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Choctaw Coal and Railway Company

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Recommended Citation

S. Rep.No. 142, 53rd Cong., 2nd Sess. (1894)

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IN THE SENATE OF THE UNITED STATES.

JANUARY 11, 1894.—Ordered to be printed.

Mr. PLATT, from the Committee on Indian Affairs, submitted the following

REPORT:

[To accompany H. R. 299.]

The Committee on Indian Affairs, to whom was referred the bill (H. R. 299) "To extend the time for the construction of the Choctaw Coal and Railway Company," having considered the same, report as follows:

The Choctaw Coal and Railway Company is a corporation of the State of Minnesota. It was authorized by the provisions of an act of Congress, approved February 18, 1888, to construct and operate a railway through the Indian Territory, and was granted the right of way through said Territory for that purpose. It was required by that act to build 100 miles of its railway within three years after the passage of said act, and to complete the main line in the Territory within one year thereafter.

By an act approved February 21, 1891, the time for the completion of the road was extended to February 18, 1894.

The company has constructed and has now in operation upwards of 100 miles of road. Its constructed line consists of two divisions, separated by a gap of about 122 miles. Its eastern division extends from Wister Junction on the line of the Frisco road to South McAlester on the line of the Missouri, Kansas and Texas road; the western division extends from Oklahoma City, where it connects with the Santa Fe road, to El Reno, where it connects with the Texas division of the Rock Island road.

The company has, in addition to its railroad property, valuable leases of coal estates, which are located on the line of its eastern division, and coal mines in operation, the output of which is over 2,000 tons a day.

The company has already expended in constructing and equipping its railway and in putting in operation its mines, more than \$3,000,000.

The road and mine properties are now in the hands of receivers and being operated by order of a court. After the failure of the Barings, in the fall of 1890, it became impossible to negotiate bonds, and being indebted in large amounts to contractors who were building its line, and for materials and supplies, and being unable to meet expenses, a receivership was ordered. The receivers are Francis I. Gowen, of Philadelphia, Pa., and Hon. J. W. Throckmorton, formerly member of Congress from Texas.

The operations of the company in its mining and transportation show a surplus of receipts over expenditures during the time the road has been in the hands of receivers. The earnings for eleven months prior

to November 30, 1893, were \$240,646.91, and the expenses of operating, including some repairs and construction, were \$159,209.86. The earnings in the mining department for the same eleven months were \$551,315.60; expenses during the same period, \$482,939.87.

The Choctaw Nation is entitled to royalties upon the coal mined, and the royalties paid during the period named were \$43,654.95. A large sum has had to be expended by the receivers in completing some of the road partially under construction, and in various expenses connected with the practical operation of the road and mines, so that there was in existence on the 30th of November, 1893, \$806,635 in receivers' certificates.

The completion of the intervening section of the road is absolutely essential in order to put the road upon a practically assured financial basis. If the gap between the two sections of the road can be completed, an opportunity will be offered for a very large traffic in coal, supplying Oklahoma Territory and points beyond.

It has been made to appear to the committee that if time can be granted for the completion of the road in the Indian Territory, sufficient funds will be raised to connect its eastern and western sections, and that a reorganization of the affairs of the road will be had, which will take it out of the hands of receivers and put it upon a substantial basis. It is believed that its business and traffic, upon the completion of the section described, would be sufficient to pay its operating expenses and a small interest upon the money invested in the construction of the road and in opening and developing its mines. And it is the opinion of the committee that if the extension contemplated in the House bill is granted, that the road will be completed within the extended time.

Numerous petitions from citizens of the Territory favoring the passage of the bill have been handed to the committee, and are submitted with this report. The passage of the bill is urged by the governor of Oklahoma Territory, by the principal chief of the Choctaw Nation; and the opposition which has been made to it in no way, in the estimation of the committee, affects the question of the propriety of granting an extension of time.

The receivers of the road are gentlemen of unquestioned integrity, and are managing its affairs with prudence; and their assurance that the road will be completed, if the time is extended, is believed by the committee to be grounded upon facts within their knowledge as to the probability of raising the capital necessary for such completion.

The committee, therefore, recommends the passage of the House bill without amendments.

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