REPORTS
OF THE
PRESIDENT,
Land and Fiscal Agents
AND
CHIEF ENGINEER
OF THE
HANNIBAL AND ST. JOSEPH
Railroad Company.

SAINT LOUIS:
CHAMBERS & KNAPP—BOOK AND JOB PRINTERS.
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1854.
OFFICERS
OF THE
Hannibal and St. Joseph Railroad Co.

NOVEMBER, 1854.

President:
R. M. STEWART, St. Joseph, Mo.

Directors:
JOHN CORBY, St. Joseph, Mo.
Z. G. DRAPER, Hannibal, Mo.
JOSIAH GENTRY, Marion County, Mo.
R. M. FORBES, Boston, Mass.
JOHN E. THAYER, "
H. H. HUNNEWELL, "
THOS. B. CURTIS, "
JOHN M. FORBES, "

Secretary:
J. D. DOWLING, Hannibal, Mo.

Treasurer:
THOMAS S. MILLER, Hannibal, Mo.

Fiscal Agent:
JOHN M. FORBES, Boston, Mass.

Land Agent:
E. B. TALCOTT.

Chief Engineer:
JAMES M. BUCKLIN.

Division Engineers:
CHAS. L. McALPINE, EAST.
B. H. MATHEWS, WEST.
President's Report.

To the Stockholders of the Hannibal and St. Joseph Railroad Company.

GENTLEMEN:

In compliance with the provisions of the charter I proceed to lay before you, on behalf of the Directors, a statement of the present condition and affairs of the Hannibal and St. Joseph Railroad Company.

In connection, will also be found such remarks and explanations as are deemed necessary not only to place our great enterprise and its present favorable condition fairly before the country, but to vindicate its original friends—its constant and disinterested advocates and supporters—from the ungenerous and unwarrantable assaults that have been made upon them by the uninformed or designing, at every step of its progress.

And it will be proper here to remark, that a true report of the condition of the Company has been presented at every meeting of the Stockholders—Reports dictated by the friends, and not by, nor for, the enemies of the road. Since, however, the motives of the Directors, and my own in particu-
lar, have been impugned and severely commented upon for withholding; (as is alleged) the proper information from the public, I may be pardoned for prefacing the account of the present condition of the road, with a condensed statement of its early history.

During the session of the Legislature of 1846–7, a discussion originated in the Senate (of which I was a member) upon a proposition to repeal an act, dividing the proceeds of the sales of five hundred thousand acres of land, which Congress had donated to the State of Missouri, for general objects of internal improvement, to-wit: Railroads, &c., among the counties, share and share alike; without reference to the general objects for which said lands were granted. This discussion, which was an exciting one, and which occupied much of the entire session, aroused a spirit in favor of internal improvement which has since prevailed throughout the State, and effected a radical change in public sentiment.

During that session I had the honor of offering a resolution instructing the committee of internal improvements to inquire into, and report upon, the expediency and practicability of a railroad from Hannibal to St. Joseph. The committee reported a bill, which, among other things, appropriated one hundred and ninety thousand dollars to the survey and commencement of the road. This bill passed the senate but was laid upon the table in the house, "until the close of the Mexican war."

I then offered the following bills, which likewise passed the senate but met with a similar fate in the other end of the capitol. First, a bill postponing the operation of the distribution Act, until the end of the next General Assembly. Also a bill giving six years to the pre-emptors who held these five hundred thousand acres of land under the State, in which to make their payments, the whole was to be paid in three equal instalments.

These bills were intended to save the internal improvement
fund from being squandered, until the people could send up representatives instructed as to its appropriation. As an evidence of the spirit existing at that time I will state that petitions were circulated along the whole line of the road, and numerous signed, remonstrating against the action of the friends of the measure in the legislature. After the failure of the bills above mentioned, I submitted and obtained the present charter.

We were then left with the naked charter, without any aid, either from the legislature or the people, even to test the practicability of the route by the necessary preliminary surveys, with the opinion prevailing almost universally in the public mind, that the scheme was visionary and impracticable, and if practicable, pregnant with certain ruin to the State.

Under these circumstances the subscription to a sufficient amount of stock could not be obtained to organize a company under the provisions of the charter, as it required the actual construction of the road to be commenced within three years from the date of its passage.

At the session of the legislature of 1848–9, at which time the charters of the Pacific and other railroads, were granted, there was no company organized for building the Hannibal and St. Joseph Railroad—no stock worthy of notice taken—and a great probability existing of the charter being forfeited before another session of the legislature, in consequence of the work not being commenced within the time prescribed. With a view to the preservation of the charter, I then procured the passage of a bill, extending the time for commencing the work to four years from the passage of the act, and also made an effort to procure the aid of the State to the amount of five thousand dollars to test the practicability of the route. This aid could not be obtained except upon the condition, that Congress would first give alternate sections of land for a width of six miles on each side of the
road and the State be entitled to stock in the road to the amount of the appropriation.

We also procured the passage of a bill in the senate, providing for a special election, one year in advance of the general election, giving the people an opportunity to decide at the polls between the application of the internal improvement fund to general or local objects of internal improvement. This bill, which was intended to elicit discussion and create an interest throughout the State, and thus procure means to preserve the railroad charters, was defeated in the house of representatives.

Thus at the end of that session also, no Company had been organized—no aid given—nor a sufficient amount of stock taken to justify the belief that a Company with adequate capital ever could be organized. With the novelty of the project the interest in it had also vanished, and a feeling of disgust had succeeded. The bare mention of a subject, upon which so much had been said and so little done during a period of four years, had become irksome and even offensive to the people.

A natural inclination to depreciate the efforts of others and to exult over their defeat, led many not only to look upon, but treat the advocates of the measure with contempt and ridicule.

Under this aspect of affairs, what was to be done? Was this magnificent project to be abandoned and its advocates left to receive their reward in the depreciated stock of what would in that event have been designated an exploded humbug? or were they to make one more effort to succeed? It occurred to me, that the magnitude of the object would justify the attempt. It was therefore made—with what success the following facts will show.

Upon consultation with some who are members of the present Board, I started a subscription to raise money to defray the expense of a preliminary survey, to test the prac-
ticability of a railroad from Hannibal to St. Joseph. With this paper in my pocket, at my own expense, a hopeless invalid on crutches, accompanied by the jeers of some, and the warm sympathy and hearty co-operation of others, I commenced traversing the country from the Missouri to the Mississippi to procure means to carry out the object. The necessary instruments were procured upon my own responsibility. Having received assurances of aid, I left subscription papers at various points along the line on my return to St. Joseph. Immediately a corps of public spirited engineers were organized and took the field under the direction of M. F. Tierman, Esq., as chief engineer. For the entire outfit and expenses of this party, including the pay of twenty men, I was held personally responsible. This first survey of the Hannibal and St. Joseph railroad was completed in eighty days, and to it we are debtor, this day, for whatever of pride or profit may accrue to us from its ultimate completion. For this survey saved the road by awakening an interest in the public mind, thereby enabling its friends to raise a sufficient amount of stock to save the charter by the organization of a Company in accordance with the provisions of the law.

Although the entire line was canvassed several times, from end to end, through every kind of exposure and opposition, and notwithstanding the liberality manifested and extended to the work on several portions of the line, the amount raised by subscription was totally insufficient to defray the expense of the survey.

The success which attended our efforts kindled a landable spirit of emulation in the minds of our friends of the Pacific Railroad, and it is highly gratifying to know that our humble efforts, though not fully appreciated at home at the time, were thought worthy of example by the President and Directors of that great enterprise. In the speech of Mr. Allen to the citizens of St. Louis, reference is made to the
fact of our survey having been made, and assuming it as a
fixed fact that our road would be built, an appeal was made
to their public spirit, and their local interests, to follow our
example. It was followed, and the two roads were soon
placed in a condition which justified the Governor in recom-
mending the credit of the State to be given to them to the
exclusion of all others—alleging, as a reason for so doing,
the amount of stock that had been secured, and the energy
and public spirit manifested by their friends.

Thus approved by the Governor, by means of the efficient
cooperation of the President and friends of the Pacific rail-
road, with the friends of our own road, in the Legislature,
the credit of the State was obtained for both. And, by the
same cordial cooperation, together with the energy and skill
manifested on the part of the members of Congress from
Missouri, the land grant was obtained to aid the State in the
construction of these two railroads; and subsequently, by
an act of the Legislature, a portion of those lands was ap-
plied to aid in the construction of our road. From these
beginnings, the spirit of railroad enterprise has become gen-
eral throughout the State. Is it, then, too much to say that
the internal improvement system of our State had its origin
and first impetus among and through the early friends of the
Hannibal and St. Joseph Railroad, particularly when we re-
member that Congress was first memorialized for land to aid
in the construction of this road.

Having said thus much, which some may consider a per-
sonal narrative, rather than a history of the railroad, but which
I deemed necessary as a sufficient answer to the charges which
have sometimes been made, of having been influenced by per-
sonal and interested motives, I will now proceed to lay be-
fore you a statement of the affairs of the company.

Previous to the first Monday of November, 1853, there
had been subscribed to the capital stock of the company the
following sums—the counties and cities issuing bonds paya-
ble twenty years after date, and bearing interest at the rate of six per cent. per annum for their calls:

City and county subscriptions, - - - $446,400
Individual " - - - 184,400

Making an aggregate of - - - $630,800

Out of this amount, there had been collected, prior to November 7th, 1853—

From Individuals, - - - $13,697 85
From counties and cities, (in bonds) - - 57,240 00

Making an aggregate, in cash and bonds, - $70,937 85

Thus it will be seen that the Directors had available means wherewith to carry on the work, to make selection of the lands granted to the company, and to defray the other expenses incidental to such an enterprise, only the sum of $13,697 85—a sum totally inadequate to meet the necessary expenditures. Shortly afterwards, Mr. Corby, as agent on the part of the company, effected a loan for the sum of $50,000, on terms most favorable for the interests of the company, thereby enabling them to keep the work alive to a certain extent.

The disbursements of the company to November 7th, 1853, were as follows:

Engineering department, - - - $42,800 37
Contingencies, &c., &c., - - - 16,002 10
Interest account, - - - 4,057 98
Right of way for road-bed, - - - 262 00
Expense of land grant—for plats, descriptive lists, &c., - - - 857 75
Paid contractors, - - - 25,243 05

Making an aggregate of - - - $89,223 25
Deduct from which—

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash loan</td>
<td>$50,000</td>
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<tr>
<td>Cash from stockholders</td>
<td>13,697</td>
</tr>
<tr>
<td></td>
<td>$63,697</td>
</tr>
<tr>
<td>Leaves a deficiency of</td>
<td>$25,525</td>
</tr>
</tbody>
</table>

To which may be added the existing indebtedness at that time, as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to contractors</td>
<td>$40,354</td>
</tr>
<tr>
<td>&quot; for right of way</td>
<td>13,542</td>
</tr>
<tr>
<td>&quot; engineers' department</td>
<td>6,901</td>
</tr>
<tr>
<td>&quot; salaries and contingencies</td>
<td>7,175</td>
</tr>
<tr>
<td>&quot; loan of borrowed money</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>$117,973</td>
</tr>
</tbody>
</table>

Total indebtedness, November 7th, 1853, $143,498 91

This indebtedness was in excess of all the assets of the company.

Without entering into the details of the efforts made to collect on subscriptions of stock, it may be sufficient to remark that many refused payment, alleging conditions in their subscriptions; many had died, or had removed from the country to California and elsewhere. It may be also remarked that the Directors never authorized any conditions to be made on subscriptions to the capital stock.

The state of the affairs of the company at this time was such, that some aid, other than that which might be expected from along the route, was necessary to be obtained. The county and city bonds, running twenty years, could not be relied upon, because the character of the bonds were not of that description to be sufficiently appreciated in the money market, no provision having been made by taxation, or otherwise, by the counties issuing them, either to pay the accruing interest or to insure their ultimate redemption.

The collection from individual stockholders was precarious,
and, could even the whole amount then available from that source have been collected, it would have been insufficient to pay the liabilities—thus leaving a surviving debt and an impaired credit to impede the further prosecution of the work.

In this condition of things, the Board entered upon the discharge of their duties for the year 1854. For an account of the work performed, and the payments made thereon, I refer you to the reports of the Chief Engineer, Secretary and Treasurer, herewith submitted.

I have thus briefly stated the condition of our affairs, and the efforts made to keep our enterprise alive. I will now briefly state the course of policy which the Board felt themselves bound to adopt, in order to relieve the company from the embarrassing difficulties which surrounded them, and to secure the completion of the road.

The land which had been granted to the company by the act of Congress, and had been assigned by the State of Missouri to the purposes for which it was donated, had not been selected and confirmed. The company were entitled to the State credit for the sum of one and a half million dollars, but, owing to the causes above related, the county and private subscriptions were so inefficient, and reduced in actual amount below the sum of half a million dollars, (one of the conditions in the act granting to the company the State credit requiring a bona fide subscription amounting to $500,000,) that any relief from that source was not practicable.

The counties had been impertuned for subscriptions of additional stock, and books were again opened with the hope that the citizens along the line of the road, who were immediately interested in its construction, would come forward and subscribe a sufficient amount to enable the company to avail themselves of the State credit.

Various efforts were made to procure loans of money from eastern capitalists, which failed for reasons not necessary to be detailed here, but which might have been obtained in the
east by a proper co-operation at home. All these sources failing, the Directors fearing the ill-effects of a renewed failure, determined to secure from citizens residing out of the State, if possible, that assistance which could not be obtained at home.

Accordingly negotiations were opened with citizens of the cities of Boston and New York, and resulted in procuring a subscription of one million dollars to the capital stock of the company.

In addition to the high standing and character of these gentlemen, they bring with them an amount of railroad influence that must be of important service to our improvement, both in regard to its connection with lines of road extending eastward from the city of Hannibal, and also to its ultimate extension westward from the city of St. Joseph in the direction of the Pacific. The facilities thus afforded, enabled the company to pay off their existing liabilities and to prosecute the work without any unnecessary interruption.

The accompanying report of the Chief Engineer, Maj. Bucklin, will show you the amount of labor performed in the construction of the road, and its present and prospective condition. The preliminary surveys of the road were necessarily of a very difficult and elaborate character, partaking more of the nature of a definite and exact measurement than of ordinary experimental examinations. The diversity of local interests and a laudable desire on the part of the Directory to ascertain the true compromise between the interests of the company and the best interests of the community, induced the examination of a number of routes, and by the conditions of the contract, the best route was not only to be found, but proved to be so by comparative estimates; consequently, over one thousand miles of experimental lines were examined and instrumentally tested during the progress of the surveys. From an examination of the reports of Maj. Buck-
lin, and from my own observation, I am fully justified in saying, that the field-work and computations of the Hannibal and St. Joseph Railroad will compare favorably with any similar work in the United States, and that he and his associate engineers are eminently entitled to the high degree of praise and credit which has been universally accorded to them, by all who are properly qualified to appreciate their labors. The total cost of engineering up to this date has been about $830 per mile, and in all probability will not exceed $800 per mile upon the completion of the road, whereas the Annual Report of the Railroad Corporations of Massachusetts, for 1850, shows an average expenditure of over one thousand dollars per mile on eighteen roads constructed in that State.

Under a system of economy, adopted at an early period of our existence, the Board entrusted the collection of calls on the capital stock, and the delivery of stock certificates to county agents in each county along the line of the road in which sub-
subscriptions had been obtained. Owing to the scattered residence of the subscribers, and their incompetency to pay the agents, these agents have not been able to make satisfactory reports; and hence the Board cannot report more definitely the precise number of shares now considered as reliable.

But with the accruing stock agreed to be taken by the contractors (being ten per cent. of the whole cost of construction) the total present amount of reliable shares may be estimated at nineteen thousand four hundred shares—equal to $1,940,000.

From the date of the first legal organization of the company to the present time, it has been my chief effort in conjunction with the Directors to press forward the work and to procure the necessary means without oppressing the country. How far our efforts have been available, and with what skill we have managed the affairs of the company let others judge.
But, we can truly say, that surrounded by difficulties, our actions, misinterpreted and misconstrued—we have never faltered in our exertions to secure the means, and place the success of our enterprise beyond the possibility of a doubt, and to realize the hope that the country will enjoy the beneficial results to flow from its construction at as early a period as anticipated by the warmest friends of the enterprise.

LAND GRANT.

On the 9th day of February, 1854, the Commissioner of the General Land Office, and Secretary of the Interior, affixed their official signatures and approval to the list of lands assigned in aid of the construction of the Hannibal and St. Joseph Railroad, amounting to near 600,000 acres subject to corrections. Since that time Mr. E. B. Talcott, the land agent of the company, and one or more of the Directors have bestowed their constant and most vigilant exertions to the corrections and increase of the quantity of land assigned to the company.

I feel assured, however, that we shall obtain every acre remaining vacant to which the company is entitled by the allotments of the law, and for which I must refer you to the very intelligent report of E. B. Talcott, Esq., the land agent of our company. The increased quantity of acres will be derived from lands due by allotment agreed upon with the General Land Office, and by recoveries from the list of swamp and overflowed lands claimed by the counties which conflict with the allotment of the company.

The total quantity of land to which we will be entitled by these additional amounts will exceed 600,000 acres.

I may, however, say, that from personal examination of a large portion of these lands and from information derived from statistical reports of hemp, tobacco, and other staple products of the soil in the region of our road, and from the
vast beds of bituminous coal which exist along the line, I feel assured, that upon the completion of the work, the original estimate of the value of these lands made by Maj. Bucklin, the chief engineer, in his letter to me, of June 1st, 1853, will be fully verified.

The present condition of our enterprise may be stated as follows:

The company have discharged all their liabilities, and are now free from debt. A large amount of work has been done, and of a substantial character; about forty miles of the grading is nearly completed and in readiness for the superstructure. This work embraces some of the heaviest and most costly portions of the road.

The finances of the company are in a sound condition, and the means at their command for future operations are deemed sufficient until a more favorable state of the money market permit of more vigorous prosecution of the work.

The present Board have prepared and executed the necessary mortgage of their lands and other property to secure the sum of four million dollars and the accruing interest, and also bonds bearing seven per cent. interest, to the amount of two millions of dollars are now ready to be put in the market, at the first prospect of their being negotiated. These bonds are entrusted to an agency of high standing in Boston and New York. Their interest in the work, their reputation as capitalists and gentlemen of high moral character, are a guarantee that the means will be raised and the work pressed forward with vigor, at as early a day as prudence and a due regard to the rights of the stockholders will permit, and that the road will be fully completed within the contract time. All of which is respectfully submitted.

R. M. STEWART.

Hannibal, Mo., Nov. 6, 1854.
## EXHIBIT OF THE CONDITION

**OF THE**

HANNIBAL AND SAINT JOSEPH RAILROAD COMPANY, NOVEMBER 1, 1854.

### FACE OF LEDGER.

<table>
<thead>
<tr>
<th></th>
<th>DR.</th>
<th>CR.</th>
<th>BALANCE.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholders bona fide</td>
<td>$1,373,000</td>
<td>$259,420</td>
<td>$1,114,470</td>
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<tr>
<td>Stockholders conditional or not affirmed by counties</td>
<td>130,000</td>
<td>16,000</td>
<td>114</td>
</tr>
<tr>
<td>Stockholders delinquent</td>
<td>2,665,800</td>
<td>1,600,000</td>
<td>1,065,800</td>
</tr>
<tr>
<td>Stock bona fide</td>
<td>2,500</td>
<td>130,000</td>
<td>127,500</td>
</tr>
<tr>
<td>Stock conditional or not affirmed by counties</td>
<td>1,000,000</td>
<td>2,665,800</td>
<td>1,065,800</td>
</tr>
<tr>
<td>Stock delinquent</td>
<td>125,315</td>
<td>125,254</td>
<td>61</td>
</tr>
<tr>
<td>John Corby, Assistant Treasurer</td>
<td>311,630</td>
<td>220,291</td>
<td>14,729</td>
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<tr>
<td>Thomas S. Miller, Treasurer</td>
<td>31,111</td>
<td>200</td>
<td>67,955</td>
</tr>
<tr>
<td>Expense account</td>
<td>68,155</td>
<td>200</td>
<td>67,955</td>
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<tr>
<td>Engineering Department</td>
<td>8,167</td>
<td>3,502</td>
<td>4,505</td>
</tr>
<tr>
<td>Interest account</td>
<td>17,759</td>
<td>17,759</td>
<td>4,990</td>
</tr>
<tr>
<td>Right of way for road bed</td>
<td>2,188</td>
<td>2,188</td>
<td>24,520</td>
</tr>
<tr>
<td>Land grant</td>
<td>2,500</td>
<td>57,780</td>
<td>300</td>
</tr>
<tr>
<td>Bills receivable (or County Bonds)</td>
<td>151,035</td>
<td>151,035</td>
<td>37</td>
</tr>
<tr>
<td>Depot grounds</td>
<td>$5,444</td>
<td>$2,739,135</td>
<td>37</td>
</tr>
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</table>

**SECRETARY'S REPORT.**
Statement of Receipts from Stockholders and other sources of the Hannibal and St. Joseph Rail Road Company up to 1st November, 1854.

### RECEIPTS, DR.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Stockholders bona fide in Missouri, in Cash</td>
<td>$14,140 85</td>
</tr>
<tr>
<td>&quot; &quot; Bonds</td>
<td>45,280 00</td>
</tr>
<tr>
<td>&quot; &quot; Boston and New York, Cash</td>
<td>200,000 00</td>
</tr>
<tr>
<td>&quot; not reaffirmed, Counties, in Cash</td>
<td>1,500 00</td>
</tr>
<tr>
<td>&quot; &quot; Bonds</td>
<td>12,000 00</td>
</tr>
<tr>
<td>State of Missouri in 150 State Bonds</td>
<td>13,500 00</td>
</tr>
<tr>
<td>Stock full paid, &quot;Duff &amp; Learned,&quot;</td>
<td>151,335 37</td>
</tr>
<tr>
<td>Stock full paid, &quot;Duff &amp; Learned,&quot;</td>
<td>20,060 00</td>
</tr>
<tr>
<td>Total</td>
<td>$444,886 22</td>
</tr>
</tbody>
</table>

### EXPENDITURES, CR.

- Construction Account per Duff & Learned, contractors, $211,788 51
- Engineering Department                                   67,955 18
- Expense Account and Contingencies                        31,111 02
- Interest                                                4,006 02
- Right of Way for the Road Bed                            17,759 48
- Land Department                                          9,285 09
- Depot and Machine Grounds                                300 00

Total Amount Expended, $372,685 90

On hand in Treasury, Cash, $14,890 32
- " " " County Bonds, 57,280 00

Total on hand in Treasury, $72,170 32

\[ \text{J. D. DOWLING,} \]

Hannibal, November, 1, 1854.

\[ \text{Secretary.} \]
Fiscal Agent's Report.

Office of Fiscal Agency of H. & St. Jo. R. R. Co.}
Boston, October 28, 1854. }

Col. R. M. Stewart,

President H. & St. Jo. R. R. Co.

Sir:

On the occasion of the first annual meeting of the stockholders of your company, since the appointment of this agency, it may be proper to lay before you a summary of our action up to this date.

The Agency was organized on the 30th March, 1854, by the election of the undermentioned officers:

John M. Forbes, Chairman, Robert S. Watson, Treasurer, pro tem., Edward B. Talcott, Agent to examine lands, and, at a subsequent meeting, Charles D. Appleton, Secretary.

Our first and most urgent duty seemed to be to determine the exact quantity of land given to the company by the United States, its present and prospective value, and to have such a report, on this subject, as would enable capitalists to judge of the security which the company could offer as the basis of a loan.
We accordingly secured the services of E. B. Talcott, Esq., whose experience while employed by the Michigan Canal Company (the first large public work endowed with land in this country) eminently qualified him for this work. At our recommendation, and in order to save expense, Mr. Talcott was also appointed Land Agent.

He has already made a preliminary report on the subject and has been industriously engaged in examining the lands, in getting the lists corrected and in reclaiming such of the lands as had been improperly appropriated under the Swamp Land act.

At an early day, he will be able to make a careful and most valuable report upon this topic.

We next took measures to mature a plan for mortgaging the lands and the road itself, on such terms as would be likely to command the confidence of capitalists. This required much care, not only in the selection of trustees of high character, but also in making the form of the trust such as would, at the same time, protect the lenders of the money and enable the company to sell the land, whenever its interests required it.

While the value of the lands is likely to increase from year to year, we have not forgotten that the value of the road depended upon its having a producing population on its line, and that, for the purpose of encouraging settlement, it may become necessary to sell a part of the lands, at a much lower price than they are sure to be worth eventually,—each sale of lands to actual settlers tending to enhance the value of what remains.

With these views, the error of tying up the land by a high and unchangeable valuation for the security of the bondholders, has been avoided, while these trustees have it in their power to prevent such changes in the valuation as in their opinion will be injurious to the security of the bonds.

After full discussion and examination, this form of con-
veyance has been adopted by your Board, and we are daily in expectation of hearing that the deed has been delivered over for record.

The bonds under it have been prepared and part of them are in course of being signed.

The next important step seemed to us the appointment of an Auditor, to be nominated by us, who should supervise the expenditures of any moneys which may be raised for carrying on the work, and we recommend this to your Board, but we regret to say, that up to this time, it has not been done.

Under any circumstances of the money market, or of the state of public opinion in regard to railroad securities, it would have been necessary to have the proposed measures satisfactorily in train before it would be judicious to offer the bonds of the company for sale. But, in the unparalleled panic which has existed for the last few months, it would have been worse than useless to have offered our securities until all the proper measures were completed in the most formal and most satisfactory shape. Aware that hereafter the loose mode of doing such business, which has characterized too many railroad operations, would not be tolerated, and that each point would be subject to the most careful scrutiny before capitalists would lend their money upon any new railroad bonds, we have submitted our plans to counsel of the highest standing and experience, and we believe that everything has been done, thus far, in the most safe and precise manner, even in regard to technical details, which, under ordinary circumstances, might have been deemed unimportant.

Our preparatory measures for bringing forward your securities are nearly completed—now only requiring such action of your Board as will give entire confidence that the moneys raised will be properly expended.

Next to the certainty of having obtained the necessary means to complete the road, we consider your position the
most favorable that is possible, considering the present posi-
tion of the railroad market.

You have gone on, prudently husbanding your resources, 
and have not incurred obligations which you cannot meet. 
You are, therefore, not in the hands of money lenders, to 
make their own terms, while, at the same time, you have, in 
your valuable lands and your advantageous line of road, such 
security to offer as ought, whenever there is money to be had 
for any railroad enterprise, to secure it to you.

While, too, you are not obliged to accept any terms that 
are offered, time is so valuable an element, and the early 
completion of your road would secure such immediate profits 
from it, that you can afford to give the most liberal terms for 
money that any capitalists, looking to good security, could 
reasonably ask.

In short, if you can get money enough to finish the road 
vigorously, it will be better policy to pay a very high rate for 
money than to let the road linger along slowly.

To those who complain of want of vigor during the past 
season, it is enough to say that it was totally impossible to 
get the amount of money necessary for large operations, and 
that the only opening for vigor lay in the direction of running 
into debt without means to pay—a policy which, for the sake 
of a temporary activity, might have paralyzed the company 
for years.

It is true, that a certain class of money lenders prefer to 
deal with embarrassed companies, whom they can have in 
their power. A larger and more desirable class will only 
 lend their money upon good, unembarrassed securities, which 
they consider sure to be good, and to be profitable continu-
ally to both the lenders and the borrowers.

To this class we propose to appeal, as soon after the 
completion of the necessary arrangements by your Board as 
there is any fair prospect of success.

A reaction appears already to be taking place, from the
extreme point of depression, and, should this go on, we propose to avail ourselves of it at an early day.

Until the necessary money is secured, we cannot doubt that the same prudent policy ought to be pursued which has thus far kept you in an independent position.

Your obedient servant,

J. M. FORBES,
Chairman Fiscal Agency.
Land Agent’s Report.

Office H. & St. Jo. R. R. Co. Hannibal, Nov. 6, 1854.

Col. R. M. Stewart,

President H. & St. Jo. R. R. Co.

Sir:

The undersigned, as Land Agent of said Company, begs leave to submit the following report:

By virtue of an Act of Congress, approved June 10, 1852, the Secretary of the Interior, on the 9th day of February, A. D., 1854, certified that the Company were entitled to 590,726 acres of land, which had been selected according to the provisions of said Act.

Previous to this, Congress passed an Act, which was approved on the 28th day of September, A. D., 1853, by which, all swamps and overflowed lands made unfit thereby for cultivation, was granted to the State.

The Swamp Act having precedence, and being very liberally construed, the State Agents selected a much larger quantity of land than a fair construction would warrant.

An examination of the list showed that the lands thus selected within the rail road limits, which would otherwise have been allotted to this Company, amounted to about 75,000 acres. From an inspection of the map, it was evident, from their location, that many of these lands could not be of the character intended to be conveyed by said Act.
Upon your representation of this fact to the Commissioner of the General Land Office, an opportunity was given this Company to examine said lands, with instructions to report all testimony, &c., to the Surveyor General, at St. Louis, who was appointed a special Commissioner, to decide upon the proof submitted, what portion of said lands were subject to the Swamp Act.

By resolution of the Board of Directors, at their meeting in March last, Z. G. Draper had been instructed to make this examination. The preliminary steps for obtaining certified copies of the township plats, and field notes had been taken before my connection with the road.

The preparation of copies of these plats and notes for the use of Surveyors who examined the lands, the arrangement of testimony to be submitted to the Commissioner, and a portion of the correspondence, has formed a very considerable part of the business of my office, during the season.

I have, also, carefully compared the land lists, as certified by the Secretary of the Interior, with such data as I found on file, in the Secretary’s office, and with the records of the local land offices.

This examination was necessary, to correct numerous errors, of lands included, which had been previously sold—to claim such lands as had been omitted in the original selection, and to adjust conflicting claims between the State and this Company, under the Swamp Act.

For the purpose of comparing the land lists of the Company with the records of the General Land Office at Washington, and correcting them by striking off lands which had been sold, adding those which had been omitted, and obtaining a final decision from the Commissioner of the General Land Office, upon the claims of the Company to a portion of the swamp lands, I deemed a journey to Washington necessary.

The result is briefly, as follows: There will be stricken
from the list, for lands sold prior to the Act donating the right of way, &c., and lands sold under the pre-emption Act, 6,968 $\frac{18}{100}$ acres. In addition to this, about 1,000 acres have been sold under the pre-emption law, where the conditions have not been strictly complied with. The titles have been suspended, and these lands will undoubtedly be confirmed to the Company.

There will be added to the list, for lands omitted in the original selection, 3,678 $\frac{98}{100}$ acres.

Of the swamp lands examined, there was claimed by this Company, 21,764 $\frac{21}{100}$ acres, and proof laid before the Commissioner, that this quantity was not subject to the Swamp Act. The Commissioner decided in favor of the Company, upon 20,684 $\frac{38}{100}$ acres, and rejected as swamp land, 1,080 $\frac{70}{100}$ acres.

There is another class of swamp lands which are included in the lists certified to this Company, to the amount of 18,000 acres. These lands were rejected by the Surveyor General, in his original examination, as not being subject to the Swamp Act. They are distributed through several counties, and have not been examined. By a recent decision of the Commissioner of the General Land Office, these lands will stand confirmed to this Company, until the State Agents shall prove conclusively, that said lands are subject to the Swamp Act. The quantity and value of these lands, which could be recovered by any one county, would not justify the expense of a controversy. Hence, I do not apprehend any loss from this quarter. Between 600 and 700 acres of these lands are yet subject to an examination, and may be recovered.

There are several tracts of land in the lists of the Company, which have been certified as swamp lands, and were not reclaimed in the examination. These will be stricken from the lists, and, it is more than probable, the Company will yet lose some lands which are subject to sale under the
Pre-emption Act. I would also remark, that notwithstanding the careful examination already made, it will probably be found that some few tracts, claimed by the Company, have been sold by the Government. This must be determined by a careful investigation of adverse titles when presented.

I had hoped to be able at this time, to state the quantity of land which the Company would receive from the Government, but owing to some unaccountable delay on the part of the Surveyor General, his report upon a portion of the swamp lands reclaimed, was not received at Washington, until the 31st of October. Without this report, the lists could not be corrected. I had the assurance of the Commissioner of the General Land Office, that this should be done as soon as practicable, and hope to receive his decision in a few days.

Under the circumstances, I am confident the quantity will not be reduced below the original amount, and have reason to believe, that after all the corrections are made, the quantity will somewhat exceed 600,000 acres. For all practical purposes, this may be assumed as the amount.

Soon after the examination of swamp lands was finished, two parties were organized for the purpose of making a minute examination of all lands belonging to the Company. Each party consists of a competent Surveyor, three men, a two-horse wagon, and camp equipage.

They are instructed to describe the land in tracts of, not exceeding, forty acres—dividing them into three classes according to quality of soil and timber—to describe the surface of each tract, noting all streams and springs, and all known veins of coal, whether on the lands of the Company, or in their vicinity; to note all improvements of farms, mills, roads, &c., in each township.

The notes thus taken, will show the topography and improvements of the whole country, and are indispensable, in order to determine the relative and actual value of the lands
belonging to the Company. These notes will be recorded, and serve as a valuable reference in regulating prices whenever the lands may be offered for sale.

I propose to prepare a set of township maps, backed with cloth, and put up in well bound books. On these maps will be designated all lands belonging to the Company, towns, farms, mills, roads, coal mines, &c. These maps to be used when the lands are sold. I also propose to enter all the lands in well bound books, properly arranged for the necessary entries, when the lands are sold.

I also propose to appoint local agents in the several counties, to protect the timbered and coal lands from trespass. I would suggest the propriety of leasing coal mines at a nominal price, for a limited period of a year or more, as a means of more fully developing the value of the lands. Within the past year, a geological survey has been made of that portion of the Company's lands supposed to contain coal. This service has been performed by Mr. F. Hawn, Assistant State Geologist, at the expense of this Company. In a letter addressed to the Secretary, under date of 16th October, last, Professor Swallow, State Geologist, speaking of Mr. Hawn's report, says: "It shows, when taken in connection with my own researches on the two termini of the road, the existence of several beds of good coal, extending over a large portion of the territory under consideration, and a soil nowhere surpassed in fertility. Mr. Hawn's labors are entirely satisfactory to me, and will prove of great value to the road, &c."

The detail of this survey can not be obtained until reported to the Legislature, at its next session.

In relation to the value of the Company's lands, I have only to say, that from all the information I have obtained from the Surveyors engaged in examining swamp lands, and my own observations in traversing a considerable portion of the district, I see no reason to modify the opinion expressed
in my report to Messrs. Corning, Gould, and Forbes, in March last. I believe my estimate of eight dollars per acre will be fully realized.

Very Respectfully, Your Ob't. Serv't.

EDW. B. TALCOTT,

Land Agent H. & St. Jo. R. R. Co.
SIR:

Since the receipt of your last letter, I have been engaged in making a careful examination, with a view to ascertain the present value of the improved and unimproved lands on the route of your road. From this, it appears, that no improved lands on the route can be purchased at a less average price than $12 per acre, and that unimproved entered lands are valued at $4 per acre.

In forming an estimate of the prospective value of these unimproved lands belonging to the Company, I have employed a criterion which I think is best calculated to lead to a correct result. This has been obtained by ascertaining the present value of lands of similar quality, situated within similar distances of such facilities of transportation as are afforded by the Missouri and Mississippi rivers, facilities which, considering the comparative difficulty of approaching these rivers, through the bottom lands, and the uncertainty of the navigation, are evidently far inferior to those furnished by a railroad, and certainly less calculated to enhance the value of lands. Agreeably to this criterion, not so high a one as for many reasons you would be justified in assum-
ing, the average value of the lands belonging to the Company, will amount to ten dollars per acre, classified as follows:

1. **First Class.**—Lands of special value, as coal fields, quarries, minerals, &c., or from proximity to towns or villages, 75,000 acres; minimum valuation at $20.  $1,500,000

2. **Second Class.**—Superior agricultural qualities and location, 112,500 acres; minimum valuation at $15. - - 1,687,500

3. **Third Class.**—Good agricultural qualities, 187,500 acres; minimum valuation at $10. - - - 1,875,000

4. **Fourth Class.**—Low agricultural qualities, 150,000 acres; minimum valuation at $5. 750,000

5. **Fifth Class.**— Inferior lands, 75,000 acres; minimum valuation at $2 50. - 187,500

Forming an aggregate valuation for the 600,000 acres, - - - - $6,000,000

It should be borne in mind, with reference to this estimate of the comparative value of lands within fifteen miles of the above-mentioned rivers, and within the same distance of your road, that the latter are much more desirable on the score of health, and on account of the greater facility of communication with the road, which they possess. This arises from the fact, that the general location of the depots on the road will be on the ridges between the streams which the road crosses. These ridges although not high, are sufficiently elevated to afford natural roads of the most perfect character, passable with heavy loads at all seasons, for a great distance north and south. Besides rendering the road accessible at all times, the direction of the road east and west has the further advantage of dividing the lands into the proper proportion of timber and prairie. It must be
seen at a glance the important bearing of these facts alone upon the value of your lands; but when you take into view the great intrinsic value of the coal lands, and their effect in enhancing the value of all lands throughout the route, after the road is in operation, the criterion that I have adopted must be acknowledged to be below what might have been justly assumed. The lands along the Central Railroad in Illinois, although valued much higher than I have ventured to place yours, are inferior in the advantages of position and in susceptibility of improvement. In my report on the location of your road, I have alluded in general terms to the unsurpassed fertility of the soil, which, although of unvaried richness, is diversified in its adaptation to the different products of the climate. For example: The eastern division of the road passes through a hemp district of country; and upon approaching Macon county, the road enters a tobacco region, unequalled probably in the world, certainly not in the United States. Even in the elk knobs, where I expected to find a comparatively sterile portion of the route, I found the most beautiful and extensive valleys in a high state of cultivation. Beyond the knobs, west of Grand river, lies ‘New Kentucky;’ as it is called, on account of its close resemblance to one of the most fertile and desirable portions of Kentucky. This is a limestone region. The western portion of the road is located through the ‘Platte Purchase;’ the extraordinary richness and fertility of this celebrated purchase is too well known to require description.

The specimens of bituminous coal, from the north Missouri coal fields, which I presented to the Board at their last meeting, are superior to any I ever saw south of the Missouri river, and are fully equal to the best specimens from the Pittsburgh mines. In connection with this coal, I have good reason to believe that iron ore will be found, and of a quality well adapted to smelting purposes.

Respectfully your obedient servant,

JAMES M. BUCKLIN.
Chief Engineer's Report.

Col. R. M. Stewart,

President H. & St. J. R. R. Co.

Sir:

The line of your road having been definitely located, and all the changes made that are usually required in the corrections of the lines of a preliminary survey, it becomes my duty to make known the effect these alterations have produced in the character and value of the road.

No material change in the quantities has been effected, the correspondence between those of the preliminary surveys and the definite location being unusually close; this may be inferred from the fact, that there is no important difference in the length of the lines, and that both are within nine per cent. of an air line between Hannibal and St. Joseph.

In the following tables will be found the present effective value of the road, which by comparison with table (A) in my report, on the survey and location of the Hannibal and St. Joseph Railroad, (March 7th, 1853,) will show the ex-
act difference in the aggregate. The principal cause of this difference, in measured miles, is occasioned by the adoption of the Bear Creek route instead of Clear Creek, at the eastern terminus.

**THE EQUATION OF WHOLE LINE BY DIVISIONS SINCE LOCATION, COMPARED WITH EQUATION OF PRELIMINARY LINES.**

<table>
<thead>
<tr>
<th>Division</th>
<th>Measured Miles</th>
<th>Relative Distance East</th>
<th>Relative Distance West</th>
<th>Average Relative Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Division</td>
<td>25</td>
<td>33.3</td>
<td>40.6</td>
<td>35.7</td>
</tr>
<tr>
<td>Second Division</td>
<td>25</td>
<td>33.2</td>
<td>40.6</td>
<td>34.2</td>
</tr>
<tr>
<td>Third Division</td>
<td>25</td>
<td>35.7</td>
<td>37.7</td>
<td>36.7</td>
</tr>
<tr>
<td>Fourth Division</td>
<td>31.8</td>
<td>56.4</td>
<td>58.6</td>
<td>57.5</td>
</tr>
<tr>
<td>Fourth Division</td>
<td>25</td>
<td>42.6</td>
<td>40.7</td>
<td>41.6</td>
</tr>
<tr>
<td>Third Division</td>
<td>25</td>
<td>37.3</td>
<td>48.3</td>
<td>39.8</td>
</tr>
<tr>
<td>Second Division</td>
<td>25</td>
<td>42.9</td>
<td>45.6</td>
<td>44.2</td>
</tr>
<tr>
<td>First Division</td>
<td>25</td>
<td>41.9</td>
<td>33.5</td>
<td>36.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>206 8-10</strong></td>
<td><strong>326.</strong></td>
<td><strong>307 3-10</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Preliminary lines</strong></td>
<td><strong>205 7-10</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td><strong>1 1-10</strong></td>
<td></td>
<td></td>
<td><strong>187 1-10</strong></td>
</tr>
</tbody>
</table>

The divisions marked thus (**) are averaged with double freight towards termini.

The construction of that portion of the work which was sub-let in May, 1853, embracing a subdivision from either terminus of the road, has been slowly progressing, and although at no time a very large force has been employed, still the amount of work done in the aggregate is considerable.

The amount, estimated and paid, for work done on the entire line, is in the aggregate two hundred and thirty thousand five hundred and twenty-seven $20\frac{95}{100}$ dollars, this sum including all estimates on the eastern division up to November 1st, 1854, and on the western division up to October 2d, 1854. Of this amount, the sum of one hundred and sixty-three thousand and eighty-two $20\frac{95}{100}$ dollars is due to the first subdivision west.
By reference to the estimated cost of each entire subdivision, it is found that the work done, amounts on the eastern to sixty-four per cent., and on the western to twenty-two per cent. of the whole expenditure, due to graduation, masonry and bridging.

The cause of this inequality of expenditure on the eastern and western divisions, it is thought, is well known to the Board; arising partly, from the uncertainty existing in regard to the final location of the western terminus, and partially, from the difficulty experienced in procuring laborers on the western division, at the commencement of the work.

The second subdivision, extending twenty-five miles on either end, can be readily and speedily prepared for the superstructure, if the requisite means are provided to push the work vigorously, as they each comprise the lightest and cheapest work on the line of road.

And it may not be irrelevant at this time to say, that it is a matter of almost vital importance to the completion of the road within the time specified, that the iron should be laid, and communication opened between the interior counties and the Mississippi and Missouri rivers. In these counties about midway between the termini of the road is to be found the heaviest work on the road, and by far, the least facilities for carrying on the work with rapidity. The country though possessing great natural advantages is thinly settled, and its immense agricultural and domestic capacity, being imperfectly developed, it is illly prepared to sustain the large and sudden influx of unproductive labor which must necessarily be placed in it during the progress of the work.

If a communication could be opened immediately with that country from either terminus, the employees of the company engaged on the work would be relieved in a great degree, from a precarious dependence upon a thinly settled country for supplies, consequently, the work could be pushed forward with greater certainty and economy.
In my former report, of March 7th, 1853, predicated upon data obtained in 1846, it was supposed, that the annual receipts of the Hannibal and St. Joseph Railroad would amount to $600,000; making no allowance for any subsequent increase of population that might have been reasonably expected. In making examinations recently of the census of 1850, and the ratio of increase in population and products, the results are exceedingly interesting and gratifying to the friends of the road. The following is an exhibit of the

**POPULATION AND CULTIVATED LAND IN 1850, IN COUNTIES TRIBUTARY TO HANNIBAL AND ST. JOSEPH R. R.**

<table>
<thead>
<tr>
<th>COUNTIES</th>
<th>Inhabitants</th>
<th>Cultivated land Acres.</th>
<th>COUNTIES</th>
<th>Inhabitants</th>
<th>Cultivated land Acres.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atchison</td>
<td>1,678</td>
<td>6,477</td>
<td>Grundy</td>
<td>3,006</td>
<td>13,699</td>
</tr>
<tr>
<td>Holt</td>
<td>3,957</td>
<td>16,640</td>
<td>Mercer</td>
<td>2,691</td>
<td>10,141</td>
</tr>
<tr>
<td>Nodaway</td>
<td>2,118</td>
<td>9,576</td>
<td>Dodge</td>
<td>375</td>
<td>4,106</td>
</tr>
<tr>
<td>Andrew</td>
<td>9,433</td>
<td>40,447</td>
<td>Putnam</td>
<td>1,636</td>
<td>2,005</td>
</tr>
<tr>
<td>Buchanan</td>
<td>12,975</td>
<td>56,897</td>
<td>Sullivan</td>
<td>2,983</td>
<td>14,108</td>
</tr>
<tr>
<td>Platte</td>
<td>16,845</td>
<td>94,496</td>
<td>Linn</td>
<td>4,058</td>
<td>18,851</td>
</tr>
<tr>
<td>Clinton</td>
<td>3,786</td>
<td>26,244</td>
<td>Chariton</td>
<td>7,514</td>
<td>34,651</td>
</tr>
<tr>
<td>Clay</td>
<td>10,332</td>
<td>71,905</td>
<td>Rand</td>
<td>9,439</td>
<td>62,420</td>
</tr>
<tr>
<td>DeKalb</td>
<td>2,075</td>
<td>8,856</td>
<td>Macon</td>
<td>6,565</td>
<td>33,329</td>
</tr>
<tr>
<td>Gentry</td>
<td>4,248</td>
<td>14,246</td>
<td>Adair</td>
<td>2,342</td>
<td>12,243</td>
</tr>
<tr>
<td>Harrison</td>
<td>2,447</td>
<td>6,447</td>
<td>Schuyler</td>
<td>3,387</td>
<td>16,121</td>
</tr>
<tr>
<td>Daviess</td>
<td>5,296</td>
<td>17,919</td>
<td>Scotland</td>
<td>3,782</td>
<td>23,461</td>
</tr>
<tr>
<td>Caldwell</td>
<td>2,516</td>
<td>14,707</td>
<td>Knox</td>
<td>2,894</td>
<td>15,845</td>
</tr>
<tr>
<td>Ray</td>
<td>10,373</td>
<td>46,704</td>
<td>Shelby</td>
<td>4,253</td>
<td>22,522</td>
</tr>
<tr>
<td>Carroll</td>
<td>5,441</td>
<td>22,437</td>
<td>Monroe</td>
<td>10,541</td>
<td>74,792</td>
</tr>
<tr>
<td>Livingston</td>
<td>4,247</td>
<td>23,488</td>
<td>Marion</td>
<td>12,230</td>
<td>62,145</td>
</tr>
</tbody>
</table>

Total: 175,155 920,921

By taking the vote of 1850, and comparing it with that of 1854, the ratio of increase is found to be ten per cent. per annum, consequently, the increase of population in 1857 will be 297,763, and the increased number of acres in cultivation 1,565,565. There will then be in three years from this time, a population within the sphere of this road of 297,763, and the land actually in cultivation 1,565,565 acres, while the total country that will be drained by this outlet, without taking into consideration the vast trade of
Kansas and Nebraska, is 11,000,000 acres, a territory equal in aggregate to the States of Massachusetts, Rhode Island and Connecticut. The following table based upon the above data, exhibits the

**ANTICIPATED TRAFFIC OF HANNIBAL AND ST. JOSEPH RAILROAD IN 1857.**

According to the above statement, there will be 1,565,565 acres of cultivated land, and allowing that directly or indirectly, there will be shipped 100 pounds from each acre, we have for the produce tonnage 78,278 tons, which will be transported on an average 100 miles, at 3 cents per ton per mile, . . . . . $234,834

Estimating that the merchandise imported, including dry goods, groceries, iron, &c., will amount to 40,000 tons, and be transported an average distance of 150 miles, at 5 cents per ton per mile, - - - - - $300,000

The passenger trade being nearly equal to the tonnage on allroads, will probably be so on this, as the Nebraska, Kansas, Utah and Pacific emigrants must pass over it; we will, however, assume the passenger traffic, at 90,000, averaging 100 miles at $3.00 - - - $270,000

Three millions bushels of coal are annually consumed in St. Louis. It is estimated, that 250,000 bushels coal will be delivered at each end, with an average transport of 75 miles, making 20,000 tons, at $1.50 per ton,- - - $30,000

It is estimated that the lumber trade will amount to 20,000,000 (ft. b. m.) or 30,000 tons, with an average transport of 150 miles, at 2 cents per ton per mile, - - - $90,000

Total receipts, - - - $924,834
The Galena and Chicago Railroad extends from Chicago west 130 miles into the interior, occupying a position very similar, as regards its effect upon the business of the road, to the Hannibal and St. Joseph Railroad. The country tributary to it contains about five millions of acres. By the last report of the officers of the Company, its annual receipts were $899,000; the working expenses $359,000.

In 1850, the number of inhabitants contained in the above mentioned limits, was about two hundred thousand, and the number of acres in cultivation, one million.

With reference to the above estimate of the probable receipts of the Hannibal and St. Joseph Rail Road, it may be proper to remark that the population of North Missouri was retarded by various causes, from 1840 to 1850. Previous to 1840, the increase had been nearly two hundred per cent., in the interval it fell off to seventy-five per cent. This was occasioned by the influx into Iowa, Wisconsin, and California. Iowa having increased from 1840 to 1850, three hundred and forty-five per cent., and Wisconsin eight hundred and eighty-seven per cent. We have only assumed an increase of one hundred per cent. for ten years, or ten per cent. per annum; but it is not unreasonable to suppose that the very fact of the construction of this road will increase it fourfold. It is apparent that the increase will be beyond all precedent, for it passes through a finer country than can be found in either of the above States, inferior only in its facilities for communication with a market; even the agitation of the question of the improvement in its incipiency, produced an immediate and palpable effect. The graduation bill, a new element of increase in the population and settlement of the country, is every day opening new farms, giving increased value to the lands in the rail road districts. The political excitement growing out of the Kansas and Nebraska question is settling these regions with unprecedented rapidity, and will have an important influence upon the
trade of the road. Already, great interest is expressed by
the settlers in these territories, in the progress of this work,
regarding it as their natural outlet east.

Having ascertained the probable amount of business that
will be done on the road, it becomes necessary to ascertain
the working or operative cost, and deduct it from the total
receipts; this is, of course, based upon the tonnage and
the known cost of transporting one ton per mile, on other
roads, with proper allowance for this road in 1857.

WORKING EXPENSES.

<table>
<thead>
<tr>
<th>Produce</th>
<th>78,278 tons, ave'ge 100 miles each ton, 7,827,800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mer'dze</td>
<td>40,000 &quot; 150 &quot; 6,000,000</td>
</tr>
<tr>
<td>Pass'grs</td>
<td>90,000 &quot; 100 each 9,000,000</td>
</tr>
<tr>
<td>Coal</td>
<td>20,000 &quot; 75 &quot; 1,500,000</td>
</tr>
<tr>
<td>Lumber</td>
<td>30,000 &quot; 150 &quot; 4,500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td><strong>At one and a half cents per ton per mile,</strong></td>
<td>.01½</td>
</tr>
<tr>
<td><strong>Total operative cost, including repairs,</strong></td>
<td>432,417</td>
</tr>
<tr>
<td><strong>Deduct working expenses ($432,417) from gross receipts,</strong></td>
<td>924,234</td>
</tr>
</tbody>
</table>

CONSTRUCTION.

| Contract cost at $23,000 per mile, | $4,738,000 |
| 21,680 tons iron at $45 extra, per ton, | 975,600 |
| Hard pan and rock,                  | 300,000 |
| Right of way,                       | 50,000 |
| Land expenses, (contingent,)         | 50,000 |
| Engineering, at $750 per mile,       | 155,100 |
| **Total cost,**                     | $6,263,700 |
| **Net receipts,**                   | $492,417 |

By the above calculation, the dividend is nearly eight per
cent. upon the actual expenditure of $6,268,700. But the
dividends paid upon the actual cost, to the Stockholders,
will probably exceed twenty per cent., and at the end of
twenty years thirty per cent.
For instance:
The bona fide stock that will be paid in, is ..................$1,500,000
State credit, .................................................. 1,500,000
The sale of 6,000,000 acres R. R. lands will cert'ly yield 3,268,700

Equal to the total cost .....................................$6,268,700

From the net dividend, $492,417, take $90,000, the interest on the State bonds, and $75,000 for a sinking fund for the redemption of bonds, there remains $327,417 for dividends on $1,500,000 per annum for twenty years, or over 21 8/10 per cent., and at the expiration of twenty years, even if the traffic should not increase, the whole receipts, $492,417, will make a dividend of over 32 8/10 per cent.

If these views are correct, (and I think they can be sustained,) this road cannot fail to be remunerative to the stockholders; if it should even pay but four per cent, still the stockholders will receive ten per cent. on their investment, and with reference to the amount of transportation on the road, it should be borne in mind that I have not taken into account the numerous branches that will be undoubtedly constructed, and which will vastly increase the resources of the road, and enhance its receipts, nor the effect of its direct eastern connections, to which I have adverted in a former report.

Respectfully your ob't serv't,

JAMES M. BUCKLIN.