

ANNUAL REPORT

OF THE

New Orleans, Opelousas & Great Western

RAILROAD COMPANY,

TO THE

GOVERNOR OF THE STATE OF LOUISIANA.

NOVEMBER, 1861.

BATON ROUGE:

J. M. TAYLOR, STATE PRINTER.

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PAYMENTS

State of Louisiana, in bonds.....			\$ 650,000 00
City of New Orleans, in bonds.....			1,500,000 00
City of New Orleans, tax.....	\$ 250,000 00		
Less reimbursed*.....	\$ 9,634 61		
Less, unpaid.....	60,335 42	69,070 03 paid	
			<u>180,029 97</u>
Orleans, right bank, tax.....		75,000 00	
Less, reimbursed.....	25,750 37		
Less, unpaid.....	1,255 38	27,007 75 paid	
			<u>47,992 25</u>
St. Mary, tax.....		156,600	
Less, reimbursement....	17,158 85		
Less, unpaid.....	16,986 66	34,145 51 paid	
			<u>122,454 49</u>
St. Landry, tax.....		115,625 00	
Less, reimbursed.....	31,902 35		
Less, unpaid.....	21,546 87	53,449 22 paid	
			<u>62,175 78</u>
Lafayette, tax.....		33,400 00	
Less, reimbursed.....	12 00		
Less, unpaid.....	16,310 26	16,322 26 paid	
			<u>17,077 74</u>
Individual subscription..		762,800 00	
Less, unpaid.....	89,135 36 paid	
			<u>673,664 64</u>
Total payments in cash and bonds.....			<u>\$3,253,394 87</u>

UNPAID.

State.....	\$550,000 00	
City, exclusive of interest.....	60,335 42	
Orleans, right bank, interest.....	1,255 38	
St. Mary, exclusive of interest.....	16,988 66	
St. Landry,	21,546 87	
Lafayette,	16,310 26	
Individuals,	89,135 36	
		<u>755,569 95</u>
Remaining unpaid.....		84,460 18
Add reimbursements to this time.....		
		<u>840,030 13</u>
Total, paid and unpaid.....		\$4,093,425 00

By the charter the State is to furnish bonds for its share of the capital stock in proportion of *one-fourth* of actual payments by other subscribers. These payments, amounting to \$2,603,394 87, and one-fourth being \$650,848 72, the payment of \$650,000 in bonds is the whole amount that can be claimed by the Company at this time ; and this amount of bonds has been furnished, constituting the State owner of one-fifth of the present paid up capital stock.

Taxes returned, under 13th section of the charter, to tax payers who are stockholders by subscription.

The *tax* subscription by the city was \$250,000, and a tax of one-sixth of one per cent was levied to pay the same. The assessed value of property was \$62,779,237, which, at one-sixth per cent., produced only \$209,264 12, and as the ordinance authorizing the tax was submitted to and sanctioned by a vote of the people, there are now no legal means for collecting the difference of \$40,735 88, and this sum is considered null and lost to the company.

The tax, then, was.....	\$209,264 12
From which, deducting reimbursements.....	9,634 61
	<hr/>
The balance to be collected was.....	\$199,629 51
The collections made by the city and paid over to the Company are.....	\$180,029 97
	<hr/>
Uncollected.....	\$ 19,599 54

This balance is represented as being mostly in small sums, and many debtors dead, failed, or removed from the city, special collectors have been employed, but, to the extent of the above balance, we have failed in getting payment.

By the preceding it will be seen that of the fixed capital of \$6,000,000, only \$4,093,425 was subscribed ; and that of this subscription the amount paid in cash and bonds was.....	\$3,253,394 87
The discount on sales of the State bonds was. \$	25,300 76
And on city bonds.....	284,834 98
	<hr/>
	310,135 74
	<hr/>

Total amount of capital stock, actually realized.....	\$2,943,259 13
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With less than half of the fixed capital of the Company realized, and in view of the immense importance of an early completion of the road, the Board of Directors decided, in 1859, to issue first mortgage eight per cent. bonds to the amount of \$2,000,000, and our report of January, 1860, concluded with these words : " With the remaining bonds and the very valuable lands to be acquired as we proceed with the construction of the road, we can have ample resources for paying off our whole floating debt and for carrying out all the requirements of the charter. It remains, however, to be seen whether they who have such a deep interest in our success, will, by purchasing the bonds, aid in pushing the work rapidly through, or whether the road is to be constructed slowly, as means are grudgingly provided, and the great benefits to result from its completion be unwisely delayed."

In the first year 340 bonds were sold, one-third of which were taken by Directors of the Company. The total number disposed of to this time is only 569, all at 80 per cent., giving to the purchasers 10 per cent. on in-

vestment; and this, notwithstanding the most strenuous exertions on the part of the Board to interest our merchants, planters and public institutions in the construction of a road promising incalculable benefits to the city and the section of country through which it runs. This has been not from want of confidence in the bonds, but from the fact that throughout the past year money could be invested in personal securities at a much higher rate of interest.

Notwithstanding these discouragements, and the great desire of the Board, so frequently expressed, to reduce our floating debt, and, if possible, to pay it off entirely, they determined, as the work admitted of no delay, to contract for crossing Berwick's Bay and for continuing the road through the parish of St Mary to New Iberia, in order that there should be no disappointment in effecting a through communication with Texas, should the "Texas and New Orleans Railroad Company" push forward their work to that place, and this we were assured would be done in a very short time. For details of the execution of this resolution of the Board reference is made to Report of Chief Engineer, herewith submitted.

There being much apprehension as to the rights and obligations of this Company, it is well to state that the line of this road is fixed by the charter, and that is from Algiers to Berwick's Bay, thence to New Iberia, Vermillionville and Opelousas, and thence to the Sabine River. All our operations have been on this line. However desirable it may be to have a branch running west from New Iberia, to connect at the Sabine with the "Texas and New Orleans Road," there is no *right* nor obligation on the part of this Company to construct the same. In 1859, on erroneous information given to the Legislature of our intention to deviate from the line given in the charter and to build this branch, a bill was introduced and passed one branch of the General Assembly, restraining the Company from collecting the taxes due it in the parish of St. Landry, which bill was dropped on a showing of no foundation whatever for the charge. In the same year, by act approved 17th March, a charter to build this branch was granted to the "Texas and New Orleans Railroad Company," and they term it the "Louisiana Division" of their road.

Late events—the interruption of our sea communication with Texas, and the difficulties of the land route—have now made evident to all the vast importance of the continuation and completion of the Opelousas Railroad; and it is hoped that, in the present dearth of personal securities, heretofore obtainable at high rates of interest, capitalists will now come forward and invest in the bonds of this Company, which are so well secured, and the interest on which has been and will continue to be punctually paid.

During the past year we have extended the graduation from Berwick to New Iberia, and thence to Bayou Vermillion, a distance of over sixty miles.

Contracts were made for 4,000 tons of rails, of which 1,100 tons have been received, but the delivery of the remainder, delayed at first by the threatening aspect of public affairs inducing much caution on the part of contractors, has been entirely prevented by the war, and this is our present position in regard to construction. For the future, our hope and expectation are that the State will, as authorized by the late Convention, pay in bonds the remainder of its subscription as fast as we prepare the roadway for the rails. It is very desirable that this work should soon be done, so that on a return of peace, the iron may be at once procured and the road, in its whole extent, be put in immediate operation for the immense business sure to follow its completion to the Sabine.

There would then be an active demand for the lands on the line, amounting to some 700,000 acres, and valued at about \$3,500,000, exceeding the whole paid up capital of the Company. For this reason it will be greatly to the advantage of the State to pay the balance of its subscription, becoming in that case one-third owner of the stock instead of one-fifth, as at present, and realizing that much larger share of the land donation. This is so clearly shown in a statement made to the Convention by our Chief Engineer, that a copy is appended to this Report.

With the additional capital realized by the payment of the balance of the State subscription, the sales of our bonds and lands, and the collection of past due subscriptions, the Company would have, on a return of peace, ample means for building and equipping the whole road to the Sabine, paying off the floating debt, and with, probably, a large surplus.

The work done the past year, without effecting sales either of lands or bonds, has, of course, added considerably to the amount of our bills payable, for in no other way than by borrowing on pledges of the bonds could it have been carried on. We report renewals of loans, thus far, on fair terms, and punctual payments, at maturity, of all our other liabilities, including monthly deposits in the Louisiana State Bank for the interest on our bonds.

The track and the rolling stock are in excellent condition throughout, requiring little or no extra outlay this year, and the earnings of the Company, seriously affected since the commencement of the war, are now improving, and, for the times, are very satisfactory.

I am, sir, with great respect,

Your most obedient servant,

WILLIAM G. HEWES,

President.

THE CONVENTION AND OUR RAILROADS.

An ordinance is before the Convention, which has for its object to empower the State Legislature to authorize the issue of State bonds at the rate of \$6000 per mile for each mile of graded roadway ready for the track, on which the track is not laid, in behalf of those roads only in which the State is now a stockholder; provided, however, that no more than the *unpaid balances of her present subscription* to the capital stock of said roads shall be thus paid by the State. The object of this ordinance seems to be the suspension—in behalf of the three railroads now in progress, in which the State is now a stockholder, viz: the Vicksburg, Shreveport and Texas Railroad, the Grosse Tete Railroad, and the Opelousas Railroad—of a constitutional provision, which prohibits the payment of the State's subscription, except in proportion to the total amount of capital stock of each company paid in by all other parties.

The capital stock of the New Orleans, Opelousas and Great Western Railroad Company was fixed at \$6,000,000, and the State's subscription of one-fifth is \$1,200,000, or 48,000 shares of \$25 each. On this the State has issued to date \$650,000 in bonds, equal to 26,000 shares; leaving \$550,000, or 22,000 shares unpaid.

Since the State subscribed to the stock of this company, the Company have received from the late United States a grant of land amounting to about 700,000 acres. It is clear that if the road can be built for less than the six millions of *stock*, the sales of land furnishing the means instead of stock subscriptions, the road, when finished, will be much more valuable to the stockholders. If, therefore, this Company obtain money on bonds to build their road, and afterwards pay off the bonds by the proceeds of their land sales, as will be done, then the road will be unencumbered, and represented by only three and a half to four millions of stock in place of six millions. Would it not be wiser to aid the Company by paying up the State subscription in full, as the city of New Orleans did with her \$1,500,000 subscription, than to compel the Company to issue \$6,000,000 of stock and then pay up, as the State would have to do by existing laws? In the one case the \$1,200,000 subscribed by the State would give her the ownership of *one third* of the road and its earnings, when completed, which, in the other, the same amount would give her but one-fifth.

On the first one hundred and twenty-five miles of their line this Company have but a limited quantity of land, the largest portion lying beyond

Opelousas. On reaching Opelousas the sales of land will ensure the rapid extension and completion of the road to the Sabine River, or eastern boundary of Texas. The object now is to reach Opelousas at the earliest possible period, and the aid of the State, as provided for in the ordinance before the Convention, would accomplish this object. By July next about seventy-five miles of roadway will be graded and ready for the track, and the whole eighty-five miles, extending from Berwick's Bay to Opelousas, can be graded by October or November next. The balance of the State's subscription would furnish the rails for this eighty-five miles of road, and leave the Opelousas company in a condition to complete their road to Texas without embarrassment or loss of time.

The State now owns 1,400,000 acres of land within the limits of the Opelousas Railroad grant, or twice the amount belonging to the Railway Company. Fully 1,000,000 acres of this is within the "six mile limits," and if sold at a minimum of \$2 50 per acre, the price fixed on the same by the late United States, after the building of the railroad, would realize to the State \$2,500,000; add the remaining 400,000 acres at \$1 25, and the total is \$3,000,000. Nearly the whole of this land is at present unsaleable, and will be so till the railroad is finished; then it will sell rapidly.

The extension of the Opelousas road ensures also the completion of the Louisiana division of the Texas and New Orleans Railroad, extending from Houston, Texas, to a junction with the Opelousas road. The Legislature have just passed a bill to aid the Texas and New Orleans Railroad by a grant of land. Within the limits of that road our State owns about 700,000 acres of land, and between both roads she owns 1,500,000 acres, or a total in all, within the grants of both roads and between both, of 3,600,000 acres, all of which would be made valuable and saleable by the completion of these railroads. As a great landed proprietor, then, the State should have the power, through her Legislature, to encourage the early completion of the Opelousas Railroad, if she deems it wise to give this encouragement. The ordinance, as I understand it, only empowers the Legislature to act.

Is it not sound State policy to encourage the settlement and development of the sparsely settled portions of the parishes of Calcasieu, Rapides, St. Landry, and Vermillion, and thus to diminish the ratio of taxation by distributing the burthen among a greater number? Do not all the other States foster and aid their railways? The wisdom of so doing is fully exemplified in the case of Georgia.

The Opelousas Railroad will be 258 miles in length, and will have connection with the Red River valley, South-western Louisiana, Northern and North-western Texas, and all Southern and Middle Texas. With its small capital of three and a half to four millions, it must pay heavy dividends. The State, by completing her subscription, will make her stock a profitable

investment, and secure what she has already paid against the possibility of loss, besides developing her territory and making her 3,600,000 acres of land saleable.

In a military point of view this road is a necessity, for without it Texas might as well be at the Rocky Mountains, if troops have to march 500 miles overland in case of war. The rapid concentration of troops, at any point in the Confederate States, is of the greatest importance.

Commercially, this railway connection with Texas is a necessity to New Orleans and to Louisiana, if we are to maintain New Orleans as the great center of trade of the Southwest—the exporting and importing depot of the Southern States.

Why should not the State, like the city of New Orleans, pay up her subscription in full, in view of the immense importance, at this juncture, of the immediate completion of the railway connection with Texas? View the question in any light whatever, and the State will be vastly benefitted, without the possibility of losing in any way. In any event, the Convention would simply *authorize* the Legislature to do a certain thing, nothing more. Our great railroads are no longer an experiment ; their standing is well known, their importance generally appreciated.

B.

ENGINEER'S REPORT.

ENGINEER'S OFFICE N. O., O. AND G. W. R. R., Co. }
 Brashear, La., November 8, 1861. }

WM. G. HEWES, ESQ., *President* :

DEAR SIR—As requested by you, I submit a report upon the condition of the works on construction of new road, beyond Berwick's Bay, at the time when the progress of our people's war for national independence interrupted further operations.

Commencing on the west side of Berwick's Bay, the clearing and the roadway graduation thence are completed, with the slight exceptions specified below, continuously for sixty-three miles, or to a point in the parish of Lafayette, north of the Bayou Vermillion and about one mile this side of Vermillionville. On this portion of our line the road crossings have all been constructed, and many of them planked. Many of the cattle-pits are in at the line fences. Preparations had been made to build culverts, and abutments of brick masonry at nearly all of the openings left for drainage along the line, and some of these were completed before the work was stopped.

Ample height and flat slopes have been given to all of the embankments, and the ditches generally are wide, deep and continuous, affording thorough drainage. Suitable openings have been left, where needed, for the cross drainage of the adjacent country, and of the plantations along the line, but no important bridges are required on this part of our line except at the Bayou Vermillion. This bridge is designed to be constructed of iron, and its total length will be 235 feet, divided into two fixed portions—one at each end—of 40 feet clear span each, and a revolving draw, with two clear openings of 60 feet each, in the middle, supported upon a pier of brick-masonry. The abutments for this bridge are, in part, constructed; each having been carried up several feet.

The embankment across the cypress swamps and sea-marsh, near Berwick's Bay, done by Contractor Knox with dredging machinery, was completed in the most substantial and satisfactory manner, in the month of February last. The width of the swamps and marsh thus embanked is near three miles, and the embankment, after having been completed nine months, is firm, solid, and equal to any other on the line. This work cost our Company about \$37,500, which is considerably less than half of what would

necessarily have been expended, had the plan of piling and filling in with earth, hauled in cars, been adopted, as was at first contemplated. This mode of constructing a railway embankment over our low cypress swamps and boggy marshes, subject to tidal overflow, was an untried experiment, involving—as was thought by many—a great risk of failure, in consequence of the difficulty of keeping the material thrown up by the dredging machine in place, while yet soft and wet, or preventing it from sliding back into the dredging machine canal. In a few instances “slides” did occur, but all such difficulties were surmounted, and the final result is a roadway as good, if not much better, than any other across any of the numerous swamps and marshy prairies on our constructed line of railway, at a cost near \$50,000 less than the plan of piling and filling in would have required.

Two substantial pile bridges have been completed in the marshy prairie, across the Bayou Black and the dredging machine canal, and cross-ties placed thereon ready for the rails.

The only work yet to be done on the sixty-three miles, extending from Berwick’s Bay to a point near Vermillionville, before the track or the lines of rails are laid down, comprises less than half a mile of surface graduation, on high land, at Mrs. Mead’s place on the Bayou Teche—the embanking of one and a half miles of swamp—where the ground has been cleared and drained off for same—just east of the Bayou Salé highlands, the finishing off of a portion of the high embankment on the north side of Vermillion valley, and the construction of the balance of the cattle-pits at the line fences, of the culverts, small bridges, etc.

The track-laying can be commenced at any time, and no delay need occur at any point in continuing it, except perhaps at the Salé swamp, and there not much, if any, time would be lost. The cattle-pits, bridges, etc., would be constructed in advance of the track, as that progressed, as is customary.

The Company has on hand, on the west side of Berwick’s Bay, about 11,500 cross-ties, or cross-sleepers: most of these are sawed, but part are hewed; all are of sound selected cypress. These cross-ties are 6 inches thick, by from 10 to 12 inches face, on both sides, and 11 feet long.

The work done beyond Berwick’s Bay is of the best and most substantial character in every respect, and such as fully meets the requirements of a first-class railway. The embankments are high, with very flat slopes, the ditches wide, deep and continuous, to secure perfect drainage,—the curves few in number and very light,—the grades very easy, nearly level, and the whole line so constructed as not to be exposed, in any manner, to interruption, when finished and in operation, by rain storms, however protracted.

With such a road-bed, with rails of good height, well fished and laid upon long and heavy cross-ties, we may confidently anticipate the economical maintenance of a smooth and firm track for the rolling stock, and the transaction of the heaviest business at the least possible cost; the main-

tenance of a smooth and firm track, at the least cost, being the basis of railway economy.

From Vermillionville to Opelousas the distance, by our line, is 22 miles, most of it over the high and level prairies of that region. This portion of the road could be built rapidly and cheaply. No swamps have to be encountered here, in fact, none from Vermillionville to the Sabine River. Between Vermillionville and Opelousas there are four streams—the Carron-Cro, Bourbeau, Callahan and Lesson—with their valleys to cross; each of these will need a bridge of about 100 feet span.

From Opelousas to Pine Prairie, where the Branch to Alexandria, on Red River, will diverge, the distance is 25 miles; the whole being a high and very level prairie country, with here and there a patch of woods. No streams of any consequence occur on this part of our line.

From Pine Prairie to the Sabine River is 68 miles, nearly all of it being a piney woods region. Total distance from Berwick's Bay to the Sabine River 178 miles, of which 115 miles have yet to be graded.

The Company's lands are now being examined, described and classified with a view of fixing the prices of each tract to be sold, according to its character, value and locality. A large proportion of these lands, particularly those between Berwick's Bay and Opelousas, are valuable, and well adapted for sugar cane, cotton, corn, etc. Were peace restored, our country's independence achieved and our road completed to Vermillionville, Opelousas, or to the Sabine, these lands would sell rapidly at remunerative prices, and thus contribute largely towards the cost of construction.

Very respectfully, yours,

G. W. R. BAILEY,
Chief Engineer and Land Agent.



