The Madison and Indianapolis Railroad

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THE MADISON AND INDIANAPOLIS RAILROAD

by

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A thesis submitted in partial fulfillment for the degree of
Master of Arts
Department of History
Butler University

Indianapolis
1931
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CHAPTER I
INTRODUCTION

Accustomed as we are today to paved highways, motor cars, steam railways, and airplanes it is difficult for us to picture the conditions of travel and transportation prevailing in Indiana in the early years of the last century. There were no canals, railroads, or pikes. All the streams except the Ohio were seriously obstructed by fallen trees, debris, snags, and sand bars. What wagon roads existed were frequently impassable and practically always bad. The farmers throughout the state had plenty of fertile land, but their surplus products were of little value to them because a large part of their profits was eaten up by the cost of transportation. The farther from the sea board cities a farmer was, the less valuable were his surplus products. Immediately after the War of 1812 there arose all over the United States a demand for internal improvements at government expense. Considering the conditions just referred to it is not surprising that the people of Indiana joined in the clamor.

The earliest plan for improving transportation was the building of State roads with the three per cent fund. Congress had set aside five per cent of the proceeds from public land sales in Indiana for road building. Three per cent of this was placed at the disposal of the General Assembly, which authorized a state agent to pay it out to the various county agents, who in turn used it for opening roads through the forests. At first these roads were mere bridle paths due to the scarcity of "hands" to work the roads. In all, over half a million dollars were distributed by the state for this purpose. In addition
to improving the means of travel this fund was a great boon to pioneers, most of whom earned money, working the roads at $1.50 a day, to pay their taxes.

The second plan of the General Assembly to secure internal communication was to open up streams for navigation. The natural features of the state with its network of waterways must have suggested this plan. Most of the streams were too small for successful navigation, but it was thought that by clearing them of snags and sandbars they could be made navigable for small flatboats. The first step was to declare them navigable and thereby prevent their obstruction by bridges and dams. "By 1820, nearly every creek large enough to float a saw-log was opened, so far as a statute without an appropriation would effect it." These streams did serve as highways to a large extent. Between 1820 and 1840 probably nine-tenths of the surplus produce of Indiana was carried to market on flatboats.

The history of canal building in Indiana dates from 1837, when Congress granted to the state, to aid in building a canal to connect the Wabash and Maumee, a strip of land one-half of five sections wide, on either side of the canal, reserving alternate sections to be selected by a land commissioner under the direction of the President. Almost from the beginning of canal history there was a group, small at first, who favored the building of railroads instead of improving the old and constructing new waterways.

2. Ibid., I, 306-1.
Steam railways were about five years old and still in the experimental stage when interest in them is traceable in Indiana. One of the first to advocate publicly the building of railroads was Governor James B. Ray who argued for them as early as 1827. In his message to the legislature December 8, 1829, he recommended the construction of a railway from the Wabash and Erie Canal through Indianapolis to some point on the Ohio River, and another from Ft. Wayne through the White Water country to Lawrenceburg (a canal having been reported impracticable). In his message of 1830 he spoke of the Wabash and Erie Canal or "its substitute, a Rail Road, less expensive and equally valuable", which seems to indicate that he was beginning to favor the building of railroads instead of canals as a means of opening up the state. In this same message he suggested the union of the Great Lakes with the Ohio by a single railroad from the Detroit River, across Michigan, through Indianapolis, and thence to the Ohio. He pointed out that the terminus of the Lexington and Ohio Railroad at Louisville seemed to mark out Jeffersonville as the logical point of termination for the Indiana road. In this he showed greater wisdom than the General Assembly later did in deciding upon Madison. In 1831, when Ohio was about to withhold her assistance and cooperation in the construction of the Wabash and Erie Canal, and it seemed as if the project might have to be abandoned in Indiana, Governor Ray suggested once more the construction of a railway. He commended the single railways contemplated from Cincinnati and from Louisville to Indianapolis and spoke of their immense advantage

2. Ibid., 1830, p. 17.
3. Ibid., 1830, pp. 18-19.
to Indiana should they be completed. Governor Ray's ideas were put
down as impractical and imaginative. According to one of his biographers
he dreamed of a "grand scheme of railroad concentration at Indianapolis.
Here was to be the head of a score of radiating lines. At intervals of
five miles were to be villages, of ten miles towns, and of twenty miles
respectable cities." We have only to look at a present day railroad map
of Indiana to see how near his prophecy corresponded with later develop-
ments.

Among other early advocates of railroads was Ross Smiley of Union
3
county, speaker of the House. The railroad party in the legislature,
led by David Hoover of Wayne County, was strong enough to block canal
4
legislation for a whole session. Milton Stapp, Madison lawyer, argued
for railroads before several sessions of the legislature prior to 1836.
The respective advantages of canals and railroads at this period seem to
be about equal. The first cost of a railroad was probably less than that
of a canal, but it was largely hypothetical, while engineers were familiar
with the cost of canal building. The expensive machinery for locomotion
and vehicles for carriage and the frequent repairs on these and the road-
beds made the cost of the upkeep of railroads formidable. Due to floods,
however, the canals were also subject to expensive repairs. While the
railroads effected a great saving in time, the canals were able to carry
enormous tonnage with small and cheap motor power. In Indiana the canals

2. George S. Gottman, "Internal Improvements in Indiana", Indiana Magazine
   of History, XIII (1907), 130.
4. Ibid., I, 406.
were out of service during the winter months; the railroads offered continuous service. The material for railroad building was imported and hence took money out of the state; the money spent on canals remained here. The water power afforded by canals as a "by-product" built up mills and other industries along their lines. That the untried railroad won rather slowly over the better-known canal is shown by the fact that when the state finally took up a system of improvement in 1836, it included four canals and only one railroad.

Interest in railroads may have been promoted by Joseph Bruen, a Kentuckian, who traveled about the country with a small locomotive, coach, and portable track, demonstrating the possibilities of the steam engine by drawing his little coach full of passengers around the track. So far as we are able to learn, this was the first locomotive to turn wheel in Indiana.

Opposition to State internal improvements disappeared when active work began on the Wabash and Erie Canal on March 1, 1832. Every locality was interested in getting a canal for its own use. There was also a sudden, spasmodic leap toward railroad building. The legislature of 1831-2 incorporated eight railroad companies: Lawrenceburgh and Indianapolis; Madison to Indianapolis and Lafayette; Ohio and Lafayette; Wabash and Michigan (Lafayette to Frail creek, in Laporte county); Harrison and Indianapolis; New Albany, Salem, Indianapolis and Wabash; Richmond, Eaton, 3 and Miami; Ohio and Indianapolis. In 1834-5 ten more roads were incorporated.

2. Ibid., III, 154.

Note: In this thesis the dates following the various laws of Indiana indicate the session, since under the old constitution the assembly met in December and held over into the next year.
Eleven of these eighteen roads radiated from Indianapolis. Only one of the whole group has left a record of performance - the Lawrenceburgh and Indianapolis, the present Big Four between Indianapolis and Cincinnati. December 5, 1834, James Blake, president pro tem, submitted to the legislature what seems to be the first railroad report in Indiana. It showed that they had surveyed their road and actually done the first piece of construction in the state - an experimental stretch of two miles built near Shelbyville, the locality and distance being chosen "because it was supposed to represent a fair average for the whole extent of level country from the west side of Flatrock to Indianapolis" and would give a reasonably correct idea of the expense over that route. Horse cars were used on this road. Due to lack of capital construction lagged, and the road was not completed until 1835.

It will be noted that the legislature of 1831-2 passed an act incorporating the Madison, Indianapolis, and Lafayette Rail Road Company. The capital stock was to be $1,000,000 in shares of $50. As soon as 500 shares were subscribed, the corporation was authorized to elect thirteen directors. The corporation was to commence work within three years at Madison and complete the road to Indianapolis within ten years after beginning, and to Lafayette five years later. The General Assembly might, for good cause, extend the time. The state reserved the right to subscribe for 1000 shares of the stock any time within twelve years from the commencement of the work. This company failed to accomplish anything, along with most of the others incorporated during the years 1832-5, and is not to be

confused with the later company by the same name. The practicability of railroads was not obvious enough to attract investors. Capital and public confidence being slow to respond, little was accomplished, after granting the charters, except an occasional stirring of the question in some newspaper or an uncertain amount of surveying. W.R. Halloway in his Indianapolis (1870) says, "The railroad fever was taken early in Indiana, but its energy was expended idly because prematurely." If these first proposed lines had been built, it is doubtful if the business of the country could have supported them.

The session of 1834 was taken up by an attempt to frame a bill for a general system of internal improvements. Esrey likens it to a game of legislative sessions with the White Water canal as its center. Every member was ready to vote for this canal if his own county got what it was asking. The legislature lacked the information necessary to make a decision, so a number of surveys were authorized. Those on canals were to be directed by the canal commissioners. The governor was authorized to procure surveys to ascertain the practicability of railroads from Madison to Lafayette, Lawrenceburg to Indianapolis, and from New Albany to Vincennes to be completed before the next legislature. The governor sent C.S. Smith to Washington to secure competent engineers to make the survey. The Secretary of War promised them, but in April, when they were expected, word was received that they could not be spared. Colonel Stansbury had been appointed to superintend the survey and, in case the surveyors did not come from the east, to make up four parties and set them to work. This he did, placing them upon lines beginning at Madison, New Albany, Evansville, and Lawrenceburg. The whole work was done at the expense of the state.

1. Madison Republican and Banner, June 4, 1835.
During the year 1835 there was a great deal of political activity both for and against the various proposals. We find there was still some opposition to the building of railroads. There was the objection of those who felt the railroads would throw great numbers out of employment who would otherwise obtain a livelihood by wagoning, keeping taverns, and working the roads. There were others who insisted that the amount of labor would be increased four fold. In the Republican and Banner of June 18, 1835, we find an editorial devoted to answering the objections of those who claimed the railroad would be detrimental to the farmers of Jefferson county because it would bring the produce from the more fertile northern counties into competition with theirs with a consequent lowering of prices. The editor reminds these objectors among other things that many of these products will come to Madison for re-selling in the South and West rather to compete with their products. In the issue of July 9, 1835, it is pointed out that the farmer, merchant, and manufacturer will all gain if the railroad should come to Madison, because property values will increase, wages will be higher and industry will be encouraged.

There was naturally a great deal of rivalry among the Ohio River towns to secure the southern terminus of the proposed road. Madison insisted she was entitled to it because of her geographical position, if for no other. If only one line were to be built, she declared it should come to Madison since such a road would mark the shortest possible route between the Wabash and the Ohio. Furthermore, the Madison boosters pointed out that Lawrenceburg was too close to Cincinnati to be a suitable terminus of an Indiana road. In two hours the enterprising trader from the interior could go on from Lawrenceburg to Cincinnati, where greater markets

1. Madison Republican and Banner, June 11, 1835.
and greater competition would enable him to make a more advantageous
sale of produce and purchase of goods. The difference in distance be-
tween Lawrenceburg and Cincinnati at some points on the line is trifling.
The fear was expressed that Cincinnati merchants would build a branch
to some convenient point on the road and thus divert trade from its
intended destination. It was also pointed out that the country to which
Lawrenceburg looks for support would always be under the control of
Cincinnati. The Banner of April 7, 1836, answered the Lawrenceburg
Palladium's article pointing out the advantages of Lawrenceburg thus:

"The Palladium admits Madison is a thriving town, and that its population
and mercantile capital may exceed that of Lawrenceburg. Had it said
our population doubled that of Lawrenceburg, our mercantile capital
trebled it, and that more goods are landed on our wharves in one year
than on theirs in four, it would have been the whole truth."

In answer to the claim of the Palladium that the shipping trade of
Lawrenceburg will always be double that of Madison, we find,

"To ship means, we believe, to export by water, and in this sense of
the word the assertion is true, for every spring freshet ships off
half the houses of Lawrenceburg, while their provident owners 'staff
in hand and knapsack on back' are flying to the hills for safety."

Lawrenceburg is surrounded by water: the Ohio River, Maumee River,
Tanner's Creek and a belt of low marshy ground which in the spring and
summer is liable to continual overflow from the bayous. The Palladium
boasted of the "hydraulic privileges" the White Water canal would give
them, to which the Madison editor replied:

"Bless you, sir, if the body of stagnant water in the canal be added

1. Madison Republican and Banner, January 7, 1836.
to that in the vicinity of your town, its climate will be so unhealthy that nothing, unless it be a very stout-constitutional bullfrog, can live through the summer there."

New Albany and Jeffersonville were also desirous of becoming the terminus of the proposed road. Those favoring Madison advanced the same objection to these cities that they had made to Lawrenceburg, namely, that Kentucky would be more benefited than Indiana, and that the real terminus would be Louisville. There seems to have been some justification for this belief, for the Louisville Adventure was pointing out as one of the advantages of the proposed bridge across the Ohio at Louisville that it would form a continuation of the Jeffersonville-Indianapolis railroad and give the trade of Indiana to Kentucky. It is interesting to note that this very effort to keep the railroad solely for Indiana was the thing which ultimately led to its ruin. Trade could not be confined within the state and as soon as the way was opened to Louisville and Cincinnati, Madison was doomed.

Throughout 1838, each county continued agitation for the route provided by the pending bill which would most benefit its section. On January 27, 1838, Governor Noah Noble signed the Mammoth Internal Improvement Bill. Everything considered, this was the most important measure ever signed by an Indiana governor. The appropriations authorized exceeded $13,000,000 or one-sixth the wealth of the state at the time, and mortgaged the resources of the state for half a century. The act provided for a board of six persons to be appointed by the governor, by and with

2. Bixley, History of Indiana, I, 412.
the advise and consent of the Senate. These persons with the existing
Canal Commissioners were to form the State Board of Internal Improvement
to serve three years, one third to be elected annually. The governor,
in making nominations, was to have regard for local situations so that
one member would always be near each work. This board was to locate and
superintend the works of internal improvement, hold semi-annually, and
report each session to the legislature. They received $2 a day for every
day necessarily employed, and an allowance for travelling and other conti-
ting expenses. They were authorized to adopt such measures as were
necessary to commence, construct, and complete the following works of
internal improvement:

1. The White Water Canal connecting the west branch of White Water River
with The Ohio at Lawrenceburg. Also a canal to connect the White
Water with the Central somewhere in Madison or Delaware County if
possible; if not, they were to be connected by a railroad. $1,400,000
were appropriated for these canals.

2. Central Canal to connect the Wabash (at some point between Fort Wayne
and Logansport) with the Ohio at Evansville, and to pass through
Indianapolis. Appropriation, $3,500,000.

3. Extension of the Wabash and Erie Canal to Terra Haute and thence to
the Central Canal. Appropriation, $1,300,000.

4. A railroad from Madison through Columbus and Indianapolis to Lafayette.
Appropriation, $1,300,000.

5. A macadamized turnpike from New Albany to Vincennes. Appropriation,
$1, 150,000.

1. General Laws of Indiana, 1835-6, Ch. 2, Sec. 1, p. 6.
2. Ibid., 1835-6, Ch. 2, pp. 6-9.
6. A re-survey of the route from Jeffersonville to Crawfordsville, $1,300,000 were appropriated to construct a railroad or a turnpike.

7. $50,000 were appropriated for the removal of obstructions from the Wabash between its mouth and Vincennes.

8. Survey of a canal or railway from Wabash and Erie near Fort Wayne to the lake at Michigan City.

For the purpose of constructing these several works a general fund was provided which was to consist of all moneys raised by sale of stocks, loans, appropriations, tolls, rents, grants, and donations. The board of canal fund commissioners created in 1831, was authorized upon the direction of the Board of Internal Improvement to contract loans on behalf of the state with any individual, company, or corporation, the loans not to exceed a total of $10,000,000 on a credit of twenty-five years, and at not more than 5 per cent interest. For the payment of the principal and interest of such loans there were pledged the canals, railroads, turnpikes, and all the grounds, rents, profits, and tolls therefrom, all of which were guaranteed by the pledge of the State. For such loans the canal fund commissioners were permitted to issue transferable stocks in the name of the state, which, when signed by them, were to be valid. The Board of Internal Improvement was authorized to give drafts or checks on the canal fund commissioners and were to receive from them the money necessary to carry out the works authorized by this act of 1836.

The board had the right of eminent domain and might purchase any lands necessary to prosecute the various works, though no member might buy land for himself within one mile of a canal. Finally, the state pledged itself to carry out all the works authorized as soon as possible.

1. Laws of Indiana, 1836, Ch. 1, Sec. 8.
The six new members of the board appointed by Governor Noble were: Samuel Ball, of Gibson; Thomas H. Blake, of Vigo; David H. Maxwell, of Monroe; John G. Clendenin, of Orange; John Woodburn, of Jefferson; Elisha Long, of Wayne County. They held a meeting at Indianapolis, March 7, 1836, which was anything but harmonious. Every member was interested chiefly in getting the largest share of the money, and in having his work completed first. An engineer in chief for canals, an engineer in chief for railroads, resident engineers, and a full corps of surveyors for each line were hired. The surveyors alone, of whom there were about seventy-five, cost the state $54,000 annually, and were popularly known as the "Eating Brigade". The board finally decided to put these works under contract which would yield a revenue at the earliest date. They ordered work to commence on the White Water, from Lawrenceburg to Brookville, the home of Mr. Long; twenty-two miles of the Madison railroad out of Madison; the Wabash and Erie west to Lafayette; Cross-Cut Canal, from Terre Haute to Mel River; the Central Canal to Evansville; bridges and grading on New Albany-Vincennes turnpike; Central Canal from the feeder above Indianapolis to Fort Royal Bluffs; twenty miles of the Jeffersonville and Crawfordsville road. The policy was dictated by the selfish greed of the members of the board.

It is my purpose in this thesis to trace the history of one project authorized by the Internal Improvement Act of 1836 - namely, the Madison, Indianapolis, and Lafayette railroad.

2. Ibid.
CHAPTER II
THE STATE BEGINS WORK

Supervision of the Madison railroad project became the duty of John Woodburn, member of the Board of Internal Improvements from Jefferson county. Under the direction of Colonel Howard Stansbury a survey for a railroad had been made in 1835 by Edwin Schenck, who estimated that a road 146 miles in length would cost $1,666,797.23. He believed a four and one-half ton locomotive would be able to draw thirty-six tons six miles per hour or one horse, three and one-half tons, five miles per hour. His report called for covered wooden bridges. The bluff at Madison was to be climbed on an incline by means of a windlass. Flat rails from Liverpool were estimated at $49 a ton, and edge rails at $59.10.

Jesse L. Williams, chief engineer for the state was not satisfied with this report, and during 1836-7 kept a squad of surveyors on the line from Madison to Lafayette. In 1836, W.H. Pettit, principal engineer, reported the difficulties attending the construction of a road from Madison to Vernon. The bluffs along the Ohio River above and below Madison are very steep; all ravines and valleys terminate at short distances and are surmounted by perpendicular cliffs of limestone. Two and one-half miles from the city the level of the country is 491 feet above that at the commencement of the road at Madison; 214 feet above the level at Vernon, and 250 feet above the level at Columbus.

1. Documentary Journal, 1835, No. 11, p. 5.
2. Ibid., 1835, No. 11, p. 54.
3. Ibid., 1835, No. 11, p. 51.
4. Ibid., 1836, No. 15, pp. 2-4.
Furthermore, four miles from Madison the road would encounter the tributaries of the Wabash running parallel with the Ohio. It would be necessary to cross the valleys of nearly all streams at right angles. Some of these valleys are deep, and the expense of bridging them would be heavy. The principal difficulty was ascending the steep incline from Madison to North Madison. There were only two expedients open to the board - a circuitous and curved road at a grade of about one hundred feet per mile or an inclined plane. The latter method was adopted. A cheaper plane might have been chosen, but it was believed the grade would be too steep to permit the use of horse-power. The plane contracted for had a grade of 313 feet per mile and permitted the use of both horse power and stationary power. It had already been demonstrated by the Columbia Railroad near Philadelphia that with improved locomotive engines nine tons could be carried from the foot of that plane to the head, a distance of 2800 feet, in two and one-half minutes, the ascent being 369 feet per mile. Pettit expressed the possibility that locomotive power might be used on the plans at Madison from the beginning. His report closed with the recommendation that the road be completed to Columbus as speedily as possible.

The same year Resident Engineer E.M. Beckwith was directed to make a location from Vernon to Columbus. Three locations were made along with traverse sections connecting the three lines in order to acquire an accurate knowledge of the country. The estimated cost of grading of each line was as follows:

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<th>Line</th>
<th>Miles</th>
<th>Cost</th>
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<tr>
<td>Eastern line</td>
<td>61.83</td>
<td>$335,589</td>
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Middle line - 21.37 miles - $389,309

Western line - 21.78 miles - $335,596

Contracts were let in 1836 and work was started on the railroad beginning in North Madison at the top of the bluffs and also on the inclined plane. The latter was made by blasting away parts of the intervening cliffs. Two cuts were made through the solid rock: one sixty-five feet deep and the other one-hundred feet. The plane was 7,012 feet long and had an elevation of 413 feet. It was not completed until 1841, two and a half years after the line was running to Vernon. During this time all passengers were transferred by omnibus from Madison to North Madison. Freight was hauled up and down the hill in horse-drawn wagons. From 1841-1849, following the completion of the plane, the cars were let down the plane by gravity and pulled up by eight horses, as it was found that locomotives could not climb it. The stables were located at the foot of the plane. Joshua McConley and Robert Hackney were the first two drivers.

Horses were used on the plane till 1848, when a cog-wheel engine was adopted and put into operation at a cost of about $75,000. It greatly increased the efficiency of the road, but it also added to the expense, the annual cost of keeping the plane and machinery in repair being estimated at $2,500. There have been two claimants for the honor of this invention - William Hoyt and Andrew Cathcart. Mr. George Gottman unearthed in the Patent Office at Washington Letters patent No. 6321, April 17, 1849, "cog-gearing locomotive for ascending inclined planes - William Hoyt, Dupont, Indiana" and Letters patent No. 6818, October 28,
1849, "improvement in locomotives for ascending inclined planes- Andrew Cathcart". In settling with the claimants to the invention the company paid Cathcart $6000 and Hoyt $1000. At the celebration in Indianapolis upon the completion of the road Cathcart was honored while Hoyt was not even mentioned. This cog railway had a cast-iron rack laid between the rails and a locomotive equipped with an extra cylinder and a cog-wheel operated by the engine, which meshed with the rack. Hoyt nor Cathcart claimed the invention of the rack and cog, but an invention designed to remove the difficulties and dangers of the cog system, that is to control the cogs so as to engage the toothed rack or let the engine work free of it as desired. Previously, as the rack rose and fell under the weight of cars, the rigid cog would not properly mesh. Cathcart and Hoyt met this difficulty with a controlled cog which rose and fell as required. Cathcart was a skilled machinist, once employed in the Baldwin Locomotive shops at Philadelphia. In 1844 he took charge of the shops in North Madison. His daughter, Mrs. Mary Cathcart-Remedell says he brought with him from Baldwins a large engine to be used in his invention, bringing it by water by way of New Orleans. In 1868, this improved engine of Cathcart's was replaced by an engine built by Mr. Reuben Wells and called for him the "Reuben Wells." Until 1868 freight and passenger cars were let down the plane by gravity. In that year Colonel J.H. Shaler, superintendent of the Jeffersonville, Madison, and Indianapolis Railroad, required a hill engine to be attached to the rear of cars going down and coming up.

2. Indiana State Sentinel, October 14, 1847.
the incline. This order remained in effect until 1916.

Having followed the development and perfecting of travel on the inclined plane we shall return to the year 1836, and consider the building of the road itself. The work was divided into sections which were let to individual contractors. During 1837 work was carried on with vigor. On an average 1400 men were employed daily. Grading to the extent of fifteen miles was completed, and considerable progress was made on the five most important bridges. The first valley of any consequence to be encountered was that of Middle Fork which was crossed by a bridge of two spans, each 150 feet in the clear, the pier being 67 feet to the roadway, and the abutments which were placed out of the bed of the stream and on the adjoining slope averaging 33 feet in height.

The next stream was Big Creek which was crossed by a similar structure, the piers being 66 feet and the abutments averaging 33 feet in height. The bridge over Graham's Forks was crossed by three spans of 150 feet each, with piers 80 feet high and abutments of 34 feet. Next were the North and South forks of the Muscatatuck which unite at Vernon, and were crossed just above their junction by two bridges, each with two spans of 150 feet in the clear, and with piers 57 feet high and abutments 45 feet high. These streams were all small, and the great length of the bridges was for the purpose of avoiding the expense of high embankments. The abutments and piers were formed of substantial stone masonry, the beds and end joints of the stone being truly cut, and the faces being left rough. The superstructure of the bridges consisted of three truss frames for each span of 150 feet, composed of king posts and braces aided by a double set of risa, the whole being arranged so that the road passed over the top in-

2. Documentary Journal of Indiana, 1837, No. 17, p. 11.
stead of through the interior. The sides were weather-boarded, and the upper surface calked and pitched.

Heavy imported rails were used in laying the first 28 miles of the Madison Road, and the chief engineer recommended their use to Indianapolis. They were purchased by the state of Indiana from an English firm through the New York commission house of Hyde, Comstock, and Co. The first cargo left Liverpool in February, 1836, by way of New Orleans from which place it was sent by river steamer to Madison, arriving there June 10, 1836. They were in bars 16 feet long, weighed 45 pounds to the yard, and cost approximately $75 a ton delivered in Madison. The same rail was in use in the Philadelphia Reading Railroad.

The plan of track laid down to Graham was briefly as follows:

Under each rail a longitudinal sill not less than ten inches square was laid in a trench prepared for it. Across these supporting timbers or cross-ties, six inches by eight inches, were laid and secured by locust pins one and a fourth inches in diameter. The tie under the joinings of these bars was further secured against movement by having a well-seasoned taper wedge driven at its side. The cross-ties were placed two feet ten and a half inches apart measuring from center to center. Across these sleepers and directly over the longitudinal sills were placed the iron rails. They were secured at the joinings in a cast iron chair and on the cross ties by lead-headed spikes five

and a half inches long and one-half \text{inch thick}.

It was felt that this plan of super-structure had decided advantages. The timber foundation gave stability to the track. At the same time the timber exposed to rapid decay was small, the bearing timbers being covered with earth three or four inches deep. This was important in a country where the most durable timber available was white oak. It was estimated that the cross-sleepers which were cedar would require 2 renewal in six years. Actually they proved too soft to hold the spikes and were taken up within five years and sold for fence posts at 12\frac{1}{2} cents each. Locust ties were found to be too hard and finally oak was substituted at a cost of 25 cents each.

The principal inconvenience encountered by the road was derangement by the frost. The country was a clay region and there was no way to avoid the frost difficulty except by laying an entire foundation of broken stones, which was impossible because of the expense. According to the report of the chief engineer made to the Board of Internal Improvements in 1838, the following precaution was taken: "In addition to the chairs at the joinings, a small cast iron clamp is placed and secured on the cross tie under the middle of each bar, so formed as to fill the notches in the lower web of the rail, constituting the center of each bar a fixed point, towards which, and from which, the two ends...

1. E.Z. Seipington, in his article, "The Madison and Indiana Rail Road" in Ind. Mag. of Hist., XII, (1916) says that some of these old rails were taken up and sent to the Chicago exposition in 1893. They were marked by cutting a square hole half an inch in diameter in each end. In 1916, two of them were found in North Madison opposite the door of the old blacksmith shop. Many of them were mixed with other iron and used in the Louisville bridge.

of the bar must move equally in the contraction and expansion occasioned by the variation of the temperature, thus reducing the opening between the ends of the bars which must occur in cold weather."

November 29, 1838, the road was opened to Graham at a cost estimated by the resident engineer to be $10,300 per mile. Arrangements were made for a grand excursion and great festivities. The first locomotive was to arrive from Baldwin and Company, Philadelphia, by boat by way of New Orleans, but the ship was caught in a storm, and in order to save the boat, the locomotive and other freight were thrown overboard. Determined not to disappoint the governor, state officials, members of the legislature, and other prominent men gathered for the celebration, the management borrowed an engine, the "Elkhorn", from the Louisville and Portland Rail Road Company at Louisville, Kentucky. It was brought by rail to Louisville, and towed to Madison on a boat being used to haul stone from a quarry east of Madison to build the Louisville courthouse. It was taken up the hill at Madison by one Martin, five yokes of oxen being required to haul it up the dirt road. The expense of securing a locomotive for this occasion was $1,032. Sunday afternoon, following the arrival of the first "steam car" in Indiana, the engineer raised steam to see if all was in good condition. But the engine was not set in motion until Tuesday, November 29, in the presence of the governor, when the "Elkhorn" performed nobly on its trip to Graham and back. One guest remarked that they actually attained a speed of eight miles per hour and predicted that sometime a locomotive would be able to make fifteen.

Following the excursion the governor and his party took carriage for

Madison where the Hon. Jesse D. Bright presided over the banquet held in an old frame building on the river bank. Great excitement prevailed throughout the countryside over what is generally conceded to be the successful operation of the first railroad in Indiana.

A duplicate order was placed with Baldwin and Company for a locomotive which arrived in Madison in March, 1839, and made a trial trip over the finished portion of the road. From March 23, 1838, to March, 1839, the construction train and the one daily passenger train were operated by horses. The first locomotives had neither cow catchers nor cabs, the latter being objected to as a trap in case of accident. They weighed from ten to thirteen tons, in contrast to our 75-100 ton locomotives of today, and were capable of hauling twelve to fifteen cars holding three tons each, and burned wood instead of coal. The first passenger coach was built by Thomas L. Paine and Son of Madison in the fall of 1839, but it was not used till March, 1839. It was about thirty feet long, very plain, with small windows near the top of the car, and had lever brakes. The first freight cars came from the East by way of New Orleans. They were of the four wheel type and had a capacity of 25 to 30 hogs or 10,000 pounds of freight.

February 8, 1839, the General Assembly approved an act to "modify the plan of carrying on the public works and to secure their ultimate completion and amendatory of Internal Improvement Act of 1836." By this the existing board of internal improvements was dissolved, but members were to remain in office until first Monday in March and until their

2. Ibid.
successors were elected. After March 1, the state board of internal
improvements was to consist of three members chosen without reference to
location, by a viva voce vote of both houses provided a majority of the
votes given should elect. A chief engineer of state was to be elected
in the same manner, his chief duty to be the nomination for the approval
of the board the resident and assistant engineers.

The yearly expenditures for internal improvements were limited to a
million and a half dollars. In urging forward certain works the board
was instructed to apply public money to such as would promote the
agricultural and commercial interests of the state at the earliest date
and so relieve the public from taxation. Yet it was not to take any
step that would hinder the final completion of public works provided for
by the Act of 1836. In order to complete a portion of the works, the
board was authorized to compound, cancel, or transfer the existing
contracts from one work to another, provided the contractors consented
and the transfer did not diminish or enlarge the appropriations made in
1836.

In accordance with the provisions of this act the new board was
organized March 4, 1839, in Indianapolis. Each member gave the requisite
bond, took the oath of office and elected the following officers:

Noah Noble - president
James Morrison - secretary

1. General Laws of Indiana, 1838-9, Ch. I, Sec. 2, p. 3.
2. Ibid., Ch. I, Sec. 3 and 1, p. 3.
3. Ibid., Ch. I, Sec. 6, p. 4.
4. Ibid., Ch. I, Sec. 13, p. 5.
The superintendence of the Madison Railroad was given to Noah Noble. It was ascertained that the liabilities of the state for outstanding contracts amounted to $3,614,181 on seven distinct lines, at eighteen different points, one-third of them unconnected with others. The liabilities on the Madison road amounted to $86,921. These claims represented a serious situation. Citizens of other states could not leave the state with all their capital invested here, and our own citizens were unable to engage in other pursuits. Also many daily laborers and farmers had relied upon dues from contractors to pay their taxes and to meet other necessary expenses. Furthermore, many subordinate engineers were dismissed without receiving their promised compensation. These claims the chief engineer in his 1839 report recommended to the early consideration of the legislature. The board was faced by the puzzling problem of how to pay off a three and a half million dollar debt, lessen taxation by finishing the most profitable portions of the works, and still spend only a million and a half yearly. In the reapportionment the Madison Railroad was limited to $65,000 for its yearly expenditure.

Noah Noble's first move was to lease the road for operation. Notice was given through the papers inviting the public to enter into competition. According to the terms laid down, the state furnished and retained entire control of the motive power, the appointment and direction of all officers and agents, and would keep the track, locomotive, and train in

2. Ibid., 1839, part 1, no. 1, p. 15.
3. Ibid., 1839, part 1, no. 1, p. 16.
order. Successful bidders for the business of transportation of mail, passengers, and freight would pay the expenses of fuel, water, oil, salaries of conductor, engineer, and fireman, all other contingent expenses and as compensation give the state a portion of the gross proceeds. The award went to Messrs. Brannam and Co. who agreed to pay the state 60% of the gross receipts.

The expense of operating was not very great. John J. Serling was appointed officer to conduct the train at a salary of $700 a year (including board). The train left Madison in the morning and returned in the evening. R.J. Ervin, connected with the road for over fifty years, did all the clerical work, and Mr. Bartholomew Ternay, all the blacksmithing and repair work necessary. The gross receipts for the first month - April, 1839, were $849.38 and for the first 6 months - $8,470.52.

When the road was leased to Brannam and Co., all passengers, merchandise and other freight were carried by wagon from Madison to the depot at the head of the plane (more than two miles), then 17 miles on the railroad, and again loaded on wagons and conveyed to Vernon (5 miles) by the company. One June 6, 1839, the track was opened to Vernon, a distance of 22 miles from Madison.

During 1839, locating parties were at work extending the route. To Columbus the road was laid perfectly straight except for two slight curves, the largest being one and a fourth degrees, and as they were placed at the top of a grade they were not observable to the eye. After

2. For interesting collection of his records and reports, see Ervin's Scrapbook, (Indiana State Library).
Columbus a curve of three-fourths of a mile was introduced with a radius of 5,730 feet. After this curve a straight line was run to 1 Edinburgh and then to a point near Franklin. In the sixty miles between Six Mile Creek and Indianapolis it was estimated that there would probably be four curves, but no radius would be less than 5,730 feet. The maximum inclination on the road south of Six Mile Creek, was forty feet per mile; north of Six Mile Creek, thirty feet per mile. The cost of the extra grading was felt to be slight in comparison with the increased capacity of the road for transportation. The only grade on the whole line exceeding forty feet per mile was one on a short section of road eight and a half miles in length two and a half miles north of Vernon, where also the shortest curvature was found, increasing still further the resistance. The cost of this road as proposed was estimated at $2,200,064 from Madison to Indianapolis.

In 1839, the Chief Engineer, J. H. Williams, reported to the Senate that $5,009 had been spent for repairs on the road during that year. From January to September the hands had been employed cutting side ditches and filling the track, which rightfully belonged to the cost of construction. He estimated that about $2,880 had been spent for ordinary repairs on 20 miles of road in one year, or $144 a mile. This included the wages of the superintendent, also.

From June 1, 1840, to June 1, 1841, the road was leased for the operation of trains to Siring and Butt, who paid the expenses of fuel,

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2. Ibid., 1839, pt. 1, no. 1, p. 97.
3. Ibid., 1839, pt. 1, no. 16, p. 226.
water, oil, hands, and officers; the state kept the track, locomotives, and cars in order, and retained the right of appointment, control, and dismissal of officers. They gave the state 7½ of the proceeds for rent. The tolls from October, 1839, to October, 1840, were $14,501.11. This was considered very good considering the distressed state of trade with the interior, the diminished consumption of imports, the increased demands for products of labor, and the large amount of transportation by wagon in preference to using the railroad for so short a distance. During this year the track was finished and the road opened to Queensville, 27.8 miles from Madison.


2. The following announcement appears in the Madison Courier, August 22, 1840:

"The partnership existing between Butt and Sering in the contract with the Commissioner of the W. and I. railroad for the transportation of freight and passengers on said road was dissolved by mutual consent. Sering will be responsible for debts due the firm and all business will henceforth be conducted by him.

Rates per 100 pounds on freight from any commission house or wharf in Madison to Vernon (23 miles) includes Commission and storage.

<table>
<thead>
<tr>
<th>Route</th>
<th>Rate per 100 pounds</th>
<th>Rate per bbl.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madison to Vernon</td>
<td>.15</td>
<td>.45</td>
</tr>
<tr>
<td>All light bulky articles such as furniture</td>
<td>.20</td>
<td></td>
</tr>
<tr>
<td>Salt per bbl.</td>
<td>.45</td>
<td></td>
</tr>
<tr>
<td>Vernon to Madison</td>
<td>.15</td>
<td>.45</td>
</tr>
<tr>
<td>Whisky and pork per bbl.</td>
<td>.45</td>
<td></td>
</tr>
<tr>
<td>Flour per bbl.</td>
<td>.45</td>
<td></td>
</tr>
<tr>
<td>Lard per keg</td>
<td>.07</td>
<td></td>
</tr>
</tbody>
</table>

Train continues to leave the depot as formerly at nine o'clock A.M. and arrives at Vernon half past ten o'clock A.M. Leaves Vernon three o'clock P.M. and arrives at depot five o'clock P.M."

J.C. Sering.
June 1, 1841, the state assumed control of the road and the trains were run by state agents. Samuel Thomas became superintendent of machinery at a salary of $70 a month, his duty being to keep the engine and cars in good order for safe running. John Lodge was superintendent of transportation, at $2 a day. He attended to the transportation of freight and passengers and settled all accounts, going daily with the train. R.J. Elvin was clerk at the depot at one dollar a day. He kept the books containing the accounts of transportation. F. Langer was engine man, superintending and conducting the locomotive and train, and received $2 a day. The one fireman and the one additional hand on the train who assisted in unloading and loading freight each received one dollar a day.

In the report of the chief engineer for 1841 he records the completion of the track on the inclined plane and as far as Griffiths, making 28\(\frac{1}{2}\) miles of road in operation. The opening of the line from the depot in North Madison to the steamboat landing was a great advantage. The conveyance of freight by wagon to the head of the plane cost about one-half as much as the whole cost from Madison to Vernon. The completion of the track on the plane made the transportation of firewood and other bulky products from the back country to Madison profitable. Although the locomotive engine in use on the road had once safely drawn 75 passengers up the hill, and two engines had taken up 200 passengers in about seven minutes, being about ten miles per hour, horse-power continued to be used in hauling the cars up the track on the plane, it being felt that

the ordinary engine was not suited to all kinds of weather and such a steep grade. The chief engineer in his report for 1841 recommended the acceptance of an offer of Baldwin and Company to build a special engine which they guaranteed would regularly draw fifteen tons of freight up the grade.

From 1839 to 1843 less than eight miles of track was completed. To understand this sudden slump in an enterprise which started with such enthusiasm it is necessary to recall something of the condition of the finances of the state during this period and during the three or four preceding years.

The law of 1831 created a board of three canal fund commissioners to raise money to build the Wabash and Erie canal. This board continued under the law of 1836. Its business methods were reprehensible from the beginning and finally bankrupted the state. During 1832, $100,000 were received on an unfair bid by J.D. Beers and Company, Merchants' Bank of New York. Half of these were sold on credit which also violated the law. No records were kept by the board and their annual reports were incomplete and inaccurate. The state paid little attention to the board until money began to fail. During 1836, the expenses of internal improvements were $5,827,000 the interest being paid from loans. In 1837, $1,500,000 was expended, not including $34,000 spent for surveyors and $70,000 for officers' expenses. In 1838, $1,693,000 went for digging, and did not include $170,000 interest.

2. Laws of Indiana, 1831-2, Ch. 1, Sec. 3, pp. 3-4.
January 24, 1839, Caleb Smith, fund commissioner, reported expenditures amounting to $8,000,000. Governor Wallace in his message December 4, 1838, spoke of $193,550 interest being due and reminded the legislature that the revenue of the state from taxation was $45,000 and that the taxable property amounted to $146,850,000. Finally, the opponents of the improvement system got the attention of the state, and in 1839 the whole organization was abolished and the financial affairs placed in the hands of two men under bond of $100,000 each. But it was too late the state was bankrupt. The board ordered all work on improvements to cease. It was learned that $2,000,000 in State bonds had been delivered for which the state received nothing and that the fund commissioners were charged with making vast sums by dealing in State securities. The election of 1839 was over before the panic struck the state and the assembly was undecided what to do. Finally, yielding to the demands of the people, it asked for an investigation, and was completely bewildered by the numerous reports submitted to it. Meanwhile the stealing went on. As an example of this dishonesty we may cite the case of Edward M. Beckwith, an engineer, of the railroad, and son-in-law of John Woodburn. He ascended with large sums abstracted from the public funds by over-estimates and over-payments secured by bribes. Suit brought against him in the Jefferson Circuit Court resulted in a judgment in favor of the state of $17,948.12. The case was referred to Supreme Court by defendant's counsel on the ground of illegality of procedure. The state also

1. Laws of Indiana, 1839-40, Ch. XVI, Sec. 2 and 3.
2. Esarey, History of Indiana, I, 424.
obtained a judgment in the Marion Circuit Court of $17,816.39 against
John Carmahan, contractor for Graham Fork Bridge for over-payments made
to him on a false estimate of Beckwiths'.

Rotasquids were demanding interest on their bonds and contractors were clamoring for settlement of claims amounting to over a million
dollars. A strong party was asking for an issue of state scrip to com-
plete the system. Finally, an act filed with the Secretary of State,
February 15, 1840, provided for an issue of not more than $1,500,000 in
treasury notes to pay the contractors. The session of 1840-41 was spent
considering plans for classification, and February 12, 1841, the clas-
ification bill was passed, dividing all the lines into two classes, of
which the White Water canal and the Madison and Indianapolis Railroad formed
the first and were to be completed immediately. Nothing was done under
this act, and a year later the state brought to an end what Scarry calls
a "nightmare of state canals" in an act which will be considered later.

The contractors on the Madison and Indianapolis railroad refused to
relinquish their work in accordance with the order of the board August, 1839.
Operations did not entirely cease at any time during the suspension. A
company in Madison had purchased 5% bonds to the amount of the special
appropriation made by an act approved February 6, 1839, authorizing the
fund commissioners to borrow $400,000 to be applied in constructing the
road between Madison and Indianapolis as the Board of Internal Improvements
should decide. This Madison company relied upon selling these bonds in

1. General Laws of Indiana, 1839-40, Ch. VI, Sec. 1, p. 17. (See also
2. Laws of Indiana, 1841, Ch. XXIV, Sec. 1, 3, p. 207.
3. General Laws of Indiana, 1838-9, Ch. LXX, p. 77.
The East, but after a small amount had been converted into currency, the demand for state bonds ceased, and the unsold bonds remained on their hands. The company then proposed paying the contractors part cash and part state bonds and the contractors recommenced work. These proceedings were unauthorized by the board, but it was thought best to accept the situation, and accordingly the board assumed control and an engineer, T.A. Morris, was sent to superintend the work with authority to overhaul the work done since the discharge of the engineers and to reject what was imperfect. He was instructed to notify the contractors that they must look alone to the available proceeds of the debt due the state by the Madison company for the bonds sold them the preceding fall.

The contractors on the "deep cut" at the Madison hill kept from 70 to 100 hands on the force and as we have noted the track was laid in 1841. The contractors on the line from Vernon to Edinburgh had obtained their contract at the June letting in 1839. At the time of suspension the earnings of many did not equal their expenditures and they hesitated to quit. A few continued; in the spring of 1840 several resumed work; during June and July the whole line was occupied. In 1841, a further appropriation of iron for the track as far as Edinburgh was voted. Grading and bridging was completed to Edinburgh that year with the exception of five sections of earth work and the superstructure of three bridges. The board repeated its warning to the contractors that they could not rely on any other means of payment than they had secured themselves by their arrangement with the Madison Company which had purchased state bonds.

2. Ibid., 1840, pt. 2, no. 1, p. 15.
The state was in possession of no means applicable to contracts on this road.

To sum up the accomplishments of the state from 1836-42, we may say that 22 miles of road were finished with a good edge rail, half the grading and bridging was done on 28 miles more, at a cost of $1,500,000 in addition to sums collected for freight and tolls. This sum also paid the current expenses, purchased grounds and buildings necessary for the business near Madison, 2 locomotives, 2 passenger cars, and about 30 four-wheel freight cars. There had been needless waste, the road was badly managed, and in need of repairs. In 1841, the profits exceeded expenditures by only $1,152.04.

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2. Third Annual Report of President to Stockholders, 1846, p. 3. A commission appointed by the directors to investigate the company reported state expenditures of $1,524,291.93 of which $62,493.21 were tolls and the rest from the state treasury. This committee consisted of Samuel Merrill, J.P.D. Lander, T.L. Paine, and A.W. Flint and reported September 28, 1844. See Indiana R.R. Pamphlets, I, No. 20, p. 15.

The Fifth Annual Report of President gives $1,561,789 as the amount spent by the state, 1836-42, and $62,493.21 as the tolls.

CHAPTER III

JOINT ENTERPRISE OF THE STATE AND COMPANY.

January 28, 1842, an act was approved "to provide for the con-struction of all or any part of the public works of this state by private companies and for abolishing the board of internal improve-
ments and the offices of fund commissioner and chief engineer." 1

Section 1 provided for surrendering the unfinished works of internal improvement and the right of demanding and receiving tolls and rents to such associations as might bring themselves under the provisions of this act. Whenever a group of persons desired to form an association for constructing any of these public works, the governor was required to appoint three commissioners to receive subscriptions of stock. When $10,000 was subscribed (in addition to real estate subscribed as stock) and such an amount as required paid in, the commissioners were to order an election of thirteen directors of the association. No work was to be undertaken under this act before April 1, 1842. 2

A state agent for the N. and I. Railroad was elected by joint ballot of both houses to serve at $3 a day, his wages to be paid out of the proceeds of tolls and rents from the road. He was placed under $20,000 bond. His duties consisted of attending to the running of the cars, the trans-
portation of produce, receiving tolls, rents and duties, the repairing of the road and the hiring of needed workmen. He was to serve only until

1. General Laws of Indiana, 1841-42, Ch. 1, p. 3.
2. Ibid., 1841-42, Ch. 1, Sec. 1,2,3,4,7,12, pp. 3-6.
the association provided for in this act should be formed and should have finished ten continuous miles of the unfinished portion of the road.

The state retained ownership of the 35 miles of the road it had built. For the use of it until 1846 the new company paid a yearly rent equal to the net receipts for 1841, which was $1,132. After 1846, both the state and the company were to share in the proceeds according to the length of the road built by each. The right was given to the company to purchase the state's portion of the road at any time by depositing with the treasurer of the state an amount in state bonds equal to the amount expended on the road.

$80,000, mostly in lands at cash prices, having been subscribed.

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First report of tolls made by John Lodge, superintendent, 1841.

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June-July, 1841</td>
<td>$2,428.57</td>
</tr>
<tr>
<td>August-September, 1841</td>
<td>1,972.00</td>
</tr>
<tr>
<td>October, 1841</td>
<td>1,132.00</td>
</tr>
<tr>
<td>November-December, 1841</td>
<td>6,581.10</td>
</tr>
</tbody>
</table>

Total: 12,132.41

1842 report of tolls made by Hon. J. McClure, state agent.

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>$1,463.10</td>
</tr>
<tr>
<td>April</td>
<td>1,564.13</td>
</tr>
<tr>
<td>May</td>
<td>1,299.06</td>
</tr>
<tr>
<td>June</td>
<td>1,036.97</td>
</tr>
<tr>
<td>July</td>
<td>994.85</td>
</tr>
<tr>
<td>August</td>
<td>1,096.87</td>
</tr>
<tr>
<td>September</td>
<td>6,334.02</td>
</tr>
</tbody>
</table>

Liabilities:

- Amount yet due for officers' salaries: $716.07
- Wm. J. McClure's salary yet due: $1,144.07

1. General Laws of Indiana, 1841-2, Ch. 1, Sec. 71, 72, 74, 76, pp. 19-20.
2. Ibid., 1841-2, Sec. 55 and 57, pp. 15-16.
as stock during April and May and the other terms of the law complied with the Madison and Indianapolis Railroad Company was organized and directors were elected June 17, 1842, and on June 20, the governor issued a proclamation to that effect. John Brough was elected president and John H. Cravens, vice-president.

The state had been through a serious depression, which interrupted business, ruined many enterprising citizens, and destroyed credit. But the worst seemed to be past. There was reviving hope and confidence and an upward trend in prices. Work on the railroad began with energy and spirit.

According to amendatory legislation of January 31, 1843, the company was directed to keep a strict record of the receipts and expenditures on the state’s portion of the road and to invest the state’s share of the net income in stock of the company. The state agent was also to invest the state’s money then in his hands in stock. As soon as the company should file an act and give bond for the faithful application of the income of the road till 1846, the governor was directed to turn over for operation the state’s part of the road and to discontinue the office of state agent.

Until March, 1843, when the new Madison and Indianapolis Company took charge, Wm. J. McClure, state agent was in control. In the Madison Courier, March 25, 1843, we find the following announcement:

1. Indiana Rail Road Pamphlets, 1, No. 20, 1841, 15.
5. First Annual Report of the President of the M. and I. Railroad to the Board of Directors, Indiana State Sentinel, March 5, 1844.
"The Madison and Indianapolis Rail Road Company having this day taken possession of the Rail Road under authority of the late act of the General Assembly do now respectfully announce to the public and especially to travellers and business men that the line will be in operation for the conveyance of travellers and freight every day in the week except Sunday."

N. T. Palmer, president.

At this time the trains were running 28 miles to Griffiths. Because of severe weather which continued until late in the spring, the road was not completed to Scipio (30.3 miles from Madison) until June 1, 1844, to Elizabethtown (37.3 miles from Madison) September 1, 1848, and to Clifty (23.5 miles south of Columbus), February 1, 1848. This meant that 142 miles of road were laid during the first year by the N. and I. Company.

August 1, the president contracted with John McHickle of Covington, Kentucky, for 180 tons of railroad iron which was considered sufficient to lay the road to Columbus. One hundred and ten tons were delivered and laid down, for which acceptances were given - for the first 50 tons at four months, for the next 50 tons at six months and the remaining portion at 9 months from the periods of delivery respectively. These acceptances were drafts drawn by the president upon and accepted and endorsed by gentlemen friendly to the road who had lent their names to the company to aid it in securing the iron. The first 36 miles of the road were laid with English T rail, but all the rest of the early Indiana roads, including the remainder of the N. and I., were laid with "strap" rail, a simple flat bar of iron two and a half inches wide and one-half

inch thick. The underlying structure for this track consisted first of "mud-sills" or timbers one foot square and eighteen feet long laid end to end on a bed of broken stone. Cross-ties were fastened to these by locust pins. On these, parallel to the mud sills, oak stringers were fastened by wooden pins. The rails were spiked to these stringers, being placed at the inner edge to allow for the wheel flange. This structure proved neither substantial nor safe. The wooden sills deteriorated from wear and decay. The engines pressed the thin rails and light stringers into veritable waves. There was a tendency for loosened rail ends to curl up and form what was commonly called "snakeheads". They might derail a train or puncture the bottom of a car. A train frequently stopped while trainmen went ahead to spike down the loosened rails.

The total receipts from February 20, 1843, to February 3, 1844, were $24,385.17 of which $23,110.33 were receipts from transportation. Repairs for this year were limited to those absolutely necessary for the safe running of trains and the preservation of embankments, in order that the company might meet its obligations with regard to the iron and preserve its credit. A permanent depot was erected at Madison at a cost of $1200 and others of a cheaper character were provided at Scipio and Elizabethtown and a temporary one at Clifty was built by the company. A contract was made with W.W. Jackson and John D. Morris for building a depot at Columbus. Although the roads were so slippery for a time that trains could not pull more than two-thirds their normal tonnage and although the freight rates were 25% lower than those charged by the state,

yet the net proceeds were such that they yielded about 10% on the capital stock. The president, W.B. Palmer, recommended, however, that not more than an 8% dividend by declared. His recommendation was carried out, the dividend being paid in the form of paid up capital stock.

The first wreck of which we find any record occurred in 1844. This strikes us as a remarkable record, considering the dangers of the plane, and the fact that, although the road had only a single track with turnouts at stations, extra trains were apparently run whenever the demand arose. On Thursday, March 28, 1844, at four o'clock a serious wreck occurred on the plane. John Lodge, conductor of the passenger car (preceded by the baggage car) gave strict orders that the wood car containing six tons of wood should not be released until the passenger car reached the foot of the plane. The track was slippery from recent rains. Nevertheless, his order was disregarded and the wood car was started after the passenger car had gone only two or three hundred yards. It gained rapidly on the other car, the conductor lost control, and it struck the passenger car just below the center of Hendrick's embankment. The front wheels of the baggage car were thrown off the track but the two cars continued running until they were stopped by the rocks in the cut, when the wood car smashed into them. It was a plain case of disobedience on the part of the conductor of the wood car. No blame was ever attached to Lodge. He had a well-deserved reputation for his painstaking carefulness; in fact, he was sometimes accused of being over-cautious. According to

1. First Report of President to Directors, Indiana State Sentinel. March 5, 1844.
the report of the president of the road for 1844, "two passengers and three others lost their lives, and two others were much injured. Three-fourths the persons on the cars were not hurt." The directors donated $650 to the widows of the deceased and compromise was made with those injured, so there was no litigation.

Samuel Merrill became president in 1844. July 1, the road was opened to Columbus. Receipts for the year ending February 1, 1845, were $39,031. The state was then the owner of stock to the amount of $8,139.31. According to an act passed January 13, 1845, the company was authorized to borrow money on the credit of the company and to issue bonds whose interest was not to exceed 7%. According to this act, the company was to pay an annual rental to the state of $1,152 until January

1. According to the Madison Courier, there were four persons killed in this wreck:

"Thomas Bondurant of Jefferson County
Mr. Enoch, Bloomington, Indiana
Gilbert Durling, Brownstown, Indiana
Ely Branson, Belmont County, Ohio.
John Roberts, clerk at the depot, and Miss Craig, daughter of J.J. Craig, living on Big Creek, and John Lodge were seriously injured. Every one was injured except Mrs. Roberts and two small children."

The difference of opinion regarding the seriousness of the injuries sustained might be explained, but we are unable to explain the difference in the number who lost their lives, unless someone died of injuries after the newspaper account was written.


5. General Laws of Indiana, 1844-5, Ch. LII, Sec. 1,3, p. 41.
13, 1853, provided the road shall be completed to Edinburgh in one year and to Indianapolis by July 1, 1848. After 1853, the profits were to be divided between the state and the company according to the amount of road built by each, which arrangement gave approximately one-third to the state and two-thirds to the company. The company was also given permission to purchase all or any part of the state's portion by surrendering state bonds to the extent of the cost of the road.

This legislation giving the company fuller privileges caused the stock to rise somewhat in value, but still there was not a popular demand for it. The small amounts sold had been taken reluctantly, not as investments of money but from a sense of obligation to support a good cause. The company was faced with two alternatives. They might extend the road gradually by temporary loans and its own earnings, in which case they would not be able to complete it to Indianapolis by 1848. They chose the second alternative - that of borrowing in Eastern cities. It had been estimated that $400,000 would build the 58 miles of track between Griffiths and Indianapolis. The agent of the company obtained a loan of $50,000 for five years on a mortgage of the interests of the company, guaranteed by individual responsibility. He also accepted a proposition of a Mr. Lawrence of Cincinnati who transferred to the company 6500 acres of land near the mouth of the river and agreed to pay $20,000 in cash in installments of from four to sixteen months for $40,000 worth of stock. Grubbing, grading, and bridging of the 30 miles between Edinburgh and Indianapolis was put under contract in June, 1845, and 26 of the 41 sections were

finished or nearly so that year. Payment was made on this work one-half in cash, one-fourth in Lawrence land, and one-fourth in 6% bonds of the company, interest payable annually and the principal in ten years.

About this time we begin to find references to two proposed branches of the road, one from Edinburgh to Shelbyville, a distance of fifteen miles, and the other from Franklin to Martinsville, twenty miles. It was felt that these lines would greatly benefit the M. and I. since they would of necessity become "feeders" to that road. The M. and I. could offer little aid to these projects other than the assurance that it would furnish them cars and locomotives either gratuitously or at little cost.

Receipts during the first three years the road was operated by the M. and I. Railroad company were:

1843 - $23,110 - length of road - 33 miles
1844 - $39,031 - length of road - 42 miles
1845 - $60,053 - length of road - 50 miles

During 1845, 16,600 tons of freight were transported, an increase of 5100 tons over the preceding year. Furthermore, the failure of water at the stations due to a severe drought in the fall and early winter necessitating the dipping or hauling in wagons daily. 200 barrels of water, and the ice and snow on the track and the extreme cold in December greatly increased the expense and decreased the business that could otherwise have been done.

November 14, 1845, Mr. John Lodge, conductor of the passenger train

1. Third Annual Report of President, 1846, p. 11.
2. Ibid., 1846, p. 9.
3. Ibid., 1846, p. 7.
was killed five miles south of Columbus when a car upset. He jumped, but was caught between the car and an embankment and was crushed, dying in less than an hour. No other persons were seriously injured. Mr. Mitchell of Evansville and Mr. Lanier of Madison were slightly hurt.

During 1846 great damage was done to the road and to the business of the road by high waters. The pier and abutments of a good stone bridge at the crossing of Blue River were undermined and the pier was washed away along with part of the timber which was on the ground.

In a flood, September 3, fifteen inches of water fell on a level in Madison in two hours. The culvert over Crooked Creek was destroyed and part of the embankment 65 feet in height and 150 feet in length was carried away. It was replaced by a substantial wooden bridge costing $2,060. While this was being constructed passengers and freight were transported to and from the Hill depot by wagons at a cost of $2370, exclusive of the five company teams employed constantly.

December 1, a flood in Flat Rock Creek carried away the culvert over the mill race and the train was prevented from going beyond Columbus for a week. January 1, the temporary bridge and the bridge over Haw Creek were washed away.

Mr. Wilson of Columbus was chosen to succeed John Lodge as conductor, "a young man, highly spoken of as an affable and gentlemanly officer, and one in every way suited to his present station". There were

1. Madison Courier, November 14, 1845.
3. Ibid., 1847, p. 3.
fifteen or twenty applicants for the office. It was considered to be a post of some danger and great responsibility and the board deliberated long before making a choice.

Meanwhile, the road was building toward Indianapolis. Its completion would mark a great day for the capital. It was felt that a fitting celebration should be held in honor of such a momentous occasion. Accordingly, on Saturday, September 25, 1847, at three o'clock, a meeting of the citizens of Indianapolis and Marion County was held in rooms in the second story of Norris' row to arrange for the celebration and to decide upon the time. Douglas Maguire was chosen president of the meeting, and William Stewart, secretary. After conferring with Samuel Merrill, president of the M. and I., those assembled decided to hold the festivities on October 1. On that day and throughout the following week passengers might travel over the road for one-third the usual fare. On October 1, they were to be allowed to ride to Franklin and back for twenty-five cents.

At a second meeting held on Monday, September 27, the program for the day was decided upon. At sunrise a salute of cannon was to be fired. Before the arrival of the train those present would be formed at the depot by the marshal and his assistants. On the approach of the cars another salute would be fired under the direction of Captain Chapman. Governor Whitecomb was to deliver the address of welcome. The mayor of Indianapolis was to be seated at his left, the president of the road at his right. A display of fireworks was planned for the evening. Citizens

1. Madison Courier, March 7, 1846.
2. Indiana State Sentinel, September 30, 1847.
Henry Ward Beecher left Indianapolis for his Plymouth Church on the day of the great celebration in honor of completing the railroad to the capital. Thirty years later he wrote: "On a wood-car, rigged up with boards across from side to side went I forth. The car was no car at all, a mere extempore wood-box, used sometimes without seats for hogs, but with seats for men, of which class I (ah me miserable!) happened to be one. And so at 11 at night I arrived at Madison not overproud in the glory of riding on the first train that ever went from Indianapolis to Madison."

In 1853, when Beecher was preaching in Madison he expressed a desire to visit the railroad shops on the hill. He was taken up the hill in Craven's Carriage, and sent down in a "buggy", a four-wheel handcar with a seat on each side and equipped with lever brakes. He had been anxious to go fast, and he always afterwards spoke of this as the fastest travel of his life.

1. Dunn, J.C., Greater Indianapolis, 149.
were urged to illuminate their dwellings and places of business that night.

On October 1, thousands gathered in Indianapolis to witness the arrival of the first locomotive and train. At ten o'clock in the morning, Captain Evans' company of volunteers entered the city from the west and Spalding's Mammoth Circus from the east, the latter preceded by Ned Kendall's celebrated band. These two arrivals met in the center of the town and added greatly to the hilarity and excitement of the occasion. Indianapolis opened its doors to the countryside and hospitality, merrymaking, and goodwill prevailed. The train arrived at the depot at one o'clock and speeches, excursions, and fireworks took place as planned.

From 1847 to 1852 the K. and I. experienced great prosperity. It will be remembered that it was a co-partner with the state, the state owning the 28 miles it had built and receiving a yearly rent of $1,152 for it, and the company owning the remaining fifty-eight miles. It was really a protected monopoly from which the state received little, if anything, and on which the company grew fat and railway construction was unfairly retarded elsewhere.

The company spent in construction of the road $628,992.77, which was $220,000 more than former estimates. A heavier rail was used than had been anticipated, ballasting was added, the superstructure cost 20% more than the estimate, and damages by flood during 1846-47 added greatly to

1. Indiana State Sentinel, September 30, 1847.
2. Ibid., October 7, 1847.
In 1847 it was necessary to begin relaying the ties on the southern end of the road. The expenses of the road for that year included the cost of 18,000 cedar and locust ties for ten miles of the southern section. Cedar and locust ties were also engaged for twenty miles more. The total personal property and motive power of the road was valued at $102,234.72 on February 1, 1848. This included:

5 passenger cars valued at $4,700 - "Columbus", "Rough and Ready", "Washington", "Lodge", "McKee".

The following figures will give some idea of the business of the road during this period of prosperity:

<table>
<thead>
<tr>
<th>Year</th>
<th>Receipts</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1845</td>
<td>$60,053.48</td>
<td>$12,637.64</td>
</tr>
<tr>
<td>1846</td>
<td>$101,014.79</td>
<td>$48,812.27</td>
</tr>
<tr>
<td>1847</td>
<td>$156,653.24</td>
<td>$64,983.79</td>
</tr>
</tbody>
</table>

1. Fifth Annual Report of President, 1848, p. 5.
2. Ibid., 1848, Appendix.
<table>
<thead>
<tr>
<th>Year</th>
<th>Receipts</th>
<th>$</th>
<th>Expenditures</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1848</td>
<td>$212,125.85</td>
<td></td>
<td>$123,405.69</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$94,663.57</td>
<td></td>
</tr>
<tr>
<td>1849</td>
<td>$247,920.34</td>
<td></td>
<td>$138,582.61</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$109,337.53</td>
<td></td>
</tr>
<tr>
<td>1850</td>
<td>$296,700.73</td>
<td></td>
<td>$157,689.75</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$139,010.98</td>
<td></td>
</tr>
<tr>
<td>1851</td>
<td>$391,742.01</td>
<td></td>
<td>$228,922.98</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$162,819.03</td>
<td></td>
</tr>
</tbody>
</table>

**Capital Stock**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>January, 1846</td>
<td>$184,666.46</td>
</tr>
<tr>
<td>January, 1852</td>
<td>$1,650,000</td>
</tr>
</tbody>
</table>

During this year a new depot at Madison was contracted for and was furnished the next year. $20,000 was paid for the block of ground, which was nearly 400 feet square. The building was 346 feet long by 63 feet wide and the contract price was $8425, but the low ground required some filling and this, added to the expense of refitting the building already on the lot and making it a part of the new building, swelled the

total cost to between eleven and twelve thousand dollars. The depots at Edinburgh and Columbus were enlarged. Three miles of track south of Edinburgh were relaid with new timber and a heavier plate rail. The track from here west to Columbus was still in very bad condition.

In 1849 business was greatly hurt by the scourge of cholera which swept the country. In addition to this the wheat crop was destroyed, and the corn crop seriously reduced. Nevertheless, building and repairs went on. Twenty-four miles of track were relaid with heavy rail, making fifty-six miles of heavy rail, extending to Edinburgh, and nearly all in good condition. One mile of switch or double track was constructed between Columbus and Edinburgh. The sidetracks at Edinburgh, Vernon and the Hill were extended and improved. The wharf in front of the freight depot in Madison was completed. This was one of the best landings on the river and the Cincinnati and Louisville packets received and discharged freight and passengers there. A frame building 250 feet by 18 feet was built in Indianapolis for passenger trains at a cost of $700. Four wood houses 100 feet by 20 feet were erected on the line. Three new water stations on the line and the perpetual right to the one at the Hill were purchased. $26,087.03 was realized from the sale of old iron during the year.

A committee composed of representatives from the Terre Haute, Bellefontaine, Pea, and Madison companies held several meetings in Indianapolis during 1849 in regard to a union track connecting their several depots there and a joint passenger depot there. In 1850, the

3. Ibid., 1850, pp. 9-11.
4. Ibid., 1850, p. 12.
grade was prepared for this double union track and a single track laid. The line was one and one-sixth miles long and cost $19,920.98. The Madison and Indianapolis Company’s share was $4,529.97, but it paid $10,734.76 entirely in iron and material.

In order to avoid transhipment at Edinburgh an arrangement was made by which the M. and I. furnished rolling stock to be owned jointly by the Shelbyville, Rushville, and Knightstown companies in proportion to their tariffs and length of line. The M. and I. were required to furnish ten cars for the Shelbyville, ten for the Knightstown, and eight for the 2 Rushville.

Business for 1850 showed a decided increase over the preceding year as the following figure shows:

<table>
<thead>
<tr>
<th>Items of freight</th>
<th>1849</th>
<th>1850</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat (bushels)</td>
<td>161,981</td>
<td>334,176</td>
</tr>
<tr>
<td>Corn (bushels)</td>
<td>111,519</td>
<td>153,581</td>
</tr>
<tr>
<td>Corn Meal (bushels)</td>
<td>3,604</td>
<td>19,951</td>
</tr>
<tr>
<td>Bacon and pork in bulk (lbs.)</td>
<td>454,398</td>
<td>854,333</td>
</tr>
<tr>
<td>Live hogs</td>
<td>52,044</td>
<td>93,949</td>
</tr>
<tr>
<td>Stone (tons)</td>
<td>88</td>
<td>2,127</td>
</tr>
<tr>
<td>Lime (lbs.)</td>
<td>142</td>
<td>8,763</td>
</tr>
<tr>
<td>Outward Merchandise</td>
<td>18,602,806</td>
<td>24,531,357</td>
</tr>
<tr>
<td>Inward Merchandise</td>
<td>1,529,251</td>
<td>2,068,747</td>
</tr>
<tr>
<td>Passengers</td>
<td>52,894</td>
<td>64,986</td>
</tr>
</tbody>
</table>

2. Ibid., 1851, p. 12.
Revenue $77,996.53 $87,465.90

A similar increase occurred during the next two years. Transportation receipts showed a 30% increase.

Total receipts for 1851 $386,068.80
Expense 185,080.60
Net earnings $200,987.20
Dividends: July, 1851 $77,260.28
January, 1852 81,250.00
$158,510.28

This left a surplus of $42,476.92, of which there remained $1,695.27 after deducting for deferred tax accounts, depot buildings at Franklin, Greenwood, and Taylorsville, a carpenter shop at Madison, four and a half miles of double track, and rebuilding the Middle Fork and Big Creek bridges. The total receipts for 1852 were $516,414.52, which was $130,068.80 more than the preceding year. During 1851, the track between Edinburgh and Indianapolis was relaid with heavier rail, thus completing the whole line with that material. A new circular engine house was built at North Madison capable of stalling twenty-one engines. A carpenter shop and car house were erected at the same place and a car house built in Indianapolis. The portion of the track in front of the Magnolia Mills was relocated and brought near the platform in order to facilitate delivering wheat.

5. Madison Courier, September 10, 1851.
December 23, 1852, a freshet occurred which suspended operations on
the road for a week, and that at a time when the presence of travel and
trade was greatest. When the waters subsided, the Ohio had overflowed
its banks and submerged the depot at Madison. The bridge at Pleasant
Run two miles south of Indianapolis was undermined and washed away on
the night of the twenty-third. A freight engine and train leaving
Indianapolis before daylight were precipitated into the stream. Three
people were killed: Henry Johnson, engineer, Ezekiel Yocum, fireman,
and Horace Bacon, foreman of the carpenter's shop at Indianapolis.
Damages to the engine, train, and freight were estimated at between three
and five thousand dollars. In spite of the fact that there were four
branches in the line, much of the track under water, an engine and train
in the middle of the stream, and the rain fell steadily for five days,
yet the whole line was reinstated and running again in seven days.

Several wrecks and accidents occurred during this period from
1847 to 1852. August 18, 1849, Nathan Irish, one of the employees at
the lower railroad depot was caught between the cars while in the act of
connecting the locomotive to a freight train and was instantly killed.
On March 28, 1850, as a passenger train was leaving Scipio, a Mrs. Ashland
with a year old child in her arms attempted to step from the train while
it was in motion. She fell and was caught between the train and the
platform and was so horribly mangled that she died in a few hours. The
child, which she threw to the platform, was caught by a bystander and
suffered no injuries other than a broken arm. In 1850 a lady was injured

1. Tenth Annual Report of President, 1853, pp. 4-5.
2. Madison Courier, August 18, 1849.
3. Ibid., April 3, 1850.
near Dupont when a regular passenger train collided with an extra. In 1851, a laborer was killed while walking on the track on the plane.

A small monthly allowance was paid his widow for two years. In January, 1851, another slight accident on the plane resulted in a man by the road-side having his leg broken. No blame attached to the company, but his bills were paid and he was given compensation for lost time. Strange as it may seem there still lingered some deep-seated objection to the railroads. This sometimes found expression in a deliberate attempt to wreck a train. Such was the case in November, 1851, when some one maliciously inserted a wedge block inside the track near Scipio. The engine, baggage and express cars passed in safety, but the back end of the first passenger car was thrown off, breaking the coupling and throwing the second car against the side of the first which was greatly injured. A lady had her finger crushed in the door when she attempted to jump, but no one else was hurt. In 1851, a collision occurred near Edinburgh in which two or three passengers received slight bruises. A fireman passing over a freight train while it was in motion was swept off by the roof of a freight building and killed. A repair man was caught between cars, having given no notice of his intention and having gone against warning.

Everything we find concerning this period indicates its prosperity. In 1851, we find the Sun announcing the sale of 32 shares of M. and I. railroad shares on the New York Stock exchange. In August, 1852, shares

1. Madison Courier, January 29, 1851.
2. Ibid., January 29, 1851.
3. Ibid., November 7, 1851.
5. Madison Courier, April 30, 1851.
sold for 112. At one time in 1852 stock sold at 160. The Madison Courier of May 10, 1852, announced that the M. and I. had added a new and splendid ladies' car built by the company at North Madison. Money was spent not only freely, it was often wasted. The company "ran wild in an intoxication of prosperity".

Both Madison and Indianapolis profited by the railroad. From 1840 to 1850 the population of Madison increased from 3798 to 7000. Manufacturing was encouraged. Farnsworth, on Ohio Street, began manufacturing plate car wheels, Washburn patent, having secured the right for the western states from the patentee. Soon he was supplying not only the M. and I., but Ohio and Michigan roads. In the early fifties it was easily the leading city in the state. For a decade the M. and I. railroad brought to it the trade of the interior. It was the great "Porkopolis" of the west - second only to Cincinnati. It was the gateway to the state; travel into the interior was through Madison and her railroad. When the railroad began to fail, Madison began to decline.

A distinct period of growth began in Indianapolis when the railroad reached there in 1848, thereby establishing connection with the Ohio River; manufacturing started, property rose in price, city form of government was adopted, and a school system was adopted. We may judge of the importance of the railroads during the fifties by looking at the newspapers of the period. A full page was often devoted to advertising different roads and

1. Madison Courier, August 4, 1852.
3. Madison Courier, February 1, 1851.
informing the public of the advantages and comforts of travel on various lines. These advertisements usually contained queer little wood-cuts of trains with smoke streaming from the engine, usually the only items to call forth an attempt at illustrating.
CHAPTER IV

THE STATE WITHDRAWS FROM THE ENTERPRISE

Before entering upon the next phase of the history of the Madison and Indianapolis railroad, we must consider the man who directed its policies throughout this period. John Brough was president of the M. and I. Railroad Company from 1848 to 1854. He was also war governor of Ohio and founder of the Cincinnati Enquirer. From what we have read of him we conclude that he was over-optimistic, visionary, opinionated, and sometimes lacking in sound judgment. John R. Cravens, vice-president of the Madison Railroad during part of Brough’s presidency, calls him “an educated man and a splendid speaker, but not a railroad manager”.

A somewhat different opinion might be gained from the following, however:

"The Indianapolis cars arrive at this city so regularly that a man who wanted the time might safely set his watch at half past one o’clock when he sees the cars coming. This results from good management." He spent $100,000 of the company’s money trying to get a charter from the state of Illinois for a road to St. Louis, Missouri, and failed. Sometimes he stubbornly stuck to a course of action which seemed doomed to certain failure. At other times, we find him strangely lacking in determination and decision. John R. Cravens relates the following incident which indicates this trait in Bough: In 1852 the Madison Company leased the Bellefontaine and Muncie road and to start things off with good will and enthusiasm, arranged an excursion to Muncie. Five days before the excursion Brough wished to discontinue plans for it for fear of losing money by not

getting the cars back in time to load hogs for Madison the next day. The hog trade was the main traffic and since they had so few coaches, they often used hog cars for passengers, making seats of clean lumber. Nevertheless, the excursion was run and the company cleared $1,000 and turned away hundreds.

Brough was very independent and made the stockholders believe they had the greatest monopoly of the age. When the Ohio and Mississippi Railroad was building, the promoters wished to come by Madison. At a joint meeting Brough declined to have anything to do with the project, saying, "The Madison and Indianapolis cannot father all the paupers in the country". In 1853, he made the same statement to Chauncey Rose of the Terre Haute Road, who replied, "Gentlemen, you don't have to and we will see who will be the paupers within two years." We shall see that he was right.

Brough seems to have believed that kind Providence was guiding the destinies of the Madison Railroad. Certainly he was convinced that the state would continue to coddle its favorite as it had in the past. He seemed to feel that there was no limit to which the company might not go. As we have shown, the road did prosper. By refusing to grant favorable charters the state discouraged competing roads from building.

At the very height of this prosperity, the legislature passed the law of February 28, 1852, providing for the sale of its interest in the Madison road for $600,000 of the 2½% stocks of the state. This amount was to be given in four equal annual payments in 1854, 1855, 1856, and

2. Ibid.
1857. When they were received, these stocks were to be delivered to the State treasurer to be cancelled. If it chose, the company might pay $75,000 in money at each payment with interest from January 13, 1853, instead of $150,000 in the stocks of the state. The whole amount was secured by a mortgage on the road. This was not a first mortgage, as the company had executed a mortgage on the entire road and its property, April, 1851, to secure payment of interest and principal on $600,000 of 7½% bonds. This mortgage, as Brough pointed out later, had priority over the state’s mortgage.

While this bill was pending, Brough prepared a memorial to the General Assembly setting forth the case of the company. He declared that these state bonds were soon to become a liability on the part of the state for the principal and interest. He pointed out that while the state had spent a great deal constructing the plane, the company had been forced to spend $60,000 for new machinery, and still it was not adequate for the heavy traffic required of it. He proposed building a new line to avoid the plane, and suggested that the state deduct $250,000 from the price it asked for its interest in the road, that being the estimated cost of building the new line. As a consequence, the law gave the company the right to construct a new terminus south from any point not more than one-half mile north of the culvert over Harbord’s Creek and running to Madison. This line, which afterward became known as “Brough’s Folly”, ran west from the foot of the plane and skirted the foot of the

1. General Laws of Indiana, 1851-52, Sec. 6, p. 144.
bluff. Half a mile further on it paralleled the Hanover road, slowly mounting the hillside as it went. At the mouth of Clifty Hallow it turned north and followed the side of the canyon for two miles. Then it turned up a small gorge and finally joined the M. and I. line above North Madison. This road would have traversed some of the most beautiful scenery in the state. $309,000 were spent and the project was finally abandoned for lack of funds. The old road bed may still be seen.

The state had determined to sever its connection with the Madison road completely. March 5, 1852, the legislature passed an act providing for the sale of the stock owned by the state in the M. and I. Company.

No share was to sell for less than $50. Its stock in the road amounted to $31,450, which it exchanged for $59,300 in 2½% bonds of the state.

E.W.H. Ellis, state auditor had charge of the transaction. As it was impossible to sell the R.R. stock for cash at par value, negotiations were made through Winslow, Lanier, and Co. to exchange it for 2½% state stocks.

Following are the particulars of the transaction:

1852

March 24, To cash paid, 19,000 Indiana 2½% stock 53% - $10,070.00
March 26, To cash paid, 31,163 Indiana 2½% stock 53% - 16,516.39
March 29, To cash paid, 8,737 Indiana 2½% stock 53% - 4,630.61
March 31, To cash paid, 400 Indiana 2½% stock 53% - 212.00
March 31, To cash paid him to balance 21.00

2. General Laws of Indiana, 1851-52, Ch. LX.
Credit

1852

<table>
<thead>
<tr>
<th>Date</th>
<th>Details</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 24,</td>
<td>By 202 shares M. and I. R.R. stock, 100</td>
<td>$10,100.00</td>
</tr>
<tr>
<td>March 26,</td>
<td>By 332 shares M. and I. R.R. stock, 100</td>
<td>$16,600.00</td>
</tr>
<tr>
<td>March 29,</td>
<td>By 95 shares M. and I. R.R. stock, 100</td>
<td>$4,750.00</td>
</tr>
</tbody>
</table>

Railroad stock was selling then for 97, and the holders of the 2½% state stocks were refusing 51 cents for them.

Madison was often called in derision the "City of Deep Diggings" and the "City of High Embankments". It was given as the chief cause of the failure of the Internal Improvements scheme. Its citizens were called the plunderers of the state treasury. These accusations were called forth, no doubt, by the state's watchful protection of the M. and I. railroad and its unfair hindrance of other companies. Other cities and would-be-railroad companies must have rejoiced when, in the same year it sold its interest in the Madison road, the state passed a law providing that any company "heretofore or hereafter organized to construct a gravel, plank, turnpike, McAdamized, or coal road may build a railroad instead."

Railroad building went forward with astonishing rapidity, as we may see from the following figures:

<table>
<thead>
<tr>
<th>Railways in operation in Indiana, 1854:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbus and Shelbyville</td>
<td>21 miles</td>
</tr>
<tr>
<td>Evansville and Crawfordsville</td>
<td>34 miles</td>
</tr>
</tbody>
</table>

3. General Laws of Indiana, 1851-52, Ch. LXI, Sec. 1, p. 146.
Indiana Central 72 miles
Indianapolis and Bellefontaine 84 miles
Indianapolis and Cincinnati 94 miles
Jeffersonville 107 miles
Lafayette and Indianapolis 64 miles
Madison and Indianapolis 84 miles
Martinsville 27 miles
New Albany and Salem 287 miles
New Castle and Richmond 12 miles
Northern Indiana 82 miles
Ohio and Mississippi 32 miles
Penn and Indianapolis 72 miles
Shelbyville and Knightstown 27 miles
Shelbyville Lateral 16 miles
Shelbyville and Rushville 20 miles
Terre Haute and Richmond 72 miles
1278 miles in operation

1592 miles in progress
782 miles contemplated

Three enterprises were undertaken by the Madison road to meet this competition. We have spoken of the new terminus for getting around the plan, which proved to be a failure. Brough also induced the directors to purchase a controlling interest in two steamboats, the "Alvin Adams" and the "David White", at a cost of $70,000. They were two of the most

magnificently furnished boats on the river. The company had its own wharf boat and often received three or four hundred passengers from the boats. This necessitated extra trains which were often delayed awaiting the arrival of hog trains from the north to get cars to load the passengers in. In these emergencies the vice-president often acted as conductor. The steamship enterprise resulted in a loss to the company of $60,000.

Another project undertaken to try to retain the business of the road was the construction of a feeder from Columbus to Shelbyville. The citizens of Madison were urged to buy stock to aid in building this line. Every other city in Indiana, they were informed, was rendering material aid to the railroad running to it. It was felt that this proposed road connecting at Shelbyville with the roads that trained the counties of Shelby, Hancock, Rush, and Henry, would bring much trade to the Madison and Indianapolis.

The city of Madison delivered $50,000 of its bonds dated November 1, 1852, in payment of a subscription of that amount to the capital stock of the Columbus and Shelby Railroad Company. The road cost $400,000 and proved to be nearly worthless to the Madison road. In 1856, the city of Madison made an arrangement to relinquish to the company all her interest in the

1. Indiana Morning Journal, January 28, 1854.
4. Madison Courier, August 11, 1852.
Columbus and Shelby road for $24,000 giving the company the right to take up, remove, and sell all the materials in the road. The road, however, was not torn up.

These projects availed little. The competition of rival lines proved disastrous. The Jeffersonville and Columbus road interfered directly with the trade of the M. and I., by affording a route to Louisville. The Peru road was also a dangerous enterprise to the Madison interests. The Lawrenceburgh and Upper Mississippi turned toward Indianapolis, making a more direct communication with Cincinnati. The Madison business began to decline.

Gross earnings - 1851 $349,403
1852 476,892
1853 385,705
1854 275,557

It must not be supposed that competition alone ruined the Madison road, although that was the chief factor. Poor management contributed its share. Business was pretty careless in those days. No check was made on any employee handling company funds. The favored ones turned in what they chose when they felt inclined. Before the use of tickets the conductor filled out blanks with the name of passenger, stating the starting and stopping point and the amount of fare collected, and sent it to the president who kept the records in his office.

The Madison and Indianapolis was consolidated with the Peru and Indianapolis, October 1, 1853, under the name of the Madison, Indianapolis,

1. Madison Courier, April 30, 1856.
and Peru Railroad Company. $1,650,000 of capital stock of the M. and I., was exchanged for stock of the new company. The road was not completed to Peru at that time and in the Indiana Morning Journal of January 5, 1854, we find the following announcement:

"After January 5, the train for Peru will start at 1:00 P.M. from the Madison depot and will continue to run to the northern end of the track. Until the completion of the road, stages will carry passengers to Peru from the end of the line."

E.W.H. Ellis, President of Peru Road.

The first passenger train went through to Peru April 17, 1854. Through tickets were purchased over this route in Lafayette, Chicago, Peru, Cincinnati, and from W.N. Jackson, general ticket agent at the Union depot, Indianapolis.

The first annual supper and meeting of Railroad operatives on roads to Indianapolis was held at the Capital House, January 6. John H. Bradley of the Southwestern Railroad was elected president and Dr. W.W.H. Ellis of the M. I. and P., vice-president. Some of the toasts given at this supper may be significant.

Bradley, "The M. and I., the pioneer road in Indiana, its capital was a long string of resolutions and $40,000."

J.O.D. Lily, master machinist on the M. and I., eulogized the workmen

2. Indiana Morning Journal, April 20, 1854.
thus, "After all the wind is spent, you have to call on us to work the railroad."

Dr. Ellis, "The M. and I. railroad. the mother of railroads has espoused a young and vigorous bridegroom. May their progeny be as numerous as the seed of Abraham."

In February, 1854, the M.I. and P. accepted the resignation of John Bough as president and elected Mr. E.W.H. Ellis in his place. J.D. Armstrong was elected secretary of the M.I. and P. under the consolidation agreement. J.G. Weeks still remained secretary of the Peru and Indianapolis road. Philo Hurd became vice-president upon the resignation of John R. Cravens. Some of the stockholders of the Peru and Indianapolis Railroad Company commenced proceedings in the Marion Circuit Court of Indiana against the consolidated company to dissolve the consolidation. Therefore, the operation of the Peru and Indianapolis railroad was transferred to the original corporation September 4, 1854, and a final decree was entered by consent of both parties November 12, 1855, dissolving the consolidation. Stockholders in the M. and I. company who had surrendered their stock in exchange for stock in the consolidated company received back their M. and I stock.

It has been said that the Lawrenceburgh road swallowed much of the M. and I. trade, and the Jeffersonville swallowed the M. and I. itself. It was first chartered in 1832 as the Ohio and Indianapolis Railroad Company. The charter was renewed in 1837 and again in 1846. In 1848 a more liberal

1. Indiana Morning Journal, February 6, 1854.
2. Ibid., March 21, 1854.
charter was obtained. The time was extended to five years and authority was given to extend the line to any point in the state instead of to Columbus as previously. Indianapolis was the desired terminus. About 1852, it reached Columbus, met the Madison and Indianapolis, and conflict began. The people of Louisville were urged to take stock in the road because it would draw six to ten per cent to the stockholders and because it would draw two thirds of the trade from Madison. If left alone, the Louisville Democrat declared, Madison would get such a start that neither Louisville nor Cincinnati would be able to check her prosperity. Brough refused to cooperate with Armstrong, the president of the Jeffersonville, regarding connections and arrangement of time table. Armstrong headed for Indianapolis building parallel to the Madison road only a few yards apart. When the Jeffersonville reached Edinburgh a compromise was effected with the Madison and Indianapolis. A switch was laid between the tracks and the Jeffersonville traffic passed over the Madison road. A new agreement was entered into November 24, 1855, taking effect December 1, 1855, to continue 10 years for the use of the M. and I. railroad between Edinburgh and Indianapolis.

Meanwhile the stock of the M. and I. road was steadily depreciating and the Jeffersonville was quietly buying it up. We find the following news item in the Madison Courier, November 7, 1855:

"The stock of the M. and I. is held in New York, England, and Europe. The directors of the M. and I. hold stock to the amount of 250 to 500 shares in the road they manage while the same board as individuals hold stock of the Jeffersonville Company to the amount of a quarter million."

2. Madison Courier, April 18, 1846.
In August, 1859, the Rushville Road was sold by the United States marshal and bought by the president of the Madison road, who proposed to the people of Rush County to form a new company and rebuild the road in sixty days provided they would loan the company $50,000 for ten years at 6% interest. This loan was not to be a subscription of stock, but was to be secured by a first mortgage on the road. The road was so dilapidated that it was unsafe to run heavily loaded cars over it, but it was the only outlet for the produce of the county. The road was completed April 3, 1860, and the trains ran through from Madison to Rushville. The citizens of Rushville were invited to a reception in Madison, April 16-17. Six hundred were expected, but 2,300 came, taxing the capacity of Madison to entertain. Captain David made an excursion up the river in the Priorez. The hills and rocks and bluffs of Madison were objects of great interest to the dwellers in the level lands of Shelby and Rush counties. An excursion train of fifteen full-sized passenger cars ascended the plane in a little over 30 minutes. The 55 ton locomotive, John Brough, was in the middle of the train with a smaller engine at either end. On April 10, 1862, this railroad was sold to the Jeffersonville, Madison, and Indianapolis Railroad Company.

At this point it might be well to make mention of three other wrecks which occurred on the Madison road during this period. Two of them took place on the inclined plane. In June, 1855, No. 14, the James Whitcomb, overtook and ran into the plane engine, Indiana, which had just gone over

1. Madison Courier, August 3, 1859.
2. Ibid., April 18, 1860.
3. Ibid., April 25, 1860.
the plane with a freight train. J.W. Lilly, engineer on the Indiana, and his fireman jumped as the engines were about to crash, and were both unhurt. Samuel Idler, one of the oldest engineers on the road, jumped against the switch frame and was instantly killed. Thomas Besett, fireman on No. 14 was found lying on the track near the broken engines. He died within a few minutes. Edward Robinson, an attaché of the road, on No. 14, was seriously injured in jumping from the train.

March 6, 1860, while hauling a train of 6 heavily loaded coal cars and 3 box cars up the plane, the large locomotive, John Brown, broke loose from the train just above the bridge at the beginning of the cut, allowing the train to race back down the hill at a furious speed. As the switch at the foot of the plane was always turned so as to turn the cars off into the common, nine cars plunged into the soft clay and ran almost to the brink of the river. A strong line was attached and the Brown pulled them one at a time onto the rails again. No one was hurt as the brakemen, Terrell, McGee, and Harris, jumped off when the cars started back.

December 14, 1859, a hog train which had stopped to wood near Amity was run into by another hog train. Thomas Ray, the engineer of the second train, had his arm so badly shattered that it had to be amputated. The fireman and several drovers in the "rowdy" car jumped and all escaped unhurt. The loss to the company from breakage was estimated at from three to four hundred dollars.

1. Madison Courier, June 27, 1855.
2. Ibid., March 7, 1860.
3. Ibid., December 21, 1859.
We have spoken of the laying of the union track in Indianapolis in 1850 by the various roads centering there. December 20, 1848, the Union Railway Company was authorized by the Council. There were no lines yet constructed to compete with the M. and I., but several were projected. A common passenger depot was felt to be so essential that it was constructed as soon as the connecting roads. Chauncey Rose of the Terre Haute and Richmond, John Brough of the M. and I., and Oliver H. Smith of the Bellefontaine met in the office of the Union Railway Co, in the Middle of the Circle in 1850 and planned a Union station in Indianapolis. Austin W. Morris gave a tract of land 160 feet wide and 420 feet long for the depot, and 2 acres for machine shops. Morris also guaranteed the company free right of way through certain sections of the city. The depot was located on Louisiana Street between Illinois and Meridian. Both it and the tracks belonged to the Union Railway Company, an association composed of the following Railroad companies: M. and I., Terre Haute and Richmond, and Bellefontaine. General T.A. Morris, chief engineer, superintended the erection of the building which was completed in 1853. At that time only the Madison, Bellefontaine, Terre Haute, and Peru roads were in operation. Soon after the Indianapolis and Cincinnati and Indiana Central were admitted into the association and therefore to the depot. The Indianapolis and Peru never had any interest in the depot and but a slight interest in the tracks, which it later sold to the association. The Lafayette and Indianapolis Co. were admitted in 1855, the Cincinnati and Indianapolis Junction in 1858, the Indianapolis, Bloomington, and Western and the Indianapolis and Vincennes

1. Holloway, Indianapolis, 90.
2. Internal Improvements, Indiana Magazine of History, III (1907), p.143
in 1869 and the Indianapolis and St. Louis in 1870. Mr. William N. Jackson, Secretary and treasurer of the Union Railway Company had charge of the depot from its opening in 1853 till 1870. This old station was replaced by another in 1887-88.

A union track was needed from the middle of Tennessee Street (Capitol Avenue) north east to the middle of Washington Street at Noole Street, the right of way for which was taken by the Terre Haute and Richmond to Pennsylvania Street and from there northeast to center of Washington Street by the Bellefontaine and Peru roads. The right of way from the M. and I. depot from South Street to Meridian Street was given by Austin W. Morris. The right of way from Pennsylvania to New Jersey was purchased from Mrs. McCarty.

From occupying the foremost place among the railroads of Indiana the Madison and Indianapolis was by 1855 only a weak, financially embarrassed line among powerful competitors. In 1855, a law was passed providing for an investigation of its affairs by a legislative commission. Payments called for by the act of 1853 had not been made. This commission, composed of Governor Joseph A. Wright, Thomas S. Stanfield, and E. Newland, were authorized to investigate the affairs of the Madison R.R. Co. and if they found it to be to the interest of the state, they were to make a compromise settlement, the amount not to be less than $15,000. By this law the M. and I. were prevented from paying any dividends until all its floating and unfunded debts were paid and until all the debts of the Columbus and Shelby Co. for labor, rights, and materials other than iron were paid. The Shelby and

1. Halloway, Indianapolis, 258.
Columbus were to deliver stock to the Madison for such payments. This commission required extensive reports from various officers of the company and its report showed the road to be in a very sorry state.

The indebtedness in 1855 aside from the purchase of the state's interest was as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7% mortgage bonds</td>
<td>$600,000</td>
</tr>
<tr>
<td>Domestic bonds</td>
<td>2,300</td>
</tr>
<tr>
<td>Income or 3rd mortgage bonds</td>
<td>266,000</td>
</tr>
<tr>
<td>Floating debt or unfunded, as stated by secretary</td>
<td>182,286</td>
</tr>
<tr>
<td>Unsettled claims, estimated</td>
<td>40,000</td>
</tr>
<tr>
<td>Judgments, claims in suit</td>
<td>55,000</td>
</tr>
<tr>
<td>Interest, coupons in default</td>
<td>25,310</td>
</tr>
<tr>
<td>Capital stocks</td>
<td>1,647,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,818,691</strong></td>
</tr>
</tbody>
</table>

The floating debt was largely due citizens for labor and materials. Many of the creditors were in a state of destitution and badly in need of the money due them. The stockholders had made themselves personally responsible for nearly $50,000 of this debt.

The large cash dividend was paid in 1853, and the earnings in 1855 would barely pay for repairs, running expenses, and the interest on the funded debt. The aggregate capital stock was estimated at $32,956 shares of $50 or $1,647,800. The first mortgage levied April 1, 1851, to secure payment of $600,000 in 7% bonds due in New York in 1861 had not been paid. With interest due, this represented a debt of $646,310 in 1855. 7% bonds

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to the extent of $261,000 had been sold and were then outstanding. The holders of this mortgage had two alternatives in case of default of payment. They might sell the road or they might take possession and operate it and attempt to get their just dues from that. President Ellis proposed the pay the state $75,000 of the 5% stocks of the state within one year and to give security for that amount by July 10, 1855. He pointed out that none of this could come from the earnings, but must be contributed by the stockholders who he hoped would be willing to make one last effort to save something from the wreck of the road.

The Superintendent, J.O.D. Lilly, reported the following facts about the road:

The whole length of the line including tracks and switches was 98 1/2 miles. Value of depots, shops, and other structures was estimated at $51,400. The 18 miles of the state's iron remaining had to be removed and was useless for relaying in the main track, although it could be used for siding.

Cost of repairs on state's portion, $128,767.50.
Amount of repairs on remaining portion, $23,200,000.

There were 25 locomotives on the road, 2 worn out entirely, and 6 nearly so.
Value of locomotives $60,700.00
Value of cars 66,685.00
Rolling stock $127,385.00

After the plane had been laid with heavy iron, new timber, he estimated it could be operated and kept in repair for $9,500 annually.

After this investigation was completed, the commission reported that

$75,000 was all that the company could pay and still continue to operate. They accordingly agreed to take $75,000 in 5% bonds of the state. May 18, 1856, the company deposited these bonds with the state treasurer, and the release of the mortgage was executed. These bonds were worth only about fifty cents on the dollar, so the company really paid the state only about $37,500 for property it had paid over $6 million and a half dollars to construct and equip.

After this, the affairs of the Madison and Indianapolis Road went from bad to worse. Default having been made in the payment of interest on the bonds of the company, foreclosure proceedings were instituted November 29, 1861, by Peter McMartin, trustee of the first mortgage, in the U.S. circuit court for the district of Indiana, in accordance with an agreement for the reorganization of the company entered into by the creditors and stockholders. In the Madison Courier, February 26, 1862, we find the following notice:

Peter McMartin, as Trustee, vs. the Madison and Indianapolis Railroad Co.,
In circuit court of U.S. District of Indiana, nor term, 1861 - Notice is given that David G. Rose, U.S. Marshal will sell at public auction and outcry May 27, 1862, between 10 and 4 at the door of the Jefferson county courthouse in Madison all the property of the M. and I. mortgaged by the M. and I. to the plaintiff as trustee.

The road was bought for $325,000 by Elihu Day, John Ferguson, and George Griswold, Jr., agents for the parties to the agreement for reorganization. On March 5, 1862, under the general laws of Indiana of March 5, 1859, and March 5, 1861, these men formed the Indianapolis and Madison Railroad

Company. The nine directors were F.H. Smith, John Ferguson, Peter McMartin, Nathan Powell, Jacob McChesney, E.H. Miller, E. Cauldwill, Elihu Day, Wm. M. Dunn. The following officers were chosen:

President F.H. Smith  
Secretary T. Pollock  
Treasurer T.P. Matthews  
Superintendent D.C. Branham

Six of these men, McMartin, Miller, Smith, Dunn, Powell, and Branham were members of the board of the Madison and Indianapolis R.R. Co. in 1856.

Capital stock was issued to the amount of $1,648,050. In accordance with the agreement for the reorganization of the company holders were entitled to $100 common stock of the Indianapolis and Madison railroad company for each $400 capital stock of the Madison and Indianapolis railroad company. The entire claims of the first mortgage bondholders were satisfied by the issue to them of 685,000 first mortgage bonds of the Indianapolis and Madison Company.

In 1864, the controlling interest in the Indianapolis and Madison Railroad Company was acquired by the Jeffersonville Company and as each company owned a line between Columbus and Edinburgh, the road of the Indianapolis and Madison was abandoned between these two places and the track taken up. The two companies were consolidated under the name of the Jeffersonville, Madison, and Indianapolis Railroad company June 5, 1866, to take effect May 1, 1866. The company was to be governed by the charter and

1. Madison Courier, April 2, 1862.  
2. Ibid., July 2, 1856.  
4. Ibid., p. 106.
amendments of the Jeffersonville R.R. Co. Wm. G. Armstrong was the first president. The Jeffersonville, Madison, and Indianapolis was very important during the Civil War, being the route for the conveyance of troops and supplies south. It was nicknamed the "calico road", because the workmen on it were sometimes paid in dry goods.

June 5, 1872, a contract was entered into between the J.M. and I. Railroad Company and the Ohio and Mississippi Railroad Company and Louisville and Nashville Company for the use and operation of the Louisville bridge, thus securing for the Jeffersonville company an entrance into the city of Louisville.

In the latter part of 1871 the Pennsylvania Railroad Company acquired the capital stock of the J.M. and I. Co. December 26, 1871, the company leased the Jeffersonville road to the Pittsburg, Cincinnati, and St. Louis Company for 999 years from August 1, 1871, the rental to be equal to the sinking fund on the funded debt and an annual dividend of 7% on the capital stock of $2,000,000. The terms of this lease were guaranteed by the Pennsylvania Company. In consequence of the opposition of some of the stockholders in the Pittsburg, Cincinnati and St. Louis Co. who had brought suit in the court of common pleas of Franklin County, Ohio, to terminate the agreement, an agreement was made January 1, 1873, between the two companies cancelling the lease. January 1, 1873, a new lease was made on the same terms to the Pennsylvania Company for 999 years. The lease was terminated January 1, 1880, by a new lease under which the Pennsylvania Company agreed to pay over to the Jeffersonville, Madison, and Indianapolis Company the

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entire net earnings of the road. This lease was cancelled October 1, 1890, when the J.M. and I. consolidated with the Pittsburg, Cincinnati and St. Louis Co., Chicago, St. Louis, and Pittsburg Co., and Cincinnati and Richmond Co., into the Pittsburg, Cincinnati, Chicago, and St. Louis Railroad Company. Since 1890, the section of railroad known as the old Madison and Indianapolis road has been a component part of the Pennsylvania System.
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