

The Railroad Loan.

One week from this date, the qualified voters of this county will have to decide an important practical question, and it may be pertinent to ask, if they are fully prepared to meet it understandingly. As we believe it is fully conceded, and the precedent long since established, that counties have the right, in their corporate capacity, to subscribe to the Capital Stock of similar corporations, the issue simply resolves itself into the significant question: "Shall the County of Pottawattamie subscribe three hundred thousand dollars to the Capital Stock of the Mississippi and Missouri Railroad Company?" We do not wish to be understood as in any way attempting to dictate the course that ought to be pursued in relation to this question, as our only desire is, to state the issue as it exists, and the reasons why we think it would be policy to vote for the loan. As far as we have heard, or are cognizant of the objections against the proposed loan, the only one urged, is the untenable one of an increase of tax.— This, at first sight, would seem to be an insurmountable objection, but upon closer scrutiny, it proves to be devoid of significance. The Bonds, as set forth in the proclamation of the County Judge, are not to be issued, until the road is actually under process of construction within the county; further, the said Bonds will not draw interest until after the company have negotiated them. After they have been negotiated, the Company guarantees to the county, payable in stock, eight per cent. per annum on the stock subscribed, until the completion of the road. If the road is not completed until one year after the negotiation of the Bonds, the County will be entitled to, and receive \$24,000 more of Stock, making the total \$324,000. The interest on the Bonds for \$300,000, at 10 per cent, amounts to \$30,000, of which amount, the County receives from the Company the value of \$24,000, thus leaving the county \$6,000 of real interest to pay. Therefore, it will be seen, that at the most liberal calculation, the county pays out but six thousand dollars for the first year, without securing an ostensible and nominal equivalent. At the expiration of that term, if the road is completed, as it undoubtedly will be, the county will receive the dividends on its Stock, the same as any other stockholder. During the past year, the road now running fifty miles, has netted the Stockholders a dividend of 8 per cent. over and above all the expenses of improvements, and we understand that it is now earning, on an average, twelve hundred dollars per day. Allowing that the road will declare a dividend of 8 per cent. per annum, a very liberal calculation truly, the county will receive her dividend on the whole \$324,000 stock, while she pays interest on but \$300,000, showing the following result:

Interest on County Bonds for \$300,000 at 10 per cent per annum.	\$30,000
Dividend on \$324,000 Capital Stock, at 8 per cent per annum	25,920
	\$5,080

thus leaving the county but \$5080 interest to raise by taxation. But should the Company declare a dividend of 10 per cent., a result in no wise improbable, there would then be left to the county, an excess of \$2,400 on the earnings of the road over and above the interest accruing on its bonds.

Now, to raise the remaining interest, allowing that the Road declares a dividend of but 8 per cent., without levying any additional tax upon the citizens of the county, is the desideratum. We believe that the Code of Iowa provides, that the whole Stock of a Railroad Company may be taxed at either terminus of the Road. Now, we understand, that the Company has signified its willingness to allow this county the privilege of taxing one-half of the entire, provided the County votes to take the proposed \$300,000 stock. Thus it will be seen, that if the loan is adopted, the county thereby secures to itself, the privilege of taxing one-half of a stupendous enterprise.

Now, if the Railroad and its equipments cost \$15,000,000, and this county is allowed to tax one-half, that is \$7,500,000, even at one mill on the dollar, would amount to sufficient to make up the additional amount over and above the dividend of the road, necessary to pay the interest on the bonds of the county. Then too, the company has a large grant of land lying in this county, which is not now subject to taxation, nor will not be, until it comes into the hands of the Company. This will not take place until the road is in actual process of construction in the immediate vicinity of the lands granted. Now, upon the approaching completion of the Road, these lands will pass into the hands of the Company, and will be subject to taxation at their nominal value—say from \$10 to \$15 per acre.

The tax upon this land, at its increased value, would amount to several thousand dollars. Taking this view of the subject, and we think it is nearly a correct view, that so far from the people of the County having an additional tax imposed upon them, the rate per cent. would actually be less than at present. This too, without taking into consideration the increase in value of property throughout the county, and the additional influx of capital that is sure to follow the advent of the Railroad.

There is one other objection urged against the policy of the County taking stock in the Mississippi and Missouri Railroad Company, and that is, that the Railroad will be built, whether the county decides to take stock or not. That may be true; at any rate we are not disposed to dispute it. The question, is, then, will the road be completed at as early a day, if left to shift for itself, as it would, if it met with the encouragement now asked of this County. We do not believe that this can be answered in the affirmative. Common sense would teach any person better than that. Railroad Companies, like individuals, need encouragement and stimulus, and as the road will be of more interest and benefit to the people of this county, when completed, than to the Company, it is but meet and proper that due encouragement should be extended in the shape of the proposed loan. The citizens of this County now have it in their power to secure at an early day, the completion of an enterprise that will confer a permanent benefit upon themselves, and the great West. It remains to be seen what action they will take. If they would pursue a judicious policy, there is but one course

left for them, and that is to vote for the loan. If, on the other hand, they wish to maintain a "masterly inactivity," and pursue a course suicidal to the best interests of the country and themselves, they have but to vote against the loan. This is the only construction we can put upon the question, others may apply a different one.

Again, the citizens of Council Bluffs should vote for this loan; not only with a view to the general interests of the trade, and the hope of a remunerative investment, but out of that generous public spirit which should be a marked characteristic of every community. Shall it hereafter be said, that the citizens of this City and County, done nothing towards building Western railroads? We hope not. The Mississippi and Missouri Railroad Company have acted honorably and manly, in relation to the location of the road. They changed the projected road from the Pigeon Valley route to that of the Mosquito, in order to gratify the citizens of this city. This change was not accomplished without opposition. And so intent was one of the members of the Company upon locating the road, so as to leave Council Bluffs to one side, that he has since resigned his office, and is now actively engaged in developing a rival project. We refer to the Hon. EBENEZER COOK. We have it from good authority, that this gentleman, after being thwarted in his design to locate the road, so as to injure Council Bluffs, and to build up a city upon certain lands belonging to himself, resigned the Vice Presidency of the Company, and is now using every exertion to organize a company for the construction of a railroad from a point on the Missouri River, opposite Florence, to intersect the main branch of the Mississippi and Missouri Railroad, at the headwaters of the Mosquito. It now lies within the power of those interested in the prosperity of this city and county, to delay in a measure, the consummation of this project. If this county goes against the loan, there is no telling what results may follow. If the projected branch should be completed first, it will be mainly owing to the edict of the county in rejecting the proposed loan. If the loan is carried, there can be no question at all, as to what point, on the Missouri river, will first be tapped by the Railroad.

We therefore, confidently appeal to the public-spirited citizens of this county, to come forward in their might, and lend a helping hand and voice for the encouragement of this project. Eastern capitalists have made this a point in their vast schemes of Railroads tending westward to the Pacific, and shall Pottawattamie county, now, when a little aid is asked of her, to hurry to completion, a work in which she is interested beyond measure, stand back on her impregnable position, and say,—“there is no use of my doing anything—the Company is bound to build the road here any way, and we can wait.” Yes, we can wait, but is it for our interests to do so? That is the question and it should be well pondered.—The Company expects much of this County—shall it be disappointed? We hope not.—

Nous verrons.