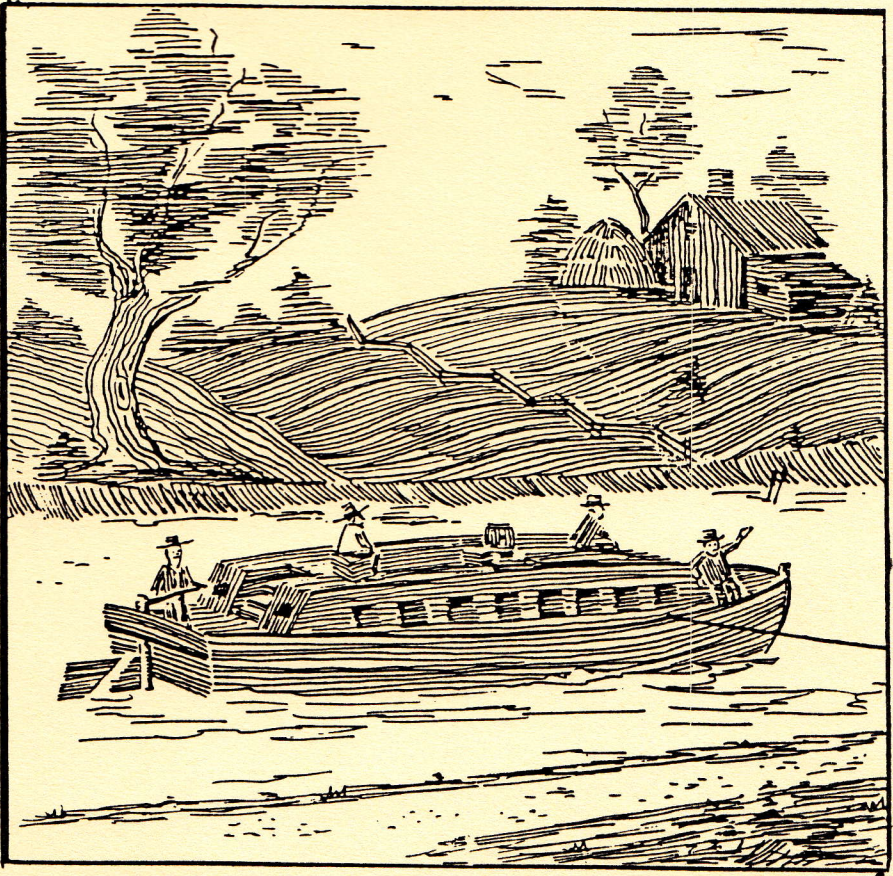


INDIANA CANALS

JOURNAL OF THE CANAL SOCIETY OF INDIANA

Volume 8, Number 2.

Spring 1997



RAILROADS VERSUS CANALS

From the earliest beginnings of Indiana's canal era, a debate arose over the advantages of railroads versus canals. At the outset the success of New York's Erie Canal helped tip the scales against the railroad. During Indiana's canal era (1832-74) the rivalry between the two forms of transportation can be broken down into four categories. These include the original debate on what should be constructed and why, rival systems in which both modes were pushed, canals building railroads or putting yourself out of business, and deliberate efforts by railroads to eliminate canal competition.

The debate over canals or railroads in Indiana before either existed in the state. During the 1827 legislative debate on acceptance of land grants for the construction of a Wabash & Maumee canal, the subject of railroads was brought up. Governor Ray suggested that railroads were a more useful means of transportation. Railroads could carry more freight, faster and at half the construction costs of canals.

The "Wabash Band" of canal supporters countered with railroads unproven technology as opposed to the reliability of canals throughout Europe. The arguments of patriotism and domestic industry were pushed since railroad construction was largely dependent on English rails and machinery. This reluctance to accept the untried resulted in Indiana's acceptance of the canal land grant on January 5, 1828. Yet during the 1832 legislative session, which authorized a Board of Fund Commissioners to begin canal construction, a number of railroads were chartered. One of these, connecting Indianapolis and Cincinnati, actually attempted some work before being abandoned. During the 1835 debate on the Internal Improvements Act the question of railroads versus canals re-emerged. The arguments of both sides were repeated with canal advocates pointing to the work already done on the Wabash & Erie Canal. Although canal forces seemed to have won, railroads were not entirely ignored when the Act was passed. The Act called for connecting the Central and Whitewater Canals by railroad if a canal was impracticable and connecting Lawrenceburgh to

the Whitewater Canal by railroad if Ohio refused to allow canal construction across their border. In addition the state was to construct the Madison & Lafayette Railroad which would pass through Indianapolis. In northern Indiana a railroad was to be built from Fort Wayne to Michigan City if the Erie & Michigan Canal proved impractical. The Act also gave financial aid to the Lawrenceburgh & Indianapolis Railroad and called for a railroad to Rushville by cooperation with the Madison Railroad. Despite the financial collapse of the improvement program, work continued on both systems of transportation into the 1840s. The resulting cutbacks led to the sale of the Madison Railroad by the state of Indiana and the concentration of funds on completion of the Wabash & Erie Canal. Throughout the 1840s, as W&E Canal construction pushed south, the Madison Railroad remained the only one of its kind in Indiana. In 1850, as work was begun on the southern sections of the canal, there were only 228 miles of completed railroads in Indiana. The profit potential of railroads led private interests to build what the state would not. A steady incorporation of new railroad companies occurred around this time. There was little competition between railroads and canals at this point and in 1852 revenues peaked for the Wabash & Erie Canal. This all began to change by the time the canal was completed to Evansville in 1853. Within a period of three years completed railroad mileage had risen to 1209 miles with railroads crossing the canal at a number of points. Even more distressing to canal interests were the construction of railroads parallel to the route of the canal. By the end of 1854 the more direct Evansville & Terre Haute Railroad was in operation and two years later saw the completion of the Wabash Railroad from Toledo to Attica. The decline of the canal at the hands of the railroads had begun.

As the Wabash & Erie Canal neared completion in the early 1850s it found a new customer, the railroads. With the exception of the Madison Railroad, transportation of heavy cargo was limited to canal and river transport. Early locomotive

manufacturing was centered in Boston and Philadelphia. Rail production was concentrated in England and Wales. Both of these necessities arrived in Indiana via New York and New Orleans. Shipments from the latter were brought by steamboat via the Mississippi and Ohio Rivers to southern Indiana. Shipments from the former came by way of the Erie Canal and ship across Lake Erie to Toledo. From these points canals provided easy transportation to railroad construction sites. In 1851 construction was begun at both ends of the Terre Haute and Indianapolis Railroad. Four locomotives for the road were shipped across Lake Erie to Toledo. There two canal boats were each loaded with two engines. One boat proceeded by the Miami & Erie Canal to Cincinnati, where the cargo continued on the Ohio River to Madison. There the locomotives went by rail to Indianapolis. The second boat proceeded down the Wabash & Erie Canal with its two locomotives to Terre Haute. During the unloading process the canal exacted a small measure of revenge against its rival. The timbers laid from shore did not extend all the way across the canal boat. When the weight of the engine was placed on the timbers, the canal boat tipped over and the locomotive slid into the canal. After being dragged from the canal, the engine was put to work on the construction toward Indianapolis. Throughout 1853 and 1854, boatloads of railroad iron arrived at Terre Haute for various railroads. At one point the Alton Road laid a temporary track to the canal lock to ease the process of unloading rails. This same process continued throughout the state as canal boats brought in the needed materials to railroad construction sites. Newspapers in Evansville, Terre Haute, Peru, Wabash etc., commented about the heavy canal traffic of railroad items. Both iron and locomotives arrived by canal at Evansville. Items from New Orleans were also shipped north by canal from Evansville. In 1855, Evansville canal collector Nathan Rowley questioned what toll to charge on 8 or 10 boat loads of timber for the Ohio & Mississippi Railroad bridge near Maysville. At Evansville the canal continued to aid the railroad

even after construction was complete. In 1855 iron pipes were laid from the canal to the depot to supply the locomotives with water. Without the help of the canals, Indiana's early railroads would have taken considerably longer to complete.

As railroad mileage in Indiana continued to increase, more and more trade was diverted from the canals. In 1857 the toll on salt was reduced to Maysville by 40% to compete with the railroad. Other actions by the railroads were more detrimental to the canals. On June 14, 1857, a heavy rain fell north of Attica where the railroad ran alongside the canal. Because of the culverts under the railroad were too small the water overflowed the embankment and filled the canal with mud. At one point canal officials had to remove a 1,200 foot long bar up to four feet deep to resume navigation. A freshet on the Wabash River in June, 1858, resulted in the destruction of 330 feet and the erosion of 1,188 feet of the canal at Terre Haute. Construction of the Alton Railroad bridge forced the river against the towpath and deepened the channel 20-30 feet in places. As a result the canal trustees had to spend over \$7,000 to replace the 14,000 cubic yards of earth and stone which had been washed away. In 1870, the Chicago, Danville & Vincennes Railroad was constructed across the canal south of Clinton by filling the canal with earth for several hundred feet. The general manager of the railroad claimed that it had been done without his knowledge. The president of the road disclaimed any authority, but considered it a temporary expedient, and pledged to remove it whenever the canal required. In southeastern Indiana the railroad bought out the Whitewater Canal. In 1863, the president of the Indianapolis & Cincinnati Railroad purchased the canal at a U.S. Marshal's sale at Brookville. The sale was set aside, but two years later the canal was repurchased by the same parties. The sale was approved with the stipulation that water power leases would be maintained. Two years later a railroad ran on the towpath from Cambridge City to Cincinnati. Low bridges and other structures prevented boat use on the watered canal. On the

Wabash & Erie Canal the railroads used other means to take away the canal' business. Canal warehouses were rented by the railroads and closed up or moved.

Special rates were offered to railroad shippers and side tracks laid to shipping points on the canal. At Huntington the railroad moved Parviance's warehouse across the canal to the railroad nearly half a mile away. This allowed all of the canal business to be diverted to the railroad. At Lagro a side track was laid to the canal warehouse to divert business. At Wabash Steele's canal warehouse was closed and his business moved to a warehouse owned by the railroad. At Peru special rates were offered for those shippers who would remove their warehouses. Similar incidents occurred at Logansport, Lafayette, Attica and Covington. The overall result was to speed up the demise of the canal. Appeals to the state for relief were brought by canal supporters and bondholders. State charters for railroads were claimed to be the reason for the canal's decline. By this time Indiana had washed its hands of the canal and declined its option to redeem it prior to January 27, 1867.

In 1874 the Wabash & Erie Canal was sold. In northern Indiana much of route went to the Nickel Plate. In the south the Straight Line and Evansville & St. Louis Railroad obtained canal rights. To this day there are railroads on canal right-of-ways in various parts of the state. Technological changes during Indiana's canal era brought railroads into the forefront of transportation. Indiana's canals were begun, and finished, during a time of rapid change unforeseen by its legislators. Their inability to anticipate those changes led to that romantic time in Indiana which we now call the "Canal Era."

During the last week some fifteen or twenty boats have arrived by canal with iron for the different railroads from this place, principally the Alton Road.

Aug. 3, 1853 Wabash Courier

Orders, Rules and Regulations
of the
Wabash & Erie Canal

Sec. 72. All Collectors, except those located at the termination of the canal, will see that the names of all passengers on board of every boat, at the time of passing his office, or who may have been transported on such boat, previously to its arrival at his office, during the voyage, are entered on the list of passengers attached to the clearance, and shall, in every instance, inquire and demand of the master of the boat whether they are so entered, and if he shall ascertain or suspect that the master has neglected to enter any name on said list which should be entered on said list, he shall detain the clearance until he shall be satisfied that all proper entries are made.

Sec. 73. On the arrival of any boat at any port where there is a Collector's office, either on its way to any place beyond, or at the end of the voyage, the Collector will, in all cases, require the exhibition of the clearance, and all the bills of lading of the cargo on board of such boat, and diligently compare the clearance with the bill or bills of lading; and, if he shall find any article contained in the bill or bills of lading omitted in the clearance, he will enter the same on the clearance, and receive the tolls chargeable thereon; and if he shall find any article entered on the clearance which is not contained in any bill of lading, or erroneously entered on the clearance, he will note such erroneous or improper entry on the margin of the clearance.

Sec. 74. For the purpose of ascertaining whether all the articles, composing the cargoes of boats, are entered upon the bills of lading and clearance of such boats, and whether the names of all passengers are entered on the passage list attached to their clearances, it shall be the duty of the Collectors (and each Collector shall be ex-officio an Inspector) to go on board of every boat on its arrival at the port at which his office is kept, or as soon thereafter as is practicable, in all cases when the boat shall arrive or be in port between sun rise and

usual bed-time, and carefully inspect the same, so far as can be done without the removal of the cargo, and ascertain, as nearly as practicable, whether the cargo agrees with the bills of lading and clearance, and whether the passengers are correctly entered on the list thereof. It shall be the duty of all Collectors to keep up at all times a careful watchfulness and supervision of the amount, character and quantities of all cargoes being shipped, received or passing their respective offices. It shall be the duty of every Collector with whom the clearance for any voyage on the canal is required to be deposited, carefully to examine and compare the same with the bill or bills of lading, and also with the cargo; to revise the charges and calculations of tolls entered therein; to correct and note thereon all errors which may be discovered, and if he shall find that the amount of tolls received, agreeably to such clearance, falls short of the proper sum, he shall receive and account for the balance, as in other cases of tolls received; and if he shall find that the amount of tolls, actually paid on such clearance, exceeds the correct amount, he shall refund to the master the excess, for which he shall take the master's receipt, and charge the same in the proper account.

Sec. 75. The Collectors of canal tolls shall not be required to issue original clearances for any boat between ten o'clock in the evening and sunrise in the morning, nor keep their offices open for that purpose between those times, and, unless full and complete bills of lading for all cargo on board of a boat or float, at the time of her leaving the port at which a clearance is required to be granted, are presented to the Collector before nine o'clock in the evening, the Collector shall not be required to issue a clearance therefor until the next succeeding day. And no Collector on the canal shall be required to keep open his office, nor to transact any business appertaining to his office, between the hours of nine o'clock A.M. and two P.M. on Sunday nor during the usual hours of divine service on that day.

Sec. 76. No Collector, or other officer of the Board shall be allowed to procure blanks or other printing for their offices, without the written permission of the Resident Trustee."

FROM THE EDITOR

With this issue of INDIANA CANALS we come to the end of the series on the Rules and Regulations of the Wabash & Erie Canal. In the next issue a new series on the Rules and Specifications Relating To The Construction Of The Wabash And Erie Canal will begin. As in past series, this new one will continue for at least five or six issues. If there are items that you would like to see in future issues of INDIANA CANALS, please let us know. We are always looking for new article topics and would like to do those of interest to the readers. As usual we will take your articles too. If you are interested or knowledgeable about an area of Indiana canal history, think hard about writing an article. It is hoped that we can some additional membership participation during the next year in the form of articles, suggestions or comments. Plans are presently underway to improve the print and format quality of INDIANA CANALS in the future. By this fall it is hoped that we'll be entering the "computer age". For all you potential authors out there, don't let that dissuade you. We will continue to accept articles on paper. It is expected that these improvements will result in a better looking and more timely publication of INDIANA CANALS in the near future.

...yesterday morning our citizens had the pleasure of welcoming the Marion to our docks, all the way from Terre Haute. The Marion brought down what is termed a Crab Locomotive, to be used as a construction engine on the E & C Railroad.

June 15, 1854 Evansville Journal

Iron for the Wabash Valley Railroad.- On Monday last four boatloads of Iron for the above named road was received here from Toledo. It was distributed on the line between this place and Peru. This begins to look like building the road soon.

April 12, 1854 Wabash Weekly Gazette

