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Rise of Industrial America, 1875-1900

Railroads in the Late 19th Century

David L. Phillips: "What California Railroads Have Done"

In California, not everyone believed that the railroads and their owners were good for the state. However, in the following excerpt, Mr. D.L. Phillips argues that the railroads provided immense benefits to the people of the state of California. In what ways does Phillips believe the people of California benefited from the railroad? Why do you think some California citizens took issue with the railroads and their owners? Do you think the California railroads brought more good than harm? Why or why not?

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WHAT CALIFORNIA RAILROADS HAVE DONE

But, turning away from the plunderings and rascally rogueries of the "corral of wild cattle" that gathers biennially at Sacramento, what have Leland Stanford and his associates done for this State of California? Let us see: In 1862, the people here had no railroads. Plundering mail contractors and stage companies held the carrying trade and passenger business of California, and, as between the Pacific Coast and the Middle and Atlantic States, communications were had overland once in about two months, and by the Pacific Mail Steamship Company, via Panama, in about the same time. The cost of transit from New York to San Francisco was about \$300, and the same by stage-coach overland. California was, agriculturally, and in all else except the mines, as poor as poverty. To-day, the cost by sea or overland from New York to San Francisco, excluding board, is \$140--time, overland, six days; and, as a result, almost all the trade between China, Japan and the islands of the Pacific Ocean, is now gathering at the docks of San Francisco, and will, in a great measure, pass overland to Chicago and New York, and at reduced rates of freight as well as time. I saw, myself, as I came over, train-loads of tea, from China and Japan, on the way to Chicago and New York. For these vast benefits, San Francisco, its merchants and people are indebted to the energetic railroad men of Sacramento. Again, the Central Pacific Railroad runs now from Redding, in Northern California, through the centre of the State, to Caliente, a distance of nearly 500 miles, north and south, thus opening up mainly the whole interior of the State to the hardy farmer, fruit-grower and lumberman, and increasing the value of the land more than six fold. Let us see: The line now open for traffic, in the very heart of the State, is, say, 500 miles long. Lying along this line of railway which has not cost the State one dollar, there is on each side a body of land 9 miles wide, which would be equal to 9,000 square miles, or 5,760,000 acres. This land, before the road was built, was worth, on the average, \$1.25 per acre, but no man will hesitate now to tell you that its average value is \$8 per acre. The net increased value, therefore, contributed directly to the wealth of the State, by the railroad company, is \$6.75 per acre, or a sum equal to \$48,888,000. To this sum may be fairly added the products, either present or prospective, of one-half the 5,760,000 acres of

land thus directly affected. Suppose they should be in wheat, what would be the increase of wealth to the State each year? The one-half of 5,760,000 would be 2,880,000. Assume that the yield would be 20 bushels to the acre, the increased production of the State, in wheat, would be 57,000,000 bushels per annum, which, at \$1.25 per bushel, would amount, in gold, to \$69,500,000, or a sum equal to the yield of all the gold and silver mines of the Pacific Coast. The increased value of the land has been realized already, if not exceeded, and the productive capabilities of the country opened up are fully equal to the figures given. I do not think an intelligent man in California will dispute them. Nor is this all. The railroad company has opened other lines, equal to 600 miles more, and have, in doing so, added tens of millions to the permanent wealth of the State, and infinitely to the comfort of the people. Nor does it stop here. It will continue to build roads until it shall have penetrated every accessible portion of the State, thus opening up highways for the products of the people to markets, in all directions.

The question comes up, what are the crimes of this corporation, about which there is so much noise? I answer, they are two: First, the men who have poured untold millions of dollars into the various lines of these roads want reasonable passenger and freight rates for persons and property transported, of which they claim to be the judges--or, in other words, while they are conferring benefits they want some profits. Second, that Stanford and his associates have grown rich. As to the first, the rates charged for passengers is about four cents per mile, on the average. For freights, the local charges are a shade higher than in Illinois, but not in disproportion to the general charges for other things in California. As to the second, I don't think that any decent, reasonable man in the United States will say that Stanford and his associates have made any more than they should. No one charges them with being dishonest. They are only charged with exacting exorbitant freight and passenger rates from the patrons of the road. People in California pay Wells, Fargo Co. and the Coast Line Stage Company never less than ten, and often twenty cents per mile, for passage in their stages, and I hear no complaints. They pay those rates cheerfully. But when the Central Pacific Railroad Company charges four or five cents a mile on their cars, there is a general outcry among demagogues, politicians and rapacious members of the General Assembly. In my judgment, Gov. Stanford and his associates have added in fifteen years \$300,000,000 to the permanent wealth of California, and have done already, and will do in the future, more for its permanent wealth and prosperity than all the pseudoreformers who have been or ever will be in the State.

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