

THE PHILADELPHIA, WILMINGTON AND BALTIMORE RAILROAD, 1831-1840

A STUDY IN EARLY RAILROAD TRANSPORTATION

by

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PREFACE

This study of the early history of the Philadelphia, Wilmington and Baltimore Railroad has been made possible by a two-year fellowship from the Eleutherian Mills-Hagley Foundation, and was written to meet one of the requirements for the Master of Arts degree at the University of Delaware. It is an outgrowth of a personal interest in railroad development that was augmented by my associations with the Foundation.

While searching for a suitable thesis topic, it was suggested to me by Mr. Peter C. Welsh, then fellowship coordinator for the Foundation and now a member of the staff of the Smithsonian Institution, that no really adequate study had been made of the Philadelphia, Wilmington and Baltimore line. In a subsequent survey of sources, I found that despite the railroad's prominence as a north-south link in the development of rail transportation there was a dearth of available information. As originally conceived, this study was to embrace the entire history of the road from its inception in 1831 to its merger with the Pennsylvania Railroad Company in 1881. From the abundance of material relating to the line from 1831 to 1840, however, I have decided to terminate the story there.

During the course of preparation, I have incurred many debts of gratitude to the several persons who have aided my efforts. Foremost among these are the members of the Hagley Museum staff. I am particularly indebted to Mr. W. David Lewis, who has given unselfishly of his time and consideration. He has read the entire manuscript, making suggestions and corrections that have been of great value. Dr. John A. Munroe has also

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SUMMARY

The Philadelphia, Wilmington and Baltimore railroad was the result of the union between four small lines stretching from Philadelphia across the Delaware peninsula to the Susquehanna River and down the western side of the Chesapeake Bay to Baltimore. Built in the second quarter of the nineteenth century, the line represented the first link in a chain of roads connecting north and south, New York and New England with Baltimore, Washington and Virginia.

The impetus for this and other railroads originated in the trade rivalry between the two terminal cities. By 1825, both Philadelphia and Baltimore were seeking methods of internal improvement that would secure trade from the hinterland. Canal projects ran rampant in the minds of capitalists in both cities. It was felt that whichever city gained easy communication with the interior of Pennsylvania would thereby emerge as the great trading center of the mid-Atlantic region. The Susquehanna River, the largest natural waterway into the interior was, therefore, the prize which both cities sought to control. The Chesapeake and Delaware Canal, for example, was an attempt on the part of Philadelphia to gain hegemony over the trade of the River.

At the close of the first quarter of the nineteenth century, the concept of railroad transportation was becoming popular. Pennsylvania was the first to attempt an application of this innovation to the trade problem. In 1823, the Pennsylvania legislature chartered a railroad to run from Philadelphia to Columbia on the Susquehanna. Agitation for a railroad from Baltimore to the Susquehanna did not begin, however, until 1828. By 1831, there was some hope on the part of a few Philadelphia

capitalists that a line might be constructed to connect the two cities. As a result, application was made to the Pennsylvania legislature for a charter to construct a railroad from Philadelphia to the Delaware state line. This action was followed in Delaware with the chartering of the Wilmington and Susquehanna Railroad Company to build a road from Pennsylvania to the Susquehanna River. In Maryland, application was made for a third company to operate under the title of the Delaware and Maryland Railroad. In the following year, the Baltimore and Port Deposit Railroad Company was chartered, thus completing, on paper, the line from Philadelphia to Baltimore.

All four lines met with failure in their initial funding efforts. Only the Baltimore and Port Deposit succeeded in raising enough capital to permit preliminary organization. As a result, three charters fell into disuse until 1835. At that time, interested capitalists such as Roswell L. Colt, Matthew Newkirk, James Canby, and Nicholas Biddle gained control of all four railroads. Success followed the efforts of these men, and by late 1837, trains were in operation between Baltimore and the western side of the Schuylkill River in Philadelphia. In February, 1838, an organic union was consummated between the separate companies, and the Philadelphia, Wilmington and Baltimore Railroad Company was formed. This important railroad continued its operations until it was finally merged with the Pennsylvania Railroad Company in 1881.

CHAPTER I

RAILROAD BUILDING IN AMERICA TO 1840

I see what will be the effect of it; that it will set the whole world a-gadding. Twenty miles an hour, sir! Why, you will not be able to keep an apprentice boy at his work! Every Saturday evening he must have a trip to Ohio to spend a Sunday with his sweetheart. Grave plodding citizens will be flying about like comets. All local attachments will be at an end. It will encourage flightiness of intellect. Veracious people will turn into the most immeasurable liars. All conceptions will be exaggerated by the magnificent notions of distance. Only a hundred miles off! Tut, nonsense, I'll step across, madam, and bring your fan! And then, sir, there will be barrels of pork, cargoes of flour, chaldrons of coal, and even lead and whisky, and such like sober things that have always been used to slow travelling--whisking away like a sky rocket. It will upset all the gravity of the nation. . . . Upon the whole, sir, it is a pestilential, topsy-turvy, harum-scarum whirligig. Give me the old, solemm, straight forward, regular Dutch Canal--three miles an hour for expresses, and two rod jog-trot journeys--with a yoke of oxen for heavy loads. I go for beasts of burden. It is more formative and scriptural, and suits a moral and religious people better. None of your hop skip and jump whimsies for me.¹

The year was 1830. From the eastern seaboard to the Mississippi River frontier internal improvements were the national rage. By the end of that year the legislature of Pennsylvania had acted upon the twenty-eighth petition for a charter to construct a railroad. In the following year eleven new Pennsylvania companies received similar privileges, bringing the total to thirty-nine.² In nearby Delaware, the legislature having chartered the company in 1829, construction had already begun on the New Castle and Frenchtown Railroad.³

Like any other form of internal improvement, the railroad did not suddenly appear unheralded upon the national scene. Rail transportation in the form of tramways had been used in mining and quarrying

since the beginning of the nineteenth century. Moreover, the feasibility of railroads as a form of public transportation had already been demonstrated in England and on the continent.⁴ Finally, the all-important psychological barrier of resistance to change had been challenged and penetrated by the plethora of internal improvement projects begun in the early part of the century. Instead of considering the railroad as something radical and revolutionary, as an object of extreme change, the public conceived of this mode of transportation as complementary to the existing system.⁵

This is not to say that there was no opposition to railroad construction. There was still a segment of the population, facetiously portrayed by the writer cited earlier, that had to be convinced. Such consent was obtained in a variety of ways ranging from clerical exhortation to subtle publicity tracts written to convince the more obstinate fringe of the American population.⁶ As might be expected, the most prolonged and intense opposition to railway construction came from the entrepreneurs who had invested heavily in the already operating canals and turnpikes. In their annual report to the state legislature of Pennsylvania, for example, the Pennsylvania canal commissioners stated:

While the board avow themselves favorable to railroads where it is impracticable to construct canals, or under some peculiar circumstances, they can not forbear expressing their opinion that the advocates of railroads generally have overrated their comparative value. The board believe that, notwithstanding all the improvements that have been made in railroads and locomotives, it will be found that canals are from two to two and a half times better than railroads for the purposes required of them by Pennsylvania.⁷

To counteract such statements from the opposition, contemporaries such as H.S. Tanner compared the complexity of engineering problems involved in the construction of both railroads and canals. He

concluded that there were at least three advantages in the former. Railroads could provide a more rapid means of transportation; topographical ascents could be overcome by the use of inclined planes; and the increased cost in canals brought about through the necessity of a system of locks on uneven terrain would be totally unnecessary.⁸ Tanner also saw a long-range system of railroads across the whole of the country which would serve as an adhesive force in binding East and West.⁹ Even William Strickland, who had been sent to England in 1825 to make an impartial survey of transportation, was convinced that railroads utilizing locomotives provided better means of transportation than did canals.¹⁰

It was perhaps with the work of William Strickland that the image of a railway became most completely imprinted upon the imagination of many influential Americans. Strickland, a Philadelphia architect and engineer, was commissioned in 1825 by the Pennsylvania Society for the Promotion of Internal Improvement as their agent to investigate transportation systems in England.¹¹ The Society's great concern was the loss of trade through the port of Philadelphia. Philadelphia's markets were being usurped by New York and Baltimore, both of which were in much better positions to receive goods from the hinterland through natural and artificial waterways. As a result civic-minded Philadelphians were anxious to develop a system of canals and railroads to tap internal resources and thereby maintain hegemony over at least Baltimore if not New York.¹²

Strickland left Philadelphia in March of 1825 for the British Isles and returned in December of the same year. During his eight-month stay he and his assistant, Samuel Kneass, made numerous notes

and drawings of all the major canals and railroads in those countries. These observations were, upon Strickland's return to the United States, incorporated into a report to the Society. This group, realizing the importance of the document and at the same time wishing to impress upon the minds of at least the Pennsylvania legislature the importance of internal improvement, published this report in 1826 as Reports on Canals, Railways and Roads.¹³

Despite the fact that only a few hundred copies of the Report were published, the impact was tremendous. Strickland's own text was meager, but the excellently executed engravings of the major canals and railroads of Great Britain and Ireland presented an intelligent pictorial appeal on a subject of great national concern.¹⁴ Subscriptions reached not only the Pennsylvania legislature but also the United States House of Representatives. Shortly after its publication the latter body agreed to a resolution appropriating funds for the purchase of twenty-five copies to be used as reference material in determining future legislative enactments with regard to internal improvements.¹⁵

One further step was necessary, however, before dream and reality could be united. Even though Strickland and other contemporary promoters had advocated the development of railroads utilizing steam power, such a concept had yet to be fixed in the popular imagination. Railroads, like canals and turnpikes, were still considered public highways upon which individuals would operate their own vehicles and pay only for the privilege of using the rails.¹⁶ That is to say, a company would be formed to construct the roadway and then erect toll gates at varied intervals to collect fees from the users. Horses were

considered to be the operative power in such a system, and there was little thought given to the fact that railroads and rolling stock were almost inseparable.¹⁷

The New Castle and Frenchtown Railroad is an excellent example of the evolution of the railroad idea. This line grew out of the New Castle and Frenchtown Turnpike Company, which had been chartered by the Delaware legislature in 1809.¹⁸ In 1827, the stockholders of this company petitioned the Maryland legislature for permission to form a railroad paralleling the turnpike, and two years later a similar petition was granted by the Delaware legislature.¹⁹ While the road was never open for privately owned carriages, it did utilize horsepower from its completion in 1831 until late 1832 when the first steam locomotive was introduced.²⁰

The first American railroad designed specifically for steam locomotion was the Charleston and Hamburg, chartered in 1828 by the South Carolina legislature. This road, about one hundred and thirty-six miles in length, was finally completed in 1833.²¹ The first engine used on it was, interestingly enough, of American manufacture. Designed by E.L. Miller of Charleston, the engine was constructed by the West Point Foundry of New York and began operation on the partially completed road in 1830.²²

Within the next five years most railroad construction was planned for steam operation. This did not mean that horse-drawn cars became immediately obsolete. David Stevenson, an English engineer, noted in his travels around the country in 1837 that horses were still prevalent, especially on short lines and for shuttle service in city areas.

On some of the American railways, where the line is short or the traffic small, horse power is employed, but locomotive engines for transporting goods and passengers are in much more general use. In New York, Brooklyn, Philadelphia, Baltimore, and other places which have line[sic] of railway leading from them, the depot or station for the locomotive engines is generally placed at the outskirts, but the rails are continued through the streets to the heart of the town, and the carriages are dragged over this part of the line by horses, to avoid the inconvenience and danger attending the passage of locomotive engines through crowded thoroughfares. I traveled by horse power on the Mohawk and Hudson Railway, from Schenectady to Albany, a distance of sixteen miles, and the journey was performed in sixty-five minutes, being at the astonishing rate of fifteen miles an hour. The car by which I was conveyed carried twelve passengers, and was drawn by two horses which ran stages of five miles.²³

With the almost universal adoption of steam locomotion, numerous problems of construction became immediately apparent. Wooden rails, for example, which had been used with some success for horse-drawn cars, were inadequate for steam engines. To rectify this, strips of iron were superimposed upon the wood and spiked down.²⁴ This, however, was unsuccessful, for the spikes would frequently loosen sufficiently to allow the iron strips to wrap around one of the axles of the moving train, and then impale the coach, injuring any passengers who might be in the way.²⁵

Another very definite problem was the adoption of construction techniques suitable to climatic conditions. Many of the early lines had used the English system of iron rails seated in cast iron chairs which were placed on granite blocks embedded in the road. This was found sadly impracticable in the northern states, where the frequent freezing and thawing of the ground brought on by sudden climatic change broke or uprooted the granite. As a result whole lines of track had to be replaced at the close of each winter.²⁶

Perhaps the most striking invention to appear amidst such perplexities was the so-called T-rail. This rail, still in universal use, was the ingenious product of Robert L. Stevens.²⁷ Stevens, an engineer for the Camden and Amboy Railroad, designed this type of track in 1830 and utilized it in the construction of his railroad. Though this rail was an immediate success, the cheapness and availability of wood in this country prevented its widespread use until after the Civil War.²⁸

The aptitude of the American mind, as exemplified in men like Stevens, was an important factor in the rapid technical development of the railway system. Unlike their European counterparts, these American engineers manifested a high degree of creative imagination. The whole concept of railroads in America was a comparatively recent one. Unhampered by an inclination to rely on tradition, and lacking the practical experience possessed by the British, Americans were more susceptible to experimentation and almost radical change. "Men like Evans, Stevens and Dearborn were accurately describing the railway and railway travel of the future in written words, and were planning the construction and equipment of railroads hundreds of miles in length, while yet the English had no conception of the possibilities that lay within the methods they had used so long."²⁹

As important as construction technique was the raising of capital. Upon the shoulders of the railroad promoter or entrepreneur rested the ultimate success or failure of the project. These men, as Jenks so aptly points out, were both omniscient and omnipresent.³⁰ They had to face the difficult everyday problems of right of way, of promotion of funds, of construction, and of labor. They also had to

anticipate the future problems of traffic movement, operational costs, and the all-important dividend. Only too often the entrepreneur was more prescient than practical. As a result more railroad dreams were abortive than fruitful.

Part of the problem lay in the complete misunderstanding of construction and construction costs. Too often a company was formed and capitalized at a sum which was far less than the actual building costs. As a result many lines were only partially completed when funds were exhausted, necessitating either a re-capitalization or a complete abandonment of the project. To illustrate this, one need only look at the 1823 charter of the Philadelphia and Columbia Railroad. This company was limited to a ridiculously low capital stock of \$6,000 to be sold in 60 shares at \$100 per share.³¹ It would have been difficult to have built this road for even two hundred times the capital stipulated in the charter.

Another example of this unrealistic dreaming can be seen in a railroad promotional tract published in Baltimore in 1828. Eager Baltimoreans were interested in securing interior trade by means of a railroad to the Susquehanna River. After having checked with some unknown English authority on the costs of building a road using iron rails, they reckoned, assuming that material and labor would cost the same here as in England, that the total cost of such a road from Baltimore to the Susquehanna would be from \$2,131,200 to \$3,196,800, including rolling stock.³² Realizing that it would be highly improbable if not impossible to raise such a sum, they determined that wood rails would suffice. "Whatever may be the advantage of iron in durability

and permanence, the enormous cost of it in the first instance would seem to forbid the use of it, at least in the present state of our knowledge and limited experience upon the subject."³³

The problem here is somewhat obvious. In the first place the comparison of costs was inaccurate. The purchase of land for right of way was much less expensive in America than in England. On the other hand, iron rails had to be imported from England--a factor which was bound to increase their cost. Finally, labor costs were higher here than in England. As a result, no really accurate comparison, which this purports to be, could have been formulated. As will be seen in another chapter, the ultimate cost of this line was approximately one million dollars.

Regardless of the early inability to grasp the cost of construction, railroads were built. Thus the question arises as to where investments were procured. With a dearth of so-called hard money the obvious solution was either the procurement of credit or a loan. The Federal government had long before expressed its hesitancy to extend actual financial support, although it had provided indirect aid to internal improvements through the General Survey Act of 1824. This aid was primarily in the form of surveys conducted under the direction of the Army Engineer Corps. In fact, the government provided only \$9,520,000 for internal improvements from 1802 to 1835.³⁴

Realizing that the advancement of railroads was outside the sphere of Federal aid, enterprising promoters had to convince the public to invest in their projects. Without a doubt, trade rivalry provided one of the most effective and convincing levers to advance the development

of the railroad. Merchants in the leading commercial cities had bound themselves together in communities of interest which, as Taylor suggests, were not unlike the fiercely competitive city-states of ancient Greece.³⁵ They were willing to go to almost any end to maintain their commercial interests.

With the completion of the Erie Canal in 1825, the Alleghenies no longer served as a dam to obstruct the movement of trade and population between the East and the West. Furthermore, New York now had the hegemony of western trade through the water system of the Great Lakes, the Canal, and the Hudson River. As Carter points out: "With such a tremendous advantage as a water route to the heart of the growing West, New York would monopolize the commerce of the country, while Baltimore and Philadelphia would be dwarfed to the proportions of mere local trading centers."³⁶ If cities as dependent upon trade as Philadelphia and Baltimore were to compete, radical transportational measures would have to be taken to offset the Erie Canal. Otherwise they would have to make a concerted effort to control and exploit the resources of the natural trade routes such as the Susquehanna River.

The Susquehanna, with its numerous tributaries and branches, had long been a natural north-south line of trade and communication. The logical flow of interior goods had been down river to the Chesapeake Bay and thence to Baltimore. It was estimated that in 1831 alone Baltimore derived some \$10,000,000 from this trade.³⁷ Baltimore merchants realized the importance of this flow of goods, and in 1822 a group of Baltimore merchants visited the Erie Canal, then being constructed, in order to discuss with its engineers the feasibility of an

unobstructed waterway to parallel the Susquehanna River.³⁸ This delegation returned to Baltimore by way of Owego, New York, and decided that boats could float from that point to the falls in the Susquehanna at Conewago, Pennsylvania. If a canal was constructed from Conewago to Baltimore, boats could easily continue south without the necessity of laborious transshipment around the falls.³⁹ Moreover such a canal would lessen the amount of trade siphoned off at Columbia, Pennsylvania, and carried overland in wagons to Philadelphia.⁴⁰

Philadelphia, on the other hand, was unwilling to stand aside and see Baltimore gain ascendancy. The Chesapeake and Delaware Canal and the Union Canal were both projects designed to capture the trade of the interior and carry it to Philadelphia. Furthermore, both of these projects were already under construction. If they should succeed, then Baltimore would either be lost or would be forced to find a new source of trade. Realizing this, Baltimore merchants and entrepreneurs began disseminating promotional material suggesting the possibility of a canal linking their city with the Ohio River.⁴¹

This situation was in the end favorable to railroad development. Divided counsel in Baltimore led to almost desperate action and culminated in the advocacy of general railroad construction.⁴² By 1828 railroad promoters appeared ready to make their move. In a promotional tract, for example, delegates from the Baltimore and York Turnpike, the Conewago Canal Turnpike, and the York Haven Companies published resolutions favoring the construction of a railroad from Baltimore to York Haven.⁴³

Couching their arguments in terms designed to convert even the most recalcitrant individuals, the delegates played heavily upon the

trade strings. Suggesting that the commercial existence of Baltimore rested on the city's ability to capture the trade of the hinterland, the tract contended that natural means of communication and trade were not sufficient. Furthermore, the majority of the public recognized this insufficiency and were ready "to create an artificial means of easy communication with this immense region."⁴⁴ Thus Baltimore was ready to undertake the construction of a railroad to York, and "the undivided public opinion--the liberal and enlightened--the bold and manly enterprise which belongs to our city, is all directed to the completion of this magnificent undertaking."⁴⁵ Warming to the theme of trade rivalry, the delegates continued:

That the period for systematic and powerful exertion on the part of Baltimore has at length arrived, is no longer doubted--the great plans which are going on and in a great measure matured in New York, and those which are projected and will be completed in Pennsylvania, show a determination on the part of our rival cities, to push as far as unlimited capital seconded by liberal views the great enterprise, a competition, which can only become dangerous, if we permit their schemes to be matured, and the current of trade to take a settled direction in the channels provided for it by our rivals--for commerce, like water, will seek its level, depending on natural or artificial causes, and if we once permit it to be diverted from its natural channel, it will be found most difficult to bring back.⁴⁶

In a grandiose conclusion, oversimplification of the task was brought to play in terms that would be of credit to even the most eloquent back-slapping politician. "If on the other hand we enter early into the field of competition, and improve our natural advantages, we make the efforts of our rivals tributary to our views, and they cannot make a foot of canal or rail-way, erect a bridge, or pave a turnpike road, which does not necessarily lead the trade or commerce embarked upon it directly to our own door. We have nothing in fact to do but to take up

the work where they leave it, and to finish at a trifling expense a great line of internal communication, which the exertions of our spirited and enterprising neighbors have conducted within our reach."⁴⁷

Although eventual experience in constructing this and other lines proved the utter naiveté of such entrepreneurs, their equally inexperienced contemporaries did not consider them so. This early canal and railroad dreaming on the part of Baltimore only served to accelerate action in Pennsylvania. In March, 1827, William Lehman, himself an agitator for internal improvements in the Keystone State, introduced the following resolution on the floor of the Pennsylvania legislature:

Whereas the State of Maryland has incorporated a company, with a view of intersecting the Pennsylvania canal, for the purpose of conveying the trade of Pennsylvania to Baltimore. . . .

Resolved, that the Committee on inland navigation be instructed to consider the expedience of requiring the board of canal commissioners to make suitable examinations, within the present year, with a view to the aforesaid objects, and to make a report early in the ensuing session of the Legislature; and also to make a report in relation to the practicability and probable cost of a railway along the valley of the Susquehanna from the Pennsylvania canal to Columbia, and from thence through the city of Philadelphia.⁴⁸

Armed with the powerful threat of trade loss, enterprising promoters could now move forward in their railroad dreams. Such dreams also carried the vision of dividends, capital gains, and market hegemony for the investors. Realizing that the time was ripe, these shrewd and capable entrepreneurs were ready to make their move toward obtaining private funds.

The role of private investment in railroad capitalization is something of a controversial one. The question is not that individuals

placed their money in railroad enterprises, but rather how much these individuals invested. Cochran and Miller, in dealing with this subject, held that "more than anyone else, the railroad promoter attracted the savings of American widows, doctors, poets, merchants, manufacturers, bankers, and shippers and tied the nation to his fortune."⁴⁹ It would be difficult to dispute this statement, particularly so far as the last four named categories are concerned. But the question still remains as to exactly how much all of these people contributed to the ultimate capital resources necessary to build a railroad. In the specific case of the Wilmington and Susquehanna, for example, private capital accounted for the majority of the initial funding process. Thereafter, as will be discussed later, state aid, bank loans, and bonds marketed abroad doubled the amount of money invested by individuals.*

In the early period of railroad construction, that is the boom period preceding the panic of 1837, private investment was at its peak. In New York, for example, the sale of stock for the Utica and Schenectady Railroad was oversubscribed seven times in 1833.⁵⁰ Similarly when the stock books were opened in Wilmington, Delaware, in 1835 for the Wilmington and Susquehanna Railroad, the 3,000 shares offered in that city were sold in half an hour.⁵¹ These were, however, somewhat exceptional, for even in this period of prosperity much of the money that might have been invested in railroad enterprises had been diverted into other transportation efforts such as canals and turnpikes.⁵²

Thus the railroad promoter had three major problems to face in attempting to capitalize his project. The first of these centered around

* This will be discussed in Chapter IV.

unrealistic estimates drawn up by engineers unfamiliar with railroad construction; the second stemmed from the dearth of private capital; and the third involved the possible forfeiture of subscribed but unpaid stock. Realizing that the Federal government was hesitant about loaning money or purchasing stock, there were perhaps three partial solutions which the promoter might use.

The first of these was the emission of stock certificates in place of money. These might be issued to construction companies, landholders for the privilege of right of way, as collateral for state or municipal loans, or to banks in exchange for credit.⁵³ The Wilmington and Susquehanna, for example, issued 13,000 shares of stock worth, at face value, \$650,000 to the Bank of the United States as security for a loan totalling \$900,000.⁵⁴

A second solution was to interest the keepers of the public purse in state and municipal governments to invest funds at their disposal in railroad schemes. Here the lever of trade rivalry could again be used with some effect. As a result of this pressure, state and municipal governments were somewhat more willing to provide money for railroads, either through loans or through actual investment in stocks. Moreover, state legislatures were also able to be of service by putting very liberal provisions into railroad charters.⁵⁵ Municipal aid in New York state amounted to approximately \$250,000 in 1837.⁵⁶ In Delaware, the state legislature granted the Wilmington and Susquehanna Railroad a loan of \$110,000 for construction purposes.⁵⁷ This money had been made available to the state through the Jacksonian surplus. Maryland and Baltimore, following the example set by the Federal government in

purchasing stock in the Bank of the United States, subscribed approximately one-half of the total stock in the Baltimore and Ohio Railroad.⁵⁸ Massachusetts had gone one step further as early as 1829 when an act was passed providing that the state finance, but not build, railroads from Boston to Providence and Albany.⁵⁹

The third possibility was the attraction of foreign capital. Here there were two areas open to exploitation. The railroad promoters could either sell actual stock certificates or issue bonds with relatively long-range dates of maturity and yielding the standard six per cent interest rate. These methods were employed with some success in the three decades preceding the Civil War. Of the two, the latter was the more successful, for by 1853, 26 per cent of the total bonds issued by railroads in this country were foreign-owned.⁶⁰ During a period terminated by this same date, only three per cent of all American railroad stock had been purchased by foreign investors.⁶¹

Despite the handicaps outlined, railroad construction made considerable advances east of the Appalachian mountains in the first decade of promotion. By 1840, some 3,328 miles of railroad were in operation, nearly equalling the total number of canal miles.⁶² These roads, including both the completed lines and those yet under construction, extended from Portsmouth, New Hampshire, to Pensacola, Florida, thus connecting nearly the whole of the Atlantic coast.⁶³ The yield of investment was also impressive, for the average dividend paid on capital stock in 1839 was five and a half per cent.⁶⁴

Throughout this early period Pennsylvania and Maryland won national prominence in the number of railroad miles completed. By

1835, Pennsylvania had completed or was completing 322 miles of road-- more than any other state.* Maryland was fourth with a total of 194 miles.⁶⁵ Delaware, with only sixteen miles of road, was next to last.⁶⁶ All three states had, however, pioneered in railroad development.

Pennsylvania took the lead when it authorized John Stevens and his associates to build a line from Philadelphia to Columbia on the Susquehanna River in 1823.⁶⁷ Stevens was prohibited from beginning work on the line primarily due to the lack of capital, and in 1826 the Pennsylvania legislature repealed the charter in order that the state might undertake the project.⁶⁸ Actual construction on this eighty-two mile road was delayed until 1829 and was finally completed in 1834.⁶⁹ The purpose of the road was a dual one. It would not only connect Philadelphia with the interior, but, it was hoped, would also serve as a siphon for goods normally sent down the Susquehanna to the Chesapeake and on to Baltimore.

Maryland followed the lead of its trade rival with the chartering of the Baltimore and Ohio in 1827. The Baltimore promoters, perhaps cognizant of the early failure in Pennsylvania to obtain private capital, were more realistic in their legislative petition for a charter. J.V. McMahon in drawing up the charter for the proposed road asked the state legislature, according to Robert Oliver, "for more than the Lord's Prayer!"⁷⁰ Operating on the principle that the more asked, the more received, the promoters were successful. The legislature granted a charter fixing the capital at three million dollars, five hundred thousand of which was to be supplied by both the state and the city of Baltimore, the remainder

* For a tabular breakdown of railroad mileage in 1835, see Appendix A.

to come from private capital.⁷¹ Work was begun on the line in 1828, and a "brigade of cars" began operating between Baltimore and Ellicott's Mills in May, 1830.⁷² Although the line was originally intended for horse-drawn vehicles, the adoption of steam took place shortly after the celebrated race between Peter Cooper's engine and a horse-drawn carriage. Although the horse was the winner due to a minor mechanical mishap, the effectiveness of steam power was proved by other railroads.⁷³

Delaware, the third of the trio of states under consideration, played an important role in railroad development primarily because of its strategic position. Situated between the Delaware River and the Chesapeake Bay, it acted as a barrier to protected inland water transportation between Philadelphia and Baltimore. This had been partially solved with the completion of the Chesapeake and Delaware Canal in 1829. Nonetheless a railroad across the peninsula was deemed desirable, and in 1829 the Delaware legislature chartered the New Castle and Frenchtown Railroad. This road, about seventeen miles in length and capitalized at \$200,000, was designed to connect New Castle on the Delaware River with Frenchtown near the mouth of the Elk River on the Chesapeake.⁷⁴ Upon completion passengers and freight from either Baltimore or Philadelphia could take a steamboat to either New Castle or Frenchtown, be transported across the peninsula by the railroad, and continue on the journey on another steamboat. This decreased appreciably the time spent in such a trip. Moreover, it served as another connection between Philadelphia, New York, and the East and Baltimore, Washington, and the South.

Thus by the opening years of the 1830's, the pattern for railroad development in these three states had been established. It remained,

however, for the completion of a railroad independent of water transportation from Philadelphia to Baltimore before a direct line of communication could be established. Such a line would not only increase the speed with which one could travel between the two cities, but it would also decrease the actual distance. The advantages were obvious, and the spade work in demonstrating the feasibility of railroads had been accomplished by at least one railroad in each state. It was therefore only a matter of time before promoters could be found to exploit the possibilities and eventually create the Philadelphia, Wilmington and Baltimore Railroad--an important link in a chain of railroad enterprises that did, as Tanner pointed out, connect New Hampshire with Florida by 1835. It is to this story that we now turn.

CHAPTER II

FRUSTRATION AND ABORTIVE EFFORTS, 1831-1834

In dealing with railroad development during its first decades, one must be constantly cognizant of the fact that the projected lines were short. Few railroad schemes extended beyond a hundred miles, and railroad entrepreneurs depended upon autonomous connecting lines to span what were then considered great distances. In this respect, the post Civil War period of great single lines extending across the entire country had little place in even the ambitious promoter's dream. Railroad construction in its infancy can hardly be compared with the great age of railroad enterprise that followed the Civil War and precipitated the panic of 1873. With this in mind, we can now turn our attention to the Philadelphia, Wilmington and Baltimore Railroad and see, in microcosm, an excellent example of railroad formation, capitalization, construction and consolidation as it took place along the eastern seaboard.

The Philadelphia, Wilmington and Baltimore Railroad Company was the eventual result of four small lines chartered in Pennsylvania, Delaware, and Maryland between April, 1831, and March, 1832. Each of the four lines--the Philadelphia and Delaware County, the Wilmington and Susquehanna, the Delaware and Maryland, and the Baltimore and Port Deposit--was the embodiment of the railroad craze which swept the country following 1825. Each was the conception of ambitious but impractical promoters who wished to capitalize on a popular enterprise.

When the Pennsylvania legislators convened in 1831, they were swamped with petitions for railroad charters. Having established the

precedent of capitalizing the Philadelphia and Columbia Railroad, they were hardly in a position to deny many of their petitioners. Moreover, the lever of trade and communication had already created the demand for an active internal improvement program. It was, therefore, only logical to expect that a petition for the right to construct a railroad from Philadelphia through Delaware County to the Delaware state line would have little opposition. This expectation was justified on April 2, 1831, when the act of incorporation for the line was passed.¹

The commissioners of the proposed road, which was to be seventeen miles in length, were granted the privilege of capitalizing at \$200,000, to be divided into 4,000 shares worth fifty dollars each.² They were, according to their charter, to construct the road as a means of public conveyance upon which anyone, providing he had paid his toll, could operate a vehicle.³ Furthermore, the directors were limited to a maximum charge of four cents per mile for a ton of freight.⁴ Finally, the stockholders had to complete construction and open the road for operation within a ten-year period terminating on April 2, 1842. If they did not succeed in complying with this regulation, or if, upon completion of the line, they should cease to maintain it and thus allow it to fall into a state of decay, the charter would be considered void and the company liable to suit for damages.⁵

With the signature of Governor Wolf, the charter became law. On April 8, 1831, a list of commissioners for the newly formed road was published, and preparations were begun for actual stock subscription. Of the twenty-five commissioners, twelve represented the city of Philadelphia, while the remaining thirteen were chosen from Delaware County.⁶ By the end of May, the commissioners had made the necessary arrangements

for the sale of stock, and the books were opened for subscription.

It was at this point that the promoter's efforts proved abortive. Of the 4,000 shares offered, 900 were subscribed in Philadelphia and 400 shares in the town of Chester.⁷ The commissioners were thus left to divide the remaining 2,700 shares among themselves. Without the sale of sufficient stock, a board of directors could not be elected, and consequently no organization could be effected.⁸ The commissioners did, however, appoint William T. Smith as secretary and authorize him to issue stock certificates in November of 1831.⁹

The failure of the company is a complex problem, not easily solved due to the dearth of written material. One can only make limited statements based primarily upon negative evidence to explain the lack of enthusiasm for the project. Perhaps the most obvious reason can be seen in the location of the route. Although no survey was made at this time, it is evident that any road built from Philadelphia to the Delaware line would parallel the Delaware River. Such a road would thus compete with an already existing line of transportation that needed no improvement. To terminate the railroad at the Delaware line without a continuation across the Delaware peninsula to the Susquehanna would give no added trade advantage. Goods that might be shipped on the railroad to Philadelphia could be carried overland to the nearest river wharf and sent to market just as cheaply. The only real advantage to such a road would be an operational one during the winter months when the Delaware was clogged with ice.

Even more important was the fact that the Chesapeake and Delaware Canal and other railroad schemes promised more in return for the

investment. The Canal had been in operation only two years and had only begun to pay Philadelphia merchants for their heavy investment. Likewise, railroads to the north and west of Philadelphia offered to bring more commerce into the city at a cheaper rate. Furthermore, these railroads were not competing with an already existing route. Investment in railroads during this period may have been wild, but most investors wished something in return. Such a railroad could offer very little. There was some agitation for a railroad from Philadelphia to the Chesapeake at this time, but nothing definite had been done in either Delaware or Maryland that could offer much hope for a continuation in those states of the Philadelphia and Delaware County line.¹⁰

Finally, the factor of trade rivalry with Baltimore must be constantly borne in mind. If a railroad should be built from Philadelphia to Delaware, and if Delaware promoters should continue the line to the Susquehanna River, then what should prevent Baltimore from making a connecting line and thus gaining increased trade from Delaware? Such fears had a basis. Activity on the part of Baltimore merchants for a railroad from Baltimore to York, Pennsylvania, had already materialized, and Baltimore promoters were preparing to petition the Pennsylvania legislature for a charter when the legislature convened in January of 1832.

By January, Baltimore promoters had not only succeeded in getting their petition presented in the Pennsylvania legislature, but had also acquired the support of some of the legislators. Philadelphians were incensed that their representatives should even consider such a charter. By mid-January, agitation in the city had reached considerable height, and a public meeting was called to meet on January 17. The editor of the United States Gazette was particularly articulate in his plea for action.

"We ask the attention of our city readers to the call for a public meeting, to-morrow afternoon, at the Court House. The destructive measure of a railroad to enrich Baltimore at the expense of Philadelphia, is again proposed, is again advocated in the legislature of the state, and what is worse than all, and doubly mortifying, advocated by those on whom Philadelphia should depend for a representation and defence of her interests."¹¹

The fight reached even greater proportions when a lobby was dispatched from Philadelphia to stem, if possible, an act to give Baltimore almost certain hegemony over Philadelphia. Trade was not the only factor involved in the matter. Philadelphia merchants had invested heavily in the various internal improvement schemes, and the value of such improvements would suffer considerable reduction in terms of both use and investment dividends if Baltimore were allowed to tap the Susquehanna with a railroad. "After an expenditure of millions upon internal improvement," concluded the United States Gazette, "Pennsylvania [was] about to give the advantage of those expenditures to the capital of another state. . . ."¹²

The heroic efforts of Philadelphians were ultimately ineffectual. By March the legislature had passed the bill, and the charter for the Baltimore and York Railroad Company was granted. In Baltimore, the news of the Pennsylvania legislature's action was received jubilantly and not without some smug satisfaction. The obtuseness of the legislature had quite the opposite effect in Philadelphia. Commenting upon the deplorable situation, the United States Gazette grew quite bitter.

We felt the sneer from the Baltimore Gazette touching the regret expressed in this paper at the passage of a law which gives to Baltimore a considerable portion

of the trade for which Philadelphia pays. The editor of the Gazette is right; he lives in Baltimore, and if he and his fellow citizens can persuade the legislature of Pennsylvania to pass a law that will give them the immense benefits of improvements which Philadelphians support with their earnings, why we have only to say, that having won, they have a right by the law of the game, to laugh. Philadelphia merchants, especially those who trade with the country, who have paid their shop tax, and their income tax, will see that their interests have been not merely neglected, but entirely sacrificed. People may hope that the new route will not hurt Philadelphia so much as is feared; but what right have they to hope, when they see the very ground of hope has been removed. The bill, we understand, has been signed; it is now a law, and perhaps its operation can not be hindered. Will those who are about to appropriate sums of money to continue certain improvements that are wanted to make the new grant a complete mine of wealth to Baltimore, pause, and see how much more Philadelphia must pay towards her own injury, we will not say ruin - that is impossible, thanks to causes beyond legislative interference.¹³

With these problems in mind, it is not difficult to see why the early capitalization efforts of the Philadelphia and Delaware County Railroad were abortive. Such a railroad offered no immediate advantage to either the city or the county. In fact, it would place Philadelphia at a definite disadvantage should connecting lines be made across Delaware and Maryland. Finally, Philadelphia merchants had other more pressing monetary problems about which to worry. Their capital was invested elsewhere, and this project offered little in return for their uninvested money.

Coinciding with the funding efforts of the Philadelphia and Delaware County Railroad was an attempt on the part of some New Castle County, Delaware, promoters to organize a connecting line with the Pennsylvania company in order to continue the railroad through Delaware and Maryland. By the end of May of 1831, at least one public meeting

had been held at New Castle, Delaware. The purpose of the meeting was to organize a committee to petition the governor and request that a special session of the legislature be called in order that such a railroad might be chartered.¹⁴ Despite the personal solicitation, the governor denied the request, and no further action was taken until the legislature convened at its regular session beginning in January of 1832. There is little doubt that the strategists of this movement were in contact with the promoters of the Philadelphia and Delaware County road. Although no correspondence between the two groups has been discovered, newspaper evidence does suggest a liaison. In describing the recent chartering of the Wilmington and Susquehanna Railroad Company in the January 24, 1832, issue of the Delaware Journal, the editor noted that the newly formed railroad was designed to unite with the Philadelphia company at the Delaware-Pennsylvania state line.¹⁵

By the time the Delaware legislature met in January, 1832, a petition had been prepared requesting that a charter be granted for the Wilmington and Susquehanna Railroad Company. Within fifteen days after assembling, the legislature had approved the application. The charter, similar to that granted by the Pennsylvania legislature to the Philadelphia and Delaware County Railroad, appointed the necessary commissioners and gave several broad general privileges to the company. The organization was granted the rights to capitalize at \$400,000, to exercise the right of eminent domain, to charge tolls, and to erect all such structures, including bridges, necessary for the operation of the road.¹⁶ The legislature did, however, make one further stipulation. The projected railroad was to pay a state tax of eight per cent on all dividends which exceeded six per cent of the capital stock paid to the company.¹⁷

Excitement ran high in Wilmington over the newly chartered company. Although one railroad was already in operation in the state, the New Castle and Frenchtown, Wilmington had not been directly benefited by its construction. With the proposed railroad, Wilmington would be connected directly with the Susquehanna as well as with Philadelphia. On January 23, 1832, a meeting of interested Wilmingtonians took place in the Town Hall; and, after an address by John Wales, it was resolved that communications be established with influential citizens of both Maryland and Pennsylvania, so that the legislatures of these respective states would enact the laws necessary for the completion of the work.¹⁸

By the middle of March, the Maryland legislature had acceded to the demands of her sister state and granted a charter for the construction of a railroad through that state. This opened the door for further action on the part of the Wilmington promoters, and such action was quickly forthcoming. On March 21, the commissioners of the Wilmington and Susquehanna met at the home of John M. Smith to make the necessary arrangements for the organization of the company and to determine the date for the sale of stock.¹⁹

The board of commissioners, composed of some of the most influential and monied men in New Castle County including two members of the important Quaker milling dynasty, selected May 1, 1832, as a suitable time for beginning the funding process.²⁰ Publicity announcing the event was managed by lawyer-editor William P. Brobson, who was also a member of the board of commissioners. In commenting upon the project in the Delaware Journal, Brobson had little to say about the monetary advantages that might accrue from such a road. He did, however, play heavily upon civic pride. Stretching the actual situation slightly, he pointed out

that the Wilmington and Susquehanna was "a section of that continuous line of Rail Road, which is now in train of completion, from New York, through Philadelphia to Baltimore, Washington and the Ohio; and being the great thoroughfare of the Union, is, in a national point of view, as important to the public, as it must be profitable to the stock holders."²¹

That such a continuous line was in the throes of completion was something of an overstatement. It was true that the several lines had all been suggested and that most had received charters. However, little actual construction work had begun. Brobson was more nearly accurate in his concluding remarks. Summing up, he stated that "laws have been obtained from the Legislatures of the several States, for every mile of the road; and nothing is now wanting but a liberal and hearty co-operation of the public to carry it through."²²

On April 6, 1832, an advertisement appeared in the Journal announcing the sale of stock totalling some 8,000 shares valued at \$50 a share. Such stock could be procured by any person of legal age by paying five dollars for each share purchased.²³ Brobson, in his editor's column of that issue, called the attention of the reader to this advertisement published both in his paper and in two of the Philadelphia papers. Issuing something of a challenge, Brobson remarked that "our readers and public generally will, we trust, be prepared on the first of May, to prove by something more than words their determination to carry through this important undertaking."²⁴

Disillusionment followed the long-awaited sale. The commissioners were not successful in convincing the public to invest in their line. Like the earlier efforts of the Philadelphia and Delaware County promoters,

the Delaware commissioners could not obtain a sufficient amount of stock necessary for organization. Unfortunately, no record remains to indicate the extent of the failure, but one must assume from later capitalization efforts that the Wilmington and Susquehanna was an even worse failure than its predecessor in Pennsylvania. When the project was exhumed in 1835, a complete re-capitalization was necessary.²⁵

One is again hampered in explaining such a failure by the lack of evidence. It can be safely assumed, however, that the funding problems in Wilmington were not unlike those which were present in Philadelphia. The one really great difference is that a railroad constructed from Wilmington to the Susquehanna would mean a great deal to the economy of the city. The principal industry of the city was flour milling, and such a road would have meant a direct outlet to the Susquehanna and the substantial wheat trade of that region.

Part of this investment problem in Wilmington may have been the direct result of the previous capitalization failure in Philadelphia. From the very beginning the promoters of both railroads had anticipated a union at the Pennsylvania-Delaware state line and had further hoped to tie into the Susquehanna Railroad to be built from Baltimore along the Susquehanna River. If any of the three lines failed to be chartered, or failed in their funding projects, then the ultimate utility of the road was in jeopardy. This is borne out in a letter written in January, 1832, by Lea Pusey, then president of the Wilmington city council. "You are doubtless aware that a bill is before the Assembly of this state to incorporate a company for making a Rail road from the state line near Naaman's Creek, through this state to the Maryland line in a direction towards Baltimore, forming a link in the whole route from Philad. to Balt.

There is no doubt but this will pass; but neither it nor the act of your Legislature of last winter, for the easterly end of the whole scheme Philadelphia and Delaware County Railroad will avail much unless it be followed up by Maryland."²⁶

Another partial answer in solving the larger problem of failure is competition. While the charter for the Wilmington and Susquehanna was being acted upon in the Delaware legislature, the already existing New Castle and Frenchtown Railroad was preparing to introduce steam locomotion on its line just a few miles to the south of Wilmington. Any railroad built from Wilmington to the Susquehanna with connecting lines from Philadelphia and Baltimore would be a considerable competitive threat to the New Castle road. Although no positive evidence exists to prove that the New Castle-Frenchtown investors were attempting to thwart such a line during this period, such evidence does exist dating from 1834. One can, therefore, assume that the New Castle and Frenchtown line was concerned over the possibility of competition, and that it may have exerted whatever influence it could summon to prohibit the funding measures taken by the promoters of the Wilmington and Susquehanna.

Finally, negative evidence indicates that the preliminary organizational methods of the railroad promoters lacked the spirited pressures necessary to bring about success. One citizens' meeting complete with a rousing speech from John Wales seems hardly sufficient to arouse the necessary enthusiasm needed to raise \$400,000. Moreover, newspaper publicity, while present, was lacking in quantity. In short, the promoters were more prescient than practical. They looked too much to future utility once the road had been completed and assumed that the investing public did the same thing. They also lacked both personal

experience and the experience of others in organizational procedure. Under such circumstances, it is understandable why their early attempts failed.

It should be noted, however, that during the three year interim between failure and success, agitation for the completion of the Wilmington and Susquehanna did not suffer demise. A little more than a year after the charter was granted, the promoters were again petitioning the Delaware legislature for a supplementary act. In this memorial, the applicants requested that their charter be amended in order that they might unite with any company or companies that had been chartered or might be chartered in the states of Maryland and Pennsylvania. Permission to do so was granted in an act passed by the legislature on February 4, 1833.²⁷ This was an important extension of privileges that paved the way for later success.

The third of the projected railroads from Philadelphia to Baltimore was the Delaware and Maryland Railroad Company, chartered by the Maryland legislature on March 14, 1832. This company was the brain-child of Elkton and Cecil County, Maryland, promoters. It was the shortest line and yet was granted the privilege of capitalizing at \$3,000,000-- a sum greater than the other three railroads combined.²⁸ The promoters of the company did not, however, attempt even preliminary organization until April, 1835.

From the outset, the Delaware and Maryland was planned to operate in conjunction with the Wilmington and Susquehanna. Introduced into the Maryland legislature by Delegate Wilson of Cecil County, the charter was apparently considered as a continuation of the Delaware line.²⁹ By

March 6, 1832, eight days before the actual passage of the charter, Delegate Thomas, also of Cecil County, requested that no terminal points for the railroad be stipulated in the charter in order that "the location of the contemplated Rail Road, from Wilmington to Port Deposit, may not be restricted . . . but left with the Engineers and Surveyors appointed for the purpose of locating the said road."³⁰ The legislature complied with the request of Thomas, and the charter was granted on March 14.

Without much doubt, the funding failures of the Philadelphia and Delaware County and the Wilmington and Susquehanna roads were a sufficient deterrent to prohibit even preliminary organization of the Maryland line. Moreover, the Delaware and Maryland railroad would be pretty useless without its eastern connections. The charter was therefore left by the promoters to either expire or await rejuvenation at a more propitious time.

Having discussed the abortive organizational efforts of three of the four early lines, we now find an exception to the rule. With the Baltimore and Port Deposit Railroad, one turns from a study of funding failures to a study of funding success but organizational frustration. Although the Baltimore and Port Deposit was successful in selling sufficient stock to permit organization and even preliminary surveys to be made, it, like its three connecting lines, had to wait until 1835 to begin actual construction. It is to this story that we now turn.

The city of Baltimore was, by 1831, in the throes of tremendous internal improvement activity. Struggling with Philadelphia for the trade of the Susquehanna watershed, the Maryland city was fertile ground for the seeds of any railroad scheme that might promise a high return

to its markets. Moreover, the practicability of the railroad had been demonstrated through the successful operation of the Baltimore and Ohio. Finally, the Pennsylvania legislature had, in 1828, chartered a railroad to run in a southerly direction from the Philadelphia and Columbia Railroad at some place in Chester County, Pennsylvania, to Port Deposit on the western Maryland shore of the Susquehanna River.³¹ If such a line was continued on to Baltimore, "immense benefits . . . would accrue not only to the emporium of our State, but also to the Counties of Cecil, Harford and Baltimore, in an agricultural point of view."³² Thus the Baltimore and Port Deposit was not dependent upon the completion of the other three lines in order to succeed. Moreover, there was a possible alternate connection with the Philadelphia and Columbia Railroad.

Preliminary work toward obtaining a charter for the Baltimore and Port Deposit Railroad was thus begun in late December, 1831. At the initial meeting, held in Cecil County, it was determined that such a road would not only be feasible from an economic point of view, but that it also had certain topographical advantages.³³ "Whereas, the map of survey and reconnaissance made by J. Edgar Thompson, Esq., an engineer of much experience, together with the estimates now before the meeting," read the published minutes of the gathering, "show the gratifying fact that the contemplated road, as now located, has advantages infinitely superior in point of geological adaptation to any other route, and seems designed by nature to become the connecting link between the cities of Baltimore and Philadelphia."³⁴ With these factors in mind, it was resolved to petition the Maryland legislature for a charter.

Soon after this meeting, a petition for incorporation was submitted to the Maryland legislature, and on March 5, 1832, the charter was

granted. By this legislative act, the company was permitted to issue 10,000 shares of stock worth one hundred dollars a share, and eight commissioners were appointed to direct the funding efforts.³⁵ With these legislative problems solved, the railroad promoters began a two year period of organizational frustration.

Upon receiving the charter, the commissioners appointed by this act met and determined that the subscription books should be opened for the sale of stock on May 21, 1832.³⁶ On that date, stock subscriptions for the railroad were to be received at both Baltimore and Port Deposit. While this initial funding effort failed to procure investors for the entire 10,000 shares offered, sales did secure the purchase of 3,072 shares.³⁷ The majority of the subscribers bought stock in blocks of less than twenty shares; a few obtained between twenty and fifty shares; and only one individual purchased more than fifty.* The Susquehanna Bridge and Banking Company subscribed for some one thousand shares; and, from the numerical discrepancy between the total number of shares sold and those itemized in the minute book, it must be assumed that the commissioners purchased a large block of the stock for use as collateral in obtaining loans or for future sale.³⁸

With the sale of approximately one-third of the total stock, the company was organized. On June 11, 1832, the stockholders met at the Maryland Savings Institution and elected nine directors to serve for the ensuing year.³⁹ Seven of these men, Herman Stump, Frederick Dawson, Peter Neff, John B. Howell, William Freeman, Albert Constable, and Charles F. Mayer, were Baltimoreans. The other two, Henry S. Stites and Job Smith,

* For the complete stock list of this date, see Appendix B.

Junior, were residents of Port Deposit.⁴⁰

Two further organizational meetings were required before much positive action was taken with regard to building the railroad. After solving the problem of officers' salaries and appointing an executive committee, a resolution was passed authorizing the executive committee to make investigations and to obtain estimates on the cost of a survey for the proposed road.⁴¹ It was also the duty of this committee "to obtain cessions of ground for the line of the road, and to employ all persons by them desired necessary for the said objects; and to make all contracts and engagements for those unto which they may think expedient."⁴²

By October, 1832, the executive committee had completed their investigations and had selected Thomas and Joseph Schriver to make the necessary survey of the route.⁴³ In accordance with this decision, the board sanctioned the hiring of the Schriver brothers at a salary of eight dollars per day plus an allowance for contingent expenses.⁴⁴ In a letter to the surveyors, the board stipulated that should the offered position be accepted they were "to hold [themselves] in readiness to enter upon the duties which [would] be assigned [them], by instructions which [would] be furnished."⁴⁵

Within a week after issuing their first letter to the Schrivers, the board had reached a decision with regard to how the survey should be executed. According to the instructions, the primary work of the survey was to locate a route between Baltimore and Port Deposit. After arriving at the latter place, they were to continue to some point on the Philadelphia and Columbia Railroad "with a view to connecting these points by a Rail Road or some other Road of communication."⁴⁶ The Schrivers were also instructed to make some general comments upon both the practicability

of constructing the projected line and estimates concerning its probable cost.⁴⁷ Upon completion of the survey, maps and illustrated plans were to be submitted to the board.

One final note was included in this letter from the board. The Schrovers were also to make inquiries among the land holders along the route in order that some estimate for the cost of the right of way might be obtained. "It is also desirable that you should ascertain the practicability of obtaining cessions of land for the probable rout [sic] through which the road is to be made and to this subject we beg your particular attention."⁴⁸ Whether or not the survey was completed is a matter of speculation. No further comments upon this survey were made in the Company minute book, and a second survey was authorized in June of the following year. This reconnaissance was ultimately completed under the direction of W. B. H. Latrobe.

Between November, 1832, and May, 1833, no action was taken by the board of directors. At the end of May, 1833, however, the board did meet and take action toward increasing the sale of capital stock. At that meeting, a committee of four was appointed to begin a funding project in Philadelphia and to nominate two Philadelphia residents for election to the board.⁴⁹ Some transactions had apparently taken place prior to the May 30 meeting, for Niles reported in his Register of May 25 that "A project is started, and, we hope, will be consummated, of making a railroad from Philadelphia to Baltimore, by way of Oxford and Port Deposit. . . . A large part of this contemplated road is really completed--45½ miles at the Philadelphia extremity; and the stock has been subscribed for a railroad from Baltimore to Port Deposit."⁵⁰

The board met again on June 5, 1833, and at this meeting three steps were taken toward raising capital and negotiating mergers that, it was hoped, would provide funds and construct the railroad to Oxford, Pennsylvania. The first of these resolutions involved an agreement with the Canton Company of Baltimore. This company operated a number of small iron furnaces in the Canton area outside Baltimore. The directors of the railroad proposed that a contract be made with the Canton Company by which the latter company would purchase stock in the proposed railroad. Having invested in the railroad, it was then hoped that the Canton directors would permit the railroad to traverse its property free of charge.⁵¹ Such an agreement would be of value to the Baltimore and Port Deposit, for it would not only provide an outlet for unsold stock, but would also provide an entree into the city of Baltimore through the Canton Company property.

The Canton Company was represented at this meeting by a Mr. Makepeace. Unwilling to commit his company at that time, Makepeace contacted his executive committee and gained from them at least tentative support for further transactions. In a letter written a matter of hours after his meeting with the Baltimore and Port Deposit directors, he informed the railroad promoters that he had contacted his own committee and that although they were unwilling to make any definite commitment, some support would be forthcoming.⁵² Having established that such aid would be available, Makepeace further suggested that the Baltimore and Port Deposit directors "proceed to Philadelphia and make all such arrangements there, and along the line which they may think proper with a view of opening the books for subscriptions to the Stock, and such other things to promote the enterprize as may be deemed expedient. In the mean time

the Canton Company will prepare themselves to act differently [sic] upon the subject, to fix upon the amount of stock they will subscribe and the conditions upon which they will engage in the work."⁵³ Finally, Makepeace offered the assistance of individuals in the employ of the Canton Company in the funding efforts.⁵⁴

The second of the resolutions passed at the June 5 meeting concerned the re-opening of the stock books in order to secure a \$40,000 investment for construction purposes.⁵⁵ This sale was to take place on June 24, 1833, in the cities of Baltimore, Port Deposit, Russelville, and Philadelphia under the supervision of commissioners appointed by the executive committee. Although the results of the sale were not announced, it may be assumed that it was somewhat successful.⁵⁶

The third and final decision of the board was a resolution authorizing the executive committee to meet with a similar group from the Oxford Railroad Company on June 18. The purpose of this meeting was to establish a cooperative effort between the two companies in order that construction might begin on a railroad extending from the Philadelphia and Columbia line at Oxford through Port Deposit to Baltimore.⁵⁷ If such cooperation with the Pennsylvania company could be secured, then the Baltimore and Port Deposit would have valuable trade and passenger connections not only with the lower Susquehanna, but also with Philadelphia. In short, the projected goal would be reached. Unfortunately, the results of this meeting are unknown.

The company did, as stated previously, proceed with its second funding effort, and following this successful work the board met once again to determine the exact route of the railroad. On July 10, 1833,

a second survey was authorized and a master plan of instructions determined. According to this plan, the surveyor was authorized to obtain estimates on the price of property necessary for the right of way.⁵⁸ The following month, an executive committee was appointed and "invested with all the necessary power for the location and construction of the Road to Port Deposit: and for those purposes . . . have power to call in from time to time as the wants of the company in their opinion require instalments [sic] on the stock of the company."⁵⁹

With at least 3,000 shares of unsold stock left, the directors were prepared to make another funding effort. September 26 and 27 were the days designated for this sale. Fortunately, the subscription list of this sale was preserved, thus providing further evidence as to stock purchases. In comparing the final subscription list with that of the first, the same type of situation appears, that is, the majority of buyers purchased stock in blocks of less than fifty shares. The major exception to this rule was William H. Freeman, the president of the Susquehanna Bridge and Banking Company, who purchased 1,000 shares. It is also of importance to note that the Canton Company did fulfill its earlier bargain and purchase 500 shares.* With this sale, the capitalization efforts of the railroad were publicly concluded.⁶⁰

Following the annual election of the board of directors in October, 1833, at which time William Freeman, Peter Neff, Charles R. Mayer, Job Smith, George W. Dobbin, John Howell, Charles W. Karthaus, Frederick Dawson, and Graften L. Dulaney were chosen directors, a preliminary decision was reached with regard to the selection of a surveyor and

* For the complete stock list of this date, see Appendix C.

engineer.⁶¹ In December, the selection was finally narrowed to two candidates, W.B.H. Latrobe and Walter Gwynn. After several ballots, the tie vote in the balloting for the two men was finally broken, and Latrobe was hired.⁶² With the acceptance of Latrobe, the road could now be re-surveyed and some progress made toward actual construction.

Having discussed at some length the first two years of the Baltimore and Port Deposit Railroad Company, the ultimate question arises concerning its apparent success in opposition to the failure of the three eastern lines. The most obvious answer is, of course, the geographic location of the railroad. Baltimore, as noted earlier, was in a desperate struggle for interior trade. Such a railroad offered a partial solution to this problem simply by its location. The projected route followed the Susquehanna River to Port Deposit, at which point it would unite with the Oxford Railroad. Such a line would be advantageous because it would relieve the necessity for the transshipment of goods and passengers, as existed on the Union Line from Philadelphia across the New Castle and Frenchtown Railroad to Baltimore. In short, the Baltimore and Port Deposit would form a link in the chain of three railroads from Philadelphia to Baltimore that would be completely free from water transportation.

This water-free factor presents another point. The influence of investors in either the Chesapeake and Delaware Canal or the Union Line was not as great in Baltimore. Moreover, the Baltimore and Port Deposit had, in this early period, the support of such organizations as the Canton Company and the Susquehanna Bridge and Banking Company. Both organizations were not only willing to invest in the railroad, but were also ready to use whatever influence they might possess to influence others. Such

support was not available to the other three lines.

In the last analysis, it was not the problem of capital investment that plagued the Baltimore and Port Deposit. It was rather the problems of organization and of connecting lines. From the lack of action on the part of the board of directors, it would appear that these men were somewhat at a loss as to precisely what steps should be taken next. Furthermore, the inability to join with a connecting line caused further delay in construction. The Oxford Railroad was apparently faced with a number of problems probably related to its funding efforts. In waiting for the Oxford Company to solve its problems so that a connection might be established, the Baltimore and Port Deposit directors were, in effect, freezing their capital resources. In so doing, they risked losing the interest and confidence of their investors. This, however, proved to be of great importance. For in waiting, the Baltimore and Port Deposit became an easy prey for wealthy investors who realized the potential of the road and were able to eventually gain control and unite it with the three eastern lines to form the Philadelphia, Wilmington and Baltimore Railroad.

CHAPTER III

THE BALTIMORE AND PORT DEPOSIT

With the selection of Latrobe as engineer for the road, the job of surveying a possible route was begun. In January, 1834, the board of directors issued a call for the payment of one dollar a share on all subscribed stock, and the president was ordered to present an itemized statement of expenses incurred by Latrobe.¹ By March 29, the latter had completed his survey and had submitted his report to the board.

Apologetic for not having completed his written report in time for the board to petition the Maryland legislature for financial assistance, Latrobe described in detail both his methods of survey and his observations.² Beginning in Baltimore at the intersection of Boston and Hudson Streets, he surveyed two possible routes to the outskirts of the city. Joining near Harris' Creek, the two possible outlets proceeded as one line to Port Deposit, the terminal point of the railroad.³ Having stated the route, Latrobe then made several estimates with regard to the cost of construction. The cost of grading the entire 41 mile route was estimated at \$179,021.64; masonry bridge work at \$38,611.10; pile bridging at \$50,710.00; and the actual track including installation at \$152,042.90.⁴ This would place the calculated cost of the entire single-tracked railroad at \$420,385.64, or approximately \$10,000.00 per mile.

This estimate was, however, based upon the use of cheap construction materials. It was Latrobe's considered opinion that this original line should be built for use over a four or five year period only, and to be ultimately replaced by a more durable track. "In this way the immediate outlay upon the work would be made as small as possible; and opportunity

be offered to test the value of the projected road as an investment of capital, to construct the second track in the most economical manner, and to apply to it any improvements in the form of railways, which may, in the meantime, be discovered."⁵

In his concluding remarks, Latrobe recommended that the proposed road be constructed with all possible haste. Such a railroad would not only be relatively inexpensive to build and maintain, but would also offer a handsome return for the investment. This report, as one might expect, was warmly received by the directors. When the board met on April 1, 1834, it was unanimously resolved that Mr. Latrobe receive the approbation of that body for "the diligence, skill and accuracy which have distinguished his labours in the service of the company."⁶ One problem, however, still remained. The directors did not have sufficient funds with which to pay Mr. Latrobe for his services. It was therefore necessary to appoint a committee of three to investigate the means available to the company for raising money in order that the balance of Latrobe's account might be paid.⁷

Although the company had theoretically disposed of all its stock, sufficient measures had not been taken by the directors to procure money necessary for actual construction. The directors were, therefore, at an impasse until such funds could be secured. At the same April meeting in which the embarrassing situation arose over the payments due Latrobe, the directors again struck out in a futile effort to gain financial support. Turning their eyes toward Congress and the Federal treasury, a motion was made authorizing a committee to petition Congress for a loan.⁸ Such a committee was duly appointed, but the action taken by this group is unknown.

Silence ensued, and the board became inactive. Unable to continue in their construction efforts because of insufficient capital, they could only wait until monied interests were ready to complete the project. Why additional installments were not called in is unknown. Perhaps the stockholders were unwilling to place further money in the hands of an apparently ineffectual board. No clues exist to explain this problem except that the board did not deem it advisable to request further payment on stock subscriptions.

The long awaited millennium arrived in the spring of 1835. In March of that year, Roswell L. Colt, a Baltimore speculator and close friend of Nicholas Biddle, became interested in the projected railroad.⁹ Colt, realizing the monetary advantages that might accrue to the backers of this road, contacted Biddle on March 23 and outlined his plan of observation for possible investment. "I want W. H. B. Latrobe who surveyed the route from this to Havre de Grace [and] Port Deposit to take his survey [and] the Charter [and] see if a Company cannot be formed to make this line."¹⁰ The advantages of such a line, according to Colt, were obvious. "The Wilmington line from [?] to opposite H[avre] D[e] Grace runs a continuous rail road from Philad[elphia] to Balto[more] [and] the distance can always be made in 5 hours or 6--allowing 1 for stoppages [and] 5 at 20 miles per hour. This will resume the whole travel between the 2 cities for no one will ride along for 10 hours when he can do it in 6."¹¹

Within three days after his first letter to Biddle, Colt was writing again, this time referring to the Baltimore and Port Deposit as "our rail road."¹² He also suggested that he would have secured the majority of the stock within a day or two. On March 30, Colt dispatched his third letter to Biddle in which he enclosed a copy of the railroad's

charter. He further stated that the directors had offered him 3,000 shares of stock at five dollars down, and the remaining \$95 a share in installments.¹³ Although Colt appeared extremely anxious to purchase the stock, he was somewhat cautious. Realizing that the railroad would have to connect with Philadelphia, he requested that Biddle consult the directors of the rejuvenated Wilmington and Susquehanna concerning the progress of that line before any further moves would be made.¹⁴ This caution may well have been a calculated move, for Colt was also trying to interest Biddle in purchasing stock for himself.

Biddle was apparently not fully convinced of Colt's plans. Moreover, it would appear that Colt was depending upon a loan from the Bank of the United States in order that he might make a down payment on the 3,000 shares of stock which he had been offered. Convinced that Biddle still lacked assurance that the Baltimore and Port Deposit was an investor's dream, Colt wrote a fifth letter on April 1, 1835, that almost reeked with sanguine expectations. Colt began this letter with the suggestion that a close scrutiny of the charter gave the railroad even greater appeal. "The more I have examined the Charter of the P[ort] Deposit Rail R[oad] Co. the better I like it."¹⁵ Reiterating the obvious time-saving advantages that the projected lines from Philadelphia to Baltimore possessed, Colt then struck at a new but important economic factor. "The Post Office would have to pass at least 2½ per c[ent] Interest on the part of the road from this to Phila[del]phia for carrying the Mail."¹⁶ Knowing that the Post Office Department was interested in more rapid and efficient ways of transporting mail, Colt could use such an argument to further his cause with the reticent Biddle.

If the purpose of this letter was solely to convince Biddle, Colt was wasting his time. In a post script to this letter, Colt acknowledged the receipt of letters from both Biddle and Matthew Newkirk, a Philadelphia investor.¹⁷ Although Colt did not state positively that he received either an actual or a promised loan from Biddle, he implied that the letter from Biddle contained either a \$5,000 loan or a promise that such a loan would be forthcoming.¹⁸ From subsequent evidence, it would appear that the letters from Biddle and Newkirk on April 1 contained only promises of loans. Writing to Biddle on April 3, Colt stated that he had received "your two favors of yesterday. I paid for the 3,000 Shares to day and all is in order."¹⁹ Whether this monetary accommodation was done with personal or Bank money is, unfortunately, unknown.

On April 2, 1835, the board met and approved a resolution authorizing the president to sell 3,000 shares of unsubscribed stock to Colt. The terms, now more liberal, were two dollars down on each share, and the remaining \$98 per share payable in installments on demand.²⁰ Following the consummation of this sale on April 3, Colt also purchased 145 shares from the open market.²¹ Still unsatisfied, Colt approached W. H. Freeman. Freeman was not only a director of the railroad, but also the president of the Susquehanna Bridge and Banking Company. In the latter capacity, Freeman controlled the 1,000 shares to which his company had subscribed. He had also personally purchased some 1,140 shares, making him owner of one of the largest blocks of stock. Colt went after Freeman's stock, but without much initial success. Describing his effort to Biddle, Colt stated that Freeman "rates us Jewish."²²

With 3,145 shares of stock in his name, it was only logical that Roswell Colt be named to the board of directors. This position was

readily accepted by him, and within days the wheels of the organizational machine of the company began to operate at an increased speed. Colt outlined part of his reorganizational plan to Biddle in a letter dated April 3. "I am satisfied W. H. B. Latrobe would be an excellent engineer to superintend the location, gradation, and whole construction and before anything was done I would [like] M. Knight our chief engineer to go over the route with Latrobe because the money laid out on the 16 miles at Frenchtown will make the whole line from B[altimore] to Phila[delphia]."23

Moving at a more rapid rate than they had for the past three years, the board met on April 4 and passed a resolution authorizing the president to call for an installment of five dollars on each share of stock. This money was to be paid the treasurer of the company on or before June 10, 1835.²⁴ This money plus the \$6,000 already received from Colt would provide the basic capital for the beginning of actual construction work.

The effect of this notice was to precipitate the sale of some subscribed stock. The Baltimore and Ohio Railroad Company, for example, immediately sold its one hundred shares.²⁵ The result of such action lowered the value of the stock, and by April 9 Colt reported to Biddle that shares with a face value of \$100 were now selling for fifty.²⁶ This action did have, however, at least one beneficial aspect. Investors were more willing to purchase the stock at half price. Always the speculator, Colt felt that there was one remedy for the situation. "If our Directors will make Dividend in July of only \$1.50 a share stock will rise to par but I fear there is too much of the old men left in the Board to act properly."²⁷

Such action on the part of the board was not necessary. The sudden

activity of this body combined with the sale of stock by some of the initial investors and the subsequent buying flurry on the part of men such as Matthew Newkirk quickly brought the stock back to above par. Colt, in concluding the same letter to Biddle in which he had suggested the early declaration of a dividend, announced that an individual "has called on me [and] he has secured 700 shares for which he paid a Dollar advance. He is very sanguine as to the road and I think with him [that] it will be a profitable route."²⁸ Colt was also led into the snare of hopeful prognostication at this point. "I am satisfied," he wrote to Biddle, "a road can be made from Bal[timore] to Phila[delphia] for 1½ Millions and that Government would pay 2 per cent on the cost of transportation of the mail, and that your passengers would average 200 a day which at \$3--would yield \$30,000 a year \$230,000 with the Mail. Passengers and transportation of Goods would pay the expenses."²⁹

In accordance with the provisions of the charter, a meeting of the stockholders was held in Baltimore on May 11, 1835. Perhaps the most important action taken by this group was the election of three new directors. With the selection of Matthew Newkirk, Lewis Brantz, and J. J. Cohen, Junior, the composition of the board was rapidly shifting toward the wealthy and capable banking and business interests. Almost as if in answer to Colt's earlier plea to Biddle, some of the so-called old men were being replaced by individuals unafraid of business risks. The second step was the unanimous approval of Colt's resolution calling for the immediate commencement of construction.³⁰

Following the meeting on May 11, the newly-formed board met to elect officers and to begin execution of the directives issued by the stockholders. W. H. B. Latrobe was chosen as construction engineer and

instructed to proceed immediately in determining the exact location of the road.³¹ Two committees were also appointed. The first was authorized to negotiate with the Canton Company for the construction of a bridge on property owned by the latter organization. The second committee was directed to interview applicants and ultimately choose a land agent whose duties included the procuring of the land necessary for the right of way.³²

Three more board meetings were called during May. The most important of these was held on May 12, when the board met for a short session at which time a new order for the payment of an installment was issued. To put teeth into this order and also to collect installments still outstanding from previous calls, the board invoked the fourth section of the charter, which granted the directors the privilege of forfeiting any unpaid stock.³³ With the forfeiture penalty in effect, all stock payments had to be made on or before June 13, 1835, or such stock would revert to the company for re-sale.³⁴

Niles announced the decision of the board to begin construction with much jubilation. According to the Register of May 16, 1835, actual work upon the line was to begin within ten days. The engineer was already at work and, according to the editor, a line of railroads would probably be in operation between Philadelphia and Washington within two years' time.³⁵ The validity of Mr. Niles' first statement regarding actual construction is questionable. Latrobe was, however, at work. On May 18, the board met for a brief session at which time \$200 was withdrawn from the company treasury to defray the immediate expenses incurred by the engineer.³⁶

Throughout most of May, stock activity remained high. With the threat of forfeiture facing many subscribers after the June 13 deadline, it was obviously better business to sell on the open market and take a partial loss on money already invested than to lose out entirely by allowing this stock to revert back to the company. This buying and selling flurry was augmented by the company itself. With several thousand shares of stock on its hands which had been withheld for such purposes, the company was now interested in finding buyers.

The board was at least partially successful in their efforts, for on May 23 Matthew Newkirk, one of the newly elected directors, offered to purchase 3,587 shares of this unsubscribed stock. This offer was readily accepted by the board on terms advantageous to the company. In his proposal to his fellow directors, Newkirk tendered a deal in which he would receive title to the 3,587 shares for a down payment of \$18,300. This money, when paid in full, was to be considered "as in full of the installments of five Dollars per share on said 3,587 Shares already called."³⁷ In other words, Newkirk bought stock whose paid premium value was considered at \$17,935 for \$18,300.

Following payment of the June 13, 1835, installment, the company finally possessed the means with which to begin actual construction work. The board met on June 16 and issued several directives toward this end. The first, and most important of these, was the final selection of the route to be followed from Baltimore to Port Deposit. In conjunction with this decision, a committee consisting of the president, Latrobe, Karthaus, and Colt was appointed to advertise for and examine construction bids.³⁸ Latrobe was also instructed to ascertain the probable cost of building the necessary bridges and make, if possible, construction

contracts based upon his estimates.³⁹

After a general discussion regarding construction, Roswell Colt, chairman of the land procurement committee, presented his report. He stated that W. A. Patterson had been employed by the committee as general land agent, and that during Mr. Patterson's short tenure in that capacity, he had already secured seventeen relinquishments.⁴⁰ This was an important accomplishment, for although the railroad company had the power to condemn land, a board of assessors had to be appointed by the sheriff of the county to ascertain land damages should the right of condemnation be practiced. This not only slowed the process of obtaining the right of way, but often proved costly to the railroad. It was therefore advantageous to the railroad to settle out of court.

By July 1, 1835, preparations necessary for the awarding of construction contracts had been completed. Latrobe had divided the proposed line into sections, and had made estimates of construction costs based upon soil composition. That is, a contractor would be paid more for grading rocky or uneven terrain than would his counterpart grading flat terrain composed of loam. On this basis, Latrobe was authorized, for example, to contract for the grading of section two at not more than fifteen cents a cubic yard. On section five, however, he was permitted to pay the contractor twenty cents per cubic yard.⁴¹ Bids were also received for bridging at this meeting, and two contracts were awarded.⁴²

If construction was to be continued, then working capital had to be procured immediately. Newkirk, cognizant of the liberal investment policies of Kentucky banks, wished the company to negotiate for loans in that part of the country. Writing to Nicholas Biddle on July 12, 1835,

Newkirk stated this desire and designated Roswell Colt as the man most likely to succeed in such an undertaking. "I should rejoice to see Mr. Colt sent on a mission to Ky. to negotiate with the Ky. Banks, and I think there is not a member of the board, so well qualified as he is to make favorable arrangements."⁴³ Whether Colt made such a trip or not is unknown. The company did, however, issue a call for three installments of \$2.50 each payable on the 5th days of September, October, and November respectively. A resolution was also passed placing \$30,000 in the construction fund subject to the requisition of Latrobe.⁴⁴ This would give Latrobe some financial support until an immediate loan could be procured using the three anticipated installment payments as collateral.⁴⁵

The proverbial fly in the ointment of success was, however, not far off. Problems did not end with a reorganization of the company and the revision of the fiscal policy. With contracts for construction about to be made, the difficulty of right of way suddenly appeared. On August 6, 1835, Baltimore newspapers carried the following notice: "To the Citizens of Harford and Baltimore Counties,--Awake and attend your rights and priveleges. Whereas the Baltimore and Port Deposit Rail Road Company are now locating their road, and it is understood that they intend to Bridge the Gunpowder and Bush Rivers . . ."⁴⁶ The fight to control what some citizens felt was the vested interest of the railroad against the individual landowner was on.

The cause of this notice and the citizens' meetings which followed was supposedly over the right of the railroad to bridge the Gunpowder and Bush Rivers. It was felt by the opposition that should these tidal rivers be bridged with a permanent structure the existing means of water transportation from their farms would be ruined. This was a legitimate

complaint in part, for small shallops and other sailing vessels still plied these and other numerous streams throughout the area. Many of these farmers still maintained small wharfs along the rivers, and they used boats to transport their produce to market in Baltimore.

The railroad promoters took something of a different view of this problem. Newkirk, in a letter to Biddle, typified this sentiment--colorfully if somewhat ungrammatically. "There is a Mr. Sewall in Haverford, who is a Jackson Van Buren kitchen cabinet politician he has had some popularity in the county but is loosing it and he is trying to make use of this means to recover, but I do not apprehend much difficulty from this Quarter. He tryed to get up a meeting the last of July while I was in Balt[imore]. I immediately dispatch'd Mr. Patterson into his neighbourhood and got him to operate quietly with some of the substantial men in the neighbourhood and completely defeated his former meeting."⁴⁷

Newkirk did not stop at a mere diagnosis of the situation. Operating under the theory that the railroad could buy off such an attack, he suggested that "\$50 or \$100 judiciously managed in the very commencement of these little petty attacks upon us may save us the trouble of going to the Legislature as they may make sufficient noise to get up a petition to the Legislature and anoy [sic] us."⁴⁸ Unfortunately, Newkirk had underestimated the power of his opposition. By November, 1835, the Baltimore and Harford County groups had gained enough momentum to pose a very real problem to the railroad. With threats of legislative petitions when the assembly met in January hanging over their heads, the board invited a selected committee from the two counties to meet with them.⁴⁹ The meeting, held on November 18, was a complete failure. It had been the hope of the opposition group that the railroad would be re-routed.

The directors, on the other hand, wished to convince their adversaries that it would be sheer idiocy to make such a move.

Failing to reach an agreement, the board prepared to fight. It notified the Baltimore and Harford County groups of its decision to follow the original route and then prepared a defense of this decision for the ultimate battle in the Maryland Assembly. At a meeting on December 16, 1835, the board appointed David Stewart and James W. McCulloch as lobbyists for the railroad interests at Annapolis.⁵⁰ By February, 1836, however, reinforcements from the railroad board had to be rushed to the scene. Commenting upon the situation in a letter to Nicholas Biddle, Newkirk stated that upon arriving at Annapolis on February 22 "I found things in a much worse condition than I expected, and there appears to be more importance attach'd to it here by the members of the Legislature than I thought they could be induc'd to give it."⁵¹

Charles Sewall and his group had apparently been actively engaged in arousing the animosity of rural representatives of the assembly toward the railroad. "Col. Sewall and those persons opposing us have been here for a long time keeping open house and treating all they could get hold of and trying to make them believe that this bridging business could ruin the whole country and destroy the navigation and break up the Fisheries."⁵² Moreover, Sewall and his group were not without support. William Freeman, the former president of the Susquehanna Bridge Company and also an early member of the railroad board, had, according to Newkirk, "turned traitor and he is bringing up all the first and informal transactions of the board."⁵³

Two days later, Newkirk felt somewhat better. Sewall, Newkirk reported, was trying to make the whole affair a political issue and

without much success. There was, however, one major difficulty. The petition of Sewall's group was still in the hands of the House Grievance and Complaint Committee. This fact bothered Newkirk for "they [the Committee] are all young men and do not understand business and you cannot hurry them they are of so much consequence particularly in their own estimation, that they have to be humor'd and indulg'd in their own way."⁵⁴

After nearly two months of investigation, the Maryland legislature was ready to act. Much to the chagrin of the railroad promoters, Sewall and his group had succeeded in convincing the legislature that a bridge over the Bush River was illegal. Newkirk left Philadelphia for Annapolis on March 27 to stem, if possible, the adverse tide.⁵⁵ He was, however, too late. "I was exceedingly mortified on my arrival at Baltimore to find the Legislature had acted in our Case, that the Committee reported we had not the right to bridge the rivers, but wanted to pass a declaroty [sic] act, giving the right which act the Legislature rejected almost [sic] unanimously."⁵⁶

The railroad was ultimately successful in obtaining legislative permission for the two bridges. A petition was presented by the railroad directors at the same legislative session, and this petition was granted.⁵⁷ The actual cause of the strife is left to conjecture. It is doubtful that either side emerged from the fray clothed in the garments of purity. From the beginning the railroad had been committed to the contested route for financial reasons. It would have cost both time and money to change the course of the road once the contracts had been let. On the other side of the coin, farmers who owned wharfs along the Bush and Gunpowder Rivers would lose a cheap means of transporting goods to market. Whether politics actually played as important a role in the

beginning, as Newkirk thought, is unknown. It would probably be safe to assume, however, that politics in the form of agrarian interests versus business interests did enter into the picture once the case reached the Maryland Assembly.

The railroad directors continued to function throughout the strife with the Sewall faction. While Sewall was organizing his opposition against the railroad, the board was working toward its ultimate completion. Undaunted by the threats of Harford and Baltimore County farmers, the directors met with Joseph McIlwane, president of the Oxford and Cecil County Railroad Company, on September 15, 1835, to discuss a union with that line at Port Deposit. The purpose of this union was to form a continuous line from Philadelphia to Baltimore.⁵⁸ Connecting with the Philadelphia and Columbia Railroad by way of Oxford, the Oxford and Cecil County Railroad would continue south to Port Deposit where it would join the Baltimore and Port Deposit. On a motion from Mr. Mayer, the Baltimore and Port Deposit board agreed to consider the proposed plan.⁵⁹ Such a union never reached fruition. Moreover, through interlocking boards of directors the Baltimore and Port Deposit was virtually committed at this time to a union with the Delaware and Maryland, the Wilmington and Susquehanna, and the Philadelphia and Delaware County Railroads.

With friction mounting from without, dissension and dissatisfaction broke out between members of the board. Matthew Newkirk was the first to express this displeasure with the administration of the Railroad. In a letter to President Finley, Newkirk stated that he felt the railroad deserved the undivided attention of its president, and that Mr. Finley was incapable of devoting this amount of time because of his other

business connections.⁶⁰ This was, obviously, a subtle suggestion that Finley resign from the presidency. Newkirk became more blunt as his letter progressed. He stated that he had contacted John H. Latrobe, brother of W. H. B. Latrobe, to determine if Latrobe would accept Finley's position. John Latrobe would be, according to Newkirk, an excellent man because he would want to see his younger brother's first engineering project succeed.⁶¹

Having said that much, Newkirk had little choice but to continue. "I am perfectly aware that this is a delicate subject to write you on, but I view it in a plain business light and wish you to do the same. There is an important Road to make, when I embarked in it I relied strongly on the cooperation of others, but in this I am disappointed. They will not pay up their instalments. The Directors in the Co. appear to take but little interest in it, and it is with great difficulty a quorum of the board can be collected."⁶² Having thus stated his case, Newkirk asked Finley to resign.

Upon completing his letter to Finley, Newkirk immediately wrote Nicholas Biddle. He enclosed both his letter to Finley and the letters he had received from John Latrobe with the instructions that Biddle was to forward the former if it was satisfactory. "I have written to Mr. Finley and if you think it is a suitable one to send under present circumstances please have it sealed up and forwarded to him by the next mail. I have thought it best to make a plain statement to him such a one as he canot [*sic*] misunderstand."⁶³ Newkirk's letter had its desired effect. Colt, who was in Baltimore, wrote to Biddle immediately after Finley had received the letter. Finley had not welcomed Newkirk's suggestion of resignation in a business-like manner. Instead, Colt felt that

"Finley has acted in a most infurious manner and I fear forced by his conduct M. Latrobe to resign all idea of being our President."⁶⁴

Biddle relayed Roswell Colt's message concerning the state of affairs, and Newkirk left on October 12 for Baltimore. Upon Newkirk's arrival, a meeting of the board took place at which time Finley formally resigned.⁶⁵ Following the acceptance of this resignation, Frederick Dawson nominated Roswell Colt as Finley's successor, and Colt was subsequently elected president of the company.⁶⁶ Colt had, however, a very short term of office. Finding that the railroad duties consumed far too much of his time, he resigned the presidency on November 18, 1835. His unexpired term was subsequently filled by Louis Brantz, who continued as president of the road until his death in January of 1838.⁶⁷

With the departure of Finley, the board of directors was under the control of Newkirk and his colleagues. The result of this shift was the prosecution of an even more rapid construction policy. Apparently disgusted with Finley's haphazard and ineffectual methods of obtaining stock payments, the board issued a call for two more installments payable on December 5, 1835 and January 5, 1836. They also authorized the new president, Mr. Colt, to forfeit any stock upon which any installments remained unpaid by November 1, 1835.⁶⁸

The problem of stock forfeiture was a very important one. As discussed earlier, an individual might obtain title to stock by making a small down payment on each share. If no further payments were made, the railroad company was burdened with a financial dead weight. Finley, according to Newkirk, had failed miserably in handling this situation. The charter of the Baltimore and Port Deposit permitted the directors to

forfeit stock upon which payments had not been made. Finley did not choose to exercise this privilege until two months before his forced resignation. In September, 1835, the board passed a resolution requiring forfeiture of all unpaid stock on October 1.⁶⁹ On October 13, twenty-two stockholders had not complied with the resolution, resulting in the subsequent loss of their stock. With this move, the company gained 647 shares worth \$64,700 for re-sale.*

In November, 1835, several important decisions were made with regard to construction and eventual operation of the railroad. On November 17, the board approved Colt's negotiations with Baring Brothers and Company of Liverpool, England, for the purchase of track. Under this agreement, Baring Brothers were to open a credit account for the Baltimore and Port Deposit in Liverpool for 25,000 pounds sterling. The English firm was to receive for this credit service an additional commission of two and a half per cent on all track imported by the railroad.⁷⁰

After determining the source of supply for the track to be used in construction, the board turned its attention to an important contract offered by the United States Post Office Department. The Postmaster General requested that a contract be made with the Baltimore and Port Deposit, the Delaware and Maryland, the Wilmington and Susquehanna, and the Philadelphia and Delaware County Railroads to carry the mail from Baltimore to Philadelphia beginning on January 1, 1837.⁷¹ The four railroads, according to the proposed contract, were "to carry the fast Mail once per diem each way from Philadelphia to Baltimore . . . in the time of Seven hours between the two cities, for which purpose they also agree

* For a complete list of the stockholders and the number of shares forfeited, see Appendix D.

to provide suitable accommodations in a car to be denominated the United States Mail Car from which car the Mail will be delivered to the Post Masters at each of the above mentioned cities."⁷²

Such a contract would provide an important source of revenue for the companies. For this service, the Post Office Department agreed to pay \$30,000 the first two years and \$25,000 a year thereafter. If, however, the railroad succeeded in shortening the time necessary for each trip to six hours, then the Post Office agreed that the compensation would either remain at or again be raised to \$30,000.⁷³ In agreeing to the terms of the contract, the companies were assuring themselves of a constant source of income. Moreover, they were also gaining the approval of the Federal government over such competitors as the Union Line.

The final decision made at the November meeting concerned the disposal of forfeited stock. At the conclusion of the meeting, it was resolved that the president be authorized to sell any portion of this stock to the directors of the company at not less than its par value with interest.⁷⁴ This decision, while appearing somewhat trivial, provided the wedge with which Newkirk and Biddle gained controlling interest in the railroad. Using Colt as their front man, they were able to obtain 3,587 shares of stock in March of 1836.⁷⁵ With this purchase, Biddle and Newkirk owned a total of 6,927 out of a possible 10,000 shares of railroad stock.⁷⁶

By December, 1835, the Baltimore and Port Deposit was negotiating with the Delaware and Maryland line with regard to the best means of connecting the two railroads. The major problem was, of course, the crossing of the Susquehanna River. On December 16, the Baltimore and

Port Deposit board agreed that a steamboat was the most logical solution and appointed a committee empowered with the authority to contract for a steam driven ferry.⁷⁷ This committee included B. H. Latrobe, who was also instructed to confer with William Strickland, the engineer of the Delaware and Maryland line, and work out the actual physical details of the steamboat subject to the approval of the two boards of directors.⁷⁸

On April 4, 1836, a decision was finally reached between the Baltimore and Port Deposit and the Delaware and Maryland Railroads. It was decided that a steamboat should be built to accommodate at least 300 people and with sufficient track on the top deck to hold a train of cars.⁷⁹ The boat was also to be supplied with dining facilities so that the passengers might eat while being ferried across the river. Latrobe was appointed construction engineer for the project. With the exception of minor administrative problems, construction of the craft was begun and completed in time for the opening of the railroad in 1837.⁸⁰

With grading and bridging underway by the spring of 1836, the board began anticipating the completion of the road. With the ever-present money problem, a greater effort was made to procure the regular payment of installments from stockholders. On April 4, one thousand shares of stock which had been subscribed for by the Susquehanna Bridge Company were forfeited, and in August a call was issued for three more stock payments of five dollars each.⁸¹ Regardless of this, monthly construction costs were still exceeding income. Latrobe, writing to Newkirk in October, complained bitterly of this fact. "Our treasury is again empty. I have had but \$14,000 out of the \$21,000 which my estimate for the beginning of this month called for and all of which will be immediately wanted to pay the demands upon my department."⁸²

An attempt to economize on a depot in Baltimore was also made at this time. A committee of three directors was appointed to meet with the board of the Baltimore and Ohio Railroad in an effort to construct a joint depot with that company.⁸³ The Baltimore and Ohio was, however, reticent regarding this plan. Although initial contact had been made by the Baltimore and Port Deposit in April, no action had yet been taken by the Baltimore and Ohio in October. Describing the inactivity of the latter company in this matter, Latrobe diagnosed the situation by stating that "the present direction is determined to wait the coming election before they take any further responsibility upon themselves."⁸⁴

Shortly after receiving this news, Newkirk wrote a discouraging letter to Biddle. "I feel allmost [sic] discouraged in my visit to Baltimore, for I was very anxious to have the Depot question settled while there, but there is no prospect of it at present."⁸⁵ The Baltimore and Ohio did, nevertheless, act more quickly than Newkirk had hoped. On October 11, the directors of the Baltimore and Port Deposit received a communication from the Baltimore and Ohio offering the use of the latter company's depot in Baltimore at a rent of \$3,000 a year.⁸⁶ After some further negotiations, an agreement was finally reached. The Baltimore and Port Deposit was permitted the use of the Baltimore and Ohio depot at an annual rent of \$2,500.⁸⁷

On June 14, 1835, the first shipment of rails arrived in Baltimore from Liverpool, and the laying of track was begun.⁸⁸ The following month, the directors met with a representative of the Canton Company, and the arrangements regarding right of way and an engine house on Canton Company property were found satisfactory.⁸⁹ By October, the road was progressing at a very rapid rate. Additional installments were called for November

and December in order that construction might be completed.⁹⁰ The board also re-elected Lewis Brantz as president of the company during the October meeting, and raised his salary from \$500 to \$1500 a year.⁹¹

Between December, 1836 and July, 1837, the board of directors was busily engaged in completing the final arrangements necessary for the operation of the railroad. On December 13, the salaries of the ticket agent in Baltimore, the steamboat captain, and the engineer of machinery were placed at \$1250, \$750, and \$900 respectively.⁹² In January, 1837, a committee from the Baltimore and Port Deposit was appointed to meet with a similar group from the Wilmington and Susquehanna to work out such operational problems as the hiring of an individual to command the steamboat across the Susquehanna.⁹³

Throughout this period of intense activity, financial problems became acute. Realizing the company's constant need for money, the directors placed an increasingly heavy demand upon the stockholders for capital resources. In January, 1837, the board authorized the president to call for three more installments payable on March 1st, 10th, and 20th. The first two payments consisted of five dollars a share. The third payment was cut to \$2.50 a share.⁹⁴ Expenses, however, continued to mount. Large expenditures such as the \$4,500 needed to purchase an engine for the steamboat quickly absorbed much of the revenue received from stock payments.⁹⁵ As a result, the president was requested by the board to seek an extended payment plan from Gillingham and Winan, the shipyard which manufactured the steamboat Susquehanna.⁹⁶

Despite monetary problems and administrative headaches, success was close at hand. By June 21, 1837, newspaper notices began appearing

announcing the opening of the Baltimore and Port Deposit Railroad within a very few days. With actual operation imminent, the directors began hiring a train crew. On June 27, Edward Ford was procured as engineer for the locomotive at \$60 a month. The services of William Adreon for the position of conductor were also sought at this time, but Mr. Adreon declined the offer because he felt the annual wage of \$400 was too low.⁹⁷ Additional ticket agents were also hired for the depots at Baltimore and Havre de Grace.

On July 3, 1837, the final resolution necessary for the actual operation of trains upon the Baltimore and Port Deposit met with the approval of the board of directors. At that time, the transportation agent was instructed to "place on the road a Locomotive and two passenger cars to run daily to and from Havre de Grace to Commence on 6th of July instant. Starting from the East Side of Pratt Street Bridge at 9 A. M. and proceeding to Havre de Grace and returning to leave Havre de Grace at 3 P. M."⁹⁸ The cost was one dollar for the complete trip or fifty cents if the passenger went only as far as the Gunpowder River. Children were to ride for half fare.⁹⁹

The dream had thus reached fruition. More than five years after receiving its charter, the Baltimore and Port Deposit was in operation. On July 7, the Baltimore Sun announced the great success. "This Rail Road opened yesterday for general travel between Baltimore and the Susquehanna. In the course of a few weeks it is understood there will be a continuous line opened from Baltimore to Wilmington, and, by Christmas, it is probable that the rail road communication between Baltimore and Philadelphia will be completed."¹⁰⁰

CHAPTER IV

THE WILMINGTON AND SUSQUEHANNA

In opposition to the Baltimore and Port Deposit, the Wilmington and Susquehanna Railroad Company ceased to function following its abortive funding effort of 1832. Some agitation for the line did, however, continue. As we have noted previously, the Delaware legislature in its 1833 session responded favorably to a petition in behalf of the defunct company. Through an amendment to the charter, the railroad was granted the privilege of executing a merger with either a Pennsylvania or Maryland line should such an opportunity arise.

By January of 1834, however, there was at least some evidence that the railroad might yet be constructed. In that month, Samuel Irvins, an investor in the New Castle and Frenchtown Railroad living in Philadelphia, wrote to James Booth of New Castle. In his letter, Irvins showed some very real concern over the possibility of competition from a resuscitated Wilmington and Susquehanna Railroad. "In case of an opposition the ensuing season, which perhaps is not improbable, it will be a matter of great importance to have boats of the greatest-speed; and more especially, if from accident or any other cause, the Morris should be temporarily withdrawn from the line, her place ought to be supplied with a boat, nearly, if not quite equal to her speed."¹

This fear of competition on the part of the New Castle and Frenchtown investors had really begun to materialize by October, 1834. On October 21, a long letter to the editor appeared in the Delaware Gazette. Signed only with the letter "F.", the epistle was a strong indictment

against the Union Line of which the New Castle and Frenchtown Railroad was a part. "As the People's line of transportation and passage between the cities of Philadelphia and Baltimore, has had many difficulties to encounter, while contending with a powerful and wealthy antagonist [the Union line], not only the salvation and prosperity, but triumphant success of this line is not to be dispaired of, as it is my purpose to demonstrate, without the fear of contradiction."²

The author then proposed a plan which, according to him, would insure success to the Wilmington and Susquehanna Railroad. He also enumerated the advantages of such a line such as the already existent act of incorporation; the heavy trade between Philadelphia and Wilmington; the use of the line for carrying mail; and the fact that the terminal points on either end of the proposed road connected with excellent harbors.³ In concluding his letter, the author made several estimates regarding the cost of constructing the road. According to these calculations, a double tracked line could be built for \$875,000, or approximately \$25,000 per mile.⁴

By mid-November, sufficient interest in the railroad had been aroused in the Wilmington area to warrant a citizens' meeting. On November 21, a notice appeared in the Wilmington newspapers requesting that all individuals interested in "making arrangements to carry into effect the act of the Legislature of this State, to establish a Rail Road from Wilmington to the Susquehanna" meet at the Town Hall on November 29.⁵ The meeting, which was attended by a large number of people, was successful. Preliminary organization was achieved, and committees were appointed to initiate correspondence with the state of Maryland and to collect information relative to the practicability and expense of the proposed

railroad.⁶

At a second meeting, held on December 13, a report was made concerning the practicability of the road. The committee appointed to deal with this aspect exhibited a great deal of good sense in making their report. Following their appointment on November 29, they had contacted Joshua Gilpin, a Philadelphawean who had been partially responsible for the completion of the Chesapeake and Delaware Canal.⁷ Gilpin, a successful merchant, was widely respected in the Wilmington community; his ideas, therefore, carried great potential weight. In reply to the committee's inquiry, he gave a somewhat detailed account of why he thought such a railroad would succeed. Summing up, he stated that "altho it is impossible now to enter into details, which I may hereafter explain to the Committee, I do not hesitate from the opportunities I have had of considering the subject, to express my decided opinion that a route for a rail road may be formed without difficulty from hence, to Newark & Elkton to a bold and practicable landing on North East river; and that it offers such eminent advantages to the city of Wilmington for opening a direct communication at once with the Chesapeake Bay and Philadelphia as ought to be embraced without hesitation."⁸

With the backing of such a respected figure, the committee was well on its way toward gaining the support necessary for constructing the road. As a result of Gilpin's statement, an executive committee was formed and instructed to secure the funds necessary to defray the cost of a survey.⁹ Wilmingtonians were jubilant over this authorization. Although attempting to be cautious until the results of the reconnaissance had been announced, the Delaware Gazette could not avoid injecting a note of elation. "Wilmington, it appears to us, has within a few years

received a new impetus--a new spirit is actuating her citizens--their enterprise is enlarged--they are now looking for advancement of general business, and the consequence must be the prosperity of individual enterprise. It is a mistaken idea, that Wilmington is too near Philadelphia to enjoy extensive prosperity. Nothing is wanting in Wilmington but a continuance of the liberal, active spirit recently manifested."¹⁰

Becoming even more carried away, the editor compared Wilmington with Salem, Massachusetts. "For example, let her look to Salem, (Mass.,) within fifteen miles of Boston and yet the seat of extensive commerce, with a degree of wealth and intelligence unsurpassed by any other town of that size in the world."¹¹

Such intense enthusiasm on the part of the Gazette may not have been completely spontaneous. William P. Brobson, mentioned previously, was not only the editor of this paper, but also secretary of the citizens' committee. It is more than plausible to believe that his comments were also solicitations for prospective stock purchasers. At the very least, these remarks were aimed at the community pride of Wilmingtonians. As such, they could not have hurt stock subscriptions and certainly might have aided the later funding efforts of the Wilmington and Susquehanna promoters.

When the committee of inquiry for the railroad convened on December 24, it was announced that the Wilmington city council had appropriated \$300 to be used to defray the costs of a survey.¹² With this financial backing, the railroad promoters could now proceed with the actual hiring of an engineer. This took place at an adjourned meeting of the promoters on January 6, 1835, when William Strickland of Philadelphia was chosen as engineer and surveyor.¹³ Strickland was eminently

qualified for such a job, having been partially responsible for the growth of the railroad concept in America.

Strickland accepted the position offered him, and received instructions from the promoters regarding the route to be followed. He began his work almost immediately, using as his starting point Warner's wharf on the lower part of Market Street.¹⁴ Brobson used the commencement of this work to the best advantage. In an editorial on January 13, he commented that "this rail road when accomplished, will be the principal route for travellers, between Philadelphia and Baltimore. It will be a quicker route, we are informed by several hours than the one by New Castle and Frenchtown. Besides, it will pass through the principal towns and villages in New Castle County, and Cecil County, Maryland. The distance by steamboats will be shortened, and that by locomotives increased."¹⁵

In less than a month, Strickland had completed his work and was preparing his report for the railroad committee.¹⁶ This report, published by the author in the April, 1835, issue of the Journal of the Franklin Institute, covered nearly every aspect of the proposed road. Beginning with the importance of such a railroad, Strickland pointed out that "Wilmington itself is situated in the midst of a great manufacturing district, embracing almost every species of valuable manufactures in our country. The vast manufactures of the Brandywine, in powder, flour, cotton, wool, and paper, will furnish a large amount of transportation for the road."¹⁷

Strickland then launched into a detailed description of the topography of the country and of the construction problems the railroad

might encounter. Dividing the proposed route into five sections, he dealt individually with each. The first section, from Wilmington to Stanton, posed the problem of a marsh area along the Christiana River. From Stanton to Newark, three bridges would have to be constructed in order to cross Red Clay, White Clay and Mill Creeks. Iron Hill loomed at the southern edge of Newark, as did the Elk River a little further along the line. The first could be circumvented, but the Elk River bridge, according to Strickland, had to be built with a great deal of care because of the tempestuousness of the water. Finally, the land from Elkton to Charlestown was quite rugged in part and would therefore pose a number of problems.¹⁸

In concluding this report, Strickland made a number of detailed estimates regarding the cost of construction. Despite the difficulties outlined, he felt that the grading, laying of rails, and labor should not exceed \$19,000 a mile. Bridging would be proportionately more expensive. If done properly, all the bridges, including those over culverts and drains, would cost approximately \$160,485. The total cost of the road was, therefore, estimated at \$507,623, plus three per cent for contingent expenses and for supervision.¹⁹

When the railroad promoters met on February 13, it was unanimously agreed that the Strickland survey and report be accepted.²⁰ With the preliminary survey finished, plans could be laid for the opening of the stock books. On February 20, the Delaware Gazette announced that the funding effort would take place on the twelfth day of the following month. The books were to be opened in both Wilmington and Philadelphia and to remain open until the entire 8,000 shares had been subscribed.²¹ Anyone of lawful age might purchase any number of shares in the company, provided

he made a down payment of five dollars a share. This stock, according to Brobson, should sell very rapidly, for the favorable report of Strickland, combined with the large dividends being declared annually by the New Castle and Frenchtown Railroad, "are sufficient guarantees that the stock will be a profitable investment."²²

Not everyone agreed with the sanguine expectations of Mr. Brobson. John R. Latimer, a Philadelphawean who had only recently returned from Canton, China, was less than optimistic about the possibilities of the railroad. Writing from Philadelphia to his brother Henry in Wilmington, John expressed some very grave doubts.

I received this morning your letter of the 8th and thank you for its contents, the subject has employed much of my attention since I was last in Wilmington, and after viewing it in all its bearings I have come to the conclusion that it will not be any object of speculation to subscribe to the Stock of the new Rail Road. . . . I look to its costing almost twice the estimate, consequently the interests on the loans must be paid first, and without a continuation to Baltimore and this City. It supposes [sic] no advantage over the New Castle & Frenchtown rout [sic] now fully established and known throughout the whole country--I look at it merely as an object of speculation, and am of opinion that it will not answer and that the Stock will be under par at any time during the progress of the work and for sometime after its completion. I have received a letter from James Canby on the subject and presume that I shall see him when he comes up--his great anxiety leads me to believe that he is not sanguine of success in obtaining subscriptions, should the stock not be taken at once, it must fall through, most of the brokers here are opposed to it, for the simple reason that they are deeply interested in the other rout [sic]--money is very plenty and possibly the stock may be taken--for my own part I will having nothing to do with it.²³

Latimer's pessimism regarding the funding effort was not borne out. When the books were opened on March 12, the 3,000 shares allotted by the commissioners to be sold in Wilmington were purchased in twenty

minutes.²⁴ William P. Brobson heralded the event in the Delaware Gazette as unprecedented. Describing the scene, he commented that when the books were opened at ten o'clock, "the rush at the City Hall at first created some disturbance, but all passed off without accident. At half past ten the whole amount was taken and a large number of citizens were disappointed in not being able to obtain a share."²⁵

A different type of situation, however, came about in Philadelphia. John Latimer had been correct in his observations concerning the opposition of Philadelphia brokers to the railroad. The railroad commissioners, fearing that the New Castle and Frenchtown backers in that city might purchase a majority of the stock and thereby control the road, purchased all of the shares by proxy before the books were ever opened. As a result, the 5,000 shares designated to be sold in Philadelphia never reached the open market. Edmund Canby, son of one of the Wilmington and Susquehanna commissioners, described this situation in his diary. "Father returned from the City [Philadelphia]. The 5,000 shares were all taken by the Commissioners by proxy, before the books were opened to the public-- this was the only way to keep the N. Castle men from interfering, and perhaps getting a majority of the stock, which might have defeated the whole undertaking."²⁶

With more than half the capital stock of the company on their hands, the commissioners had to find buyers. They were at least partially successful in this effort, for by March 20 only 2,000 shares were offered for public sale. These shares were ultimately sold on March 23 in Wilmington.²⁷ What had happened to the other 3,000 shares of stock that had been designated to be purchased in Philadelphia is a matter of conjecture. It is known from a list of stockholders found in the

Wilmington and Susquehanna minute book on December 22, 1837, that Matthew Newkirk owned 3,000 shares. He may have purchased his stock from the commissioners at this time. This is, however, a speculation and not a known fact.

With the stock of the railroad subscribed for, company organization could now be effected. In accordance with the charter of the road, notices appeared in the Wilmington newspapers announcing a stockholders' meeting and election of company officers to be held on April 2, 1835. At least some of the promoters, however, had been preparing for this event since the funding effort had been achieved. Realizing the necessity for a dynamic president, James Canby had cast an eye toward Baltimore and the rejuvenation of the Baltimore and Port Deposit Railroad following the advent of Roswell Colt. Canby had therefore written to Colt requesting that he become president of the newly capitalized line. Colt refused this offer, explaining his reasons for so doing in a letter to Nicholas Biddle. "I have been applied to by the Messrs. Canby at Brandywine to serve as President of the Road from Delaware to [?] Point. But this is out of the question--it seems to me you ought to look out for a clever man, who would not be influenced by local feelings, and selfish motives."²⁸

When the stockholders met on April 2, they had other ideas with regard to the election of officers. James Canby, one of the more affluent members of the Quaker milling dynasty along the Brandywine, was unanimously elected president. The remainder of the board was also composed of Wilmington merchants and millers with one notable exception--Matthew Newkirk of Philadelphia.²⁹ With the organization of the company completed the preparatory work for the construction of the road could begin.

Having already had the route surveyed, the directors were free to begin the process of purchasing and condemning the land necessary for the right of way. As in the case of the Baltimore and Port Deposit Railroad, the Wilmington and Susquehanna had its share of difficulties in obtaining the necessary land. In an editorial in the Gazette, Brobson pointed up this difficulty and employed the pressure of public sentiment against those who refused the railroad entrance into their lands. "The directors we believe, have met with fewer obstacles, than was generally anticipated. The land-holders have mostly been willing to accept a fair compensation for their land, and in several instances have exhibited a public spirit worthy of all commendation. To this, however, there are a few exceptions. There are a few individuals, who appear determined to make a large speculation in the shape of damages, with what success, the result will ultimately show . . . The undertaking is that of a great public improvement . . . and we hope that there are but few citizens, who would throw unnecessary obstacles in the way of completion."³⁰

By June 16, 1835, the final details of the route had been completed, and contracts for actual construction were being signed.³¹ At that time it was also announced that the Baltimore and Port Deposit Railroad would be constructed in such a manner as to form the connecting route from the Susquehanna River to Baltimore.³² This statement denied the rumor that the Baltimore railroad would be built to connect with the Philadelphia and Columbia line and thereby leave the Wilmington and Susquehanna without a southern connection.

Two days after this announcement, the board of directors met to determine the proper type of observance necessary to celebrate the beginning of construction work. After some consultation, it was

decided that June 27 should be set aside for parades, speeches, and a dinner.³³ Governor Caleb P. Bennett, the last of Delaware's Revolutionary War heroes, was procured to turn the first spadeful of dirt and thereby initiate the construction effort. Various dignitaries were also invited to attend, along with the editors and publishers of the more influential newspapers in the area. In short, the festivities of the day were to be the most spectacular that Wilmington had ever witnessed.

According to the diary of Edmund Canby, July 27 was indeed a great day. His lengthy entry of that date, although jerkily written, captured at least some of the excitement.

Celebrated the Commencement of our Rail Road--formed a procession at the Town Hall headed by the Gov. in Carriage--band of musicians marched out to the spot near the 1st gate on the Newport road, when after some preliminaries, the old Gov. took the spade and broke ground. Mr. Wales then delivered an address and the Engineer in Chief Wm. Strickland gave a statement of the progress and prospects of the works--the Cannon resounded the music played, the people shouted. After partaking of a cold cut, we returned in the same order to the City Hall, and sat down about 2 o'clock to a very handsome dinner prepared by J. M. Smith,--with well sharpened appetites we did discuss it--then flowd the champaign [sic] and rather too freely for some of the Co, we had some neat addresses, and capital toasts."³⁴

Despite the jubilation the promoters exhibited on the opening day, the rather ominous cloud of the problems involving right of way for the railroad had not been destroyed. The charter for the railroad had not provided for the right of entry or eminent domain. Without this privilege, the company was helpless in obtaining some of the land necessary for the construction of the line. The board of directors therefore appealed to Governor Bennett for an amendment to the charter which would grant them the legal authority to procure land from recalcitrant property owners.

Bennett, in complete agreement with the railroad promoters, exercised his gubernatorial prerogative which permitted him to call a special session of the state legislature under extraordinary circumstances. This act elicited comments from certain opposition factions in the state. The editor of the New Castle Gazette, according to the United States Gazette, made "himself merry with surmises as to the 'extraordinary' circumstances which has led to the call."³⁵ It was, however, the considered opinion of the United States Gazette that "were we resident in that commonwealth, we would by a liberal legislation upon such subjects, endeavor to make Maryland and Pennsylvania, in some considerable degree tributary to Delaware."³⁶

When the special session of the Delaware legislature convened on July 21, 1835, Governor Bennett was quite articulate regarding both his right to call such a session and his views as to what the session should accomplish. In his opening address, he stated that the constitution of the state permitted him to convene the legislature on any extraordinary occasion that might benefit the citizens of the state. The construction of the Wilmington and Susquehanna Railroad was, in his estimation, beneficial to the public. It was, therefore, proper that the state legislature be called to enact such legislation as was necessary in order that the railroad might be constructed.³⁷

The directors of the Wilmington and Susquehanna then presented a memorial to the legislature requesting that the right of eminent domain be conferred upon them. Three days later, the legislature granted the petition. This charter amendment permitted the railroad to enter upon hitherto unobtainable land, call upon the commissioners appointed by the state to estimate the damage done by the company, and pay the land

owner only that amount of money judged equitable by the commissioners.³⁸ With the passage of this act, the railroad had the necessary legal power to obtain the needed land and to continue in their construction efforts.

Newkirk was most pleased with the action of the legislators. Writing to Biddle on the day the act was passed, he commented that "we have done famously at Dover at the meeting of the Legislature, which was call'd on our account. We got just such a law pass'd as we wanted, appointing five commissioners to condemn the land, and gave us the right of way immediately. We now have nothing to hinder us from going on with our work as rapidly as possible."³⁹ Newkirk was not only pleased with the right of eminent domain, but also with the revocation of the limiting portions of the charter, that is, those sections which had previously limited the profits to twelve per cent of the capital stock and had placed a state tax upon all dividends exceeding six per cent of the value of each share.⁴⁰ As Edmund Canby stated it, "the R. Road Co. got more than they expected."⁴¹

With construction now underway and with the major legal problems solved, the directors could now concentrate upon building a railroad. By January, 1836, they were able to give a glowing report to the stockholders regarding the progress of the road. Approximately 400,000 yards of excavation had been completed in the state of Delaware. This left only 230,000 yards to go before the job would be completed.⁴² Similar progress had been made in Maryland by the Delaware and Maryland Railroad. In that state approximately half of the 950,000 yards of excavation had been finished.⁴³ The board further stated that the actual laying of rails would probably begin by the first of August.⁴⁴

In this same report, the directors also announced the purchase of both rails and rolling stock. Working through the Philadelphia firm of A. and G. Ralston, the board had procured some 2,000 tons of rails from an undesignated company in England. These rails, according to the contract, were to be delivered in Wilmington by May 1.⁴⁵ Four engines had also been ordered. Three of these were being manufactured by Baldwin in Philadelphia, and the fourth by Bury in Liverpool, England.⁴⁶ The directors further stated that they were currently investigating a number of passenger cars but had not yet determined where this portion of the rolling stock would be manufactured.

Following the presentation of the annual report to the stockholders, an election of officers was held. James Canby was unanimously re-elected president of the company, and the board of directors, with one exception, remained the same.⁴⁷ Hezekiah Niles, a former Wilmingtonian, commented favorably if somewhat humorously on the work of this group. "This work has advanced rapidly under the charge of its nervous president and directors, who have not been pestered by the 'Fardowns' and 'Corkoni-ans'--but the business of the road has proceeded peaceably and in order, without riot or trespass."⁴⁸

One of the important sections of the annual report dealt with the cooperation necessary between the four individual lines if the project of an unbroken railroad from Philadelphia to Baltimore was to be achieved. Part of this problem had already been solved--although the report was silent regarding this aspect--through interlocking boards of directors. The second solution was merger. Although no mention was made of a complete union of all four lines, this particular portion of the report did suggest that an organic merger with the Delaware and

Maryland Railroad Company was imminent.⁴⁹

This move came as a surprise to no one. A bill had been passed unanimously by both houses of the Delaware legislature on July 24, 1835, granting the Wilmington and Susquehanna Railroad Company the right to merge with the Delaware and Maryland road as soon as the legislature of Maryland had ratified a similar petition presented by the latter company.⁵⁰ Such a petition had been prepared pursuant to a resolution adopted by the Delaware and Maryland Company on October 19.⁵¹ Moreover, just prior to the convening of the Maryland lawmakers in January, 1836, the Maryland directors appointed Matthew Newkirk and James Sewall "to attend upon the legislature of Maryland for the purpose of obtaining a law for a union between this Company and the Wilmington and Susquehanna Rail Road Company, agreeably to the act passed by the legislature of the State of Delaware on the 24th day of July last."⁵²

The Maryland legislature ultimately complied with this request, passing a supplement to the charter of the Delaware and Maryland road. This supplement permitted that road to merge with the Wilmington line. Following this action on the part of the legislature, the Maryland directors called for a stockholders' meeting to vote on the proposed merger.⁵³ The stockholders of both railroads readily agreed to the union, and on April 25, 1836, the act was consummated with the election of a new board of directors.⁵⁴

With the excavation and grading processes nearly completed by the middle of May, notices appeared in the Wilmington newspapers requesting that bids be made for the work of laying rails.⁵⁵ Edmund Canby was exultant over the rapidity with which the work was progressing.

"This is the dawn of a bright day for Wilmington, and 10 years will I hope to see us a 2nd Lowell. We have every advantage in situation, climate, soil, facilities of communication both by Rail road and water-- and a vast deal of fine water power, both here, and within a few miles of us intirely [sic] unimproved."⁵⁶

As construction progressed, costs mounted. By August, 1836, it became apparent to the board that funds other than those available from the regular installment payments on the capital stock had to be procured if the railroad was to be completed. The board therefore began negotiations with Biddle and the Bank of the United States which ultimately resulted in the borrowing of some \$900,000 from that corporation.⁵⁷

This loan, the payments of which extended over a period of eight months, was begun in September, 1836. The first installment was received by the directors on September 3, and they, in turn, issued 2,000 shares of stock to the Bank as collateral.⁵⁸ The second payment was made by the Bank on October 1, at which time another 2,000 shares of stock was issued as security.⁵⁹ Subsequent installments were received by the railroad on October 31, 1836, November 15, 1836, April 1, 1837, and May 1, 1837.⁶⁰ On each of these dates except that of April 1, 1837, the railroad issued 2,000 shares of stock to the Bank. On April 1, the Bank received 3,000 shares.⁶¹ This increase was presumably necessary due to a larger payment made to the railroad.

Without this loan, it is doubtful that the Wilmington and Susquehanna could have succeeded, for by October, 1836, the prelude to the panic of the following year was being felt. Edmund Canby noted this on two different occasions during the month. The first, recorded in his

entry for October 18, described the difficulty with which a newly formed Wilmington bank was faced in its capitalization efforts. "The books of the new Bank opened to day--not much activity for the stock--still I hope enough will be taken to allow the thing to progress--it is a matter of great importance to our Town."⁶² Six days later, he commented that "there never was a harder squeeze for money in Phila[del]phia and N[ew] York--some failures already in the latter place."⁶³

Despite the threat of a panic and general economic depression, work upon the railroad continued. Early in December, the first section of the line extending from Wilmington to White Clay Creek was completed, and a newly-acquired locomotive christened "The Susquehanna" made its trial run. Starting from the depot in Wilmington, the engine traveled to the White Clay Creek bridge alone. On the return trip, however, several cars filled with passengers were attached. The experiment was most successful. The train covered the six-mile run in less than 14 minutes.⁶⁴

When the regular session of the Delaware legislature met in January of 1837, they received two petitions from the railroad. The first of these was a request to transfer the right to construct a continuation of their line from Wilmington to the Pennsylvania state line to the Philadelphia and Delaware County Railroad, now known as the Philadelphia, Wilmington and Baltimore Railroad Company.⁶⁵ The directors felt that they did not have sufficient funds with which to finish the road from Wilmington to the Susquehanna River and begin the new route from Wilmington toward Marcus Hook and the Pennsylvania line.⁶⁶ If, however, the legislature would permit the Wilmington and Susquehanna to relinquish this privilege in favor of the Philadelphia, Wilmington

and Baltimore Railroad, then it would be possible to "hasten the completion of the great work of internal improvement for which the act of incorporation of [the] Company was granted."⁶⁷

Despite the careful phrasing of the petition on the part of the directors, the legislature was not fully convinced regarding the feasibility of such a plan. Canby apparently spent a great deal of time in Dover acting as a lobbyist, returning home only after the legislative fight had been completed and the railroad petition had been granted. Canby's son recorded his father's success with some relief. "Father returned from Dover after a severe struggle, he obtained all we wanted for the Bank and R. Road--hope we shall see both in the 'full tide of success' before long."⁶⁸

The second memorial, which the railroad directors presented to the legislature on January 20, 1837, was a request for a state loan. The board had hinted at this loan when requesting that the Philadelphia, Wilmington and Baltimore Railroad be permitted to construct that portion of the road between the Pennsylvania state line and Wilmington. They did not, however, make a direct application for a definite sum at that time.⁶⁹ In the second petition it was proposed that the state invest, as a loan bearing six per cent a year, \$150,000 in the railroad. The source of this money, according to the petition, was to be a portion of the state's share in the Jacksonian surplus.⁷⁰

This memorial was presented to the House of Representatives by Representative Hamilton of Wilmington on January 24, 1837.⁷¹ After a three-week debate on the subject, the railroad was finally granted a state loan. Canby, again representing the board of directors, did not

succeed completely in this effort: the railroad received only \$110,000 instead of the \$150,000 that it had requested. Despite the reduction in the loan, Edmund Canby felt that his father had been very successful. "Father got home from Dover last night after a tiresome sojourn there of near 2 weeks. He succeeded in all his business--defeated the N. Castle men totally in their application to make a R. Road from N.C. to tap our road--got \$110,000 of the surplus for our road as a loan."⁷²

The younger Canby's comment regarding the attempt of the New Castle and Frenchtown Railroad to tap the Wilmington and Susquehanna at Wilmington was still another problem that the latter company solved only through legislative intervention. This effort on the part of the New Castle promoters marked the final attempt to control their potential rivals. It was the hope of the Union Line to construct a spur from the New Castle and Frenchtown railroad to Wilmington. Such a spur would connect New Castle with Philadelphia and thereby insure Union Line control of the shipment of goods which arrived at that port during the winter months when the Delaware River was frozen over. Should this scheme be successful, Wilmington would be eclipsed as a winter port by her southern rival.

Realizing the potential danger to the business interests of the city as well as to the Wilmington and Susquehanna Railroad, the Wilmington Board of Trade preceded the railroad in denouncing the situation. On February 10, the Board of Trade was called into special session in order that it might arrive at some line of defense. After some discussion upon the subject, it was decided that a protest should be issued stating that "the rights of Wilmington as the long established port of entry of the Delaware District might be endangered by those

measures: and with regard more especially to the project as involving an attempt to cross the Christiana by a bridge in this vicinity; the flagrant injustice of such a procedure /sic/ was unquestioned."⁷³

The railroad promoters were even more vehement in their attack upon the New Castle line. On February 11, the board of directors filed a memorial with the Delaware legislature, requesting the latter body to ignore the petition of the New Castle group. Couching their arguments in terms of legal privileges, they stated that they were unwilling to believe that "an application which so directly strikes at the chartered rights of this Company and the pledged faith of the State in granting the charter, will receive any countenance from the legislature."⁷⁴ This comment was followed with a less legal but more important statement regarding the economic factors involved. "This attempt to cross the Christiana by a company which has sought and obtained from the state, the exclusive privilege of rail road travel and transportation between the Christiana and the Appoquinimink, and thus to obtain, at a trifling cost, the full benefit of the labors of another company and the equal participation in the advantages of a road which has cost that company upwards of one million dollars, is too glaring in its character to need comment from your memorialists."⁷⁵ This sentence stated the crux of the situation succinctly.

Part of this controversy had little to do with railroads. A running battle had been taking place for several years between Wilmington and New Castle over the location of the county courts. New Castle had always served as the county seat for New Castle County, and it had long been the dream of Wilmingtonians to move the courts to the more important city to the north. New Castle, jealous of its position, was

unwilling to permit this removal. Unfortunately, the railroad rivalry appeared on the scene at a time when the court fight was at its height. The memorial to the legislature by the New Castle and Frenchtown Railroad served as the proverbial last straw to at least some Wilmington citizens. James Latimer, Junior, writing to Thomas Rodney on March 21, typified this sentiment. "Somehow Wilmington seems to be in bad odor with the people below [southern Delaware]--it is at all times difficult to procure any law for her benefit--they always view the application with suspicion and this feeling has of late years been fostered and encouraged by New Castle. Having now fairly thrown in the gauntlet, I hope the war will not cease until the courts are removed, and that without any division of the county or concession of kind in their favor--they deserve no quarter--particularly after this attempt in regard to the rail-road."⁷⁶

Despite legal controversy and constant monetary problems, progress toward the completion of construction continued. On January 9, an experimental run was made on the newly finished track between Wilmington and Elkton, Maryland.⁷⁷ The train, consisting of a locomotive and four passenger cars filled with approximately 120 people, completed the trip in one hour. The run was not, however, without incident. Just out of Wilmington, the train ran into some difficulty. According to the account which appeared in the Delaware Gazette, "a sturdy oak that had not been sufficiently looked to, by the workmen and engineers, and which seemed rather to dispute a passage for the Yankee and his train, extended a branch some distance into the road, which swept the sides and tops of the cars, breaking some twenty or thirty pains [sic] of glass, and scattering the pieces with violence enough, to draw blood from half a dozen noses, that were too prominent to escape a collision."⁷⁸

As construction on the road progressed, excursions became more and more popular. Each trip was accompanied by a great deal of ceremony and was concluded with some sort of dinner supplied by the railroad for the visiting dignitaries. The editor of the American Railroad Journal waxed quite eloquent after taking one of these trial trips in May, 1837. "This magnificent road, as far as constructed, is well made, and the country through which it passes is beautifully diversified by the hills and dales, murmuring brooks, and gurgling rills, fierce running creeks, and the smooth face of North-East river, with a distant view of the Chesapeake, all tend to characterize it as one of the most pleasant routes of Railroad in the United States."⁷⁹

By early June, the board of directors was making final arrangements for the actual operation of the road. On June 12, it met to determine the salaries for the various positions which would be necessary. The office of general superintendent, for example, carried an annual salary of \$1200 a year; the locomotive fireman and engineer were to receive \$30 and \$50 a month respectively.⁸⁰ After having established the numbers and types of jobs necessary, the directors then chose, from applications made previously, the individuals who would fill the various capacities.⁸¹

One of the most interesting meetings of the board to be held prior to the opening of the road took place on June 30. With the completion of the railroad only days away, the directors apparently decided to forget their old animosities toward the New Castle and Frenchtown Railroad and enter into a price-fixing contract with their former rivals. On a motion of Joseph Gilpin, it was resolved that "James Canby, Matthew Newkirk, Stephen Baldwin, and Samuel Jaudon be a committee to confer with

the Directors of the New Castle and Frenchtown rail road company, or such committee as they shall appoint, on matters relating to the interests of both companies, and with a view to an arrangement or understanding which shall preserve and promote harmony and good feeling between the two companies in their future operations, and thereby subserve the interests of both."⁸²

The conference between the two companies took place on June 30 in Philadelphia. The complete transactions of the session are, unfortunately, unknown. An agreement was reached, however, regarding the operations of the two companies. James Canby, in reporting to the directors of the Wilmington and Susquehanna on July 18, stated that an amiable solution to the problem of rivalry had been agreed upon. The New Castle and Frenchtown committee had stated that it was not the intention of their company to "reduce its fare or to make any alteration of its arrangements in contemplation of the opening of the road."⁸³ It can be safely assumed, although documentation is lacking, that Canby had made a similar concession to the New Castle group.

With the opening day drawing nearer, there still remained a number of details to which the board had to attend. One of these was the final agreement with the Philadelphia, Wilmington and Baltimore Company regarding the construction of the road from Wilmington north to the Pennsylvania State line. This presented no great problem of negotiation, for Matthew Newkirk, who was a member of the Wilmington and Susquehanna board, was also president of the Philadelphia road. After some discussion, it was decided by Canby and his board that a contract consisting of two clauses had to be signed by Newkirk and his company before permission would be granted for the building of that portion of the

road. First, the Philadelphia company had to agree to purchase all the iron rails contracted for in England but not yet received by the Wilmington and Susquehanna. Second, the Philadelphia, Wilmington and Baltimore had to agree to deny permission to any competing railroad originating in Delaware south of the Christiana to intersect its line.⁸⁴ Both stipulations were readily accepted.

The second problem was that of the division of receipts among the three lines. Here the negotiations became somewhat more complex. Both the Philadelphia, Wilmington and Baltimore and the Baltimore and Port Deposit roads wished to divide the receipts of the lines in proportion to the respective lengths of the three roads. The Wilmington and Susquehanna board, on the other hand, proposed that the total receipts of the three companies be divided in direct proportion to the total cost of each road.⁸⁵ With neither side willing to relinquish its view, a temporary compromise was effected in which the Wilmington and Susquehanna would receive two-thirds of the total receipts, but would be wholly responsible for paying Captain Whilldin one-sixth of the total money earned by the three lines. Whilldin operated the steamboat Telegraph between Philadelphia and Wilmington, and carried both freight and passengers between the two cities until the Philadelphia line was completed to Wilmington.⁸⁶

As the month of July progressed, Wilmington newspapers carried an almost day-by-day account of the final phases of construction. All seemed to agree that the line was one of the finest and most important railroads in the country. The Delaware State Journal was typical in this respect, stating that "in the very brief space of two years, this enterprising company have added a most important link to the grand chain of

rail road communication which connects the North and South."⁸⁷ In preparation for the opening of the railroad, the directors and invited guests of all three lines met at the Susquehanna on July 19 for a celebration. Boarding the steamboat Susquehanna, they sailed up and down the River listening to speeches and drinking toasts. The younger Canby recorded the event rather vividly. Describing the trip, he stated that "during which time we discussed [the road] with appetites sharpened by exercise and the fine air, a most admirable dinner, enlivened by toasts and speeches--Nicholas Biddle, Commodore Biddle, Genl. Patterson and many more distinguished men both from Balt[imore] and Phila[delphia] were present. The 'Monster' [Nicholas Biddle] made a beautiful address and gave as a toast--'The Rail Roads of the U[nited] States, a firm metallic basis of circulation to make our people nearer and dearer, till their whole hearts take their whole soul, shall be Iron bound to each other.'"⁸⁸

Two days after the initial celebration, it was decided to traverse the entire line with locomotives and cars. The directors in Philadelphia traveled to Wilmington by steamboat, joined the Wilmington board, and started to Baltimore. The trip down was quite successful, the entire journey lasting six hours.⁸⁹ The return trip, however, left much to be desired. Leaving Baltimore shortly after lunch, the train broke down some thirteen miles from the Susquehanna River. Taking the failure in their stride, the directors walked the remainder of the way to the river, boarded the ferry, and continued on their way to Wilmington.⁹⁰ Slightly mortified over the experience, the younger Canby decided that the English-made locomotive had to be "replaced with one of Baldwin's."⁹¹

The directors having satisfied themselves with regard to the adequate construction of the road and the rolling stock, announcement

was made in the newspapers of Philadelphia, Wilmington, and Baltimore that the entire line would be placed in operation on July 31.⁹² The train was scheduled to depart from Baltimore at six o'clock in the morning and the steamboat from Philadelphia one hour later.⁹³ The price of travel between Philadelphia and Baltimore was set at four dollars, with partial fares available to individuals who did not wish to make the entire journey.⁹⁴

July 31 saw the completion of the most sanguine expectations of all the railroad promoters. Having dreamed of and worked toward such a line for six years, they could now rest upon their laurels. On the opening day, the trip from Baltimore to Philadelphia by way of the Baltimore and Port Deposit, the Wilmington and Susquehanna, and the steamboat Telegraph was completed two and a half hours before a similar trip made by the Union Line.⁹⁵ Each day following the opening of the line saw greater efficiency and speed in the operation. On August 2, for example, the journey from Baltimore to Wilmington took three hours and fifty-six minutes. On the following day, the same trip was made in three hours and forty-five minutes.⁹⁶ Amazed and elated, Edmund Canby adequately expressed the sweet taste of success. "Van Buren's message came up express by our Rail Road from Baltimore in 111 minutes. The Engineer had his steam fully up when he started--could have done it in 45 minutes. It reached Philadelphia in 6 hours, and New York 11 hours from Washington."⁹⁷

CHAPTER V

Part I

THE DELAWARE AND MARYLAND RAILROAD

Unlike the Wilmington and Susquehanna, the Delaware and Maryland Railroad Company had never reached any degree of organization following the granting of a charter in 1832. No funding effort was attempted at that time, and the idea of such a line suffered demise very soon after the charter had received the approval of the Maryland legislature. This lack of action on the part of the early promoters was undoubtedly due to the failure of both the Wilmington and the Philadelphia roads to obtain sufficient stock subscription during their early attempts at capitalization. Dependent upon both Wilmington and Philadelphia as sources of capital, the Maryland promoters probably realized that their cause was hopeless. With the revival of the Wilmington road in 1834, however, agitation again appeared in Cecil County for a rebirth of the Delaware and Maryland Railroad.

Cognizant of the increasingly successful promotive work of the Wilmington and Susquehanna backers, Cecil County agitators realized that new commissioners would have to be appointed by the Maryland legislature if their line was to be reorganized. Accordingly, a petition requesting such action was presented to that body when it met for its December, 1834, session. By March, 1835, the Maryland lawmakers had complied with this wish and appointed twenty-five men as commissioners authorized to organize and sell the capital stock of the proposed railroad.¹ Twenty of these men were residents of Maryland, two were from Wilmington, and three from Philadelphia.²

Following their appointment, the commissioners met at Elkton to determine the amount of stock to be sold, as well as the time and locations at which the funding effort would take place. At this meeting, it was decided that on March 23, 1835, and for six judicial days thereafter the stock books would be opened in the cities of Baltimore, Elkton, Wilmington and Philadelphia. Moreover, each of these designated locations would be allotted 2,000 shares of stock to be sold at \$50 a share.³

The capitalization enterprise was successful. Commenting upon the sale which took place in Wilmington, the Delaware Gazette stated that "the stock of the Maryland Company in the city yesterday, was all taken by proxies, before the books were opened, and we are gratified to hear that it was generally distributed in small shares among our citizens."⁴ Similar success was reported in Baltimore where the 2,000 shares allotted to that city were subscribed in fifteen minutes.⁵ The Delaware and Maryland promoters were not the only ones delighted with this accomplishment. The capitalization of this line would help guarantee the success of the Wilmington and Susquehanna by assuring the latter road of a connection through the state of Maryland.

The commissioners, having completed their work in selling the capital stock, were now ready to turn the company over to the stockholders for an election of officers. In preparation for this event, the commissioners met at the hotel of William Kinkead in Elkton on April 17. At that meeting John Hemphill, Zebulon Rudolph, and Adam Whann were appointed judges for the forthcoming election of a board of directors.⁶ The following day, the stockholders convened and elected James Sewall, Joshua Richardson, John N. Black, Roswell L. Colt, Matthew Newkirk, John Hemphill,

James Canby, David C. Wilson, Edward Tatnall, William Chandler, Henry Whitely, and James Price directors of the company.⁷

In comparing this list of directors with similar lists of the three other railroads, it becomes immediately apparent that the Delaware and Maryland Railroad, although legally a separate entity, was actually controlled by the other three roads. Of the twelve directors, the interests of the Wilmington and Susquehanna were represented by six members of the board.⁸ Similarly, the Baltimore road was represented by Roswell Colt and the Philadelphia line by both Newkirk and Hemphill. Newkirk could also be counted as a board member of both the Wilmington and Susquehanna and the Baltimore and Port Deposit. With such an interlocking board arrangement, the promoters were insuring themselves of ultimate success in building a complete line of railroads from Philadelphia to Baltimore. The problem of connecting lines which had stifled the earlier attempts of all four roads no longer existed, provided the interlocking arrangement could maintain control of all the lines.

Following their election as directors of the company, the newly formed board met to choose officers and to begin the immediate preparation of construction plans. Matthew Newkirk was chosen president, and Allan Thomson, a prominent member of the Wilmington and Susquehanna board, was elected as treasurer. William Strickland, currently at work for the Wilmington and Susquehanna, was hired as chief engineer, and arrangements were begun with the latter company regarding the possibility of splitting the cost of Strickland's salary.⁹ At the same time, the board agreed to reimburse the Wilmington and Susquehanna for the work already completed by Strickland in surveying the route.¹⁰

Moving rapidly, the directors followed the same pattern established previously by both the Baltimore and Port Deposit and the Wilmington and Susquehanna roads. Possessing the right of eminent domain, the new company was unhampered in its efforts to gain the right of way. On May 25, 1835, it was resolved "that in all cases where the Committee appointed to contract with the Landholders, fail to obtain a contract from them, application be made to a magistrate as prescribed by the act of incorporation, for a warrant directed to the Sheriff to summon a jury or juries to meet on the land to value the damages, if any, which the owner or owners will sustain."¹¹ Wasting little time, Mr. Wilson, the land agent for the company, immediately called for juries to assess damages done on land owned by Thomas Howard and William Ricketts.¹²

Having acquired most of the land needed for construction, the board proceeded to contract for bridging and grading. On June 22, contracts were awarded several construction companies for such work on the six sections of the line.¹³ A second installment of five dollars on the stock was called in to finance this work, and the building of the railroad got under way.¹⁴ By August 3, Strickland had made his first monthly estimate of work done by the several contractors and the amount which was due to each. When totalled, the disbursements for construction done in July came to \$5,854.39.¹⁵ A week after the first payments were made to the grading contractors, Strickland submitted a statement regarding the work done by the bridging crew of John Littlejohn and Company. The bill for this work, including labor and materials, was \$921.55.¹⁶

With construction well under way, the board became somewhat concerned over the speculation that the Baltimore and Port Deposit had serious intentions of uniting with the Oxford Railroad Company, thereby

forming a continuous line to Philadelphia. This fear was sufficiently strong to warrant the calling of the Delaware and Maryland directors on September 15. At this meeting, the directors concluded that an official commitment had to be obtained from the Baltimore line, and therefore instructed James Canby to contact E. L. Finley, president of the Baltimore and Port Deposit, and secure from him assurance that the two lines would unite at Havre de Grace.¹⁷

In conformity with the instructions issued by the board, Canby immediately dispatched a letter to Finley. In a reply dated September 25, the president of the Baltimore line belied the merger rumors and assured Canby that "the Baltimore and Port Deposit Rail Road will unite with the Delaware and Maryland Rail Road, on the Susquehanna River at Havre de Grace."¹⁸ The Delaware and Maryland directors, however, remained wary in spite of Finley's promise. Whether they were distrustful of the latter alone or his board in general is unknown, but they would not finish that portion of their line which extended from Charlestown to the River opposite Havre de Grace until the Baltimore company had completed the final survey of its Road from the Gunpowder River to the Susquehanna at the same place.¹⁹

The problem was eventually solved in a direct but rough-handed way. Newkirk along with Canby, Colt, and others, had invested heavily in two or more of the four lines. These men had also succeeded in getting elected to at least two of the respective boards of directors. If, for some reason, the project should fail through a lack of connections from Philadelphia to Baltimore, then a great deal of time and money would have been expended without much hope of immediate gain. With Finley out of the way, however, this line might progress without

internal difficulty.

As we have seen, Newkirk was eventually instrumental in forcing Finley's resignation as president of the Baltimore and Port Deposit, a move which came shortly after that line had agreed to consider a plan of merger with the Oxford and Cecil County Railroad.²⁰ It is plausible, therefore, to believe that Newkirk opposed Finley partially because of Finley's dualism in negotiating for a rail connection to Philadelphia. Moreover, official announcement by the Baltimore and Port Deposit board regarding the termination of their line at Havre de Grace did not come until Finley had been ousted and Roswell Colt had succeeded him as president of the line.²¹

This distrust on the part of the Delaware and Maryland directors caused a serious delay in the opening of the railroad. Although the board had undoubtedly been justified in postponing work on the western end of the line, it was this portion of the road that required one of the most extensive bridges. As a result, the railroad from Wilmington to Principio Creek, and from Havre de Grace to Baltimore, was completed before the bridge. This retarded the opening of the road by more than a month.²²

Regardless of problems involving a connecting line to Baltimore, officials of the Delaware and Maryland continued their construction efforts with great enthusiasm. Regular installments were called in, and the company was not faced with any immediate financial crisis. At the annual stockholders meeting held on October 19, 1835, Allan Thomson, treasurer of the railroad, presented a healthy financial report. At that time, the company had received \$90,740 from the stockholders, of which \$84,180 had been disbursed for construction, land, surveys, and salaries.²³ This left

a balance of \$6,560 in the treasury. A month later, total receipts had risen to \$138,947, and disbursements to \$107,687.²⁴

Like the neighboring lines, however, the Delaware and Maryland was faced with the difficulty of securing payments on subscribed but unpaid stock. By November 30, 1835, delinquent installments totalled \$61,225.²⁵ In order to remedy the situation, stock revocation was authorized on January 20, 1836.²⁶ At that time, the board forfeited 896 shares, the payments on some of which had not been made since March, 1835.²⁷ Unlike the other companies, an interesting condition arose from this forfeiture act. Two of the directors of the company, John Hemphill and Greenbury Purnell, were among those who had not kept up on their installment payments, and their stock was therefore subject to revocation. Perhaps it was due to this embarrassing predicament that the board retracted slightly to allow for reinstatement providing the overdue installments were paid by February 1, 1836.²⁸

On April 4, 1836, the Delaware and Maryland directors convened for one of their final meetings. The merger with the Wilmington and Susquehanna had received the sanction of both the Delaware and Maryland legislatures with similar action by the stockholders of the respective companies pending. Allan Thomson, treasurer of the company, had prepared his last financial statement, which listed the total receipts and disbursements of the railroad at \$206,575.14 and \$192,420.25 respectively.²⁹ This left a balance of \$14,154.79 in the treasury, of which \$11,730.27 remained when the companies were united on April 25.³⁰

PART II

THE PHILADELPHIA AND DELAWARE COUNTY RAILROAD

An attempt to reconstruct a case history of the Philadelphia and Delaware County Railroad is subject to numerous difficulties. Unlike the data which pertains to ^{the} southern lines, the extant records for the northernmost railroad are very sketchy. Only a slim executive minute book, some newspaper evidence, and a few scattered bits of correspondence remain to tell the story of this link between Philadelphia and the Delaware line.

The resuscitation of the Philadelphia and Delaware County Railroad Company, like that of the Delaware and Maryland road, appears to have been related to the re-birth of the Wilmington and Susquehanna and the Baltimore and Port Deposit. By March of 1835, both Matthew Newkirk and Nicholas Biddle were becoming interested in both of these roads. If they were to succeed, then the connecting roads from the Delaware boundary to the Susquehanna River and from Philadelphia to the Pennsylvania state line would have to be completed.

Newkirk, cognizant of this fact, began to consider at least the possibility of reorganizing the Philadelphia and Delaware County road along the lines of the charter which had been granted in 1831. Writing to his friend and adviser Nicholas Biddle on March 3, Newkirk requested that Biddle examine this charter. "I herewith enclose you, the law for making a rail road, from this City to the Del[aware] line, by way of Darby and Chester towards Wilmington. . . . I wish you would have the goodness to examine it, and see whether any alteration would be necessary to connect it with the W[ilmington] and Susquehanna rail road, without

the two charters clashing with each other."¹

Unfortunately, Biddle's reaction is unknown. It may be assumed, however, that the idea of the road was not forgotten by either he or Newkirk, for William Strickland was instructed by the directors of the Wilmington and Susquehanna to survey from Wilmington northward to the state of Pennsylvania in July, 1835.² This survey was to be done in anticipation of a union between the Wilmington and Susquehanna and the Philadelphia railroad at that point.³ Strickland's report, published in Philadelphia in the United States Gazette, was obviously both a suggestion and a challenge to Quaker city capitalists to organize and begin construction on their end of the line.

After commenting upon the ease with which the survey had been conducted, Strickland stated that sufficient capital was available in the treasury of the Wilmington and Susquehanna Company to build the line from Wilmington toward Chester, Pennsylvania.⁴ Such a road could not, however, be built until the Philadelphia and Delaware County Railroad had been organized and had begun construction. "As far as regards this connection, however, every thing depends upon the exertions of the citizens of Philadelphia and Delaware County, as little can be done towards the completion of this short link, until their road is commenced."⁵

The agitation for the line appears, however, to have been very slow in gaining momentum. In March, 1836, a map of the proposed road, including its southern connections to Baltimore, was placed in the reading room of the Philadelphia Exchange.⁶ In putting it there, the promoters undoubtedly hoped to interest the investors and brokers who frequented the Exchange. Newspaper publicity was also employed to call attention

to the display. The United States Gazette, for example, commented that the map indicated a route some twelve miles shorter than that used by the Union Line. Furthermore, the proposed railroad followed almost the same line surveyed by General Barnard some six years earlier when he had chosen a mail route from Baltimore to Philadelphia for the Federal government.⁷

The following day, the Gazette again commented upon the proposed railroad. Pointing out that the line between Wilmington and Philadelphia had been surveyed, the paper stated that "its immediate execution only waits for the passage of one or two supplementary acts of the Pennsylvania legislature."⁸ This statement would indicate activity on the part of the promoters to organize the line. As a further spur to Philadelphia capitalists, the Gazette praised Baltimore for the interest shown in the railroad project. "The claims of Baltimore to a great share of praise for a well-timed and daring determination in the fruitful policy of her Rail Road improvements, are not to be withheld or overlooked; those of our own city, although urged with a well merited and becoming pride, seem to lack advancement from the temporary jar of conflicting interests and ever ready competition; but the inclemency of the past winter has been highly useful to us in pointing out the necessity of a Railroad communication, by means of the Baltimore and Philadelphia road, with the head of the Delaware bay, as the only efficient means of overcoming the paralyzing effects of a long closed river navigation."⁹

The Pennsylvania legislature ultimately complied with the wishes of the railroad promoters, and on March 15, 1836, passed a supplement to the charter which enabled the company to be organized. In this act, the capital stock of the company was increased to \$400,000, to be sold as

80,000 shares at \$50 a share.¹⁰ There was, however, one limiting provision regarding the sale of this stock: no one could purchase more than ten shares during the first day of the funding effort.¹¹ The supplement also contained three other clauses, all of which are significant. First, the contemplated company was absolved of the previous stipulation requiring that the railroad be built along the Baltimore post road.¹² Secondly, it was forbidden to construct any bridge on the Schuylkill which might obstruct navigation below the existing bridge at Fair Mount. Finally, the corporate name of the company was changed from the Philadelphia and Delaware County Railroad to the Philadelphia, Wilmington and Baltimore Railroad Company.¹³

At some point between March 15, when the act was passed, and May 18 when the first entry was made in the executive minute book, the Philadelphia, Wilmington and Baltimore Railroad Company was organized. Newkirk had apparently played the leading role in this organizational effort, for he emerged as president of the company on May 18.¹⁴ Other members of the executive committee were Thomas Smith and Edward R. Biddle. Samuel Kneass, a student of William Strickland, served as engineer for the road.¹⁵ By mid-June, 1836, bids for the construction of the road had been awarded by the board of directors and work was begun.¹⁶ Reporting on the progress of the entire line, the United States Gazette stated in its July 13, 1836, issue that "the road between this city and Wilmington is under contract, and active operations commenced within the last two weeks."¹⁷

The degree of success which had been met in the capitalization process is, however, questionable. By September, the cost of construction had evidently exceeded the immediate financial resources of the company,

for a situation arose that had not been present in the other three lines. On September 22, a bill was received from Parke and Tiers for \$8,960-- the cost of 100 tons of iron chairs.¹⁸ Apparently unable to meet this demand with a cash payment, the company issued in lieu of money 100 shares of stock.¹⁹ Such a transaction was common practice in railroad construction of the period. It was, however, unique in the building of the line from Philadelphia to Baltimore.

This monetary problem was not solved with the stock payment made to Parke and Tiers. Frequent references regarding loans and installment payments appear throughout the executive minutes. In October, for example, a copy of a letter written to Edward Shaw and signed by Newkirk and Smith gives evidence of the continued monetary difficulty of the company. In this letter, a demand is made by the executive committee for the payment of \$1000 by a Mr. Odenheimer as the second installment on his stock.²⁰ Coming directly to the point, the committee stated that "should this offer be not promptly complied with we shall feel fully authorized to forfeit the stock according to the Charter."²¹

The company was also forced to borrow heavily from Philadelphia banks. On November 9, 1836, the treasurer was directed by the board to pay to the Girard Bank \$43.75 as interest on a loan contracted by them.²² The sum of the loan is, unfortunately, unknown. Similarly, the executive committee agreed six days later to negotiate a loan with the Bank of the United States for \$50,000. Such a loan was to be procured by using 2,000 shares of stock as collateral.²³ A second loan application was made to the same bank on December 20. This time the company requested \$25,000, offering in turn 1,000 shares of stock as security.²⁴

One is again hampered in a discussion of loans because of the dearth of available information. It is plausible to assume that the two loan applications to the Bank of the United States were approved. This assumption is, of course, based upon peripheral evidence. Nicholas Biddle and Matthew Newkirk were close personal friends and fellow-investors in at least the Baltimore and Port Deposit. Moreover, the Wilmington and Susquehanna had received a \$900,000 loan from the Bank in September of the same year. It is doubtful, therefore, that Biddle would have granted one loan and refused the other.

The lack of capital resources was not the only difficulty with which the board had to contend. Like the Wilmington and Susquehanna, the Philadelphia, Wilmington and Baltimore had its share of legislative problems. As the construction of the line progressed, the directors became increasingly aware of the fact that the restrictions placed upon the company by the Pennsylvania legislature regarding the bridging of the Schuylkill had to be removed if the railroad was to get into the heart of the city. It was therefore decided by the executive committee that a petition be sent to the legislature requesting the "right to cross the Schuylkill River at or near Grays' [sic] Ferry by a Bridge with suitable draws."²⁵

Subsequent action regarding this bridging project was taken four days later. On November 16, a motion was passed directing the treasurer of the company to contact the various holders of the Gray's Ferry estate, and to request them to meet with the railroad board concerning the proposed action.²⁶ What took place when the two groups met on November 28 is again a matter of conjecture. The railroad directors were apparently successful in obtaining permission for such a bridge from the ferry holders,

for when the board convened again on December 10, "it was Resolved That Wm. T. Smith be requested to proceed to Harrisburg and superintend the passing of the Supplement to the Charter this session of the Legislature."²⁷

By early February, 1837, the petition concerning the bridging project had reached the Pennsylvania legislature. John Latimer, the former skeptic, commented in a letter to his brother Henry in Wilmington that he thought "the Rail Road company will get their charter for bridging the Schuylkill at or just below Gray's ferry--bring their road into Broad Street. This will be a great convenience to me, I find the want of it very much just now."²⁸ Matthew Newkirk, a little closer to the situation than Latimer, was less optimistic about the legislature's intentions. Writing to Biddle, he stated that he "was fearful this afternoon when I saw you that there was mischief brewing against us at Harrisburg, from the Circumstances of our Sec[retary] Mr. Wallace coming down. I prevailed on Thos. Smith our director to go up a few days since, he has got alarmed at the prospect of our bill, and sent for me to come up immediately. They [the opposition] are now making an assertion to amend our bill by making the draw 60 feet, which would ruin us."²⁹

The railroad company was ultimately successful in both the purchasing of Gray's Ferry and the construction of a new bridge. In a report to the stockholders, the directors stated that they had purchased the ferry and the existing floating bridge for \$50,000. Moreover, they intended to operate this bridge until the new one had been completed.³⁰ The stockholders were also informed at this time that the plans for the new bridge had been completed. Furthermore, all masonry work with the exception of the draw piers was finished, and part of the superstructure was in place.³¹ Providing the present rapid rate of construction continued,

the directors thought that the bridge would be in operation no later than the first of May.³²

Despite frustrations and legislative problems, construction on the road continued. On November 11, 1837, the Wilmington and Susquehanna ceded that portion of the road between the city of Wilmington and the Pennsylvania state line to the Philadelphia railroad, and construction was begun in that area immediately.³³ Prior to that time, grading on the Pennsylvania section of the route had been completed, and most of the rails had been laid.³⁴ Under pressure for completion of the entire road from Baltimore to the Schuylkill, the construction moved at an even more rapid rate. By early January, 1838, the final details were finished, and on January 15, the road was put into operation. It was with elation, that Edmund Canby recorded this success. "The road to the Schuylkill is in order, and in use every day. Leave here in the morning, spend 5 hours in Philad[el]phia and be home to Tea."³⁵

CHAPTER VI

CONSTRUCTION

No discussion of a specific railroad is really complete until the problem of construction has been covered. This is particularly true when dealing with a road such as the Philadelphia, Wilmington and Baltimore, which was built during a period when railroad construction techniques had not been strictly defined. Methods of building were empirical, and the success or failure of a road often depended upon the choice of an engineer. Moreover, in an age in which no thought had been given to the standardization of gauge, careful planning and numerous agreements had to be made if connecting lines were to be achieved.

All four lines which eventually united to form the Philadelphia, Wilmington and Baltimore Railroad Company were most fortunate in selecting their engineers. After some bickering, the board of the Baltimore and Port Deposit had chosen Benjamin Henry Latrobe, Junior, son of the eminent Baltimore architect and engineer. Actually, the railroad directors were taking something of a chance in hiring Latrobe, for he was an unknown quantity. This was his first big job, and his reputation would either stand or fall upon it.¹ The directors, however, were not to be disappointed in their decision. Latrobe not only succeeded in constructing a good road, but also laid the foundation for his own personal fame as a railroad engineer. By 1856, he was considered one of the foremost authorities in railroad building, and had achieved the position as chief engineer for the Baltimore and Ohio Railroad Company.²

The other three lines had selected William Strickland as their surveyor and engineer. Strickland, it will be remembered, was a significant

Philadelphia architect and a former student of Latrobe's father. He had won considerable recognition as an expert on railroad construction following his return from Great Britain in 1825 and the subsequent publication of his study on the British internal improvement system.³ Strickland was assisted in his work by Samuel Kneass, who was his student.

Following their appointment as engineers, the first task that faced both Latrobe and Strickland was that of a survey for the proposed roads. In each case, the terminal points of the lines had been previously determined by the various boards of directors. It was the job of the engineers, therefore, to survey the most direct and accessible routes between these points. Finally, upon completion of the reconnaissance, reports which contained detailed estimates of construction costs and other essential data had to be made to the several boards regarding the feasibility of the proposed lines.⁴

In mapping a route, both Strickland and Latrobe used the sectioning system, in which the proposed railroad line was divided into sections which were bounded by distinctive topographical factors or other types of landmarks. Frequently rivers or streams would provide the dividing line between two sections. Occasionally, the surveyors used a mark such as a building or a Methodist Church, as in the case of the Baltimore and Port Deposit.⁵

The use of sections served two functions in the construction of a railroad. First, it provided a building unit. Second, each section had a distinctive type of topography. This not only permitted the promoters to make contracts with numerous construction companies, but also solved the problem of construction rates. Since each individual section

contained basically the same type of soil, the company could establish a standard rate of pay per cubic yard for the job of grading. This eliminated the time-consuming task of estimating how much rock, loam, or clay had been removed by a single building company and then calculating the amount of money owed that company.

Once the survey had been made and the proposed route sectioned, the problem of right of way had to be solved. If the charter granted the railroad the privilege of eminent domain, land could be obtained with a minimum of difficulty. Should a recalcitrant property holder refuse to grant the railroad company passage through his land, the company could condemn that land and call for a jury to appraise the damages. In the interim the railroad was free to enter and begin construction work.

It was, nevertheless, much more advantageous for the directors of a line to purchase outright the land necessary for railroad construction. Once the route of the road had been established, a land agent appointed by the company would begin negotiation with the property owners through whose land the railroad would pass. It was the function of this agent to appraise various tracts and to arrive at equitable agreements which would permit the railroad company to buy the land. Such transactions would not only save time, but would also spare the company the cost of paying a board of commissioners or a sheriff's jury for a condemnation decision.

Not all property holders, however, were amenable to either the overtures of a land agent or to the idea of a railroad crossing their land. In such cases it was necessary to resort to condemnation and this could occasion the most bitter anti-railroad sentiment. This can

be vividly seen in one of the more explosive cases against the Philadelphia road--that of James Bartram versus the Philadelphia, Wilmington and Baltimore Railroad Company. This conflict was ultimately resolved in a county court trial, and remnants of the testimony can be found in the Judge John Cadwalader Papers at the Historical Society of Pennsylvania.

The Philadelphia, Wilmington and Baltimore had attempted to purchase three acres of land from Bartram. Unable to do so at a reasonable price, the directors invoked the right of condemnation. In the trial which followed, at least three of Bartram's friends testified in his behalf. The most vehement testimony came from George Fuhr, who stated that he would not have sold the three acres to the railroad for \$4,000; that the railroad had not raised the value of the entire property; and that a perfectly good meadow including some mica and gravel deposits had been ruined.⁶ John M. Justice was less vitriolic but just as forthright in his comments on behalf of Bartram; he also felt that the railroad had cut his friend's property very badly and that the farm had not prospered from the construction of the line. However, he believed \$1,200 would be an equitable price for the railroad to pay for each acre of land.⁷ The third witness whose comments still remain was John Snyder, who said little except to express an opinion that the land used by the road was worth between \$1,500 and \$2,000 per acre.⁸

This testimony on behalf of Bartram by his friends was not in vain. Judge Cadwalader's decision awarded the plaintiff \$4,615 for damages done by the Philadelphia, Wilmington and Baltimore Railroad in crossing Bartram's property. Cadwalader decided that the land alone was worth \$3,615, or \$1,200 an acre for approximately three acres. Furthermore, it was his considered opinion that Bartram should be

compensated for the injury done to his farm in general. For such damages, the railroad was to pay an additional \$1,000.⁹

Following the procurement of all the land needed in a particular section, the company could advertise for construction bids. The engineer for the line would construct a scaled mock-up of the road bed which could be viewed in advance by contractors. This gave the construction company officials the opportunity to see the type of work demanded by the railroad prior to making a bid for the job. After looking at both the model and the various sections of the line, the contractor could then make a proposal based upon his observations.

After the awarding of contracts, the first job to be done was that of grading, that is, preparing a level road bed with a foundation of gravel that would support the superstructure of the track. This work entailed filling in low areas, beveling off slight rises or hills, and cutting through rock formations. The width of the grade varied. On the Baltimore and Port Deposit, for example, grading fluctuated between 18 and 20 feet in width, "with a view of gradually increasing the breadth of the road bed in the future course of repairs."¹⁰

The cost of this grading, as pointed out previously, also varied. The contractor was paid a flat rate per cubic yard, the rate having been pre-determined by the consistency of the soil. On the Delaware and Maryland line, for instance, sections three and five presented greater grading difficulties than any of the other four divisions. As a result, the contractors for these two areas were paid a greater rate than that which was given to the builders who worked on any of the other four divisions.¹¹

Once the grading had been completed, work could begin upon the underpinnings of the track. Only one adequate description of such a superstructure exists, but from the bills in the minute books of the other three companies for similar materials, one can assume that it may be applied to them also. In describing the plan of construction for the Baltimore and Port Deposit, Tanner stated that the basis for the superstructure of the entire line consisted of a "sill, under each line of rails, of sawed white pine, 6 x 8 inches in the section, and of various lengths, from 12 to 40 feet."¹² This sill was placed in a longitudinal trench the depth and width of which was equal to that of the sill. This placed the top of the sill at a level with the graded surface of the road.¹³ When the sills were in position, cross ties of white oak or chestnut measuring eight feet in length were placed upon them. These ties were notched in such a manner as to fit snugly over the top side of the sill, which prevented the ties from having any lateral movement.¹⁴ The upper side of the tie was also notched in order to receive the string piece or scantling.¹⁵ These so-called string pieces, made of Norway or Carolina yellow pine, were placed in the upper notches of the tie and directly supported the iron rail.¹⁶

With the superstructure finished, the laborious work of lifting the rails into position and fastening them to the scantling was begun. These rails, according to Tanner, were "bars weighing 40 lbs. per lineal yard, of a nearly rectangular section, $2\frac{1}{2}$ inches wide at the bottom, $2\frac{1}{4}$ inches full wide at the top, and $1\frac{3}{4}$ inches high."¹⁷ They varied in length from 17 feet 9 inches to 18 feet 9 inches with the ends cut at an angle of 60 degrees. Each rail was perforated by five holes through which spikes might be driven into the string piece. These holes were

enlarged at the top of the rail in order that the spike might be counter-sunk, thereby providing a smooth surface over which the train might pass.¹⁸ Rolled iron chairs were used when two rails were joined or spliced. These were iron plates, the tops of which were "U" shaped in order to hold the rail in place. The chairs were, of course, spiked to the string piece and the cross tie.¹⁹

It was the intention of the Baltimore and Port Deposit board to allow all but the sill to remain above the surface of the road bed. This was done in order to elevate the tracks sufficiently and thereby to avoid their becoming covered with water or snow, but it was soon found that such an elevation was impracticable. "A few weeks' use of the road, however, with locomotives travelling with very high speeds, appears to have demonstrated the insufficiency of this precaution against the displacement of the superstructure of the track, which is now in the course of being filled with earth to the level of the top of the string piece."²⁰

The cost of these construction materials varied greatly. White oak sills, for example, cost \$24.75 per thousand board feet. In contrast, yellow locust sills measuring seven feet in length cost forty-five cents apiece, or roughly \$64.35 per thousand board feet.²¹ Hemlock sills were even less expensive than white oak, costing only \$10.00 per thousand board feet.²² The price of yellow pine scantling, on the other hand, was pretty much the same on all four roads. It averaged about \$28 per thousand feet, the price consistently paid by the Philadelphia, Wilmington and Baltimore line.²³

Rails, as might be expected, were the most expensive construction materials. The rails for at least two of the four lines were purchased through Baring Brothers in England. The Wilmington and Susquehanna, and presumably the Delaware and Maryland, each purchased English iron, but they used the A. and G. Ralston Company in Philadelphia as their factor in procuring this material.²⁴ Newkirk was responsible for buying the rails of the other two lines. In November, 1835, he reported to a meeting of the Baltimore and Port Deposit directors that he had arranged with a Thomas Wren Ward, agent for the Baring Brothers, to purchase the iron needed for that line through the English banking firm.²⁵ The Baltimore directors, as a result of this negotiation, dispatched John Elgar to England "to inspect the Iron before it leaves the Factories, make insurance [and] ship the Iron under the direction of the Company."²⁶ The board also opened an account with the Barings for 25,000 £ to be used in purchasing the rails. For this procurement service, Baring Brothers would receive a commission of two and one-half per cent.²⁷ It can probably be assumed that Newkirk made a similar deal for the Philadelphia, Wilmington and Baltimore road.

The ultimate cost of rails is unknown. Tanner suggests that the cost of iron rails for the Baltimore and Port Deposit was approximately \$62 per ton delivered in Baltimore.²⁸ Only two bills, however, appear in the executive minute book of the Philadelphia, Wilmington and Baltimore to give any clue regarding the actual price paid. On November 15, 1836, a resolution was passed by the executive committee authorizing the treasurer of the company to pay Baring Brothers \$14,687.09 "for Rail Road iron per Ship St. Lawrence from Liverpool."²⁹ This sum, according to another resolution passed for the payment of shipping costs, was for

5,072 rails and 102 bundles.³⁰ The second rail bill for which payment was authorized amounted to slightly less--\$8,213.30.³¹ The freight bill for this load, while extant, does not specify the amount of rails purchased. The cost of transportation for these two loads totalled \$1,673.69.³²

Two questions naturally arise in a discussion of the construction techniques used in building the railroad from Philadelphia to Baltimore. Who were the contractors and workers? How much did each group earn? To answer either inquiry satisfactorily is difficult. It will be necessary, therefore, to draw from the records of all four lines and assume that what was true for one was also true for the other three.

The position of the construction company was not complex. The contractor bid on a section of the railroad, was awarded a contract which specified the amount of money he would be paid for performing a certain task, and was paid in monthly installments for the work he had completed. The company supplied the materials, and the contractor furnished the laborers and equipment. At the end of each month, the construction company was responsible for paying its employees with the money it had received from the railroad company. Each month, the railroad company withheld a specified per cent of the total amount of money due the contractor. With the exception of the date, each contract contained a clause which stated that "twenty percent [was] to be retained from each monthly payment until the work [was] completed, and to be forfeited to the Company unless the said [job was] completed according to Contract by the 1st day of December, 1836."³³

It is nearly impossible to give a more complete picture. Judging from the names of construction companies appearing in the various minute

books, it would appear that the company owners were of Irish descent. Names such as Beattie, McClenahan, Cochran, and McIlwaine make up the majority of the contractors. Moreover, it is quite probable that these men had immigrated to America some years earlier, had been employed as common laborers, and had ultimately risen through the ranks to become construction company heads.

The same type of problem arises in connection with laborers, though fortunately more information exists on this subject. Shortly after construction had begun on the Wilmington and Susquehanna, for example, E. I. du Pont wrote a letter to A. C. Cazenove lamenting a labor shortage. "As we had anticipated our last accident has caused a considerable stoppage in our work principally by the discouragement of our hands which has been increased & kept up by the contractors of the railroad, now making in our neighbourhood giving unprecedented high wages."³⁴ Since it is known that the vast majority of du Pont Company employees were Irish, it may be assumed that many of the railroad laborers were of the same nationality. Further evidence is also available to substantiate this assumption. In his biography of Father Patrick Reilly, Edward Roth states that this priest frequently walked the twenty odd miles from Wilmington to Havre de Grace to say mass for the many Irish who were encamped there while working on the Philadelphia, Wilmington and Baltimore Railroad.³⁵ Moreover, many of the laborers on the Chesapeake and Delaware Canal, as well as those working on the various other internal improvement projects in Delaware and Pennsylvania, were Irish.³⁶

Other groups may also have been employed. It is conceivable that some Negroes may have been used, for members of this race had worked on the construction of the Chesapeake and Delaware Canal.

In his excellent study of this project, Ralph D. Gray points out that "the work force was segregated at first, but later all of the men labored side by side. The Negroes were, however, fed and lodged in separate buildings."³⁷

It is doubtful that the working and living conditions of these men had changed much since the construction of the canal: in other words, they were bad. The salary of the construction laborer is unknown; however, supposedly unskilled men were employed by the railroad company as surveying assistants and received a dollar and a quarter a day.³⁸ At this rate, such an individual would have earned approximately \$33 per month. This was a good salary. Such a pay scale would probably have also applied to the common laborer--especially in light of the statement concerning wages by E. I. du Pont. By way of contrast, skilled men such as Samuel Kneass received between \$75 and \$150 a month.³⁹

Drunkenness and rioting on the part of the labor force was a constant concern to the railroad directors. Serious riots had taken place among such groups in both Philadelphia and Baltimore, and had resulted in great financial loss. Perhaps as a result of this fear, the Delaware and Maryland had placed a ban on the serving of all alcoholic beverages to the construction crews. Infringement of this rule could bring the wrath of the board upon the heads of the contractors. In August, 1835, for example, it was resolved by the board of that line "that information having been received by this board, that spirituous liquors are distributed to the workmen on the line, in violation of the contracts made with the company, the Secretary is hereby directed to give notice to the several contractors attending to receive payment on the first Estimate, that if such practices be continued, the contracts

for the section on which they occur, shall be declared forfeited."⁴⁰

Despite such an edict, liquor was still served by contractors on at least some of the divisions. Those contractors who did not ignore the board found themselves in difficulty. Leslie and White, for instance, who had upheld the decision of the directors, found that they had a strike on their hands. As a result, the board had to modify its regulations in order to complete the construction of the line. "Mr. Stabler, the superintendant of construction, attended the board and informed it that the workmen employed by Leslie & White, contractors for Section 7, had turned out and refused to work, in consequence of the contractors refusing to permit the use of ardent spirits, while other contractors permitted it contrary to their contracts and to the order of the board. After much discussion, it was. . . Resolved, That the agent be authorized to make such arrangement with Leslie & White and the other contractors as in his judgement may be best adapted to remedy the evil."⁴¹

Despite a multitude of possible difficulties, all four lines completed construction with a minimum of serious problems. There were no riots, and only a minor strike. Hezekiah Niles, therefore, spoke with greater truth than he may have realized when he described the pace of construction work on the Wilmington and Susquehanna. "This work has advanced rapidly under charge of its nervous president and directors, who have not been pestered by the 'Fardowns' and 'Corkonians'-- but the business of the road has proceeded peaceably and in order, without riot or trespass."⁴²

CHAPTER VII

OPERATION AND MERGER

The Philadelphia and Baltimore Rail Road Line commenced its regular daily trips yesterday morning. We understand the fare will be at least one dollar less than that heretofore charged by the Union Line. Whether the latter will suddenly discover that they can very well afford to run for the same sum, remains yet to be seen.¹

The opening of the railroad was an exciting event to the travelling public. Here at last was rapid and comfortable transportation between Wilmington and Baltimore. Furthermore, the extension of the line to Philadelphia was under construction and promised to be in operation within a matter of months. According to the Delaware State Journal, "nothing can exceed the comfortable arrangement of the passenger cars. They are each provided with seats made with fine sheep skin mats; and travellers sit as comfortably in them as in a well furnished parlor."²

Even the operation of the steamboat ferry across the Susquehanna exceeded the most sanguine expectations of the public. The top deck of the boat was laid with rails to accommodate the trains, and the middle deck was "filled up in a handsome and most convenient manner for the accommodation of passengers, while passing the river, and furnishing them with breakfast or dinner."³ Moreover, no difficulty had been experienced in moving the engine and train from shore to ship. Even the very first attempt at such a feat had proved successful. "Mr. Elliott, the engineer, after a momentary examination of the connection between the rail way of the wharf and of the boat, mounted his engine, promptly gave the word to

clear the way, and ran her from 'shore to ship,' bringing her up in the middle of the boat, with a grace and facility which reflect great credit upon his skill and decision."⁴

As the excitement of opening a railroad subsided, the directors of the Wilmington and Susquehanna and the Baltimore and Port Deposit settled down to the complex matter of railroad operation. On July 22, 1837, for example, the Baltimore and Port Deposit experienced a rather mortifying engine failure. The directors of that line had procured two anthracite-burning locomotives from the Gillingham and Winan Company.⁵ Such an engine was quite an innovation over the wood burners which were in operation on the majority of railroads, but the technical difficulties had not yet been solved. As a result both engines broke down on the same day, leaving the company without any locomotive power.

Fortunately the breakdown did not occur until the return trip from Baltimore to the Susquehanna had been nearly completed. The passengers were, however, forced to walk some thirteen miles to the River in order to catch the steamboat. In describing the hike, one editor who happened to be aboard commented that "when there is but one thing for men to do, and not much time to do it in, they are apt not to deliberate much, and accordingly 'here we go,' was the word."⁶ Edmund Canby, a little closer to some members of the Baltimore board, was less humorous. "Rode out to the Springs [Brandywine Springs near Wilmington] to breakfast--about 100 there. M. Newkirk there--found him much chagrined [sic] and worried with the failure yesterday--and well he may be, as nearly his whole fortune is involved in it."⁷

As an emergency measure, the Baltimore and Port Deposit immediately borrowed two engines--one from the Wilmington and Susquehanna, and one

from the Susquehanna Railroad Company.⁸ In the interim, Newkirk was appointed to secure a new locomotive in Philadelphia. This engine, made by the Norris company and constructed "on a highly approved plan," was soon "on its way in charge of the Engineer of the Maker who has agreed to let her run Sixty days on trial."⁹

The Wilmington and Susquehanna was also having its share of difficulties. Before the road had even opened, James Canby had been authorized to appoint a committee "to ascertain upon what terms a permanent loan can be obtained, sufficient to enable the company to pay off the debts existing against it."¹⁰ Such an attempt was apparently unsuccessful, for on October 3, 1837, a similar motion was passed by the board. This resolution provided that Messrs. Connell, Newkirk, and Gilpin negotiate a permanent loan not to exceed \$600,000 with an interest rate of not more than six per cent.¹¹ This effort must also have met with failure, for on October 23 still another committee was appointed to secure a loan. This time, the committeemen were instructed to "negotiate and obtain on the most advantageous terms, a loan convertible into the stock of this company, sufficient to pay off the whole debt now due by the Company."¹²

Regardless of the evident failure to obtain a long term loan, the board did meet with some temporary success in obtaining immediate financial relief. On August 1, 1837, Joseph Gilpin, a director of the company, tendered a personal loan for \$1,000 payable in sixty days.¹³ This offer was accepted. Similarly, the Wilmington city council agreed to lend \$4,000 to be repaid no later than May 15, 1838.¹⁴

The basic problem here was simple. The line had not been authorized to sell sufficient capital stock both to build a railroad

and to purchase rolling stock. Unlike the Baltimore and Port Deposit, the directors of the Wilmington and Susquehanna had collected in installments all the money which had been subscribed. They could not request, as the Baltimore directors had done, the payment of another installment when it was necessary to purchase additional locomotives or cars.¹⁵ Moreover, rolling stock was expensive. A large passenger car manufactured by Betts, Pusey and Harlan of Wilmington cost \$2100.¹⁶ Engines, as could be expected, were even more costly. A locomotive built by Baldwin of Philadelphia, for example, sold for \$6500.¹⁷ Furthermore, the duty alone on the locomotive "Wilmington," which had been manufactured in England and shipped from Liverpool, was \$1369.44.¹⁸ Finally, it was necessary to keep the equipment in good condition. The Wilmington and Susquehanna, for instance, paid Betts, Pusey and Harlan \$1,252.22 for repairs done by the latter company over a nine month period.¹⁹

Despite the expenditures made for good rolling stock and the sustained effort to operate an efficient and comfortable means of transportation, there were grumblings on the part of the travelling public. Within a matter of months after the opening of the line, popular sentiment was being expressed against the fares charged by the new railroad. In December, 1837, a bitter editorial appeared in the Baltimore Sun which epitomized this feeling.

We have heard complaints loud and long against the extortion of four dollars, simply for a passage from one city to the other, being little less than is charged from New York to Providence, about twice the distance, and full three times as much as is charged from New York to Albany, and not two thirds as far. The public have been sadly disappointed in the new railroad line to Philadelphia, as it was expected by all that this was to be an opposition to the old monopoly line, and that the long complained of charge was to be reduced. Our citizens were anxious for the

commencement of the cars, as they anticipated the pleasure of paying a visit to the 'city of brotherly love' without having to pay what they conceive to be an unwarranted price for the passage. But what was their astonishment when the rail road line commenced running, to find that there was to be no reduction from the extortion heretofore made by the Union line, when there was no other comfortable way to go to Philadelphia. It is now the general impression that the majority of the stockholders of the new line, are the same that own the old line, therefore the public have nothing to expect, by the way of reducing the fare, from either the rail road or steamboat line, but must tamely submit to the imposition.²⁰

The Baltimore editor's comment regarding the ownership of the railroad was false. There is little doubt, however, that the two lines were cooperating with regard to the price of fare. As early as June 30, 1837, the Wilmington and Susquehanna board had dispatched James Canby to Philadelphia for a meeting with the Union Line. This meeting, as we have seen, was held "with a view to an arrangement or understanding which shall preserve and promote harmony and good feeling between the two companies in their future operations, and thereby subserve the interests of both."²¹ Similarly, when the Baltimore and Port Deposit directors recorded the establishment of the four-dollar rate in their minute book, mention was made that they were doing so "having received an assurance from a Committee of Conference from the Union Line of steamboats that they had no intention to alter their rates of Travel for the present."²²

Regardless of sentiment against the so-called exorbitant cost of tickets, passenger traffic remained heavy. The Wilmington and Susquehanna, for example, collected \$1,608.91 in fares alone for the month of August.²³ Similarly, the same line received \$1,090.94 in September and \$1,172.72 in October from passenger traffic.²⁴ Freight tolls, in contrast

to modern railroads, accounted for only a fraction of the total revenue. During the same three month period cited above, the Wilmington and Susquehanna received \$11.39, \$21.00, and \$167.35 respectively for the hauling of freight.²⁵ Moreover, much of this income never reached the treasurer of the company. Of the \$1,340.07 collected by the Wilmington line during October, only \$690.46 remained after such immediate expenses as salaries had been paid.²⁶

Two major administrative changes took place during the opening months of operation. On August 21, 1837, James Canby submitted his resignation as president of the Wilmington and Susquehanna.²⁷ He had been ill for some time and had been advised to retire in order that his health might be somewhat restored. According to his great-grandson, Canby's health had been "impaired by his exertions in organizing the work [of the railroad] and persuading a reluctant Delaware legislature to grant it privileges."²⁸ Without a doubt, Canby had given the line his indefatigable attention and had been one of the potent factors in its success. He was succeeded as president by James Price, another member of the Quaker milling dynasty.²⁹

The second change did not take place until January of 1838. On January 22, Lewis Brantz, president of the Baltimore and Port Deposit, died quite unexpectedly. According to the obituary notices, the executive was visited early in the evening by two friends who found him in apparent good health. "While conversing with them, it became necessary for him to go to another room to obtain a paper which he wished to refer to; he went, and remaining longer absent than was supposed requisite, was followed by one of the gentlemen, who found him sitting lifeless in a chair."³⁰ Brantz, like Canby, had been a moving force in organizing and

completing the construction of the Baltimore road. Jacob J. Cohen, Junior, was elected as his successor at a special meeting called shortly after the unexpected demise.³¹

Several minor problems which required the attention of the various boards of directors also arose during the six-month period of operation which preceded the merger of the three railroads. One of the first of these was a rescheduling of trains. This was done in order to prevent steamboat racing on the Delaware River between Philadelphia and Wilmington. As discussed previously, the line between these two cities had not been completed, and it was therefore necessary for the railroad to operate a steamboat on the Delaware in order to connect with Philadelphia.³² The New Castle and Frenchtown also had a similar arrangement, with the exception that the New Castle boat left Philadelphia an hour before the boat to Wilmington. When the New Castle line changed its time of departure to coincide with that of its competitor, however, "it became a question whether, to prevent the dangerous practice of steamboat racing and the consequent peril to the lives of passengers, if the two steamboats should leave Philadelphia at the same hour, it would not be necessary to make a change on the part of this company in the time of leaving both Philadelphia and Baltimore."³³ Such a change was ultimately agreed upon by both the Wilmington and Susquehanna and the Baltimore and Port Deposit.³⁴

It was also during this period that the first passenger fatality occurred. Whether this accident was due to the negligence of the conductor or the passenger is unknown. According to the Baltimore Sun, "as the cars of the Baltimore and Philadelphia Rail Road were yesterday returning from Havre de Grace, and when at a point where some rocks project out near the railway, Mr. Thomas Pierson, being outside, and not perceiving

his danger until too late to retreat, was caught between the side of the car and the rock, and crushed so that he survived but a few hours."³⁵

The most important event following the completion of the three lines was, of course, the formation of one railroad company. This was accomplished through a merger which took place with the election of a new board of directors on February 14, 1838.³⁶ With this act, the Philadelphia, Wilmington and Baltimore Railroad began an existence which lasted for more than forty years until the company was finally purchased by the Pennsylvania Railroad.

Negotiations for such a merger were begun sometime in the fall of 1837. By November 24, a special meeting of the Baltimore and Port Deposit board was called by Lewis Brantz "to take into Consideration the expediency of calling a meeting of the Stockholders for the purpose of ascertaining their opinion with regard to an amalgamation of the interest of the three companies forming the line of road between Baltimore and Philadelphia."³⁷ The directors were apparently prepared for such an announcement, for a resolution was immediately adopted authorizing the president to call for such a meeting on December 26.³⁸

On November 28, four days after the Baltimore and Port Deposit directors had convened, a similar meeting of the Wilmington and Susquehanna board took place. James Price, the president of the Wilmington company, informed his directors that preliminary action had been taken by both the Philadelphia and Baltimore companies regarding a merger. In a statement which suggested his Quaker heritage, Price then commented that "he deemed it expedient to take the sense of the stockholders of this Company, on the subject."³⁹ This suggestion was immediately put

into the form of a motion, and it was agreed that a stockholders' meeting be called for December 22.⁴⁰

When the stockholders of the Wilmington and Susquehanna met on December 22, a roll call established that 38 investors holding 9,976 shares of stock were either present or represented by proxy.⁴¹ Having thus obtained a quorum, James A. Bayard submitted a resolution stating "that the mutual interests of this Company, of The Baltimore and Port Deposit Rail Road Company, and of The Philadelphia, Wilmington and Baltimore Rail Road Company, require a union of the said Companies so as to form one incorporated Company; and that the President and Directors of this Company be and they are hereby authorized to form a union with the said Baltimore and Port Deposit Rail Road Company and the said Philadelphia, Wilmington and Baltimore Rail Road Company, so that the three Companies shall be merged in one corporation, upon such terms and conditions and by such corporate name as to the said President and Directors shall seem fit."⁴² The motion was passed unanimously.⁴³

Having obtained the so-called sense of the stockholders, the Wilmington board was free to begin final negotiations with the other two lines. Following the stockholders' meeting, the directors convened to appoint a merger committee. John Hemphill, James Bayard, and James Price were selected, and they were authorized to take steps necessary "so as to merge the said three Companies in one corporation under and by the name of The Philadelphia, Wilmington and Baltimore Rail Road Company."⁴⁴ The board also sent a copy of their resolutions to the directors of both the Baltimore and Port Deposit and the Philadelphia, Wilmington and Baltimore Companies.⁴⁵

When the Baltimore and Port Deposit stockholders met on December 26, a resolution similar to that already ratified by the Wilmington investors was presented and passed unanimously. Moreover, Lewis Brantz, who was still alive at this time, was authorized to name a committee of three to meet with similar committees from the other two railroads. This group, consisting of Brantz, Matthew Newkirk, and Charles F. Mayer, was appointed immediately.⁴⁶

The following day, the various directors of the three lines met at the Susquehanna River to discuss the principles of union. James Bayard, in reporting to the Wilmington and Susquehanna board concerning this meeting, stated that a general agreement had been reached. However, no definite action could be taken until "the sanction of the stockholders of The Philadelphia, Wilmington and Baltimore rail road Company, and some further necessary legislative action in Maryland" had been obtained.⁴⁷

The consent of both the Maryland and Pennsylvania legislatures and the stockholders of the Philadelphia, Wilmington and Baltimore were ultimately secured. On February 5, 1838, the Articles of Union were completed by the merger committee subject to the approval of the stockholders of the three lines. These Articles established one corporation to be governed by one board of directors who were to operate the line under the by-laws of the Wilmington and Susquehanna.⁴⁸ Moreover, the capital stock of the new company was to be divided into shares of fifty dollars each "of which the present Stockholders of the Wilmington and Susquehanna Rail Road Company are hereby declared to be entitled in all to sixteen thousand shares; the present Stockholders of the Baltimore and Port Deposit Rail Road Company to nineteen thousand shares; and the present Stockholders of the Philadelphia, Wilmington and Baltimore

Rail Road Company to ten thousand shares."⁴⁹

With the Articles of Union prepared, the stockholders of the three companies were called into session in Wilmington on February 14. Following a roll call, it was ascertained that a quorum of stockholders was present and the merger was duly ratified with the election of a new board of directors for the united company.⁵⁰ Six days later, this board met and elected Matthew Newkirk and Jacob J. Cohen as president and vice-president respectively.⁵¹ With this act, the Philadelphia, Wilmington and Baltimore Railroad was completed. Only the bridging of the Schuylkill River remained in order that the company might stretch from the center of Philadelphia to the heart of Baltimore. In the light of this achievement, Edmund Canby's optimism was justified. "The 3 roads are now united and Newkirk was elected Presdt. for the whole line. His fortune was staked in this road; the probability now is, it will be a grand investment. It is going on swimmingly, carrying all the passengers and likely to have no competition."⁵²

The question ultimately arises as to why the Philadelphia, Wilmington and Baltimore Railroad Company succeeded. Why, after the abortive years, were the four lines suddenly able to capitalize, to complete construction, and successfully to negotiate a merger? Did such factors as the trade rivalry between Philadelphia and Baltimore suddenly cease to exist?

There is no definite answer to any or all of these inquiries. Perhaps the most obvious reason for the success of the railroads can be found in the individual motives of such major investors as Newkirk, who as Canby suggested, had staked a fortune in one or several of the lines.

By 1835, the concept of a railroad had been proved by such lines as the New Castle and Frenchtown, the Charleston and Hamburg, and the Baltimore and Ohio. These ventures had been profitable to investors. Moreover, a greater travelling public had been created by the newer and more rapid means of transportation. In short, the time was ripe.

A railroad between Philadelphia and Baltimore, then, could be a lucrative adventure. Furthermore, the charters for the roads connecting these two cities had already been granted. All that was lacking was the monetary impetus necessary to construct the lines. Capitalists such as Canby, Colt, Biddle, and Newkirk realized the potential and organized. By interesting their fellow merchants and bankers, they succeeded in building four railroads. Once these lines had been completed, a merger could be consummated. Following the injunction of Roswell Colt, they got themselves a railroad.

CHAPTER VIII

THE PHILADELPHIA, WILMINGTON AND BALTIMORE RAILROAD 1838-1840

In order to comprehend truly, the full extent to which the system of internal improvements has been carried in the United States, and correctly to estimate its future progress, it will be useful to take a general view of the origin and present condition of those leading works, which from their continuity or connection with others, partake more of a national, than of a merely local character.

In this class may be ranked all such works as do at present, or may hereafter unite, and thus form a continuous line of communication between distant portions of the country; such, for example, as the Camden and Amboy; Philadelphia, Wilmington and Baltimore; Baltimore and Washington, and other rail-roads.¹

The formation of one railroad company undoubtedly solved many of the problems that had plagued each of the individual lines. The difficulty of communication between the various boards of directors alone would have justified the merger. The amalgamation of the three roads was not, however, a panacea. The newly formed company had inherited the financial problems of each of its progenitors--financial problems to which no solution had yet been found. As a result, the constantly recurring theme throughout the early years of operation was where and how the company was to procure a loan.

There were two major topics of discussion when the board met for the first time on February 20, 1838. The first was the election of officers and the determination of salaries. This matter, as pointed out earlier, was accomplished without difficulty.² The second order of business was a resolution authorizing the president to appoint a committee

of three "with full power to negotiate a loan for the use of this Company of such sum, or sums of money as shall be necessary to pay off the debts and liabilities of the Company and upon such terms as they shall deem expedient and proper."³ In compliance with this resolution, Newkirk appointed himself, John Connell and John Hemphill to serve as such a committee.⁴

Further action toward obtaining money was taken when the board met again on March 6. At that time, the committee on loans which had been named at the previous session was instructed by the board to dispose "of as much of the Stock belonging to the Company and on such terms as they may deem proper for the liquidation of the debts of the Company."⁵ The committee was apparently somewhat successful, for on April 18, Newkirk reported that they had effected an arrangement that would insure the "liquidation of the debts of the Company as they would become due."⁶ The precise nature of the arrangement is unknown, but it is doubtful that it was completely satisfactory. This is borne out by the fact that at the same meeting, James Canby and David Wilson were directed to sell or lease all the property owned but not used by the company between Wilmington and the Susquehanna River.⁷

The committee on loans continued to function, however, for when the directors met again on May 8, they received two requests. The first of these, reminiscent of the early days of capitalization, was a proposal for the revocation of the stock belonging to Joseph Fisher. Fisher had subscribed to an unspecified amount of capital stock and then had failed to pay any of the installments.⁸ The loan committee also asked permission to examine the books of the company and to make inquiry "relative to all cases of default in payment of instalments [sic] due on Stock and to

report at [the] next meeting."⁹ Both petitions were granted by the board.

Undoubtedly, the most interesting action taken by the directors regarding the procurement of a long term loan was begun at this time. At some point following the merger of the three lines, negotiations were started in England and western Europe with a view toward interesting foreign capital in purchasing bonds issued by the company. Although this attempt was ultimately successful and the railroad did receive £ 113,000 from an English banking house, the story leading to this triumph is an interesting one.

From the beginning, the Philadelphia, Wilmington and Baltimore Railroad Company had one factor in its favor--Samuel Jaudon. Jaudon, a director of the company, was one of Nicholas Biddle's most trusted agents. When Biddle terminated the connection between the Bank of the United States of Pennsylvania and the House of Baring in 1837, he chose Jaudon as his representative in England.¹⁰ Jaudon accepted the position and sailed for England, arriving in London during the first week of November, 1837.¹¹

In his new capacity, Jaudon was in an excellent position to be of service to the railroad. Realizing this fact, Newkirk, and presumably Connell and Hemphill also, began negotiations with their fellow director concerning a loan of foreign capital. When the board met on June 12, Newkirk announced that two letters had been received from Jaudon dated May 5th and May 9th. The contents of these letters were not disclosed, but it was stated that they were "relative to the negotiations of a Loan."¹² It may be assumed, however, that Jaudon was busily engaged on behalf of the railroad. This is borne out by the minutes of the August 14 meeting. At that time, the board authorized Newkirk to procure a mortgage on the

railroad in order that an English loan might be secured. "Resolved, That in the negotiation of the loan now pending in London, the President be and he is hereby authorised to execute a Mortgage or any other security he may deem necessary or proper to attain the said Loan; and to constitute one or more trustees or attorneys whom he may designate, or to vest in them any powers which may be deemed by him essential to securing the same."¹³

One other step was also taken at this time. Newkirk had apparently been in contact with William Strickland, and had learned that Strickland was contemplating another trip to England. Cognizant that an articulate engineer could do Jaudon no harm in his efforts, Newkirk suggested that the directors appoint Strickland as an aide to the Biddle agent. This idea met with the approval of the board, and a motion was passed permitting Newkirk "to engage William Strickland to co-operate with Mr. Jaudon in England in the negotiation of a loan in behalf of this Company; and that such compensation shall be allowed for his services as Mr. Jaudon shall deem them entitled to."¹⁴

By October, however, it became apparent that emergency measures would have to be taken at home before money could be obtained abroad. Newkirk and his board had not received official sanction from their stockholders to execute any kind of mortgage or loan. As a result, a special meeting of the stockholders was called for October 2, 1838. At that meeting, a previously compiled ordinance was presented for ratification. This ordinance provided that "the President and Directors of the said Company be and they are hereby authorised to borrow for the use of the said Company such sum, or sums of money as to them may seem necessary for such term, or time, at such rate of interest and generally

upon such terms and conditions as they may think expedient."¹⁵ Moreover, this act was to be made retroactive so that "if the said Loan or Loans or any part or parts thereof, shall have been already made the same shall be and hereby is sanctioned, ratified, and approved."¹⁶ The petition passed unanimously.

The purpose of the retroactive clause was not explained. Furthermore, its significance did not become apparent for another year and a half. The committee on loans, it turned out, had contracted with Biddle for a series of loans prior to the stockholders' ratification of the ordinance. From April 1 to August 1, 1838, the committee had borrowed a total of \$700,000.¹⁷ It was necessary, therefore, to obtain official sanction for this extra-legal act by adding such a clause.

Despite the action of the board and the procurement of domestic credit, little financial aid from Europe was forthcoming. Even the optimism of Jaudon concerning the possibility of procuring a mortgage for the road in England had apparently waned. A year after he had been engaged by the company, the committee on loans reported that Jaudon had effected no sale of company bonds in England.¹⁸ Becoming somewhat desperate, the directors finally decided to dispatch John Connell to England to aid Jaudon. In accordance with this decision Connell was invested with the requisite power of attorney and given \$2,000 for salary and expenses. This figure was to be raised to \$5,000 if he succeeded "in effecting the desired negotiations."¹⁹

Nothing more was heard from Connell until October, 1839. At that time, the loan committee reported to the directors that a letter had been received from him stating that it had been impossible to sell the bonds

of the company on the English market.²⁰ Connell had, however, gone on to Amsterdam and submitted a proposition to an old and established banking house. Moreover, while nothing had yet been transacted, "he had left the matter in a train of certain and satisfactory negotiation, the subject being of a strictly confidential nature he did not feel himself at liberty to make as yet a full report of all circumstances but expressed in behalf of the Committee the belief of a speedy and satisfactory negotiation being soon effected if the late suspension of specie payments had not the effect to empair [sic] his late endeavors."²¹

The suspension of specie payment apparently had its undesired effect, for nothing more was heard from Connell regarding his Dutch loan. Jaudon, however, was ultimately successful in his efforts. On May 12, 1840, the committee on loans reported that he had procured in England a loan of £ 113,000 at six per cent.²² Moreover, this money had already been applied to the \$700,000 debt owed the Bank of the United States.²³ This left a balance due the Bank of \$204,957.57, which, it was proposed, would be covered by the several bonds of the company which had been sold by the committee.²⁴

To recapitulate briefly the financial transactions during the first two years of operation, the Philadelphia, Wilmington and Baltimore Railroad Company borrowed at least \$1,894,372 in both this country and England. Broken down, records exist for loans of \$700,000 from the Bank of the United States; \$510,397.76 from England; and \$684,065 collected from bonds "issued at sundry times."²⁵ Part of these obligations overlapped, for funds borrowed in England were applied to the railroad's account with the Bank of the United States. Because of the committee method used in obtaining these loans, however, it is quite possible that

even more money was borrowed than that for which records exist. C. P. Dare, in his Guide to the road written a decade later, commented that a special meeting of the stockholders in 1842 granted permission "to execute two mortgages covering nearly \$3,000,000 of the indebtedness of the company, and [thereby] securing an extension of demands upon it."²⁶

Having reflected upon the necessity for such loans, the student of the Philadelphia, Wilmington and Baltimore next encounters a complicating fact, namely that business along the line during the same period was basically good. Throughout this two year span, the railroad was engaged in an ever-increasing volume of activity. From March 1, 1838, to the end of the year, 146,410 passengers paying \$296,796.74 in fares were carried on the line. Moreover, the freight earnings for the same period totalled \$41,204.46.²⁷ The following year, 213,650 passengers paid \$414,974.76 in fares while total freight receipts yielded \$39,239.27.²⁸ Although the net earnings of the company for these two years are unknown, a comparison can be made with 1841 when such data is available. In 1839, freight plus passenger fares grossed the company \$454,214.03. In 1841, freight and passengers yielded \$423,687.10. The net earnings for that year were \$296,929.70.²⁹

This was obviously a good profit. Where, then, was the money going? At least a partial explanation can be found in the dividend declarations. Perhaps a little too anxious to recoup from their heavy investments, the directors paid an average dividend of six per cent a year for the first five years the railroad was in operation.³⁰ Just as probable, however, was a desire on the part of the board to keep the value of the stock high, through regular dividend declarations, while attempting to get domestic and foreign capital.³¹ These dividends were

calculated, incidentally, on the total capital stock, or 45,000 shares worth \$2,250,000.³² This put a tremendous drain on the financial resources of the company. In 1838, for example, when a four per cent dividend was declared, approximately \$90,000 was paid to the stockholders. In the three succeeding years, \$3.75 was paid for each share or a total of \$168,750 expended in dividend payments. As Dare cautiously suggests, "notwithstanding the incomplete condition of the property, and the embarrassed [sic] monetary position of the company, dividends were regularly declared, and by this means the weighty burden of its debts seriously augmented."³³

It is doubtful that the travelling public had any concept of the financial difficulties of the railroad. They could, however, read the rate of dividends being declared and seethe with indignation at the rate of fare being charged by the line between Philadelphia and Baltimore. As had been suggested at the close of the preceding chapter, voices of protest had arisen when the cost of tickets advanced to four dollars shortly after the opening of the line in July of 1837, and aspersions were even cast regarding the ownership of the road.³⁴ It was with a faint note of sarcasm, therefore, that the Baltimore Sun greeted the lowering of fares on March 15, 1838, in a column entitled, "Doing the correct and genteel thing." "It will be seen, by reference to our advertising columns, that the Philadelphia, Wilmington and Baltimore Rail Road Company will, on and after Monday next, place on their road a train of cars to leave here every morning, at 6½ o'clock, and arrive in Philadelphia in time to take the evening line for New York. Fare, by this time, will be three dollars. This will give the inhabitants of the two great cities an opportunity of visiting each other at a trifling and reasonable expense."³⁵

This opportunity for inexpensive travel was, however, short-lived. When the directors of the Company met on May 8, "the President in behalf of the Committee on Fare reported an agreement with the New Castle and Frenchtown rail road Company, which, on motion, was approved and confirmed and ordered to be filed."³⁶ No further comment was made in the minute book, but from the subsequent announcement concerning an increase in train fare to four dollars, there can be little doubt concerning either the subject of the meeting with the New Castle road or the subsequent communique from the committee on fares.

Almost immediately the public wrath broke upon the heads of the directors. The editor of the Philadelphia Ledger took the lead in expressing this sentiment. Recalling arguments used by the backers of the line when seeking charters, he hurled them back with some vehemence. "When the Philadelphia, Wilmington and Baltimore Railroad company applied for a charter, they urged as a good argument for one, the extravagant fare demanded by the Citizens' Union Line, then four dollars; and they promised a speedier and cheaper conveyance to Baltimore. But now, the fare demanded by each is four dollars, which is at least one dollar, if not two dollars, too much, and may justly be called extortion in each company, and a violation of promise in the Philadelphia, Wilmington and Baltimore Company."³⁷

Newspapers editors were not alone in their attack upon both the Philadelphia and the New Castle lines. The Baltimore Sun was inundated with irate letters from various citizens. One of the most vitriolic of these was published on May 14. Addressed to the President and Directors of the Philadelphia, Wilmington and Baltimore Railroad, the author began by questioning the ownership of the line. "It appears by your advertisement

in the different public newspapers, that notwithstanding the heterogeneous principles that you and the Directors of the Union Line of Steamboats were supposed to be compounded of, you have made out to amalgamate so far as to form a union for the purpose of imposing upon the public, by raising the fare between this city and Philadelphia to \$4; and I can assure you the travelling public are disposed to saddle you with all the odium such injustice and extortion are so well calculated to inspire."³⁸ The attack then continued, expressing a violent dislike for corporate business. "There are many persons in this country opposed to giving to individuals corporate powers, from the frequent abuse of them, goaded on by avarice and a thirst for large dividends; hence the adage, that 'corporations have no souls,' and are ready to take their 'pound of flesh' whenever it can be obtained, regardless of the means used to obtain it, and that corporate bodies should be watched with a jealous eye, is strongly exemplified by your recent conduct."³⁹

The attack against the railroad did not end there. The following week, a less erudite but equally violent condemnation was published. "It is said thunder is always heaviest when the atmosphere is most surcharged with noxious vapours, and I judge from the noise that is made about raising your fare to \$4 from this to Philadelphia, must have been prompted by some malign influence, as the 'Public' are beginning to thunder pretty heavily against you for that act, and I am inclined to think ere long the sound will reach your ears, and your fears may prompt you to do, what a sense of justice should have dictated to you, ought never to have done."⁴⁰ There was, however, a tone of reconciliation in this letter that had not been expressed in previous diatribes. Implying that the Union Line was really the culprit, the author exhorted the

fallen directors to see the folly of their ways and return again to the side of righteousness. "Inasmuch as the public was given to understand in getting up your railroad, they were to be accomodated [sic] on cheaper terms than they had experienced from the Union line of Steamboats, whilst they had the monopoly--your amalgamation with that line is unnatural and cannot last, though your supposed mutual interest may make you cleave together for a while, like the iron and clay in the toes of 'Nebbuchadnezzar's image,' yet you can never incorporate with them."⁴¹

Warming to his theme, the writer continued. "Philosophers say we are born in a state of war, a mutual desire to possess the same things, arms us against each other from the cradle. Be that as it may, experience has shown us that the [Union] line wants no rival, and their directors are masters of the art of putting extinguishers on all opposition,-- and from your recent conduct, I should say they already had their fingers in your eyes. You may stick with adhesive tenacity to your \$4 it is all your rivals can wish for--if the public are to continue in their present disappointment of getting accomodated [sic] on better and cheaper terms, than they were wont to be in the steamboats, they will return to the Union line"⁴²

There was, however, a converse side of the coin. At least one anonymous individual, perhaps someone closely associated with the railroad board, took exception to the barrage of letters being published in the Baltimore Sun. In an attempt to exonerate the Philadelphia, Wilmington and Baltimore, he suggested that although a four dollar fare might be a little high it was at least better than the constantly fluctuating prices that had existed before the advent of the railroad. "Before the Railroad was made, passengers were paying for 8 months in the year, either three

or four (and most frequently four) dollars fare between the two cities. For two months (Spring and Fall) five dollars, and the remaining two months during the time the navigation remained closed, as high as fifteen dollars by the Stage Lines, and then, too, they were from 9 to 24 hours making the passage, that is 9 hours in summer, and 24 in winter."⁴³

Despite the raging controversy, the board remained firm and retained the four dollar fare. Moreover, when the directors met on February 12, 1839, it was decided to raise the price of tickets one dollar.⁴⁴ Furthermore, Newkirk suggested that a committee be appointed to confer with the New Castle and Frenchtown road in order "to prevent any collision or injury between the two Companies while running in opposition to each other."⁴⁵

A final solution was reached in April of 1839. Sometime in late March, a petition of protest was submitted to the Maryland legislature by a Mr. Williams of Harford County.⁴⁶ This memorial was referred to the House Committee on Grievances and Courts of Justice for discussion and examination. In reporting the outcome, the Delaware State Journal stated that the committee ultimately decided that "according to a sound construction, the company is clearly within the limits of its authority, in all the charges it has claimed for transportation of passengers and goods. The idea that a union had been formed between the Company and the Philadelphia Steamboat Line, is discussed summarily, as having no color of foundation in fact."⁴⁷ Thus the rate battle was won conclusively by the railroad. Moreover, the dire prophecy of declining business proved false, for the income from the sale of passenger tickets in 1839 exceeded similar sales of the preceding year by \$118,178.02.⁴⁸

The second major controversy in which the railroad was a participant concerned the carrying of United States mail. The company had contracted with the Post Office Department "for the transportation of one mail daily to and from this city to Baltimore, the compensation to be \$27,500 per annum, the Company having agreed to run in connexion [sic] with the Washington and New York mails, and deliver the mail from this city in Baltimore, by half past 3 o'clock, p.m., and the southern mail in this city daily by 5 o'clock, p.m."⁴⁹ By mid-summer of 1839, however, the Post Office had become dissatisfied with having only one mail train a day between Baltimore and Philadelphia. Amos Kendall, Postmaster General, therefore contacted the railroad directors requesting that a second daily mail line be put into operation.⁵⁰ In discussing this proposition, the board agreed to run such a train provided that they would receive compensation for the same at not less than \$25,000 a year.⁵¹

As negotiations progressed, the railroad increased its monetary demands. In August, a resolution of the board was passed instructing Jacob Cohen, Junior, "to propose to the Post Office department to carry one Mail daily each way for Thirty Thousand Dollars per annum provided the time of running be made to agree with the hours of running the passenger train."⁵² This resolution was, of course, rebuffed by Post Office officials.⁵³ Even a series of interviews failed to produce any solution and by November no agreement had been reached. Cohen, in reporting to the board, stated the problem succinctly. "The Post Master General . . . wishes to have the Mails forwarded from Philadelphia to Baltimore immediately on their arrival from New York at Midnight, but refused a greater compensation (being limited by the Act of Congress) than the Company had heretofore received for service of the same kind by

daylight, the Committee declined the acceptance of a contract on terms apparently so disadvantageous to the Company and therefore concluded . . . no agreement."⁵⁴

Whether further negotiations were attempted following the November stalemate is unknown. When the mail contract ended on December 31, 1839, however, no new contract had been signed. As a result, the Post Office had to seek another route for the north-south mails. Feeling on the part of the railroad officials was quite intense during the period. For example, when the board met on January 9, 1840, a resolution was passed instructing the agents of the company "to refuse to carry in the Passenger trains any baggage which there is reason to believe contain the Mails of the United States until a contract be made for that purpose with the Company."⁵⁵ Furthermore, the directors carried their case to the stockholders of the company when that body met on January 13. After stating their case, the board requested official approval for the action they had taken. Such assent was immediately given. "Resolved, That this meeting approves of the determination of the Directors declining to contract for the transportation of the United States Mail on the terms offered by the Post Master General."⁵⁶

The problem was eventually solved with neither emerging as the victor. In mid-March a contract was signed which provided for the operation of two mail trains daily for which the railroad received \$30,600 per year.⁵⁷ This figure represented an increased compensation of \$6,900 a year. In accepting the contract, the directors lowered their original demand of \$25,000 for the addition of a night train. On the other hand, the Post Office Department retreated in that they increased their transportation expenditures. As a result, mail service on the Philadelphia,

Wilmington and Baltimore was resumed on March 13, 1840.⁵⁸

The forces of nature were also at odds with the railroad when a tremendous rainstorm and flood which occurred on January 26, 1839, took some toll bridges and track. According to published reports following the mishap, the bridge over Red Clay Creek was completely destroyed, some damage was sustained by a similar structure over White Clay Creek, and about 80 feet of track had to be replaced.⁵⁹ The most severe damage, however, was done to the partially completed bridge over the Schuylkill in Philadelphia. "About 200 feet of the wooden superstructure, near the centre of the bridge was carried away, and the tops of one or two of the piers; but the abutments and the foundations of the piers are safe."⁶⁰ All in all, it was estimated that the damage done by the flood totalled between \$10,000 and \$15,000.⁶¹

A host of other problems also arose during the first two years of operation. One of the most shocking of these was a head-on collision of two trains nine miles from Baltimore which resulted in the death of two crewmen. Edward Ford, the engineer of the southbound train, had apparently misunderstood his orders to stand at a siding until the northbound cars had cleared his train. Moreover, the morning was foggy, making it impossible for Ford to see the oncoming locomotive until it was too late. As a result, the two engines collided with an impact sufficient to burst the boiler of Ford's locomotive and send him and his fireman to a scalding death.⁶²

Probably one of the most ludicrous events in railroad history took place during this period. In early November, 1838, Jeremiah Bowman, agent for the Philadelphia, Wilmington and Baltimore, engaged in a rather

tragic affray with Daniel Vanburger, agent for the Union Line. According to newspaper accounts, "the quarrel arose in an endeavor on the part of each, to induce a traveller to take his respective line, and ended in Vanburger's receiving a stab from Bowman with a sword cane through the right breast. A second stab was attempted, but was prevented from taking effect by the by-standers."⁶³ Vanburger died shortly thereafter, and Bowman was tried for murder.⁶⁴

The railroad, due to its location, was not even immune to the problem of runaway slaves. In both 1838 and 1839 the line was involved in two slave cases that must have caused some of the Quaker board members much discomfiture. In 1838, a female slave belonging to Jacob Myers of Baltimore boarded a train in that city and attempted to flee north to freedom. She was apprehended, however, and the railroad was held responsible for the attempted escape. In settling the case, the board purchased the slave for \$300 and then authorized William Patterson "to sell her for any price she would bring running."⁶⁵ The following year, a similar claim for a runaway slave was pressed by a Mr. Allan. The outcome of the case, other than the fact that a trial was held, is unknown.⁶⁶

In spite of the difficulties attached to the operation of the line, the directors were able not only to sustain operation, but also to augment the services rendered. Taking the role of the innovator, the board purchased some of the first sleeping cars manufactured for use of railroads. These were not of the famous Pullman design which was developed later in the century, but were constructed with benches placed along the sides of the cars which could be converted into berths with the addition of pillows and other such accouterments. The Baltimore Sun

vividly described them as "handsome cars, exclusively for gentlemen, in which the seats are placed lengthwise, and can at any time be converted into berths, with all the comforts and convenience of a good bed, being provided with soft cushions, pillows and clothing There is also an elegant car attached to the same line, for families, which has a private room for ladies."⁶⁷

Another of the more important accomplishments of the board during the period was the securing of steamboat connections in Baltimore for Norfolk and Charleston, South Carolina. Negotiations with a steamboat line for such an association were begun in April of 1838. At that time, overtures were made by the railroad directors to the board of the Maryland and Virginia Steamboat Company in hopes that some agreement might be reached for the conjunction of the two lines. The Maryland and Virginia Company, however, had a similar agreement with the New Castle and Frenchtown Railroad.⁶⁸ Moreover, they were unable to break that contract unless they were willing to forfeit a penal bond.⁶⁹ Cohen, as chairman of the committee on rates of fare, was finally successful in securing a southern connection for the railroad. On June 12, he reported that "a verbal agreement [has been reached] with the owners of the Steamboat Pulaski, by which that boat is to transport passengers to and from Norfolk and Charleston in connection with this line at Baltimore for \$30 for the passage through from Philadelphia to Charleston of which this Company is to receive \$3."⁷⁰

The most spectacular event, of course, was the bridging of the Schuylkill River in order that trains might be brought into the center of Philadelphia. Construction was begun on the viaduct immediately after the board had received the necessary legislative permission in the spring

of 1837. By January 15, 1838, the stockholders of the company were informed that all masonry work with the exception of the draw piers was finished, and a portion of the superstructure was in place.⁷¹ The following month, the Pennsylvania legislature granted the directors permission to lay a double track from the eastern side of the bridge down Prime Street to Broad Street in the heart of the city.⁷²

Actually, more was involved in opening the way for the railroad down Prime Street than the mere granting of a legislative petition. In order to double-track the street and still retain normal two way carriage traffic, it was necessary to increase the width of the entire street to 100 feet.⁷³ This, obviously, would be an expensive job. Realizing this fact, the legislature stipulated "that the Company should pay one-third of the damages arising from increasing the width and be at the expense of grading the street."⁷⁴ The board complied with the conditions established in the legislative act at a meeting held on June 12, 1838. At that time, it was agreed "that the location of the Philadelphia, Wilmington and Baltimore Rail Road on the Eastern side of the Schuylkill be and it is hereby established as follows Viz. from Federal Street to Prime Street and thence along the centre of Prime Street to Broad Street."⁷⁵

By August, work upon the bridge had nearly been completed. At a board meeting held in the middle of that month, the directors discussed at length the completion of the work and particularly the name it should be given. On a motion by William Patterson, it was unanimously resolved "that in commemoration of the great and important services rendered in behalf of this company by Matthew Newkirk Esquire the President, the Improvement of the Company on the Schuylkill now about to be completed be and the same is hereby named and designated as the 'NEWKIRK VIADUCT'."⁷⁶

This was a fitting memorial to a man who had helped build a railroad.

On December 25, 1838, the bridge was opened for train traffic.

Horse-drawn cars carried the passengers from the new bridge to Broad Street, where the line connected with both the Southwark Road and the railroads owned by the City.⁷⁷ The railroad was now completed.

Moreover, according to Mr. Bennett, reporter for the New York Morning Herald, it was one of the best railroads in the country.

I arrived here [Baltimore] on Monday night, about 9 o'clock, after a very pleasant and comfortable trip in the railroad cars in seven hours. The weather was very cold--not so I. Of all the modes of travelling I have yet experienced, that on the Philadelphia and Baltimore rail-road is the easiest, most comfortable, and best arranged. The Camden and Amboy is well arranged, when one takes into consideration the shifting from steamboat to rail road, and I have no doubt but the line, from Philadelphia direct to Jersey City, will be put on the best footing. But I must say that the Baltimore managers have the merit of originating the best arrangements I have yet seen adopted on any railroad, comprehending in this opinion those of England, France and the United States.

The cars are three times the length and twice the width of the old-fashioned kind. Each car holds sixty passengers. The seats, with shifting cushioned backs, are arranged in two tiers or rows, one on each side, with a passage way between them, sufficiently wide and high to admit man and woman to pass each other, during the journey, without any uncivilized closeness of contact. In the centre of each car is a small stove, sufficiently large to warm the whole interior, and make it as comfortable as a room.

On the road, as at present organized, there are three of these long, large--not piratical looking--cars, in all capable of taking 200 passengers and their luggage. The first car after the engine is appropriated for colored people, servants, amalgamationists and other luggage of that description. The next car is used for bachelors, travelling dandies, smokers, chewers, moustaches, editors, and other single blackguards, on their way to Washington to associate with the members of Congress. The third and last car is appropriated for ladies and their cavaliere serventi, young ladies going to the Washington market, and loco focos and office seekers with their wives and cousins, in search of sub-treasurers. Each

of these cars communicate with the other, by means of the long central aisles which I have already described, having also doors at each end. When the cars unite there is a sort of platform, where you can go out and smoke a cigar. Each car is supported by eight wheels, two sets of two at each end, so that if a wheel, or an axle-tree, should break, the train need not be delayed.

Nothing can be conceived more comfortable in the coldest weather, than travelling on this system. It has all the ease and power of locomotion which a person finds on the steamer, with nearly double the rapidity of progress. In the night line, I am told they have beds for the passengers--and in another year I should not be surprised to see dinners, or at least refreshments or dejunes given in these cars, at the very moment the traveller is going at the rate of thirty miles per hour.⁷⁸

The journalist, in dwelling upon the theme of innovation, had struck the right chord. The Philadelphia, Wilmington and Baltimore was a railroad well worth emulation.

APPENDIX A¹

A publication recently compiled by Mr. Tanner, gives a short description of all the canals and railroads in the United States, now completed or in progress--from which work the following is collected:

	<u>Canals</u>	<u>R. R.</u>
New Hampshire	83 3/4 mi.	
Maine	20 1/2	
Massachusetts	78 1/4	116 mi.
Rhode Island		46
Connecticut	80	30
New Jersey	149	105
Pennsylvania	788 1/2	322
Delaware	13 1/2	16
Maryland	354	194
District of Columbia	9	
Virginia	60	249
North Carolina	24 1/2	
South Carolina	51 1/8	135 1/2
Georgia	28	
Alabama	16	62
Mississippi		63
Louisiana	14	5
Kentucky	1 1/2	
Ohio	375	

1. Niles' Register, January 3, 1835.

APPENDIX B²

"We, the undersigned hereby agree to subscribe for so many shares of the Capital Stock of The Baltimore and Port Deposit Rail Road Company as are placed opposite to our respective names upon the terms, and according to the conditions of an Act of the General Assembly of Maryland, passed at December Session, Eighteen Hundred and thirty one, entitled, 'An act to incorporate the Baltimore and Port Deposit Rail Road Company.'

Witness our hand this twenty first day of May Eighteen Hundred and thirty two.

For the Susquehanna Bridge and Bank Co.,
W. M. Freeman, President

	1000 shares
Jos. G. Tomkins	10
Stewart Brown	20
Hugh Davey Evans	10
John Sitting	30
J. Martin	10
James Carey	10
George Carey	5
Wm. E. Coale	5
John B. Wilson	30
John W. Coale	10
Chas. Pitt	5
Isaac Coale	5
Wm. M. Medcalfe	10
Harman Stump	10
Wm. H. Freeman	50
C. F. Mayer	5
Peter Neff	5
Ford Dawson	50
John B. Howell	5
Albert Constable	5
W. Sappington (at Port Deposit)	2
T. L. Savin	2
H. S. Stites	2
Job Smith	1"

2. Minute Book, Baltimore and Port Deposit I, May 21, 1832.

APPENDIX C³

"We the subscribers hereby agree to subscribe for as many shares of Capital stock of the Baltimore and Port Deposit Rail Road Company as are placed opposite to our respective names, upon the terms and according to the conditions of an act of the General Assembly of Maryland passed at December Session Eighteen hundred and thirty one, entitled an Act to incorporate the Baltimore and Port Deposit Rail Road Company.

Witness our hands this the twenty sixth day of September in the year Eighteen hundred and thirty three.

Peter Neff	50
Wm. Clark	100
Benj. Cook	50
G. Hammer	10
Martin Fisher	10
John A. Hamilton	50
Geo. W. Dobbin	10
Nathl. Hickman	40
William G. Cook	30
Wm. J. Broadfort	20
E. L. Finley	25
Isaac Knight for E. L. Finley	20
William J. Cole	10
S. W. Fleetwood	20
Nick. Dauron & Co.	50
William C. Spindles	10
Charles F. Mayer	10
William S. Denny	20
Joseph Robins	5
Hugh Davey Evans	6
Canton Co. of Baltimore	500
James Phillips	5
Sept. 27	
Tho. Finley	10
I. Knight	5
Job. Smith, Jun.	5
Wm. Gwynn	5
Ge. W. Williamson	5
William H. Freeman	1000 "

3. Minute Book, Baltimore and Port Deposit I, September 26-27, 1833.

APPENDIX D⁴

"Resolved that the stock standing in the names of the following persons be and the same is hereby declared to be forfeited to the company the Installments thereon due and payable not having been paid.

W. J. Bradfoot	20 shares
James Carey	10
W. E. Coale	5
Thomas Finley	10
J. Martin	10
Jas. Phillips, Jr.	5
Wm. Sappington	2
H. S. Stites	2
Isaac Coale	5
W. G. Buckner	500
Geo. Carey	5
G. Hammer	10
P. Neff	55
Wm. Phillips	25
T. L. Savin	2
J. W. Coale	10
W. J. Cook	30
W. S. Denny	20
Jon. Knight	5
C. F. Pitt	5
Jos. Robinson	5
Job Smith, Sr.	6"

4. Minute Book, Baltimore and Port Deposit, II, October 13, 1835.

APPENDIX E⁵

"The meeting being thus organized, it was, On motion of Mr. Hemphill, Resolved, That the list of stockholders be called over for the purpose of ascertaining the number of shares represented at the meeting.

The list was accordingly called over by the Treasurer, and it appeared that the following named stockholders were in attendance either in person or by proxy, representing the number of shares affixed to their names respectively, and amounting to nine thousand nine hundred and seventy six shares, being a majority of the whole number, viz:

<u>Names</u>	<u>No. of Shares</u>
Joseph C. Leeds	58
Matthew Newkirk	3000
Hoberton & Hibler	199
Garrett Newkirk	160
J. S. Newkirk	40
Samuel Jaudon	333
Joseph Cowperthwaite	333
Stephen Baldwin	200
Humphrey Atherton	197
Joseph C. Gilpin	1200
George Rundell, Treasurer &c.	50
George Rundell	150
Thomas F. Leaming	50
J. R. Tyson	100
John Andrews, 1st asst. cashier	894
Thomas C. Ahicks	80
John L. Hadden & Co.	50
John J. Milligan	100
John Hemphill	373
John Connell	150
Allan Thomson	827
William Seal	97
Merrit Canby	5
James A. Bayard	484
John H. Price	88
Henry Whitely	5
Lenas B. Glazier	25
David C. Wilson	360
John Bullock	30
James Price	98
William Chandler	40
Mahlon Betts	50
Edward Springhurst	10
John W. Tatem	15
Jeremiah W. Duncan	30
George Griffin	55
Henry Hicks	30
Jonathan Bonney	5

5. Minute Book, Wilmington and Susquehanna, December 22, 1837.

APPENDIX F⁶

<u>Year ending</u>	<u>Number of passengers</u>	<u>Passenger earnings</u>	<u>Tons of freight</u>	<u>Freight earnings</u>	<u>Net earnings</u>	<u>Dividends paid</u>
1838	146,410	\$296796.74	-	\$41204.46	-	4 %
1839	213,650	414974.76	-	39239.27	-	7 ¹ / ₂ %
1840	-	-	-	-	-	7 ¹ / ₂ %
1841	-	378877.72	-	44809.38	\$296929.70	7 ¹ / ₂ %
1842	-	310667.07	-	38700.02	195662.23	3 ¹ / ₂ %
1843	-	-	-	-	-	none
1844	-	-	-	-	257289.42	none
1845	-	-	-	-	229007.38	none
1846	236,325	-	-	-	281848.55	none
1847	285,325	-	-	-	296170.16	none
1848	291,538	-	-	-	306816.44	none
1849	292,521	380429.24	-	60977.01	156055.00	3 ¹ / ₂ %
1850	297,278	406534.39	-	56741.19	195721.48	3 ¹ / ₂ %
1851	360,594	451768.56	-	83259.93	204817.96	3 ¹ / ₂ %
1852	388,756	522764.82	-	96377.76	214822.76	4 %
1853	516,663	696618.00	-	120236.04	345088.02	5 %

6. C. E. Fisher, Philadelphia, Wilmington and Baltimore, p. 34.

NOTES TO CHAPTER I

RAILROAD BUILDING IN AMERICA TO 1840

1. Seymour Dunbar, A History of Travel in America (New York, 1937), p. 938.

2. Howard M. Jenkins, ed., Pennsylvania: Colonial and Federal (Philadelphia, 1903), III, 257-58.

3. J. Thomas Scharf, History of Delaware, 1609-1888 (Philadelphia, 1888), I, 428.

4. George R. Taylor, The Transportation Revolution, 1815-1860 (New York, 1951), p. 74.

5. Leland H. Jenks, "Railroads as an Economic Force in American Development," Journal of Economic History, IV (1944), p. 3.

6. In order to gain clerical support for the Western Railroad Corporation of Massachusetts, the directors of the company sent out the following letter to clergymen in that state.

"The Committee appointed by the Western Railroad Corporation, to assist the Directors in their application to the Legislature, for aid to finish the Road to the Western line of the State, have thought that the surest way to obtain their object would be to bring the importance of Rail-Roads before the whole people of our beloved Commonwealth. Its importance to our worldly prosperity we point out by an address circulated extensively throughout the State. But we are desirous to spread far and wide the Moral effect of Rail-Roads on our wide spread country. This, we think, can best be done from the pulpit. In this belief, we take leave, most respectfully, but earnestly, to ask you to take an early opportunity to deliver a Discourse before your Congregation on the Moral effect of Rail-Roads in our wide extended country.

Trusting that the great importance of the subject to every inhabitant of this community will be sufficient apology for asking your assistance in this great work, I have the honor to be, Reverend Sir"

Dunbar, A History of Travel in America, pp. 939-40.

7. James M. Swank, Progressive Pennsylvania (Philadelphia, 1908), pp. 158-59.

8. H. S. Tanner, A Description of the Canals and Rail Roads of the United States (New York, 1840), pp. 24-25.

9. Ibid., p. 17.

10. Agnes Addison Gilchrist, "William Strickland," The Pennsylvania Magazine of History and Biography, LXVII (July, 1943), p. 6.

11. Ibid., p. 5.

12. Ibid., p. 6.

13. Gilchrist, "William Strickland," p. 6.
14. Dunbar, History of Travel, p. 902.
15. Lewis Henry Haney, A Congressional History of Railways in the United States to 1850 (Madison, 1908), p. 24.
16. Taylor, Transportation Revolution, p. 83.
17. Dunbar, History of Travel, p. 923.
18. Scharf, History of Delaware, I, 417.
19. Ibid., p. 428.
20. Ibid., p. 429.
21. Witt Bowden, The Industrial History of the United States (New York, 1930), p. 185.
22. Charles Frederick Carter, When Railroads Were New (New York, 1926), p. 24. See also Haney, Congressional History, p. 26.
23. David Stevenson, "Railways in America in 1837," The Railway Library, 1915, ed. Slason Thompson (Chicago, 1916), p. 7. This article was originally chapter nine of Stevenson's book Civil Engineering . . . of North America (London, 1838).
24. Dunbar, History of Travel, p. 1023.
25. Ibid., p. 1024.
26. Stevenson, "Railways in America in 1837," p. 7.
27. Dunbar, History of Travel, p. 1041.
28. Taylor, Transportation Revolution, p. 81.
29. Dunbar, History of Travel, pp. 907-908.
30. Jenks, "Railroads as an Economic Force in American Development," p. 3.
31. J. Leander Bishop, A History of American Manufacture from 1608 to 1860 (Philadelphia, 1864), II, 282.
32. Report and Proceedings in Relation to a Rail Road from Baltimore to the Susquehanna (Baltimore, 1828), p. 18.
33. Ibid., p. 18.
34. Bowden, Industrial History, p. 188.
35. Taylor, Transportation Revolution, p. 98.

36. Carter, When Railroads Were New, p. 33.
37. Henry B. Meyer, ed., History of Transportation in the United States before 1860 (Washington, 1917), p. 211.
38. Ibid., p. 223.
39. James W. Livingood, The Philadelphia-Baltimore Trade Rivalry, 1780-1860 (Harrisburg, 1947), p. 57.
40. Ibid., p. 57.
41. Ibid., p. 58-59.
42. Bowden, Industrial History, p. 188.
43. Proceedings in Relation to a Railroad. . . , p. 1.
44. Ibid., p. 4.
45. Ibid.
46. Ibid.
47. Ibid.
48. American Railroad Journal, April 19, 1834, pp. 1-2.
49. Thomas C. Cochran and William Miller, The Age of Enterprise (New York, 1951), p. 68.
50. Harry H. Pierce, Railroads of New York: A Study of Government Aid, 1826-1875 (Cambridge, 1953), p. 4.
51. Delaware Gazette, March 13, 1835.
52. For an example of canal subscriptions, see Ralph D. Gray, "The Early History of the Chesapeake and Delaware Canal: Delay, Debate, and Relocation," Delaware History, VIII (September, 1959), p. 381.
53. Jenks, "Railroads as an Economic Force in American Development," p. 8.
54. Minute Book of the Philadelphia, Wilmington and Baltimore Railroad, Pennsylvania Railroad Archives, Philadelphia, pp. 85-86. Hereafter cited as Minute Book, P.W.B. (Pennsylvania Railroad Archives hereafter cited as P.R.A.)
55. Taylor, Transportation Revolution, p. 88.
56. Pierce, Railroads of New York, p. 176.
57. Laws of the State of Delaware, IX (Dover, 1843), p. 205.
58. Bowden, Industrial History, p. 189.

59. Edward C. Kirkland, Men, Cities, and Transportation: A Study in New England History, 1820-1900 (Cambridge, 1948), I, 105.

60. Taylor, Transportation Revolution, p. 100.

61. Ibid.

62. Ibid., p. 79.

63. Tanner, Description, p. 18.

64. Ibid., p. 22.

65. Niles' Register, January 3, 1835.

66. Ibid.

67. Jenkins, Pennsylvania: Colonial and Federal, p. 305.

68. Frederick A. Cleveland and Fred W. Powell, Railroad Promotion and Capitalization in the United States (New York, 1909), p. 50.

69. Carter, When Railroads Were New, p. 119.

70. Ibid., p. 38.

71. Ibid., p. 39.

72. For a vivid account of this race, see Dunbar, History of Travel, pp. 952-54.

73. Scharf, History of Delaware, I, 428.

74. ?

NOTES TO CHAPTER II

FRUSTRATION AND ABORTIVE EFFORTS, 1831-1834

1. "An Act to Incorporate the Philadelphia and Delaware County and Southwark Railroad Companies," P.R.A., Philadelphia.
2. Ibid.
3. Ibid.
4. Ibid.
5. Ibid.
6. United States Gazette, April 8, 1831.
7. Niles' Register, May 28, 1831.
8. William Bender Wilson, History of the Pennsylvania Railroad Company (Philadelphia, 1899), I, 294.
9. United States Gazette, November 9, 1831.
10. Ibid., August 17, 1831. In an unsigned letter to the editor, the writer pointed out that the Chesapeake and Delaware Canal had actually cut off much of the Philadelphia trade. It would therefore be expedient to construct a railroad from Philadelphia to the Chesapeake in order to capture much of the interior goods presently being sent down to Baltimore.
11. Ibid., January 16, 1832.
12. Ibid.
13. Ibid., March 10, 1832.
14. Ibid., May 31, 1831.
15. Delaware State Journal, January 24, 1832. In publishing a report of a citizens' meeting in Wilmington, the editor noted that the newly chartered Wilmington and Susquehanna was to unite with the Philadelphia and Delaware County Railroad at the Pennsylvania state line.
16. "An Act to Incorporate the Wilmington and Susquehanna Railroad Company," Laws of the State of Delaware (Dover, 1837) VIII, 107-115.
17. Ibid., Section 23, p. 115.
18. Delaware State Journal, January 24, 1832.
19. Ibid., March 20, 1832.
20. Ibid., March 30, 1832.

21. Delaware State Journal, March 30, 1832.
22. Ibid.
23. Ibid., April 6, 1832.
24. Ibid.
25. Niles' Register, March 21, 1835.
26. Lea Pusey to William Jackson, Jr., January 16, 1832, in Highlights of Wilmington, Delaware: 1832-1932 (Wilmington, 1932). Jackson, although unidentified, was probably a member of the Pennsylvania legislature. Pusey also requested specific railroad information that had been or was to be brought before the legislature in Harrisburg.
27. Laws of Delaware VIII, 239-240.
28. Charles P. Dare, Philadelphia, Wilmington and Baltimore Railroad Guide (Philadelphia, 1856), p. 13. This is a public relations type pamphlet in which an abbreviated history of the company is included.
29. Delaware State Journal, March 2, 1832. In commenting upon this contemplated line, the editor remarked that "the road contemplated by this bill is intended to unite with the Wilmington and Susquehanna Rail Road. We understand that there is little doubt of the passage of the bill--and this important object being secured, our rail road [Wilmington and Susquehanna] may be considered as good as made."
30. Ibid., March 6, 1832.
31. American Railroad Journal, January 7, 1832.
32. Ibid.
33. Ibid.
34. Ibid.
35. Dare, Railroad Guide, p. 13. Scharf, History of Delaware, I, 424.
36. Minute Book of the Baltimore and Port Deposit Railroad Company, June, 1832 to May, 1835, P.R.A. May 21, 1832. Hereafter cited as Minute Book I, B.P.D.
37. Ibid.
38. Ibid. In order to obtain enough stock for organization, commissioners appointed to oversee the sale would purchase a large block of stock. This stock was purchased to be used by the company at a later date as collateral in obtaining a loan, in payment of debts to contractors and others, or held for sale when in need of funds.
39. Ibid., June 11, 1832.

40. Minute Book I, B.P.D., June 11, 1832.

41. Ibid., August 15, 1832. At this meeting Mayer and Freeman were appointed to "obtain an agent with a view to a reconnaissance of the ground between Baltimore and Port Deposit for ascertaining the most practicable route for a Rail Road and the probable cost of such a road . . ."

42. Ibid.

43. Ibid., October 3, 1832.

44. Ibid.

45. Ibid.

46. Ibid., October 9, 1832.

47. Ibid.

48. Ibid.

49. Ibid., May 30, 1833.

50. Niles' Register, May 25, 1833.

51. R. Makepeace to the Director of the Baltimore and Port Deposit Railroad Company, Minute Book I, B.P.D., June 5, 1833. Although the minutes do not contain a record of this action, a letter recorded therein from R. Makepeace, agent for the Canton Company, describes the negotiations. Makepeace mentions having met with the railroad board on that day, and reiterates the proceedings with regard to the board's proposal to the Canton Company.

52. Ibid.

53. Ibid.

54. Ibid.

55. Minute Book I, B.P.D., June 5, 1833.

56. This statement is somewhat substantiated by adding the known shares of stock sold and subtracting this figure from the total shares authorized by the charter--10,000. The Minute Book records the sale of 3,072 shares in May, 1832, and 2,116 shares in September, 1833. The sum of these figures is 5,188 shares. After the September, 1833, sale, all stock was reported as subscribed. Therefore, the promoters would have to have sold 4,000 in June, 1833, if such a statement could be made. A question still remains, however, with regard to how many of these shares were actually taken by the directors for company use. It should also be noted that stock sales did take place after September, 1833. Such stock was probably made available from the blocks withheld by the directors. See above, pp. 14-15; Minute Book I, B.P.D., May 21, 1832; Ibid., June 5, 1833; Ibid., September 27, 1833; Niles' Register, October 5, 1833.

57. Minute Book I, B.P.D., June 5, 1833.

58. Ibid., July 10, 1833.

59. Ibid., August 20, 1833.

60. The term "publicly" is used advisedly here. Later sales did occur, but these were private affairs between the company and large capitalists such as Matthew Newkirk and Roswell L. Colt. No further advertisements for public subscription were issued.

61. Ibid., October 28, 1833. At the election Solomon Etting was chosen by the stockholders. Declining the election, Etting was replaced by Frederick Dawson.

62. Ibid., December 21, 1833.

NOTES TO CHAPTER III

THE BALTIMORE AND PORT DEPOSIT

1. Minute Book I, B.P.D., January 2 and 17, 1834.
2. The letter written by Latrobe was printed in its entirety in the American Railroad Journal, September 13, 1834. This version is the one referred to hereafter.
3. Ibid.
4. Ibid.
5. Ibid.
6. Minute Book I, B.P.D., April 1, 1834.
7. Ibid.
8. Ibid. "On motion of Mr. Mayer it was resolved that a memorial on the part of the Company be presented to Congress praying the aid of the United States by loan or subscription, towards the construction of the Rail Road and that a committee for Drawing the memorial be appointed by the President."
9. Colt was the son of the president of the Society for Useful Manufactures of Paterson, New Jersey. He moved to Baltimore and became a speculator in numerous schemes including at least two railroads. He and Biddle had married cousins, and through their wives had become close personal friends. Biddle participated in a small way but never with much success in many of Colt's speculations. Thomas Payne Govan, Nicholas Biddle: Nationalist and Public Banker, 1786-1844 (Chicago, 1959), p. 62.
10. Roswell Colt to Nicholas Biddle, March 23, 1835. Nicholas Biddle Papers, Library of Congress, Washington, D. C.
11. Ibid.
12. Ibid., March 26, 1835.
13. Ibid., March 30, 1835.
14. Ibid.
15. Ibid., April 1, 1835.
16. Ibid.
17. Ibid.

18. Colt to Biddle, April 1, 1835. In the postscript, Colt stated that he had "not been able to see Mr. Finley the President of the P.D.R.R.Co., but this morning he gave me the refusal of the 3,000 shares until I heard from my Philadelphia friends. I think I can secure the \$1,000." This statement gives a definite clue. The railroad directors were unwilling to negotiate with Colt until he could make a down payment of two dollars per share. This would mean that Colt would have to pay \$6,000 down and the remainder in installments. It is logical, therefore, to assume that Colt secured a \$5,000 loan from Biddle, for Colt remarks that "I think I can secure the \$1,000." This would be the sum necessary to complete the transaction.

19. Ibid., April 3, 1835.

20. Minute Book I, B.P.D., April 2, 1835.

21. Colt to Biddle, April 3, 1835.

22. Ibid.

23. Ibid.

24. Minute Book I, B.P.D., April 4, 1835.

25. Colt to Biddle, April 9, 1835.

26. Ibid.

27. Ibid.

28. Ibid. The individual mentioned here is identified in the letter. However, the manuscript is almost illegible, and the name is impossible to decipher.

29. Ibid.

30. Minute Book I, B.P.D., May 11, 1835. "It was then on motion of Roswell L. Colt, Esqr., Resolved, Unanimously that it is expedient for the Company forthwith to prosecute the construction of the Baltimore and Port Deposit Rail Road, and that the Directors of the company be and they are hereby requested, immediately to secure the services of a competent Engineer and to enter upon the work, and complete it with all due diligence [sic] and rigour."

31. Ibid.

32. Ibid.

33. Ibid., May 12, 1835.

34. Ibid.

35. Niles' Register, May 16, 1835.

36. Minute Book II, B.P.D., May 18, 1835.

37. Minute Book II, B.P.D., May 23, 1835.
38. Ibid., June 16, 1835. Actually Latrobe was authorized to advertise and receive the bids submitting them, in turn, to the committee for examination.
39. Ibid. Specifically, Latrobe was to "see what contract he can make with Mr. Young to build said Bridges by private contract." Young was apparently a Baltimore contractor although no positive identification can be made.
40. Ibid.
41. Ibid., July 1, 1835.
42. Ibid. See Chapter 6 for a detailed account of construction procedure.
43. Matthew Newkirk to Nicholas Biddle, July 12, 1835. Nicholas Biddle Papers.
44. Minute Book II, B.P.D., August 3, 1835.
45. In actuality, the stockholders were given a sixty day period of grace in which to make installment payments. Thus the installment called for September 5 did not have to be paid until November 5. Anticipating this delay in payments, Colt stated that it would be necessary to borrow money for immediate use, using the forthcoming installments as collateral. Colt to Biddle, August 7, 1835.
46. Newkirk to Biddle, August 20, 1835.
47. Ibid.
48. Ibid.
49. Those invited were Charles Sewall, Edward A. Howard, James W. Williams, William Poulk, and Frisby Hollis. Minute Book II, B.P.D., November 18, 1835.
50. Ibid., December 16, 1835.
51. Newkirk to Biddle, February 22, 1836.
52. Ibid.
53. Ibid.
54. Ibid., February 24, 1836.
55. Ibid., March 27, 1836.
56. Ibid., March 30, 1836.

57. "Supplement to an act entitled 'An Act to Incorporate the Baltimore and Port Deposit Rail Road Company,'" Laws to Incorporate the Philadelphia, Wilmington and Baltimore Railroad Company (Philadelphia, 1836), p. 64.

58. Minute Book II, B.P.D., September 15, 1835.

59. Ibid.

60. Ibid., October 6, 1835. In a letter to Finley and the board of directors, Newkirk stated that "from the time and personal attention it will require from the President to give to the Road the ensuing year and the difficulties we may have to encounter in our Route, I presume it will be out of the question for you to sacrifice your business in attending to it."

61. Ibid. Newkirk stated that he had talked with John H. Latrobe to see "if he would devote his time and attention to it, believing from the situation his Brother held under the Company that he would take a deep interest in it. He at first positively declined saying that the required attention might prejudice his business, but in consideration of its being his Brother's first undertaking on his own responsibility, and a work of some magnitude he at length consented to serve if all matters could be worked out and agreeable to his taking charge."

62. Ibid.

63. Newkirk to Biddle, October 6, 1835.

64. Colt to Biddle, October 10, 1835.

65. Minute Book II, B.P.D., October 12, 1835.

66. Ibid., Colt was unopposed in this election.

67. Ibid., November 18, 1835; January 22, 1836.

68. Ibid., October 13, 1835.

69. Ibid., September 16, 1835.

70. Ibid., November 17, 1835.

71. Ibid.

72. Ibid.

73. Ibid.

74. Ibid.

75. Colt to Biddle, March 25, 1836.

76. Ibid.

77. Minute Book II, B.P.D., December 16, 1835.

78. In a letter to James Canby, president of the Wilmington and Susquehanna, Latrobe pointed out that he and Strickland had met and decided that the ferry would connect the two roads at Havre de Grace, and that "everything therefore which has a bearing upon the progress of the several works which are to form the chain of communication between Baltimore and Philadelphia, separately and in their connections with each other, appears to be in the most prosperous train." "B.H. Latrobe to James Canby, January 18, 1836," First Annual Report of the Wilmington and Susquehanna Railroad Company (Wilmington, 1836), p. 20.

79. Minute Book II, B.P.D., April 4, 1836.

80. The problems referred to here concern the design of the craft. Latrobe was unhappy with what he called "Strickland's wretched designs." That was the plan for loading and unloading the passengers at the side of the boat. Latrobe suggested that this be altered, but the Delaware and Maryland board disapproved. This caused a slight delay in construction and some administrative friction. See B. H. Latrobe to M. Newkirk, October 6, 1836. Nicholas Biddle Papers.

81. Minute Book II, B.P.D., April 4, 1836; August 9, 1836.

82. Latrobe to Newkirk, October 6, 1836.

83. Minute Book II, B.P.D., April 4, 1836.

84. Latrobe to Newkirk, October 6, 1836.

85. Newkirk to Biddle, October 8, 1836.

86. Minute Book II, B.P.D., October 11, 1836.

87. Ibid., October 12, 1836.

88. Ibid., June 14, 1836

89. Ibid., July 5, 1836.

90. Unlike previous installments of from two to five dollars, the payments to be made in November and December were ten dollars each.

91. Minute Book II, B.P.D., October 11, 1836.

92. Ibid., December 13, 1836. The salaries of the agent and captain were increased in January to \$1500 and \$1000 respectively.

93. Ibid., January 2 and 19, 1837.

94. Ibid., January 26, 1837.

95. The payment for this engine, made by Watchman and Bratt, was authorized on March 2, 1837. Ibid., March 2, 1837.

96. Ibid., April 11, 1837.

97. Minute Book II, B.P.D., June 29, 1838. These were quite respectable wages in comparison with those of the average worker. A skilled laborer made between \$40 and \$50 a month at this time while the unskilled man could only hope to draw between \$20 and \$30 a month. For a study of wages during this period, see Nuala M. Drescher, "Irish Immigrants in Industrial Wilmington" (unpublished M.A. thesis, University of Delaware, 1960), Chapter 6.

98. Ibid., July 3, 1837.

99. Ibid.

100. Baltimore Sun, July 7, 1837.

NOTES TO CHAPTER IV

THE WILMINGTON AND SUSQUEHANNA

1. Samuel Irwins to James Booth, January 10, 1834. New Castle and Frenchtown Railroad Papers, Folder VIII, Historical Society of Delaware. (Hereafter cited as H.S.D.)

2. Delaware Gazette, October 21, 1834.

3. Ibid.

4. Ibid.

5. Ibid., November 21, 1834.

6. Ibid., December 2, 1834.

7. The term Philadelwarean, coined by Dr. John A. Munroe, refers to individuals who were connected with both Philadelphia and Delaware. See John A. Munroe, "The Philadelwareans: A Study in the Relations Between Philadelphia and Delaware in the Late Eighteenth Century," Pennsylvania Magazine of History and Biography, LXIX (April, 1945), pp. 123-149. Gilpin, who operated a paper mill on the Brandywine in Wilmington, was such an individual. He had inherited the dream of a peninsular canal from his father and had been instrumental in its ultimate completion in 1829. See Ralph D. Gray's study of this canal which has been published in a series of three articles in Delaware History beginning with the September, 1958 issue.

8. Delaware Gazette, December 19, 1834.

9. Ibid.

10. Ibid., December 26, 1834.

11. Ibid.

12. Ibid.

13. Ibid., January 6, 1835.

14. Ibid., January 13, 1835.

15. Ibid.

16. Ibid., February 3, 1835.

17. William Strickland, "Address upon a proposed Rail-Road from Wilmington to the Susquehanna, together with a Report of the Survey made by William Strickland, Esq., Architect and Engineer," Journal of the Franklin Institute, XV (April, 1835), p. 227.

18. Ibid., pp. 230-31.

19. Strickland, "Address upon a proposed Rail-Road," p. 233.
20. Delaware Gazette, February 17, 1835.
21. Ibid., February 20, 1835.
22. Ibid.
23. John Richardson Latimer to Henry Latimer, March 10, 1835. Latimer Papers, University of Delaware, Newark, Delaware.
24. Manuscript Diary of Edmund Canby, March 12, 1835. Henry S. Canby Collection, H.S.D.
25. Delaware Gazette, March 13, 1835.
26. Diary of Edmund Canby, March 13, 1835.
27. Delaware Gazette, March 20, 1835.
28. Colt to Biddle, March 30, 1835.
29. Members of the board were David C. Wilson, Edward Tatnall, James Price, William Chandler, Mahlon Betts, Henry Whitely, and Matthew Newkirk. Allan Thomson was elected treasurer. Delaware Gazette, April 3, 1835.
30. Ibid., May 16, 1835.
31. Ibid., June 16, 1835.
32. Ibid.
33. Delaware State Journal, June 26, 1835.
34. Diary of Edmund Canby, June 27, 1835.
35. United States Gazette, July 14, 1835.
36. Ibid.
37. "Governor's Message to the Legislature of Delaware, Special Session, July 21, 1835." Legislative Petitions, Transportation, 1835. Delaware State Archives, Dover, Delaware. (Delaware State Archives hereafter cited as D.S.A.)
38. "A further Supplement to an Act entitled 'An Act to Incorporate the Wilmington and Susquehanna Railroad Company,'" Laws of the State of Delaware, IX, 9-12.
39. Newkirk to Biddle, July 24, 1835.
40. Ibid.
41. Diary of Edmund Canby, July 26, 1835.

42. First Annual Report of the Wilmington and Susquehanna Railroad Company (Wilmington, 1836), p. 3.
43. Ibid.
44. Ibid., p. 7.
45. Ibid., p. 8.
46. Ibid., p. 9.
47. Joseph Gilpin replaced Edward Tatnall on the board at this time. Delaware Gazette, January 12, 1836.
48. Niles' Register, February 6, 1836.
49. First Annual Report of the Wilmington and Susquehanna Railroad Company, pp. 7-8.
50. Delaware State Journal, July 28, 1835.
51. In a resolution suggested by Greenbury Purnell, the president of the Delaware and Maryland was authorized to "make application to the legislature of Maryland, at its next ensuing session, for an act authorizing a union of this Company with the Wilmington and Susquehanna Railroad Company." Minute Book of the Delaware and Maryland Railroad Company, October 19, 1835, P.R.A. (Hereafter cited as Minute Book, D.M.)
52. Ibid., December 7, 1835.
53. Ibid., April 4, 1836.
54. Delaware Gazette, April 26, 1836.
55. Ibid., May 17, 1836.
56. Diary of Edmund Canby, June 19, 1836.
57. Minute Book of the Philadelphia, Wilmington and Baltimore Railroad Company, pp. 85-86, P.R.A. (Hereafter cited as Minute Book, P.W.B.)
58. Ibid., p. 85.
59. Ibid.
60. Ibid.
61. Ibid.
62. Diary of Edmund Canby, October 18, 1836.
63. Ibid., October 24, 1836.
64. American Railroad Journal, December 10, 1836.

65. "Petition of the Wilmington and Susquehanna Railroad Company, January 5, 1837," Legislative Petitions, Transportation, D.S.A.
66. Ibid.
67. Ibid.
68. Diary of Edmund Canby, January 14, 1837.
69. In this petition of January 5, 1837, the directors stated that "the cost of the construction of a rail road from the River Susquehanna to the line between Delaware and Pennsylvania, has exceeded greatly the estimates furnished by the Engineers who located the road, and that your petitioners find that the amount which, by the laws of Delaware, they are authorized to raise, either by increase of stock or loan, is insufficient to complete the said road from Wilmington to the Susquehanna river . . ." "Petition of the Wilmington and Susquehanna Railroad, January 5, 1837," Legislative Petitions, Transportation, D.S.A.
70. "Memorial from the Wilmington and Susquehanna Railroad, January 20, 1837," Legislative Petitions, Transportation, D.S.A.
71. Journal of the House of Representatives of the State of Delaware, 1837 (Wilmington, 1838), p. 84.
72. Diary of Edmund Canby, February 23, 1837.
73. Journal of Proceedings of the Wilmington Board of Trade, February 10, 1837. Mss. volume, H.S.D.
74. "Petition of the Wilmington and Susquehanna Railroad Company, February 11, 1837," Legislative Petitions, Transportations, D.S.A.
75. Ibid.
76. James Latimer, Jr. to Thomas M. Rodney, March 31, 1837. H. F. Brown Mss. Collection, H.S.D.
77. Diary of Edmund Canby, January 9, 1837.
78. Delaware Gazette, January 10, 1837.
79. American Railroad Journal, May 20, 1837.
80. Minute Book of the Wilmington and Susquehanna Railroad Company, January 12, 1837, P.R.A. (Hereafter cited as Minute Book, W.S.)
81. Ibid.
82. Ibid., June 30, 1837.
83. Ibid., July 18, 1837.

84. Ibid., July 13, 1837. Actually, the Philadelphia, Wilmington and Baltimore could permit an intersection of its line providing the stockholders of the Wilmington and Susquehanna agreed to such an act by a corporate vote. The implication here is obvious. Canby and his board wished to strengthen their opposition to the New Castle and Frenchtown Railroad by prohibiting any connection between that line and the P.W.B.

85. Ibid.

86. Ibid.

87. Delaware State Journal, July 18, 1837.

88. Diary of Edmund Canby, July 19, 1837.

89. Ibid., July 21, 1837.

90. Ibid.

91. Ibid.

92. Minute Book, W.S., July 27, 1837.

93. Ibid.

94. Ibid.

95. Diary of Edmund Canby, July 31, 1837.

96. Delaware State Journal, August 4, 1837.

97. Diary of Edmund Canby, August 5, 1837.

NOTES TO CHAPTER V

Part I

THE DELAWARE AND MARYLAND RAILROAD

1. James Sewall, J. Richardson, J. M. Johnson, William Ricketts, Jesse Updegrove, Zebulon Rudolph, Henry Andrews, William C. Scott, John N. Black, T. G. Cohen, Adam Whann, Enoch Cloud, A. A. Evans, Thomas Howard, Jr., John C. Groome, Rudolph Bennett, Rowland Ellis, Edward Wilson, Levi H. Evans, Philip Laurenson, John J. Milligan, Henry Whitely, Matthew Newkirk, John Hemphill, and Aquilla A. Brown. Delaware Gazette, March 17, 1835.

2. Ibid.

3. Ibid.

4. Ibid., March 24, 1835.

5. Ibid.

6. Minute Book, D.M., April 17, 1835.

7. Ibid., April 18, 1835.

8. Canby, Price, Tatnall, Whitely, Chandler, and Wilson were all Wilmingtonians who had been previously elected directors of the Wilmington and Susquehanna.

9. Minute Book, D.M., April 18, 1835. The two companies ultimately agreed to this proposition, each paying one-half the salaries of both Strickland and his assistant.

10. Ibid.

11. Ibid., May 25, 1835.

12. Ibid., June 3, 1835.

13. Ibid., June 22, 1835. Kennedy Lonergan and Company were awarded the contracts for grading sections one and four; McCormick and Farrell received a similar contract for section two; Beers and Hyde received the contract for section three; Thomas Mulford and Company were granted the contract for section five; and Alexander Scott and Company contracted for section six.

14. Delaware State Journal, June 26, 1835. This installment was payable on or before July 20, 1835.

15. Minute Book, D.M., August 3, 1835. Broken down, the construction companies received the following sums: Kennedy Lonergan and Company, \$3212.25; McCormick, \$1636.19; Beers and Hyde, \$257.75; Thomas Mulford and Company, \$545.11; and Alexander Scott and Company, \$192.49.

16. Ibid., August 10, 1835.

17. Minute Book, D.M., September 15, 1835.
18. Ibid., September 29, 1835.
19. Ibid., November 26, 1835. "The board having received official information that the Baltimore and Port Deposit Rail Road Company have made a final location of their road from the Gunpowder river to Havre de Grace, and that the contracts for grading and construction the same have been made, it is therefore Resolved, That this board now proceed to open the proposals received for contracts for grading and constructing the Delaware and Maryland Rail Road, as it is now extended from the post road, leading from Charlestown to the Principio Creek, to the river Susquehanna opposite to Havre de Grace, and decide upon the same."
20. Minute Book II, B.P.D., September 15, 1835.
21. Colt was elected president on October 12, 1835. For a complete story on the Finley resignation, see above, pp. 56-58.
22. See Diary of Edmund Canby, passim; Delaware State Journal, June 23, 1837; American Railroad Journal, June 24, 1837.
23. Minute Book, D.M., October 19, 1835.
24. Ibid., November 30, 1835.
25. Ibid.
26. Ibid., January 20, 1836.
27. Ibid. Those losing stock by forfeiture were: James Patton, 20 shares; H. G. Freeman, 50 shares; Samuel Chew, 50 shares; John Hemphill, 100 shares; E. Cloud and Company, 100 shares; Greenbury Purnell, 100 shares; Henry Andrews, 1 share; Thomas Biddle and Company, 50 shares; H. H. Barker, 25 shares; I. B. Lewis, 15 shares; John Gordon, 205 shares; Nicholas G. Williamson, 20 shares; S. Gorgas, Jr., 15 shares; R. E. Hackett, 145 shares.
28. Ibid. "If the holders of stock so forfeited shall, on or before the first day of February next, pay all the installments now due and payable on the said stock, the Treasurer is hereby authorized to receive the same and to acknowledge the receipt thereof on their certificate of stock respectively; and in each and every case of such payment, the said forfeiture is hereby declared to be remitted."
29. Ibid., April 4, 1836.
30. Ibid., April 12, 1836. The last official act of the company was the authorization for a payment of \$2424.52 to be made to Beattie and McClenahan for masonry work.

Part II

THE PHILADELPHIA AND DELAWARE COUNTY RAILROAD

1. Newkirk to Biddle, March 3, 1835.
2. United States Gazette, October 21, 1835.
3. Ibid.
4. Ibid.
5. Ibid.
6. Ibid., March 11, 1836.
7. Ibid.
8. Ibid., March 12, 1836.
9. Ibid.
10. "A Supplement to an Act entitled 'An Act to Incorporate the Philadelphia and Delaware County and Southwark Rail Road' March 15, 1836." P.R.A.
11. Ibid.
12. Ibid.
13. Ibid.
14. Executive Minute Book, Philadelphia, Wilmington and Baltimore Railroad Company, May 18, 1836. P.R.A.
15. Ibid.
16. Ibid., June 13, 1836. John Cochran, William Eves, John S. Thurlow, and Spencer McIlwaine were awarded the contracts.
17. United States Gazette, July 13, 1836.
18. Executive Minute Book, P.W.B., September 22, 1836.
19. Ibid.
20. Ibid., October 26, 1836.
21. Ibid.
22. Ibid., November 9, 1836.
23. Ibid., November 15, 1836.

24. Executive Minute Book, P.W.B., December 20, 1836.
25. Ibid., November 12, 1836.
26. Ibid., November 16, 1836.
27. Ibid., December 10, 1836.
28. John R. Latimer to Henry Latimer, February 10, 1837.
29. Newkirk to Biddle, February 12, 1837.
30. Second Annual Report of the Philadelphia, Wilmington and Baltimore Railroad Company, January 15, 1838 (Philadelphia, 1839), p. 11.
31. Ibid., p. 12.
32. Ibid.
33. Wilson, History of the Pennsylvania Railroad Company, I, 299.
34. Delaware State Journal, October 17, 1837.
35. Diary of Edmund Canby, January 31, 1838.

NOTES TO CHAPTER VI

CONSTRUCTION

1. See above, p. 57.
2. Dare, Railroad Guide, p. 12.
3. See above, pp.3-4.
4. See above, p. 42.
5. The Methodist Church in Port Deposit was designated by Latrobe as the terminal point for section 7 of the B.P.D. American Railroad Journal, September 13, 1834.
6. "Testimony of George Fuhr," Bartram versus P.W.B. Folder, Judge John Cadwalader Papers, Historical Society of Pennsylvania, Philadelphia. (The Historical Society of Pennsylvania is hereafter cited as H.S.P.)
7. "Testimony of John M. Justice," in ibid.
8. "Testimony of John Snyder," in ibid.
9. "Decision of Judge John Cadwalader," in ibid.
10. Tanner, Description of Canals and Railroads, p. 151.
11. Minute Book, D.M., August 3, 1835. Beers and Hyde received twenty-one cents per cubic yard, while Mulford received twenty-two cents. This contrasts with the sums paid to the Alexander Scott Company, contractors for section six, who received seventeen and a half cents a cubic yard.
12. Tanner, Description of Canals and Railroads, p. 151.
13. Ibid.
14. Ibid., pp. 151-152.
15. Ibid., p. 152.
16. Ibid.
17. Ibid.
18. Ibid.
19. Ibid.
20. Ibid., pp. 152-153.
21. Executive Minute Book, P.W.B., June 11, 1836.

22. Executive Minute Book, P.W.B., May 18, 1836.
23. Ibid., passim.
24. First Annual Report of the Wilmington and Susquehanna, p. 8.
25. Minute Book II, B.P.D., November 17, 1835. For an account of Thomas Wren Ward's career as an agent for the Barings, see Ralph W. Hidy, The House of Baring in American Trade and Finance (Cambridge, 1949), passim.
26. Ibid.
27. Ibid.
28. Tanner, Description of Canals and Railroads, p. 154.
29. Executive Minute Book, P.W.B., November 15, 1836.
30. Ibid., November 9, 1836. "An order in favor of Sam. Comly for freight and primage per Ship St. Lawrence for 5072 Rails and 102 bundles as per bill of Lading for \$1006.27."
31. Ibid., December 19, 1836.
32. Ibid., November 9, 1836; December 15, 1836. The freight charge for the first load was \$1,006.27; the second for \$567.42.
33. Minute Book, P.W.B., July 11, 1839.
34. E. I. du Pont to A. C. Cazenove and Company, October 27, 1835, Du Pont Company Letter Book, 1834-36, p. 342. P. S. du Pont Collection, Hagley Museum Library, Wilmington, Delaware.
35. Edward Roth, "Father Patrick Reilly," Records of the American Catholic Historical Society of Philadelphia (Philadelphia, 1894), p. 16.
36. Ralph D. Gray, "The Early History of the Chesapeake and Delaware Canal: Completion of the Canal," Delaware History, IX (April, 1960), p. 69.
37. Ibid.
38. Minute Book, D.M., July 13, 1835.
39. Executive Minute Book, P.W.B. October 17, 1836. At this time, Kneass was paid \$500 a quarter. His chief assistant earned \$300. For a study of labor during this period, see Nuala McGann Drescher. "The Irish in Industrial Wilmington, 1800-1845." See also Harold B. Hancock, "The Industrial Worker along the Brandywine, 1800-1830," unpublished research report Hagley Museum, Wilmington, Delaware.
40. Minute Book, D.M., August 6, 1836.
41. Ibid., April 12, 1836.
42. Niles' Register, February 6, 1836.

NOTES TO CHAPTER VII

OPERATION AND MERGER

1. Baltimore Sun, July 21, 1837.
2. Delaware State Journal, December 15, 1837.
3. Ibid., July 14, 1837.
4. Ibid., July 28, 1837.
5. Minute Book II, B.P.D., August 8, 1837.
6. Baltimore Sun, July 25, 1837.
7. Diary of Edmund Canby, July 23, 1837.
8. Minute Book II, B.P.D., August 8, 1837.
9. Ibid.
10. Minute Book, W.S., July 13, 1837.
11. Ibid., October 3, 1837.
12. Ibid., October 23, 1837.
13. Ibid., August 1, 1837.
14. Ibid., December 5, 1837.
15. The Baltimore and Port Deposit called for an installment of five dollars, payable December 15, 1837, which brought the total payment on each \$100 share to \$80. Minute Book II, B.P.D., November 14, 1837.
16. Minute Book, W.S., July 24, 1837.
17. Ibid., August 14, 1837.
18. Ibid., October 23, 1837.
19. Ibid., December 5, 1837.
20. Baltimore Sun, December 16, 1837.
21. See above, p. 80.
22. Minute Book II, B.P.D., August 8, 1837.
23. Minute Book, W.S., September 1, 1837.
24. Ibid., October 3, 1837 and November 7, 1837.

25. Minute Book, W.S., October 3, 1837 and November 7, 1837.
26. Ibid., November 7, 1837. Broken down, the expenses at Wilmington were \$217.91; at Elkton, \$107.14; and at the Susquehanna, \$115.20. Other expenditures included the building of a depot at Elkton which cost \$209.36.
27. Ibid., August 21, 1837.
28. Henry S. Canby, Family History (New York, 1945), p. 48.
29. Delaware State Journal, August 29, 1837.
30. Baltimore Sun, January 23, 1837.
31. Minute Book II, B.P.D. January 22, 1838.
32. See above, p. 102.
33. Minute Book, W.S., August 14, 1837.
34. Ibid.
35. Baltimore Sun, September 12, 1837.
36. Minute Book, W.S., February 14, 1838.
37. Minute Book, B.P.D., November 24, 1837
38. Ibid.
39. Minute Book, W.S., November 28, 1837.
40. Ibid.
41. Ibid., December 22, 1837.
42. Ibid.
43. Ibid.
44. Ibid.
45. Ibid.
46. Minute Book II, B.P.D., December 26, 1837.
47. Minute Book, W.S., January 2, 1838.
48. "Articles of Union," Organization of the United Companies under the name of the Philadelphia, Wilmington and Baltimore Rail Road Company, with the Articles of Union (Philadelphia, 1838), pp. 3-7.
49. Ibid., p. 4.

50. Minute Book, P.W.B., February 14, 1838. Those elected were Matthew Newkirk, William D. Lewis, John Hemphill, and John Connell of Philadelphia; Thomas Smith of Delaware County; James Price, James Canby, David C. Wilson, James A. Bayard, and William Chandler of Wilmington; and J. J. Cohen, Jr., Charles F. Mayer, John Mckenins, Jr., and Wm. A. Paterson of Baltimore.

51. Ibid., February 20, 1838.

52. Diary of Edmund Canby, February 22, 1838.

NOTES ON CHAPTER VIII

THE PHILADELPHIA, WILMINGTON AND BALTIMORE RAILROAD, 1838-1840

1. Tanner, Description of Canals and Rail Roads, p. 15.
2. Minute Book, P.W.B., February 20, 1838. Matthew Newkirk was elected president at a salary of \$3,000 a year. Jacob Cohen, Jr. was elected vice-president at \$1,500 a year. Allan Thomson and Aubrey H. Smith were elected as treasurer and assistant treasurer at \$5,000 and \$1,000 per year respectively. James W. Wallace and William P. Brobson were elected as secretary and assistant secretary at \$1,000 a year each.
3. Ibid.
4. Ibid.
5. Ibid., March 6, 1838.
6. Ibid., April 18, 1838.
7. Ibid.
8. Ibid., May 8, 1838.
9. Ibid.
10. Hidy, The House of Baring, p. 240.
11. Ibid., pp. 240-41.
12. Minute Book, P.W.B., June 12, 1838.
13. Ibid., August 14, 1838.
14. Ibid.
15. Ibid., October 2, 1838.
16. Ibid.
17. Ibid., May 12, 1840.
18. Ibid., May 14, 1839.
19. Ibid., June 11, 1839.
20. Ibid., October 9, 1838.
21. Ibid.
22. Ibid., May 12, 1840.
23. Ibid.

24. Minute Book, P.W.B., May 12, 1840.
25. Ibid.
26. Dare, Railroad Guide, p. 18.
27. C. E. Fisher, The Philadelphia, Wilmington and Baltimore Railroad (Boston, 1930), p. 34. In this pamphlet, Mr. Fisher surveyed the Annual Reports of the line from 1838 to 1881 and compiled his statistics from this source.
28. Ibid.
29. Ibid.
30. Ibid. Broken down, in 1838 a dividend of four per cent was declared; in 1839, 1840, and 1841 the dividend was seven and a half per cent; in 1842 a three and a half per cent dividend was issued.
31. This assumption is based upon the statement made by Roswell Colt in discussing the measures necessary in order to raise the value of Baltimore and Port Deposit stock. "If our Directors will make Dividend in July of only \$1.50 a share stock will rise to par" See above, p. 47.
32. Minute Book, P.W.B., July 11, 1838. "Resolved unanimously That a Dividend be and it is hereby declared of Four per cent on the Capital Stock of the Company"
33. Dare, Railroad Guide, p. 17.
34. See above, pp. 121-22.
35. Baltimore Sun, March 15, 1838.
36. Minute Book, P.W.B., May 8, 1838.
37. Philadelphia Ledger, May 12, 1838.
38. Baltimore Sun, May 14, 1838.
39. Ibid.
40. Ibid., May 24, 1838.
41. Ibid.
42. Ibid.
43. Ibid., May 26, 1838.
44. Minute Book, P.W.B., February 12, 1839.
45. Ibid.
46. Delaware State Journal, April 9, 1839.

47. Delaware State Journal, April 9, 1839.
48. Fisher, Philadelphia, Wilmington and Baltimore Railroad, p. 34. Passenger income for 1838 was \$296,796.74. In 1839, this figure had risen to \$414,974.76.
49. Second Annual Report, pp. 12-13.
50. Minute Book, P.W.B., July 11, 1839.
51. Ibid.
52. Ibid., August 13, 1839.
53. Ibid., September 10, 1839.
54. Ibid., November 12, 1839.
55. Ibid., January 9, 1840.
56. Ibid., January 13, 1840.
57. Ibid., April 20, 1840.
58. Ibid.
59. Delaware State Journal, January 29, 1839.
60. Ibid.
61. Ibid.
62. For a vivid account of the accident, see the Baltimore Sun, December 6, 1838.
63. Ibid., November 13, 1838.
64. Ibid. The outcome of the trial is unknown.
65. Minute Book, P.W.B., October 16, 1838. The railroad was probably prosecuted under the "Fugitive Labor Act" passed by the Delaware Legislature on January 18, 1826. This law provided for the prosecution of any ship captain who permitted a slave to escape on his vessel. Such a clause could be applied to a railroad, thus holding the railroad company liable. See Delaware Gazette, January 27, 1826. For a thorough discussion of the clause, see Diary of William P. Brobson. H.S.D.
66. Ibid., September 10, 1839. "Mr. Patterson in behalf of the Committee on Allans claim for a slave alledged to have been carried off in the cars reported that the case would be tried in a short time. . . ."
67. Baltimore Sun, October, 30, 1838.
68. Minute Book, P.W.B., April 18, 1838.

69. Minute Book, P.W.B., April 18, 1838.
70. Ibid., June 12, 1838.
71. Second Annual Report of the Philadelphia, Wilmington and Baltimore, January 15, 1838, p. 11.
72. Minute Book, P.W.B., March 6, 1838. The act was passed on February 27.
73. Wilson, History of the Pennsylvania Railroad, I, 303.
74. Ibid.
75. Minute Book, P.W.B., June 12, 1838.
76. Ibid., August 14, 1838.
77. Wilson, History of the Pennsylvania Railroad, I, 303.
78. Delaware State Journal, January 15, 1839. This had been reprinted from the Morning Herald of January 2, 1838.

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*Newark
Passenger Railroad Station*

*Acquisition
and Restoration*



Photo by Herbener c. 1905

Brief History

The Newark Passenger Railroad Station was built by the Philadelphia, Wilmington and Baltimore Railroad in 1877, when Newark was a town of 3,000 inhabitants. The PW&B was the major rail link between New York City and Washington.

The Newark station was soon considered one of several prestigious commuter stations in Delaware and suburban Philadelphia. The use of fine brickwork, elaborate wood trim, granite sills, and black slate roof with decorative iron scrollwork along the ridge line presented an image of prosperity and confidence. The original building featured porches, double doors, a hipped gable roof, gable roofed dormers, Victorian detailing, Gothic arched window openings, and arches over the doors.

Described proudly in an 1878 issue of *The Railroad Gazette*, the station provided separate waiting rooms for ladies and gentlemen, telegraph service by Western Union, and a small freight station/stockyard complex on the opposite side of the tracks. The greenhouses and gardens which surrounded the station supplied cut flowers for dining cars on PW&B passenger trains, and later on the Pennsylvania Railroad, up through the 1950's.

Changes were made as time passed. The iron scrollwork, double doors, porch sections, decorative brackets, and slate roof were either replaced or removed. When the main function of the station shifted from passenger ticketing to computerized freight, partitions were taken down and room arrangements radically changed. Eventually, in the 1970's, the station's owners — Amtrak — closed the building. For a time, it seemed like this relic from our transportation past would remain sealed forever.

The Restoration Project

On July 28, 1986 Newark's City Council authorized an application for a State of Delaware Bicentennial Improvement Fund grant for the acquisition and restoration of the Newark Passenger Railroad Station. The City hoped to be able to acquire this National Register of Historic Places property in order to rehabilitate and preserve the facility for community use and to serve as a permanent home for the Newark Historical Society. Previously, the National Railroad Passenger Corporation (Amtrak) had agreed to sell the building and surrounding land to the City for \$33,500.

On September 22, 1986 the City received notification from the State's Bicentennial Improvement Fund that a grant of \$27,625 would be made available for the acquisition and restoration project. The Bicentennial Improvement Fund program required a matching amount from the City, which was subsequently authorized by City Council. In the meantime, the City sought additional funding from the Delaware Transportation Authority for the station's restoration. Eventually, in July of 1987 Newark received approval from the Authority for a \$150,000 grant with the stipulation that space be made available in the building for the sale of passenger railroad tickets if necessary in the future.

Shortly thereafter, the City issued requests for proposals for historic preservation architectural services and, on September 12, 1987 City Council awarded a contract to John Milner Associates of West Chester, Pennsylvania to develop the architectural specifications. Using the plans prepared by Milner Associates, the City sought bids for the full renovation of the station. As a result, on July 7, 1988 the City awarded a \$220,000 contract to Roberts Construction of Frederica, Delaware for the railroad station's restoration and modernization. Because the lowest bid received exceeded the funds remaining from the Delaware Transportation Authority, Bicentennial Improvement Fund, and the City's match, our Newark area legislators worked diligently to successfully obtain an additional \$75,000 from the Delaware Department of Transportation to ensure the full completion of the project.

In the late summer of 1988, Roberts Construction began the restoration work which brought the deteriorating Newark Passenger Railroad Station back to life. The fully restored first floor ticket booths, "Ladies and Men's Waiting Rooms," the modernized and rehabilitated upstairs offices, and the rebuilt "piazza" canopies on the exterior, will now be preserved for the enjoyment of future generations of Newarkers.

Special Thanks To

Joseph R. Biden, Jr., United States Senator

Edward M. Jenkins, Senior Real Estate Officer, National Railroad Passenger Corporation

Kermit H. Justice, Secretary of Transportation, State of Delaware

Mark A. McNulty, Director, Delaware Transportation Authority

John M. Anderson, Rail Administrator, Delaware Transportation Authority

Michael Harkins, Secretary of State, State of Delaware

Catharine N. Lyons, Executive Assistant, Bicentennial Improvement Fund, State of Delaware

The Honorable Steven H. Amick, State Representative

The Honorable James P. Neal, State Senator

The Honorable Ada Leigh Soles, State Representative

Mayor William M. Redd, Jr.

District 1 — Harold F. Godwin

District 2 — Louise Brothers

District 3 — Edwin D. Miller, Jr.

District 4 — Allen E. Smith

District 5 — Ronald L. Gardner

District 6 — Olan R. Thomas

City Manager — Carl F. Luft

Planning Director — Roy H. Lopata

Prepared by the City of Newark
for the dedication of this
building in April of 1989