MEMORIAL

OF THE

NORTH MISSOURI

RAILROAD CONVENTION.

[Read, and 10,000 Copies ordered to be Printed.]

JEFFERSON CITY:
JAMES LUSK, PUBLIC PRINTER.
1852.
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Priced each: 200
Feb. 5, 1923
MEMORIAL.

To the Honorable the General Assembly of the State of Missouri:

The memorial of the delegates to the North Missouri Railroad Convention respectfully represents:

That a charter for the construction of the North Missouri Railroad, was on the third of March eighteen hundred and fifty-one duly granted by your honorable body, to corporators therein named, and by the charter, the corporation thereby created, was authorized to survey, locate and construct a railroad from the town of St. Charles, passing up the divide between the tributaries of the Mississippi and Missouri rivers, to the northern boundary of the State, with a view to the continuation of the said road northwardly into the State of Iowa.

The construction of this work of internal improvement, in the opinion of your memorialists, is of great importance to the inhabitants of north Missouri, and more especially to the citizens of the counties through which it is proposed that such road shall run; thereby opening a market for the products of that part of the State, now almost excluded by the heavy costs of transportation. That this road, by thus opening a market, will also tend to enhance the value of all the lands on both sides of the proposed road from three to ten fold their present value, thus benefitting both the owners of such lands and the State itself by the increased value of the taxable property on said line of road, thus increasing the amount that will be paid to the State in the form of taxes.

But your memorialists, in their applications to individuals, to subscribe to the stock of the North Missouri Railroad, are met on the threshold by objections to the charter of said road, on the ground that by sec. 7, art. 1 of the law relating to corporations, approved March 19th, 1845, the charter of the company is subject at any time "to alteration, suspension or repeal at the discretion of the legislature," and by the further objection that every subscriber to the stock of the company is liable for its debts, to double the amount of the stock subscribed by him, and his property is liable to execution upon a judgment against the company; such liability remaining for a year after he may have disposed of his stock.

Your memorialists, would represent, that these objections interfere with, and tend to prevent the success of the North Missouri Railroad Company in constructing the proposed road. They believe as a matter of experience, that it has been proved, that where persons are allowed to make their own contracts, and corporations are free, that as community lose no more by corporations than by individuals, and in fact not so much in proportion. To misfortunes in business, or reverses in trade, all who engage in business or trade must be subject;
and when misfortunes overtake a community, it is not to be expected that corporations should be entirely exempt. But we think that the experience of the eastern States has proved, that the principle of the limited liability of corporators, has been found beneficial to the community, as tending to gather together into useful capital, the many small sums which individually are idle and useless, but in the aggregate are large and important in developing the resources and increasing the wealth of the State. All persons dealing with such corporations, are well aware, that the only security they have, is the property of the companies, and the intelligence and good character of those who are interested in them and in their control.

To the objection of this double liability, your memorialists may reply as they can, that the company must be successful, and the road must be profitable, but they are met at once, with the answer, we are ready to risk one hundred, or one thousand dollars, but when that is paid, we do not wish to be liable any farther, and we cannot for the sake of obtaining the profits upon one hundred dollars, incur the liability of paying two hundred more, and although we wish you well, and hope your road may succeed, yet we pray you, have us excused from assuming any such risks.

Your memorialists therefore pray your honorable body, to grant to the North Missouri Railroad Company, the same exemptions from the general law, relating to corporations, as have been granted to the Pacific Railroad Company, by the amendments to the charter of that company, approved March 1st, 1851, and that section four of the amendments to the charter of said Pacific Company may also be applied to the charter of the North Missouri Railroad Company. As capital is proverbially sensitive, it is vain to expect capitalists to advance their money or to lend their means, to build roads, when even a possibility exists that the only security they have, may be destroyed by a repeal or alteration in the act of incorporation. Whether this sensitiveness be right or wrong, it exists, and where so many opportunities for the successful investment of money are found in all parts of the country, it is necessary to remove all restrictions from the employment of capital, not imperatively required by the welfare of the people, and to leave capitalists in the belief that their property is safe from everything except the casualties of business and of life.

Your memorialists therefore hope, that the same privilege that has been accorded to the Pacific and Hannibal and St. Joseph Railroads, may also be granted to the North Missouri Railroad.

Your memorialists further present: that at the convention of the friends of the North Missouri Railroad, it was considered expedient that the southern terminus of the road should be at St. Louis instead of St. Charles, and that instead of having two different roads between St. Louis and the northern boundary of the State, controlled by different companies, with different guages and subject to conflicting interests, that it would be more for the interests of the State, and of the inhabitants of the counties along the line of the road, to have but one main road for the whole distance, thus avoiding the changing of cars, and the extra handling of freight at the crossing of the Missouri opposite St. Charles, and diminishing the total cost of carriage passing north and south of the Missouri.
Your memorialists therefore pray your honorable body, so to amend the charter of the North Missouri Railroad Company, as to make St. Louis the southern terminus of the road, and to give the company authority and power to survey, mark, locate and construct a railroad from the city of St. Louis, in the county of St. Louis, through the town of St. Charles, by the divide between the tributaries of the Mississippi and Missouri rivers to the northern boundary of the State.” This will improve the character of the road, as one part of the great trunk line from the north to the south, on the western side of the Mississippi river, uniting the fertile lands of the Minnesota Territory with the cotton and sugar fields of Louisiana, and thus giving a new outlet to the products of our soil at the Gulf of Mexico.

Your memorialists further pray your honorable body to extend to the North Missouri Railroad Company the credit of the State, upon the same terms and conditions upon which it has been lent to the Pacific and Hannibal and St. Joseph Railroad Companies, by the “act to expedite the construction of the Pacific Railroad and the Hannibal and St. Joseph Railroad,” approved February 22, 1851.

In making this request, your memorialists feel sure that the State can lose nothing in thus extending the aid of its credit to the North Missouri Railroad, but that it will in reality gain much, not only by the increased population of the section through which the road runs, but also by the increased value which will be given to all the property subject to taxation along the route.

The road, as proposed, runs through a rich and fertile section of the State, capable of producing, when suitable markets are provided, ten-fold the present annual returns. Commencing at the city of St. Louis, crossing the Missouri at St. Charles, running through the counties of St. Charles, Lincoln, Warren, Montgomery, Callaway, Boone, Audrain, Randolph, Macon, Adair, and Schuyler, to the north boundary of the State, thence to be extended over the fertile plains of Iowa, to the Territory of Minnesota and the Falls of St. Anthony. At present, many of these counties have but a sparse population, because the cost of getting to market nearly destroys the value of all the products of the soil. The length of the road from St. Louis to the northern boundary of the State, is estimated at two hundred and fifty miles, and the cost of the road completed and stocked at five millions of dollars. We think there can be little question, that if the credit of the State be lent to the North Missouri Railroad, to the same extent as the Hannibal and St. Joseph Railroad, that private means can build and complete the road within five years. Should Congress, as it is to be hoped it will, grant to this road each alternate section for six miles in width on both sides of the road, its construction is placed beyond all doubt. We feel confident that this road when completed, running through a fertile agricultural section, capable of supporting a much more costly road by the mere way-freight alone, will prove profitable to those who own its stock and of vast benefit to the State. We know the country through which this road will run to be equal in fertility and capacity to that through which runs the Chicago and Galena Union Railroad, and yet that road is paying dividends of eighteen per cent. per annum, without having reached a terminus.

To show the benefits of this road, your memorialists beg leave to refer to the following facts and figures:
The value of lands in different sections of the State, other things being equal, must depend upon the income of that land, or the interest it will pay upon the capital invested. If, after paying the expenses of cultivation and costs of transportation and sale, the products of a farm will realize $1000 per annum, the value of that farm at the present rates of investment may be estimated at $6000, or $60 per acre. The value of land must be regulated by the clear net annual income it will produce; and that income depends upon the price at which the crops can be sold after deducting all costs and expenses, and that result is determined by the cost of transportation, for the expense and commissions upon sale remain the same, no matter by what route or kind of carriage the crops raised on that land reach their market. It matters not to the factor or commission merchant at New York or St. Louis, whether the articles he sells are delivered to him by steamboat, railroad or earthroad; he must sell at the market price, and the expenses of carriage must be deducted from the proceeds of the sale. Year by year the products of the soil are the same; new improvements in machinery may diminish the cost of production, and enable the farmer to raise larger crops at a less expense; but at last, the main element that detracts from the value of western lands is the heavy amount paid for transporting produce from the farm, until it reaches the market where it is consumed or its form changed. It is this that has forced settlements upon our water courses, and prevented the development of the fertile and beautiful lands of the interior sections of our State, that has cleared the forests upon the banks of our rivers, and has left the wide reaching prairie in its native loneliness. On many articles the cost of transport is greater than the cost of production; and in frequent cases freight consumes the whole value of an article, and destroys everything like market value at the point of production. At this present time corn, one of the staples of this State, is selling in the St. Louis market at from 40 to 45 cts. per bushel; in many parts of the interior it cannot be sold at 12 cts. per bushel, and of this difference, freight is the cause to the extent of 20 cts. per bushel. The average price of a bushel of wheat at St. Louis may be stated at 75 cents per bushel—deduct from this the factor’s charges and commissions of sale, say 7 cts. per bushel, leaving 68 cts. to be paid to the farmer for raising and the carrier for freighting it. It is evident from this, that the amount the farmer will receive depends upon what he pays the carrier; if that be 10 cts., he obtains 58 cts. per bushel; if it is 40 cts., he gets 20 cts. per bushel, making the difference in the two cases 30 cts. per bushel. Supposing that on a farm of 100 acres, wheat is the money crop, from which the farmer provides his groceries and the little luxuries for his family; and that he has year by year 20 acres in wheat, and that his land produces 20 bushels to the acre; and that by means of railroads the cost of transportation is diminished 30 cts. per bushel, which increases by so much the farmer’s revenue, his accounts at the end of the year would stand thus: Twenty acres of land producing 20 bushels per acre, amounting to 400 bushels, at the increased price of 30 cents per bushel, amounts to $120, which, at an investment of 6 per cent. per annum, is equivalent to an increase of capital of $2,000 on the 100 acres of land, or $20 per acre, so that on the line of the railroad, 100 acres from St. Louis, the increased value of the lands cultivated in
wheat would be $20 per acre. This rate of investment is, however, too low; estimate it then, at 10 per cent., and it amounts to $120 or $12 per acre, that being the increase in the value of the land, due to the diminished cost of transportation by railroad, over the common means of carriage. Allow that the farmer lives 60 miles from the river and must haul his wheat that distance before he can ship it to St. Louis and that he pays 5 cts. per bushel from the landing to St. Louis. With his team he can haul, say 30 bushels, weighing 60 lbs. per bushel, 20 miles per day, and that the value of the services of himself and his team at $3.00 per day, he will then be occupied three days, and his load of thirty bushels of wheat will cost him $9 for his hauling, and $1.50 steamboat freight, making the total cost of transportation $10.50, on the 30 bushels or 36 cts. per bushel. From Macon county, the North Missouri Railroad can carry and deliver his wheat in St. Louis at a cost of 10 cts. per bushel; but allow them to charge 12 1-2 cts. and then he gets an increased price, due to less freight, of 22 1-2 cts. per bushel, which is equivalent to an increase of $90, in the value of his crop of wheat alone. The same calculations can be extended to the other products of the farm. The estimate we have made of the cost of hauling, is about 1-2 cent per mile for a bushel of wheat; and at that rate, the following statement shows the cost of carriage of a bushel of wheat upon a common earth road, and by railroad:

<table>
<thead>
<tr>
<th>RAILROAD</th>
<th>EARTHROAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 miles cost of carriage</td>
<td>$0.01 3-5</td>
</tr>
<tr>
<td>40 &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot;</td>
<td>03 1-5</td>
</tr>
<tr>
<td>60 &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot;</td>
<td>04 4-5</td>
</tr>
<tr>
<td>80 &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot;</td>
<td>06 2-5</td>
</tr>
<tr>
<td>100 &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot; &quot;</td>
<td>08 89</td>
</tr>
</tbody>
</table>

We have given the above, not as a mere general argument in favor of railways, but wishing to make a special application of the benefits that will result from the road, to which the State is asked to lend its credit; to show that the mere development of the resources of the country through which the North Missouri Railroad runs, will give to it a successful and lucrative business. Your memorialists have not the data before them from which to make an estimate of the freights that the country can furnish; but with the experience of similar roads in other States near us, we do not hesitate to assert that there can be no doubt of the success of the road. The success of the roads constructed in our sister States of Illinois, Indiana, Ohio and Michigan, force us into the conviction that the business of this road must be heavy and lucrative. The Chicago and Galena road, in the State of Illinois, running from Chicago to Galena, and only completed to Rockford, a distance of eighty-four miles, or little more than half-way, paid for dividends in fiscal year 1851-2, 15 per cent., besides leaving a large surplus of cash on hand. The cars commenced running in March, 1849, and the receipts of the road, as it was pushed forward, were for 1849-50, $50,225 54; for 1850-1, $140,533; for 1851-2, $236,672 28; nearly doubling each year, so fast did the resources of the country develop themselves, as the opportunity of a market was afforded. The receipts for 1851-2, allowing one-half for expenses, would pay the interest at six per cent. of $1,972,266, or nearly $2,000,000, for a road eighty-foo
miles in length, and terminating nowhere. The North Missouri road is nearly three times the length of the Chicago road, and allowing it the same receipts in proportion, they would amount to $640,016.84, which would yield an interest upon a capital of $5,300,000. The net profit of the Georgia Railroad Company, 171 miles in length, with 48 miles of branches, for the past year, after paying all expenses and the interest upon their debt, amounted to $431,087.93, or 10.78 per cent. on a capital of $4,000,000. We may not for a moment suppose that with the natural advantages that we possess, with fertile lands and mines of coal and lead, that we cannot compete with other States in the construction of railways, and in giving them a liberal support. The down freights on the Chicago road are almost entirely the products of the farm, and with a soil equal to that of Illinois in fertility, our cultivated lands can furnish equal amounts of freight to a railway. At present the cost of transportation in the interior counties is equal to a prohibitive duty upon several of the products of the farm, but open a railroad, and the hay, corn and potatoes now entirely consumed at home, will be cultivated for a market, and sent forward by the railway train. From a rough calculation, we estimate the freight upon agricultural products alone, sent down to St. Louis, at $113,251, the first year after the opening of the railway, an amount which can be paid by the present products of the counties through which the road is designed to run. The counties also raise large quantities of stock, some of which finds its market in the eastern cities, after being driven the whole distance. This item alone will furnish a profitable article for the transport of the railway as the saving by transportation over that by driving is very great. The carriage of lumber, coal, iron and other articles of consumption, will also be heavy items in the business of the road. But it belongs rather to those who have charge of this road as engineers and directors, to make estimates of its probable business, than to those whose duty it is to draft merely a memorial to your honorable body. We have given these statements to show that the State will be perfectly secure in lending its credit, rather than to induce subscription of stock. But when it is further considered that this road is intended to be a great trunk road, uniting the northern and southern parts of the rich and fertile valley of the Mississippi lying west of the great river, all doubt upon this subject must at once be removed. It will open up the resources of the plains of Iowa, and throw the products of its lands down upon the great markets of this State, thus tending still more to make St. Louis the great leading city of the Mississippi valley. But it is not merely by the increase of wealth that the project commends itself to our attention. It will also tend to increase that which really constitutes the true wealth of a State—an active, intelligent, energetic population. Men who have a due respect for themselves, and the duties they owe to society, will not throw themselves into the wilderness, away from the refinement of life, if they can avoid it, or unless it be from the prospective advantage to their families. They seek also a market for the produce of their farms, and for this reason population always follows the great channels of intercourse, and our river counties have consequently been more densely settled than the interior counties of our State. The annexed tabular statement, among other things, shows the population of the different counties through which it is proposed to run the
road, with the average population per square mile. By this it appears
the average number per square mile in the counties north of the Mis-
souri is 14—in the counties bordering on the river, the average of all
is 15 2-3, while that of the interior counties is 11 3-5: St. Charles
county having the densest population of 25, while Adair has but a pop-
ulation of 5 per square mile. The population of the counties of St.
Charles, Warren, Montgomery, Callaway and Boone is 51,639, and
that of the counties of Audrain, Randolph, Macon, Adair and Schuy-
ler is 25,152, showing that the river counties have a population of more
than double that of those of the interior. Had these latter counties a
population as dense as that of St. Charles, it would amount to 67,050,
or more than double what it is at present, while that of the river coun-
ties would be 61,400. We can perceive no reason why these interior
counties should not have a population as dense as that of St. Charles,
except this single one, the lack of means of communication enjoyed by
that county, swept as it is by rivers on two of its sides. This want of
the means of travel and transport has turned the tide of emigration to
the north and the west, upon the banks of the great rivers, and has thus
prevented these counties from being settled, and deprived the State of
the amount it should have received from taxes. The augmented value
of the lands, and the increased amount of lands brought into market,
would swell the amount of taxes to be collected from these counties at
least four-fold. The average value per acre of the lands, as now as-
essed, is but little more than $2; as soon as the road is completed, the
lowest taxable value will be at least $5, and the average will be about
$7 per acre. At these last estimates, the total taxable value of the
lands will be $24,378,900, or nearly six times what it is at present.
The whole number of acres in these counties may be estimated as in
the table at 3,482,700, while the whole number returned as subject to
taxation is but 1,598,772, or about one half. With this road completed,
all the cultivable lands in these counties will be entered and become
subject to taxation, and the very poorest lands will have a greater value
in the assessors' books than the present average value as returned.
The value of the lands at that time, as assessed, will be, taking our
lowest figures of $5 per acre, $17,413,500, or five-fold the present as-
essed value of all the lands as returned. In fact the actual creation
of value by the road will be more than double the actual value of all
the property of all kinds now subject to taxation in these counties. In
all these estimates, we have omitted the county of St. Louis, and con-
sidered only the counties north of the river, for reasons that will be ob-
vious upon inspection. From this statement, the average assessed val-
ue per acre of the lands in St. Louis is over $27; estimate the value
of the lands along the line of the road at $15 per acre, but little more
than half the value in St. Louis, and the total value of the lands in these
counties will be $52,240,500, and a State tax of 1-5 of one per cent.
will be $104,481, nearly one-half the present annual revenue of the
State. Taking our previous estimate at $5 per acre and the value is
$17,413,400, and the tax will be $34,827, paid by the lands alone in
these counties, leaving other sources of revenue untouched.

These estimates alone, we think, establish the fact that the time has
come to build this road, and that the country is able to support it.
<table>
<thead>
<tr>
<th>Property</th>
<th>Assessed Value</th>
<th>Gross Value</th>
<th>No.</th>
<th>Address</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>$123,456</td>
<td>$156,789</td>
<td>123</td>
<td>456</td>
<td>Location 1</td>
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<tr>
<td>Apartment</td>
<td>$109,876</td>
<td>$123,456</td>
<td>789</td>
<td>654</td>
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</tr>
<tr>
<td>Office</td>
<td>$189,234</td>
<td>$234,567</td>
<td>234</td>
<td>567</td>
<td>Location 3</td>
</tr>
</tbody>
</table>

**Total**

- Property: 3
- Assessed Value: $352,588
- Gross Value: $513,589
- Location: Locations 1, 2, 3
Your memorialists would farther present, that as the district through which the road proposed runs, is as yet but sparsely settled, with but little wealth accumulated in money or personal property, being richer in its capacity, than in actuality, it cannot be expected that the individual wealth of the inhabitants of these counties should be sufficient to furnish the means to construct the road, for this requires surplus means. But although the individual passes away, the State and the county remain, always aggregated units, with a wealth that is always existent. To this aggregated wealth of the counties to be so much benefitted by the road, an appeal must be made to aid in the construction of a work that doubles and quadruples their wealth. The bond of the county commands credit in the market, when the note of the individual will not, when safety of investment is required; as the collected wealth of the community is more permanent than individual wealth. To this aggregate wealth then, must this road look for its support. If from the local and county subscriptions and State credit, the road bed can be constructed, the company can then on their own credit, lay the superstructure and stock the road. Two ways of advancing the aid of the counties, have been used in different States. One is that of issuing the bonds of the counties in payment of their subscription to the capital stock of the company. In others, a tax is laid to meet the assessments of the company, which may call for twenty or thirty per cent. per annum of the amount subscribed, and for the amount paid by the individual tax payer, he receives a certificate of payment, which is convertible into stock of the company.

We therefore request your honorable body to pass a general law, authorizing the constituted authorities of all counties, towns and cities to subscribe to any railroad in the State, such amounts as may be sanctioned by the voters of such counties, towns or cities, and allow them to make such subscriptions available either by a loan to that amount, or by levying a special tax on the property situated within their respective limits, such tax not exceeding in any one year thirty per cent. of the amount of stock subscribed, nor to be less than twenty per cent., and that all persons paying such special tax, shall become stockholders in the companies to the amount of tax paid by them. If the former plan be adopted, a special tax can be laid to pay the interest upon the bonds, and to form a sinking fund to redeem them in the course of five or ten years, thus in some degree combining the two plans, as the receipts for the special tax might be exchanged with the counties for certificates of the stock. The particular form of the subscription, and the method of paying it, will undoubtedly be left with the people for them to decide, as one plan or the other may suit the circumstances of the county, town or city.

The present is a suitable time for the State to adopt a course of policy which in all probability will produce uniformity of gauge upon all railroads west of the river Mississippi, thus avoiding an error which is felt where two conflicting systems of railroads having different guages come in contact. This subject has seriously occupied the attention of the British parliament, but the evil had become so great that the parliament found itself powerless. The evil is also perceived in the different systems of railroads in New York, the Southern or Erie Railroad system having adopted the wide guage, and the central system having
adopted the narrow gauge. Of course, the two systems do not connect properly, and whenever the wide gauge and narrow gauge come together there must be a changing of cars unloading and loading of freight, all which tends to add to the cost of carriage by the extra labor required to make the change. When the wide gauge meets the wide gauge, the cars can be thrown from one track on to the other, and be sent forward without unloading to their final destination. When the narrow and wide gauge meet, this cannot be done, and the freight must be taken from one train and laden into another train, thus of course adding to the expense of carriages without the least benefit either to the roads, to the consumer or forwarder, and detracting from the value of the article when it reaches its market by the amount of this increased expense. Labor wasted, adds nothing to value, and when the producer or consumer is compelled to pay for unnecessary labor, it is a tax for which he receives no return. Everything which tends to diminish the amount of this wasted labor saves to the community the value of that labor. As carriage adds nothing to the consumable value of an article, every process which diminishes the cost of transportation, is so much clear gain to the State. At present but one road is commenced, and the General Assembly can now by a general law, require all the roads built in this State, to adopt one uniform gauge, without any injustice. As yet no vested interests can be affected by it. If this State adopt this plan, the States to the north and south, wishing to connect with our great trunk roads, will also follow it, and thus will be seen one great uniform system of railways, upon which you can ride without changing cars from the Gulf to the Falls of St. Anthony, and upon which freight can be sent for twelve hundred miles without being handled except at the points of receipt and final delivery.

At present there are but few selfish interests, to oppose such a law, but when different roads are built, they will arise. Where two systems of different gauges meet, there must be a changing of cars both by freight and passengers. This requires depots and workmen to make the change. This of course alone commences a town, and gives employment at the expense of those who give no value for it. But to speculators who wish to build up a town, this breaking of the gauge is an advantage, and consequently selfishness sometimes prompts individuals to establish a different gauge from a connecting road, thus to force business and build up a town more rapidly, than it would naturally grow of itself. This result is to be dreaded, as it tends to sever the different companies, and to produce jarring and discord, where all should be harmony and concord.

And we therefore request your honorable body to enact a general law, requiring all railroads in this State to adopt one uniform gauge or width of track.

Hoping that the requests presented by this memorial, may be granted,

We remain, &c.,

CHAS. C. WHITTEI;SEY,
A. KING,
A. KREKEL,
E. R. MASON,
Committee of the North Missouri Railroad Convention.