The History of the Railroads that Entered Toledo Before the Civil War

A Thesis Presented for the Degree of Master of Arts

by

Hannah Lucille Kerlin, B.A.

The Ohio State University
1938

Approved by:

Eugene H. Roseboom
Preface

The citizens of Toledo helped to plan and put into operation the first railroad in the old Northwest Territory. From that time they took an active part in financing any railroad that would enter Toledo. This is the story of those railroads which had Toledo as their termini, together with an account of the effect that they had upon the progress and development of Toledo before the Civil War.
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Chapter I

Railroad Legislation in Ohio Before the Civil War

From the time of the earliest settlement and organization of Ohio, the people were actively interested in internal improvements. As the gateway to the west, Ohio was in the line of westward travel whether it followed Lake Erie or came down the Ohio River, and westward migration as well as a demand for outlets on the part of the settlers of the interior of Ohio made the subject of transportation important. The minute ideas were developed in the East, Ohio was quick to adopt and modify them to her own use since the need of the settlers was so great. The realization that the State would gain much from the movement of traffic through her borders, together with the rapid increase of wealth and population that resulted from the highways and canals, caused a spirit of enterprise to be developed in the people, peculiarly favorable to the adoption of the railroad.\footnote{William F. Gephart, Transportation and Industrial Development in the Middle West, (Columbia University Studies History, Economics, and Public Law, XXXIV), 157.}

Although railroads were at first operated in the East, Ohio was a pioneer State in railroad building and many projects were launched in the period from 1830 to 1845. The first
railroad charter in Ohio was granted in 1830. During the short period of time from December 5, 1831, to February 13, 1832, the Ohio Assembly incorporated eleven companies, and despite the fact that very few of these projects attained material realization, a start had been made.

Railroad legislation in Ohio had its beginning in 1830 when the State Assembly on February 23 of that year passed an act to incorporate the Ohio Canal and Steubenville Railroad Company. The act was drafted by William B. Hubbard, State Senator from the Steubenville district. This charter was far ahead of its time, for not a single railroad had even been designed that would use steam for power, and it was only four months after the great prize trial of motive power in England (1829), in which George Stephenson's locomotive, "The Rocket" won the prize of 500 pounds offered by the Liverpool and Manchester Company. This prize had been offered for a locomotive to run at least ten miles an hour and draw three times its own weight. The great amount of publicity given to this railroad caused the people of the United States to follow its progress with much interest, and its success was

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4 W. H. Boulton, The Pageant of Transportation Through the Ages, 123.
used as an argument for the construction of railroads in the United States. 5

Although the Baltimore and Ohio charter was granted earlier than 1830, 6 the work was not under way far enough for Ohio to judge of its merits and defects, and despite the fact that the Ohio Canal and Steubenville Railroad was never built, its charter was a model for many later roads. This charter was composed of twelve parts. It began with the creation of a definite corporation and covered the principal requirements for getting such an organization into working order. 7 The provisions of this first charter which are of interest were: (1) The power "to transport, take and carry persons and property by the power and force of steam, of animals or any combination of them"; (2) the capital stock was limited to $500,000 with the provision that no part of the capital stock or the proceeds arising therefrom should be used in banking; (3) the power was given to the company either to buy land or accept land donated for its use; (4) the power "to regulate the time and manner in which goods and passengers shall be transported thereon and the manner of collecting tolls for such transportation and to erect and maintain toll houses and other buildings for the accommodation of their concern"; (5) all persons who should pay the

5 Gephart, op. cit., 158.

6 The B. and O. charter was granted by the state of Maryland on February 28, 1827. Hungerford, The Story of the Baltimore and Ohio, 1827-1927, 27.

prescribed toll might "with suitable and proper carriages use and travel upon the said railroad subject to such rules and regulations as the corporations are authorized to make", (6) "any person who willfully injured the railroad buildings, or machinery of the company should pay to the corporation three times the amount of damage sustained.\(^8\)

The granting of this first charter was followed by a succession of charters. In 1831 one was granted to the Richmond, Eaton and Miami Railroad Company; and in 1832 there were ten new charters granted, among which was that of the Mad River and Lake Erie Railroad Company, the first under which a railroad was actually built in Ohio. The charters of this year added some new features, chief of which was a new mode of appropriating land for the right of way, which was done by calling a jury of twelve electors, and from these twelve, each party (the land owner and the railroad company) struck off three, and the remaining six formed an inquest to appraise the value of the land taken, and the damage resulting to the owner. In this appraisal they were required to take into consideration the benefits accruing to the owner from the location of the road through his land. Regardless of this detailed law, most of Ohio railroads obtained their rights of way by donations.\(^9\)

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8 Geiphart, op. cit., 159-160.
10 Cleveland and Powell, op. cit., 200, quoting American Railroad Journal, January 8, 1853.
In some cases the State was permitted to become a stockholder and provisions were inserted to regulate tolls in harmony with canal tolls. Although at first few supposed that the railroad would be a direct competitor of canals, competition did soon appear, and whenever a proposed railroad promised to compete with canals, the larger obligations of the state, incurred for canal construction, were used as an argument against granting such a charter. This argument was not often successfully used, but it did result in a submission by some of the railroads companies to a provision in their charters whereby they agreed to pay to the state "such amounts annually as in the opinion of the Board of Public Works would be equivalent to one half the tolls charged by the state at the time upon like property transported by canals during the season of navigation but for the existence of the Railroad." Even as late as 1847, the C. H. and D. Railroad agreed to this provision in its charter: "Whenever the revenues derived by the state from the Miami Canal shall be diminished by the operation of the said road below what it now is, it shall be lawful for the Board of Public Works to impose upon all property transported upon said road such tolls as will be sufficient to replace the revenues so diminished, which tolls so imposed, said company shall pay to the members of the Board of Public Works." 11

These first charters, which were granted by special

11 Gephart, op. cit., 106.
acts of the Legislature, were merely private bills and con-
sequently differed very much from one another. 12 From this
time forward public interest began to increase on the sub-
ject of railroads, and up to and including 1836, fifty-six
different charters were granted. 13

By 1835 it was discovered that railroad companies could
not get enough stock subscriptions, so the charters were
changed to give authority for the companies to borrow money
and pledge their incomes and stocks, in most cases limiting
the amounts to be borrowed to the amount of stock paid in or
subscribed. However, by the end of 1836 very little work
had been done.

In 1837 twelve new railroad charters were granted and
public interest and attention were earnestly directed to the
subject through the public press. 14 No other class did more
to further the popular subscriptions to railroads than the
local editors, but even their efforts were not enough to over-
come the great difficulty experienced in obtaining money by
subscription to stock, and the impracticability of a loan
without a basis of security. 15 It was due to the people's
impatience to secure a railroad in the face of the above
difficulties that an effort to procure aid from the State
was made.

12 Charles Lee Raper, Railroad Transportation, 246.
13 Annual Report of the Commissioner of Railroad, 1868,
278.
14 Ibid., 279.
15 Geophart, op. cit., 162.
The result was the famous "Plunder Law" of March 24, 1837, entitled "An Act to authorize a loan of credit by the State of Ohio to Railroad Companies and to authorize subscriptions by the State of Ohio to Railroad companies, and to Turnpike, Canal, and Slackwater Navigation Companies" was passed. This was the first direct movement by legislation to aid in the construction of railroads through granting money or credit of the State.

The next piece of legislation in behalf of the railroads was an effort to eliminate the destruction of property. This act was passed on March 18, 1839, and provided for the punishment by imprisonment of from one to three years for anyone convicted of maliciously and willfully injuring railroad property, placing obstructions on the track or drawing wagons along the tracks. This, however, was repealed on March 20, 1840, by a new law similar to the old one with the imprisonment changed to a fine of $500 or imprisonment in the county jail for thirty days, with an added injunction that the prisoner was to be fed on bread and water.

\[\text{16 Swan, Statutes of Ohio, 1840, footnote, 559.}\]
\[\text{17 Annual Report of the Commissioner of Railroads, 1868, 279.}\]
\[\text{18 Swan, Statutes of State of Ohio, 1840, 776.}\]
On March 17 of the same year, owing to the numerous accusations of fraud and extravagance, the "Plunder Law" of March 24, 1837, was also repealed,19 and since that time no aid or assistance by either money or credit has ever been granted to railroads by the State of Ohio. As a result of this we find an absence of that radicalism which sometimes characterized the railroad legislation of other States.20

The effect of the financial troubles of the 1840's was oppressive and the railroads came in for much criticism. On March 7, 1842, a law was passed regulating railroad companies,21 but as this was objectionable to the companies because it tended to discourage and check investments and because it prevented the organization of new corporations, it was repealed March 12, 1845. From 1837 to 1845 many new charters had been granted and innumerable amendments made to the older ones.

Of far greater significance now, however, than the granting of new charters were the efforts of legislators to prevent the increase of transportation by rail in order to save the canals which had been financed by the State. So we have the controversy and struggle between railroads and canals carried on for many years. On March 12, 1844, the Ohio

21 Ibid., 156.
Assembly passed a resolution protesting the action of the New York State Legislature in charging higher tolls on Ohio products. But by this time the realization that railroads were here to stay and must have financial aid, made necessary the act of February 4, 1848, which regulated railroads. It provided for the organization of all railroad companies with enlarged powers to borrow money, issue and sell bonds, and mortgage their income and property of every description in order to raise necessary funds. Nearly every company obtained authority for counties and cities to subscribe to its stock upon a majority vote of the people.

'This law was the result of the fact that by 1844 the State debt had reached the enormous sum of $18,668,321.61, hence the State Assembly was unwilling to give further aid to the railroads. Yet the demand for railroads was none the less pressing, and when prosperity returned, the State turned to local governments in the belief that public aid in some form was necessary to secure railroads and that local governments could and would protect better investments of the public money, since the local community would directly receive the benefit. Also, the State had come to regard assistance to railroads as largely a local question.

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23 Statutes of Ohio, XLVI, 40.
24 Swan, Statutes of Ohio, 1854, 197, footnote.
25 Gephart, op. cit., 166.
26 Ibid., 167.
The law of 1848 also provided that railroad corporations could demand and receive for passengers a fare not to exceed 3½ cents per mile and that freight rates were not to exceed 5¢ per ton per mile for 30 miles or more. If the distance was less a reasonable rate, which could be changed from time to time, was to be charged. 27

By the close of 1850, 150 charters had been granted and railroad construction was in reality under way.

The year 1850 was not only the dividing line between the old idea of railroads and the new but with the year 1851 railroad legislation was revolutionized. The general assembly, probably in anticipation of the new Ohio Constitution, 28 granted 21 new Railroad charters and made 40 amendments to existing charters and laws. Thirty-six of these amendments authorized counties, cities, town, and townships to subscribe stock. 29

In 1851 the need for consolidation necessitated more legislation and an act, March 3, 1851, provided for the consolidation into a new corporation of the continuous lines of a road if two or more companies entered into such an agreement, but implied that the consent of all stockholders must

27 Swan, Statute of Ohio, 1854, Section 12, 198.

28 Adopted June 17, 1851, taking effect September 1, 1851.

be given. 30 In case their consent could not be obtained they could be bought out at par. 31 This last section was both a hindrance and an embarrassment to the railroad companies, 32 but doubtless saved something for many stockholders which otherwise might have been lost. The general terms and provisions of the law were made to aid and facilitate the completion of many lines that otherwise might not have been completed. 33 But sometimes a more prosperous road would take advantage of a poorer road lying in the way of its progress to some desired point, by a policy of exclusion, or non-intercourse, until the weakened road would be forced to accept the terms of consolidation offered by the more prosperous road. 34 This law also contained a provision that one company might aid another with a view to consolidation by means of subscription, lease or purchase of any part or all of another road if two thirds of the stockholders agreed.

About this time a new question of importance arose, and on March 20, 1851, an act gave city councils the right to regulate the speed of a railroad locomotive through a city,

30 Statutes of Ohio, xvii, 94.
31 Swan, Statutes of Ohio, 1854, footnote, 200.
32 Annual Report of Commissioner of Railroads, 1868, 284.
33 Annual Report of the Commissioners of Railroads, 1868 284.
34 Gephart, op. cit., 173.
provided the rate should not be less than four miles.\footnote{35} Controversy and difficulty resulted from this law.\footnote{36} Toledo's city ordinance set the speed limit at five miles per hour.\footnote{37} Soon after this on June 17, 1851, the new State Constitution was adopted and went into effect September 1, 1851. Although there was much debating over the railroads while the Constitution was being drafted, the completed Constitution included railroads in Article XIII, which regulated corporations.\footnote{38} The chief changes that this Constitution made in the policy of the State towards railroads were that: (1) railroads were to be incorporated under the general corporation law instead of under special charters as heretofore; (2) the State would not give financial aid to any corporation; (3) the General Assembly could not authorize any local unit of government, by a vote of its citizens, to become a stockholder in any corporation.\footnote{39}

These provisions, quite different from the ideas and practices which had formerly prevailed and had been laws of the State for years, checked for a while many railroad projects for people believed that the lines then projected

\footnotetext{35} Swan, Statutes of Ohio, 1854, 240; Statutes of Ohio XLIX, 112.  
\footnotetext{36} Annual Report of the Commissioner of Railroads, 1868, 284.  
\footnotetext{37} Blade, February 21, 1855.  
\footnotetext{38} Francis Newton Thorpe, The Federal and State Constitutions, V, 2951.  
\footnotetext{39} Gephart, "Transportation in the Middle West," loc. cit., 159.
could not be built or if built would prove unprofitable under the new Constitution.

However, the next decade was one of prosperity and success to those companies who were in a position to command a large traffic, while to those unfinished or in financial embarrassment it was one of struggle and difficulty.

The legislation of this period consisted for the most part of enactments to bring all corporations under the provisions of the new Constitution. But it was at this time that the matter of standardization appeared and the first step was an act on March 24, 1852, authorizing the companies to change their gauge. This required a company to adopt a uniform gauge for the entire length of its line to make it possible to connect with or cross other lines.

On April 30, 1852, an act was passed to provide for compensation for property appropriated for the use of corporations. During 1852 several important laws were passed, the first of which was an act to provide for the creation and regulation of incorporated companies in the State of Ohio.


41 Swan, Statutes of Ohio, 1854, 237; Statutes of Ohio, L, 126.

42 Swan, Statutes of Ohio, 1854, 232; Statutes of Ohio, L, 201.

43 Swan, Statutes of Ohio, 1854, 197.
This was the first modification of the general law of 1848, under which law over one hundred railroad companies had been incorporated, but only two of which had been built and put into successful operation.\(^{44}\) Another important law was an act which regulated the freight rates and required that these fixed rates be published.\(^{45}\)

This law regulating tariffs grew out of the keen competition that was existing at that time between railroads and canals, and while this second law required the fixing and posting of rates, section thirteen of the first law set the rate at three cents per mile for passengers and not more than five cents per ton per mile for freight for thirty miles or more. For a less distance a reasonable rate was to be fixed from time to time.\(^{46}\)

The passenger rates were a half cent lower than those of the old charters or the general law of 1848. A third act required that all roads should be fenced to meet requirements prescribed by the County Commissioners.\(^{47}\) This led to disaster for some companies. Before the passage of this act and

\(^{44}\) The Cincinnati and Indiana, and the Toledo, Wabash and Western with less than 100 miles of road in Ohio. Annual Report of Commissioner of Railroads, 1868, 286.

\(^{45}\) Swan, Statutes of Ohio, 1854, 237.

\(^{46}\) Swan, Statutes of Ohio, 1854, 203.

\(^{47}\) Swan, Statutes of Ohio, 1854, 203.
for several years after, little attention was paid to fences. Land owners did not force an issue, hoping that promises made by railroads might some day be carried out. In some cases when selling the right of way land owners agreed to take care of fences, while in other cases the price of fences was included in payment. In many cases, however, the railroads were to build fences, but due to the close margin upon which they were operating, and since fences were not a necessity to the railroad companies, action had been postponed. The more prosperous companies complied with the law, which brought reproach for neglect of duty upon poorer companies. Complaints and controversies resulted in a more drastic law, March 25, 1859, to force railroad companies to obey regulations regarding fences. Many railroad companies were in no financial condition to fulfill this law, and when finally forced into court, had to go into the hands of receivers as they were totally insolvent. But as this happened after 1860 it lies beyond the scope of this study.

From 1856 to 1860, law after law was passed regulating various aspects of railroad questions. In 1857 the first attempt was made to collect railroad statistics, but the first few reports were not satisfactory as it was found that

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49 Report of Commissioner of Railroads, 1868, 288; Swan and Critchfield, Statutes of Ohio, 1860, 331.
50 Annual Report of Commissioner of Railroads, 1868, 289.
several roads either had no statistics or such as they had were inaccurate. Besides this it was difficult to find any one official responsible for such statistics, and it was not until a railroad commissioner was appointed in the next decade that we have any records of value.\textsuperscript{51}

We find no accounts of any legislation which specifically changed the railroads running into Toledo, but as these roads were regulated by each law passed in the State of Ohio, Toledo felt the force of railroad legislation. While the State was making and changing the laws regulating railroads, Toledo was getting its start, although it was not until after the Civil War that it showed definite signs of becoming a railroad center.

\textsuperscript{51} \textit{Ibid.}, 290.
Chapter II

The Railroads Before 1850

Although railroads started in the East, Ohio was a pioneer State in railroad building for the first charters were granted in Ohio before the East had been able to prove the importance of railroads in transportation.

If Ohio was a pioneer railroad state, Toledo certainly was the pioneer city of the State, for it was out of Toledo that not only the first railroad in the State but the first in the old Northwest Territory was built and operated. This was planned before the Michigan-Ohio boundary controversy had placed Toledo in Ohio, and before the villages of Vistula and Port Lawrence had united. It was projected by Dr. Daniel Comstock in 1832-33 and incorporated by an act of the Michigan Territorial Legislature, April 22, 1833. This Act granted the right "to build a railroad from Port Lawrence through Adrian to some point on the Kalamazoo River, to transport, take and carry property and persons upon the same, by force of steam, animals or of any mechanical or other power, or any combination of them." An amendment was passed March 26, 1835, which provided that "when the road shall have paid the cost of building the same, and the expense of keeping the same in repair and seven per cent on all moneys ex-
pended as a foresaid, the same road shall become the prop-
erty of the Territory or State and shall be a free road ex-
cept sufficient toll to keep the same in repair."\(^1\)

Michigan legislators\(^2\) thought this a fanciful project
but Representative Comstock persuaded them that there would
be no harm in pleasing his brother, Dr. Comstock. Benjamin
Stickney was another charter member from Toledo.\(^3\)

On August 22, 1835, the Legislative Council for the
Territory of Michigan also approved an act "to incorporate
the Maumee Branch Railroad Company." Section two of the act
said, "So much of the road as lies between the mouth of the
Maumee River and the point where the said road shall inter-
cept the Erie and Kalamazoo Railroad shall constitute the
first section of the said road."\(^4\) However, this was planned
more to detract from Toledo than to be of benefit to it, but
the road was never built and its projected terminus of Havre
has long since disappeared.

Another early railroad was the one to Chicago, which was
incorporated in 1835 by the Indiana Legislature. When the
act of incorporation was submitted to the Legislature, it

\(^1\) Laws of Territory of Michigan, III, 145.

\(^2\) This was before the "Toledo War," therefore Toledo
was part of Michigan.

\(^3\) Harvey Scribner, Memoirs of Lucas Co., 262.

\(^4\) Laws of the Territory of Michigan, 6 Legislature,
Special Session, 97.
called the projected road the "Atlantic and Pacific", but the legislators deemed such a name too pretentious and persuaded the author of the measure, John B. Chapman, to change it. This first charter fixed the termini of the road as Michigan City and LaPorte, Indiana, but Mr. Chapman and other promoters were not satisfied with twelve miles of railroad. As they were much interested in a resolution which the United States Senate had passed a short time before authorizing a survey of a railroad route from Maumee Bay to the Mississippi River, they took the name of the Buffalo and Mississippi Railroad Company in 1835, but the working organization was not completed until February, 1837. Although it was early in April that the directors advertised for bids, which were placed under contract on June 14, 1837, no track was ever laid on the line under the original charter. However, some labor was performed at intervals along the route by way of preparation until disease, brought on by adverse sanitary conditions, and, later in the year, the panic, stopped all work. So hopeless was the outlook at that period that even the stockholders held no annual elections between 1839 and 1847. An attempt to place the organization on a sound basis was made in October, 1847, when a new directorate was chosen but the stockholders failed to respond, so the old corporation of the Buffalo and Mississippi was abandoned and re-

5 Lake Shore and Michigan Southern Railroad System, 36.
organized as the Northern Indiana Railroad Company. In 1849, the Litchfield brothers, who were among the most energetic and sagacious railroad promoters and constructors of that day, secured control of the Northern Indiana Railroad as an adjunct to their Michigan Southern Railroad.

The Toledo division of the early road was secured by the charter of the Toledo and Sandusky City Railroad, granted March 4, 1836, which authorized the construction of a railroad to the Indiana boundary to connect with the Buffalo and Mississippi Railroad which was to cross northern Indiana.

On December 6, 1837, the Blade said that the survey of the western branch of the Toledo and Sandusky Railroad had been under way for two weeks and that work would continue until the whole line was finished. This branch was to extend from Toledo due west to the State line of Indiana and there it was to connect with another railroad to Michigan City, forming a continuous line across the base of the peninsula of Michigan. On March 16, 1838, the name was changed to the Sandusky, Toledo, and Michigan City Railroad. During the fall of 1838 and the spring of 1839, it was the pet

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6 Ibid., 37; Annual Report of the Commissioner of Railroads and Telegraphs of Ohio, 1865, 78.

7 Richard Edwards, Toledo, Historical and Descriptive The Business and the Business Men of 1876.

8 Toledo Blade, July 11, 1837; Report of the Secretary of the Directors of the Michigan Southern and Northern Indiana Railroad Company in Blade, October 9, 1852.
project of the Blade, which did all it could by editorials to aid the road. On January 8, 1838, the Blade announced that while the survey of the entire line was not completed, the part from Michigan City to LaPorte was under construction and that when it was completed the entire length would be one hundred seventy-eight miles, sixty-four of which would be in Ohio. The Ohio line had been run and the Blade promised to present the engineer's report soon. A long editorial of February 13, 1839, said that when the railroad was completed from Toledo to Michigan City, Toledo would be only twelve hours from Illinois. This same editorial discussed at great length the advantages to Chicago and the rest of Illinois of such a railroad over the route by way of Lakes Huron and Michigan, with the long winter season during which transportation was impossible. Although this railroad would have been a great help in the development of Toledo, it was not built until the new era of railroads began in 1850.

The first movement looking toward the construction of a railroad along the southern shore of Lake Erie was that of the Ohio Railroad company, whose charter bears the date of March 8, 1836. The charter was obtained through the efforts of Nehemiah Allen of Geauga County, and the plan contemplated a railroad from the Pennsylvania state line to the Maumee River with Manhattan, a small village situated in what is

9 From 1836 to 1860, the Blade took an active interest in railroads all over the United States.
now the north end of the city of Toledo, as the western
terminal.\textsuperscript{10} The chief activity of the Manhattan end was
the formation of the Maumee Land and Railroad company whose
chief purpose was to lay out and sell lots in Manhattan.
This was formed in October, 1835, and was composed of eight
men, who were greatly interested and instrumental in hand-
ling the Maumee end of the Ohio Railroad Company.\textsuperscript{11} The
terms of the charter were highly favorable, and in addition
to a liberal franchise, the charter conferred upon the com-
pany banking privileges, which gave the directors of the
railroads the right to issue bills in order to finance the
road.\textsuperscript{12} In addition to issuing bank notes, the railroad
banks were to handle the stock and see that there was secur-
ity for redeeming its notes and debts.\textsuperscript{13} What was more im-
portant, it was the only projected railroad out of Toledo
to receive state aid during the short time Ohio loaned money
to railroads under the "Flunder Law."\textsuperscript{14}

\textsuperscript{10} Clark Waggoner, \textit{History of the City of Toledo and}
Lucas County, Ohio, 411.

\textsuperscript{11} John H. Doyle, \textit{A Story of Early Toledo Historical}
Facts and Incidents of the Early Days of the City and En-
Virones, 46.

\textsuperscript{12} Lake Shore and Michigan Southern, 83.

\textsuperscript{13} Frederick A. Cleveland and Fred W. Powell, \textit{Railroad}
Promotion and Capitalization in the United States, 169.

\textsuperscript{14} Annual Report of the Commissioner of Railroads and
Telegraphs of Ohio for 1868, 279.
The Ohio Railroad Company itself was organized at Painesville, April 25, 1836, when subscriptions of stock to a considerable amount were received. Among these subscriptions was one for $64,000 worth of stock purchased by the Maumee Land and Railroad Company of Manhattan. The plan of its construction was quite different from any that had been used, and in order to prepare the track, one hundred twelve piles and one thousand fifty-six ties per mile were necessary. The former varied from seven to twenty-eight feet in length according to the surface of the ground, and from twelve to sixteen inches in diameter. A crude machine drove about forty piles a day or in other words about twenty rods. In the heads of each pair of piles was fitted the tie, pinned down by a two inch cedar pin. Another machine was the locomotive upon the track, which prepared the rails at the rate of nine hundred lineal feet per day. These rails or stringers were eight inches by eight inches and fifteen feet long. On the wooden stringers were to be placed iron "strap" rails weighing about twenty-five tons for each mile. Although the plan involved a formidable amount of labor and time, the first pile was driven at Fremont, June 19, 1839. The work was done chiefly between Fremont and Manhattan but by 1842 the company was heavily in debt. However the managers refused to admit defeat and kept the work alive until 1843 when operations entirely stopped. After all the elaborate plans which had been made, the vast amount of work which had been done, and the huge amount of money
which had been expended, not one mile of railroad track had been completed.\textsuperscript{15}

Locally it had been expected that this Ohio Railroad would be a continuation of the New York and Erie. It had also been considered as a possible connection with the Toledo and Sandusky which was planned to reach Michigan City.\textsuperscript{16} However, its complete failure left this section with no planned connections with the East.

As early as 1835 and 1836 these railroad projects led to a period of land speculations which was one of the contributing factors to the panic of 1837.\textsuperscript{17} This speculation craze preceding the panic was due in part to the remarkable growth of internal commerce, the rapid development of intracontinental communications, and the great increase in western population. Every one seemed to want to reach some part of the West. Cities were staked out, and town lots of indefinite location brought big prices. Railroads were projected, paper roads crossed the country in all directions, and terminal cities were laid out on magnificent proportions. Many lots were purchased in the village of Manhattan before it was discovered that it lay in a swamp two miles north of what is now Toledo.\textsuperscript{18}

\textsuperscript{15} Waggoner, \textit{op. cit.}, 411-412.

\textsuperscript{16} \textit{Blade}, May 22, 1839.

\textsuperscript{17} Edwards, \textit{op. cit.}, 83.

\textsuperscript{18} Edwin Earl Sparks, "Expansion of the American People." \textit{The Chautaquan}, XXX, 607-612.
With so much westward travel, it is not surprising that the Erie and Kalamazoo benefited from its terminus at Toledo, for this location had two big advantages, and when the Miami extension and Wabash and Erie Canals were finished, a third.\textsuperscript{19} The first of these was due to the fact that Ohio lay directly in the natural line and channel of railroad travel from East to West.\textsuperscript{20} The second resulted from the transportation development that centered around the western end of Lake Erie.\textsuperscript{21} The third was the connection with the artificial waterways of Ohio and Indiana.

The Nation's first railroads were short stretches from city to city.\textsuperscript{22} The Erie and Kalamazoo was no exception to this, for when it was ready for passengers in the fall of 1836, it extended from Port Lawrence to Sylvania, and when completed to Adrian in 1837, was only thirty-three miles in length.

The Erie and Kalamazoo road was necessarily built by those totally unacquainted with railroad construction, for certainly there was no one in Toledo who knew much about the building of railroads. Furthermore capital was scarce. The

\textsuperscript{19} Simeon D. Fess, \textit{Ohio a Four Volume Reference on the History of a great State}, I, 240.

\textsuperscript{20} Scribner, \textit{op. cit.}, 263.


first plans called for ties and rails of oak studding four inches square, but these were changed and it was finally constructed with an iron strap five-eighths of an inch thick and two and one half inches wide tacked on top of the rails. The car wheels ran in grooves on the rails, but by a provision of the charter of the corporation, stockholders whose places of residence were located along the railroad route were privileged to use wagons with wheels fitted to these grooves, for travel on the track. Their wagons, thus running at ordinary speed, proved no obstruction to the daily train each way, which, indeed, seldom moved faster than the average speed of spirited horses. The level surface between Toledo and Adrian made the work itself easy in comparison with other railroads such as the Baltimore and Ohio with its grades and curves over the mountains. This construction engineering was much more stable than that planned and started for the Ohio Railroad as described in the preceding pages.

When the Erie and Kalamazoo Railroad was completed in the summer of 1837 and began operating between Toledo and Adrian, a distance of thirty-three miles, it was the longest railroad in the United States. The first trains on this

23 Edwards, op. cit., 84.
24 Lake Shore and Michigan Southern, 28.
25 See page 8.
26 Blade, June 20, 1837.
road had been horse drawn and in 1836 it had taken a whole day for the trip to Adrian if no mishap occurred. Although the directors ordered a steam locomotive, the first one of Schenectady, New York, in 1836,27 it did not arrive in Toledo until June 1837 and was not used until August.28 It was number eighty of the noted Baldwin Locomotive works and was sent from Philadelphia to New York by water, up the Hudson to Troy, from there to Buffalo by the Erie Canal, and by sail boat to Toledo. It was small and light and offered no protection to the engineer.29

An editorial said that the locomotive was in full operation from Toledo to Adrian and that it could move at a rate exceeding twenty miles. This rate of speed had been ascertained but not fully tested. Two and a half hours were consumed in "performing" the distance, which was considered "abundantly fast with a train of passenger and burden cars attached." At that time a trip and a half was made in the twenty-four hours, the train departing from Toledo twice in one day and once the next.30

That the speed of the locomotive was soon fully tested is evident for an editorial three weeks later commented upon the fact that six cars had come the thirty-three miles from

27 Scribner, op. cit., 263.
28 Blade, June 20, 1837.
29 Scribner, op. cit., 263.
30 Editorial, Blade, July 4, 1837.
Adrian in the short space of one hour and forty minutes including stops. 31 By December a second steam locomotive was added and four trips each way were made daily.

The structural make-up of the train of 1836-37 was crude and inadequate in comparison with what came later, for the Erie Kalamazoo's early trains had only a pleasure coach and a few burden cars. In July 1837, a second pleasure car was added, which was one of the most peculiar passenger cars of which any graphic record has been preserved. In its panels, windows, and facade the car conveyed a slight suggestion of the ecclesiastical architecture of the Middle Ages, and indicate that the germs of art and originality had already appeared in the region where the vehicle was built. 32 It deviated in a marked degree from prevailing lines and was doubtless made in the West, its general appearance suggesting a large hen coop whose design was affected by the Gothic influence. 33 This second pleasure car had four compartments, three of which had room for eight passengers each, the fourth of which was in the center and was used for baggage. 34

Likewise the freight cars were small, carrying only thirty barrels of flour for a load. In 1836, the board of

31 Blade, July 25, 1837.
32 Seymour Dunbar, A History of Travel in America, III, 1083.
33 Ibid., 1086.
34 Scribner, op. cit., 264.
directors issued a "tariff," passenger and freight combined, which was a marvel of simplicity and conciseness, for it listed the fare for the pleasure car from Toledo to Adrian as "12 shillings," with each passenger allowed to carry fifty pounds of baggage free. The freight from Toledo to Adrian was four shillings per hundred pounds, and salt was one dollar per barrel. 35

In the spring and summer of 1837, the following advertisement appeared in every issue of the Toledo Blade.

To Emigrants & Travellers

The Erie & Kalamazoo Rail Road
is now in full operation between
Toledo and Adrian

During the ensuing season trains of cars will run daily to Adrian there connecting with a line of Stages for the West, Michigan City, Chicago and Wisconsin Territory.

Emigrants and others destined for Indiana, Illinois, and the western part of Michigan.

WILL SAVE TWO DAYS,

and the corresponding expenses by taking this route in preference to the more lengthened, tedious and expensive route here-to-fore traveled.

All baggage at the risk of the owners.

Edward Bissel Comm's E. & K.
W. P. Daniels R. Road Co.
George Crane

A. Hughes, Superintendent of the Western Stage Company.

The Buffalo, Detroit and other papers on the lake will please publish this notice to the Amount of $5 and to send their bills to the Agent.

35 Wing, op. cit., 217.
Since no time of departure was mentioned in the advertisement, it was apparently not safe to be specific as to the hour at which the train would leave. Nevertheless, the railroad did a thriving business carrying emigrants and supplies to feed them into Michigan as well as carrying wheat and flour from Adrian to Toledo.

No passenger could count upon the ease and comfort demanded of the present day train, as the coaches were uncomfortable, especially in winter when they were cold and poorly ventilated. Travel was slow and frequently delayed by repairs that had to be made before the train could proceed. The most common cause of delay was the "snake head," which appeared when the iron track became loosened and the wheels of the locomotive ran under it instead of over thus forcing the iron bar through the floor of the car. As a result no train went without its sledge hammer to repair such damage.

Because the first locomotives burned wood, frequent stops were necessary to replenish the fuel. Tradition has it that the firemen wore boxing gloves to keep from burning their hands on the fire door.

Mr. C. P. Leland, auditor of the Lake Shore and Michigan Southern Railroad in 1890, is responsible for the following

36 Cosgrove Maynard Giles, A History of Sylvania for the First Hundred Years, 1833-1933.
37 Edwards, op. cit., 84.
39 Giles, op. cit.
description from an old Erie and Kalamazoo employee, Mr. Mayor Brigham, who was a resident of Toledo. 40

"During most of the year of 1841, I was employed as repairing agent of the Erie and Kalamazoo Railroad, then in operation between Toledo and Adrian. According to the schedule time, a passenger train with one coach would leave Toledo in the morning, make the run to Adrian, and return to Toledo in the afternoon, arriving about 6 P.M. The passenger car then used was about the size now used upon street railroads, and was divided into three compartments, each having a front and rear seat facing each other and running from side to side of the car, with a side entrance to each compartment. The track was ironed with the flat bar 'Strap rail,' as it was called. As my home was in Toledo, I found it necessary to go on each Monday morning over the road, spending the week in making such repairs as were necessary and returning home on Saturday evening.

"In December, 1841, one Saturday the train left Toledo on time for Adrian. I was then at Palmyra, intending to take the train for Adrian and return to Toledo that evening. Owing to a severe storm of rain, freezing as it fell, the track became covered with ice. The train reached Palmyra about four P.M. I entered the middle compartment of the car as the train started for Adrian, and met in the car J. Baron Davis and wife, of Toledo, sitting in the forward seat.

40 Waggoner, op. cit., 406.

41 Before 1890.
Being acquainted with them, I thought I would take a seat with them, but seeing the cushions out of place, I took the rear seat, facing the one I had rejected. We had not gone more than half a mile from Palmyra when a 'snake head', as they were called (the loosened end of one of the flat bars, or strap rails, which, caught by the wheel which should pass over it, was torn from the stringer and forced upward), came crashing through the floor of the car, passing diagonally through the seat I had left vacant, the end of the bar striking me backward with such force as to break through the panel work partition which divided the compartments of the car. Just at this moment the other end of the bar was torn from the track and carried along with the car. Recovering my consciousness a little, I found myself with head and shoulders protruding through the broken partition, while I held the assaulting 'snake head' firmly grasped in both hands.

"Being a stormy day I had an extra amount of clothing about my neck, which the bar did not penetrate, so that my injuries were not serious. The train was stopped. Frederick Bissel, the conductor, was much frightened. Before leaving the spot, the guilty 'snake head' was once more spiked down and we moved on, reaching Adrian at six P.M., having made the run of thirty-three miles in ten hours. The train left Adrian for Toledo at seven P.M., and worked its way along over the ice covered track until we got out of wood and water, when we picked up sticks in the woods and replenished the fire, and with pails dipped up water from the ditches and fed the boiler, and made another run toward Toledo.
Passing Sylvania we got the train to a point four miles from Toledo, when being again out of steam, wood and water, we came to the conclusion that it would be easier to foot it the rest of the way, than to try to get the train along any farther. So we left the locomotive and cars standing upon the track and walked into the city, reaching there at about two-thirty P.M. I was rather lame and sore from my contact with the 'snake head', but gratified that we were enjoying the 'modern improvement' - railway travel. 42

Among the early officials of the road we find names of men who have been famous in the early growth and development of Toledo. In 1837 Edward Bissel was the manager of the Erie and Kalamazoo Railroad; in 1838, Richard Mott was its president, and in 1839, E. S. Dodd. 43

This first railroad into Toledo terminated at what is now Monroe and Water Streets. The office was a frame building, fourteen by two hundred feet, 44 facing Summit Street. 45 The platform extended from the rear of the office building and was without a roof. In 1837 the road was extended along what is now Water Street to the foot of La Grange, with the tracks built over water the entire distance, with piles to support them. This track varied from fifty to two hundred

42 Waggoner, op. cit., 406; Wing, op. cit., 218-219; Toledo Blade, January 13, 1882.

43 Doyle, op. cit., 60.


45 Doyle, op. cit., 61.
feet from the line of the shore of that day. With the change in the terminus the depot was moved from Monroe Street to a place near what is now the foot of Cherry Street.

By the middle of the eighteen forties Toledo had passed through the three stages found in early railroad building. The introductory put into operation the first railroad in the old Northwest Territory. The period of speculation resulted in many projected roads with charters for an unbroken chain from Toledo west to the Mississippi. The reaction left Toledo a desolate town, suffering from the banking troubles which followed the Panic of 1837, with one short railroad in operation, and all other railroad activities abandoned.


47 Doyle, op. cit., 61.
Chapter III

Canals Delay Railroad Building

Experiments with the building of railroads went on side by side with the building of canals, but the former were still at the beginning of their development when the "canal era" was in full swing. 1 This canal era was started when the State Assembly passed the act of February 4, 1825, which was entitled "an Act to provide for the internal improvements of Ohio by navigable Canals." 2 Because of its location on the Maumee River only a few miles from the western end of Lake Erie, Toledo naturally became the terminus for the Wabash-Erie Canal and the Miami Extension. 3 This was really the first step in the chain of events that has made Toledo the great railroad center that it is today, for with the completion of these two canals, Toledo was connected with Lafayette, Indiana, on the Wabash River, by means of the Wabash-Erie Canal, thus making a through connection between Lake Erie and the Ohio River through nor-

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1 Malcolm Keir, The Pageant of America, IV, 102.


3 Ibid., 110.
thern and western Indiana. Also, by means of the Miami Extension Toledo had a direct connection with Cincinnati. Although the Erie and Kalamazoo Railroad began to operate from Toledo five years before the Miami Extension was completed, both canals were planned and well started before the railroad era began, and when the relative merits of canals and railroads were discussed, it was usually to the disadvantage of the latter. However, soon after the first good effects of the canals were felt, the enthusiasm of those who were receiving the benefits so heightened the desire for some adequate means of transportation on the part of those who had no canals that when the agitation for railroads began, many people were willing to support them by subscriptions to stock or donations of land. After the repeal of the Plunder Law, for in spite of the liberal laws, Ohio was not generous to the railroads because the State was so heavily involved in the system of canals that it had to protect the investments. Therefore development of railroads was left

4 Scribner, op. cit., 262.
5 Mansfield, loc. cit., 5.
6 Ge phart, op. cit., 162.
7 Fess, I, op. cit., 241. Also, The Fourth Annual Report of the Board of Public Works listed in detail a full description of work completed and planned as well as amounts spent and estimated for the completion of eight canals. This report listed the Miami Extension as second and Wabash and Erie as third in importance in the State. The Blade for May 17, 1841, published "Statistics of Ohio" by the Fund Committee. In this list of the Public works owned by the State were eleven canals. This report appeared in the Blade, March 10, 1841.
to private companies, many of which vanished in the Panic of 1837 or the years which followed.

These first railroads were planned as feeders to or connections between canals or natural waterways and it was not expected that they would supplant canals. So for the ten years following the Panic of 1837, all railroad building stopped while both canals did a thriving business. By 1847, a new interest was revived in railroads, as they were beginning to demonstrate their superiority in cheapness, speed and ease of construction. 8 So when the new era of railroad building started about 1850, the canals began to suffer as railroad mileage increased, for both canals had been built to connect Lake Erie with the Ohio River, and after 1850, the routes of trade had swung from a north and south to an east and west direction. 9

To capture what remained of the north and south trade, after 1850, many railroads were built parallel to the canals. In the year 1852, which was the most prosperous in the history of the Wabash Erie Canal, there were no competing railroads, but the Toledo and Western Railroad, which opened for business only four years later, touched every important town on the canal between Toledo and Lafayette, Indiana, a distance of 216 miles. This railroad continued to divert

8 Charles C. Huntington and C. P. McClelland, History of Ohio Canals, 45.

traffic from the canal until, in 1860, of 7,000,000 bushels of wheat, corn, and oats received at Toledo, over 4,000,000 bushels were carried by the railroad. The Dayton and Michigan Railroad, which was opened in 1859, touched several of the important towns on the Miami Extension.

At first this shifting of the traffic from canals to railroads was vigorously resisted by the Canal Commissioners but later they became resigned to the situation and made no efforts to change it.

While Toledo owes much to both the canals and the railroads, the first real impetus to the growth and development of the city followed the completion of the railroad to Adrian, yet this was slight when compared with the grand forward impulse which was given by the completion of the two canals. However, the greatest progress came with the second era of railroads, when each new railroad connected Toledo with either the Atlantic or the Mississippi, or with the rich hinterlands of northern Ohio and southern Michigan.

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10 Ernest L. Bogart, Internal Improvements and State Debt in Ohio, 102, citing a minority report of the Board of Public Works for 1861.


12 Doyle, op. cit., 66.
Chapter IV

The Financing of the Early Railroads

Although the period from 1836 to 1860 was one of greatest progress in wealth, numbers, intelligence, and general prosperity that the people have ever experienced, their investments in railroads seldom paid returns, at least to the individuals who made the first investments. Many of the railroads never paid dividends while others lost everything, not only their mortgaged stock but even their entire capital. This was due in part to the fact railroads built prior to 1860 were in excess of the needs of the community. Railroads were built everywhere, apparently in perfect confidence that the country would develop enough to support all the roads that could be built. After they were constructed, as it was impossible to remove them from places where they were not wanted to places where they were needed, they lived upon the country where they could, and, when the business of the land would not support them, they fought and ruined each other.  

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1 "The Railroad Mania", The Nation, VIII, 185.

2 Charles Francis Adams, Jr., Railroads, 118.
Even though the railroads had become a practical factor in national transportation economy by 1835, national internal improvement had ceased to be a live issue after the Panic of 1837. By the time the Federal Congress offered public lands to aid railroads, after 1850, Ohio had comparatively little government land available for such use. Therefore private companies took the initiative in promoting and building early railroads. Hence, a large share of the burden of financing these enterprises fell directly upon the people of the State and its subdivisions. In order to meet this obligation the citizens of the places expecting to benefit by the railroad voted to have their city and county subscribe to the stock of the railroad or donate lands for the right of way.

Unsophisticated people imagined that when a new railroad was started, stock was subscribed, the cash was paid in, and the building was begun. If the cash was not sufficient, the finished part of the road was mortgaged to complete it. While this was the way in which the early roads were actually started, it later became evident that sufficient capital was not to be had in Ohio to carry on railroad building. As foreign capital was necessary, bonds were issued and thrown on the market where they were purchased by the capitalists.

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3 Fess, op. cit., 241.
4 Ibid., 243.
5 Ibid., 244.
6 "Railroad Mania," loc. cit., 186.
of American and European cities. Since many of those proposed railroads could not get foreign capital, they were abandoned or never built. In most cases the bonds purchased by foreign investors were secured, while the railroad bonds sold in the United States were not safe investments.

How the Erie and Kalamazoo was put into operation and kept up without more money or credit can never be fully explained or perhaps understood even by the people whose energy and pluck carried it along, as it was built without much real money and from the outset was so heavily in debt that within a few years the directors were forced to surrender property which later became valuable. Because such railroad bonds and preferred stock as we have today were unknown at that time, the directors secured money or credit to carry on the work by a liberal stock bonus, and when that did not bring in enough money mortgaged the railroad property. Considering the want of experience in

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8 Annual Report of Commissioner of Railroads, 1868, 278.
9 In 1837, Edward Bissel was manager; in 1838, Edward Mott, president and in 1839, E. S. Dodd, president. In October, 1839 George Crane was appointed receiver, but this terminated in 1840.
10 Knapp, op. cit., 551, quoting Mott's "Recollections."
11 Nevin O. Winter, A History of Northwest Ohio, 256.
12 Knapp, op. cit., 551, quoting Mott's "Recollections."
financing and constructing a railroad by the first managers, who were themselves almost moneyleess, it was a very creditable undertaking.\textsuperscript{13}

In Michigan, the legislature conferred banking powers upon the railroad companies before Ohio had done so. Under the laws of the Council for the Territory of Michigan the charter of the Erie and Kalamazoo had been amended to provide for the establishment of the "Erie and Kalamazoo Railroad Bank" at Adrian or Tecumseh.\textsuperscript{14} Its organization was effected in 1836, and it is probable that without the aid supplied by the issue of its notes the construction of this pioneer railroad would have been impossible except at a much later period.\textsuperscript{15} However true this statement may be, there is also evidence that it was a burden rather than an aid.\textsuperscript{16} In 1840 the Railroad Bank was in the hands of a receiver but this receivership was removed when the effects of the bank were assigned to J. B. Macy.\textsuperscript{17}

Except for the aid furnished by the bank, the Erie and Kalamazoo depended chiefly upon local financial support. An

\begin{itemize}
\item \textsuperscript{13} Winters, \textit{op. cit.}, 256.
\item \textsuperscript{14} \textit{Laws of Territory of Michigan}, Special Session 1835, 145.
\item \textsuperscript{15} Cleveland and Powell, \textit{op. cit.}, 170, quoting Waggoner, "Pioneer Railroad of Ohio," \textit{Railroad Gazette}, XXIX, 797.
\item \textsuperscript{16} Winter, \textit{op. cit.}, 256.
\item \textsuperscript{17} Waggoner, \textit{op. cit.}, 402.
\end{itemize}
accurate list of the subscriptions for the Erie and Kalamazoo Railroad has never been computed, but one account book recorded that at a meeting of the property owners of that part of Toledo, then known as Port Lawrence, during the first three days of July, 1835, subscriptions were pledged. These land owners passed a resolution that each proprietor should pay one thousand dollars for stock in the railroad for each sixteenth part of the interest that he held in the original plat of Port Lawrence. This resolution was signed by six men, one of whom owned five-sixteenths of the original plat. And two years later these proprietors gave the Erie and Kalamazoo Railroad lots numbered 484 and 484½ for machine shops and the engine house. On the map, prepared by Robert Gower, the surveyor for 1837, the remaining lots numbered from 481 to 486 were appraised in value from three hundred to two thousand dollars.

Not to be outdone, the part of Toledo called Vistula held a meeting of the owners of the undivided lots in that

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18 Historical Society of Northwestern Ohio, Bulletin, VIII, 1851.
19 Edward Bissel, Manuscript Account Book, 170.
20 The names signed to the resolution were William Oliver, 5/16; Isaac S. Smith, 4/16; Edward Bissel, 3/16; Andrew Palmer, 1/16; Raymond Palmer, 1/16; and Stephen Comstock, 2/16.
21 Account Book, 187.
22 Account Book, 187.
part of Toledo. These proprietors proposed to give the Erie and Kalamazoo a strip of land fifty-five feet wide on the south side of Water Street between Lynn and Cherry Streets. Notwithstanding the fact that this land was under water, it was given upon the conditions that it be improved and that a "passenger car house" or depot be built upon it before January 1, 1839. 23 Although the offer was made in September, 1837, it was not until June 28, 1838, that the directors of the Erie and Kalamazoo accepted the offer. 24

During the early days the Erie and Kalamazoo had earned profits from 15 to 20 per cent. 25 Its financial statement for December 1, 1837, listed a profit of 16½ per cent for that year, 26 but its prosperity did not last long, and a stormy existence ensued during the eighteen forties. 27 Beginning in October, 1839, it was put in the hands of a receiver, 28 and the next year, competition with the Michigan Southern began. In order to get a share of the commerce through that part of Michigan, the directors built a feeder

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23 Ibid., 86.
24 Waggoner, op. cit., 401.
25 Wing, op. cit., 217.
26 Blade, February 18, 1838 and December 12, 1838.
27 Wing, op. cit., 217.
28 Doyle, op. cit., 60.
from Palmyra toward Jacksonburg. In spite of its efforts, the Erie and Kalamazoo became so financially embarrassed that a portion of the time it was run by a board of directors, part of the time by trustees under the jurisdiction of the court, 29 and part of the time by a receiver at Toledo and a commissioner at Adrian. Meanwhile, the expenses and debts increased and unpaid bills accumulated. Even the taxes were unpaid, the largest single item in the list of delinquent taxes in Toledo in 1841 being $203.12, assessed on the depot and machine shop, which was valued at $3,451. As a result of these debts the Erie and Kalamazoo was a perpetual defendant in the courts of Ohio and Michigan. 30

On October 21, 1844, the Directors ordered A. M. Baker to confess judgment in the Lucas County Court in favor of William P. Daniels for $8,210.50. Again, March 25, 1845, the Directors authorized a confession of judgment for $16,000, the balance due on railroad iron purchased in 1835. These suits came after the two locomotives and rolling stock had been sold by the sheriff in June, 1842. 31

Since the greater part of the Erie and Kalamazoo lay in Michigan, it had not been eligible to receive aid when on March 24, 1837, before the panic had broken, the Ohio

29 Lake Shore and Michigan Southern, 28.

30 Wing, op. cit., 217.

31 Waggoner, op. cit., 405.
assembly had passed the famous "Plunder Act."

This act provided for a loan of credit and subscriptions to stock to railroads, turnpike, canals, and slack water navigation companies. However, these loans were to be limited to one-third of the capital stock and then given only after the company could give assurance that the other two-thirds had been subscribed and paid in. These loans consisted of six per cent transferable stock or State scrip, and if the loan was for less than fifty thousand dollars it might be paid in cash. This money was not to be applied to preexisting indebtedness but must be used for immediate building. If a railroad should default in its payment of the interest, the Governor of the State was to take possession of the road and hold the same until the State was reimbursed.

In spite of these apparent safeguards the only real limitation upon state aid, except the approval of the Board of Public Works, lay in the loose provision that no payment to any specific work should exceed $300,000 in any one year.

As far as records now exist, under this law six railroads borrowed sums ranging from six thousand one hundred eighty-two dollars to two hundred seventy thousand dollars of the

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32 Also known as the "Loan Law" and the "General Improvement Law".

33 Swan, Statutes of Ohio, 1840, footnote, 559, section 7.

34 Ibid., Section 5.

35 Ibid., Section 6.
The only railroad in the Toledo area to receive aid under this law was the incorporated Ohio Railroad company, which was granted a loan of $249,000 of the scrip, all of which disappeared in the hard times following the Panic of 1837. While this seemed like a large amount to be loaned by the State on untried ventures, in reality the total was not enough to build thirty miles of railroad.

That, at first, the State considered these loans only an investment is evident by a report of the Fund Committee of Public Works owned by the State of Ohio which appeared in the Blade, May 19, 1841. This report said that the six per cent scrip loaned to railroads should not be considered as a part of the debt of the State, for the money had not been spent on the construction of the works owned by the State, and that the railroad companies had given security for the loans. It also listed in the estimated revenues for 1841, $30,090 which would come from interest to be paid by railroad companies upon the scrip that had been loaned to them. As might have been anticipated, at the end of ten years the State of Ohio owned over half a million dollars in stock upon which not one cent had been repaid and some of which subsequently sold for eight cents on the dollar.

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37 Fess, op. cit., 241.

38 The Annual Report of Commissioner of Railroads, 279, says thirty miles but Gephart gives seventy in his Transportation and Industrial Development in the Middle West, 166.

39 Sparks, loc. cit., 612.
In all, three fifths of the amount of the loans by the State were lost.\textsuperscript{40} Probably the worst abuse under the "Plunder Act" was that of the Ohio Railroad, for the entire loan was wasted. This was discovered when the Board of Public Works was authorized to sell the personal property of the railroad in 1844, in order to realize something on the State loan, subscription of stock, gifts of land, and the labor which as a total amounted to five hundred fifty-seven thousand seven hundred fifty-six dollars. Nothing was left to sell as this property had disappeared in a dissolution sale in 1842 and the Board could find but one set of car wheels, one locomotive, and one saw mill.\textsuperscript{41} Due to the abuses of State, the "Plunder Law" was repealed March 17, 1840, and since that time the State of Ohio has never given financial aid to railroads.

During all of this time the Erie and Kalamazoo had been struggling to exist until, finally, in 1848 the entire capital stock had to be sold under a court decree. It was bought by Washington Hunt of Lockport and George Bliss of Springfield, Massachusetts, for sixty thousand dollars.\textsuperscript{42} It was in this same year that someone offered to these new owners thirty acres of ground just south of Toledo. All of

\textsuperscript{40} Fess, op. cit., I, 241.

\textsuperscript{41} Annual Report of Commissioner of Railroads, 1868, 279.

\textsuperscript{42} Doyle, op. cit., 61.
this land with the exception of fourteen acres was marsh land, yet it was offered at seventy dollars per acre and was to be used for railroad yards if the depot was built within two years.\textsuperscript{43} In spite of the fact that the business of the Erie and Kalamazoo did not warrant the expenditure of ten thousand dollars for a depot, the directors purchased the land in order to be located outside of municipal regulation,\textsuperscript{44} and it is on this same land that the present Union Depot is located.\textsuperscript{45}

After 1837, although railroads were chartered every year, it was impossible to get financial backing, so no roads were started out of Toledo until the eighteen-fifties. However, that interest had begun to revive by 1846 was evident from an editorial in the \textit{Blade} for September 25, 1846, which said,

"The West--has gathered up new means, and the East is losing its dread of western investments. Evidences of renewed confidence in western enterprizes may be seen in a loan of three million dollars of English capital to the B. & O. and in the taking up of the stock in the Buffalo and Mississippi Railroad Company and pushing through a railroad on that most promising of all unoccupied routes which only waits a favorable turn of the money market."

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\textsuperscript{43} \textit{Ibid.}, 65.

\textsuperscript{44} \textit{Waggoner}, \textit{op. cit.}, 405.

\textsuperscript{45} \textit{Doyle}, \textit{op. cit.}, 61.
As a result of this new interest, old routes were surveyed again, plans were made, meetings held, and editorials written, but little real progress was made until the new era in railroads began after 1850.

During this period of struggle for existence we find that one source of revenue for the railroads was the rate paid by the government for the mail service. Before 1837, all mail in or out of Toledo was carried by stage or on horseback, but on October 30, 1837, mail was sent for the first time by rail from Toledo to Adrian, for which the Erie and Kalamazoo received two thousand dollars per year. Due to the railroad Toledo was made a distributing point for the mail going to northern Ohio, Indiana, and southern Michigan.46 This was a disappointment to Detroit and for several years Detroit made a point of complaining bitterly over any delay in the arrival of mail, pointing out at great length that if the mail was sent to Detroit by boat, better service would result.47 However, the Toledo Blade was equally as persistent in showing that it was neither the Toledo Post Office nor the Erie and Kalamazoo Railroad that was responsible.48

And thus we see the great number of forces which worked together and interacted upon one another to make the first

46 Waggoner, op. cit., 424.
47 Blade, June 27, 1839.
48 Blade, December 11, 1839.
half of the nineteenth century significant in the planning and building of railroads. The first steps, mainly trial and error methods, were discouraging but necessary. Never again after 1850 were railroads to have such a struggle for financial aid and backing. By that time they had proved, beyond doubt, that their contribution to progress was of great value.
Chapter V

The Railroads from 1850 to 1860

The railroads of Ohio belong to two distinct and well defined periods in the history of internal improvements in the State. The first, which began in 1836-37, was speculative entirely, and of the railroads chartered and planned during this period, only four in Ohio were completed and then not until 1845-46.\(^1\) Of the four, Toledo had only one, the Erie and Kalamazoo, started before 1850. The year 1850 may be regarded as the dividing line between the old and new era in railroad construction.\(^2\)

Before 1850 the railroads were only isolated fragments, and one of a hundred miles was decidedly the exception.\(^3\) No entire route traversed the length or breadth of the State, and the chief purposes of these local lines were merely to connect the termini of steamboat navigation on neighboring

\(^1\) Bogart, "Canal Traffic and Railroad Competition in Ohio", loc. cit., 65.


\(^3\) Bogart, "Canal Traffic and Railroad Competition in Ohio", loc. cit., 65.
bodies of water or important nearby cities. The day of these short railroads came to an end, however, in the middle of the nineteenth century, and the day of trunk lines dawned. These lines crossed state borders, and had connections which made a continuous route from the Atlantic to the Mississippi. And after the discovery of gold in California some builders even had visions of a railroad to the Pacific.

There was a change in the public attitude toward railroads during the first decade after 1850. Not only were the voters willing, but they insisted that their counties, townships, villages, and cities bond themselves to aid railroad projects, until the thing became so very wild that many States were forced to pass laws forbidding this sort of community subscription. Many of the charters granted by the Ohio Assembly during this decade limited the amount of stock that local governments could purchase.

By the close of the 1850's a network of railroads was


5 John B. McMaster, History of the People of the United States, 86.

6 Fess, op. cit., III, 244.

7 Asa Whitney petitioned the Federal Government for land and permission to build a railroad from Lake Michigan to the Pacific. This was opposed by the governor of Ohio. Made, October 28, 1846.

8 Hungerford, op. cit., 317.
inaugurated and fairly under way. 9 The planning and construction of these railroad lines and the legislation governing them were in direct opposition to the ideas and principles which had prevailed before 1850. 10 Consolidation of the smaller roads had begun, and with this had come the competition between the railroads and the canals. 11 But even in this new era there was a lack of foresight as to the possibilities of the railroad. 12 Many places were hostile to consolidation, and much energy, time, materials, and money were wasted or lost in unnecessary rivalry before parallel roads would consolidate. Ultimately consolidation came and it followed two directions: (1) The consolidation of many independent, disconnected, and non-competing lines into a continuous one; and (2) the combination of competing systems. 13 Of the various methods of consolidation, the simplest was outright purchase, although long term leases were often used. 14 By the end of that decade, Toledo was the


10 Ibid., 285.

11 Grosvenor, loc. cit., 597.

12 Charles G. Shatzer, "Geographical Influences in the History of Milan, Ohio", Ohio Archaeological and Historical Society Quarterly, XXIII, 301.

13 Raper, op. cit., 204.

terminus of four railroad lines, the Michigan Southern and Northern Indiana, the Cleveland and Toledo, the Toledo and Wabash, and the Dayton and Michigan. Each of these through its consolidations, leases, and purchases has become part of some great trunk line as it exists today.

Michigan Southern and Northern Indiana

In 1846, the Toledo Blade, began to carry articles reporting a revived activity in the old Buffalo and Mississippi Railroad Company and urging the need of a railroad to Chicago, as well as a through connection from the Lakes to the Atlantic. 15

It was not until March 3, 1851, that a charter was granted to build a railroad from Toledo to the State line to connect with the Northern Indiana Railroad. 16 When finished this would be an important link in the railroads of the State, especially those which would have their termini in Toledo. 17 The Buffalo and Mississippi had become the Northern Indiana Railroad Company on February 6, 1837 18, and on July 8, 1853, it became the Northern Indiana Railroad Company of Ohio and Indiana. Again, in March, 1855,

15 Toledo Blade, November 6, 9, 11, 20, 1846.
16 Ohio Statute, XLIX, 439.
18 Laws of Indiana, 1837, 154.
it changed its name to the Northern Indiana Railroad Company. This was due to a consolidation filed with the Secretary of State of Illinois on February 7, 1855.

In the meantime, in the decade from 1840-50, short roads had been built in southern Michigan which were known as parts of the Michigan Southern, and a proposition was made that if one of these roads was extended to the Michigan-Indiana line, eastern interests would revive the Northern Indiana project and build the road the rest of the way to Chicago. Easterners did furnish capital amounting to eight hundred fifty thousand dollars and one hundred fifty thousand dollars was raised along the line. Work was begun in 1850, and the first train to Chicago left Toledo, May 22, 1852. This train went from Toledo to Adrian over the old Erie and Kalamazoo tracks. From Adrian into Elkhart it used the tracks of the Michigan Southern Railroad Company, and from Elkhart into Chicago, the tracks of the Northern Indiana Railroad Company. During the next few years the Michigan

19 Michigan Southern had leased Erie and Kalamazoo 1849.

20 Edwards, op. cit., 85.

21 Michigan Central was engaged in a spectacular race with the Michigan Southern to be the first railroad to enter Chicago, Fessl, I, op. cit., 245.

Southern spent its time expanding, building, leasing and consolidating small roads, as all other roads were doing at that period, and on May 1, 1855, the Michigan Southern and Northern Indiana merged and the name of Michigan Southern and Northern Indiana Railroad Company became the official title. 23

Two years after this merger, in 1857, sixty-seven miles of railroads from Toledo to the Indiana State line was completed. This railroad had been started by the Northern Indiana Railroad Company under its charter of March 3, 1851. This section of the road joined the Indiana section, which had been built from Elkhart to the Ohio State line. This made another continuous railroad line from Toledo to Chicago. Since this was shorter and more direct, the Michigan Southern and Northern Indiana called it the "Air Line." 24

In 1859 the Michigan Southern and Northern Indiana Railroad Company leased the unfinished road of the Detroit, Monroe and Toledo Railroad on the condition that the road should be completed from Toledo to Detroit. 25 The corporation papers for this road had been filed with the Secretary of the State of Michigan, April 26, 1855. Its purpose was


24 Paxson, "Early Railroads of the Old Northwest before the Civil War," in the *Transactions* of the Wisconsin Academy of Sciences, Arts, and Letters, XVII.

to build a road from Detroit to Toledo to connect with the Northern Indiana Railroad Company. It had been completed to Monroe by Christmas Day, 1855, and into Toledo by January 1857. Although the track was not of the best construction three daily trains ran between Toledo and Detroit. The fare for this trip was two dollars one way. This road, like so many others, had to depend upon local subscriptions, and by March, 1855, when Detroit and Monroe had each pledge thirty-seven thousand dollars, Toledo had only promised nine thousand out of an expected twenty thousand dollars. Detroit and Monroe both felt that the residents of Toledo lacked spirit, but many of these residents felt that the strategic position of Toledo would bring in enough foreign capital to complete the work.

Thus we see that in 1859, the part of the Michigan Southern and Northern Indiana that centered in Toledo was a consolidation of (1) the Erie and Kalamazoo, which had been chartered in 1833 and leased by the Michigan Southern in 1849; (2) the Buffalo Mississippi, chartered in 1835, which became the Northern Indiana, 1847, and consolidated with Michigan Southern, 1849; and, (3) the Detroit, Monroe, and Toledo which it leased in 1859. In addition to these

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26 Wing, op. cit., 232.
27 Blade, January 12, 1857.
28 Ibid., September 24, 1857.
29 Ibid., March 24, 1855.
railroads, the company also ran two steamers, the City of Buffalo and the Western Metropolis, to connect with the railroads at Toledo and the railroads at Dunkirk and Buffalo.  

The Michigan Southern was one of the few railroads to be a financial success, and on January 10, 1855, a dividend of four per cent in cash on the cash held for construction, and five per cent in stock on the common stock was paid.  

In 1856, Hunt's railroad reports stated that the railroad from Chicago to Toledo was the best managed and the most successful in the country and was able to run four passenger and two freight trains daily. After the Michigan Southern and Northern Indiana had consolidated, the road was still fairly prosperous and successful. It paid a dividend of five per cent August, 1855, and in 1856, two dividends of five per cent each were paid. Again in 1857, one of five per cent was paid. Speculators had little trouble in selling these securities as the stock reached one hundred forty-six in 1856.

30. _Lake Shore and Michigan Southern_, 40.  
32. _Ibid._, XXXIV, 498.  
33. _Wing, op. cit._, 232.  
It was just at this time, July 25, 1857, that the
_T Blade_ carried an editorial as follows,

"Circus by rail--Spalding and Rogers Circus which is
to show in this city on Monday perform in Chicago today.
After the evening performance is over they will pack up
and take an extra train of twenty-four cars on the Michigan
Southern and Northern Indiana Railroad for this city. It
is putting through things on the fast line, when it is pos-
sible for a large company like this to show one day in
Chicago and the next in Toledo."

In the _Blade_ of the same date came the announcement
that through trains to run in connection with the steamers
would operate on the Air Line, and would make the distance
between Toledo and Chicago in six hours and fifty-seven
minutes.

When the Panic of 1857 broke in August, and the rail-
road company was unable to pay the interest on the bonds,
so bad did the affairs of the company become that the
courts issued one hundred fifty-five judgments against it.
When the directors met in October, 1857, they found that
all the office furniture had been sold, and they had to
borrow chairs from the neighboring offices. 35 Following
the panic, this railroad, along with all other roads, had a
hard struggle to survive and for six years paid no divi-
dends, so that by 1860 the stock had dropped to five. 36

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35 Waggoner, _op. cit._, 407; _Lake Shore and Michigan Southern_, 41.
36 _Lake Shore and Michigan Southern_, 42.
After 1860 this railroad continued its consolidating with other roads and today is part of the New York Central lines.

**Railroads East of Toledo**

Of no less importance and only seven months later than the first through-trip from Toledo to Chicago, was the opening of the road from Cleveland to Toledo. The Cleveland and Toledo Railroad, which was officially organized September 1, 1853, under an act of March 3, 1851, was only a consolidation of the old Junction and the Toledo, Norwalk and Cleveland Railroads.37

When the former had been chartered March 2, 1846, its directors were authorized to construct a railroad from Cleveland to the western border of the State by any route that they should decide upon.38 As soon as they decided to build west to connect with the Michigan Southern and Northern Indiana at Swanton, about twenty miles west of Toledo, many thought that this plan to miss Toledo was one of revenge, because Toledo and not Sandusky had been made the terminus of the Miami Extension and Wabash Erie Canal. They did a great deal of grading and started the immense embankment for a bridge at Maumee before the road consolidated with the Toledo, Norwalk, and

37 *Annual Report of Commissioner of Railroads*, 1867, 139.

38 *Ohio Laws*, 44, 284; *Annual Report of the Commissioner of Railroads*, 1867, 139.
However, Toledo was too important to pass by, so on October 6, 1852, the Junction announced plans to build a branch road from Sandusky through Port Clinton to Toledo. But the consolidation of 1853 took place before either this branch or the main road had been completed, although the main road of the Junction did operate between Sandusky and Berea in 1853.

The Toledo, Norwalk, and Cleveland was the plan of the old Ohio Railroad Company which had failed completely after receiving so much State aid. This new company was formed in 1850, and the road was to reach Toledo by way of Oberlin, Norwalk, and Fremont. Its charter said that the road could be built to connect with the Cleveland, Columbus, and Cincinnati Railroad at any point in Huron, Lorain, or Cuyahoga counties or could run directly into Cleveland. Work was begun in February, 1851, and the road was opened for traffic from East Toledo to Grafton, a distance of eighty-seven and one half miles on January 26, 1853, and the line into Cleveland was opened on October 20, 1853.

This speedy completion of the Toledo, Norwalk, and

39 Edwards, op. cit., 85.
41 Blade, November 9, 1846.
42 See page 21.
43 Ohio Laws, 48, 316.
44 Annual Report of Commissioner of Railroads, 1867, 139.
Cleveland Railroad was in part due to the fact that this railroad company had been able to secure city and county subscriptions to its stock much more easily and quickly than had the Junction. On September 5, 1850, the Blade had carried the following announcement:

"There will be a general meeting of the citizens at the Council Rooms tomorrow evening, on the subject of the railroad along the Lake Shore, connecting this place with Sandusky or Norwalk. A general audience of citizens is desired."

This was the first public meeting of the citizens of Toledo in connection with this railroad. Mr. James Meyers was made the chairman and Mr. Henry Bennet, the secretary of the meeting. After speakers from Norwalk, Fremont, and Perrysburg had spoken on the proposed railroad and its advantages, and had told what other towns and counties were doing to aid it, resolutions were passed by the citizens of Toledo, favoring the construction of the road and a city subscription to the stock of the company. One committee was appointed to open books for subscriptions to the stock of the Toledo, Norwalk, and Cleveland Railroad, while a second committee was to take charge of securing a county vote for a subscription to the same stock. While the question of the route that this road should take was of

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45 Waggoner, op. cit., 408.

46 Meeting was held September 6, 1850.
prime importance, the people of Toledo did not insist upon their preference of a direct route from Fremont, for they feared the county might refuse to buy stock, as Maumee was urging that the road be built by way of Perrysburg and Maumee with a permanent bridge instead of a draw bridge at Toledo. The result was two branches, one of which came from Millbury directly to the east shore of the river and connected with Toledo by a ferry, while the other branch went from Millbury through Perrysburg and Maumee on to Swanton where it made connections with the Michigan Southern and Northern Indiana Railroad. When the vote was taken in October, the citizens of Toledo voted that the city should take fifty thousand dollars of stock. By doing this, Toledo compared favorably with other cities along the route among which Fremont subscribed forty thousand dollars; Bellevue twenty thousand dollars; Norwalk fifty-four thousand; and Oberlin, fifteen thousand.

It was not until April 9, 1852, that the citizens of Toledo voted to have the City Council submit to the people of Toledo the question of a city subscription to the stock of the Junction Railroad. So while the Toledo, Norwalk,
and Cleveland Railroad was able to go ahead with its construction the Junction was trying to get money in any way possible. The end of the financial embarrassment of the managers and stock holders came when the Junction consolidated with the Toledo, Norwalk, and Cleveland Railroad and the two became the Cleveland and Toledo Railroad Company.

Just before the consolidation of these two roads the stock of the Toledo, Norwalk, and Cleveland was quoted at 114 while that of the Junction was only 92.52 In the first and only annual report of the former, it was stated that after deducting fifty per cent of the total income for running expenses the road had earned nine per cent on the cost, and that it had a daily average of three hundred passengers.53 Shortly after this it became known that the Junction had mortgaged much of its stock to the Michigan Southern and Northern Indiana Railroad Company.54

Not only was the Toledo, Norwalk, and Cleveland prosperous as far as the nine per cent earned, but it had, for that day, a large amount of rolling stock in addition to fifty platforms. This rolling stock, as listed in the Blade, of February 7, 1853, consisted of ten locomotives, forty double "house" cars, eight first class cars, and eight express, post office, and other cars, the total

52 Ibid., June 3, 1853.


54 Blade, June 3, citing Cleveland Herald.
value of which was $160,000.

After the consolidation of the two roads, the Cleveland and Toledo Railroad Company continued to be a financial success and paid dividends until 1858, when it was forced by the depression to suspend payment of dividends until after the Civil War began. 55

After the Civil War, as consolidations continued, it was only natural, due to its location along the lakeshore and its terminus at Toledo, for this road to consolidate with the Michigan Southern and Northern Indiana and become the Lake Shore and Michigan Southern, which was only a preliminary step to its becoming part of the present day New York Central System.

Toledo and Wabash Railroad Company

On July 11, 1847, before the new railroad era began, the Toledo, Wabash and Western Railroad Company was organized, although it was six years before it was chartered and construction was started. 56 The original purpose of this company was to construct and operate a direct and continuous railway from Toledo to the Mississippi River. While this road was to cross the States of

55 Annual Report of Commissioner of Railroads, 1868, 11.

56 Waggoner, op. cit., 413.
Ohio, Indiana, and Illinois, it was to be under the direction and control of one official management. However, none of these states had laws which would enable the directors to carry on the work under one corporate body, so a change of plans was necessary. In 1852 the Blade referred to this company as the Toledo, Lafayette and St. Louis Railroad Company. At that time the directors had planned for a convention to be held at Logansport, Indiana, on June 23, 1852. As the business men of Toledo were very much interested in having this railroad started, they met on June 14 to appoint thirty-nine delegates to the convention.

At this convention steps were taken for an immediate construction of the section of the railroad across Indiana through Fort Wayne, Logansport, and Lafayette. The Toledo delegates were greatly disappointed that more definite plans were not made for the section which was to terminate at Toledo, but the directors felt that this would be taken care of later by the directors in Ohio.

Shortly after that, it was suggested that Ohio have two lines, one of which would run to Sandusky to connect

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57 Annual Report of Commissioner of Railroads, 1867, 280.
58 Blade, June 1, 1852.
59 Ibid., June 15, 1852.
60 Report of the Convention, Blade, June 26, 1852.
with the Junction Railroad while the other would run into Toledo to connect with a proposed Canadian line. While the first part of the plan was never carried out, the route into Toledo became the important part of the final plans of the next year. 61

By 1853 definite plans for construction were ready, so the directors decided to organize separate corporations in each State. The one for Ohio was chartered April 20, 1853, under the name Toledo and Illinois Railroad Company, for the purpose of building a railroad from Toledo to a point on the western line of the State in Paulding County, a distance of seventy-five and one half miles. So definite was the purpose, and so complete were the plans that the directors were able to start the construction of the road a month after the charter had been granted. 62 Work progressed so rapidly that the road was opened for traffic as far as Fort Wayne in July, 1855. In 1856 it was extended to Springfield, Illinois. It absorbed and extended the pioneer Northern Cross Railroad Company, and reached the Mississippi in 1859. 63

On June 25, 1856, the Toledo and Illinois Railroad Company consolidated with the Lake Erie, Wabash, and St.

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61 Waggoner, op. cit., 413.


Louis Railroad Company.  

Under the name Toledo, Wabash and Western. This consolidation lasted until October 9, 1858, when the United States District Courts of Ohio and Indiana ordered a foreclosure sale. In anticipation of this decree, two corporations had been formed, in Ohio, The Toledo and Wabash Railroad Company, and in Indiana, The Wabash and Western Railroad Company. These corporations purchased the roadway, equipment and other property sold separately in each State. The next day, October 9, these two companies again consolidated, under the new name of Toledo and Wabash Railroad Company.  

Although this railroad followed the same route as the Wabash-Erie Canal, it carried many passengers and much freight. Within a few years the Wabash-Erie Canal began to lose so much traffic that it had an annual deficit. In 1860 the railroad hauled seven million bushels of wheat while only four million bushels were sent by way of the Canal.  

During the period up to the Civil War and even afterward, the Wabash Railroad was not a financial success. The company was not able to pay dividends on its stock and was continually involved in compromises, forced sales, con-

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64 Indiana division.  
65 Commissioners Report, 1867, p. 280.  
solidations and heavy losses. But in spite of these difficulties, the Wabash had a great influence upon Toledo, for it opened up a vast extent of rich country to the nearest lake communication and through that to the ocean. It was, also, the first link in a direct connection between Toledo and the Mississippi River. And after a few years, it began to take trade from the Wabash-Erie Canal, thus changing the kind and amounts of products brought to Toledo by both of these common carriers. After the completion of the Toledo and Wabash Railroad in 1856 the less bulky and perishable goods was sent by train, but later the railroad secured much of the heavy freight traffic.

The Dayton and Michigan Railroad Company.

On March 5, 1851, the Ohio Legislature granted a charter for the construction and operation of a railroad which would start at or near Dayton and extend north in the direction of Detroit, through Sidney, Lima, and Toledo to a point on the Michigan State Line, where it would connect with a railroad from Detroit. This charter gave the corporation the right to start with a capital stock of $800,000, which could be increased to $3,000,000. This capital stock was divided into shares of $50 each. The charter also provided that people along the route

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could vote for their counties, cities and townships to buy stock in the company. But the county commissioners were not permitted to invest more than $100,000 in the stock while the cities were limited to $50,000 and townships, to $10,000. 68

As usual, Toledo was greatly interested in a new railroad that would run into Toledo, and held an election in April, 1853, for the citizens to vote for or against a city subscription of stock in the Dayton and Michigan Railroad Company. 69 At the election the vote favored a fifty thousand dollar subscription of stock in the new railroad company. 70

Construction was started at Dayton and continued northward. Later construction was also started southward from Toledo. As enough mileage was completed trains ran over those sections. On July 28, 1859, the first freight, ten loads of staves for Birkhead and Company, arrived in Toledo. 71

As the road neared completion Toledo made great preparations to celebrate the event. On August 18, 1859, the last rail was laid and the last spike driven at a point two miles north of Ottawa in Putman County. To celebrate the occasion, excursion trains from Toledo and

69 Blade, March 15, 1853.
70 Ibid., May 16, 1853.
71 Ibid., July 28, 1859.
from Cincinnati and Dayton met at that point about noon of the 18th. Speeches were made by railroad officials and representatives from the cities along the way. Judge Mason represented Toledo. Following this, direct communication was opened when the two trains united and started for Toledo. The party reached Toledo about seven in the evening, and had supper at the Oliver House at eight-thirty. 72

The Dayton and Michigan was the northern branch of the Cincinnati, Hamilton and Dayton, and was under the same directors although the records and accounts were kept as two separate companies. At Toledo the Dayton and Michigan used the bridges, tracks, depot, and engine houses of the Michigan Southern Railroad Company. 73

The Tuesday following the celebration of August 18, the regular freight and passenger service began. The road was more substantially constructed than most of the roads that had been opened earlier. It also had better equipment than the average railroad had when it opened, for the company had added six new locomotives from the Rogers Works to the eight old ones that had been used during the construction as well as one hundred new freight cars. 74

The Dayton and Michigan was the only road in Ohio to complete the laying of its tracks after the panic of 1857,

72 Blade, August 20, 1859.


74 Blade, August 19, 1859.
when other railroads continued to operate where tracks were laid, but stopped all new construction. 75

Upon the completion of this railroad Toledo had her first direct railroad connection with the Ohio River, and at the important point of Cincinnati. The road was ten or twelve miles shorter than any other railroad connection between Lake Erie and the Ohio. Toledo had great hopes for prosperous trade with the new region because for seventy miles along the road there was no other competing outlet. 76

75 Paxson, "Early Railroads of the Old Northwest before the Civil War", loc. cit., 264.

76 Blade, July 23, 1859.
Chapter VI

The Effects of the Railroad on Toledo

From the time that the Erie and Kalamazoo was proposed in 1832-33 until the beginning of the Civil War, the people of Toledo were actively interested in the planning and building of railroads. Not only did they donate land for tracks and buildings, but they voted that the city buy large amounts of the stock of every railroad that made Toledo its terminus. Perhaps no other small group did as much to secure these railroads for Toledo as the editors of the Toledo papers. These editors exerted a wide influence as they published detailed accounts of the development and progress made in the building of railroads. Their editorials discussed the advantages and benefits that Toledo would derive from the railroads and urged the citizens to do their share in voting that the city and county subscribe to the stock of each railroad.

Toledo has received little recognition from writers of railroad history either for the active part that the city played in the early development of railroads, or for its importance as a center for railroad lines when the Civil War began.

This may be due to the fact that it was not until long after the Civil War that Toledo began to receive the benefits in growth of population, more industrial plants,
and an increased wealth in proportion to the interest, energy and money expended by the citizens of Toledo on railroads before 1861. It is hard to understand just why this was true. It could not be due to an unfavorable location for few cities had a more favorable one. The location on the Maumee River just a few miles from Lake Erie made Toledo a natural shipping point for the products of northern Ohio, southern Michigan, and western Indiana.¹ It was not due to a lack of enterprise or energy on the part of her people, for they had secured for Toledo the northern terminus of both the Wabash Erie Canal and the Miami extension. Then, when the railroad building began, Toledoans chartered and put into operation the first railroad in the old Northwest Territory. By the beginning of the Civil War, Toledo had six lines, which belonged to four railroad companies, entering the city.

These railroads had a good passenger traffic. Thousands of people passed through Toledo every year. But the population increased rapidly enough: In 1840, it was 1,232; in 1850, it was 3,829; and in 1860, it was 13,738.² But in spite of this rapid rate of increase, when compared with other important cities, Toledo was a small town. Richard Mott said that the people moving westward were not informed

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¹ Blade, September 15, 1853.

² Edwards, op. cit., 46.
of the good land near Toledo or of the advantages of its location for trading and commercial purposes, as the railroad and steam boat agents in the East wished to sell transportation as far as possible and therefore encouraged emigrants to settle in Illinois and Wisconsin rather than Ohio. 3

Neither did the railroads bring new industries to Toledo. Aside from a few minor buildings necessary to a terminal city, the shops of all its railroads were established elsewhere. 4 The only industrial concern of that period that can be connected with the railroads was The Toledo Car Works, which was in existence only a short time. 5 As early as 1853, editorials in the Blade began to advertise Toledo as a place suitable for factories. 6 And as late as 1857 editorials were still commenting on the advantages the city offered as a manufacturing center. 7

But in spite of the lack of industries Toledo benefited greatly from the railroads which entered the city. Every railroad company had important offices in Toledo, which added to the prestige of the city as a railroad center. The railroads also revolutionized the trade and commerce of Toledo and made the city a distributing point for

4 Blade, February 17, 1857.
5 Toledo Directory, 1858.
6 Blade, November 5, 1853.
7 Ibid., January 23, 1857.
the surrounding region. As each new railroad opened up
the hinterlands, many commission merchants developed pros-
perous businesses, and wholesale houses found new markets
in the surrounding territory. The Wabash and Michigan
Southern Railroads each had its own elevator to store the
grain until shipment could be made.\textsuperscript{8}

The railroad traffic with its trade and commerce
caused a decided increase in the value of property. In the
three years from 1850 to 1853 the real estate doubled in
value. In this increase in the value of real estate Toledo
was the slowest of all the lake cities, but the citizens
pointed out that since it was so much slower it was a
healthy increase and not a speculative one.\textsuperscript{9}

And so we see Toledo planning, building, and financing
railroads, benefiting from them in a slow steady way. And
so we leave Toledo just before the Civil War, a city of
13,738 people proud of the six railroad lines\textsuperscript{10} which they
had helped to finance. While at that time the progress
resulting from the railroads had not been spectacular, yet
Toledo had the foundations securely laid for a development
that was to be spectacular and was to center around her
railroads.

\textsuperscript{8} \textit{Blade}, August 11, 1859.

\textsuperscript{9} Ibid., September 15, 1853.

\textsuperscript{10} The six lines belong to four companies.
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