

The Southern Pacific Railroad, of which mention has been made, has during the past year completed a track from San Jose to Gilroy, a distance of thirty miles. This road has been peculiarly unfortunate in its management, the first incorporators for several years doing nothing to forward its construction beyond obtaining a subsidy of government lands, to be reserved along its proposed line. The route being a matter of doubt, the incorporators claiming two distinct lines of survey, kept a very large quantity of land from settlement, until the inability of the management to comply with the terms of the grant became so apparent that the Secretary of the Interior again placed the lands in market for entry. Subsequently the road passed into the hands of a stronger management, whose operations however have been confined to the construction of the small section to Gilroy named above, which was largely aided by bonds of the city of San Francisco, that were donated for that purpose. At present the railroad company are awaiting action by Congress, which it is expected will renew the land grant that has lapsed, or in some other way afford it required aid. The road when completed will be of great value, its proposed line running through fertile sections of country which require railroad facilities to develop their producing capacity.

During 1869 the San Pedro and Los Angeles Railroad has been completed, and is now in running order between those places, a distance of twenty-one miles. The construction of this road is peculiarly valuable, as it reduces cost of transportation, besides increasing facilities in that line much needed by a populous and fertile section of country. Its good effects have become so apparent that active steps are now being taken to extend the road from Los Angeles through San Bernardino County, which, if done, will open up a section of country that at present is languishing for want of freight facilities to send its products to adequate and profitable markets.

Very little progress has been made during 1869 in the construction of the San Francisco and Humboldt Railroad, the total efforts resulting only in a few miles of grading done north of Petaluma. This road, which at its inception was to commence at Petaluma, in Sonoma County, and terminate at Humboldt Bay, has since changed its initial point to New Saucelito, a point on San Francisco Bay nearly opposite this city. The road as contemplated will then traverse Marin, Sonoma, Mendocino, and Humboldt counties, penetrating a section of country in the last three named counties whose only freight facilities have been by teaming, which for such long distances is so costly as almost precludes transportation. The road in the counties last named runs through a series or chain of narrow, lateral valleys in the Coast Range of mountains, the soil of which is of the most fertile nature. In the mountain ranges on either hand a large amount of dairying is now done which will no doubt be largely increased by railroad freighting. The mountains also contain vast forests of timber which, as the coast line is denuded, will become so valuable as to pay freightage by rail instead of by water from the coast mills. The mountain ranges along the proposed line of this road will in time become the great dependences of the San Francisco market for cattle and swine, which can be more profitably raised there, the value of the land considered, than as heretofore in the southern counties of this State.

The Healdsburg Railroad as projected will run from Vallejo through a portion of Napa Valley, and through Sonoma, Los Guillicos, and Russian River valleys, to Santa Rosa and Healdsburg in Sonoma County. These last two towns are also on the contemplated line of the San Francisco and Humboldt Railroad; but as the Healdsburg line terminates at Vallejo, where there is deep water navigation, a very large amount of produce will be sent from Russian River Valley by it. The construction of the Healdsburg Road will make the beautiful valleys through which it runs so readily accessible as to induce the settling of many persons who do business in San Francisco, and will also stimulate the production of fruit which by its aid can be placed, in a few hours from picking, fresh in market. The road will also derive large freightage from wine and other products whose only market is this city.

The completion of the various railroads now running in the State has already produced most favorable results in many portions of the interior through the advancement of property values, and more especially in towns and cities. Some of these towns and cities had retrograded in population and value during the past ten years almost to the verge of municipal bankruptcy. Previous to the railroad era their main dependence was on their traffic with the mining regions which procured most of their supplies through them. As the mining interest decreased, property in the towns dependent on it fell in value, and the most enterprising portion of their population sought other fields of labor. In some of the towns substantial brick buildings, situated on what had been considered eligible property, became vacant, and often sold at less than the cost of bricks and mortar. The advent of railroads has largely changed this condition of things and a healthy increase of population and property values is the result. The most important towns in the interior are now railroad centers, and, with the construction of roads now projected, will become of greatly-increased importance. Among these Sacramento now stands preëminent, the main lines of the Central, Western, and California Pacific, Sacramento Valley, and California and Oregon railroads centering in that city. With the single exception of the San Pedro