chapter 2, FN 59.
advocated the use of piling across the low ground, with timber ten feet square or twelve feet in diameter, driven into the ground four to eight feet deep. Piling would be used over at least one-fifth of the route, six miles. For the remainder of the line, he proposed placing wooden rails on a foundation of cross ground sills. No mention was made either of leveling, or of ballasting the road. Finally, with iron rails two and one-half inches wide and two and eight-tenths inches thick, the Engineer believed the road would support engines and cars weighing as much as five tons.  

In estimating construction costs, the State Engineer included costs of all materials, labor and rolling stock. For timber, he believed that the necessary piles, caps, cross sills and rail timber could be purchased for somewhat over $56,000, while the five hundred tons of iron needed would probably cost $27,000. He estimated costs of labor at $23,000, cost of rolling stock at $15,000, and all other expenses in the engineering department, $20,000. He placed the probable cost of construction at the staggeringly low figure of $4,606.40 per mile.  

In order to avoid possible labor shortages which might hold up the construction, the State Engineer recommended that a number of slaves, preferably fifty to seventy, be purchased. Some of these slaves, he believed, could be trained as "mechanics" and perform the more intricate tasks in constructing the railroad. The railroad management did

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9 *New Orleans Bee*, 5 May 1836, p. 2.
not take seriously this last proposal, however, for soon afterward they advertised for individual bids from contractors, for construction of the line in four sections.

Work on the railroad began soon after the receipt of the Engineer's report, in spite of the serious difficulties in securing financial backing for the project. By early 1837, two shipments of railroad iron had arrived in New Orleans for the Red River Railroad Company, which were transshipped via river steamer to Alexandria. Although the iron had been received, it was impossible for the company to lay iron during that year, or in subsequent years. The panic of 1837, and the resulting depression, slowed down all improvement projects, while labor shortages caused by epidemics in 1837 and in 1839, delayed work on the railroad until 1840. The railroad directors did not even attempt to collect stock installments during the period of depression. By 1840, however, efforts were renewed to construct the railroad. Since the four years granted in the charter for completion of the road had elapsed, the directors first petitioned the legislature for an extension of time to complete the railroad. Once again, Senator Richard Winn used his influence to get the time extended to ten years, and soon the directors of the Red River railroad began calling for installments from the stockholders.

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12 New Orleans Bee, 22 January 1840, p. 2.
13 Ibid., 14 November 1840, p. 2.
By May, 1841, twelve miles of the Red River railroad had been completed, from Alexandria to Bayou Lamourie. Although the speedy completion of the entire thirty-one miles of track to Bayou Haffpower was predicted, only four miles more were actually constructed. Sometime during the 1840's, the sixteen miles of the Red River railroad came into the possession of its chief engineer, Ralph Smith, who previously had worked in constructing the Chesapeake and Ohio railroad. Smith operated the line for nearly twenty years, often amidst complaints of irresponsible management at the expense of the public interest. During the Civil War, the railroad finally came to its demise. In 1864, the Red River railroad was completely destroyed, the rails and rolling stock being dumped into the Red River near Alexandria. Thus Louisiana's only railroad west of the Mississippi River prior to the decade of the 1850's met an inglorious end after an unprofitable twenty-three year's of operation.

THE CLINTON AND PORT HUDSON RAILROAD

In the rural parishes east of the Mississippi River, enthusiasm for railroads kept pace with the efforts being made in western parishes. Railroad promoters in the Florida parishes successfully secured charters from the legislature for eight railroads, but the sparseness of population and the lack of resources in most of these parishes precluded the

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14 Alexandria Red River Whig, 8 May 1841, p. 2.
successful construction of almost all of these. In the Feliciana parishes, however, economic conditions were more favorable for railroad promotion. As cotton culture gradually moved into the lower Mississippi region, the fertile soil of the Feliciana parishes attracted many settlers, and plantations sprang up rapidly. In East Feliciana parish, for example, the population, even in 1830, was relatively large when compared with most rural Louisiana parishes, and it increased 44 per cent during the decade. Already cotton was moving triumphantly forward to first place among the agricultural pursuits of the South, and eventually would be 'king' of the southern staple crops. In the Feliciana parishes, railroads came into being in answer to the transportation demands of this reigning monarch.

In East Feliciana parish, plantation owners and inland townspeople sought an easy means of transportation from the interior to the Mississippi River. Travel for passengers and freight was both arduous and expensive. The cost per person of carriage passage one way between Clinton and Bayou Sara, was eighteen dollars, while the wagon route between Clinton and Port Hudson left much to be desired in the way of convenience. Transporting bulky cotton to the river was particularly difficult and time consuming. Slow, cumbersome wagons, lumbering over difficult roads, required the motive power of at least five oxen or horses to haul five to six bales of cotton; advocates of a railroad claimed that one horse could pull a car laden with 100 bales of cotton. 17

17 See Chapter 2, FN 20.
Like the people of Rapides parish, East Feliciana citizens found the railroad the most expedient method of improving transportation. Early in 1833, local railroad promoters secured a charter from the legislature to build a railroad between the Mississippi River at Port Hudson, and the interior town of Clinton, seat of the parish government. The charter contained the usual privileges and concessions granted to early railroads in Louisiana, including a monopoly of the route for twenty-five years, a generous one-hundred foot right of way, and a tax exemption for the capital stock of the company for twenty-five years.  

One feature of the Clinton and Port Hudson railroad charter was however, unique. It protected the small stockholder by limiting each stockholder to 100 votes regardless of the number of shares held.

The capital structure of the railroad was confused, partly because the company, between 1833 and 1837, went through two capital expansions as it enlarged the scope of its operations. In early 1833, the company was originally capitalized at $100,000, with power to increase to $200,000. The state extended financial aid to the new railroad company by authorizing the Board of Public Works to subscribe for two-hundred shares of stock. This aid was only the first of a series of actions by the state to build up the railroad's financial structure. The next step came later in 1833, when the legislature increased the railroad's capitalization to $500,000. The method used in financing the Clinton

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20 ibid., 79.
and Port Hudson railroad after its capital expansion to $500,000 was
different from any other railroad financing in the state. The charter
provided two ways of procuring funds for the railroad by dividing the
$500,000 capital into two equal parts. One-half of the capitalization,
$250,000, was subscribed for in cash. Stock purchasers paid ten dollars
at the time of subscription, with subsequent installments to be deter­
mined by the directors. The purchasers of this stock were called cash
stockholders. The remaining one-half of the capitalization was raised
by a loan based on company executed bonds at 5 per cent interest. The
terms of the bonds were eight years ($75,000), fifteen years ($75,000),
and twenty years ($100,000). The bonds, in turn, were secured by
mortgages on "...lands and slaves, and uncultivated lands and town lots..."
mortgaged by the owners thereof in return for railroad stock. Those
who gave mortgages instead of cash for railroad stock were called
mortgage stockholders. There were certain restrictions on each of the
types of mortgagable property in its application toward railroad stock.
Unimproved lands and town lots were mortgaged for no more than one-
fifth of the stock purchased by each mortgager. If land and slaves
were mortgaged, "...the value of the land shall be equal to two-thirds
at least of the stock...". Brick buildings located on town lots had
to be protected by fire insurance. 21 For eventual redemption of the
railroad bonds, the charter provided for a sinking fund to be created
out of surplus dividends.

21 Ibid. 11 Legis., 2 Sess., 1833, pp. 115-117.
In addition to these liberal, even loose, provisions for raising railroad capital, the legislature further aided the Clinton and Port Hudson railroad's financial structure by coercing another improvement company, the New Orleans Gas Light and Banking Company, first, to purchase the bonds of the Clinton and Port Hudson Railroad Company, valued at $250,000, and second, to loan the railroad company $100,000 at 6 percent interest, for construction purposes. The New Orleans Gas Light and Banking Company, which had been similarly imposed upon by the legislature to make a loan to the Red River Railroad, had no recourse but submission to the legislature's dictates. In February, 1836, the Gas Light company took $175,000 in C. & P. H. bonds, on terms of fifteen and twenty years. At the same time the legislature was helping the Clinton and Port Hudson Railroad raise capital, it also goaded the directors into swifter action toward completion of the project, by imposing a penalty of $10,000 per year, to be paid by the railroad company to the State Treasurer, if the railroad was not completed within three years. The money would be refunded if the railroad was completed within five years.

In 1837, the Clinton and Port Hudson Railroad Company went through another expansion of its operations, and an accompanying capital increase. In the spring of that year, the railroad directors received permission to extend their line from Clinton eastward to make a junction with the

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22 Ibid., 12 Legis., 2 Sess., 1836, pp. 3-4.
23 Liquidator of the Clinton and Port Hudson Railroad Company versus James S. Ramsey and others, Kilbourne (J. G. and Family) Papers.
projected New Orleans and Nashville railroad somewhere between the Amite and the Tangipahoa Rivers. This was not the first time that an eastward extension of the Clinton and Port Hudson railroad has been suggested. As early as December, 1833, the State Engineer envisioned the Clinton and Port Hudson railroad as the first section of a great trunk line to Washington and the East. In his opinion, if Louisiana promoters took the initiative in such a project, and built a railroad from the Mississippi River to the Mississippi state line, undoubtedly promoters in the state of Mississippi would then extend the railroad eastward from place to place until it reached the Alabama line, where Alabamians would do likewise. This naive and wishful thinking approach to railroad construction was typical of railroad men in Louisiana during the 1830's. The State Engineer was realistic about one factor, however, when he expressed the belief that the Clinton and Port Hudson railroad would be of little consequence as a purely local venture. The authorized extension to the New Orleans and Nashville railroad was to be financed by increasing the capitalization of the Clinton and Port Hudson Railroad Company to $1,000,000. All of the $500,000 increase was to be procured from mortgage stockholders, using the method of mortgaging property for railroad stock, and issuing company bonds thereon. Neither the Clinton and Port Hudson extension, nor the New Orleans and Nashville railroad were completed.

25 Louisiana, Acts, 13 Legis., 1 Sess., 1837, pp. 9-10
Besides extending liberal capitalization privileges to the Clinton and Port Hudson Railroad, the state also picked up the check for the railroad survey. The State Engineer's report to the legislature on his survey indicated some of the construction difficulties facing the railroad builders. The distance between Port Hudson and Clinton on a straight line was twenty miles, but the unevenness of the terrain, cut by numerous marshy bayous, necessitated certain deflections southward from the direct route. There were two major obstacles along the route, the crossings over Redwood Creek and the Comite River. With the crossing of Redwood Creek accomplished about ten miles from Clinton, the line would traverse the fairly level champagne country, called the Plains, which separated the Lake Pontchartrain and the Mississippi River watersheds. From the Plains, the route would cross the Comite River two and one-quarter miles from Clinton. The line of elevation would rise from sixty-one feet at Port Hudson Bluff, to four-hundred-twenty-six feet near Redwood, the highest point along the route. The State Engineer objected to making deep cuts in constructing the roadbed, and also complained of a lack of material for embankments, hence, he recommended the construction of a superstructure supported upon piles. By taking the easier, cheaper, and also less durable way of construction, the Engineer estimated that the railroad could be built at a cost of $8,000 per mile, or a total of $176,000.26

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The speedy completion of the survey, the extension of state aid, and the easy way provided for stock subscription, did not induce a sufficient number of private investors to subscribe for stock in the Clinton and Port Hudson railroad. This stockholder disinterest, and the tardiness of the railroad directors in getting construction started, gave the citizens of Baton Rouge an opportunity to attempt the seizure of the Mississippi River terminus of the railroad away from Port Hudson. In this maneuver, the Baton Rouge promoters were aided by a group of dissatisfied stockholders of the Clinton and Port Hudson Railroad Company. At a public meeting at Baton Rouge in January, 1835, many citizens of the town as well as the parish of East Baton Rouge, resolved to cooperate with a portion of the Clinton and Port Hudson stockholders in petitioning the legislature to change the railroad charter so that Baton Rouge, instead of Port Hudson, could be the terminus. Within a month, citizens of East Baton Rouge parish pledged $50,000 for the subscription of railroad stock if the new route was sanctioned. The legislature refused to authorise the change, but in the following year, it did yield to pressure from railroad promoters in East Baton Rouge parish and chartered another railroad. In a characteristic manner of irresponsibility, and lack of improvement company planning, the legislators created the Baton Rouge and Clinton Railroad Company, capitalised it at $600,000, and authorised it to build a railroad between Baton Rouge and Clinton. Now two railroads competed for stockholders, for capital, for materials, and for the allegiance of a small rural area that could

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27 *Baton Rouge Gazette*, 14 February 1835.
not support even a single line. The Baton Rouge and Clinton Railroad Company sold stock, received state aid, and graded a portion of the route, only to end its operations forever after the panic of 1837. The remains of the roadbed became a public highway in 1841. The Clinton and Port Hudson Railroad Company, having begun earlier, was financially stronger, and somehow survived the financial panic of 1837.

While the railroad promoters of Baton Rouge connived to change the route of the Clinton and Port Hudson railroad, East Feliciana citizens began supporting the railroad more actively. By late 1835, there was evidence that many residents of the parish mortgaged their property in favor of the railroad. In spite of this apparent increase in public support, the railroad directors continued to procrastinate, and made no immediate move to provide for construction of the road. Finally, by September, 1836, they advertised for railroad contractors to work the first section of the line, beginning at Port Hudson. Contractors were asked to submit sealed bids before December 1, 1836, for clearing, grading or constructing seven miles of railroad. Because of the late beginning, construction operations probably did not commence before the panic of 1837 disrupted all internal improvements projects. During the depression that followed, the Clinton and Port Hudson Railroad Company floundered without funds, and without a railroad. By 1838, however, promoters of the railroad once again began pushing the project, and sales

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30 Clinton and Port Hudson Railroad Company Papers, 1828-52.  
of mortgage stock increased rapidly. From April to October, 1838, at least 3,775 shares of mortgage stock passed into the hands of citizens in East Feliciana parish in exchange for mortgages on land, town lots, buildings and slaves. These shares of stock, at par, represented a value of $377,500. The mortgages covered land in two parishes, East Feliciana and East Baton Rouge, totaling over 11,600 acres, one-hundred-eighteen slaves, three plantation houses, numerous small tracts of land, and town lots. At last both directors and stockholders were apparently in earnest.

Following the renewed efforts on behalf of the railroad, the directors, by January, 1839, were enabled to construct about four-fifths of the line when the company once again hovered close to insolvency. In spite of the earlier financial support from citizens of the parish, the Clinton and Port Hudson Railroad Company was apparently not strong enough financially to finish building the railroad. The only hope for saving the partially completed railroad, it was claimed, rested with the legislature and possible state aid. In answer to the petitions of the railroad company, the legislature, on March 28, 1839, passed legislation over the veto of the governor, authorizing a loan of $500,000 to the Clinton and Port Hudson Railroad Company. As security for the loan, the company pledged all its assets, estimated at about $300,000, which included the capital stock, the property, and the stockholders' mortgages. The state issued bonds, payable by the railroad company in

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32 Clinton and Port Hudson Railroad Company Papers, 1828-52.
three installments of ten, twenty and thirty years. About one-half of
these bonds were negotiated through the Union Bank of Louisiana, which
had business connections with European capitalists. If the railroad
company failed to pay the principal and interest on the bonds, the
railroad would become the property of the state. The legislature
allowed the company until January, 1840, to complete construction of
the railroad. In finishing the building of the railroad, the directors
used all of the state loan except $2,000, thus obligating the railroad
company to the state for the sum of $498,000, with interest of nearly
$25,000 per year.

The state loan to the Clinton and Port Hudson Railroad Company
was exorbitantly generous considering the large amount of construction
already accomplished on the line, and the work remaining to be done.
The total contemplated mileage included a track from Port Hudson, via
Redwood, to Clinton, and a spur from Redwood to Jackson. About 80 per
cent (twenty-miles) of the twenty-seven mile railroad had been completed
before receipt of the loan. In view of this situation, it appeared
that the legislators gave away a rather enormous sum of money to a small
group of railroad promoters in one parish, to spend almost as they pleased.
Apparently the taxpayers of Louisiana were hoodwinked out of $500,000
under the guise of constructing seven miles of railroad and purchasing

34Louisiana, Acts, 2 Legis., 1 Sess., 1848, p. 125.
35Ibid., 14 Legis., 1 Sess., 1839, pp. 212-218. State Treasurer’s
rolling stock for a twenty-seven mile line. It was not even certain that the railroad directors, when their funds ran out in 1839, had exhausted every means possible for financing the road with private capital. At the time of the state loan, the directors still had not called in all of the installments of the cash stockholders, and did not do so until two years later. If the railroad management employed all of the state loan to the best uses of the railroad, it was not apparent when the state liquidation commission took possession of the line in 1842. At that time, many debts of the company remained unpaid, while contractors for the railroad superstructure, unable to secure payment for their work from the company directors, had instituted a suit for the sale of the railroad to settle their claims. The railroad itself "...was so much out of repair that the passage of a locomotive over it was both difficult and hazardous..." and a considerable cash outlay necessary to put the road in running order.37

It was inevitable that the Clinton and Port Hudson railroad, a project of little merit in its own right, would fail in fulfilling its financial obligations to the state. The company, already greatly overcapitalized after 1837, struggled under a bonded indebtedness far out of proportion to the value, or the utility, of the railroad. The first two years of the railroad's operations showed conclusively that the company was incapable of paying the interest on the bonds of the

36Jackson Feliciana Republican, 30 January 1841.
37Louisiana, Senate Journal, 1 Legis., 1 Sess., 1846, pp. 41-42.
state even from gross earnings. An indication of this fact was the amount of cotton shipped over one section of the line, from Clinton to Port Hudson, in 1841, and in 1842. Cotton growers gave the railroad most of its business, but with a tariff of one dollar per bale, the 9,229 bales shipped in 1841, and the 8,087 bales in 1842, brought a trifling gross revenue compared with the staggering financial obligations of the railroad. Because of the limited economic opportunities for any rural short line railroad to expand operations, the traffic moving over the Clinton and Port Hudson railroad represented only a fraction of the railroad's capacity to serve the community. Even substantial increases in the tariff would have been insufficient to save the company. The stage was set for state seizure of the railroad.

State intervention in the affairs of the railroad came in March, 1841, when the Clinton and Port Hudson Railroad Company defaulted in paying interest on the state bonds. In order to protect the credit of the state, the legislature directed the State Treasurer to pay the interest. At the same time, other steps were taken to deal with the insolvent railroad company. In accordance with the 1839 act authorizing the state loan to the railroad, the legislature ordered the seizure of the company's property, valued by appraisers at $13,470, and proceedings of liquidation were instituted. To this end, the Governor appointed three liquidation commissioners who took over the railroad and operated it.

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38 Manifesto of Cotton, Clinton and Port Hudson Railroad Company Papers, 1828-52.
Other steps were taken to foreclose the stockholders' mortgages. Although several suits were instituted, involving about 761 shares of stock, it was found that in most instances few mortgage stockholders were in arrears. The railroad and its property remained in the hands of the state until January, 1846, when it was sold for $45,000, to a New Orleans firm, C. C. Lathrop and Company. The purchasers intended to make necessary repairs and put the railroad into effective operation. Unforeseen circumstances, however, led to the disavowal of the purchase agreement by the buyers, and the return of the railroad to the state. It seemed that the railroad company had been a debtor to many besides the state, and these other creditors looked to the railroad property as a means of reimbursement. When the State Treasurer attempted to sell the railroad, the other claimants placed an injunction upon the proceedings. Under these conditions, the state could not give a clear title to the railroad, and C. C. Lathrop and Company declined to honor the purchase agreement.

Once again the state had on its hands a railroad already in an advanced state of dilapidation, a condition which daily grew worse. Although the legislature offered generous terms to any prospective purchaser, including payments for the railroad in installments, the railroad and its property remained unsold until 1853. During this
period of state ownership, the liquidators again took charge of the affairs of the railroad and its operations. Finally, in March, 1853, the Clinton and Port Hudson railroad was again sold. It was purchased at a sheriff's sale by an East Feliciano resident acting on behalf of a group of planters and businessmen in the parish, who had previously formed a corporation to purchase the railroad from the state. The new corporation, chartered in March, 1852, as the Clinton and Port Hudson Railroad Company, was capitalized at $50,300. Ten local promoters of the company took all of the capital stock of 503 shares. Presumably the price paid for the railroad equaled the full capitalization of the new company. The owners immediately took steps to provide the community with better service, and to operate the road on a profitable basis. 42

By the time of the sale of the Clinton and Port Hudson railroad in 1853, the road had been chartered for twenty years and operating for about thirteen years. The economic effect of the Clinton and Port Hudson railroad on East Feliciano Parish must remain partly a matter of conjecture, although one fact was fairly certain. The investment of several hundreds of thousands of dollars in the parish must have temporarily influenced land values on the plantations and in the towns. The coming of the railroad also encouraged land speculation. In Port Hudson, for example, two businessmen-speculators, James Hudson and Hugh B. Maxwell, in anticipation of an expanding population, began surveying land for town lots long before completion of the railroad was in sight.

42 IMKL, 206-208.
Speculators had good reason to be optimistic at this time. As early as October, 1835, citizens in East Feliciana Parish discussed the possibility of making Port Hudson an official port of entry by act of Congress. There was even talk of erecting a cotton factory at that place.\(^4\)

The panic of 1837 left James Hudson, at least, heavily in debt, and by 1849, the creditors of both Hudson and the deceased Maxwell forced the sale of all their property around Port Hudson. The railroad had failed to transform Port Hudson into a populous Mississippi River port, or to alter greatly the course of the economy of the region. Nevertheless, if reports of the late 1840's were true, Port Hudson did experience some economic growth. Trade was brisk, a receiving and forwarding business was established, and many new buildings were erected between 1845 and 1850. Much of this growth can be attributed to the expanding cotton economy, although undoubtedly the existence of the railroad aided somewhat, even though trains ran at most irregular intervals. Indeed, train service in 1850 was so erratic that a livery stable was established in Port Hudson because of the absence of dependable passenger service to the interior.\(^4\)

Land speculators were active in Clinton as well as Port Hudson during the period that the railroad was being constructed. Part of the Kilbourne estate, located along the railroad, was surveyed for

\(^4\)New Orleans Bee, 20 October 1835, p. 2.
\(^4\)Ibid., 14 November 1849, p. 2; 16 January 1850, p. 2.
town lots about 1841 in anticipation of the expansion of the town. By 1846, after the completion of the new Killian Hotel, Clinton could boast the possession of two hotels and a three story office building.\footnote{Clinton Feliciana Whig, 20 June 1849, p. 2.}

As the inland terminus of the railroad, Clinton must have been the center of much business activity from the surrounding cotton plantations. Nevertheless, in spite of the slight growth in Clinton and Port Hudson, the role of the Clinton and Port Hudson railroad up to 1853 was a somewhat dismal recital of the futility of the all rural railroad. Its cost represented an enormous sum to invest in one rural parish during the early Nineteenth century, and its utility to the planters in the area, although highly beneficial, could not justify the cost.

THE WEST FELICIANA RAILROAD

The history of one other railroad must be included in the somewhat woeful saga of railroad promotion and construction in Louisiana's rural parishes prior to 1850. The parish in which the details of this story unfolded was West Feliciana. The railroad built there was the first railroad chartered for Louisiana's rural parishes, and the second railroad chartered in the state. Economic conditions in West Feliciana Parish were more favorable for railroad development than any Louisiana parish, if the word 'favorable' could be aptly applied to these conditions, and the population growth during the 1830's generally paralleled that of East Feliciana parish.\footnote{See Chapter 2, FN 19.} Because of the absence of important...
inland towns in any direction except north, the railroad crossed the Mississippi state line, thus receiving the dubious distinction of becoming another one of the famous firsts, in this case, the first interstate railroad in the United States. The railroad in West Feliciana Parish, among the three rural railroads of Louisiana, might be classified as the model railroad, but again, only if the word 'model' could be applied to the least of three evils. Comparisons of the planning, the financing, the construction, the management, and the operations of the three railroads, bore out this conclusion.

The West Feliciana Railroad Company was chartered by the legislature in March, 1831, after two and one-half years of promotional activity by its sponsors and other interested parties. Although the railroad, when completed, was primarily a Louisiana railroad in its mileage, the original promotion of the project began in the town of Woodville, Mississippi, among a small group of citizens anxious to improve communications between Woodville and the Mississippi River. The first suggestion for such a railroad appeared in September, 1826, in a communication to the Woodville Republican. This letter discussed the advantages of a railroad between Woodville and St. Francisville, Louisiana, the first steamboat port of importance south of the town of Natches. With much exuberance and enthusiasm, but without supporting statistical evidence, the correspondent claimed that a railroad would save each plantation owner between $200 and $500 yearly in transportation costs, while additional advantages would result from savings in time. Transporting cotton by railroad instead of wagon would probably cut the time by one and one-half, while the existence of speedier transportation would enable cotton producers to take advantage of the
fluctuating demand for cotton, when "...the difference of a day would oftentimes deprive us of the benefit of a market." The suggestion to build a railroad had been made, but it was not until a year and a half later that tangible action resulted. This action came when in March, 1830, citizens of Woodville, in a public meeting, discussed the subject of a railroad and appointed a committee to explore its possibilities. The committee received instructions, first, to conduct an economic survey of the resources in the area, and after this, to correspond with President Jackson, asking for the services of the United States Engineers in making a survey of the route. The economic survey would include such vital data as land values and cotton exports from the region, and was a unique and far-sighted action seldom practiced by the railroad promoters of the 1830's.

While the various committees collected data and carried on correspondence, the proponents of the railroad attracted attention to the project through the press. One of these railroad apostles was William Haile, Woodville lawyer, and later, West Feliciana railroad director. Haile attempted to answer the charge that the railroad would be extremely expensive to construct. He argued that the cost of construction for this particular railroad did not necessarily have to be as high as other types of railroads because only light, bulky products, such as sugar, cotton and timber, would be hauled. In the absence of heavy

47 Woodville Republican, 30 September 1828, quoted in Calvert Typewritten MSS, 2.
48 Calvert Typewritten MSS, 4.
freight like stone and coal, the use of lighter and thinner rails would be feasible and much less costly. The fairly level and firm terrain of the area would also add to the economy of construction because no excavations were necessary. Haile was unrestrained in his optimism about the beneficial effects of the railroad. Real estate values would certainly rise, while Woodville would eventually become a manufacturing town. Also, there were native natural resources to be developed, including a stone quarry (an obvious contradiction to his argument for cheap construction), deposits of fire clay, and a copper mine on Buffalo Creek. Haile’s promotion of the project was timely and necessary, because opposition appeared to the railroad, and also to the route to St. Francisville. Many loyal Mississippians preferred developing a port town in their own state, rather than benefiting a town in Louisiana.

If Haile greatly minimized the problems facing the railroad builders, the opposition somewhat overestimated the difficulties involved. Nevertheless, one writer, submitted a factual and thoughtful article to the Woodville Republican against building a railroad that could not be ignored. First, the writer recognised that railroads improved economic conditions in an area only under certain circumstances. Definite prerequisites were necessary, such as a fairly dense population, an “active commerce”, and manufacturing. Whether or not conditions in West Feliciana Parish and Wilkinson County, Mississippi, were

49Woodville Republican, 25 August 1830, quoted in Calvert Typewritten MSS, 8-9.
fulfilled these requirements, the writer said, was the real issue in
the construction of a railroad. Second, the writer noted that esti-
mated costs for a railroad at Manchester, England, "...where both
labor and material are far cheaper than in any portion of this country..." were about $90,000 per mile. Thus, to build a nineteen mile railroad
from Woodville, west to Fort Adams on the Mississippi River, if the
latter town were substituted for St. Francisville, it would cost
$1,700,000, with an annual interest of $140,000. Allowing for a
maximum of 30,000 bales of cotton per year using the railroad facilities,
it would be necessary to levy a tariff of four dollars and sixty cents
per bale to pay just the interest charges, and even this amount would
be out of gross earnings. Although these estimates were too high, the
correspondent was closer to the economic facts of the situation than
was Haile. 50

While debates over the railroad continued in the press, the
promoters and the local committees searched for all possible infor-
mation on railroads. Haile of Woodville, besides his letters to the
papers, kept in communication with railroad promoters in other parts
of the state. Among his correspondents was M. W. Hoffman of New Orleans,
the railroad enthusiast who guided the destinies of the recently
chartered Pontchartrain railroad. Hoffman, in addition to his exper-
ences with the Pontchartrain railroad, possessed other knowledge of
railroads through contacts with the Baltimore and Ohio railroad, and

50Ibid., no date given, quoted in Calvert Typewritten MSS, 7.
he furnished valuable advice to Haile on the many ramifications of organising a railroad company. His letters included information about securing a railroad charter, construction techniques, materials needed, and costs of construction. The latter, he estimated at $6,370 per mile. These communications from a not completely inexperienced railroad builder were published in the newspapers and undoubtedly aided the West Feliciana railroad promoters in swaying public opinion. Meanwhile, the local committees continued collecting economic data. By December, 1830, the St. Francisville committee completed its work and reported to an open meeting of all West Feliciana citizens friendly to the railroad. It was this December meeting, held at the St. Francisville courthouse, that sanctioned the application for the charter granted by the Louisiana legislature in March, 1831. The West Feliciana Railroad Company was at least an accomplished fact, if only on paper.51

The company received power to construct a railroad from the Mississippi River, at or near St. Francisville, to the Mississippi state line, and during the forty year period of its monopoly, the railroad was exempt from taxation. Although capitalised at only $150,000, the company could add 1,000 shares of stock ($100,000) if necessary to complete the railroad. The West Feliciana charter contained a provision included in other railroad charters granted later by the legislature that safeguarded the interests of the small stockholders. No individual stockholder was permitted to cast over 100 votes

51Hoffman to Haile, 6 September 1830, quoted in Calvert Typewritten MSS, 11. Louisiana, House Journal, 10 Legis., 1 Sess., 1831, p. 149.
while five or more stockholders with at least 100 shares of stock could demand a stockholders's meeting. One provision of the West Feliciana charter was unlike its model, the Pontchartrain rail* charter. Whereas the Pontchartrain charter prescribed railroad rates, the West Feliciana charter left this matter to the discretion of the directors. Indeed, the directors possessed rate making power over two types of railroad functions, the use of the railroad, and the use of wharves and warehouses that the company might build at the Mississippi River port. Charter provisions instructed the directors, within ten days after their first meeting, to publish a railroad tariff, the rates of which must not be increased during the one year term of the directors. In the case of the wharves and the warehouses, the directors could fix rates, but the legislature reserved for itself the power either to regulate, or to change these rates.  

With the charter in their possession, the promoters wasted little time in offering railroad stock to the public. Only three months passed before the railroad commissioners charged with the sale of stock, opened their offices. In June, 1831, residents of West Feliciana Parish were given the opportunity to register their approval of the proposed internal improvement by subscribing for West Feliciana railroad stock. Citizens of Woodville, Mississippi, might purchase stock also, although the charter for the Mississippi section of the line had not yet been granted by the Mississippi legislature. In this activity of raising

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railroad capital, Judge Edward McGehee, prominent West Feliciana plantation owner, served as a stock commissioner at St. Francisville, and staunchly supported the railroad project. Rapid subscription for railroad stock was important, because it was necessary to sell 1,000 shares, and receive payment of $10,000 (ten dollars per share), before the stockholders could legally meet and elect company officers.

The West Feliciana Railroad Company finally became a complete entity in December, 1831, when the legislature of Mississippi incorporated the Mississippi sector of the line, from the Louisiana border northward to Woodville. The possession of charters from two states, however, did not increase the attractiveness of railroad stock to private investors. By 1833, the railroad company still floundered without sufficient stockholders, and without company officers. Under these circumstances, an offer of financial aid from the state of Louisiana was most welcome. The legislature, in 1833, authorized the purchase of 100 shares of railroad stock, but hedged the offer with certain qualifications. State subscription for stock could not go into effect until private individuals purchased 500 shares, and then, only one-half of the state subscription could be paid in cash. The legislature further protected the interests of the state by empowering the governor to appoint an additional railroad director to represent the state.

53 Calvert Typewritten MSS, 5-6.
55 Ibid.
Although the state of Louisiana offered to become a partner in the West Feliciana railroad, there was apparently no additional private support forthcoming. Planter opposition became especially strong when the railroad promoters suggested purchasing slaves to build the railroad. Many felt "...it would be dangerous to have so many slaves in the vicinity of our plantations." Most of the stockholders regretted having risked their money during the initial wave of enthusiasm for the railroad, while the promoters themselves lost interest and failed to carry on even rudimentary public relations policies. Thus, the Woodville Republican, in the summer of 1833, complained that "...no reports, no publications, no proceedings, no nothing in tangible shape has reached the public...the people feel reluctant to pay out money for a purpose they are not informed of...it's all talk and no cider." Although the Louisiana legislature obligingly extended the time for completion of the road to five years so the charter would not be forfeited, it seemed as if the West Feliciana railroad was doomed.

Since state aid from Louisiana failed to revive the project, the Mississippi legislature offered its own solution for the problems of the financially unsupported, and unconstructed railroad. In December, 1833, the Mississippi company received power to open and operate a bank in Woodville, with branch banks in Vicksburg, Natches and Brandon.

57 Louisiana, Acts, 11 Legis., 1 Sess., 1833, p. 79.
The bank was empowered to circulate two kinds of bills and notes, one kind based upon railroad stock, and the other, upon deposits. The amount of this circulating bank paper was restricted to "...twice the amount of the capital stock actually paid in and moneys deposited..." in the bank. Assuming that all the capital stock, $250,000, had been subscribed for and paid in, the West Feliciana railroad bank, in effect, could have doubled the amount of capital at the disposal of the railroad, while additional bank money could be created from private deposits. This granting of loosely controlled banking privileges to the West Feliciana Railroad Company only aggravated the railroad's financial problems. The unwise practices pursued by the bank, and the depreciation of its bills and notes, eventually brought intense criticism, and discredited the whole railroad project.

As the railroad project reached its nadir in 1833 and 1834, many citizens in West Feliciana Parish would not suffer the effort to fail, and by early 1835, after a revival of interest, plans were made to begin construction of the railroad. By March of that year, the directors advertised for contractors' bids to grade and bridge seven to fifteen miles of railroad, beginning at Bayou Sara. Other contractors were asked to bid to supply timber for the project. At the same time, the directors placed orders in England for railroad iron. Actual work on the road began in July, 1835, amidst glowing predictions that the railroad would be completed within two years. Apparently the contracts

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59 New Orleans Bee, 23 July 1835, p. 2.
negotiated in 1835 by the railroad company were not satisfactory, for a short time later, the directors secured the services of a new group of railroad builders. In January, 1836, the firm of Isaac McCord and Company of Pennsylvania, agreed to perform all the grading, road formation, grubbing, bridging and trestle work for the sum of $500,000. Further, the contractor promised to supply labor, tools and lumber for construction, while the railroad company would supply the iron. It appeared to the railroad directors that their construction problems had been solved, but one small matter haunted them throughout the operations of the McCord Company, and that was the lack of money to pay the contractors. 60

The McCord construction company began work soon after signing the contract, and worked on the railroad until August, 1837. During this eighteen month period, they grubbed and cleared the line for twenty miles, made over 220,000 cubic yards of excavations and 200,000 cubic yards of embankments, and laid five miles of superstructure, in addition to building abutments, culverts, and intricate trestle work. But relations between the McCord company and the West Feliciana Railroad Company were by no means harmonious, and after charges of bad faith by both sides, the association finally ended when the Chief Engineer of the railroad, Samuel H. Kneass, suspended the operations of the contractors in August, 1837. This action had been provided for in the contract, but many years of litigation followed before affairs

between railroad company and contractor were settled. After McCord left, the West Feliciana Railroad Company itself constructed some of the road, and contracted parts of it to others, but the work was not completely finished between Bayou Sara and Woodville until the fall of 1842. West Feliciana Parish finally had its railroad, but the capital outlay had been far beyond the wildest dreams of the promoters. This internal improvement had cost over $464,000, exclusive of railroad iron and spikes.

Building the West Feliciana railroad offered constructional as well as financial problems. The simple movement of earth for excavations and embankments had to be done by hand labor, and was a slow, weary task. The railroad required twenty-eight miles of grubbing, over 400,000 cubic yards of common excavation, 500,000 cubic yards of embankment sixteen feet wide, and sixty culverts and bridges before the roadbed was prepared for laying the superstructure. The first task, grubbing, cost $450 per mile, and included cutting down trees at least twenty-five feet on each side of the center line of the road. Common excavation varied with the obstacles encountered. At sixteen cents per cubic yard, the cost of common excavation was high enough, but the removal of compacted, clayey hardpan, caused the price to more than double. When bed rock was encountered, the price of excavating climbed to eighty-five cents per cubic yard. A laborer could remove about twelve

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61 Testimony, McCord Case.
62 Testimony (Wailes), McCord Case.
yards of common excavation in a day, but only six yards of hard pan. Also costly was the construction of trestle work and the horizontal part of bridges. This work cost six dollars per linear foot, but when the bridge specifications called for the more involved town lattice plan of construction, the price was twenty-four dollars per linear foot. Building the superstructure of the road was estimated, in 1836, at $3,650 per mile, but this figure was conservative.63

Procuring sufficient timber supplies was also a problem. It was estimated, in 1836, that for seven miles of the line, at least 140,000 feet of timber was required for the superstructure, 1,400 feet for the horizontal superstructure of the bridges, and 20,000 feet for trestle work. The railroad engineer used great care in prescribing only the most durable types of timber for the road. The original plan called for the use of only red cypress, yellow poplar, yellow heart pine, red cedar, or white oak for foundation sills, cross sills, and rails, but apparently supply problems led to experimentation with other types of timber. The much inferior white cypress lumber went under the sills of the superstructure in spite of the fact that the contract with the McCord company specified the use of best quality timber. Either for reasons of economy, or because of the scarcity of sawed lumber, the railroad directors, by 1836, gave up the plan to purchase custom made lumber, and began sawing their own pieces for the superstructure. For

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this task, the McCord company constructed a saw mill at Bayou Sara at a location where rafts of timber could be floated to the mill from the river about six months of the year.65

The West Feliciana railroad directors went through many frustrating experiences securing railroad iron, and limited supplies of the metal were obtained only after much hard luck as well as inefficient planning. The first shipment of iron arrived in New Orleans from England in July, 1836, but during the transhipment to Bayou Sara, part of it was lost when the river boat sank. Another shipment of iron arrived in New York on July 25, 1836, and thus, had to be reloaded on a ship bound for New Orleans, where again, it was sent by river boat to Bayou Sara. Why the West Feliciana railroad directors permitted part of their iron to be sent this roundabout route via New York, thus incurring additional handling charges, remained a mystery. About 300 tons of railroad iron arrived at Bayou Sara in August, 1836. In addition to the 9,000 bars making up the bulk of the shipment, there were sixty casks of spikes weighing about 450 pounds each, and six casks of plates that weighed between 1,000 and 1,100 pounds each.66 The directors, in compliance with the provisions of the tariff of 1832, posted bonds for their railroad iron as a guarantee that the iron would be used only for the railroad, and would be laid on the superstructure within the specified time.67 Because of many uncontrollable conditions,

66Testimony (Woodruff), McCord Case.
67United States, Senate Reports, 155, 31 Cong., 1 Sess., Vol. 1, 1850.
the railroad company did not lay the iron within the time limit prescribed by Congress, and forfeited the duty. It was not until 1854, that Congress passed a law to remit the duty to the railroad company.68

The problem of supplying the labor force and also the equipment for constructing the railroad rested with the contractor. The McCord company agreed to furnish laborers as well as other equipment, including horses and wagons, wheelbarrows, axes, picks and shovels. Soon after the contractors arrived and began work, they hired about eighty laborers in Louisville, Kentucky. These workers came to Bayou Sara via river steamer, and the McCord company paid their passage, and provided room and board after their arrival. Most of the labor force imported by the McCord company possessed previous railroad building experience, and were a part of a labor force in the nation that moved from one railroad construction job to another. Despite the addition of numerous workers from the North, the labor force mustered to build the West Feliciana railroad was always insufficient in numbers. In addition to bringing in laborers, the McCord company purchased numerous horses and about 100 carts in the midwest at considerable expense and freighted them on the rivers to Bayou Sara. It cost about $15 per horse, and $10 per cart for freight passage from Louisville. Also, considerable quantities of oats, bran and hay to feed the beasts, came southward by the same means. These facts, unimportant in themselves, did illustrate the inability of both New Orleans manufacturing and Louisiana agriculture

to provide even the rudimentary necessities for the railroad builders in Louisiana.

The McCord company, besides its own direct efforts in building the railroad, often sub-contracted work when possible. Sub-letting jobs could be done only with the consent of the railroad company, and usually involved the more specialized task of building the superstructure. A few master carpenters, with their helpers, received contracts from the McCord company for such work. Most of these sub-contractors had been building railroad superstructures for several years and were highly experienced in their craft. Usually an experienced carpenter, with four or five hands, laid down a mile of superstructure in a month if the grading was done and the timber delivered. Although the amount of work available for these specialists was sporadic, the rewards were high. Apparently these superstructure experts enjoyed a sellers' market, for the price per mile, varying with the railroad, usually ran from $600 to $2,400. One contractor "...got 4 bitts a foot...", or $2,640 per mile, for laying the superstructure on the Clinton and Port Hudson railroad, but admittedly "...it would have been worth $1,500 per mile." Another contractor, in 1832, laid superstructure on the Baltimore and Ohio railroad for $686.40 per mile, making a profit of $400 per mile. The McCord company paid around $800 per mile for laying the superstructure on the West Feliciana railroad. Obviously, the cost of skilled labor represented a considerable chunk of the cost of a construction project even in the days before the so-called monopolistic labor union. 69

69Testimony (Savoy, Holly, and Mathews), McCord Case.
The contract between the McCord company and the West Feliciana Railroad Company was at no time completely advantageous to the contractor, while relations between the contracting parties became progressively worse following the financial panic of 1837. The McCord company, in a time of inflation, assumed the obligation to build the railroad for a fixed sum of money, and felt the squeeze of rising prices during the short period of operations. Unavoidable miscalculations in estimating costs added to the hardships of the contractor, and the McCord company would probably have lost money had not the panic of 1837 intervened. 70

The whole situation was further complicated by the unwise banking practices of the West Feliciana Railroad Bank. Loose charter provisions permitted the bank to expand circulation of bank bills and notes with precariously meager supplies of specie as reserve. In May, 1837, the bitter day of reckoning arrived. West Feliciana Railroad Bank notes declined alarmingly in value, while backing in specie was practically non-existent. The railroad company could not discharge its financial obligations except with inflated bank notes, called at that time, "West Feliciana Railroad money." The value of these bank notes depreciated so greatly that discount rates ranged between 25 and 50 per cent. 71

The railroad workers, paid either in worthless bank notes, or not paid at all, justly complained that they were being cheated and many left the job. The McCord company thus found itself in an unenviable situation.

70 Testimony (Hoard), McCord Case.
71 Testimony (Grayson and Montgomery), McCord Case.
Its labor force gradually dwindled away, while the prospects diminished for reimbursement for the work already done. Nevertheless, in spite of these adverse conditions, the McCord company continued work on the railroad with a skeleton crew until the Chief Engineer of the railroad terminated the contract in August, 1837.

After its dismissal, the McCord company left West Feliciana Parish immediately, but relations between the estranged construction company and the West Feliciana railroad did not end until 1845. The disgruntled contractor sued the railroad in the Third District Court, West Feliciana Parish, in 1839, for breach of contract. It was charged that the railroad company cheated the McCord company in a number of ways: by underestimating the value of work done on the railroad and paying the contractors accordingly; by failing to furnish iron plates, rails, cast iron, chains, splicing plates and spikes when needed; by paying its obligations with inflated West Feliciana Railroad Bank notes; by failing to provide the services of an engineer for three months during 1836; and finally, by refusing to pay the McCord company the value of materials and lumber that it had furnished. The contractor demanded $500,000 damages for these breaches of contract. In addition, the McCord company asked $30,000 for a railroad bridge they had constructed over Bayou Sara.

If the McCord company somewhat overstated their case, the West Feliciana Railroad Company, in answering the petition, lost contact with the facts. The railroad company boldly charged that McCord had caused the railroad expense because of failure to carry out the terms
of the contract, and demanded nearly $195,000 damages. The case finally had a hearing in 1842 in the West Feliciana District Court, but was dismissed by the presiding judge, Isaac Johnson, who was apparently a railroad partisan. A reversal of Judge Johnson’s decision by the Louisiana Supreme Court resulted in the trial of the case in 1845. The jury rendered a verdict in favor of the plaintiff, but then proceeded to enact a travesty on justice. McCord and company received damages, but instead of the $530,000 they requested, the jury awarded six and one-quarter cents. McCord also had to pay the costs of the suit.

After the Chief Engineer of the West Feliciana railroad ended the contract with the McCord company in the summer of 1837, the railroad company continued constructing the line, building some on its own, and contracting jobs to others. The railroad company laid much of the superstructure itself. Sometimes plantation owners contracted to build part of the railroad. Two such men were Major Joseph Johnson and Judge Edward McGehee. Both served as railroad directors, and together they built the last section of the railroad to Woodville. Judge McGehee, for his part, utilized his plantation slaves, consisting of thirty-five to forty hands, whenever they could be spared from the crops. In good weather these laborers worked the

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72McCord Petition.
railroad, while in wet weather they were employed in getting timber. McGehee's slaves came fully equipped with all the implements necessary for carrying on the construction work. Presumably other plantation owners favorable to the railroad used their labor forces in a like manner. In spite of this sustained local effort, however, the railroad company could never muster as many workers as the McCord company.

Thus the West Feliciana railroad was finished by local plantation owners in cooperation with the railroad company. In a way the railroad was a community project, although the contributing citizens reaped their rewards in return for efforts on behalf of the railroad. The West Feliciana Railroad Company paid the plantation contractors well for the 'mechanical labour' supplied. McGehee, Johnson and others received between $1,200 and $1,500 per mile, exclusive of materials, for the labor furnished in grading the road. The profits accruing from the labor of idle plantation hands were well worthwhile. Judge McGehee's superintendent reported that expenses of carrying out a $1,500 contract for the railroad were less than $500, thus leaving a profit for this improvement minded citizen of over $1,000.\(^7^4\)

Regardless of the efforts of the railroad company and local residents to construct the line, progress toward completion was painfully slow. Although a locomotive had been purchased before the arrival of McCord and Company in February, 1836, two years later trains ran only

\(^7^4\)Testimony (Butler), McCord Case.
five miles, as far as the Barrow plantation at Rosedale. In November, 1838, fifteen months after the McCord company departed, the Woodville Republican complained that "...patience seems to be nearly exhausted in relation to the tardy progress of this work...Some plainly insinuate that the railroad bank is conducted more with a view to swell the wealth of individual stockholders than to effect the laudable objective for which its charter was granted." By 1840, much work still remained to be done, and the time limit set by the charter for constructing the railroad had expired. By this time the West Feliciana railroad had become such a controversial issue in West Feliciana Parish that many local residents put up determined opposition to the extension of the charter. Nevertheless, the Louisiana legislature extended the time limit for five years, although it was noted that "...there are many more petitioners against the extension of the charter than in its favor...".

The reasons for opposition to the railroad were not difficult to find, for the railroad directors, in an evasive, public-be-damned attitude, had avoided both public and private obligations of the railroad.

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company. It appeared that the directors maintained no fixed domicile for their errant corporation in West Feliciana Parish, and that company officers proved to be most inaccessible when sought by bill collectors, or by bailiffs with notices of litigation against the railroad company. To correct this irresponsibility, the Louisiana legislature, while extending the charter for five years, ordered the railroad company to maintain a permanent railroad office at or near St. Francisville, where all company business could be conducted. The legislature also attempted to force the railroad company to become legally responsible. It provided that "...all citations, writs, orders or notices...shall be held and deemed to be good and valid in law..." if given to the officer or agent at the company office personally, or if "...made by leaving the same at the said office, or by attaching them to the door thereof in case of the absence of such officer or agent...". Such legislative phrases spoke for themselves as to the integrity of the West Feliciana Railroad Company in 1840.77

The completed line to Woodville was finished in the fall of 1842, and the first steam locomotive, with its grotesque coaches and its burden cars puffed obtrusively into that sleepy Mississippi village. 78 If the transportation revolution, begun in this area nearly twelve years earlier when the Louisiana legislature chartered the West Feliciana railroad, was finally completed, its effects upon the community and the people were not as revolutionary as the erstwhile promoters had predicted.

78Testimony (Welles), Mc Cord Case. Calvert Typewritten MSS, 24.
The railroad company during most of its existence after 1842, could barely make ends meet. Frequently railroad service was suspended for long periods to make repairs, much to the annoyance of the local clientele. In 1851, the horrible condition of the West Feliciana railroad caused the Woodville Republican to comment that "We have what might be called a railroad; at present it is a burlesque on the anem, and almost a nuisance; we will be glad when the road is repaired." The West Feliciana drifted along close to bankruptcy until 1888, when it defaulted on its bonds. The following year, the railroad was merged with the Louisville, New Orleans and Texas Railroad Company.

The economic effects of the West Feliciana railroad upon the area it served remained almost as negative as the feelings of the disgruntled citizens who criticised the railroad. Nearly $550,000 had been sunk into the venture by 1842. This investment created a mechanical creature that operated almost solely for the benefit of the dominant plantation class of the area. As cotton was the master of the planter class who grew the staple, so it determined the destiny of the railroad. The West Feliciana railroad, controlled and operated by its planter directors, of necessity, patterned its existence to the plantation system. Its planter customers frequently ran up freight bills of several thousands of dollars, but the railroad company patiently waited for its freight payments, as

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80 "West Feliciana A Century Old," 5.
the planters in turn waited upon their factors elsewhere. Sometimes freight charges were paid in kind, indeed, if at all. 81

Like the Clinton and Port Hudson railroad in its effects upon the inland town of Clinton, the West Feliciana railroad undoubtedly influenced the position of Woodville and its economic relations with the interior. Further, this railroad might have had some bearing upon the erection of a cotton factory in Woodville sometime before 1850. The idea of a cotton factory was not new. It had been discussed as early as 1835 by residents of St. Francisville, and part of the capital for the $100,000 project was subscribed, but no more than this was accomplished. 82 Later, citizens of Woodville finally raised capital for a cotton mill. Although the existence of the West Feliciana railroad must have influenced the location of the new factory at Woodville, other factors, such as nearness to the bulky raw material, and the promotional activity of Woodville citizens, shared in determining the location of the mill. The incorporators, among whom was Judge Edward McGehee, lacked both sufficient capital and experience, and the project soon failed. When the mill was offered for sale and no buyers appeared, Judge McGehee purchased the property for $50,000, made improvements, and reportedly operated the factory on a paying basis. The success of Judge McGehee was supposedly assured when he discontinued the services of white laborers from the North and substituted slave labor.

81 Bills owed to the West Feliciana Railroad Company, Randolph (John H.) Papers (2), 1822-1890.
82 Miles' Weekly Register, XLIX (October, 1835), 84.
He imported experienced hands from the Bogg River mills in Alabama, and even visited textile mills in Lowell, Massachusetts, to study factory management. As to the actual operations of the Woodville cotton factory, the statistical details of the business remained unknown. The size of the factory, whether both yarn and cloth were manufactured, and the location of markets, were undetermined. The venture did not survive the Civil War, when it was destroyed by Union soldiers. The existence of this inland factory at Woodville must be partly accounted for as an economic effect of the West Felician railroad, although the factory probably never alleviated the financial distress of the railroad bound to the southern monoculture.

The three rural railroads of Louisiana, the Red River, the Clinton and Port Hudson, and the West Felician, were experiments in the economic feasibility of the all rural, shortline railroad. In view of the disadvantages of rural railroads, isolated as they were and operating as auxiliary feeders to the river system, the lack of success of these railroads was almost preordained. In fact, the three rural railroads of Louisiana generally represented the consummation of futility. All of them failed to provide most of the benefits that their promoters envisioned. Each railroad experienced precarious financial traumas during construction, and after completion, its earning power scarcely sufficed to pay maintenance costs, while the complete costs of construction

84See above, 54-55.
were never paid. Outside of the connection of the West Feliciana rail-
road with the Woodville cotton factory, the only tangible benefit of
these rural railroads proved to be the improvement of transportation
facilities for the dominant rural economic interest, the planters, but
only after the outlay, and even waste, of sizeable sums of money. The
impracticality of the rural railroads and their near failures, partly
explained why the railroad mileage of Louisiana and the rest of the
rural South remained far below the nation until the beginning of the
great trunk line railroads.
Chapter IV

NEW ORLEANS AND HER LOCAL RAILROADS (Part I)

Railroad construction in and around New Orleans began almost as early as any city in the nation, but unlike most cities, the railroads built there, with the exception of the New Orleans and Nashville railroad, were purely local ventures. Geographic conditions greatly influenced the pattern of railroad development in the New Orleans area. Built on the lowlands of the Mississippi Delta in the midst of marshes and swamps, the Crescent City was literally wedged between the Mississippi River and Lake Pontchartrain. The easiest means of reaching the city from almost anywhere was by river, canal or lake, and roads were practically non-existent. If geography determined that New Orleans residents would be waterway minded, the steady commerce and profits of the river transformed this geographic fact into an obsession. Most New Orleans businessmen possessed of all their senses could never believe that the railroad would become a rival of the river. Instead, the railroad should fit into the existing transportation pattern as an auxiliary to the water system. This philosophy determined the course taken by most railroad development around New Orleans during the 1830's. Local railroads were built merely to improve upon what was already nearly good enough.

There were a few weaknesses in New Orleans' water transportation system, that the railroad could remedy. One was the interwaterway communications between the Mississippi River and Lake Pontchartrain.
Before the railroad era, the two were linked by a bayou and a canal. Over this water route small coastal vessels reached New Orleans from the lake, sailing five miles up St. John's Bayou, and thence through the Carondelet Canal to the city. This route, at best, left much to be desired, for travel on the crooked, shallow bayou was tortuously slow, while canal tolls were exorbitantly high. Larger vessels in the eastern coastal trade had to use the long route via the Gulf of Mexico and up the Mississippi River. Another transportation need of New Orleans in the 1830's was better communications with her growing suburbs. While New Orleans had grown rapidly in size between 1820 and 1830, the population doubled in the following decade, and suburban settlements mushroomed around the periphery of the commercial heart of the city. Finally, one of the greatest weaknesses in New Orleans' transportation system was her poor port facilities for ocean ships. Ironically, the shifty river that provided New Orleans access to the sea had almost whimsically placed obstacles in the path of commerce with its moving sand bars, treacherous crosscurrents, and winding course. In the face of these disadvantages, New Orleans needed a more accessible port.

Thus, the story of local railroad development in New Orleans between 1830 and 1850 centered around these three themes, interwaterway communications, expansion to the suburbs, and improvement of port facilities.

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Railroad promoters saw in this new invention a chance to improve New Orleans' local transportation system. While one group of railroad men sought to attract more eastern coastal trade into Lake Pontchartrain by building a short railroad from the city to the lake, another group built a railroad along the Mississippi River into the Carrollton suburbs. Still a third group wanted to improve New Orleans seaport facilities and they attempted to free ocean vessels from the disadvantages of the Mississippi River route to the city by beginning a railroad to the Gulf of Mexico. All of these efforts met with many disappointments, and only two of the three succeeded.

THE PONTCHARTRAIN RAILROAD

New Orleans' first railroad was built to improve transportation between the Mississippi River and Lake Pontchartrain. While it served to connect these two waterways, it also performed the even more important function of providing better port facilities for vessels in the eastern coastal trade. This railroad, the Pontchartrain, was chartered in January, 1830, and was opened to passenger traffic by the end of April, 1831. It was Louisiana's first railroad, and one of the earliest railroads chartered and built in the nation. Thus, the Pontchartrain railroad was the pioneer railroad of the state. The Pontchartrain railroad charter, with its privileges and prohibitions, became a guide for later railroad charters enacted by the Louisiana legislature. The construction problems faced by its builders, and the techniques, either borrowed or developed, to cope with these problems, helped acquaint local engineers with railroad building. The four and one-half mile Pontchartrain railroad,
although short and unimpressive in its size, nevertheless, in its planning, construction and operation, deserved the title of patriarch of Louisiana railroads.

The idea for a railroad between the lake and the river appeared as early as July, 1825. At that time, New Orleans papers aroused local interest in this new mode of transportation by carrying accounts of railroad developments in England and Scotland. Almost immediately there was much buzzing in business offices and coffee shops around the city about a railroad for New Orleans. But the year 1825 was also a landmark of the canal era, for the completion of the Erie Canal gave impetus to canal construction all over the nation. In Louisiana, canal enthusiasts had their own ideas for improving New Orleans' communications with Lake Pontchartrain, and their proposals naturally did not include the building of a railroad. Hence, rivalry resulted between canal and railroad promoters in New Orleans.

This controversy over a railroad versus a canal was one manifestation of many factional quarrels going on in New Orleans during this period. Hostile feelings among various groups in the city had gradually been building up since the American occupation of Louisiana in 1803. The basic points of friction were economic and cultural in origin. For years, New Orleans proper, or the 'Old City', with its French and Creole population and traditions, dominated the rapidly developing faubourgs, populated with American and foreign elements. Above the 'Old City' was Faubourg St. Marie, the American sector, while below was Faubourg Marigny. Both faubourgs successfully competed with the 'Old City' for the expanding Mississippi commerce as well as the lake and
and coastal trade, and both resented the domination of the French and Creole blue bloods in the 'Old City'. This intersectional rivalry became so intense by 1836, that the legislature divided New Orleans into three separate municipalities. Between 1825 and 1830, businessmen in all three sections of New Orleans talked about improving communications between Lake Pontchartrain and New Orleans. The existing route, via St. John's Bayou and the canal, channeled the lake trade into the 'Old City'. Leaders in the upper faubourg wanted a new, deeper canal to the lake, while residents of the lower faubourg desired a railroad to replace the inadequate canal, and of course, the terminal point for either canal or railroad would be in the faubourg promoting that particular improvement. Both groups believed that the eight foot channel of Lake Pontchartrain would be deep enough to accommodate vessels of 200 tons and even larger.

The topic of internal improvements did not receive another public airing until January, 1827, when Governor Henry Johnson proposed to incorporate a Louisiana company to build a canal to Lake Pontchartrain. It was believed that such a canal would merit financial support from the improvement minded federal government. The railroad enthusiasts, however, inspired by the recent chartering of the Baltimore and Ohio Railroad Company, continued to agitate for a railroad, but they did not initiate any definite action until July, 1828. By that time, steps were taken to transform informal discussions about a railroad into

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tangible, positive action. Newspaper notices invited all the "friends of internal improvements" to meet in Hewlett's Coffee Shop to discuss the possibility of building a railroad between the river and the lake. The group met, and like most organizational meetings of this type, they appointed a committee to study the matter. The committee received instructions to make a survey of the most suitable route, to ascertain the distance, to procure estimates of the cost of construction, to obtain all necessary information for the building of a railroad, and to report its findings to another public meeting called for the following November. Possibly because the committee received no funds to carry out its mandate, the November meeting was never held. Possibly, also enthusiasm for the railroad somewhat subsided, but at least some action had been taken. Some of the members of the committee, including Maurice W. Hoffman, along with a few of the original railroad promoters, revived the project early in 1829. After several meetings, this group of New Orleans businessmen organized a society in August, 1829, called the 'New Orleans Railroad Company,' to build a railroad from Lake Pontchartrain to New Orleans. This unofficial organization formed the nucleus of the Pontchartrain Railroad Company, soon to be incorporated. 3

One of the guiding lights in the new railroad society was Hoffman. This man more than any other, was responsible for the planning and completion of the Pontchartrain railroad. A former resident of Baltimore,

Hoffman had been in close contact with the promoters of the Baltimore and Ohio railroad. After moving to New Orleans, he joined the railroad agitators in that city and threw himself into the task of railroad promotion with tireless energy. He published a pamphlet outlining his ideas on a railroad for New Orleans, presenting all the information on railroads he could find. After obtaining topographical maps of the area around the lake, and after visiting the swamps and lake shore for his own first hand knowledge, Hoffman, in the fall of 1829, journeyed to Baltimore, and then to Boston, to obtain further information on railroads from the builders of the Baltimore and Ohio railroad in Maryland, and the Quincy railroad in Massachusetts. Hoffman not only invested heavily in the New Orleans railroad project with his time, but also with his money, and along with a few New Orleans promoters, he became one of the large stockholders in the railroad. Later, in 1835, Hoffman supported another railroad venture, the New Orleans and Nashville railroad, with the same indefatigable energy. This inspired, but occasionally misguided, man undoubtedly influenced early railroad promotion in Louisiana more than any other single individual. 4

Hoffman and the railroad society had much work to do before the unofficial 'New Orleans Railroad Company' could become a legally recognized corporation in the state of Louisiana. First, they tried to obtain all information on railroads available. In this pursuit, the society sanctioned Hoffman's fact-finding trip to the East, and each member contributed between five and twenty-five dollars to pay the

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4Pontchartrain Railroad Company, Minutes, 60-63.
expenses of the journey. Hoffman became so enthusiastic about the railroad that he requested and received permission from the society to order enough railroad plates from Pittsburg to build a short track of 100 yards, and to purchase a passenger car similar to the type used by the Baltimore and Ohio railroad, for demonstration purposes. By December, 1829, the railroad society had exhausted its funds, and the members were asked for another contribution, this time, $100 each. Apparently the businessmen promoters contributed willingly, while at the same time, eight new members joined the organization. This readiness of the Pontchartrain railroad promoters to give the project their financial support both before and after its incorporation, made the financing of this railroad different from any other railroad in Louisiana during the period. Its tight little group of supporters had faith enough in the railroad to risk their own capital in almost all of the railroad stock. In fact, many of them risked their fortunes in the venture. 

Especially important was the preparation of a sample charter to present to the Louisiana legislature at its meeting in January, 1830. In this task, Hoffman again took the lead, modeling his requests after the charter of the Baltimore and Ohio railroad. The legislature wasted little time in acting upon the request for a charter made by the 'New Orleans Railroad Company.' Working with Hoffman, who was on hand at

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5Ibid., 1-7.
Donaldsonville during the discussions of the charter, the legislature approved the document by the end of the month. The newly created Pontchartrain Railroad Company, capitalised at $150,000, with power to increase to $250,000, received exclusive privileges over its route for twenty-five years. The railroad also obtained a generous ninety foot right of way, along with the power of eminent domain. In addition, the company could erect warehouses and other buildings, and construct a harbor, piers, and breakwaters in Lake Pontchartrain. While the charter granted monopoly privileges to the railroad company, it also attempted to prevent the company from combining with other corporations in the state. In a most interesting provision of the charter, the legislature warned that the interests of the Pontchartrain Railroad Company shall "...be distinct and separated from the interests of all other corporations." The Pontchartrain railroad charter would be forfeited if the company made "...any transaction tending to combine..." its interests "...with those of any other corporate body." The charter listed seven directors for one year terms, including the names of M. W. Hoffman and Samuel F. Peters.6 About the former, much has already been said. The association of Peters with the Pontchartrain railroad was a fortunate circumstance. This banker and businessman was a prominent figure in the New Orleans business community for over a quarter of a century, and played an important role in the promotion of the Pontchartrain railroad.7

6*Louisiana, Acts, 9 Legis., 1 Sess., 1830, pp. 2-10.
The leaders of the newly chartered railroad company wasted no time in getting the project under way. Early in February, 1830, directors and stockholders met and laid plans for the vigorous and speedy prosecution of the work. Toward this end, they created an Executive Committee of five members, consisting of three directors and two stockholders. The committee received broad powers to make contracts for material and labor, and to purchase land for the right of way. On this committee rested the task of laying the groundwork for the new company, and it did its work well. Although the Executive Committee worked without previous experience or with little precedent for its decisions, it had, within two months, set the project off in a flurry of activity. An engineer and assistant engineer were hired, land for the right of way was purchased, construction contracts were made, and lumber supplies were ordered locally, as well as railroad iron from England.

By the middle of February, 1830, the Executive Committee engaged the services of a Chief Engineer. The man chosen was General Joseph Gardner Swift, who agreed to superintend the building of the railroad, and the construction of the harbor on Lake Pontchartrain. General Swift's experience with railroads was limited, but he had gained much first hand knowledge of harbor construction as an assistant in building New York's harbor defences during the War of 1812, as Surveyor of the Port of New York from 1818 to 1827, and as superintendent of harbor improvements on the Great Lakes after 1829. For his services, the

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Pontchartrain Railroad Company agreed to pay $6,500. Unfortunately for the railroad project, General Swift could not begin his duties as Chief Engineer until November, 1830, and an assistant engineer had to be found to direct the work until that time. The job was given to Lieutenant G. W. Long of the United States Army, who resigned his commission and came directly to New Orleans. Long agreed to work one year for $1,500, this sum to be deducted from the $6,500 promised to General Swift. Long's services to the Pontchartrain Railroad Company proved to be unsatisfactory and of short duration, however. The Executive Committee accused him of lacking "energy, efficiency and zeal and devotion", and of failing to attend to his duties, and dismissed him in June, 1830. Between June and November, the Pontchartrain Railroad Company remained without the services of an engineer, and the Executive Committee found it necessary to improvise plans as it went along. This procedure proved to be fairly successful. In fact, these businessmen-railroad builders directed the construction of the railroad and harbor with little assistance from trained engineers, except for the period between November, 1830, and June, 1831, when General Swift personally supervised the works.

The Executive Committee also planned the route of the railroad and obtained the right of way. The purchase of land for the right of way generally did not prove to be troublesome, partly because of the willingness of most plantation owners to sell land, and also because

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9Pontchartrain Railroad Company, Minutes, 11-12, 37.
of the desire of the railroad company to avoid litigation even if it involved paying more than the land was worth. Although the railroad charter provided for eminent domain by means of a jury of twelve freeholders and the courts, this power was never used.  

The most expensive acquisition of land made by the company was Marigny's Canal, which cost $25,000. This substantial outlay was deemed necessary because the best possible route for the railroad was a continuation beyond this three and one-half mile waterway, to the lake. This route represented the shortest distance and contained the highest ground with the least swamp.

The choice of the route from Marigny's Canal took the railroad across five plantations in its four and one-half mile route to Lake Pontchartrain, including the property of Messrs. Destrechan, Howe, Darcantel, Hopkins and Milne. The Executive Committee found all but one of these plantation owners cooperative and eager to have the railroad cross their land. Destrechan, believing that the railroad would increase the value of his property, sold six squares of land to the Pontchartrain Railroad Company for $5,000, a small lot for $200, and permitted the company to take timber from his land. Howe traded a right of way for land on the adjoining Darcantel plantation, which the railroad company had been forced to buy outright. The owners of the Darcantel plantation gave the railroad company some trouble. Having

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11 Pontchartrain Railroad Company, Minutes, 60-63.
refused to grant a right of way, they offered the entire plantation to the railroad company for $18,000. Although the price was too high, the company bought the plantation to avoid unpopular lawsuits. This apparently costly acquisition of property proved to be quite beneficial to the railroad company. In addition to the trade with Howe, the railroad company took much dirt fill and timber from the plantation for construction purposes, used the plantation buildings to house their hands, and later broke up the more choice land into a real estate development. The last two plantation proprietors, James Hopkins and Alexander Milne, readily sold the desired 150 foot right of way to the Pontchartrain Railroad Company. In addition to paying Hopkins $150 per arpent (1.26 acres) for the "clear cultivable high land" found on the right of way, the railroad company agreed to build and maintain fences. Alexander Milne owned the plantation and land along the lake at the terminus of the railroad. This shrewd businessman almost immediately began surveying his land for lots, and in a few years, made a small fortune in real estate transactions. This area became the lakeside suburb of Milneburg.

Another task performed by the Executive Committee was the purchasing of railroad iron from England. By March 25, the committee had more estimates of the amount of iron needed and reported their findings to the directors. After minor changes in the committee recommendations,

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12 Ibid., 15, 60-63.
the directors decided to order 60,000 running feet of rail plate, five-eighths inches thick, and two and one-fourth inches wide; "...perforated with holes from twelve to eighteen inches asunder, countersunk to receive the head of a spike;" 3,000 to 4,000 splicing plates (one for each rail plate) "...to be placed under the Rails where they joint or unite;" eight freight cars and four passenger cars, "...the carriage bodies to be plain and free of useless ornament." 14

The Executive Committee and the directors vacillated over the type of locomotion to be used on the new railroad. At first, they decided to adopt steam power, and ordered a locomotive engine from England to be modeled after Stevenson's Rocket in "...quantity of power, and in such other respects as late improvements have not changed for the better." The company, in placing the order for the locomotive, asked for "...duplicates...of all such parts of the engine as are liable to break or give way..." and, if possible, the wooden patterns also. 15 Later, the directors, on observing the operations of the Baltimore and Ohio railroad without steam power, changed their plans and decided to use horses from which "...a velocity of twelve miles per hour can be attained." A letter was sent to England countermanding the order for the steam engine, but it arrived there too late. Thus, partly because of uncertainty in planning, the Pontchartrain railroad became a steam railroad in September, 1832, when its first locomotive, the Pontchartrain, arrived in New Orleans. The width of the wheels was four feet eight inches, 16

14 Pontchartrain Railroad Company, Minutes, 21.
15 Ibid.
16 Pontchartrain Railroad Company, Minutes, 21.
although the directors had originally planned for a track gauge of five feet. 16

The difficult task of ordering expensive construction material sight unseen from a source of supply thousands of miles from New Orleans was made easier through the assistance of the American Consul in Liverpool, Francis B. Ogden. This official advised the inexperienced Pontchartrain railroad planners on the latest and best types of railroad iron, and finally received from the directors authority to select plate rail used by the Manchester and Liverpool Railroad Company "...if in his opinion it be much preferable to the plate rail described in the order adopted..." originally by the company. Obviously, the services of this public official were invaluable to an organization like the Pontchartrain Railroad Company. Ogden contracted for the rails with the English firm of Gordon, Forstall and Company, and inspected the supplies before their shipment to New Orleans. The Pontchartrain directors found that it was cheaper to pay cash for the iron even with borrowed money, and remitted their check for £2,500, or $11,777.77. The railroad company, being unable to finance the purchase from its own treasury, borrowed the entire sum on a short term loan of sixty days, with interest of about $127.00. 17 The 300 tons of iron arrived in New Orleans in three 100 ton shipments between September and November, 1830.

16 Ibid., 21, 31-32, 48.
17 Ibid., 48.
Although the Pontchartrain Railroad Company found it necessary to borrow money in order to pay cash for the railroad iron, the initial financing of the organization proved to be a huge success, and only tardiness in calling in stock installments made it necessary to float the loan. The original capitalization was $150,000, or 1,500 shares of stock. Of these shares, 1,000 were subscribed by the original promoters, leaving only 500 shares for public subscription. The original members of the railroad society were so eager to purchase more stock, however, that many reserved additional shares from the limited amount set aside for public sale. In view of this situation, the directors finally ruled that "...none of the original corporators of this company are entitled to subscribe at the subscription to be opened to the public...unless on default of full subscription of the shares offered." In line with this ruling, the Pontchartrain railroad directors refunded over $3,300 in advances made by the original members of the company.\textsuperscript{18}

Public sale of the 500 shares of stock was conducted from Monday to Saturday, March 29 to April 3, 1830, and the results were most gratifying. One hundred eighty-one persons subscribed for 675 shares of stock, representing an oversubscription of 175 shares. The company's treasury began expanding from the ten-dollar subscription payments, while installments of ten, twenty and twenty-five dollars were called for by the directors quite regularly beginning May 20. By December, 

\textsuperscript{18}Ibid., 22.
1830, one-half of the capitalization of $75,000 had been called in, but nearly all of this amount had already been expended for construction purposes. Up to that time, the directors spent almost $72,000, leaving a balance in the treasury of $3,711.42. These figures represented only construction expenses, however, and concealed the costs of purchasing land for the right of way. Only half of the capitalization had been paid in and used, but the financial report, even at this early period of the company's operations, was indicative of financial embarrassments to come later. 19

Construction on the railroad proceeded fairly rapidly. The work was vigorously prosecuted under the leadership of the Executive Committee, of Martin Duralde, the first President of the railroad company, and of Vice-President Maurice W. Hoffman, who was elected President in July after the resignation of Duralde. Construction began March 10, 1830, when railroad laborers struck the first axe into the first tree. The railroad company had its own labor force, but whenever possible the Executive Committee negotiated contracts "...for digging ditches, cutting down the woods and cleaning out the road." 20 The first contract was made in the middle of March with John Corry and Cormick Hart "...for cutting a canal through the High Land of the Gentilly Road." The Gentilly area, an elevated strip of land running roughly parallel with the lake, separated the marshes lying between New Orleans and Lake Pontchartrain into two parts, Corry and Hart agreed."...to cut

19 Ibid., 17, 19, 22, 26, 28, 45, 54, 68.
20 Ibid., 64.
and dig a ditch or canal at the place where the route of the railroad emerges out of the swamp near and perpendicular to the Gentilly Road ...to run across the high ground of Gentilly to the swamp adjoining the lake shore..." The ditch was to be an average of three feet deep, eight feet wide at the top, and six feet wide at the bottom. The contractors agreed to finish the ditch within thirty days or pay twenty dollars per day damages for time in excess of thirty days. 21

The railroad management also made contracts for a supply of timber, but they were not completely successful in obtaining the necessary supplies by the contract method. Although A. P. Rist agreed in April, 1830, to furnish 12,000 feet of red cypress logs by the middle of July, only a small part of the timber was delivered in spite of a five dollar per day penalty for failing to fulfill the contract. Consequently, the railroad company with its own labor force took as much timber as possible from the swamps adjoining the railroad line. During the summer of 1830, about 100,000 running feet of timber was procured by the company. In addition to lumber supplies, the company obtained horses, oxen, carts, pile drivers, surveying instruments, a scow, and a lake boat. 22

Musterering a sufficient labor force was continually a problem to the Pontchartrain railroad planners, and especially scarce was the supply of skilled workmen. Although General Swift somewhat alleviated

21 Ibid., 19, 42.
22 Ibid., 23, 54, 68.
the shortage by bringing two master workmen and fourteen carpenters with him from New York in November, the directors had to find a labor force by other means before that time. In July they decided to entrust the task of recruiting labor to others and made a contract for this purpose. The labor contractor agreed to find workmen and laborers, and board them between July and November. A maximum of forty cents per day was allowed for board. The railroad company took the responsibility of housing all the laborers, and in March, began putting up huts along the lake for this purpose. No slaves were purchased during the early phase of the railroad's operations, although slaves were hired from time to time.  

The progress of construction was fairly rapid. By June 7, after three months of work, the Executive Committee proudly reported that all of the route had been opened across the swamps to the lake. In addition, "...the whole of the upper swamps from the Elbow of Marigny's Canal to the high ground of Gentilly has been filled as is believed sufficiently high, and the Road appears solid and firm." In the lower swamp between Gentilly and the lake, about one-third of the filling was finished. This optimism was premature, and the committee soon realized that only a small beginning had been made in filling an embankment across the swamps. The work on the embankment continued from June to October before the height and firmness of the roadbed was sufficient.

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23 Ibid., 22, 54.
In using the embankment, or causeway type of construction for the foundation, instead of piling or log pillars, the Pontchartrain rail-road planners made a very basic, important and wise decision. When finished, the superstructure rested on a "permanent, level and solid" foundation which most of the early railroads of Louisiana lacked. The task of building the embankment in this level area of swamps and low-lands was difficult, and supplies of dirt were hard to obtain. The company took most of the dirt fill from the lake shore, from Gentilly ridge, and from the banks of the canal. The operation of moving this soil was long and tedious, and for months, between twenty and thirty carts moved back and forth between the sources of supply and the roadbed. Occasionally, as layers of dirt were added to the rising embankment, the directors opened the road to the public, allowing carriages to pass freely back and forth along the right of way from New Orleans to the lake, packing down the roadbed. Finally, when the embankment reached a height above the high water mark of the swamps and level with the shell bank of the lake, and sufficient time had been allowed for settling the earth, the roadbed was pronounced solid, and workmen began laying the superstructure. The railroad company had no time to lose because the contract with the skilled laborers from the North expired in April, 1831. With the roadbed completed, and the superstructure begun in December, 1830, there was room for some optimism on the part of the railroad management. Confidently they announced to the stockholders in the first annual report that the railroad would be completed by the following March or April, and the harbor and breakwater, by May or June, 1831. Their prediction
proved to be half right. The railroad opened on schedule, but the problem of financing and building the harbor cast an ominous shadow over the future of the Pontchartrain Railroad Company.

In fulfillment of the directors' predictions, cars rolled over the tracks of the Pontchartrain railroad for the first time on April 23, 1831, slightly more than a year after construction began. Although much work remained to be done "...in filling up, shelling, and carrying down materials to the harbor...", the early opening of the project for public inspection gave the railroad much needed publicity. It also became the object of a gala celebration in New Orleans, and the railroad directors made the most of the occasion by inviting federal, state, and city officials to take the first ride on the Pontchartrain railroad. At the appointed hour for the opening, stockholders and invited guests proceeded to the railroad where six cars waited to make the journey to the lake. Only the lack of cars kept the number of invited guests from being even larger. The company, having been unable to obtain passenger coaches in England, possessed only one plush carriage, the Louisiana, while the remaining vehicles in the impressive procession were ordinary freight cars dressed up for the occasion. The cars, drawn by horses, "...moved in the most imposing manner to the sound of music, amidst a large concourse of admiring spectators, who lined each side of the road...". The procession "...reached the lake by happy coincidence at the moment the

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24 Ibid., 64-66, 155.
25 New Orleans Mercantile Advertiser, 26 April 1831.
Mobile steamboat arrived for the first time at Port Pontchartrain with the mail." The party inspected the pier, which at that time was far from completion, and then returned as far as the Darcantel plantation house at Gentilly road, where they were served a "sumptuous collation" at the expense of the Pontchartrain Railroad Company. They "...returned to the city about five o'clock, without accident." A week after this festive and ceremonial opening of the railroad, this announcement in the New Orleans newspapers signaled the beginning of passenger service over the railroad:

The road will be open for passengers on Saturday next...at 4 o'clock in the afternoon. Until further notice, the cars will leave the city on week days at 3 o'clock, half past 4 and 6 in the afternoon; on Sundays, every two hours, commencing at 5 o'clock in the morning...A car will be provided for free people of color.

Perhaps this notice of separation of the races on the Pontchartrain railroad was the first instance of 'Jim Crow' practices on the railroads of the South.

The press outdid itself with praise and platitudes for the novel improvement, and the men responsible for it. "Everyone felt gratified at witnessing the great simplicity and efficiency of the work. No undertaking has ever been conducted in a more business like manner," commented the Louisiana Advertiser. Many people who were uninformed as to the progress of the construction, and skeptical about the feasibility of crossing the swamps, were surprised at the results achieved.

27. Ibid., 28 April 1831, p. 3.
"A distance of nearly five miles, one-half of which was impenetrable morass, has...witnessed the pageantry of a procession borne along with rapidity and safety over its hitherto yielding surface." It was now possible to stand on the Mississippi River bank, look across the 150 foot wide avenue of the Pontchartrain railroad, and see lake vessels sailing past the opening in the forest. In the prosecution of the work, "...too much credit cannot be given to the directors and General Swift, whose merits as an engineer are already well known to the public." Maurice W. Hoffman also received deserved praise for his role in the undertaking. "The President of the company has...established a reputation which places him on a level with the best practical engineer in the country."28

While lauding the new railroad as a glamorous and exciting innovation, the Louisiana Advertiser, at the same time, thoughtfully anticipated the effect the railroad would have on New Orleans' economic life. It was almost taken for granted that commerce would greatly increase as a result of the railroad, and the port soon to be completed. One area of commerce that would surely use the new facilities was the eastern coastwise trade, including the Florida Parishes and the adjacent states to the east. It even seemed possible that vessels in the West Indian and Mexican trade would prefer Port Pontchartrain to New Orleans. In addition to increasing commerce, or at least diverting it from the Mississippi River, the railroad and Port Pontchartrain would offer other

28Ibid., 25 April 1831, p. 2; 27 April 1831, p. 2.
advantages. Some predicted that the improved transportation and communications offered by the railroad in conjunction with steam vessels operating on Lake Pontchartrain, would help the New Orleans consumer. It was believed there would be lower prices for lumber products such as building materials and fuel, while produce could be shipped to the city market the year around from rural parishes north of Lake Pontchartrain. Obviously, promoters and well-wishers alike were highly optimistic about the possibilities of the Pontchartrain railroad. The role that the railroad would play in developing New Orleans' trade and commerce was, of course, undetermined in April, 1831, but as the directors shifted their energies from the railroad to the construction of the harbor and pier, there were painful indications that certainty of success was by no means assured.

The principal concern of the Pontchartrain Railroad directors during the remainder of 1831 and throughout 1832 was construction of the harbor and pier in Lake Pontchartrain at the terminus of the railroad. This formidable task taxed the resources of the company to the breaking point. Work on the harbor had begun back in 1830, and was carried on simultaneously with the construction of the railroad. The object was to provide a harbor deep enough to accommodate lake vessels, but this goal was not easy to attain. Lake Pontchartrain was a relatively shallow body of water. Since the descent of the lake bottom from the shore into the lake was consistently gradual instead of abrupt, it was

\[29\] Ibid., 25 April 1831, p. 2.
necessary to build into the lake several hundred yards in order to reach
deep water. By the end of 1830, a good start on the pier had been made.
"A mound of earth, sand and shells..." had been extended into the lake
for 150 yards "...and timber and side pieces were carried out and
driven in past for about 400 yards." Then, in December, 1830, the
company experienced a minor setback, the first of many sieges of hard
luck that beset the harbor project from beginning to end. "When this
part of the undertaking had progressed thus far, the person who had
charge of it died and the whole work received a check."30

In the meantime, while construction of Port Pontchartrain pro­
gressed slowly, the railroad directors began taking steps to obtain
federal recognition of their port. In November, 1830, letters from
the Pontchartrain Railroad Company to each member of the Louisiana
delegation to Congress asked for the passage of "...an act making Port
Pontchartrain a port of entry and delivery."31 Congress granted the
request in April of the next year, making Port Pontchartrain a port
of delivery and departure, with its own surveyor. All vessels could
legally unload their cargoes at the port by "...making report and
entry at the port of New Orleans within the time limited by law...",
and they could legally depart from Port Pontchartrain after clearing
their cargoes "...at the customs house in the city of New Orleans
under the same rules, regulations and restrictions...as vessels clearing

30 Pontchartrain Railroad Company, Minutes, 65.
31 Ibid., 56.
out and departing for foreign ports and places from the said city of New Orleans, by way of the Mississippi River." Drawbacks on duties paid for goods imported and then re-exported to foreign places, would apply to Port Pontchartrain the same as the Port of New Orleans. Thus Port Pontchartrain was recognized by law, even though it did not exist yet in fact.

During the winter of 1830-31, construction of the harbor works was virtually at a standstill because of unfavorable weather conditions. The company did attempt, however, to finish a temporary harbor for its own boats. With resumption of work in the spring, the railroad management pressed construction as fast as possible, concentrating on the extension of the pier into the lake. Throughout the spring and early summer, however, operations were continually hampered because there was a shortage of "competent workmen," and "...contractors failed to deliver timber." Then, in August, 1831, nature herself dealt the railroad company a severe blow that climaxed the continuous trend of hard luck experienced in constructing the harbor. At that time, "...a severe hurricane and long continued storm..." all but destroyed the railroad's buildings and other works on Lake Pontchartrain. "The waters rose to great heights in the lake, their force carried away the bath house, washed out a large quantity of timber, drove ashore boats and floats...", and flooded over the railroad line to a depth of eighteen feet above the tracks. Railroad officials estimated the

32New Orleans Mercantile Advertiser, 16 April 1831.  
33Pontchartrain Railroad Company, Minutes, 86-87, 89.  
34Ibid., 155.
damage between $6,000 and $8,000, and to this amount was added the exaggerated loss in revenue from the road, estimated at $15,000 to $20,000.  

Although the August hurricane had done considerable harm both to material and to morale, the damage was soon repaired and by December, 1831, railroad officials reported to the stockholders that an extension 1,500 feet long had been made into the lake. Of this amount, 830 feet was solid pier, while beyond, a little over 670 feet rested on piles. In addition, a single track extended the whole length of the pier. The harbor itself was 300 feet wide, "...giving sixty feet for the trackway and landing place, and 120 feet on each side as births for vessels." To make sure of ample protection from northerly winds, the railroad directors decided that a breakwater was necessary. Obviously, the August hurricane had taught its lesson, but the extra work necessary to protect the harbor must have been costly. The breakwater would be thirteen feet wide, and "...of sufficient height above the water, ballasted with stone, and supported by piles at every ten feet distance on each side."  

The work continued to progress throughout the summer of 1832 in spite of the usual problems of labor and lumber shortages, but it was not until the following December that the railroad management could finally announce that "...the difficulties to the undertaking have been overcome." The breakwater was finished, and under trial, proved to be sound and sufficient for the purpose it was intended. The pier extended

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35Ibid., 155-156.
36Ibid., 157-158.
into the lake "...to six feet of water at the lowest tide..." and its completion was anticipated by January, 1833. On the pier, three sets of rails provided the best facilities for handling incoming and outgoing cargoes. 37

The harbor was completed during 1833, but the breakwater remained unfinished when the railroad directors made their annual report in December, 1833. Besides the railroad and harbor facilities, the directors proudly presented the stockholders with an impressive list of equipment and machinery belonging to the Pontchartrain Railroad Company. The company possessed a large car house and an engine house, with two locomotives and ten new passenger cars to store in them. The latest locomotive, the Creole, had been purchased only recently, while a third locomotive was on order. There were double and treble tracks on each end of the road. The railroad company previously had built, and still owned the Washington Hotel at the lake terminus of the railroad, as well as "...a cash house for the people of color". A dredging machine had recently been purchased. This handy piece of equipment served the "...double advantage of preserving a proper depth of water in the harbor and of supplying the company with material to fill up their lots." Dredging equipment was costly, and required an outlay of at least $3,500 besides a specially built scow capable of carrying the machine. 38

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37 Ibid., 234.
38 Ibid., 86-87, 89, 300-301.
After the completion of the harbor and allied works, business at Port Pontchartrain seemed to be brisk. In 1835, beginning January 1 and ending June 30, there were 552 arrivals reported at the port. These figures broken down included 169 steamboat arrivals, 226 packets and schooners, forty-six sloops, two brigs, and twelve barges. There were by that time twelve steamboats plying the waters between Port Pontchartrain and the Gulf states to the east, while vessels of all types came from such scattered towns and places as St. Marks, Apalachacola, Pensacola, Mobile, Pascagoula, Pearloung, Covington, Madisonville, and River Amite. During the first six months of 1835, Port Pontchartrain handled imports of 13,122 bales of cotton, besides "...many thousand cord of wood, lumber, shingles, shells, merchandise, etc. etc., and an immense number of passengers varying from 2 to 3,000...". The outgoing trade included "...western and domestic productions and foreign articles generally in demand...together with numerous passengers."\(^39\)

Although the number of entries into Port Pontchartrain was large, it apparently did not meet the expectations of the railroad management, who apprehensively watched as receipts from the company's operations failed to keep up with expenditures. The *New Orleans Bee*, a constant champion of the railroad, believed that "...it is not generally known that this is a port of entry and delivery...possessing the same advantages in this respect as the port of New Orleans...", and published

\(^39\) *New Orleans Bee*, 4 April 1835, p. 2; 23 July 1835, p. 2.
again the Act of Congress establishing the port, in the hope of attracting more shipping into Port Pontchartrain. But this diagnosis did not explain the dilemma facing the Pontchartrain Railroad Company. What really was happening to the organization came as the result of undertaking more responsibilities than the financial structure of the company could sustain. This situation was apparent as soon as the company officials fixed their attention on the construction of the harbor and began pouring money into the undertaking. The financial history of the organization after 1830 bore out this observation.

Soon after opening the railroad in April, 1831, the directors faced the problem of obtaining sufficient funds to complete the railroad and harbor. The last of the stockholders' installment payments had been collected and with this source of revenue exhausted, the directors found themselves and their company in a critical situation. The money in the company treasury was practically used up, while thousands of dollars were still needed to finish the project. The problem was temporarily solved by short term loans. Early in May, the Pontchartrain Railroad Company obtained a loan of $40,000 for one year at eight per cent interest, from the Merchants' Insurance Company, and later, $25,000 was borrowed from various banks in New Orleans. This money, along with the passenger receipts from the operations of the railroad, enabled the company to continue the harbor construction until

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40Ibid., 23 July 1835, p. 2.
the following October, when once again a lack of funds threatened the company. Realizing that the policy of borrowing money could not continue indefinitely, the railroad directors tried to find other escapes from their financial vicissitudes. First, they sent an urgent memorial to Congress "...soliciting a grant of money to enable the company to complete the harbor and breakwater at Port Pontchartrain...", and second, they decided to enlarge the capitalization of the company. Congress finally responded in July, 1832, with an appropriation of $20,000 for a lighthouse on the breakwater, but this aid came too late, and would not have been sufficient to succor the railroad company in its immediate needs.\footnote{Pontchartrain Railroad Company, Minutes, 113, 143, 150-151, 159-160.}

Increasing the capital of the railroad was the most sensible solution to the financial problem of the Pontchartrain Railroad Company. In November, 1831, the directors, according to the provisions of the railroad charter, increased the capitalization by 1,000 shares of stock, making a total capitalization of $250,000. It was decided not to put the newly created shares of stock on the open market for public subscription, but instead, only the stockholders were initially permitted to subscribe for...the capital stock of the company pro rata to the amount of shares now held by them respectively." If the "allotted portion" of shares was not subscribed, it would revert to the company and be disposed of at the discretion of the directors.
This decision indicated that both directors and stockholders apparently retained their faith in the ultimate success of the venture, and still wanted to limit participation to the small number of businessmen who pioneered the railroad. With the increased capitalization, the railroad management assured the stockholders that the funds soon to be available, plus the profits made from the sale of property owned by the railroad company, would provide financial resources more than sufficient to complete the project.

In spite of these reassurances, the financial report of December, 1831, should have caused some apprehension. It showed that after spending all of the original capitalization of $150,000, and the $65,000 in loans, the Pontchartrain Railroad Company was still incapable of performing the functions for which it was created, namely, transferring cargoes from lake vessels to the city of New Orleans. Cargoes of cotton, firewood, and timber were turned away because the harbor was not completed. In the operations up to December, 1831, nearly $236,431.27 had been spent for construction purposes, and acquisition of property and equipment. The long term and short term obligations of the railroad company were $122,190.67 compared with $35,856.67 owed to the company for property it sold on long term payments. There was a balance in the treasury of only $3,008.31. The brightest part of the financial report was the income reported from

\[42\]\(^{Ibid.}, 150-151, 160.\]
passenger traffic over the railroad. Railroad receipts from the 54,437 passengers traveling between New Orleans and Lake Pontchartrain, April 23 to December 1, 1831, totaled $20,414.57.43

Despite the uneasy financial condition of the company, much work remained to be done during the first part of the coming year. There was a double track one-half mile long at Gentilly under construction. At each end of the railroad, an enclosure and shed were necessary, while bath houses were planned on the lake. These improvements, besides the harbor and breakwater, were to be completed by June, 1832. The directors had also ordered large amounts of machinery from England, including equipment for the harbor, and rolling stock necessary for successful operation of the railroad. "Three cranes, and blocks of stone to stand them in..." would soon arrive and be installed "...at the ends of the road." A steam engine had been contracted for and would be delivered in Liverpool by November, 1832, while more passenger cars and freight cars were also being ordered.44

All of these improvements including construction and machinery, were made during 1832, but not within the time allotted by the directors in their annual report of 1831. So extensive had been the work necessary to complete the harbor that the Pontchartrain railroad was not ready to carry freight until early November, 1832, a little over nineteen months after the railroad had been opened. As far as the financial

43 Ibid., 157, 159, 163-164.
44 Ibid., 158.
status of the company was concerned, the near completion of the harbor and the opening of the railroad to freight traffic had not happened in time to avert another crisis. As usual, the expense of carrying on the construction, and purchasing equipment forced the company again to borrow money. In November, 1832, "...a loan was negotiated with the City Bank of New Orleans for $50,000 in fifty--$100 bonds." But the Pontchartrain Railroad Company was in more serious difficulty this time than simply insolvency. The public began to lose confidence in the venture, and Pontchartrain railroad stock declined in value. Nevertheless, receipts from passenger traffic were still encouraging. The company grossed $31,000 from passenger fares between April and October, 1832, the most serious construction problems had been dealt with, and perhaps now the tide of the company's fortunes would turn for the better. The directors still hoped the situation would improve in spite of the depreciation in the value of the company's stock.45

The financial outlook of the Pontchartrain Railroad Company throughout 1833 was far from encouraging. In March of that year, individual directors had to put up money from their own pockets to pay the company's obligations because the company treasury was nearly empty. Apparently the corporation experienced difficulty at this time in procuring loans, and the directors had to be personally responsible for short term loans made to the company. At one directors' meeting, it

was resolved that the President "...issue a note for four thousand dollars at four months...and that all members present be responsible for the same." By December, 1833, the cost of the railroad and harbor had climbed to a staggering figure. The directors reported that "...the rail, track, harbour, machinery, real estate, negroes, etc..." had, up to that time, cost $443,433.75, "...to which may be added the additional amount required for machinery and completion of the road--$18,600." This sum placed the total probable cost of the railroad at approximately $462,033.76, and the company owed long term obligations in excess of $100,000. In forecasting the company's operations for the coming year, the directors could, at best, present only a pessimistic report. The debts of the company due in 1834 were over $98,000, while income was estimated at only $94,000, leaving an expected deficit of $4,000. But these figures did not present the true picture. They took no cognizance of the costs of operating the road, a factor that would increase the railroad's estimated deficit considerably.

The financial history of the Pontchartrain Railroad Company in the years immediately to come was a continual story of success being just around the corner. In the report of December, 1834, the directors gave assurances that the railroad and harbor works would "...soon yield some returns for the large expenditures bestowed on them...", while the traffic between Port Pontchartrain and Mobile, "...now being carried on

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46 Ibid., 254.
47 Ibid., 299-301.
exclusively by steamboats...will greatly increase our passage receipts."

By the end of 1835, the directors predicted, the Pontchartrain Railroad Company should be able to pay dividends of eight to ten per cent on the capital stock. But these happy days of high dividends never arrived. Although the revenue from the railroad was over $100,000, "...it has been absorbed in the construction and repairs of the harbor." The dual functions of operating a railroad and maintaining a harbor were too much.

Although the Pontchartrain Railroad Company had experienced financial difficulties throughout its operations before 1835, the management of the company up to that time was relatively conservative during a period when business conservatism yielded to the frenzy of the speculation mania that preceded the panic of 1837. But in 1835, the Pontchartrain Railroad Company was finally caught up in the improvement company whirl that swept Louisiana. The leaders of the Pontchartrain railroad thought they saw a way out of their difficulties through expansion. Almost starry-eyed, it would seem, they planned an extension of the Pontchartrain railroad eastward along Lake Pontchartrain to Lake Borgne, the Rigolets, Chef Menteur, or Bayou Bienvenu. If previously they had overestimated the volume of the eastern coastal trade on Lake Pontchartrain, this error could be rectified. Why not

48 Ibid., 351.
49 New Orleans Bee, 10 November 1835, p. 2.
take the Pontchartrain railroad to the Gulf, where vessels of the seven seas could be accommodated? In short, these promoters proposed to build the Pontchartrain railroad to a rainbow, but they failed to see that there was no pot of gold at the end. 50

Impractical as the Pontchartrain railroad extension was, the idea of providing New Orleans with an access to the sea other than the Mississippi River appealed to many internal improvement promoters during the 1830's. For example, in 1832, the Louisiana legislature chartered a canal company for this specific purpose. This organization, the Lake Borgne Navigation Company, received power to "...construct between Bayou Mazant [which flowed into Lake Borgne] and some part of the city of New Orleans or its faubourgs, a canal for all vessels drawing six feet of water." 51 When the Lake Borgne Navigation Company failed to make any definite progress with its project, the legislature in the following year created another improvement company and bank, the Citizens' Bank of Louisiana, which would either aid, or replace, the Navigation Company. The Citizens' Bank of Louisiana, capitalized at $12,000,000, received authorization to subscribe for the stock of the Lake Borgne Navigation Company, but if the latter failed to dig a canal, the Citizens' Bank could itself construct a canal from Lake Borgne or any bayous flowing into it, to the Mississippi River. The Citizens' Bank could also build a railroad "...to communicate from beyond the line

50 Pontchartrain Railroad Company Minutes, 393.
51 Louisiana, Acts, 10 Legis., 3 Sess., 1832, p. 84.
of the Pontchartrain railroad, and any point or points between the river Mississippi, the Gentilly, and Chef Menteur road, and extending to and in the Parish of St. Bernard. After creating the Citizens' Bank of Louisiana, the legislature was still not satisfied that the possibilities for tapping the eastern trade were more than exhausted. Thus, in the spring of 1834, another improvement company was created, the St. Bernard Railroad Company, with authority to construct a railroad from the Mississippi River to Bayou Terre aux Boeufs, which flowed into Lake Borgne. The climax to this improvement company folly came in 1835 when the legislature authorized the Pontchartrain Railroad Company to extend a branch to the east.

Obviously, the first three improvement companies, if they pursued their objectives, would offer serious competition to the struggling Pontchartrain Railroad Company, but in 1835, this competition was still far in the future. There was another improvement company, however, that would, within a short time, threaten the Pontchartrain Railroad Company's monopoly of the Lake Pontchartrain trade. This was a canal project undertaken by the New Orleans Canal and Lanking Company, chartered in 1831 with $4,000,000 capital, to construct a "...canal from some part of the city or suburbs of New Orleans, above Poydras street, to Lake Pontchartrain." Although the New Orleans Canal and

52 Ibid., 11 Legis., 1 Sess., 1833, pp. 172, 183-184.
53 Ibid., 11 Legis., 2 Sess., 1834, p. 133.
54 Ibid., 10 Legis., 1 Sess., 1831, pp. 38, 44.
Banking Company had six years to complete the canal, work progressed so rapidly that the *New Orleans Bee* could assure its readers in the fall of 1835 that the New Orleans Canal would be opened for navigation sometime in the following January.\(^55\) This six and a quarter mile waterway connected the upper faubourg, St. Marie, with the lake. In the sectional rivalry of New Orleans for the lake trade, the canal represented the answer of the business interests in Faubourg St. Marie, to the chartering of the Pontchartrain Railroad Company by the businessmen in the lower Faubourg Marigny. The potential danger of the New Orleans Canal to the Pontchartrain railroad was, no doubt, apparent to the railroad directors long before the *New Orleans Bee* claimed, in the fall of 1835, that the canal "...can monopolize the whole of the trade on the lakes to this city from the interior of the eastern part of the state; from Mobile; and the interior of Alabama...".\(^56\) With an economic struggle soon to begin between the New Orleans Canal and the Pontchartrain railroad, and with the potential threat from the Lake Borgne Navigation Company, the Citizens' Bank of Louisiana, and the St. Bernard Railroad Company, it was little wonder that the directors of the Pontchartrain Railroad Company embarked upon their wild scheme of expansion toward the Gulf.

In addition to the authorized extension of the Pontchartrain railroad to Lake Borgne, the Rigolets, Chef Menteur, or Bayou Bienvenu, the company received other powers and privileges not granted in the original

\(^{55}\) *New Orleans Bee*, 23 October 1835, p. 2.

\(^{56}\) Ibid.
Pontchartrain railroad charter. The capitalization, then at $250,000, could be enlarged by the directors up to $500,000, and the charter monopoly, formerly fixed at twenty five years, was extended to thirty five years beyond the date of the amending act. Throughout 1835, after the passage of the amending act, the company management began to make plans and estimates for the extension of the railroad. After consulting an engineer, the directors recommended a route "...along the Gentilly Ridge to Fort Wood at Chef Menteur...", and reported to the stockholders that "...the cost of the road would not exceed $100,000...", while construction of the buildings at the end of the road would require about $30,000. These low estimates must have come as a startling surprise to some of the more thoughtful Pontchartrain railroad stockholders who, during the past five years, had witnessed the expenditure of nearly $475,000 just for four and one-half miles of railroad and the harbor.

It would appear from their recommendations that neither the engineer nor the directors understood the immensity of the task of building the Pontchartrain extension, because there was a most important omission from their report to the stockholders. No mention was made of the port facilities that would be necessary for the vessels arriving at the proposed Chef Menteur terminus of the railroad. Could

57 Louisiana, Acts, 12 Legis., 1 Sess., 1835, pp. 133, 207.
58 Pontchartrain Railroad Company, Minutes, 393.
it have been possible that the railroad directors, who had spent thousands of dollars on Port Pontchartrain during the previous years, believed they could build a railroad to the sea without providing port facilities there also? The seeming naivete with which the Pontchartrain railroad management approached the Lake Borgne extension must have been either the result of appalling ignorance and inability to learn from past experience, or of outright dishonesty, aimed at deceiving the stockholders as to the financial ramifications of the contemplated project.

Whichever was the case, by the beginning of 1836, there was more awareness of the expenditure necessary for the Lake Borgne extension, and the legislature was asked to give the railroad company more privileges and powers in order to pursue the task. The promotion of the railroad extension received encouragement also from the New Orleans Bee. The state government had "shamefully neglected" the Pontchartrain railroad, said the Bee. "The state should subscribe for shares of its stock...The company are entitled to banking or insurance privileges...They should have their charter amended to this effect..." at the next meeting of the legislature.59 In response to the pleas of the railroad company, and the stings of the Bee, the Louisiana legislature lavished additional privileges on the Pontchartrain Railroad Company early in 1836. The company's capitalization could be increased, if necessary, by adding 10,000 shares of stock, making a total possible

59New Orleans Bee, 10 November 1835, p. 2.
capitalization of $1,500,000. In addition to enlarging the capital structure, the legislature gave the directors power to negotiate a long term loan by issuing railroad company bonds up to $500,000 for twenty years at five per cent interest. And further, the legislature granted the company banking privileges. 60 The Pontchartrain Railroad Company thus became an inflated, speculative shell, like most of the improvement companies in Louisiana immediately before the crash in 1837.

The Pontchartrain railroad bubble quickly deflated with the panic of 1837. What remained afterward was an insolvent railroad company, in possession of its track, its port, its equipment, and also a generous supply of the same problems that had hampered the company throughout its existence, but now were magnified as a result of the panic and depression. By the end of 1837, the railroad directors, still wrestling with the depressing financial condition of the company, needed money, as usual, "...in order to complete a new track, and improve the harbor." Again the legislature was called upon, this time to authorize the mortgaging of the railroad. In response, the legislature permitted the Pontchartrain Railroad Company "...to negotiate such loans as they may deem necessary, upon their bonds...and to secure the payment of the same by granting mortgages upon their Rail Road or any other property..." belonging to the company. 61 In this manner, the

60 Louisiana, Acts, 12 Legis., 2 Sess., 1836, pp. 39-42. See also, Chapter 1, p. 7.
Pontchartrain Railroad Company limped along on a hand to mouth existence throughout the remainder of the 1830's, and all during the 1840's. During the railroad boom of the 1850's, the company again embarked upon a program of expansion, this time to Mobile, but the venture was unsuccessful. 62

In addition to the chronological account of the Pontchartrain railroad's construction, and its economic fortunes and misfortunes, there were many other facets of the company's operations that were of interest and importance. While many of the activities of the railroad were the outgrowth of its functioning strictly as a railroad, others were not. Occasionally the company branched out into areas of economic activity not directly related to the operation of a railroad, of which the construction of a harbor was only one. Some of the experiences of the railroad as a construction company, as a business organization, and most important of all, as a pioneer railroad in an era without guides and precedents for pioneer railroads, should be aired. These areas of activity crossed a variety of subjects, including labor problems, rolling stock and locomotion, auxiliary transportation to the railroad, accumulation of railroad property and real estate developments, responsibilities of common carriers, and railroad tariffs.

Finding skilled labor in New Orleans proved to be difficult, if not sometimes impossible, and most of the specialized work on the Pontchartrain railroad and harbor was done by contract labor from the North. At times, it was even hard to procure a sufficient force of unskilled laborers. The cost of labor represented a surprisingly large percentage of the construction costs of the railroad, at least during the first eight months of operations. In December, 1830, the railroad directors reported that $71,888.58 had been spent up to that time in building the road. This amount included costs of labor, timber and iron supplies, draft animals and vehicles, and the expenses of maintaining the railroad offices. Of this sum, $34,715.72, or nearly fifty per cent, went for labor. Itemized, the labor expenses included the salaries of the engineers, $3,032.57; the wages of common laborers, including victualling, $23,049.90; and the wages of carpenters, $8,375.09. The laying of the superstructure and the building of the harbor, having begun after this December report was submitted, it could probably be assumed that the labor costs of the Pontchartrain Railroad Company later occupied a greater proportion of the total costs of construction because these tasks required more highly paid skilled laborers. The high cost of labor worried the Pontchartrain railroad directors, and proposals were occasionally made to purchase slaves. Although the railroad company frequently hired slave labor to perform some of the unskilled

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63 Pontchartrain Railroad Company, Minutes, 68.
tasks in the construction of the railroad, it owned no slaves until 1833. At that time, the directors decided to buy eleven slaves for $10,170, and in 1835, eleven more for $11,435. This heavy expenditure for slaves was justified with the high cost of labor argument. "For when it is considered that more than $50,000 of wages have been paid since five years, it will be seen how advantageous it would have been..." to have purchased slaves at the beginning. The directors, in estimating the cost of labor at $50,000, probably placed the figure much too low. Nevertheless, it would have been impossible to dispense with imported skilled labor and substitute slave labor in building the railroad despite the beliefs of the directors to the contrary.

If labor was scarce and costly, so also was the available supply of rolling stock. The railroad directors placed the first order for rolling stock in England almost as soon as workmen's axes began clearing the forests along the right of way to the lake, but the English firms were incapable of filling the orders immediately. By 1831, with the opening of the railroad expected in the spring, the directors began looking elsewhere for coaches and freight cars, but were only slightly more successful. They found only one passenger car and one baggage car, and purchased the same from Richard Inlay of Baltimore for $1,259.75. In the meantime, the railroad management, almost in desperation, sent to both Baltimore and New York for carriage parts to be assembled in New Orleans. From New York, they received "four

64 Ibid., 392.
setts of wheels" upon which local carpenters would construct carriage bodies, while ". . . the president [was] authorized to correspond with Mr. Williams of Baltimore to obtain the running gear of two carriages, on his improved patent plan . . .", if the price did not exceed $200 each, delivered in Baltimore. Finally, the railroad company turned to local craftsmen to manufacture metal parts for railroad carriages, but the results were sorely disappointing. The directors "... applied to the establishments in our city to make the necessary castings and works for additional carriages. They regret to say that, although they agreed to pay high prices . . . the materials have proved bad and the workmanship worse." The shortage of passenger and freight cars continued throughout 1832.

In the matter of motive power for the railroad, the management vacillated between horse and steam power. After deciding on steam power, however, the orders placed in England for locomotives could not be filled immediately. Thus the Pontchartrain Railroad Company had to rely upon horse power for nearly a year and a half after the opening of the railroad. Although the directors for a time contracted for horses to draw the cars, they later decided to purchase draft animals for the railroad, and eight horses, valued at $130 per head, came into the possession of the company. The period of horse drawn vehicles on the Pontchartrain railroad would be short, for the company's  

65 Ibid., 87.  
66 Ibid., 155.
locomotive arrived from England in September, 1832. This "steam car", the first railroad locomotive to operate in Louisiana, puffed along the tracks of the Pontchartrain railroad for the first time on September 18, 1832, and perhaps caused more excitement and enthusiasm than even the opening of the railroad. The Pontchartrain, as the new locomotive was named, could transport "...one hundred passengers at a speed of thirty miles the hour, and can convey to the lake in twenty minutes the cargoes of the largest vessels in that trade." The railroad management was most satisfied with their new acquisition, and claimed that the use of horse power "...caused more than double the expense attending the use of steam..." and was five times less efficient. 67

The Pontchartrain had been operating only three days when misfortune befell the new steam engine. As the locomotive with its cars returned to New Orleans from a trip to the lake, "...she came in contact with a cow between Hopkins' plantation and Marigny's Canal, which ...threw her off the road into the ditch." None of the passengers suffered injury or loss of life, but the Pontchartrain was damaged, causing its disability for a few days. 68 Railroad officials as well as railroad well-wishers took all precautions possible to prevent accidents which "...are highly prejudicial in the infancy of all great clashing interests." 69 One cause for alarm to the Pontchartrain railroad management, especially during the early days before the novelty

67 Ibid., 143-144, 234-235.
68 New Orleans Louisiana Advertiser, 20 September 1832.
69 Ibid., 26 April 1831.
of the railroad wore off, was the "...motley groups of children of all colors, ages and descriptions who, in spite of remonstrances and the whip, not only too closely approach, but actually attach themselves to the Cars...". Nevertheless, loss of life on the Pontchartrain railroad was seldom heard of, while injury occurred only occasionally when some incautious person like "...Dr. Dalton of this city...fatuitously [sic] followed the engine when separated from the cars, which diverging into a different track threw him down unawares; and broke one of his legs." After nearly four years of operations, the railroad management reported with some satisfaction that almost 498,000 passengers had been transported over the Pontchartrain railroad with the occurrence of only one injury.

The introduction of steam locomotion on the Pontchartrain railroad had its hazards and annoyances as well as its benefits. In addition to the profusion of unearthly noises that accosted contemporary ears unaccustomed to it, volumes of escaping sparks from the chimneys of the pine-burning locomotives created a fire hazard to buildings adjacent to the railroad as well as irritation to the passengers in the open coaches. The railroad management accepted this situation passively at first, but eventually they decided something must be done about the sparks. Thus, advertisements appeared in the New Orleans papers offering $500 for the invention "...of a machine or plan to prevent the

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70 Ibid.
71 New Orleans Bee, 31 June 1835, p. 2.
72 Pontchartrain Railroad Company, Minutes, 351.
escape of sparks from the chimney of locomotive engines." Throughout the summer of 1836, the railroad company put aside one of its locomotives for use experimentally by the various spark control inventors, and by September success was achieved. Mr. H. Turner, a New Orleans engineer, invented a contraption that not only controlled the sparks from the locomotives, but also prevented "...those sooty particles escaping, which are nearly as injurious to clothing as the sparks."

In a trial run from the Mississippi River to the lake, "...the Fulton locomotive was placed...at the head of a train of freight and passage cars, with a car reserved for the directors in the rear, without a cover...[and] not twenty sparks could be discerned from the chimney of the locomotive..."74

In addition to operating the railroad, the directors were also interested in other modes of transportation. Mention was frequently made in the company Minutes of water craft on Lake Pontchartrain belonging to the railroad company, including scows, skiffs, and the steamboat General Coffee. The railroad company apparently acquired the steamboat early in 1830 to use in hauling shells, both for use on the harbor and roadbed, and for sale in New Orleans. For the maintenance of the General Coffee, the directors had to hire a full time employee, the "patron of the boat," at thirty dollars per month. The operation of the steamboat was not lucrative before the pier and harbor were

73 New Orleans Bee, 26 May 1836, p. 2.
74 Ibid., 7 September 1836, p. 2.
readied to handle lake boat cargoes, thus, when it was obvious to the directors "...that the expenses of the steamboat General Coffee exceeded her earnings, it was on motion resolved that...she be laid up until shells can be brought to better advantage..." Later, after the completion of the pier, the railroad company successfully used their steamboat to tow rafts of timber across the lake. With this innovation, the directors claimed to have greatly lowered the price of timber in New Orleans. 75

The railroad directors were also interested in developing auxiliary land transportation, and readily listened to proposals of teamsters to operate passenger carriage service in conjunction with the railroad. In response to "...the proposition of Messrs. Lewis and Pitcher to establish omnibus carriages to run in connexion with the railroad cars, from Canal street to the head of Canal Marigny, at the fare of 12½ cents..." per passenger, the directors in 1831, contracted with these men to operate two carriages for six months. They agreed to pay the teamsters $100 per month "...on condition that...said carriage run at least 7 times each day at such hours as to meet the times of departure of the railroad cars." 76 In the meantime, another teamster apparently began carriage service on his own initiative. In April, 1831, C. Robertson informed the public that he would operate the City and Faubourge State three times daily from Belle Chasses in Lafayette Parish to the railroad. 77

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75 Pontchartrain Railroad Company, Minutes, 25, 131, 238.
76 Ibid., 91.
77 New Orleans Mercantile Advertiser, 7 April 1831.
The Pontchartrain Railroad Company adopted its first formal tariff in August, 1834, nearly two years after the opening of the railroad to freight traffic. Although the Louisiana legislature had established maximum rates on selected bulk commodities in the railroad charter, the tariff drawn up in 1834 by the directors bore little resemblance to this crude statutory rate fixing. The new rate schedule extended far beyond the legislative rates to include numerous additional commodities. Rates were quoted on the basis of different commodity characteristics such as weight difference, size of container, and sometimes, value. These early railroad rate fixers probably never heard of the more modern concept of commodity rates and class rates, although they probably comprehended in a rudimentary way the principle involved. For example, some of the rates were discriminatory in favor of bulk commodities such as cord wood, lumber, sand, shells and bricks, items which today would be listed under commodity rates. Because of the low value of these items in comparison with their bulk, lower rates were necessary in order to get the commodity to move, called commodity rates. The other listed commodities were priced according to particular characteristics such as size and weight, with the emphasis on size as the basic measurement. Thus, the Pontchartrain railroad directors placed rates on certain commodities according to their packaging, with pipes, hogsheads, boxes, casks, crates and tierces commanding rates between twenty

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78 See Chapter 2, pp. 29-32.
and thirty two cents each. But there was also discrimination among commodities according to their value. A hogshead of valuable liquor or sugar was transported for thirty two cents, whereas hogshead filled with hams or bacons, or completely empty, commanded a rate of only twenty six cents. Perhaps here was a crude forerunner of the class rate system. 79

Passenger rates of thirty seven and one-half cents one way had been written into the charter by the legislature. Nevertheless, even in those early days of railroading, there was a way to avoid the rates and practice discrimination among persons. The chief way was by issuing free passes. The company made a practice of giving free passes to stockholders and other privileged persons. Thus, "...each stockholder received each month one ticket for each share of stock held in the company." "The lessee [sic] of the company establishments at the lake..." had permission "...to pass on the railroad gratis," while the cooks at the railroad owned Washington Hotel at the lake, rode on the railroad to do their marketing once every day free of charge. The railroad directors also issued passes for more dubious purposes. They used free passes to induce buyers to purchase lots in the railroad company's real estate development. In an attempt to promote the sale of lots in the new Faubourg Darcan tel, the company management ruled that "...each person who may purchase a lot of the company in said faubourg, improve and reside on the same, shall be entitled to pass

79 Pontchartrain Railroad Company, Minutes, 340.
on the road in the company cars between said fauxbourg and the city Gratia..." This privilege, extended in 1832, lasted until the end of 1840. The utilization of free passes for this purpose was an example of the abuse of a monopoly privilege granted to a transportation agency in order to further its other enterprises and discriminate against competitors who also owned land along the route of the railroad.

In the matter of real estate development, however, it was quite natural and expected that the Pontchartrain railroad directors would take advantage of the increasing property values resulting from the construction of their own internal improvement. In acquiring a right of way, the company, almost reluctantly at the time, came into possession of much property which later proved to be very valuable. These acquisitions included the Darcantel plantation, land along the Marigny Canal, property at the lake terminus of the railroad, and lots in Faubourgs Marigny and Franklin. It was ironic that the businessmen who promoted the Pontchartrain railroad complained so loudly when the company was almost forced to buy the Darcantel plantation. Certainly if these men never heard of the words 'unearned increment,' they understood their practical application. Having witnessed the rapid expansion of New Orleans' population and trade during the 1820's, and being aware that this trend would continue, only fools could fail to

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80 Ibid., 124, 193, 254.
81 Ibid., 174.
comprehend the value of lots along a successful railroad. The Pontchartrain directors grasped this fact by the summer of 1830, if not earlier.

In June, 1830, the railroad management ordered the Executive Committee to make plans of all the company real estate holdings "...that the same be divided or laid off in Lots in such manner as may appear to them best calculated to promote the interests of the company should a sale of it at any time be deemed expedient." The sale of lots by the company began almost before the opening of the railroad and proved to be most profitable. In Faubourg Franklin, lots 40 feet by 120 feet were surveyed and offered for sale in March, 1831. The railroad company extended long term payments to the purchasers, one quarter within four months, and the balance within one to three years. The directors put across a very astute real estate transaction when they sold the property acquired from the Destrechan plantation. This "six squares of ground," purchased by the railroad company for $5,000, sold in 1831 for $37,195, leaving a profit of $32,000.

One of the most valuable, and also, most controversial, of the Pontchartrain Railroad Company's real estate developments was the Darcantel plantation. Obviously, the longer the railroad company

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82 Ibid., 40-41.
83 Ibid., 92.
84 Ibid., 159.
retained this property, the more valuable it would become, but the directors for some unknown reason seemed in a hurry to dispose of it. In June, 1831, they voted to sell it at public auction after the land had been laid out into lots, but the auction was not held. In May of the following year, the directors again decided it was time to dispose of this property and "...resolved that the Darcantel plantation be sold at public auction on Monday the 4 June on a credit of 1.2.3.4. & 5 years..." Whether this decision was made surreptitiously without informing the stockholders, whether the directors connived to sell the property for the personal gain of themselves and their friends, or whether they merely wanted to bring money into the insolvent railroad's treasury, could only be surmised. Nevertheless, twenty minutes before the auction began, the commissioners in charge received a written declaration from some of the railroad stockholders protesting the sale. Because of the lateness of the protest, the auction began on schedule and the property sold, but the matter was not closed. In a message to the President and the Directors of the railroad company a few days later, the opposition stockholders warned that they could not "...suffer the circumstances of the Darcantel plantation being exposed for sale at the worse season of the year and under the worse unfavorable circumstances to pass unnoticed..." In fact it was alleged, the railroad company could not even give a clear title to the property because many of the Darcantel's heirs were not of age. If the directors proceeded to consummate the sale, the protesting stockholders threatened to contest its legality and hold each director "...personally liable for the
damages they will suffer." The outcome of the controversy remained unknown, but it did represent the first instance of serious disharmony within the ranks of the company.

If the railroad management did not always make the best decisions on the sale of company real estate, they exhibited far-sighted planning in the construction of recreation facilities at the lake. Even before the completion of the railroad, some of the directors suggested that a "house of entertainment and reception" should be built to take care of passengers at the lake. "The company would expose themselves to the just ridicule of the public...if they propose to carry down passengers and empty them out on the lake shore without shelter or retreat." The proposal was adopted, and during the spring and summer of 1831, the railroad company built an hotel costing $8,000. Later, bathing facilities for both ladies and gentlemen were added. Whether the directors originally intended to manage the hotel themselves was uncertain, nevertheless, in the summer of 1832, they leased the company's Washington Hotel for one year at $1,200. The railroad management glowingly described their hostelry on the lake shore as "...one of the most extensive hotels in the southern country..." Although these claims were grossly exaggerated, the establishment was a necessary and important innovation, and a haven for lake boat travelers to Port Pontchartrain as well as an attraction to city dwellers seeking

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85 Ibid., 122, 190, 194-195.
86 Ibid., 88, 162, 233-234.
recreation and escape. The existence of the Washington Hotel and other facilities at the lake probably increased considerably the passenger receipts of the railroad.

Although the overwhelming majority of the passengers using the Pontchartrain railroad were sight-seers seeking recreation at the lake, the railroad, as a link in the transportation system between New Orleans and the east, also accommodated numerous passengers traveling to and from Mobile and elsewhere. This type of passenger traffic placed extra duties on the railroad in handling baggage and providing other passenger accommodations, responsibilities which the company was not always willing to assume. During this early period of railroading, the responsibilities of common carriers still were not clearly defined either by statute or by court action, thus the railroad company held almost arbitrary power in deciding whether or not it was negligent in the loss of baggage and freight, and if so, the damages it should pay. Under these circumstances, the Pontchartrain railroad directors could resolve in 1832 "...that the Railroad company cannot recognize the claims of Mr. Francisco Martinez for the contents of a trunk said to have been lost on the Road."\(^{87}\) The directors were not always loathe to assume responsibility, especially if a claimant for damages was in a position to bring the company to task, either by exerting economic power, or by the courts. When Captain Webb of the schooner Magnolia complained that the railroad lost "...2 casks of hams and one barrel

\(^{87}\)Ibid., 241.
of whiskey, for which he had the receipt of the company and which were not found on board on landing the cargo at Mobile..." the directors decided to accept responsibility and pay damages. Another time, the company assumed responsibility for the loss of "a box of merchandise" when the complainant threatened a law suit.88

In 1844, the problem of the responsibility of common carriers in Louisiana received an airing in the case of Loban versus the Pontchartrain Railroad Company, tried in the Commercial Court of New Orleans under Judge Watts. Actor C. A. Loban, while transferring from a Mobile packet to the railroad, suffered the loss of a trunk containing highly valuable and immediately irreplaceable costumes and other effects connected with his profession. Upon failing to receive satisfaction from the railroad directors, he initiated litigation against the Pontchartrain Railroad Company for damages. The issue in the case was whether the trunk constituted baggage, or freight. "If carried as freight, it is delivered to the clerk, booked and paid for. If carried as baggage, it is supposed to be accompanied by the person of the passenger, whose presence and the degree of attention which he gives to his personal baggage, materially lessens the responsibility of the carrier." The absurdity of classifying actor Loban's trunk as baggage was readily obvious. In his decision, Judge Watts ruled that "...if a package in the shape of a trunk, and having the appearance of personal

88Ibid., 270-271, 276.
baggage...is not accompanied by the passenger...it ought to be delivered to the clerk, addressed to a consignee, and treated and paid for as freight." He observed that both railroad companies and steamboat owners in the South and Southwest failed to assume their proper responsibilities, and in this particular case, the Pontchartrain Railroad Company was negligent in caring for the baggage of the passenger. The court awarded Loban $812, plus costs of the suit.89

The story of the Pontchartrain railroad has quite often been a somber one. The darker aspect of its history embodied its troubled financial existence from which there was no escape. Not only was the company unable to reward its stockholders for their capital risks, but it could not even balance its own books. Nevertheless, the railroad that never paid dividends in its early years had important economic effects upon the area it served. Its emergence into the economic life of New Orleans in the 1830's altered the course of the eastern trade for smaller craft capable of sailing on Lake Pontchartrain. The Pontchartrain railroad, with its costly Port Pontchartrain, as its builders intended, gave impetus to the intrastate trade on the lake as well as the coastwise trade from New Orleans to Florida. One consequence of the railroad was the opening of steamboat operations across Lake Pontchartrain to the Florida Parishes. This service began soon after the opening of the railroad and continued irregularly at

non-scheduled intervals until 1839. In that year, the steamer *Mazeppa* began regular service between New Orleans and Covington, with stops at intermediate points along the way. More important than the lake trade were communications to the east. For years before the opening of the railroad and port, the swiftest means of travel eastward was by packet through the canal, Bayou St. John, and Lake Pontchartrain, to Mobile. For want of anything better, this route was laboriously followed by travelers as well as by the United States mail. With the completion of the railroad and the inauguration of steam packet service in the coastwise trade, travel was easier, faster and safer.

So was trade in comparison with the old water route to New Orleans. A short time after the opening of the railroad for freight traffic in 1832, the directors reported that several vessels unloaded their cargoes at Port Pontchartrain and departed, "...while from the low stage of water at the bayou no vessel could during that period either enter or depart with cargo." The shallowness of the bayou prohibited many a captain from loading his vessel with a full cargo. For example, Captain Loomis of the vessel *Mobile*, claimed that "...if I were sure of plenty of water, say six feet at low water, I would bring in at least eighty tons, and take out at least fifteen tons more, which would increase the amount of tonnage seventy five tons each trip...But in consequence of the law water, we do not like to bring those heavy

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91 Pontchartrain Railroad Company, Minutes, 235.
articles except for ballast." 92

There was no doubt that "trading up the bayou" left much to be desired from the standpoint of time, expense and efficiency. Captain Loomis reported that it cost over fifty dollars in "bayou fees" to bring his sixty-seven ton vessel from the lake to New Orleans. In addition, "...the time in coming up and going down the bayou... in consequence of low water is at least four days each trip." These four days cost the thrifty captain dearly. For his regular crew of eight men, he paid $1.25 per day, or a total of forty dollars, and for the trip on the bayou, it was necessary to hire two extra men each way at $2.50, or a total of ten dollars. The cost of labor, along with other expenses, brought the direct and indirect costs of using the bayou to $107.00. 93 Obviously, the completion of the Pontchartrain railroad was a boon to smaller vessels in the eastern trade.

The existence of the railroad also speeded up shipping on the lake. After the railroad was finished, "...a vessel engaged in bringing wood has made her trips every forty-eight hours while the same vessel averaged a trip per week when trading up the bayou." 94 Since one vessel could deliver in a week three times as much wood as before, there probably were lower prices for wood on the New Orleans market as a result of the more plentiful supply. In the timber trade, the railroad directors showed no hesitation in claiming credit for reducing the

92 Ibid., 235-236.
93 Ibid.
94 Ibid.
price of timber in New Orleans. They accomplished this price reduction by towing rafts of timber across the lake by steamboat. As a result of this innovation, it was claimed, the price of timber was reduced from twenty-five cents per foot, to seven and eight cents per foot.  

Although the Pontchartrain railroad opened a new avenue of commerce for small coastal vessels, this accomplishment was probably not its greatest economic contribution to New Orleans. The city certainly needed more accessible port facilities, but the Pontchartrain railroad did not, and could not provide the type of port necessary because of the physical limitations of shallow Lake Pontchartrain, whereby only small vessels could ply its waters. Two illustrations of the failure of Port Pontchartrain were, first, the attempt of the Pontchartrain Railroad Company itself to build an extension to Lake Borgne, and later, the efforts of the Mexican Gulf Railroad Company to connect New Orleans by rail with the Gulf of Mexico. The reliance of the Pontchartrain Railroad Company upon the lake trade proved to be a failure financially, and did not justify the project economically. Despite the large number of entries reported at Port Pontchartrain in 1835, there were not enough small coastal vessels to provide the port and railroad with a volume of business necessary for profitable operations. In the meantime, the railroad after 1835 suffered from the competition of the New Orleans Canal.

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95 Ibid., 238.
96 See above, p. 132.
If the most important economic effect of the Pontchartrain railroad was not the stimulation of lake trade and commerce, what then was left, since the promotion of this trade was the chief goal of the railroad's promoters? A clue to the answer, and also to the future of the railroad, was seen in the early reports of the Pontchartrain railroad directors on the passenger traffic over the road. In fact, passenger receipts were the most comforting aspect of the whole financial picture of the railroad. In December, 1831, the directors reported that 54,437 passengers rode on the railroad since its opening in April, grossing the company over $20,000. During 1832 and 1833, before the railroad began handling lake boat freight, passenger receipts averaged between $20,000 and $30,000 each year, and by the end of 1834, the company reported that nearly 498,000 passengers had traveled over the railroad since its opening. While the lake trade failed the railroad, the passenger traffic did not. Looking at the Pontchartrain railroad in retrospect, there was evidence even in 1835 that the destiny of the road would be linked with an embryo New Orleans street railway system. The passenger schedule published in June of that year was indicative of this fact.

Perhaps the most important function of the Pontchartrain railroad in the two decades before 1850, then, was the role it played in the settlement of New Orleans' expanding population. This period was one of unprecedented growth in population, with hoards of settlers flooding

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97 Pontchartrain Railroad Company, Minutes, 159, 163-164.
98 Ibid., 351.
into the city and overflowing into the faubourgs. The Pontchartrain railroad facilitated a great real estate development, and at the same time, unwittingly provided for its own future. People who settled along the railroad became its fare-paying passengers. The recreation facilities at the lake, made possible by the existence of the railroad, were also important passenger attractions. Even while the directors and stockholders of the railroad were thinking in terms of the lake trade, the true function of the Pontchartrain railroad as a part of the street railway system of greater New Orleans was already appearing.

Much has been said of the real estate developments of the Pontchartrain Railroad Company, but there were also other land developments of some significance along the railroad. One property holder on the route of the railroad who exploited the increasing value of his land was Alexander Milne. This sharp Scotsman, long before the introduction of the steam railroad, became impressed with the idea that land along the shore of Lake Pontchartrain would someday be valuable. Over the years he invested large sums of money in lake shore property, and by 1838, had acquired some twenty miles along the lake extending from the Rigolets to Jefferson Parish. When the Pontchartrain Railroad Company began building its railroad, Milne's day had arrived. In 1830, he began surveying his land for lots even ahead of the railroad company, and his land operations made him a wealthy man. Estimates of the extent of Milne's real estate transactions, based on hearsay evidence, ranged as high as $3,000,000. Once he received a sum of $3,600 for

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100 Kendall, History of New Orleans, II, 640.
one lot, and it was reported that he took in $122,445 for the sale of 121 lots in his lake shore suburb, later named Milneburg in his honor. 101 Probably other property holders along the railroad also did well in developing real estate. The stimulation to urban settlement was a unique contribution of the Pontchartrain railroad. As the economic fortunes of the area changed, and the lake trade declined in importance, the financially battered Pontchartrain Railroad Company fell back upon the people in the faubourgs it helped create.

Chapter V

NEW ORLEANS AND HER LOCAL RAILROADS (PART II)

With the opening of the Pontchartrain railroad in 1831 and its completion in 1833, the promotion of railroad construction around New Orleans had barely begun. Three other railroad companies were chartered by the legislature between 1833 and 1837 with the purpose of improving New Orleans' transportation system. The supporters of these three companies, the New Orleans and Carrollton, the New Orleans and Nashville, and the Mexican Gulf, unfolded plans which, they claimed, would not only bring greater glory and commercial prestige to that expanding entrepôt city on the lower Mississippi, but also provide a rich harvest of stock dividends to the promoters. One of these railroads, the New Orleans and Nashville, a most ambitious project for the times, was a story in itself, and could not be classified as a purely local New Orleans railroad. The other two railroad companies chartered during this period had more modest goals directly related to New Orleans' local transportation problems. The New Orleans and Carrollton Railroad Company, created to operate an eleven and one-half mile railroad along the Mississippi River between New Orleans and the rural Carrollton district, greatly facilitated the settlement of New Orleans' suburbs and eventually became part of the street railway system of the city. The Mexican Gulf railroad, constructed to provide New Orleans with a deep water port on the Gulf of Mexico, was never completed and contributed nothing to the growth of New Orleans.
This railroad company left behind a legacy of debt to the state of Louisiana, which unwisely extended financial support to the ill-conceived venture.

THE NEW ORLEANS AND CARROLLTON RAILROAD

The New Orleans and Carrollton Railroad Company, incorporated three years after the Pontchartrain Railroad Company, built New Orleans' second railroad. Chartered by the Louisiana legislature in the spring of 1833, the new company received authorization to build a railroad from the American sector of New Orleans, Faubourg St. Marie, into the suburbs and rural areas up the Mississippi River. The legislature capitalized the company at $300,000 and granted the power of eminent domain to secure a right of way 120 feet wide. While the monopoly privileges contained in the charter lasted fifty years, the company would lose its charter unless construction of the road began within one year, and the railroad was operating within three years after the act of incorporation. Although the charter members of the new corporation included names for the most part obscure and unknown, one of the original supporters of the New Orleans and Carrollton railroad would rise later to national importance. His name was John Slidell.  

Since the New Orleans and Carrollton railroad would have to operate in the city of New Orleans as well as the relatively rural area outside, the railroad planners found it necessary to approach two levels of government, state and city, in obtaining authorization for

1 Louisiana, Acts, 11 Legis., 1 Sess., 1833, pp. 9-14.
for the route of the railroad. In dealing with the former, there was no problem. The Louisiana legislature readily gave the railroad company power to construct their line "...from some point in the suburb of St. Mary, through Naiades street, to its termination in the suburb Livaudais, and from thence to a street named First street—on a plan made of the plantation formerly belonging to Barthélemy Macarty...," and then to the Mississippi River. But the company officers had still to deal with the city council to determine the railroad's route through the city of New Orleans. Getting concessions from the council was not a problem initially. Shortly after the granting of the railroad charter by the legislature, the city council gave the New Orleans Carrollton Railroad Company permission "...to place a single rail track from the lower limits of the Nun's plantation down Naiades street, across Tivoli place [Lee Circle], down Triton and Baronne street..." to Canal Street.\(^2\) The council warned, however, that the track must permit carts, drays, carriages and single horses to pass, and not impede water from running into the gutter. Further, the railroad cars should not exceed a speed of four miles per hour, and the "...Company shall at all times provide the cars or steam carriages with breaks [sic] and safety guards."\(^3\)

These prohibitions seemed reasonable enough, but other qualifications placed upon the railroad company's use of the city streets were

\(^2\) New Orleans and Carrollton Railroad Company, 10, New Orleans and Carrollton Railroad Company collection, Box 2, 1836-1896, Legal, Tulane University Archives, Tulane University, New Orleans, Louisiana.

\(^3\) Ibid., 10-11.
unduly restrictive and highly frustrating to the railroad company. If "...the majority of the inhabitants and property holders through which it [the railroad] passes should complain thereof as a nuisance...," ruled the city council, the company after thirty days notice from the Mayor "...shall cause said rail track to be removed and the street put in the same order as it was before..." If the railroad company refused, the Mayor could order the tracks taken up and the street repaired at the expense of the railroad company. This action by the city council undoubtedly reflected the antipathy of a large number of New Orleans citizens to the new improvement. Such a provisional grant of authorization for a right of way through the streets of New Orleans resulted later in much bitterness and many quarrels between railroad company and municipal corporation, precipitated by the opposition, as well as the whims, of city residents along the railroad line.

Nevertheless, with charter permission for the route to Carrollton granted by the legislature, and with provisional permission to traverse specific streets given by the City Council of New Orleans, the directors of the New Orleans and Carrollton Railroad Company wasted no time in getting construction started. Apparently the railroad was built from the city outward, and construction began first at the junction of Canal and Baronne Streets, continuing out Baronne to the settlement of Jackson in the town of Lafayette. Meanwhile, the directors secured from the city council authorization to extend a branch line to the river

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Ibid.
via Magazine, Poydras and Lacourse Streets, under the same conditions and restrictions applying to the railroad's use of other city streets. Since the demand for transportation was so great, the company began operating cars as soon as a segment of the railroad was constructed.

Horse cars first ran across the tracks of the New Orleans and Carrollton railroad during the latter part of 1834, between Canal Street and Jackson, and over the branch line to the river. In fact, the directors of the railroad hurried so fast to open the road to the public that there was no time to obtain rolling stock. Although the company sent a representative to England to purchase cars and engines, the order was not filled in time for the opening of the first section of the road. Consequently, it was necessary to purchase a horse car from the Pontchartrain Railroad Company.

Construction of the New Orleans and Carrollton railroad was carried out under the direction of Charles F. Zimpel, a German engineer whose experience proved valuable to many early railroad promoters in Louisiana. Zimpel planned the overall construction of the railroad, supervised the work of the various contractors, and had charge of procuring supplies.

The acquisition of timber supplies for the New Orleans and Carrollton railroad was of special interest because the company, for a time, considered using the transportation facilities of the recently opened Pontchartrain railroad. In the fall of 1833, the New Orleans and

5Ibid.
Carrollton directors, in a letter to the Pontchartrain Railroad Company, requested "...to be informed upon what conditions the company would be willing to transport their timber from the lake to the city..." In reply, the Pontchartrain Railroad Company asked a rate of three cents per running foot. On the basis of the advertised timber needs of the New Orleans and Carrollton railroad—6,500 running feet of timber, eight by ten inches; 18,000 running feet, ten by twelve inches; and 700 piles, fifteen to forty feet in length—the quoted price of three cents per running foot would have brought timber transportation charges over the Pontchartrain railroad to $735, plus the cost of carrying 700 piles. Whether the cost of transportation was too high was uncertain, nevertheless, the New Orleans and Carrollton Railroad Company probably received most of its timber supplies via flatboats at the Mississippi River wharves.7

The railroad construction proceeded so rapidly that the line to Carrollton was finished by the fall of 1835, the first trip on the railroad, between Canal Street and Carrollton, being reported on September 26.8 Almost as soon as the railroad was completed, the company built a depot and constructed recreational facilities in Carrollton to attract passengers as well as settlers to the area. But the directors

8Ledet, "City of Carrollton," 237-238.
soon found that much work remained to be done on the railroad. After less than two years of operation, the faultiness of its construction became apparent. Insufficient attention had been given to grading and ballasting the roadbed, and consequently, the ride between New Orleans and Carrollton "...subjected the passengers to constant and unpleasant jolting." Much of the line had to be rebuilt in order to spare the wear and tear on both passengers and rolling stock. By November, 1837, the New Orleans Bee could report that the railroad was repaired and appeared to be "...as smooth as a shaven lawn, and level throughout the track... We are confident it will be found a pleasant and swift mode of conveyance." Probably the ride behind the soot-puffing locomotives of the New Orleans and Carrollton railroad was not always pleasant, but it must have been convenient. In 1836, "steam cars" departed from Carrollton every two hours between six in the morning and eight in the evening, seven days per week, and from New Orleans every two hours from seven in the morning to seven in the evening. 9

Much of the attention of the railroad directors was occupied by a three-cornered struggle among the railroad company, disgruntled citizens of New Orleans opposed to the railroad, and the city council, which championed the viewpoint of the railroad's opponents. The council planted the seeds for this conflict when it granted the railroad company only provisional rights of way through certain streets in New Orleans. This policy was consistently followed by the council in all of its dealings

9New Orleans Bee, 4 November 1837, p. 2; 2 April 1836, p. 1.
with the railroad. In February, 1833, the right of way through Baronne Street to Canal Street was conditional, and could be terminated if a "...majority of the inhabitants and property holders..." along the railroad line so petitioned. Again in August, 1834, the council granted a right of way for laying tracks on Magazine, Poydras and Lacourse Streets, but the New Orleans and Carrollton Railroad Company would have to tear out the tracks and repair the street "...without delay...in case the work should prove injurious to public interest...," of which the council was the judge, or "...in case two-thirds of the proprietors of lots situate in front of streets where said rail way is to pass, should bring a complaint against its establishment..."^10

Trouble began for the New Orleans and Carrollton railroad when residents and property owners began petitioning the city council for removal of the railroad tracks from certain parts of the city. Vested interests on Magazine Street, for example, expressed "...their decided conviction that the introduction of the Carrollton Rail road into the parts of Magazine where their property lies, is...a great public inconvenience and especially calculated to diminish the value of their property." They asked that the monopoly be discontinued. The city council received similar petitions from residents of Lacourse Street and other sections of the city.^11 The council was not slow in responding to some of these complaints, and in the case of Magazine Street, they ordered

the New Orleans and Carrollton Railroad Company to cease operating its cars and remove the tracks. The railroad, having considerable money invested, refused to comply with the order, kept its cars in operation on Magazine Street, and obtained an injunction against the Mayor and the city surveyor to prevent interference with the operations of the railroad. 12

As a result of this recalcitrance on the part of the railroad company, the tempers of the Mayor and the city councilmen approached the boiling point and in a series of rash resolutions, they sought to humble the corporate creature that defied them. First, the council gave the New Orleans and Carrollton Railroad Company fifteen days to tear up the tracks. If the company failed to do so within the allotted time, the council resolved that, regardless of the railroad company's injunction, "...the mayor shall immediately place at the disposal of the city surveyor fifty labourers...and twenty five carts, to be employed for the removal..." of the railroad track from Magazine Street between Poydras and Delor Streets. The rails would be stored by the city for fifteen days, and then sold if the railroad company did not call for them. Further, the council ordered the city surveyor to "...keep a regular account of the days works of the labourers and carts employed..." so that the city attorney could "...enforce the payment from said company, in a competent court of justice." Apparently the city council anticipated violence if their resolutions were carried out,

12 New Orleans Bee, 15 July 1835, p. 2.
because they provided for twenty city guards to be placed "...at the disposal of the city surveyor to protect the labourers employed by the corporation in the removal of said railroad." In fact, the city fathers, aware of the possible illegality of their acts, were even prepared to accept personally the legal responsibility for the action contemplated against the railroad. They resolved that the council would be fully responsible for any suit which might be instituted by the railroad company against the Mayor, the city surveyor and the laborers.¹³

These precipitously conceived resolutions were probably never carried out. Nevertheless, the rashness of the city council did arouse the New Orleans Bee to comment sarcastically about the "...purile play of the council, granting permission to construct railways in the street; and then ordering them to be demolished when the company had suffered large outlays in their construction."¹⁴ It was difficult to account for the torrid hostility of the council toward the railroad on the basis of pure peevishness at the company's refusal to comply with council orders. But only speculation could suggest that vested economic interests, which stood to lose heavily because of declining property values caused by the railroad, were backing the city council. Whatever the case, the New Orleans Bee reported late in 1835 that the hostility of the council to the railroad still existed in spite of conciliatory offers by the railroad directors to grade the streets to a level with

¹³Ibid.
¹⁴Ibid., 11 November 1835, p. 2.
the tracks, and smooth out nearly impassable places in the street.\textsuperscript{15}

The issue of the railroad tracks on Baronne Street, at least, had to be settled by the Louisiana legislature. In 1843, the legislature authorized the railroad company "...to run their locomotive and train of cars to and from the corner of Baronne and Poydras streets, and their horse cars to and from the corners of Canal and Baronne streets, to Carrollton."\textsuperscript{16} Even the apparent finality of this legislative act did not quiet the opponents of the railroad, for in the following year, "...sundry citizens residing in front of and in the neighborhood of the Carrollton Railroad..." petitioned the legislature to prevent the cars "...from running as far as Canal street."\textsuperscript{17}

The railroad company and the city council also quarreled over the erection of a market place on a railroad owned lot on Poydras Street. The railroad directors proposed to build a market for the sale of fish, meat, vegetables, and other produce that, because of the existence of the railroad, could now be brought into the city from rural areas to great advantage. Besides the revenue to be derived from the sale of these commodities, the railroad company also planned to rent stalls in their market to private vendors. Unfortunately, the animosity between the railroad company and the council carried over into the railroad's market project. The city councilmen, almost slyly it would seem, withheld approval of the market place, forcing the railroad directors to

\textsuperscript{15}\textit{ibid.}, 4 December 1835, p. 2.
\textsuperscript{16}Louisiana, \textit{Acts}, 16 Legis., 1 Sess., 1843, p. 107.
\textsuperscript{17}Louisiana, \textit{House Journal}, 16 Legis., 2 Sess., 1844, p. 82.
bargain for the council's permission. Finally, the directors offered to give the municipal corporation the lot on which the market would be built along with other railroad property in the city, in return for the council's sanction for the market place. The Bee fumed at what it thought was the high-handed dealings of the city council with the railroad. "We smiled in very sadness," said the Bee, "to think that a company of American citizens should prostrate themselves and their rights and property at the footstool of the corporation where they have been previously reviled and trampled on." The Bee even chided the railroad directors for exhibiting "little energy" and "little republicanism" when they compromised with the city council by "...making a proposal...to cede part of their lots...provided their high mightinesses of the municipality would graciously condescend..." to grant permission for a market. As a matter of fact, said the Bee, after consulting the city charter, "...the council cannot interfere in the erection of any kind of markethouse..." even though they did possess the "...legal privilege of inspection."²

If the New Orleans and Carrollton Railroad Company had its troubles with the city council of New Orleans, the favors and privileges received from the Louisiana legislature more than compensated for this setback. In 1835, the railroad company embarked upon a program of expansion, the fruition of which partially depended upon generous legislative consideration. In the wild promotion of internal improvements that swept Louisiana before the panic of 1837, it could hardly be expected

²New Orleans Bee, 11 November 1835, p. 2.
that the New Orleans and Carrollton railroad directors would be immune to expansion fever, or satisfied with a railroad merely eleven and one half miles long, with a few branches along the line. A bigger project beckoned them, and like the promoters of the Pontchartrain railroad extension to Lake Borgne, the directors of the New Orleans and Carrollton railroad looked beyond the terminus of their short railroad. What they saw in that direction was a cluster of houses called the town of Bayou Sara, 150 miles up the Mississippi River by water, but only ninety miles by rail, or so it was claimed.\(^{19}\) Apparently the most intriguing attraction that Bayou Sara had to offer was the possibility of a junction with the chartered, but not yet constructed, West Feliciana railroad, projected from Woodville, Mississippi, to Bayou Sara. Otherwise, had the New Orleans and Carrollton railroad directors examined the resources of this whole region, they would have found only an annual production of a few thousand bales of cotton to provide freight traffic for the proposed railroad, with stiff competition from Mississippi River steamboats. Nevertheless, in the spring of 1835, months before the New Orleans and Carrollton railroad was completed, its directors applied to the Louisiana legislature for authorization of the Bayou Sara extension, and they were not disappointed in the results.

The Louisiana legislature gave the New Orleans and Carrollton Railroad a monopoly for thirty years to construct and operate a railroad

\(^{19}\)Ibid., 17 December 1835, p. 2.
from Carrollton to Bayou Sara, "...along or as near as conveniently may be, to the left bank of the Mississippi, straightening the route, however, at such parts as...shall seem expedient..." To finance the project, the capitalization of the railroad company was increased to $3,000,000, and the company was given banking privileges. The legislature ordered the newly created Carrollton Bank in New Orleans to set up offices of discount and deposit in Lafayette, Bayou Sara, Providence, Idropolis, and Baton Rouge. These offices, or banks, could "...deal in exchange, discount notes, or bills of exchange, or drafts, at a rate of interest not exceeding six per cent per annum for all discounts..." under four months, and seven per cent per annum for discounts over four months, "...and lend on mortgage or pledge of stock of any incorporated company." The banking powers granted to the New Orleans and Carrollton Railroad Company were, in the opinion of some representatives in the legislature, too broad and loose, and there were attempts to impose restrictions on the operations of the Carrollton Bank. Thus, one legislator proposed that the Carrollton Bank be prohibited from commencing "...banking operations until the whole capital shall have been paid in gold and silver..." In those days of loose banking procedures, this suggestion was voted down.

The capital stock of the New Orleans and Carrollton Railroad and Banking Company, as the expanded corporation was called, went on sale in May, 1835, when subscription books were opened in New Orleans.

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20 Louisiana, Acts, 12 Legis., 1 Sess., 1835.
21 Louisiana, House Journal, 12 Legis., 1 Sess., 1835, p. 112.
Presumably railroad stock was sold also in settlements and towns along the projected route of the railroad. Although much stock in the railroad company was reportedly taken by eastern capitalists, the company's stock remained greatly undersubscribed. Almost a year after the subscription books were opened, the directors reported to the stockholders that only $828,175 of the $3,000,000 authorized capitalization had been paid in, and this amount included the original capitalization of $300,000. In the years to come, additional purchases of stock brought the amount subscribed to $1,949,350, a sum which represented about two-thirds of the authorized capitalization. If reports were true, the New Orleans and Carrollton Railroad and Banking Company was more soundly grounded financially than many of the numerous improvement companies that sprang up in Louisiana before the panic of 1837. The New Orleans Bee claimed that in purchasing the stock of the company, "...no property is mortgaged [In return for stock], nor is there a lien on the lands of any individual..."25

The chartering of the Bayou Sara extension and the sale of railroad stock stirred up excitement in some of the areas north of New Orleans, and also aroused much favorable comment in the New Orleans press. Many citizens of Baton Rouge, aware that the town was not located on the direct route between Carrollton and Bayou Sara, held a meeting to discuss "...the best means of leading the Carrollton and

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23 Ibid., 20 June 1835, p. 2; 14 May 1836, p. 2.
24 Ibid., 5 February 1831, p. 2.
25 Ibid., 20 June 1835, p. 2.
Supporters and enthusiasts of the railroad in both Baton Rouge and New Orleans were most impressed by the possibilities for greater speed in marketing plantation staples like sugar and cotton. Moving produce to the New Orleans factors during times of high prices was most important, and could mean the difference of perhaps hundreds of dollars to the producer. Steamboat service was so bad, it was claimed, that the planter sometimes waited weeks for a steamboat to pick up his produce and take it to New Orleans. With a railroad, time would be reduced from days to hours. "Time, money, and labor will be saved to the honest farmer," said the Louisiana Advertiser. "What more can be desired?" Obviously, much more had to be desired from the railroad's point of view, and not the least requirement was sufficient quantities of freight to insure the railroad a profit. But this fact escaped the promoters of the Bayou Sara extension as well as many other railroad builders during this period.

Soon after the sale of stock began, the New Orleans and Carrollton railroad directors turned their attention to the problem of determining a route for the road to Bayou Sara. A preliminary survey of the area indicated that the most direct route must cross public land. This situation would have certain advantages for the railroad company if permission from Congress could be obtained for a right of way. For one thing, the necessity of purchasing a right of way across the valuable

26 ibid., 2 December 1835, p. 2.
27 New Orleans Louisiana Advertiser, 27 March 1835.
28 New Orleans Bee, 17 December 1835, p. 2.
alluvial land of the plantation owners along the river would be partially eliminated. In addition, there was always the possibility of acquiring a land grant from the federal government along with a right of way. The directors petitioned Congress in March, 1836, asking for the portions of land necessary to construct the railroad, for contiguous land along the right of way to help defray construction expenses, and for permission to take timber and building materials from unoccupied government land along the route. As a result of the railroad's existence, they argued, capitalists and farmers would begin developing land along the railroad, causing more sales of government land.29 Although the New Orleans and Carrollton railroad petitioners failed in obtaining many of their requests, Congress did grant the company an eighty foot "...right of way through such portions of the public land remaining unsold...," and the right to take construction materials such as earth, stone and wood from unsold lands in the vicinity of the railroad. The grant would become void if the company failed to begin building the railroad within two years, or did not complete the road within six years.30

Despite the land granted by Congress, and the special privileges given by the Louisiana legislature, the Bayou Sara extension of the New Orleans and Carrollton Railroad and Banking Company hardly got started before it failed. Although some railroad iron was purchased for the project in 1836 and 1837,31 it was unlikely that very much construction

29United States, Senate Documents, No. 245, 24 Cong., 1 Sess., Vol. II, 1836.
on the line was accomplished. The panic of 1837, which paralyzed all business activity, became the nemesis of the New Orleans and Carrollton expansion folly. The Bayou Sara extension, symbol of the company's overexpansion, was like a millstone to the otherwise financially stable railroad company. There was little doubt that the New Orleans and Carrollton Railroad Company, before the enlargement of its operations, was economically feasible and financially sound. In the spring of 1836, for example, the railroad directors reported gross receipts of $40,516. After deducting expenses, there remained a net gain of $25,022 for less than one year of the railroad's operations. The total cost of the railroad was listed at $295,718.32

The crash of 1837 blighted the financial world, while its poisonous effects quickly deadened the activity of all business enterprises. In the spring of 1837, the Carrollton Railroad Bank, along with most of the New Orleans banks, suspended specie payments, and by April, the New Orleans and Carrollton railroad was leased "for a term of years" to the New Orleans firm of Harper and Merrick, which assumed responsibility for all the contracts and other obligations of the railroad company.33 Harper and Merrick also leased the railroad owned Carrollton Hotel and purchased all of the company's slaves.34 In the period after the panic, the directors devoted most of their energies to banking and allied activities. After

32 New Orleans Bee, 14 May 1836, p. 2.
33 Ibid., 5 April 1837, p. 1.
34 Ledet, "City of Carrollton," 239.
the Carrollton Bank drifted for several years from one crisis to the next, the stockholders voted early in 1844 to sell most of the real estate owned by the company, retaining only what was necessary for the operation of the railroad. The termination of the banking activities of the New Orleans and Carrollton Railroad Company came soon afterward, and in March of the following year, the stockholders voted to begin the liquidation of the bank. Henceforth, the New Orleans and Carrollton Railroad Company apparently concentrated its activities on what should have been the real function of the railroad from its inception. The company expanded its operations within New Orleans, building branch lines throughout the city, and eventually became New Orleans' first street railway system.

One of the more interesting activities of the New Orleans and Carrollton Railroad Company was the erection of a hotel and recreation facilities in Carrollton, at the terminus of the railroad. The hotel, completed early in August, 1835, stood ready to receive guests by the time passengers stepped out of the railroad cars from New Orleans for the first time in mid-September. The hotel building and grounds were quite spacious. The building itself was "...ninety feet square, two stories high, with a basement; the ground surrounding it, and which is enclosed by a board fence, contains about four acres intended for a public garden." There was also a livery stable with a front 150 feet

35 New Orleans Bee, 2 February 1844, p. 4.
36 Proceedings of the Meetings of Stockholders, New Orleans, 31 March 1845, New Orleans and Carrollton Railroad Company Collection, Box 1, 1834-1896.
long, and a width of thirty feet. The railroad management initially did not intend to operate their new establishment in Carrollton, and throughout the summer of 1835, they attempted unsuccessfully to rent the hotel and other facilities. Finally, the company engaged the services of "...Mr. John McDonnel, a gentleman fully qualified by urbanity and experience to ensure success...," to superintend the company establishments in Carrollton. The company gradually added to the number of recreational attractions in Carrollton. The New Orleans Bee informed its readers in October, 1835, that "...healthful amusements and social engagements are in progress at the hotel...," including a shooting gallery, a bowling green, a cricket club, and a tenpin alley. "Walks in gardens will be fashioned for ladies; for whom comfortable rooms are nearly prepared; and besides various rooms for gentlemen, they can be accommodated in playing cards, chess or other customary games." The Carrollton Hotel and its facilities cost the railroad company about $37,000, and brought into the company treasury a little over $3,100 after six months of business, between October, 1835, and April, 1836. The pleasant pastimes provided by the Carrollton Hotel ended temporarily in 1841 when the building burned, nevertheless, the business had been so profitable that another hotel was soon erected. One of the favorite diversions of many "hospitable people of New Orleans" was a trip by steamboat up the river to Carrollton where, after a few hours of entertainment at the Carrollton Hotel and Gardens, the sight-seer would go

39 Ibid., 18 September 1835, p. 2.
40 Ibid., 8 October 1835, p. 2.
41 Ibid., 14 May 1836, p. 2.
back to the city on the railroad.42

The New Orleans and Carrollton railroad undoubtedly influenced appreciably the expansion of New Orleans during the fifteen year period between 1835 to 1850. Any attempt to assess the economic effects of this railroad, however, must of necessity, take into consideration many variables in the economic background of the period under consideration. The railroad should be evaluated in terms of what was happening in the whole economy before, during, and after its construction, and the variables to be considered were population expansion around New Orleans, the business cycle and its ramifications, and the depression.

One economic factor that existed before the railroad, and would have continued regardless of the building of the railroad, was the rapid growth in the population of New Orleans. From 1820 to 1850, the population of the city increased rapidly. In the decade of the 1820's, the number of people living in New Orleans increased by twenty per cent, and in the following decade, by fifty per cent. The population continued to grow in the 1840's, while during the last five years of that decade, a yearly average of 30,000 immigrants alone arrived in the city. Although a large number of these people were transients on their way to the interior, many stayed behind to make their homes in New Orleans.43 Thus, from the viewpoint of expanding populations, the New Orleans and Carrollton railroad was, in a way, a result, not a cause. It answered the existing

42 Ledet, "City of Carrollton," 239-240.
need of the teeming thousands in that often disease invested city for quick transportation to desired homes in the suburbs.

Another factor inherent in the economy during this period was an extreme inflation in land values. The land boom, fanned by reckless speculation, was sweeping the whole nation, and in New Orleans, population pressure contributed to the rising land prices. Contemporary writers in New Orleans spoke of illogical rises in land values, of towns surveyed in the middle of cypress swamps, of prairies burned away, and of speculators purchasing insignificant islets. Even the price of land completely covered by water rose in value. According to one of the leading journals, where 'swamps, snakes, and lizards flourished a decade ago, streets, stores and dwellings now abounded.' Thus, inflation in land values already existed in New Orleans before the railroad, but the New Orleans and Carrollton railroad contributed to this inflation in the period before the panic. For example, three of the planners of the railroad were also land speculators. These men, Laurent Millaudon, Samuel Kohn and John Slidell, tied the railroad to their land speculation schemes in the Carrollton area. They purchased the McCarty plantation at the end of the railroad and laid it out into a huge real estate development. Obviously, the success of this development over ten miles from New Orleans depended upon the success of the railroad. Land values in the Carrollton area began rising in the spring of 1833 shortly after the chartering of the railroad. In May, 1833, even before the line was surveyed, the New Orleans Canal and Banking Company made a profit of $158,000

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44E. Bunner, History of Louisiana, 254-255.
by selling land at Carrollton for $250,000 which previously had cost the company $92,000. A lot in the suburbs, in the healthy semi-rural areas away from the city, appealed to the prospective home owner, when it was located near the railroad "...only half an hour from the business part of the city...".

The growth of the town of Carrollton as well as the suburban area between New Orleans and Carrollton, was probably the most significant economic consequence of the New Orleans and Carrollton railroad. In fact, the development of this region and the existence of the railroad were practically inseparable. The railroad provided easy communication to New Orleans for town dwellers whose passenger fares, in turn, kept the railroad prosperous. Although the town of Carrollton sprang up during the speculative period before 1837, and was partially the result of the artificial stimulation of that period, the steady population increase of New Orleans and its environs was equally responsible for the rise of Carrollton, and its growth continued after the panic. In 1835, this embryo town saw the erection of its first four houses, the railroad depot, and the Carrollton Hotel. Ten new houses were added in 1836, and nine in 1837. In the years after the panic, building continued, but at a slower pace. Four houses were erected in 1838, four in 1839, three in 1840, and two in 1841. Nevertheless, real estate values declined appreciably

46 _Miles' Weekly Register_, XLIV (May 25, 1831), 199.  
48 Ledet, "City of Carrollton," 231.
around New Orleans during the depression. Lots in the heart of the city that previously brought $25,000, sold for only $5,000 in 1840. Real estate values undoubtedly declined in Carrollton also, although the town continued to grow in spite of the depression.

In addition to the town of Carrollton, there was evidence of its influence upon settlement in the New Orleans area. "There were small railway stations at different faubourgs..." that sprang up along the railroad. Important stations came into existence at such places as "...Greenville at Broadway, Burtheville at Henry Clay Avenue, Bouligny at Napoleon Avenue, Jefferson City at Louisiana Avenue, and the city of Lafayette at Jackson." In addition to encouraging settlement, the railroad may have been instrumental in extending New Orleans' port facilities up the Mississippi River. The suburb town of Lafayette, for example, forced the railroad company to "...cause a good and substantial wharf to be constructed on the River Mississippi at the end of Jackson street..." as a condition for a railroad right of way through the town. Frequent references occurred in contemporary writings about the desirability of extending port facilities farther up along the river bank, a project the railroad could well have made possible.

In conclusion, it probably was true that the New Orleans and Carrollton railroad was the most important railroad constructed in the state of Louisiana before 1850, when a new era of railroad promotion began. Except for the Bayou Sara extension and the speculative banking operations of the

49 Niles' Weekly Register, LVII (May 2, 1840), 136.
50 Ledet, "City of Carrollton," 238.
51 Resolution of the Lafayette City Council, 1 January 1835, New Orleans and Carrollton Railroad Company collection, Box 1, general, 1834-1896.
company, the railroad management generally observed sound business policies, enabling the company to pay expenses and also to make money. Its effect upon the distribution of New Orleans' growing population was vital.

THE MEXICAN GULF RAILROAD

If the directors of the New Orleans and Carrollton Railroad Company planned the ill-fated Bayou Sara extension during an irrational period in the business cycle of the 1830's, they at least chose a rich farming area through which to build their railroad. The promoters of another railroad project in the New Orleans area, the Mexican Gulf railroad, did not even use this much judgement. Their railroad was projected mainly across swamps, shallow lakes, bayous, islands and bays in order to get to its destination. The Mexican Gulf Railroad Company received its charter in March of 1837, during the dizzy climax before the crash in 1837. This railroad company with its privileges, embodied and symbolized the era of speculation and wild improvement company planning which preceded its chartering. Its rather large capitalization of $1,000,000 could be increased to $2,000,000 if necessary, and its stock could be subscribed for only two dollars per $100 share. Other features of the charter freed the capital stock forever from taxation, while the railroad company and its property enjoyed tax exemptions during the sixty years that the monopoly lasted. In addition, the legislature generously gave this seemingly favored child among the railroad companies three years to begin building the railroad, and ten years to complete it.52

52Louisiana, Acts, 13 Legis., 1 Sess., 1837, pp. 54-59.
The route of the Mexican Gulf railroad seemed quite ridiculous. Nevertheless, in fairness to the planners of the Mexican Gulf railroad, it should be pointed out that, there was only one direction to build the railroad. If the company supplied the service it was created to do, the establishment of port facilities for New Orleans on the Gulf of Mexico, the railroad must cross the marshes to the sea. The promoters of this railroad seriously supposed they could build a seventy mile railroad from New Orleans to the tip of the Isle of Pitre, across from Cat Island, where harbor facilities for ocean vessels were supposedly available. In fact, they chartered the company, sold stock, and began building the railroad even before the entire route was surveyed. It was not until 1839, three years after the passage of the charter, that a survey was made "...to ascertain if the route was or was not practical."

Construction of the first forty-four miles of the route was reasonably feasible, and covered fairly stable terrain. "Starting from New Orleans, it passes over a level cultivated tract of country about 28 miles to the company's sawmill...," and then for about fourteen miles "...on a ridge of high land belonging to the United States, heavily timbered but too narrow for profitable cultivation." But the remaining twenty-eight miles of the route would traverse "...a firm marsh of no value...abounding in wild fowl, fish and oysters, and containing a few shell banks."53

The engineer's description of the so-called "firma marsh" was not especially reassuring from the viewpoint of railroad construction. From Bayou Loutre, where the company built its sawmill, the proposed route of the railroad would cross a ten mile stretch before reaching Boudreau Bay. Over most of this ten miles, the railroad would follow "...a narrow ridge of wood land..." although there were "...lagoons or ponds to cross nearly equal to a distance of 1½ miles mostly dry at low water, and never exceeding in depth 4 feet..." In crossing Boudreau Bay, two-thirds of the route would fall on islands, while "...over the balance of the distance, say 2½ miles, an embankment may be made with earth taken out of the lake on each side of the road." The engineer expressed assurances that the "...bottoms of Lake Bouttreau (Boudreau Bay) and of the lagoons and bayous are firm and solid enough to support the embankment..." The bay itself was one to four feet deep, with a "hard shelly bottom" in some places. "I have crossed many of the lagoons on foot without difficulty...," wrote the engineer, while a large part of the marsh would support a man on horseback. There were numerous islands between Boudreau Bay and the open Gulf that would protect the railroad embankment and pilings from the pounding of the waters of the sea, but as an extra precaution, in the lagoons, "...barricks (barricades) made with ordinary cypress pickets..." could be constructed.  

Moving on from Boudreau Bay toward the Isle of Pitre, the proposed railroad would continue for five and one-half miles before reaching Grand Pass. Over this short distance, there were about one and one-quarter miles of ponds or lagoons, and "...four bayous, two of which are 130 feet
wide, 5 feet deep—three channels, one 100 feet wide, and the other two, 50 feet wide—each 12 feet deep. The distance across the pass was nearly half a mile, with only one island located in the middle of the channel. To cross Grand Pass, it would be necessary to construct a bridge system 200 to 300 feet long, resting on piers between fifteen and eighteen feet above the channel bed. There was a good harbor at Grand Pass, and it would have been possible to make this waterway the terminal point of the railroad, but only vessels drawing only twelve feet of water and less could be accommodated at this spot, however. If the trouble and expense were taken to bridge Grand Pass, said the engineer, what lay beyond would be well worth the effort. Between the Isle of Pitre and Cat Island was "...the best harbor found on the coast of the United States in the Gulf of Mexico, with the exception of Pensacola...."

The harbor to which the engineer referred was located "...about one mile from the Isle a Pitre, in a northerly direction, and towards Cat Island." It consisted of a basin in South Pass called the Deep Hole, over forty-eight feet deep, with a diameter between one-quarter and one-half mile. The harbor "...is protected naturally from all winds on the N. and N.E. by Cat Island, on the W. by several shell keys, on the south by Isle a Pitre, and on the E. by a long sand spit extending southwardly from the east end of Cat Island." The sea approach to the Deep Hole would accommodate, at low tide, all ocean vessels drawing eighteen feet of water.

55 Ibid.
or less. With the proper light house facilities on the Isle of Pitre, and with buoys at the shell reef and Cat Island spit, the harbor would be easily and safely reached by all vessels. 56

The engineer of the Mexican Gulf railroad, after presenting the facts of his survey, gave his unqualified approval to the project. In fact, after the survey was completed, he was even more optimistic than before. "The result of a thorough examination of every part of the route, proves that a railroad may not only be constructed from New Orleans to Cat Island Harbor, but also that its costs per mile will not be so great as was at first contemplated." For example, the engineer believed that the cost of constructing the embankment over the most difficult section of the railroad, between Bayou Loutre and the Isle of Pitre, would not exceed "...one thousand dollars per mile, excepting the work required at the Grand Pass." His estimates covered the construction of an embankment between "...two to three feet above the ordinary level of the marsh, an elevation to guarantee against all overflows excepting those caused by hurricanes." 57 The report and the estimate of costs never came to trial by practical experience because the Mexican Gulf railroad was not constructed for even one-third of its projected route. In view of the experiences of the Pontchartrain Railroad Company in filling the swamps between New Orleans and Lake Pontchartrain, however, it appeared that the conclusions drawn by the Mexican Gulf Railroad Company's engineer, were either a curious blend of ignorance, wishful thinking and imagination, or outright prefabrication.

56 Ibid.
57 Ibid.
Whether or not the route was practical, subscription commissioners went ahead and opened offices for the sale of Mexican Gulf railroad stock in May, 1837, less than two months after enactment of the charter and three years before the survey was completed. But the attempt to sell stock failed almost as soon as it started.\(^5\) Shortly before the subscription books opened, the banks of New Orleans, caught by the financial crash of 1837, began suspending specie payments, and "...universal doubt and distrust kept all business in suspense...the commissioners thought it prudent to defer the reception of subscriptions to a more favorable moment."\(^5\) The "favorable moment" came a little over a year later, in June, 1838, and the railroad commissioners again opened their subscription books to the public. But this time the cards were stacked in favor of the railroad. At the previous session of the Louisiana legislature, the Mexican Gulf Railroad Company was granted a loan of $100,000, provided that the company could give satisfactory security.\(^6\) In securing this loan, it probably did the railroad company no harm in having its president, Felix Garcia, sitting in the legislature as a member of the Senate. The railroad promoters, with so much encouragement at a time when money was hard to come by, depended upon stock subscriptions for the needed security, and bent every effort to promote the project. Within only a short time after the stock went on sale in 1838, it was reported that $60,000 had

\(^5\) [New Orleans Bee, 28 March 1837, p. 2.]
\(^5\) [New Orleans Courier, 13 June 1838, p. 3.]
\(^6\) [Louisiana, Acts, 13 Legis., 2 Sess., 1838, p. 85.]
been collected. The public responded to the company's call to buy railroad stock in sufficient force to qualify the Mexican Gulf Railroad Company for the authorized state loan.

Construction of the railroad began almost immediately, and by the end of 1839, the line was completed from the New Orleans terminal at Good Children Street to the town of Versailles. In January, 1840, the company's locomotive began making trips over the railroad twice daily. By the following year, the railroad extended about nineteen miles as far as the Ducros plantation south of Lake Borgne, at the entrance to Terre aux Boeuf, but construction of the Mexican Gulf railroad never went farther beyond the Bayou Loutre headwaters. At a place called Ducros landing, at Bayou Loutre, the company built a house called 'The Railroad Hotel,' which was used as a station house also.

Financial woes soon overtook the hapless railroad, already existing on borrowed time. By the fall of 1841, the Mexican Gulf Railroad Company failed to pay the interest on $50,000 of the state loan, due in September. The interest amounted to $1,500, and was owed to the City Bank of New Orleans.

In the events that followed, a quarrel developed between the City Bank, on the one hand, and the railroad company and the state, on the other, in which there were indications that the Mexican Gulf Railroad

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61 New Orleans Courier, 13 June 1838, p. 3.
64 New Orleans Bee, 24 January 1842, p. 2.
Company had become deeply involved in Louisiana politics. By a strange coincidence, State Senator Felix Garcia, president of the railroad company, also held the powerful position of president of the Senate at this time. When the interest on the Mexican Gulf railroad bonds came due in September, 1841, the cashier of the City Bank, of which Samuel Jarvis Peters was president, sent a runner bearing the bond coupons, to the State Treasurer's office to demand payment of the interest. Why the runner was not sent first to the railroad company remained a mystery. Nevertheless, the State Treasurer told the bank representative that he, the Treasurer, would have to see Senator Garcia, president of the railroad, before making the payment. A week afterward, the bank runner returned to the State Treasurer and this time was told to see the Governor, A. B. Roman. The meeting with the governor was productive of a response similar to that of the State Treasurer. Governor Roman said he would contact Garcia. Meanwhile, the State Treasurer had told the bank runner to come back in about a week and the interest payment would be settled. When the runner again returned, "...I found him [The State Treasurer] in the State House yard and asked if he would pay the coupons. He asked me if Mr. Garcia had not paid them yet? I answered him no. He then said he would see Mr. Garcia and have them settled..." Three weeks later, upon returning to the office of the State Treasurer, the runner was informed that the bond interest could not be paid by the state without the enactment of a special law. This statement was probably untrue, but the City Bank did nothing more about the defaulted railroad bonds.
If the politicians took the matter of the Mexican Gulf railroad bonds lightly, Samuel Jarvis Peters of the City Bank did not. Perhaps the politicians were carrying things a bit too far in jeopardizing the credit of the state by ignoring the financial difficulties of Senate President Garcia's railroad company. Peters bided his time until the following January, 1842, and then took steps which greatly embarrassed both the administration of Governor Roman and the railroad company. As a promoter and stockholder of the Pontchartrain Railroad Company, Peters could hardly have been expected to be sympathetic to the Mexican Gulf railroad project which, if successful, would probably put his own Pontchartrain railroad out of business. Whatever his motives, whether protecting the interests of the City Bank, or seeking to embarrass the Mexican Gulf Railroad Company, Peters published in the New Orleans Bee, sworn testimony of the bank runner who gave the full account of the efforts of the City Bank during the previous September to collect the interest on the Mexican Gulf railroad bonds. While doing so, Peters noted, almost too innocently, it would seem, that "...the City Bank might have made the demand for the interest on these bonds by a notary...but a proceeding of that character involving the credit of the state would not have been sanctioned by myself...".

The answer to Peters' charges that the interest on the Mexican Gulf railroad bonds could not be collected, came from no less a personage than Governor Roman himself. He boasted of "...being able to furnish the proof

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that the assertion is unfounded." His explanation for the fiasco rested on the rather flimsy excuse "...that no official information was ever communicated to me...or any other officer of the government, that the interest...had not been paid." He acknowledged that the bank runner had informed him "verbally" about the matter, and that later on, after meeting the railroad company president, the Governor had told Garcia about the "extra official message" from the bank. Garcia promised to take care of the matter before the next meeting of the legislature, and the governor supposed that the subject was closed. Governor Roman chastized Peters and the City Bank for failing to make "...according to the rigid rules of the law...a legal demand for payment..." before claiming it was impossible to collect the interest. Thus the governor weakly defended his administration in the almost untenable situation that the Garcia had brought on. Roman protested vigorously, however, that the "...security of the state...is ample, and means would at once have been adopted to meet the demand of the City Bank." In making this statement, he contradicted his own State Treasurer, who had claimed earlier than an act of the legislature would be necessary before the bond interest could be paid by the state.

Retribution for the Mexican Gulf Railroad Company came swiftly from the legislature. In March, 1842, the legislature ordered the State Treasurer to pay the interest due the City Bank, and "...to take the most effectual and speedy measures against..." the railroad company. The state

68 Ibid.
attorney should institute proceedings against the company, seize its property, and either sell it, or buy it, under the most advantageous terms to the state. The Mexican Gulf railroad thus passed into the hands of the state and remained there for the next two years. Early in 1844, the topic of the railroad again came up in the legislature after Governor Mouton, in a message to that body, recommended that the railroad be sold. The House and Senate debates over the disposition of the Mexican Gulf railroad reached a climax in the latter part of March. In the meantime, Senator Garcia had been working feverishly to keep the railroad intact, if possible, or at least to salvage as much of the wreckage that he could. Throughout January and February, 1844, friends of the railroad moved about the parishes of Orleans, St. Bernard and Plaquemines soliciting signatures for a memorial to the Senate. This memorial, or petition, requested that the Mexican Gulf railroad be sold as a unit and kept in operation. On February 23, 1844, Senator Garcia himself presented the memorial to the Senate, which referred it to the Committee on Finance.

Garcia also worked energetically to load the proposed legislation to dispose of the railroad with amendments favorable to the railroad. He moved "...that all the property of the Mexican Gulf Railway Company... included the railroad, engines, machinery and slaves, shall be sold in block, together with the rights and privileges of said company...the purchaser binding himself to keep said railroad in operation and in good

71 Louisiana, Senate Journal, 16 Legis., 2 Sess., 1844, p. 34.
state of repair..." Although this particular amendment was rejected at the time, Garcia's ideas ultimately prevailed in the final act of the legislature. Senator Garcia, in his efforts to save the railroad, may have had other motives besides the interests of the people of St. Bernard and Plaquemines Parishes who signed the memorial to the Senate. It was no secret that the railroad, which had cost the stockholders and the state hundreds of thousands of dollars, would bring at sale only a trifling figure. Whoever purchased the railroad would receive this costly internal improvement free of the $100,000 obligation to the state and the obligations to the original stockholders.

The Mexican Gulf railroad received much rougher treatment in the House than in the Senate. Some representatives thought the railroad was being given away to the company, and that the proposed provision of the bill "...requiring the purchaser to keep up the road...was saying that it should be sold to the stockholders...The company would buy the railroad property for a mere nothing, because nobody could compete on the terms proposed." On the other hand, if the railroad were broken up and its parts sold separately, the iron, property and rolling stock would probably command a price at least $5,000 higher. The principal issue throughout the House debate was the proviso requiring the railroad to be kept in operation. This qualification to the sale of the railroad was insisted on by Garcia, and perhaps was the key to his real intentions.

72 Louisiana, Senate Journal, 11 March 1844, quoted in New Orleans Bee, 24 March 1844.
about the Mexican Gulf railroad. Apparently, even though he and his associates had lost the railroad to the state, they still hoped to get it back, and for a small amount at that. In the final act, both houses of the legislature bowed to the wishes of the President of the Senate. The legislature directed the State Treasurer to sell "...the Property, Engines, Lands, Slaves, Privileges and Immunities of every kind, granted by the State to the Mexican Gulf Railroad Company...Provided that the property...be sold in mass...and on condition that the purchasers...shall keep said Roads in operation..." The House did manage to insert an amendment specifying that the railroad should be sold "...for not less than fifteen thousand dollars." 74

On November 30, 1844, the Mexican Gulf railroad went up for public sale at the City Exchange on St. Louis Street in New Orleans. Besides the nineteen miles of railroad, the property included a shed at the New Orleans terminus which served as a depot, a fully equipped blacksmith shop, a house at Ducros landing, three 2,000 gallon cisterns, four miles, two families of slaves including four adults and six children, seven single male hands, and sundry tools and machinery. The property owned by the railroad company at Bayou Loutra, consisting of a sawmill, houses, stables, machinery and other possessions, were sold separately. The rolling stock that went with the railroad included "...two locomotives named 'Versailles' and 'New Orleans,' the freight and passenger cars, the

Rails laid or unlaid, four pairs of large wheels, called 'diables,' extra setts of wheels, and driving wheels..." The purchaser of the railroad would also be entitled to "...all the sums of money due to the company by Judgement or Notes, or subscription or otherwise..."75

Whoever bought the railroad acquired also, many obligations left behind by the insolvent company. For example, there was a claim on one of the locomotives for almost $1,800. The United States government had several suits against the company for duty bonds, amounting to nearly $6,900. The firm of Francisco de Lizardi and Company had a claim against the railroad of somewhat over $5,500. In pursuit of this claim, the Lizardi company "...have hitherto seized and bought in at Sheriff's sales... under the judgement obtained by them on their aforesaid claim, the iron rails laid down on 9 miles of said railroad...but Lizardi will waive rails if purchaser will pay the debt with 7½ interest."76

The Mexican Gulf railroad was purchased by Alexander Gordon and a group of associates who operated the line for several years. The terms for the sale were a two year deferred payment in return for a mortgage on the railroad. The old dream of a port for New Orleans on the Gulf was by this time forgotten, however, and the chief function of the railroad was serving the farming community which it traversed.77 The new

75 State of Louisiana versus Mexican Gulf Railroad Company, quoted in New Orleans Bee, 16 October 1844.
76 Ibid.
77 Gordon and his associates also purchased the New Orleans and Nashville railroad.
owners of the Mexican Gulf railroad applied to the legislature that met early in 1845 for extension of the railroad charter. This request produced mixed feeling among the legislators, especially in the House. There was general agreement that some sort of charter should be enacted, but the question was whether the old charter should be renewed, or an entirely new charter drawn up. Many representatives were eager to see "...some of its [the railroad's] improper privileges...lopped off...," and one of the "improper privileges" particularly under attack was the exemption of the capital stock from taxation forever. Nevertheless, despite the objections of various members of the House, the old charter with most of its objectionable features was renewed. Although the Mexican Gulf railroad had been sold, the state was not done with the project yet, because its buyers, who purchased the railroad on time, could not raise enough money to meet payments due in 1848. Rather than take back the road, the legislature extended more time to Alexander Gordon and associates to pay for the railroad.

The Mexican Gulf railroad was economically unfeasible in its purpose of providing New Orleans with a port on the Gulf of Mexico, and its promoters, in pursuing their objective, planned the project haphazardly, if at all. The survey over the marshes to the sea was not completed until January, 1840, almost four years after chartering the railroad. The state of Louisiana, probably through the prodding of the railroad's president,  

79Louisiana, Acts, 2 Legis., 1 Sess., 1848, p. 31.
Senator Felix Garcia, foolishly squandered $100,000 on the project. In spite of state aid, however, only nineteen miles of the seventy mile railroad were constructed. The Mexican Gulf railroad made very little contribution to the area it traversed. Although real estate values were probably stimulated upward, and the few plantations thereabouts undoubtedly profited by the existence of railroad facilities, the cost of the railroad was a terrific price to pay for such small benefits to 3,237 people in the partially frog-bound parish of St. Bernard.\textsuperscript{80}

\textbf{THE JEFFERSON AND LAKE PONTCHARTRAIN RAILROAD}

Railroad promoters in the vicinity of New Orleans built one other railroad in the suburbs of the city. This railroad, the Jefferson and Lake Pontchartrain, was chartered in the spring of 1840 with a capitalization of $100,000, with power to increase to $400,000. It was built from Carrollton, where it made a junction with the New Orleans and Carrollton railroad, through Jefferson Parish to Lake Pontchartrain. Among the original promoters of the Jefferson and Lake Pontchartrain railroad was D. F. Burthe,\textsuperscript{81} who earlier had acquired a track of land along the New Orleans and Carrollton railroad and probably profited greatly from the increasing real estate values created by that railroad. Burthe's participation in the Jefferson and Lake Pontchartrain project would indicate that this railroad was partly a speculation venture in real estate between Carrollton and the lake. The company built wharves and warehouses at the lake, competing with the Pontchartrain railroad.

\textsuperscript{80}\textit{United States Sixth Census, 1840.}
and the New Orleans Canal for the lake trade. It was reported that lake steamers, and coastwise steamers from Mobile, used the lake facilities of the Jefferson and Lake Pontchartrain railroad. Eventually the railroad became part of the New Orleans and Carrollton railroad system. 82

NEW ORLEANS STREET RAILROAD

The first street railroad in New Orleans was built by one J. Arrow-smith sometime in 1835 and early 1836, between St. Claude Street and Bayou St. John, a distance of one and one-half miles. The railroad, authorized by the city council in March, 1835, was probably the most curious street railroad of the day, because it was built to carry the dead rather than the living. It was built to meet the need for speedy handling of corpses resulting from the frequent deaths due to cholera and yellow fever in the city. The ordinance specified the number of corpses to be carried in each car, and ordered that white corpses should be carried in separate cars from slave. The city paid for most of the funeral traffic over this railroad. 83

The railroad first opened to the public early in June, 1836, when cars left St. Claude Street every hour between six in the morning and seven in the evening, returning on the half hour. The passenger fare was twelve and one-half cents for adults and half price for children. 84 The railway reportedly was built at a cost of $12,000, but the whole project

83 Hugh M. Blain, A Near Century of Public Service in New Orleans, 41–42.
84 New Orleans Bee, 2 June 1836, p. 1.
nearly failed because of difficulties between the owner and the city council. "Owing to the supineness of culpability of the first municipality council," said the New Orleans Bee in 1836, "it is useless to the public and a dead loss to the owner." Apparently Arrow-smith and the council patched up their differences, for the railroad reportedly operated until 1870, when the owner finally went bankrupt.86

86 Blain, Public Service in New Orleans, 42.
The New Orleans and Nashville Railroad Company was chartered by the Louisiana legislature in 1835 to build a railroad between the two cities for which it was named. This venture was different from all railroads built in Louisiana up to the 1850's. While the other railroads were local in nature, the New Orleans and Nashville project was a colossus partly because of the distance involved. It also represented an attempt to transcend localism in railroad building in Louisiana. The project needed community support on the state and local levels to achieve success. The railroad's promoters in Louisiana also found it necessary to seek cooperation from areas outside Louisiana, in the states through which the railroad would pass, and in the city of Nashville. The planners of this railroad estimated that a maximum expenditure of $6,000,000 would build the railroad, thus, in its probable costs, the New Orleans and Nashville railroad represented one of the greatest single efforts undertaken in Louisiana up to that time in any sector of the economy. The details of this railroad's planning, its financing, and its construction, unfolded a story of unusual insight on the part of its promoters, and of great enthusiasm and optimism during the early phases of construction, followed by bitter disillusionment, and eventually, ignominious failure.

The idea of building large, interstate railroads did not come suddenly to railroad promoters in New Orleans, but was the result of changing local
attitudes toward all long distance railroads. Such projects would have been unthinkable before people in New Orleans believed that the long distance, interstate railroad was feasible and useful. As far as the physical feasibility of railroads was concerned, the Pontchartrain and the New Orleans and Carrollton were both demonstrating this fact. But these two projects were examples of railroading in a local situation only. Why should people in New Orleans ever become interested in interstate railroads when a great interstate waterway already provided multiple advantages for trade and commerce? One answer was, that trade and commerce were not mentioned or probably thought of in the first discussions of interstate railroads. When the idea of long distance railroads first appeared in New Orleans, enthusiasts talked only in terms of improved transportation for the mail and for passengers.

The first official indication that New Orleanians were thinking about long distance railroads came late in 1833, when the Board of Public Works, in a report submitted to the Louisiana House, called the attention of the lawmakers to a proposed railroad from Charleston, South Carolina, to Milledgeville, Georgia. The report pointed out that "...a continuation of that road to New Orleans...would produce great local as well as national advantages."¹ What these advantages would be, the report failed to say. Nevertheless, after this initial suggestion by the Board of Public Works, the New Orleans press began taking up the cause of the interstate railroad, while certain members of the legislature speculated

upon possible routes for such a railroad. The press, interested primarily in the mail and the news media, suggested a railroad between New Orleans and Washington to facilitate communications with the nation's capital and one railroad enthusiast, State Senator D. F. Burthe, proposed a route for the Louisiana branch of this railroad. Senator Burthe envisioned a railroad from Mobile across the Florida parishes to Baton Rouge, and then along the Mississippi River to New Orleans. Apparently this suggestion pleased few except the Senator, and least of all, the press. The Louisiana Advertiser complained loudly that this railroad would lengthen the distance between Mobile and New Orleans instead of shorten it. "Wonderful improvement, indeed!" sneered the Advertiser, when Baton Rouge would be served with mail before New Orleans. "Does he [Senator Burthe] not know that the great town of Baton Rouge is not yet of quite so much consequence as New Orleans?"  

The attitude of the Louisiana Advertiser toward that particular proposal illustrated the naive approach at that time toward interstate railroads. Nevertheless, a few legislators were genuinely interested in the railroad from New Orleans to Washington, and in February, 1834, a bill was introduced to promote this objective. The legislation, sponsored by Representative Hoa of New Orleans, would "...provide for the necessary surveys and estimates, with a view to the construction of a Rail Road from New Orleans toward Washington city, and...the necessary funds therefor..." Such a vague proposition was almost bound for failure, and House, after a brief discussion, tabled the bill until the next year.  

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2 New Orleans Louisiana Advertiser, 20 January 1834, p. 2.
If the somewhat romantic notion of improving the mail service and speeding up travel appealed to the earliest New Orleans advocates of a long distance railroad, more basic economic factors dominated the plans of other railroad enthusiasts, who were thinking in terms of the western trade. By the fall of 1834, the Erie canal had been operating for nearly eight seasons, cutting deeply into the Great Lakes-Ohio Valley trading area. Meanwhile, other coastal cities of the Atlantic states began emulating New York, constructing both canals and railroads to the West. Baltimore pushed her railroad toward Cincinnati, while Charleston aimed at Louisville and Cincinnati. Even little Mobile, on the Gulf, looked covetously northward toward the Tennessee hinterland. Right in New Orleans' own back yard, towns along the Mississippi River such as Natchez, Vicksburg and Memphis projected railroads toward the interior to tap the trade which nature almost preordained to be New Orleans'.

If these new arteries of trade drained New Orleans' life-blood from its natural flow, the loss was scarcely perceptible. As the West filled with people between 1830 and 1850, production increased so rapidly that New Orleans' trade expanded despite the Erie canal and the eastern railroads. Nevertheless, some citizens in New Orleans, surveying the objectives and achievements of the transportation revolution in the East, began by 1834 to show alarm over the danger to New Orleans' western trade. One by one, cities of the old southwest alligned themselves with cities in the East in seemingly diabolical plots to build railroads and divert trade

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from the waterways that led to New Orleans. Even Memphis made plans to unite by railroad with Charleston. So it was that railroad promoters in New Orleans hit upon the idea of an alliance with Nashville, a move which would bypass Memphis and thrust directly into the heartland of the old southwest. The New Orleans and Nashville Railroad Company was soon forthcoming. 5

The Nashville railroad proposal probably appeared for the first time in the New Orleans papers late in October, 1834, and was apparently presented as a compromise to please both the proponents of the railroad to Washington, and the agitators for a railroad to the West. The New Orleans Bee declared that "...the real short and certain route from New Orleans to Washington is by way of Nashville..." New Orleans' mail from Washington often came via Nashville, observed the Bee. The trip between Washington and Nashville took only seven days. From Nashville, the mail was sent to Madisonville, a four day journey, and then crossed Lake Pontchartrain by steamer to Port Pontchartrain. The route to Nashville was ideal because the country was generally level except for a small amount of rough ground in Tennessee. Only one river, the Pearl, would have to be crossed. "Two hundred thousand persons would annually travel such a road to and from the western states only, and when continued to Washington...all the travel East would be in that direction." 6 If the Bee was aware of the larger economic implications of the Nashville railroad, it never indicated that fact at this time.

5 Ibid., 319-321.  
By November, 1834, the Nashville railroad promoters got the project under way by calling a meeting of all the railroad's well wishers. Among the railroad enthusiasts present at this November 21st meeting, the names of D. F. Burthe, Clarke Woodruff, and Maurice W. Hoffman stood out, while the guiding hand of Hoffman was visible in the organizational proceedings. What happened was practically a repetition of the methods pursued by the Pontchartrain railroad promoters five years earlier. First, the members formed themselves into a New Orleans and Nashville railroad association to which each contributed $100. This money went into a fund that would cover "...a complete survey of the intermediate country, ascertaining... the materials to be found thereon, in making estimates of the cost of the work and profiles, plans and maps thereof and to defray other expenses." Next, an executive committee was appointed to carry on the business of the association, while another committee of twenty received the task of recruiting additional members for the association. Obtaining a charter from the legislature was the next step in the program of the Nashville railroad promoters.

The project got a good send-off through the legislative halls when Governor A. B. Roman, in his message to the legislature, expounded at some length on the desirability of the railroad. Further, he linked the Nashville railroad directly with the issue of western trade. While taking cognizance of the fact that "...the states of New York, Pennsylvania, Maryland and Virginia...are expending millions in exertion to approach the West and dispute with us for their rich productions...," the Governor

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7Ibid., 19 November 1834, p. 2; 21 November 1834, p. 2.
assured the legislature that "...the greater part of this commerce can never be taken from us..." Ironic prophecy! Nevertheless, Governor Roman urged New Orleans to resist these encroachments no matter how small a portion of the trade should be captured by New Orleans' enemies. To do this, "new communications" were necessary to "...neutralize the effects of those which are calculated to affect us injuriously..." In the Governor's opinion, a railroad between New Orleans and Nashville was the answer to the problem.  

The Louisiana legislature responded quickly to the request of the New Orleans and Nashville railroad association for a charter, and incorporated the organization early in 1835. The company received the largest capitalization ever authorized a railroad company in Louisiana before 1850, $6,000,000 with a possible increase to $8,000,000, and stock could be subscribed for a down payment of only five per cent (five dollars) per share. The promoters of the railroad thoughtfully remembered to have 5,000 shares of stock reserved by charter provision for the city of New Orleans, and also 5,000 shares for each of the states through which the railroad would pass, Louisiana, Mississippi, Alabama and Tennessee. These shares would be sold to the public, however, if the states and the city of New Orleans did not take advantage of this opportunity within twelve months. The New Orleans and Nashville Railroad Company, like most of the railroads incorporated during this period, enjoyed tax exemption privileges. Its capital stock was exempt from taxes forever, and its property, for twenty years. The charter provided that rates must not be so high as to bring in an annual net profit

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8Louisiana, House Journal, 12 Legis., 1 Sess., 1835, p. 7.
above fifteen per cent of the capitalization. A charter list of the commissioners charged with supervising the sale of railroad stock included, besides Hoffman and Woodruff, some very prominent names in the New Orleans business world, Laurent Millaudon, Samuel J. Peters, and James H. Caldwell. Millaudon, who owned land along the New Orleans and Carrollton railroad, had been a promoter of that project, and later was connected with another railroad, the Mexican Gulf. Peters was a prominent New Orleans banker who had promoted the Pontchartrain railroad, and Caldwell was connected with many New Orleans business enterprises, including a theater and the New Orleans gas works. To say the least, the New Orleans and Nashville Railroad Company did not suffer from a lack of experienced leaders.

There was one clause in the charter that did not please its promoters, or serve the best interests of the railroad. This proviso stated that the railroad company could not open its subscription books to sell stock until the legislature of Mississippi chartered the company to pass through that state. Since the Mississippi legislators had adjourned early in 1835 and would not meet again until January, 1836, the Nashville railroad project, for which much enthusiasm had been engendered, would have to cool off in a state of limbo while awaiting the pleasure of the Mississippi lawmakers. Because there were no doubts that the Mississippi legislature would be favorably disposed to the Nashville railroad, the Louisiana legislature later in the session of 1835, authorized the company to open its books for the subscription of stock, but only for one dollar per share instead of

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9Louisiana, Acts, 12 Legis., 1 Sess., 1835, pp. 7-18.
the five dollars authorized in the charter. The Louisiana legislature, in this supplementary act, forbade the railroad directors to call in any installment payments from the stockholders until Mississippi granted the charter. In addition, Governor Roman was authorized to send the governor of Mississippi copies of the acts passed by the legislature dealing with the New Orleans and Nashville railroad. No one could have suspected at that time the trouble lying ahead in procuring a charter for the Nashville railroad from the state of Mississippi.

In the spring of 1835, the reaction of the Mississippi legislature to the Nashville railroad appeared to be highly favorable. The Mississippi lawmakers were informed of the project by Clarke Woodruff, who went to Mississippi as agent of the executive committee early in 1835 to lobby for the railroad charter. Woodruff "...conversed with the governor and other public officials of the state, with members of both houses of the legislature, and others well informed on the subject." After these conversations, he reported that "...all from the northern, eastern and central parts of the state seemed enthusiastic for the completion and success of the project; and that the only opposition which is likely to be encountered is from Adams county in which Natchez is situated." Only the early and abrupt termination of the 1835 session of the Mississippi legislature prevented the chartering of the Nashville railroad at that time, said Woodruff, but the project would surely win approval in the session of 1836. This early

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10 Ibid., 146-147.
11 Senate Journal, 3 March 1835, quoted in New Orleans Bee, 4 March 1835, p. 2.
adjournment of the legislature proved to be an unfortunate twist of fate for the New Orleans and Nashville railroad, and gave the railroad's opponents time to organize deadly opposition to the project.

Woodruff's information that some opposition existed in Adams County and eastern Mississippi was the understatement of the day, as events would soon prove. The enemies of the railroad opposed the project for different reasons. In western Mississippi, the river towns of Natchez and Vicksburg planned railroads of their own. Natchez wanted to build toward the Pearl River, and Vicksburg, east to Jackson, Mississippi. Both towns planned to capture the trade of their rural hinterlands and develop into large river ports, ambitions that would suffer frustration and probable defeat if the Nashville railroad should cut right across their back yards. Eastern Mississippi, unlike the river towns, favored the Nashville railroad, but only if it served that part of the state. Otherwise, eastern Mississippian's would suffer the project to die rather than bypass them. Since the most practical and feasible route for the Nashville railroad ran west of the Pearl River, somewhat parallel with the Mississippi River, the New Orleans and Nashville railroad directors, after the preliminary survey, wisely decided to adopt this route. But unfortunately, this route offended both railroad factions in Mississippi, the river towns because it came too near to them, and eastern Mississippi, because it bypassed them. Here was the basis for an alliance in the Mississippi legislature. The situation was serious because "...the largest proportion of the Mississippi legislature is composed of members from SE, E, and NE of

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12 Cotterill, "Railroads in the Southwest," 322.
the state, and they are determined to have the railroad east of the Pearl river or to have no railroad.”

Throughout the remainder of 1835, the Natchez press turned out propaganda against the Nashville railroad like a gristmill. “The Natches Courier as usual continued to deny the propriety or utility of the New Orleans and Nashville railroad,” commented the New Orleans Bee, although it has not doubted the practicability.” In fact, the railroad even became an issue in the gubernatorial election of 1835 when citizens of Natchez and Adams County attempted “…to make the railroad a subject of qualification in the election of the Mississippi state governor.”

It was no secret that little Natchez had great ambitions for herself. Yet it bordered almost on the humorous for the Bee to bitterly accuse Natchez of “…wanting to monopolize the produce of the state of Mississippi…” by opposing the Nashville railroad, when New Orleans herself thrived from perhaps one of the greatest natural monopolies in history, the Mississippi River. Natchez also hoped to become a port of entry, “…and in order to prove the superiority of Natchez to New Orleans…they ordered a ship to be towed thither up the Mississippi.” The ship, propelled by a steamboat, “…was not much longer ascending than a fortnight…,” sneered the Bee sarcastically. “Yet this they welcomed with a volly [sic] from their battery and throats that sent the welkin round.” Let Natchez have her port of entry, cried the Bee. “Then our merchants can send thither a ship or two during the year, to export all their produce warehoused there.” The Bee believed that almost any foolish project would appeal to

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14 Ibid., 17 October 1835, p. 2.
Natchez in preference to a railroad to Nashville, even "...a canal to Charleston."15

Nevertheless, the wishes of the river towns prevailed, and the Nashville railroad bill failed in the Mississippi legislature in 1836. The opponents of the railroad held the balance of power in the House, and passed an amendment "...so that said Road shall pass through Pearl... on the east side of the Pearl River, thence to Columbia..." and eastern Mississippi. Although the Senate struck out the offensive amendment, the coalition of river towns and easterners was unyielding, and agreement was impossible. 16

In the 1837 session of the Mississippi legislature, the railroad charter again came up for consideration. In spite of intense criticism from many Mississippians, that the planter interests of the state must not be sacrificed for the particularism of the river towns, the west-east alliance would have held firm had not other factors intervened. The river towns of Natchez and Vicksburg, competitors for the inland trade, trusted one another less than they trusted New Orleans. Finally, Natchez withdrew from the alliance and cast her lot with the Nashville railroad in the hope that by so doing, she could connect her own railroad with that line. With the support of Natchez in the legislature, the New Orleans and Nashville railroad charter passed in January, 1837.17

Thus it was that Natchez had her way to the end, perhaps initially to

15 Ibid., 10 October 1835, p. 2.
the irreparable harm of the Nashville railroad project. Receiving charter privileges from the states of Alabama and Tennessee was no problem. The railroad directors could announce in their first report that these states, "...in the spirit which belongs to the commercial interests of the present day, have become parties to the great work, by granting Acts of Incorporation, and...[Tennessee] authorized a subscription to the capital stock thereof." 18

Soon after the 1835 incorporation of the New Orleans and Nashville Railroad Company in Louisiana, stock commissioners lost little time in opening their subscription books in all the states through which the railroad would pass. By the middle of May, 1835, citizens in Mississippi, Alabama and Tennessee could purchase New Orleans and Nashville railroad stock, and sales began in New Orleans on May 25. 19 On the following day, the Bee hailed the event with enthusiasm, and pleaded with New Orleanians to get behind the project. This undertaking must receive its support from the great body of our citizens, and upon them now rests its success or its failure." Since a down payment of only one dollar per share was necessary, almost every citizen could subscribe for at least ten to fifty shares of stock, and "...so small an effort on the part of one thousand or more citizens would insure success..." If the people of New Orleans failed to support the Nashville railroad, warned the Bee, they "...will lose forever to our city and state the concurrence of the state of Mississippi in this great work." The advantages from this railroad, once

19 New Orleans Bee, 13 May 1835, p. 2; 25 May 1835, p. 2.
completed, would be inestimable. Just in distance alone, hundreds of miles of traveling would be saved. Whereas Nashville was 1,350 miles from New Orleans by the river route, said the Bee, the distance was only 500 miles by land. In addition, while the river route could at best be utilized for only half of the year, the land route would provide continuous communications between the two cities. The citizens of New Orleans must respond to this challenge, concluded the Bee. 20

The sale of stock during 1835 apparently began slowly but picked up toward the end of the year. In Nashville, for example, "...a good deal of apathy...on the Rail Road subject..." was reported by Clarke Woodruff, who went to that city early in June to seek support for the railroad. Woodruff was fairly successful in stirring up the interest of people in Nashville, however, and a public meeting was held soon after his arrival, attended by most of Nashville's leading citizens. The group voted to support the Nashville railroad project and appointed a committee to aid in selling stock in that city. Under Woodruff's influence, a feeling in Nashville that the railroad to New Orleans would injure her interests "...is rapidly dying away, and a rail road fever taking its place." 21 By November, 1835, the Tennessee legislature chartered the railroad "...with the provision that the subscription books shall be opened in that state for stock to the amount of one million dollars..." Tennessee's interest in the railroad even went farther than trying to insure for its citizens large amounts of stock. Apparently Nashville was to become the hub of a

20 Ibid., 26 May 1835, p. 2.
21 Ibid., 11 June 1835, p. 2.
Tennessee railroad system radiating outward from the New Orleans and Nashville railroad junction there. Thus, charters were granted to many railroads projected from Nashville into the eastern and western parts of the state. The Tennessee legislature also authorized subscription for the 5,000 shares of New Orleans and Nashville railroad stock reserved for that state by the Louisiana charter. Even lesser towns in Tennessee supported the New Orleans and Nashville railroad. The New Orleans Bee reported that "...the small town of Franklin, alone has subscribed $100,000 towards the Nashville and New Orleans railroad."22

The Louisiana charter had reserved 25,000 shares of stock for subscription by state and municipal governments, and 35,000 shares for private individuals. Throughout 1835, private subscriptions fell somewhat behind the amount set aside, nevertheless, by December, the railroad's Finance Committee could report that "...25,000 shares out of the 35,000 reserved to private individuals were subscribed for...," enough by charter provision "...to convert the commissioners appointed to receive subscriptions into directors of the company..."23 Later, in the spring of 1836, the company reported that 34,062 shares of stock had been sold.24

Unfortunately for the railroad company, no installments on the stock could be collected until the railroad charter was forthcoming from the Mississippi legislature. Under these circumstances, it would seem that the whole project might have been financially paralyzed. But this was not

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22Ibid., 3 December 1835, p. 2.; 10 May 1836, p. 2.
23Ibid., 4 December 1835, p. 2.
completely the case. The railroad's Finance Committee reported in December, 1835, that ways had been found to carry on the work regardless of the stock installment restrictions in the charter. The project was popular, and there was so much public confidence in the enterprise and its leaders "...that the company has not only found means to complete the surveys of the different routes...but to send their principal engineer to Europe..." to purchase rails for fifty miles of railroad, "...the cost of which is estimated at $160,000..." One of the "means" found to raise funds was the use of a voluntary system of collecting installments on the railroad stock. Late in November, 1835, the directors offered to all stockholders who would pay at least twenty dollars per share on their stock, the opportunity "...to take and subscribe for at the par value of as many shares of the additional stock authorized by the charter, as shall equal in number to that upon which said installments shall have been so paid." Probably many private stockholders, anxious to see the project succeed, and trusting that the Mississippi legislature would grant a charter in its 1836 session, paid installments voluntarily.

At the same time the railroad directors were asking private stockholders for voluntary installments, they also turned their attention to public aid. In November, 1835, the New Orleans and Nashville Railroad Company petitioned the City Council of New Orleans to subscribe for the 5,000 shares of stock reserved in the railroad charter for that municipality. The decision of the council in December, to purchase this stock,

25 *New Orleans Bee*, 4 December 1835, p. 2.
27 *Cabelido Record Book 4084*, pp. 228-229.
came by unanimous vote, an indication of the popularity of the railroad. This municipal aid came also just in time to keep the project moving forward. Unlike the private subscribers, who paid only one dollar per share, the city of New Orleans floated a bond with the Union Bank of Louisiana for the entire amount, $500,000, "...by which the company has been enabled to carry on their works with energy..."\(^\text{28}\)

The state of Louisiana, on the other hand, never purchased the stock reserved for it. The New Orleans Bee thought that Louisiana followed a most "niggardly policy" compared with the Atlantic states of New York and Maryland, which liberally voted aid for internal improvements. While the railroad promoters "...labored so incessantly in its behalf..., doing all in their power to accomplish the undertaking...," the state of Louisiana and its citizens were most parsimonious in their support of the enterprise. Since the state refused aid, then the railroad "...must be constructed by the liberal and enlightened enterprise of our merchants and landholders, for it will return to them a profit of an hundred fold." If Louisiana and its citizens failed to support the New Orleans and Nashville railroad, the state "...will remain so far behind the spirit of the age, that years...will not place her on a par with her sister states."\(^\text{29}\) Nevertheless, the charge of the Bee that the New Orleans and Nashville railroad was "...very coldly supported by Louisiana..." and its citizens was somewhat unfounded.\(^\text{30}\) By states, the

\(^\text{29}\)New Orleans Bee, 12 August 1835, p. 2; 4 October 1836, p. 2.
\(^\text{30}\)New Orleans Bee, 2 June 1836, p. 2.
total number of shares of stock held in Louisiana was 30,309, compared with 21,815 in Mississippi, 5,335 in Alabama, and 10,600 in Tennessee.  

Preparations for construction of the railroad kept pace of the stock selling efforts. Surveying operations were under way by the latter part of April, 1835, when it was reported that four companies of engineers were covering the entire route between New Orleans and Nashville. Having begun the survey before funds were available from the sale of railroad stock, the company attempted to acquire a state appropriation of $5,000 for this object. This having failed, the railroad company had to rely on contributions from private citizens. Even had the state provided the amount asked for, this sum would have covered only a fifth of the cost of the survey, which eventually climbed to $25,000. By September, 1835, the company's Chief Engineer, H. J. Ranney, had completed surveys of the three possible routes, and reported that the line between New Orleans and the Tennessee River could be constructed with grades not exceeding twenty feet per mile. Between the Tennessee River and Nashville, however, a favorable route could be selected, but the costs of construction would run much higher. The total distance of the route was estimated at 480 to 490 miles.

Even before the survey was completed, the New Orleans Bee announced prematurely and completely inaccurately, that "...the New Orleans and Nashville railroad company have procured materials for the construction of 50

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31Gibson's Guide, 1838, p. 239.
miles of their route." Although the Chief Engineer of the railroad left for Europe immediately after completing the survey to purchase railroad iron, serious construction did not begin until April, 1836, and the first shipment of iron did not arrive until May. This lull in the construction activities of the company was impossible to avoid because the company at that time did not possess sufficient means to begin the undertaking. If construction temporarily lanquished, there was no dearth of planning on the part of some of the railroad directors, especially in the matter of public land along the route of the railroad. In fact, it was becoming apparent by the fall of 1835, even to outsiders, that some of the railroad directors at least, were conniving with the land speculators.

The first hint that speculators were scanning the New Orleans and Nashville project came from the New Orleans Bee in October, 1835. There was much choice land east of the Mississippi River "...not yet entered," observed the Bee, and "...many are anxious to purchase lands...thro or near which will be the route of the New Orleans and Nashville railroad." But the railroad directors had "...cautiously forborn to publish the route decided on or advised...," hence the impossibility for most people to purchase land. What reasons had the directors given for their reluctance to publish the route? "Not that they or their friends might have the advantage of selecting such lands as might be convenient to the railroad... but that they are compelled from want of a quorum; and for the action of the Mississippi and Tennessee legislature...," added the Bee, caustically.

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33 *New Orleans Bee*, 7 August 1835, p. 2.
About a month later, the Bee announced that its earlier suspicions had been confirmed, and land speculators were "...being apprized of the secret of the route..." Indeed, while the Chief Engineer "...was authorized to advertise in eastern journals, and tho he gave information on the estimated cost, length, etc. of the railroad to those journalists...," New Orleans papers remained ignorant of the details of the Nashville project. "We have been credibly informed," asserted the Bee, "that one or two individuals have realized a fortune within the last 2 or 3 months by speculating in public lands..." along two proposed railroad lines, the Clinton and Port Hudson and the New Orleans and Nashville. In making these charges, however, the Bee hastened to point out that the president of the New Orleans and Nashville Railroad Company, Maurice W. Hoffman, was out of town at the time of the alleged irregularities and "...would not have countenanced such scheming.\(^{35}\)

If the speculators looked covetously at the public domain along the route of the Nashville line, so did the railroad company, which was not backward in making its desires known to Congress. Although the company petitioned for one township somewhere in the Florida Parishes along the route of the railroad, Congress granted much less than this amount. In addition to an eighty foot right of way across public lands still unsold, Congress granted the New Orleans and Nashville Railroad Company small chunks of land to be used for depots, watering places and workshops. These pieces of land were to be laid out in five acre squares, but "...not more than one such square shall be granted for every fifteen miles of the said road lying

\(^{35}\text{Ibid., 26 November 1835, p. 2.}\)
within the public land..." Further, building materials such as earth, stone and wood might be taken from unsold public land. The grant became null and void "...unless the road be begun within the period of two years from the date of this act, and completed within eight years thereafter." 36

Throughout 1836, the railroad directors struggled with the problem of getting construction underway, while at the same time, they faced financial difficulties that seemed almost insurmountable. Nevertheless, the New Orleans press was favorably disposed to the project and the New Orleans Bee especially, carried on a continuous campaign of promotion. By this time the Bee had discarded its romantic and unrealistic notions about long-distance railroad building. The visionary arguments about improved communications, faster mail service, and speedier travel facilities had yielded to the solid economic theme of western trade. Although the Bee was gravely concerned about the "...rivalry of [New Orleans] sister Atlantic states...," it vented most of its spleen upon Charleston, using that proud, aristocratic city and its designs upon the western trade as a bogey to frighten lethargic businessmen in New Orleans into more sustained support of the Nashville railroad. "The design of Charleston is evident...," said the Bee, and "...should that city obtain the object in view, [The construction of a railroad to Louisville and Cincinnati], ...New Orleans must decay and Charleston improve..." 37

The Bee also reserved several uningratiating comments for New York, that commercial colossus of the North which was "...monopolizing to a

36 United States, Acts, 24 Cong., 1 Sess., 1836, pp. 142-143.
37 New Orleans Bee, 4 October 1836, p. 2.
great extent a trade which is legitimately ours, and making our city a convenience." New Orleans' forwarding business already was slipping away to New York, which "...places her huge paws upon us, and...our accommodating merchants ship the produce to her wharves at a trifling commission..." while her merchants ship goods here to be forwarded to the West. Whereas New Orleans' forwarding merchants formerly supplied the West with its imports, "...now the country merchants scarcely ever visit our market to purchase; they have imbibed the opinion that they cannot buy upon as favorable terms here as in the original market where we purchase ourselves." The forwarding business was declining year by year, "...and now as a further consequence of our folly, we see ships laded with merchandize passing our Levees bound to Natchez, Vicksburg, Grand Gulf, etc..."

Meanwhile, New Orleans merely dreamed about its future, "...leaving to blind chance that which should be regulated by prudent foresight." For New Orleans, the city that commanded all the resources of the Mississippi valley, this was a pitiful part to play. But there was an answer to the problem. New Orleans must have its own railroad to the West, and "...with the completion of the Nashville Rail Road we may fairly promise ourselves that our vassalage will be at an end, and we shall then compete with New York upon equal grounds." This railroad would "pour millions" into the lap of New Orleans, and meet the challenge of her sister states on the Atlantic.38

The year 1836 witnessed a virtual bustle of activity on the part of

38Ibid., 12 August, 1835, p. 2; 4 October 1836, p. 2.
the railroad directors in constructing the line and purchasing equip-
ment. One of the ever present problems in constructing the railroad was
the mustering of a sufficient labor force. The company's frequent notices
in the New Orleans papers advertised for hired slaves, and skilled and
unskilled white labor, attested to this fact. Once the company called for
hired slaves to work in the area of the pine woods, where "...the known
health of the country is relied on as a great inducement with those having
slaves to hire." Later the company advertised that it needed at least
100 workmen immediately and urgently. In November, 1836, "...52 Mechanics
for laying the ways of this road..." arrived in New Orleans from the North.
"These young men are just from the Utica road and unite intelligence and
industry with much tact in their line of work...," said the Bee. Never-
theless, these laborers represented only a fraction of the railroad's
labor needs. The Bee, for its part in finding railroad laborers, called
upon all young men to "...lend a hand to a work which will be the pride
of our city..." and urged fathers of families to support with their labor
a project that soon would provide them and their families access to the
piney woods north of New Orleans, where healthful recreation could be
enjoyed. The shortage of labor probably led the railroad company to
invest a considerable sum of money in costly labor saving machinery such
as steam pile drivers, and also to let out contracts whenever possible for
timber supplies.39

39Ibid., 6 June 1836, p. 1; 28 November 1836, p. 2; 30 November
The acquisition of pile drivers was only a small part of the New Orleans and Nashville Railroad Company's outlay for machinery and equipment during 1836 and 1837. Apparently the railroad directors, and especially its president, Maurice W. Hoffman, were so certain of the eventual success of their project that they purchased large amounts of machinery and rolling stock even before there was a railroad on which to operate.

The initial outlay for equipment went for iron rails, enough to carry the railroad fifty miles, and costing $160,000. The arrival of the first shipment of iron rails in May, 1836, was followed throughout the remainder of the year by other costly railroad equipment. In November, 1836, for example, thirty tons of machinery were imported, "...consisting of Steam Engines for driving piles, portable Saw Mill, 7 burthen cars...and much other machinery..." Within a few days, a "spacious building" had been erected in which to store the machinery, while contracts had already been let on other buildings, including the New Orleans depot of the railroad. Finally, in February, 1837, 190 tons more of railroad iron arrived, and a locomotive engine.40

The seemingly lavish expenditure on equipment and railroad iron did not go unnoticed or unchallenged, and some discontent with the company's policies began to appear. "Why invest so large a portion of the subscription of the city in machinery and rails?," asked the critics. "Why not have proportioned it out on the work generally?" In defending the company, President Hoffman asserted that the railroad management was...

operating from the long range viewpoint of completing the entire route to Nashville. They did not propose to make "...just as much of it as the city subscription would reach." Relying on past experience, Hoffman said, it was deemed advisable to have on hand sufficient provisions of rails and machinery to avoid any delays from possible shortages. Besides, "...if the undertaking was to be arrested for want of means, it was of no moment whether the expenditure was in piling, rails or machinery..."

As to the purchase of the locomotives, these were conveniently ordered by the railroad engineer during his trip to England for iron rails. "If we never advance a foot farther," said Hoffman, "we can claim the merit of having done as much for the service of Rail Road construction as any other Company."

Hoffman's philosophical approach to the New Orleans and Nashville project revealed his own uncertainties and pessimism. By the beginning of 1837 there were grounds for believing that the Nashville railroad might fail. While New Orleans' stock subscription was nearly used up, the railroad directors found most of the banks in New Orleans very reluctant to loan money to the company. On the other hand, the receipt of a charter from the state of Mississippi in January, 1837, provided some basis for hope, because installments on the stock could now be demanded, although this process would take time and funds were needed immediately. The calling of installment payments was also beset by other grave ramifications. Would the stockholders, with only one dollar per share at stake,
be willing to risk more money to save the trifling amount already invested, at a time when the New Orleans press and even the railroad management entertained serious reservations about the success of the venture? If the private stockholders, who were the financial backbone of the railroad, did not respond to the call for stock installments, the whole project would collapse. It seemed that the curse of the Mississippi River towns would haunt the Nashville railroad to the end. The railroad directors met this crisis by calling for a small installment of five dollars per share, payable by April 20, 1837. 43 But they had other irons in the fire also. Previously, in January, the company petitioned the Louisiana legislature for a loan, and after the granting of the Mississippi charter, there seemed to be a good chance for favorable consideration.

The bill to aid the New Orleans and Nashville railroad occupied the attention of the Louisiana legislature during most of its first session of 1837. There were two paramount issues during the discussion of the Nashville railroad. First, should the state subscribe for stock and become a party to the project, or should the state extend a loan to the company in return for a mortgage on the railroad? Second, how much money should be thus expended? Throughout the session, Senator Hoa of New Orleans ably championed the interests of the railroad. He described to his fellow Senators the "vigorous struggle" for the trade of the Mississippi valley, and its meaning for New Orleans, mentioning the role that

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43 Ibid., 18 February 1837, p. 1.
would be played by the Nashville railroad in securing the western trade. As far as the type of state aid to be extended, Senator Hoa preferred a loan over the subscription for stock, but it really mattered not which type of aid was forthcoming. The important thing was the amount. The company had asked for $3,000,000, and this sum had been written into the first section of the bill. The whole amount was absolutely necessary for the railroad's success, said Hoa, and "...to move the reduction of the first section, which is the soul of the bill, is to destroy it at one blow." 44

There was no need to fear for the security of the loan, said the Senator reassuringly, because "...subscriptions have been taken for four or five millions of dollars, either by the freeholders or by the municipalities of the city." In addition, the state of Tennessee had subscribed $2,000,000, and Alabama and Mississippi, $500,000 each. Already a total capital of seven or eight million dollars had been subscribed. It was true, admitted Senator Hoa, "...that the stockholders have paid only one dollar on each share..., but they will be compelled to pay the balance." In any event, the state must come to the aid of the railroad or the whole venture would collapse. 45 Actually, the senator should have said, in all honesty, that confidence in the project was waning and that state aid, liberally extended, might keep the company, with its one dollar stock subscriptions, from completely folding.

44 Senate Journal, 31 January 1837, quoted in New Orleans Bee, 1 February, 1837, p. 2.
45 Senate Journal, 9 February 1837, quoted in New Orleans Bee, 10 February, 1837, p. 2.
The opponents of state aid were admittedly swayed by Senator Hoa's arguments and enthusiasm, but generally they believed that "...the funds of the state should not be thus lavished." Senator Felix Garcia, who had his own railroad axe to grind in the Mexican Gulf project, admitted that the Nashville railroad might benefit Louisiana, but it bothered him greatly to see the immense profits that must result from its success, falling into the hands of only a few. "Who is to reap this profit?" asked Garcia. "The answer is, the stockholders of the company, who comprise a very small fraction of the people of this state." It was not the business of the legislature to appropriate public funds to aid a company under the pretext that the state would prosper, when the stockholders would be the beneficiaries. Thus, if any aid were extended, it should be in the form of stock subscriptions. Somehow, Senator Garcia conveniently forgot these arguments when the matter of extending state aid to his own Mexican Gulf railroad came up in the next session of the legislature.

In March, 1837, the legislature finally voted aid to the New Orleans and Nashville railroad. In return for a loan of $500,000, the company was required to give the state a mortgage "...upon all property of the company, immovable, slaves, rights, machinery, lots, railways, and generally upon all property which may appertain to said company within the limits of the State of Louisiana." At the same time, the capitalization of the company was enlarged for a second time, from $8,000,000 to $10,000,000. This miserly loan was almost like a drop of water to a man dying of thirst.

46 Ibid.
It undoubtedly prolonged the agony of the doomed victim, but was of no consequence otherwise. If ever a literal policy of state aid for internal improvements projects was needed, here was the time. A loan of $3,000,000 might have saved the Nashville railroad, and the expenditure of such a large sum during the depression that followed the panic of March, 1837, could have served to ease somewhat the investment slump accompanying the recession. But $500,000 was money thrown away.

As it turned out, the first installment of the state loan, amounting to $200,000, was barely sufficient to pay the existing debts of the company, while the money panic of 1837 pointed toward the eventual doom of the largest railroad venture ever attempted in the southwest up to that time. On March 21, the New Orleans Bee, with "deep mortification," reported that "...the directors of the New Orleans and Nashville Railroad, have been compelled to suspend operations, and to discharge, with the exception of an assistant engineer and a few hands, all their force." This policy of retrenchment was decided upon only as a last resort, to save the project from bankruptcy. "The limited aid extended by the state...is alone sufficient to keep the company in a normal state of existence, without giving impetus which would ensure the speedy completion of the undertaking." The railroad itself had been constructed as far as the town of Bath, where workmen under the supervision of a former engineer of the Utica railroad, were engaged in bridging a canal near that town.

48 Cotterill, "Railroads in the Southwest," 324-325.
49 New Orleans Bee, 21 March 1837, p. 2.
Perhaps the small amount of state aid granted in March of 1837 might have bolstered stockholder confidence in the railroad had not the financial panic intervened. In view of the effects of the panic, it was almost inevitable that the railroad directors' February ruling, calling for five dollar stock installment to be paid in April, 1837, should go unheeded by the stockholders. Thus, in the following June, the directors cancelled the April installment, and called instead for three stock payments of two dollars per share, in September and December, 1837, and in March, 1838. When September rolled around, the stockholders again ignored the call for stock payments. But the stockholders were still interested in the project, and early in October, they forced President Hoffman to call a stockholders' meeting for October 30. The matters they wished aired reflected a deep dissatisfaction with the management of the company. The stockholders proposed to discuss possible changes in the offices of President and Directors, to decide what action should be taken regarding the stock installment due in December, and to petition the Louisiana legislature for state aid. In the meantime, relations between the President and Directors of the company had degenerated into petty bickering over inconsequential issues, and in October, 1837, Hoffman resigned, although afterward he was active in company affairs. 50

The immediate future of the New Orleans and Nashville railroad remained uncertain throughout the remainder of 1837. Although the company managed to keep enough money in the treasury to sustain a labor force of six to eight white mechanics, and thirty seven company owned slaves, the

50Ibid., 22 June 1837, p. 2; 28 September 1837, p. 2.; 23 October 1837, p. 1; 26 October 1837, p. 2.
future looked grim indeed.\textsuperscript{51} There was apparently one ray of hope on the horizon. Only $200,000 of the state loan had been turned over to the railroad company. If the directors could get their hands on the remaining $300,000, the Nashville railroad could enjoy another small spree of expansion. In March, 1838, the legislature ordered the release of this money to the company "...at the rate or in proportion of ten thousand dollars per mile...upon the fact of completion being made known to..." the state treasurer.\textsuperscript{52} The New Orleans press was jubilant. Now the Nashville railroad could proceed with "renewed vigor." There were sufficient funds available "...to carry out the work to the pine woods across the lake. Should the road extend no further...," said the Commercial Bulletin, the benefits to New Orleans would be immense, enough to compensate for the construction costs. "Citizens can have their family residences in the bosom of the pine forest, and visit the city every morning in time for the transaction of business—returning to their homes at night." To promote renewed interest in the project, steamboat excursions were conducted to Pass Manchac, where railroad enthusiasts could view the place where the railroad bridge would be erected over it.\textsuperscript{53}

All went well with the Nashville railroad for the time being, but $300,000 was only stop-gap aid, and even with this financial encouragement, the directors dared not call for stock installments. Obviously,

\textsuperscript{51}Ibid., 8 November 1837, p. 1.
\textsuperscript{52}Louisiana, Acts, 13 Legis., 2 Sess., 1838, p. 84.
\textsuperscript{53}New Orleans Commercial Bulletin, 10 March 1838, p. 2; 14 March 1838, p. 2.
the future of the railroad still rested with the state and the action of the Louisiana legislature in its 1839 session. The legislature met amidst much pressure to aid the railroad. If the attitude of the New Orleans press could be taken as a guide, the popular appeal of internal improvements and the idea of progress had not completely died away after the panic of 1837, and the Nashville railroad stood out as a symbol of progress. The New Orleans press warned that Louisiana was not keeping abreast of the progressive developments of the age, while one editor compared the state with backward Russia. "Even Russia is marching onward... and has now as great an extent of railroad built as the enlightened and opulent State of Louisiana," commented the Commercial Bulletin in January of 1839. "Unless our legislators bestir themselves and do something to succor the Nashville railroad this winter, we expect Russia will outstrip us in another year." 54

For the third successive year, the problem of the Nashville railroad had been dumped into the laps of the legislators, and in 1839, as in previous years, a bill to expedite its construction was introduced. Since the state already possessed a mortgage on the railroad, there was widespread opposition to extending state aid in the form of another loan, or as one legislator put it, taking "...a mortgage on the work done with the State's own money." But this was not the only objection to a loan. It seemed that ten individuals owned among them "...more than a million and a half of stock on which they had only paid $16,000—one dollar on

54 Ibid., 10 January 1839, p. 2.
the hundred." If state money was "...to be used to build the road for these individuals...," some legislators would have preferred to "...see the road burned and lost, than admit such a principle." The charge that large amounts of railroad stock were concentrated in the hands of a few individuals was correct. Nevertheless, when it was pointed out that these people had taken the stock to save the charter, and now would gladly "...surrender the stock to the state, if the state wished to take the undertaking in hand, and prosecute it herself...," opposition to state aid somewhat abated.55

The bill that finally passed the legislature provided for state subscription to railroad stock rather than another loan. The amount authorized was $1,250,000. In return for state participation in the project, the legislature provided for the appointment of a majority of the railroad directors by the Governor, until individual paid-up stock holdings exceeded those of the state. Further, subscription books were to be opened for the sale of stock, upon which a minimum of twenty dollars per share should be paid each year. To finance this new state aid, the legislature reported to the former pre-panic methods of creating capital. The capital stock of the Exchange and Banking Company was to be increased to $5,000,000, secured by mortgages on real estate, "...on condition that said bank will assume the payment of the state bonds, issued for the stock of the Railroad."56

This railroad aid bill was passed in Whig legislature recently swept into office by an overwhelming victory at the polls. Their program, calling for internal improvements, a tariff, and centralized banking, anticipated the national Whig program of 1840. So also did the actions of Whig Governor A. B. Roman, anticipate and parallel the later betrayal of Whig principles by President Tyler. Throughout his administration, Governor Roman vetoed many improvement company aid bills in addition to bank legislation. Among the casualties of the Governor's veto was the Nashville railroad aid bill of 1839. The Governor's veto of this specific legislation brought dismay and chagrin to his party in the legislature, and it also signaled the eventual and final coup de grâce of the Nashville railroad. Apparently, both political friends and foes were at a loss to explain Roman's action. The Commercial Bulletin observed that there were no "satisfactory reasons" in his veto message "...to account for the perfect fatuity that could have induced this extraordinary step." By this action, had Governor Roman, only in the beginning of his administration, "...inflicted a deeper and more serious injury on the prosperity of New Orleans and the State generally...than he can possible remedy during the balance of his term," said the Bulletin.57

The Governor had given no constitutional objections either, and his "...most intimate and long-tried personal and political friends..." counseled against this veto. "General Jackson was never guilty of a greater abuse of the veto power." The Bulletin claimed that Roman had been influenced in this decision by one individual close to him, "...whose direct

personal interest in defeating the present bill was so great ... as to render it the more extraordinary that Mr. Roman should have allowed such overwhelming influence to his opinion." The identity of this individual was not revealed. But while the Governor had foolishly vetoed the Nashville railroad bill, he had also resorted to political trickery, charged the Bulletin. Knowing that the two-thirds vote necessary to override his veto existed in each house of the legislature, Roman "... kept back this bill until a few hours previous to the adjournment ..." while the members of the legislature, "... believing the business of the season was done, were daily leaving the city." Thus, the number was so greatly reduced "... that two-thirds of the whole number elected, would require nearly an unanimous vote ..." 58

Four days after the Governor's veto, the railroad directors appealed to the three municipalities to extend aid to the railroad in order to save the $500,000 already invested by the city of New Orleans. Although a committee was appointed in the Second Municipality to confer with the councils of the other two, the political division of New Orleans at this time made any coordinated action almost impossible. 59 Meanwhile, the railroad company set out to break up its large individual stockholdings and remove all possible objections to extending public aid to the venture. Former President Hoffman became a committee of one to get the consent of the large stockholders for redistribution of their stock. They were asked to surrender "... all stock over and above 100 shares ... and that the amount ... paid thereon of one dollar per share ..." should be considered "... as pay-

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58 Ibid., 29 March 1839, p. 2.
59 Ibid., 29 March 1839, p. 2.
The directors also made provisions to sell this stock to the public. A committee was appointed for each municipality to open stock subscription offices. In promoting the sale of stock, the directors told New Orleanians that "...by a subscription to the stock of the Company, and a payment thereof of five dollars per share...," the railroad could be extended to the Tangipahoa River "... and thus secure an immediate return on the outlay."  

Reorganization of the stockholdings was followed by the opening of the road in May of 1839. In spite of the blow dealt to the project by Governor Roman's veto of the aid bill, the company had to keep face and appear active if stockholders were ever to be attracted. Also, the Louisiana legislature, in its next session, must be presented with requests for aid accompanied by visible proof of the vitality of the railroad company. The line at this time extended out of New Orleans about twenty and one-half miles, fourteen of which crossed the prairie and was within fifteen miles of Pass Manchac. But the New Orleans and Nashville railroad project, that had so greatly stirred the imagination and enthusiasm of citizens in four states, had degenerated to a local New Orleans railroad, depending upon meager revenues from passenger fares to pay its expenses. The New Orleans press began to call attention to the recreational delights of riding the railroad, of the fresh air and open country to be enjoyed by the traveler who journeyed to the Prairie Cottage and bath houses built by the company at the terminus of the line.  

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60 Ibid., 2 April 1839, p. 2.  
company even went into the firewood business, putting its hands to work cutting wood in the forests along the route, and then hauling it to the New Orleans depot for distribution. 63

The Nashville railroad was now existing on borrowed time. While the revenue from the railroad remained pitifully small, the interest on the state bonds fell due in the spring of 1840, with no money in the treasury to pay them. The supporters of the railroad in the legislature attempted again to pass an aid bill that would enable the company to construct the line as far as the Florida Parishes where it would touch the pine woods area. "If carried to the woods," argued a railroad supporter, "it would pay an interest by the reduction in the price of wood alone..." The engineer's estimates that the cost for this extension would be nearly $800,000 did not help the railroad's cause, while some legislators began to wonder if these yearly appropriations would ever cease. Others doubted the wisdom of building to the piney woods. "They were connected by a large extent of lake navigation. We are uniting that which is already reached by a communication infinitely more lasting." Even should the route reach that far, the railroad would never produce a revenue, said one critic, probably quite realistically. "The country was very poor, and the pine woods thinly scattered." 64

In the final analysis, the opinion of the legislators had hardened since the passage of the generous railroad aid bill of 1839. Why should

the state sustain internal improvements that the citizens themselves were unwilling to support? "The Nashville railroad was a mere catchpenny." Truer words could not have been spoken under existing circumstances, nevertheless, in spite of the general distaste for the Nashville railroad, the legislators were forced to vote an appropriation for the project, although not in the form of aid. The interest on the Nashville railroad bonds was due in 1840, and the company could not pay it. Thus, the legislature, to preserve the credit of the state, passed an act authorizing the Governor "...to borrow from any of the banks which are bound to loan to the State, so much money as may be necessary to meet the interest..." on the bonds which fell due during the next twelve months. 

The amount was $21,526.

The Nashville railroad refused to die immediately, and continued operating throughout 1840. When the legislature met in January of 1841, the company could report that their receipts from passengers and wood for ten months in 1840, were $16,475. As far as the wood trade was concerned, 12,000 cords had been delivered to New Orleans at five dollars per cord. These gross profits were offset by expenditures of $16,879, however, the bulk of these expenses, $12,274, having been incurred for salaries, $7,020, and "Negro expenses," $5,254. The financial report of the railroad was accompanied by a message from the company's president, who

65 Ibid.  
66 Ibid.  
harped again on the familiar and frayed theme of state aid. This time, the company asked that the legislature trade its $500,000 mortgage on the railroad, for stock. "If this course should be adopted, the other or individual stockholders would contribute and take an interest in the construction of the road until it reaches Pass Manchac." As things stood at the time, the individual stockholders refused to make any advances on their stock as long as there remained the danger of a state foreclosure of the mortgage. In fact, a recent call for two dollars per share had been ignored by the stockholders. The plan to carry the railroad to Nashville should, for the time being, be suspended, said the president in pathetic and belated recognition of a fait accompli, while the company should concentrate on the more limited objective of serving only the people of Louisiana. But give the railroad a chance, and "...it can, without further pecuniary aid from the Legislature, from its own resources and operations, reach the point mentioned [Pass Manchac] in less than two years."69

The optimism of the railroad president failed to impress the legislators. From the viewpoint of the railroad company, there may have been grounds for a little optimism, because it was almost a miracle that the Nashville railroad, in its existing condition, could report any earnings at all. Nevertheless, receipts failed to cover even the costs of operation and maintenance, while the unpaid interest on the railroad bonds represented damning proof of the company's financial ineptitude. Thus,

69 Ibid.
the legislature began to consider ways of proceeding against the insolvent railroad. Even Senator Hoa of New Orleans, who previously had championed the railroad's cause, now believed "...that the affairs of the company were past all remedy. Could they be serious in applying to the state again for further relief, when the most trifling subscriptions were not paid up?," asked the Senator incredulously. Although various legislators proposed instituting a suit against the railroad, no action along these lines was taken in the 1841 session. The legislature did make provision, however, for the annual payment by the state, of the interest on the bonds until they were completely paid and cancelled. 70

The following year, in March of 1842, the Louisiana legislature took definite action against the New Orleans and Nashville Railroad Company, paving the way for foreclosure of the mortgage by the state. The Attorney General received instructions to institute proceedings, seize the property, and sell it under the most advantageous terms to the state, 71 and by September, 1842, it was reported that the New Orleans and Nashville railroad had passed into the hands of the state. 72 The property taken over included, besides twenty-two miles of railroad, nine slaves, three locomotive engines, seven passenger cars, five burden cars, one steam engine, three pile driving machines with steam engines, three common pile driving machines worked by hand, seventy-six pairs of wheels, fifty-four springs for cars, and numerous miscellaneous items such as machine shop tools and

70 Louisiana, Acts, 15 Legis., 1 Sess., 1841, p. 44.
71 The Mexican Gulf and the Clinton and Port Hudson railroads were included under the provisions of this act. Louisiana, Acts, 15 Legis., 2 Sess., 1842, pp. 458-462.
72 Niles' Weekly Register, Vol. LIXIII (September 10, 1842) 32.
railroad iron and bolts.\textsuperscript{73}

The legislature in the spring of 1844 authorized the sale of the New Orleans and Nashville railroad.\textsuperscript{74} By this time, the legislators found little on which to disagree about the railroad, although one attempted amendment to the act was most interesting. It will be recalled that Senate President Felix Garcia did yeoman work in the legislature to keep his own railroad, the Mexican Gulf, from being sold in sections, apparently so that he and his business associates who held stock in the railroad could buy it back for a fraction of its cost. Along these same lines, Garcia offered an amendment to the Nashville railroad bill, to the effect that the railroad must be sold in block "...if the purchaser shall bind himself to use the same in the extension of the Mexican Gulf Railway, to Lake Borgne..." In other words, the Senator proposed to give his associates the exclusive opportunity of buying the New Orleans and Nashville railroad, and probably at their own price, since no individual bidder could afford to purchase the railroad in block. Although Garcia's "block amendment" had passed in the bill authorizing the sale of the Mexican Gulf Railroad, he failed in his attempt to force the sale of the Nashville railroad in block also.\textsuperscript{75}

On August 15, 1844, the Nashville railroad ended forever as an economic institution, when it was broken up and sold. The railroad line, with its iron and sleepers, brought $34,600, the three locomotives with

\textsuperscript{73}New Orleans Bee, 12 July 1844, p. 1.
\textsuperscript{74}\textit{Louisiana, Acts, 16 Legis., 2 Sess., 1844, p. 2.}
\textsuperscript{75}\textit{Senate Journal, 11 March 1844, quoted in New Orleans Bee, 24 March 1844.}
cars and tenders, $10,000, and the slaves, $2,670. The receipts from the sale were reported at $53,580, while in addition, the state probably realized several thousand dollars from the sale of various miscellaneous items belonging to the railroad company. In view of the selling price of the New Orleans and Nashville railroad, it was obvious that Senator Garcia's insistence on selling the Mexican Gulf railroad in block, cost the state thousands of dollars. Although this railroad was only slightly shorter than the Nashville railroad, and possessed almost as much equipment, the Mexican Gulf sold for only $15,000, compared with $53,580 received for the Nashville railroad. Had Garcia's "block amendment" been applied to the Nashville railroad, additional thousands would have been lost to the state as a result of the crafty maneuvers of this sly operator.

The demise of the New Orleans and Nashville project represented a railroad failure that was all the more ignominious, when compared with the original lofty aims of the venture. This project set out to do more, but accomplished less, than most railroads built in Louisiana during this period. In view of New Orleans' frantic efforts to build railroads to the west in the decade of the 1850's, however, the planners of the Nashville railroad possessed uncommon foresight and vision. They grasped the realities of New Orleans' position in the western trade fifteen years ahead of most of their contemporaries, who were content to drift along with the natural order of things. Understanding the full implications of the canal and railroad revolutions in the East, the Nashville railroad planners set out to do something about the situation. Nevertheless, they

76 New Orleans Bee, 12 July 1844, p. 2; 16 August 1844, p. 2.
had not the means for such a gigantic task, and in the end, failed, partly because of the lethargy of their own fellow citizens.

Another reality that the Nashville railroad promoters understood was the importance of manufacturing and population centers to any railroad system. If New Orleans and south Louisiana lacked sufficient manufacturing centers, why not do something about it? If there was no important manufacturing town near New Orleans, create one. Thus it was that the promoters of the New Orleans and Nashville railroad entered upon one of the most unusual projects in the history of early Louisiana railroading. They adopted a colonization policy that attempted to encourage the settlement of a manufacturing town on the Tangipahoa River, sixty miles from New Orleans on the proposed route of the railroad. The town, they proposed to call by the quite ludicrous, but patriotic name of 'Uncle Sam,' and the details of the project, as revealed to New Orleanians by the press during January of 1837, showed a certain amount of careful planning combined with many unrealistic suppositions as to the town's merits.

The planning of Uncle Sam was probably the handiwork of Hoffman and Woodruff, and the original motivation for its formation, to promote manufacturing, was economically sound from the railroad's point of view. As Hoffman explained it, "...the Company preferred creating a source of revenue from the travelling [sic] which would take place between this city and Uncle Sam...," and he might as well have added, to create a source of revenue from freight traffic also. As to the location of Uncle Sam, many reasons were given for that particular site, including the health factor, the absence of mosquitoes, and the pure water supply. But
the basic factor was the presence of the Tangipahoa River and the belief that this stream could be utilized as a source of water power for factories. Coupled with the water power attraction was the somewhat romantic idea that New Orleans could have a "...populous inland manufacturing town..." the same as Boston had its Lowell, and London and Liverpool, their Manchester, Birmingham and Sheffield. In short, what the planners of Uncle Sam anticipated was to transplant to the soil of Louisiana a facsimile of the results of the industrial revolution in England. Obviously, the incubator conditions of Louisiana in 1837 were quite dissimilar to the resource situation that produced England's manufacturing towns.

Nevertheless, the Tangipahoa River might have provided one basic ingredient, water power. After examining the river above the site of Uncle Sam, which was located at an elevation of eighty five feet above Lake Pontchartrain, "...it was discovered that by a dam 17 feet above low water, and a canal of four miles in length, a fall of 29 feet would be had." This drop of elevation would "...furnish a power equal to 3,000 horses...The dimensions of the canal will be such as to afford all the power required for manufactures, and will be furnished by the company on very reasonable terms." Along the canal would be located the factories, which could be operated "...at any point by returning the water to the river..." Around this power source, "...brickmakers, masons, carpenters, cabinet makers, paper makers, trunk makers, joiners, turners, and all those working in iron, brass and copper..." would take up residence. There would also be an opportunity to establish "...mills, grist mills and factories for the manufacture of cotton..." Perhaps a town based upon the brick and lumber industries would have been practical, and cotton
mills slightly less feasible, but the development of metal works seemed to be highly improbable. The promoters of Uncle Sam planned to give the town a good start by locating the railroad's principal machine shop there, and also, it was planned to build a depot.

On the seventeenth and eighteenth of January, 1837, New Orleanians were given the opportunity to purchase lots in Uncle Sam, and the company pledged ninety per cent of the proceeds of the sale toward improvements in the town. Fifty per cent would be applied to the water power problem, namely, the building of the dam and canal. In addition, the company planned to build a hotel, a college capable of handling 100 students, a bridge across the Tangipahoa River, and a cotton factory. Ten per cent of the proceeds of the sale was pledged to each of these ventures. A lot could be purchased by paying one-fifth of the price within six months and the remainder over a period of four years, without interest. Apparently the results of the sale were fairly satisfactory, for a short time later, the company announced that it would accept bids to build the hotel, the bridge, and the dam. In the meantime, arrangements were being made to contract for a four horse coach to operate between Uncle Sam and Covington. The plans for Uncle Sam fell by the wayside as the prospects of the railroad were dimmed by the company's worsening financial situation. Unfortunately, the sale of town lots took on the aspects of a typical speculation venture of the period, since land in Uncle Sam could be purchased for no down payment, with a long period in which to pay the balance.

77The factual details of the town of Uncle Sam appeared in the New Orleans Bee, between December, 1836, and February, 1837, in the following issues: 24 December 1836, p. 1; 10 January 1837, p. 2; 13 January 1837, p. 1; 17 January 1837, p. 2; 10 February 1837, p. 1.
The end of the Nashville railroad, in a way, represented the end of an era, and signaled a change in the economic philosophy of the state government. It was no coincidence that two other railroads mortgaged to the state, the Clinton and Port Hudson and the Mexican Gulf, were included in the provisions of the act of 1842, which ordered the seizure of the Nashville railroad and its property. All three railroads failed to pay the interest on their state bonds, a situation causing embarrassment to the legislature, and necessitating special legislation to preserve the credit of the state. In so doing, they unavoidably discredited the large corporation and fixed upon the contemporary mind the idea that government and business should be separate and distinct, an economic philosophy that in later times was often clothed in a sanctity that rivaled the laws of Moses. There appeared at this time a changing attitude toward government aid to corporations, which was most strongly phrased by Governor Alexander Mouton in his message to the Louisiana legislature in 1844, recommending the sale of the Nashville railroad:

The general failure of the State in all the enterprises undertaken by her and the unpropitious results of all business or partnerships with companies or individuals warn us to abandon schemes, and limit government to its simple and legitimate objects, the protection of persons and property, and the extension of the blessings of primary education to all our citizens.

Shades of Adam Smith! Although general belief would have it that this laissez faire outlook began immediately after the Panic of 1837, there was little evidence of this fact in Louisiana affairs immediately following that financial disaster. The legislature voted aid to improvement.

companies as late as 1839. As for the Nashville railroad and its part in preparing the way for laissez faire, the legislature itself could be partially blamed, not for extending aid, but for failing to vote sufficient aid. The legislators were unwilling to go the whole distance necessary and become a partner in the venture. Thus, they voted money in ineffectual, parsimonious driblets never sufficient to insure the Nashville railroad's success.
APPENDIX A

Railroads Chartered in Louisiana between 1830 and 1850
with their Capitalization

<table>
<thead>
<tr>
<th>Year Chartered</th>
<th>Railroad</th>
<th>Total Capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1830</td>
<td><strong>Pontchartrain</strong></td>
<td>$1,500,000</td>
</tr>
<tr>
<td></td>
<td>Original Capitalisation</td>
<td>$150,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1831</td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1835</td>
<td>250,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1836</td>
<td>1,000,000</td>
</tr>
<tr>
<td>1831</td>
<td><strong>West Feliciana</strong></td>
<td>250,000</td>
</tr>
<tr>
<td></td>
<td>Original Capitalisation</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td>Increase</td>
<td>100,000</td>
</tr>
<tr>
<td>1833</td>
<td>St. Bernard</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>Alexandria &amp; Cheneyville</td>
<td>250,000</td>
</tr>
<tr>
<td></td>
<td>Rapides</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td><strong>Clinton &amp; Port Hudson</strong></td>
<td>1,000,000</td>
</tr>
<tr>
<td></td>
<td>Original Capitalisation</td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1833</td>
<td>400,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1837</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td><strong>New Orleans &amp; Carrollton</strong></td>
<td>3,000,000</td>
</tr>
<tr>
<td></td>
<td>Original Capitalisation</td>
<td>300,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1835</td>
<td>2,700,000</td>
</tr>
<tr>
<td>1835</td>
<td>Atchafalaya</td>
<td>2,000,000</td>
</tr>
<tr>
<td></td>
<td><strong>Red River</strong></td>
<td>300,000</td>
</tr>
<tr>
<td></td>
<td><strong>New Orleans &amp; Nashville</strong></td>
<td>10,000,000</td>
</tr>
<tr>
<td></td>
<td>Original Capitalisation</td>
<td>6,000,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1836</td>
<td>2,000,000</td>
</tr>
<tr>
<td></td>
<td>Increase, 1837</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

*The original route authorized was completed.
This railroad was partially completed.
<table>
<thead>
<tr>
<th>Year Chartered</th>
<th>Railroad</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1835</strong></td>
<td>Flaumine</td>
</tr>
<tr>
<td></td>
<td>&quot;New Orleans &amp; Carrollton Extension&quot;</td>
</tr>
<tr>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>1836</strong></td>
<td>Baton Rouge &amp; Clinton</td>
</tr>
<tr>
<td></td>
<td>Lake Providence &amp; Red River</td>
</tr>
<tr>
<td></td>
<td>Springfield &amp; Liberty</td>
</tr>
<tr>
<td></td>
<td>Livingston</td>
</tr>
<tr>
<td></td>
<td>Iberville</td>
</tr>
<tr>
<td></td>
<td>&quot;Pontchartrain Extension&quot;</td>
</tr>
<tr>
<td></td>
<td>$2,000,000</td>
</tr>
<tr>
<td><strong>1837</strong></td>
<td>&quot;Mexican Gulf&quot;</td>
</tr>
<tr>
<td></td>
<td>Natchitoches &amp; Sabine</td>
</tr>
<tr>
<td></td>
<td>Madison &amp; Covington</td>
</tr>
<tr>
<td></td>
<td>Vidalia, Harrisonburg &amp; Alexandria</td>
</tr>
<tr>
<td></td>
<td>Louisiana &amp; Mississippi</td>
</tr>
<tr>
<td></td>
<td>&quot;Bath&quot;</td>
</tr>
<tr>
<td></td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>1840</strong></td>
<td>Jefferson &amp; Lake Pontchartrain</td>
</tr>
<tr>
<td></td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td>$24,375,000</td>
</tr>
</tbody>
</table>

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*The New Orleans & Carrollton Extension to Bayou Sara was to be constructed by a newly created company, the New Orleans & Carrollton Railroad & Banking Company. Its capitalisation was $3,000,000, which included the original capitalisation of the New Orleans & Carrollton Railroad Company. See above, 1833, New Orleans & Carrollton Railroad, Increase, 1835.*

*The Pontchartrain Railroad Extension was authorised in 1835, but the large capital increase was not enacted until 1836. This company received banking powers. See p. 259, 1830, Pontchartrain Railroad, Increase, 1835, and Increase, 1836.*

*This railroad was partially completed.*
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17 Legis., 1 Sess., 1845
1 Legis., 1 Sess., 1846
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3 Legis., 1 Sess., 1850

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3 Legis., 1 Sess., 1850

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1 Legis., 1 Sess., 1846
2 Legis., Extra Sess., 1848
3 Legis., 1 Sess., 1850

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Major Field: History

Title of Thesis: Louisiana's Transportation Revolution: The Railroads, 1830–1850

Approved:

[Signature]
Major Professor and Chairman

[Signature]
Dean of the Graduate School

EXAMINING COMMITTEE:

[Signature]

[Signature]

[Signature]

[Signature]

Date of Examination: July 27, 1957