

Gulf & Interstate Railway

The Populist Railroad

Contributed by Bob Burton

(This story appeared in the January/February 1983 Santa Fe Modeler, published by the Santa Fe Modelers Organization. Text revised.)

Many branches of the Santa Fe were once separate railroads with grandiose plans. One of the most unique was the Gulf and Interstate Railway. This railroad was planned to run from Texas' Galveston Bay to Topeka, Kansas, where the main line would split. One leg would go to Winnipeg, Manitoba, and the other was destined for Duluth, Minnesota. Branch lines were to be built as needed to such faraway areas as Colorado and Wyoming.

The G&I was to be built with convict labor and financed with property taxes supplied by each on-line state. After completion, the tax revenues were to support operation, making fares low or nonexistent. Each state would own and operate its portion of the railroad and appoint members to a council for the supervision of the entire system. The primary purpose of the line was to help break up the infamous railroad monopolies and to become the first unit of a future national people's railroad. The project was adopted and pushed by the Populist Party, but its roots and destiny lay in Texas.

It was in Waco, Texas, in the summer of 1890 at the convention of the People's Party of Texas that gubernatorial candidate Jim Hogg proposed that a state railroad be built to break down the railroad monopolies. The People's Party was delighted and presented a larger-scale version of the plan to the national Populist Party, which was very receptive to the idea.

Several Gulf and Interstate Railroad organizing conventions were held during the next few years. These were noisy affairs that provided newspapers with excellent copy. Lengthy debates arose over routes and operating procedures, and many cities sent lobbyists to bring the railroad to their city. The most outrageous proposal called for a railroad from Cape Horn to the Cape of Good Hope via the Bering Strait! The Populists finally decided to build the system by capitalist methods and to later sell segments to individual states. Towards that end, in late 1893 Kansas granted a charter to the Gulf and Interstate Railroad.

A few weeks later, Galveston began to fill with Populists. Among them was Charles Jesse "Buffalo" Jones: a legendary buffalo hunter, breeder, and domesticator; cattleman; adventurer; and all-around fraud. His importance to the G&I would be equaled only by another member of the group: Arkansas politician Louis P. Featherstone.

Galveston as the Populists saw it was a place of dreams. The recently-completed jetties stretched seaward like arms welcoming the commerce of the world. With every foot the jetties shaved from the offshore sand bars, preparations for a deep-water harbor increased. Delegations went abroad to discuss the new port, and delegations from abroad came to see for themselves. Here, it was claimed, was a port which would never be destroyed by a hurricane, as had recently happened at New Orleans. It was believed that the shallowness of the Gulf here would cause tidal waves to break up long before Galveston Island was reached.

The Populist dream looked good to Galvestonians, as the idea of a railroad directly to points north and east had a special appeal to a city that hated for anything to pass through Houston on its way to Galveston.

The G&I's building plans included a ten-mile long bridge from Galveston to the mainland at Smith Point, but a more conservative option, a ferry to Port Bolivar, was chosen. C. J. Jones, the first contractor, brought in a convoy of grade-building and track-laying machinery and arrangements were made for the laying of a new type of track that utilized steel for both ties and rails. Bolivar Peninsula was scheduled to feel the bite of groundbreaking spades on March 22, 1894, but on that day all it felt was falling rain. It was still raining two days later, but the impatient Populists held the ceremony anyway.

Weeks passed and the grade reached Rollover. Suddenly, Jones turned the grade northward and prepared to bridge East Bay, even though his orders had been to go around it. Turmoil erupted in G&I offices after Jones ignored the orders when they were repeated. Matters became worse when Jones revealed that he was going to build the railroad across land that he had recently purchased in Chambers County. Further, he stated that he would build a city on his property and make it the junction for branches to Houston and Beaumont.

To solidify his position, Jones spent two days in Austin obtaining a charter for the Gulf and Interstate Railway of Texas. The charter, granted on May 19, 1894, outlined a railroad from Bolivar Point a distance of 70 miles to a point on the Southern Pacific between Devers and Raymond. Jones cited a Texas law that prohibited the Kansas corporation from owning property in the state, and claimed the constructed portion of the G&I in the name of the G&I of Texas. Jones had stolen the railroad!

The Texas representatives of the Kansas corporation quickly drew up a charter for their own Texas corporation, named the Interstate Railway of Texas. However, peace was declared before the charter was granted. The compromise gave the Kansans one-third control of Jones' company while the Texans took another third. Independent engineers were engaged to compare Jones' route with the original route and decide which was the better one. The engineers chose Jones' route, and a grade was soon constructed south of Raymond.

On September 20, 1894, Texas approved an amendment to the charter which changed the company name to the Gulf and Interstate Railway Company of Texas. The amendment also allowed the line to be constructed to the Red River in northeastern Texas, with a branch into Louisiana. Internal bickering led to a split with the Kansas corporation, with the original G&I floundering along in debt for a while before liquidation.

The plans for all-steel track were abandoned after strikes at the supplying factory held up production for months. The six miles of track laid to Flake by the first of May, 1895, and all future G&I construction, was of conventional design.

On May 21, the company held a great excursion to the end of track. Excursionists rode flat cars in the rain and listened to lengthy speeches by several G&I officials. The final speech was delivered by the company's new solicitor, Jim Hogg, just out of the governor's office after two terms in office. Ever the master politician, Hogg commented that he did not like to make long speeches in the rain. He spoke briefly of his faith in the future of the G&I, then sat down. The crowd gave him long and enthusiastic applause.

It is ironic that he believed in the project because, as governor, he had led Texas and the rest of the nation into the field of railroad regulation. Monopolies had begun to weaken, and the cause of the G&I's creation began to fade. Nevertheless, construction continued.

In July 1895, more bickering led to Jones' removal as prime contractor and the position went to L. P. Featherstone. Work began on the original route via High Island, but the actual construction was carried out by subcontractor C. J. Jones. From High Island, the line went north to the future site of Winnie. This was to be the junction for a branch to Beaumont, but the branch was to be built immediately because Beaumont had promised cash money if the G&I reached town by New Year's Eve. The company's mechanical track layer worked rapidly eastward, and it looked as if the deadline would be easily met. Then, every sawmill in Beaumont suddenly had so much work to do that there was no time to make ties for the G&I. Construction halted until January 1896, when ties were again available.

In March of 1896, cheers rose as Jones drove the last spike on the Beaumont branch. East Texas was ecstatic. John Kirby had prepared for the connection to Galveston by building the Gulf, Beaumont and Kansas City Railway northward from Beaumont into the pine forests and was ready to ship raw and finished lumber over the G&I. The natives of Jasper took their axes and plows to the unsolicited task of preparing a roadbed to their town.

Alexandria, Louisiana, wrote to the "enterprising Galveston railroad" and asked for a line, promising a connection with the Illinois Central to Chicago. Galvestonians began to compare the G&I with the Gulf, Colorado and Santa Fe Railway, the fabulous Galveston enterprise of twenty years earlier.

Excitement was running high when the line from Galveston to Beaumont opened for business May 1, 1896, but it was nothing compared to the excitement generated a few days later when Featherstone sued Jones. Legally, the line could remain in the hands of the contractor, or subcontractor, until completed. Apparently, Jones had no intention of completing and surrendering the line. While it was possible to run trains on the line, the bridges and roadbed were incomplete and Jones had dismissed his men. Jones put a train on a scheduled run and pocketed the revenues. Jones had stolen the railroad again.

A bitter court battle purged Jones from the company forever, although years later he tried to interest the governors of Oklahoma and Kansas in a "Chicago, Gulf and Interstate Railway" to be built and operated with funds from the states. Jones' new venture never got off the ground. The G&I got one paragraph in Jones' biography, saying little more than that he lost his shirt.

Featerstone completed the line and turned it over to its rightful owners. He also set up the Galveston/Point Bolivar ferry service, the only railroad-operated ferry in the state. The ferry carried private vehicles as well as railroad cars. In fact the ferry worked more often for the public than the railroad. The City of Galveston reimbursed the company for this free service to the public.

It was not long before the G&I was back in court, this time with the Southern Pacific. A rate war had led to the blocking of each other's tracks in Beaumont. The companies were antagonists in court several times during the next few years.

On September 19, 1897, the G&I ran two trains simultaneously for the first time. That same day, the company suffered its first head-on collision. The wreck occurred at a curve in a forest, the only place on the line where the trains could not see each other miles in advance. Since the spare locomotive was out of service at the time, the railroad could not operate. However, the G&I would have ceased operations anyway, because a yellow fever epidemic hit the Gulf Coast just then and a quarantine was imposed.

The wrecked engines were ready to run by the time the quarantine was lifted. On the first run out of Beaumont, the engineer found himself looking down the barrels of shotguns being borne by residents of High Island. They wanted no part of the epidemic, so the train passed through without a stop. By the time the return trip was made, a fortified wall had been built across the tracks. The engineer backed his train to Galveston, and later returned with a doctor who convinced the High Islanders that the fever had run its course.

The old Gulf and Interstate project, with its northern routes and connections, died and yet continued with the completion of Arthur Stillwell's Kansas City, Pittsburg and Gulf between Kansas City and the new Texas town of Port Arthur. The KCP&G connected at Beaumont with the G&I. The new railroad had the shortest line, and therefore the lowest fare, between the Midwest and the Gulf. This concerned other major railroads, but not for long. Although the KCP&G touched salt water at Port Arthur, it was dependent on other railroads to reach deep water. In order to strangle the newcomer, exchange of traffic with

it by other roads ceased. The only holdout was the G&I, which received all the KCP&G traffic. Later, a low-rate ship line began sailing out of Galveston and established shipping lines asked the railroads to boycott the newcomer. The G&I and the KCP&G stood against the boycott, and together performed the G&I's original purpose: to weaken transportation monopolies.

Stillwell knew a good thing and attempted to buy the G&I, but failed. The Santa Fe System, then buying its properties in eastern Texas, made its own offer and was turned down. When the company was finally sold in June 1898, it was to L. P. Featherstone.

Featherstone, like many G&I Populists, came to Texas only to build the railroad but decided to make a new home as well. Featherstone felt the place had a future, particularly the undeveloped Bolivar Peninsula. He renewed correspondence with Alexandria and chartered the Galveston, Brazos and Southwestern Railway to run westward from Galveston to Bay City. Featherstone also consulted Uriah Lott, one of the state's noted railroad builders. At that time, Lott was advocating a railroad from Galveston directly to San Antonio, and Featherstone was willing to build it. Lott gave his blessing and advice. In later years, when Lott was assembling a railroad system from New Orleans to Brownsville, the two men considered merging their properties.

Closest to Featherstone's heart, and the heart of his planned empire, was a deep water port on Bolivar. He spoke of it being a Brooklyn to Galveston's New York. It would be an alternative to the aged, complex, and crowded wharfage on Galveston Island. But before ground could be broken for the new port, nature answered Galveston's challenge of years before: A hurricane struck the island.

On the morning of September 8, 1900, the passenger train from Beaumont stood in a foot of water as passengers and crew watched the ferry bob all over the bay, out of control. Some passengers took shelter in the Point Bolivar lighthouse, but most stayed aboard the train as it began backing towards Beaumont. The train got about eleven miles before the tracks vanished from beneath its wheels.

The storm was a terrible disaster, destroying much of the city of Galveston and other nearby locations. Featherstone was appointed transportation supervisor for the city's cleanup effort. Several times he dispatched the railroad's ferry to the mainland to take out the wounded and to bring back supplies and aid. He also sent the ferry to sea with grisly cargoes of dead that could not be properly handled.

The G&I, when Featherstone could finally check on it, presented a poor picture. The passenger train was buried in sand and the freight train lay on its side at Port Bolivar. Thirty miles of roadbed had disappeared and what track remained on the peninsula was wrapped around buildings.

Featherstone ordered the salvage of the freight engine and its immediate dispatch to Beaumont to help collect what remained of the rice crop. Shortly thereafter he declared

the Gulf and Interstate Railway Company of Texas to be bankrupt. The receivership became effective on September 21, but the railroad was later returned to its owners without sale. Beaumont and Galveston citizens eventually raised \$20,000 and the line was rebuilt. The passenger train was unearthed and returned to Beaumont for a fresh start. On September 24, 1903, the train caught the ferry it had missed three years and sixteen days earlier.

The G&I was operating again, but finances had taken a wound that would not heal. Matters worsened during the depression of 1907, and at the end of that year the deficit totaled over one million dollars. On January 17, 1908, the Santa Fe Land Improvement Company, a subsidiary of the ATSF, purchased the G&I. Independent operations continued until July 1, 1914, when the G&I was leased by the GCSF.

That did not end Featherstone's association with the enterprise. He had convinced the Santa Fe that great things could be done at Port Bolivar, and, with the company's backing, he began building a city. The newly-formed Santa Fe Dock and Channel Company went to work on the waterfront.

The first three of a planned eleven piers were built and a deep water channel and turning basin were dredged. The piers were built by filling in behind bulkheads with material dredged from the Gulf. Pier No. 2 approximately measured 1,196 feet by 50 feet, and Pier No. 4 approximately measured 1,249 by 100 feet. The principal pier, No. 3, was the site of a 142' by 800' warehouse, a 25' by 200' lumber shed, a lumber skidway 1150' long, and a temporary ore dock. The ore dock was completed in 1912 and was 325' long, stood 58 feet above mean sea level and had a 550' approach ramp. A "distilled oil" engine worked the cable that drew cars up the incline. Cars could discharge into any of four hoppers, each of which would hold the contents of two ore cars.

Right of way for an immense railroad yard was obtained, derricks and other warehouses appeared, and temporary oil loading facilities were also erected. Permanent facilities were to be built as the port developed. A shipyard set up shop on the point, and one of its first orders was for a new eighteen-car-capacity barge named "L. P. Featherstone."

The Santa Fe also became interested in another Featherstone project. Iron ore was discovered in the northeastern corner of Texas a few miles beyond the Santa Fe's end of track at Longview. The Port Bolivar and Iron Ore Railroad was chartered in December of 1910, to reach the field. On July 1, 1913, solid trainloads of ore began departing Ore City over the PB&IO for Santa Fe rails at Longview. The ore then went to the coast at Port Bolivar. There, the ore was transported by ship to Philadelphia for smelting, but Featherstone was speaking of the day when iron would be smelted and milled at Port Bolivar. Unfortunately, war erupted in Europe and the Philadelphians decided to cancel the contract for the duration. The contract was not renewed.

Another major hurricane devastated the G&I in August of 1915. Twenty miles of track were washed away and the wharves were damaged. After several months, the line reopened, but some of the wharfage was never repaired, and Port Bolivar began to fade.

East Texas traffic was beginning to go to the new deep water ports at Beaumont, Orange, and Port Arthur, which were closer than Port Bolivar. Both Featherstone and the Santa Fe could read the future. Featherstone turned away from Bolivar and concentrated on iron developments. He had a hand in constructing the Texas State Railroad, which today is a state park operating steam trains. The Santa Fe abandoned the PB&IO. Maintenance of deep water at Bolivar ended in 1921.

The Santa Fe Dock and Channel Company ceased operation on December 15, 1925. The facilities were sold to the G&I. Steam passenger service on the G&I was replaced with Gas-electric service in 1928. An improved highway, complete with automobile ferry, increased competition after 1930. The railroad was rechartered as the Gulf and Inter-State Railway. Slowly, the Port Bolivar facilities were abandoned and the railroad west of High Island was abandoned on January 22, 1942. After that, the track was abandoned a few miles at a time until today little if anything is left. What remains are farms and communities that grew beside the rails, and the descendants of those who came to build a railroad and stayed to build a home.

Gulf & Interstate

On September 15, 1903, the Beaumont correspondent for the *Galveston Daily News* reported that the G&I would run "a through train to Bolivar Point on <the 16th> for the first time when passengers can be transferred by ferry" to Galveston, but that regular traffic would not begin for a spell yet. >9-15-03.<

This announcement set the Galveston Business League scrambling to arrange a gala welcome for the first train. However, after it was discovered that the train would be carrying only railroad officials, the party was postponed until the inauguration of regular service, which it was believed would be about October 26.

Nevertheless, the *News* announced the great day of the sixteenth with an elaborate headline:

A WELCOME ARRIVAL
THE FIRST REGULAR TRAIN BRING-
ING PASSENGERS FROM BEAU-
MONT COMING OVER THE
GULF & INTERSTATE ROAD
Will Receive a Befitting Welcome.
Addresses and Gay Decorations.
Ships Will Fire Bombs.

>9-16-03.<

People gathered on the wharf, watching for an engine's smoke on Bolivar. "Those interested in the election of a new Pope in Rome did not more anxiously watch for the smoke to issue from the Sistine Chapel," asserted the *News* the following morning. The headline that day was ominous:

NO TRAIN YET
Interstate Train, Reported to Have

Left Beaumont Yesterday, Did

Not Reach Bolivar

>9-17-03.<

Apparently, it had vanished from the face of the Earth. The *News* uttered no word on the matter until the 19th, when the Beaumont correspondent reported: "Manager Featherstone of the Gulf & Interstate has not yet taken out a search warrant to find the train which a local paper and a Houston paper lost for him, but, on the contrary, states that the train has been leaving here every morning on time and returning on time. It goes to the lighthouse and is doing nicely and has been." The last mile from the lighthouse to the pier was not yet completed. >9-19-03.<

Another reporter hunted up Judge Campbell, who expressed regret over the misunderstanding. He also stated "that passengers are now being carried as far south as High Island, and when the train is scheduled to come over to the lighthouse with material and there are passengers...who wish to purchase tickets for that point...they are accommodated." >0-19-03.<

On the morning of September 23, Featherstone drove the last spike in the reconstructed railroad, "and while it was not made of silver or gold it would probably serve in a more durable capacity of uniting the Queen City of the Neches and the great seaport of the Southwest to such close commercial relations that the profit of one will be the gain of the other." >9-24-03.<

The train, the same one consisting of Nos. 4, 2, and 1, ran all the way into Galveston the next day. Free rides were offered to the passengers who had been stranded three years and sixteen days before. Several accepted. The train wheeled into Port Bolivar ahead of schedule. The tug *New Brunswick* was at the time temporarily decommissioned, so the Charles Clarke moved the barge *Jefferson* and its cargo to Pier #18 in Galveston. Once waterborne, Featherstone, Campbell, and others raised their glasses to the future. This apparently was the only celebration of the line's rebirth. There was no tooting of whistles or ringing of bells or brass band disturbance," said the *News*. "The few citizens gathered on the wharf...were as silent as Pall Bearers attending the internment of the historic railroad property"> Perhaps they were tired of waiting. >9-25-03.<

The Business League moved its celebration to greet the first excursion train when it arrived on the 27th. Regular mixed train service began on October 1. >9-24-03. Poor's.<

In the late Thirties, most of the traffic on the line consisted of empty cars bound from Galveston to Beaumont and into the forests and cotton fields to the northeast. Loaded, these cars returned only as far as the strapping young ports of Beaumont, Orange, and

Port Arthur. In neither direction did these cars add to the Port Bolivar branch's revenues. >660<

Another large source of traffic was the flow of rice, cotton, iron and steel articles, lumber, and other commodities between Galveston and points in the eastern and southeastern states. This traffic moved over the G&I-S when the train ran, three days per week. On alternate days, it moved via Silsbee. >666<

As time passed, it became increasingly apparent that both types of traffic could be better handled via Silsbee than by the slow, expensive to operate, fifteen-car-capacity barge. Just about the only traffic that really belonged to the line was the rice grown north of High Island. >665<

The staples of traffic from the peninsula, melons and vegetables, and livestock, amounted respectively to 25 and 103 carloads in the six years of 1935-1940. No shipments of either were made in 1940. Passenger traffic declined from 83 persons in 1935 to 3 each in 1939 and 1940. >663<

All traffic on the line was now handled by a standard locomotive, the doodlebug having been transferred. The engine, trailed by freight cars and a 38-seat combine, departed Port Bolivar Mondays, Wednesdays, and Fridays, and returned from Beaumont the following days. Nothing ran on Sundays. >661<

Out of pocket operating losses west of High Island amounted to \$27,500 annually. >667<

Highway transportation was eating away at local traffic. T. S. C. Motor Freight Lines operated daily between Galveston and Beaumont via Houston, but would operate on the peninsula when needed. The Coastal Coaches, Inc. ran buses on the coast route four times daily in each direction. This company also held the mail contract. >661<

The railroad was laid with #66, #75, and #85 rail, rolled in various years from 1885 to 1904. All of it would need replacement by about 1950, in keeping with the Santa Fe's policy of replacing branch line rail after fifty years. Even if this deadline were extended, the line would soon need extensive rebuilding since maintenance had been neglected during the Depression. This rebuilding would include the wharfs, which had been severely damaged by salt water insects and neglect. The tugs and barges were also aging. >661-662<

On March 1, 1941, the G&I-S and operators applied to the Interstate Commerce Commission for permission to abandon the 26.7 miles west of High Island and the ferry. Galveston and the Texas Railroad Commission raised objections and the ICC called a hearing for late Fall. >659<

The TRC maintained that the company had overestimated the cost of repairing the line, but that testimony was disproved. It was claimed that rates between Galveston and

Beaumont would rise if the line was abandoned, but the ICC had previously held that maintenance of low rates was no reason for requiring the continued operation of an unprofitable line. It was urged to divert traffic from the Silsbee route to the G&I-S, but again there was a precedent. the ICC claiming it had no power to force traffic over a particular route. >666-667<

In early 1941, Southwestern Rice Mills, Inc. purchased Galveston's major rice mill with the specific intent of serving the area north of High Island. During the year, Southwestern had bought most of the rice crop along the line. The proposed abandonment would have made Southwestern's plan impractical, and a protest was filed with the ICC. The ICC decided that the mill could survive on rice from other areas and that the growers along the line could be adequately served by mills to the east. >665-666<

The abandonment was opposed by labor unions because an agent, a section foreman, three section laborers, and ten tug and barge employees would be displaced. Trainmen would not lose any wages because of special arrangements, but would lose an annual total of \$2,900 worth of overtime switching at the Point. The ICC had previously held that it held no authority to compel protection for employees and so held again. >668-669<

Interests from New York approached the GCSF with a proposal to buy the line for operation. The section up for abandonment, replied the Santa Fe, could be had for its approximate salvage value and the rest could go for \$25,000 to \$30,000 per mile. Because other railroad properties were involved in the proposal, the ICC decided not to require sale of the peninsula segment to these interests. The matter was left to the Santa Fe and to the investors. >668<

On December 12, 1941, the ICC decided that public convenience and necessity did not require the continued operation of the Gulf and Inter-State Railway west of High Island. >659<

■