

HISTORY OF THE NORTH EAST AND SOUTH WEST ALABAMA
RAILROAD TO 1872

By

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A THESIS

Submitted in partial fulfillment of the
requirements for the degree of Master of
Arts in the college of Arts and Sciences
in the University of Alabama.

University, Alabama
1949

PREFACE

This study of the North East and South West Alabama Railroad is to show the desire and demand for better transportation facilities which began to arise around the middle of the nineteenth century in Alabama and of the problems confronted therewith. As the people of Alabama began to become better acquainted with the advantages which the railroads offered, such as rapid travel and the large quantity of freight that could be handled, many prejudices were overcome and railroad building became a fixed policy.

Almost without exception the railroad enterprises in Alabama before the Civil War were initiated by its own citizens, and financed by local individual subscriptions, and the capital stocks sometimes supplemented by subscriptions from counties and towns. Also, aid in the form of federal land grants were given to the roads. The work of grading and track laying was undertaken by the planters of the counties near the proposed routes, and in many instances the bulk of the capital subscribed was in the shape of labor, or men and teams, materials for construction and supplies for the hands employed. The failure of subscribers to fulfill their promise caused much delay and sometimes failure to an enterprise.

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The problem of securing rails was an acute problem in the South. All rails were manufactured in the North or else in Europe and transportation cost was high. Even after securing rails the railroads were faced with the problem of acquiring additional capital to continue the grading of the roads. Furthermore, the Civil War era caused a great setback to the railroads in the South. Roadbeds were washed away, rails destroyed by Federal troops, and bridges ruined. Later, the carpetbaggers and scalawags did their part in securing state aid for railroads, but it was largely for their own personal gain. However, with all these setbacks, Alabama was eventually to secure a good system of railroads.

ACKNOWLEDGMENT

I wish to acknowledge the assistance of Dr. Clanton W. Williams, Dr. Frank L. Owsley, and Dr. James F. Doster in the preparation of this thesis.

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CHAPTER I

The Origin and Early Development of the
North East and South West Alabama Railroad

During the 1850's the demand for increased railroad facilities gained momentum in Alabama. Thousands of farmers were landlocked and the two ends of the state of Alabama had very little business intercourse. The Tennessee Valley was tied up commercially much closer with New Orleans than with Mobile and sectional feeling was strong between northern and southern Alabama.¹

The economic and political importance of connecting the Tennessee and Tombigbee River systems was recognized by a few men of vision, and in 1851 a committee of the legislature recommended that the state should endorse railroad bonds to the total of \$2,000,000 to aid in the construction of railroads. By 1853, state aid to the railroads had become such a dominant issue, that it enabled the gubernatorial candidate of the Know-Nothing party, George D. Shortridge, who favored state aid, to poll the largest number of votes against the victorious Democratic candidate, John A. Winston, that had ever been cast against a Democratic candidate for governor.

1. Albert B. Moore, "Railroad Building in Alabama During the Reconstruction Period," The Journal of Southern History, I (November, 1935), 421-422. Marie Bankhead Owen, Our State -- Alabama, pp. 538-539.

The failure of the state bank and the chaos it created had turned Winston against state aid. By the time Winston began his second term, the demand for state aid had reached large proportions. Several railroads had been projected and a number of the state's outstanding men were supporting these roads. The growing towns began to demand state aid, and eventually the roads were assisted by numerous counties and towns, which subscribed to their stock, or else made direct loans to them. It was Governor Winston's stubborn opposition that prevented Alabama from entering into a reckless policy of railroad funding, and during the legislative session of 1855-1856, he vetoed thirty-three bills passed for the aid of railroads, but several were passed over his veto.²

During the early part of 1853, some of the more influential citizens of several counties in Alabama and several prominent men in New Orleans began to advocate the construction of a railroad which would extend from the northeast corner of Alabama, to the southwest section near York, Alabama, and thence twenty-seven miles to Meridian, Mississippi.³ The northeast terminus of the

2. Ibid.

3. Minutes Book of the Meetings of the Board of Directors of the North East and South West Alabama Railroad Company, Ledger No. 6, Robert Jemison papers, p. 1. Hereinafter cited as Minutes Book. The Jemison Papers are located in the Alabama Collection of the University of Alabama Library.

road was proposed to connect with the Knoxville and Georgia Railroad and the southwest terminus was to connect in Mississippi⁴ with the Mobile and Ohio Railroad, which at this time was under construction. When completed the proposed railroad route would run through the counties of DeKalb, Jefferson, Tuscaloosa, Greene, and Sumter.⁵

During the summer of 1853, mass meetings and conventions, as well as barbecues, were held at various places to stimulate public interest in the project. At a convention held in Tuscaloosa on September 23, 1853, delegates from the counties of Sumter, Greene, Tuscaloosa, Jefferson, Marshall, Blount, and Mobile, and from New Orleans, met at the old State House for the purpose of considering the project of constructing a railroad along the above proposed route.⁶ During the meeting Captain R. T. Nott of Greene County was elected to the presidency of the convention; Thomas C. Backely of Mar-

4. See Map.

5. Minutes Book, p. 1.

6. Ibid. Thomas M. Owen apparently is in error in stating that delegates appeared also from the counties of Autauga, Bibb, and Pickens, and from Lowndes and Noxubee Counties, Mississippi. -- History of Alabama and Dictionary of Alabama Biography, Vol. I, p. 25.

shall County, James Hair of Sumter County, James McAdory of Jefferson County, and N. L. Whitfield of Tuscaloosa County were elected as vice-presidents. Samuel M. Gowdy of Greene County and M. D. J. Slade of Tuscaloosa County were elected as secretaries.⁷ Also, a committee was selected and authorized to correspond with various engineers for the purpose of securing a suitable man to survey the proposed route. On November 3, 1853, when the answers from the engineers regarding their desire and ability to make the survey of the route were read by the secretary to the board members, they decided to employ E. D. Sanford as locating engineer.⁸

At a later meeting held on October 17, 1853, Professor L. C. Garland, of the University of Alabama, was requested by the officers of the proposed North East and South West Alabama Railroad to meet with the president and directors of the Wills Valley Railroad⁹ in DeKalb County. The Wills Valley route was proposed to run from Etowah County through DeKalb County, Alabama, thence through Dade County, Georgia, on to Chattanooga, Tennessee. Garland was to offer them terms of consolidation

7. Ibid.

8. Ibid., p. 8.

9. See Map.

with the North East and South West Alabama Railroad and to confer with them on the advantages of a union between the two roads.¹⁰

As a result of the meeting the Wills Valley officials expressed a willingness to unite with the North East and South West Road and stated that they were ready and able to begin grading the route described in their charter.¹¹ After this meeting Garland went to Chattanooga, this city being the proposed northern terminus of the road if the consolidation took place, and addressed the people on the advantages of the North East and South West Road. On his

10. Minutes Book, p. 6. Landon C. Garland was born and educated in Virginia. He taught at various colleges in Virginia until the late 1840's, when he came to the University of Alabama. On his trip to Tuscaloosa he passed through the counties located northeast of Tuscaloosa and became interested in the mineral deposits located there. This led to his activity in advocating a railroad through the area, and soon after the North East and South West Alabama Railroad was chartered. He was elected president in 1854 and served until 1857. During this time, Garland was also active in educational affairs, having been elected president of the University of Alabama in 1855. He held this office until after the Civil War when he accepted a position at the University of Mississippi. Then in May, 1875, he was appointed chancellor of Vanderbilt University and served in this capacity until June 21, 1893. He died on February 12, 1895. Garland can truly be called the father of the railroad. Louis Dowlen, Landon Cabell Garland The Prince of Southern Educators, pp. 3-32.

11. Ibid.

return trip to Tuscaloosa, he addressed the people in the counties of DeKalb, Jefferson, Blount, and Marshall, on the same subject.¹²

At this time, however, the Wills Valley Railroad was faced with two difficulties: one being the right of way through Dade County, Georgia, and the second being the right of running over five and one-half miles of track around Lookout Mountain which belonged to the Nashville and Chattanooga Railroad.¹³ The question on the use of the road around Lookout Mountain was settled favorably by Garland and V. K. Stevenson, president of the Nashville and Chattanooga Railroad on August 18, 1854.¹⁴

The officers of the North East and South West Road thought that the privilege of running a road through Georgia would meet with opposition from the Georgia Legislature as they might fear that the North East and South West Road would draw off to the markets of Mobile and New

12. Ibid.

13. Ibid., p. 7.

The Wills Valley Road shortly after this received a charter to operate through Dade County, Georgia, but the officials of the North East and South West Road and the Wills Valley Road decided to continue the consolidation of the two companies until an act could be passed by the Alabama Legislature confirming and legalizing the consolidation, and in the meantime operated the two interests as one.

14. Ibid., pp. 40-41.

Orleans a large part of the trade which was going to Savannah and Augusta.¹⁵ On January 4, 1854, J. W. Taylor was appointed by the North East and South West Road to present to the Georgia Legislature, and to the Mississippi Legislature for the right to extend its road into that state also, the Memorial of the Legislature of Alabama asking for the right of way through the said states for the North East and South West Alabama Railroad.¹⁶ On February 27, 1854, the Mississippi Legislature granted a license which authorized the road to extend its boundary from the west boundary line of the State of Alabama to some point on the Mobile and Ohio Railroad in the State of Mississippi.¹⁷ However, it was not until March 20, 1869, that Georgia gave her permission.¹⁸

On December 12, 1853, the Alabama Legislature had granted a charter to the road in an act entitled, "an act to incorporate the North East and South West Alabama Railroad," which had provided for the organization of a corporation under the name of "North East and South West

15. Ibid., p. 7.

16. Ibid., p. 8.

17. Fairfax Harrison, Legal History of the Lines of Rail Roads of Southern Railway Company, Vol. 2, p. 989. Hereinafter cited as Legal History.

18. Ibid., p. 996.

Alabama Railroad Company,"

for the purpose of constructing a railroad from some point on the line between the State of Alabama and Mississippi in the direction of Marion, Lauderdale County, Mississippi, on the point of intersection of the Southern Railroad with the Mobile and Ohio Railroad; thence through the corporate limits of Livingston, Sumter County, to cross the Tombeckbee River at or near Bluff Port, and through the corporate limits of Eutaw, in Greene County, the corporate limits of the city of Tuscaloosa and the town of Elyton in Jefferson County; and thence in a northeasterly direction to connect with some one or more of the railroads leading to Knoxville in the State of Tennessee; or as near the point and course here designated as in consistent with the general route of the said road shall not extend to the south or east of the Coosa River;¹⁹

The charter was amended on February 17, 1854, so as to enlarge the power of eminent domain.²⁰

On January 18, 1854, the North East and South West Railroad Company held its first election of officers. L. C. Garland was elected president of the road with an annual salary of \$5,000. S. M. Gowdy was elected treasurer, and Alfred Battle secretary.²¹ Following the elec-

19. Acts of the General Assembly of Alabama, 1853-1854, No. 407, p. 270. Hereinafter cited as Acts of Alabama.

20. Ibid., No. 476, p. 405.

21. Minutes Book, p. 12. See Appendix for list of presidents of the North East and South West Railroad up to 1863.

tion of officers Garland made a suggestion in regard to the management of affairs, and the stockholders thereby resolved,

That this company will neither hazard its credit nor put its enterprise in jeopardy by beginning the construction of the Road before they have secured the means to secure its prosecution to a successful issue and the ground of such assurance shall not be less than subscriptions in work adequate to grade and prepare the roadbed for the ties and iron in its entire length, including subscriptions in money to the amount of six hundred thousand dollars (\$600,000), for the erection of a shop-site; and that until these conditions are complied with the directory shall have no power to call in any part, save for the purpose of completing the necessary survey, paying officers and agents of the company.²²

The company was able to secure the above said amount by the middle of December, 1854.

Soon after the road was granted permission to extend its route into Mississippi, Sanford was given orders by the Board of Directors to spare no pains in obtaining the shortest and cheapest line between the fixed points designated in the Charter.²³ Among the members of Sanford's crew to survey the line were B. A. Stovall, a transitman;

22. Minutes Book, p. 11.

23. L. C. Garland, An Exposition of the Advantages and Prospects of the North East and South West Alabama Railroad, pp. 3-4, Jemison Papers, Folder 2.

J. M. Gould, first leveller; and W. A. C. Jones,²⁴ second leveller.

In the town of Tuscaloosa, when Sanford received his orders to make the survey, the event was celebrated with demonstrations of public joy. The day was bright and balmy and in the presence of a great throng of spectators which included faculty members and students of the University of Alabama, municipal authorities, and members of the clergy, the first spade full of earth was thrown.²⁵

On July 5, 1855, Chief Engineer Sanford presented his report which gave the probable cost of the whole road, complete and equipped, with separate estimates of the probable cost of grading in the several counties of Alabama, and the probable average cost of grading per mile per county, and the general average cost per mile of the entire road, to wit:

Probable Cost of the Whole Road
(complete and equipped)

Graduation [grading]	\$1,948,000.00
Bridging and Masoning	\$ 304,000.00
Crossties	\$ 300,000.00
General management, including salaries, officers, agencies, hire of hands, investments, and general outfit	\$ 180,000.00

24. W. A. C. Jones later became the partner of Robert Jemison, Jr.

25. John W. DuBose, Alabama's Tragic Decade (James K. Greer, editor), p. 175.

Iron railing, (27,000 tons), spikes, bolts, blocks, plates, washers, and laying track	\$2,250,000.00
Rolling stock, including 25 engines, 15 passenger, 16 mail and passenger brake cars, 160 stock and platform, and 200 box cars.....	\$4,500,000.00
Stationery, printing, depot grounds, right of way, balasting, cattle guards, shafts, fencing, road crossings and signs, turn tables, mile posts, embankment protections, and contingencies	\$ 300,000.00
Depot buildings, including engine and passenger houses, machine shops, road and water stations, tanks, frames, castings, grading and laying turnout tracks	\$ 290,000.00
Entire Road, complete and equipped ..	\$6,022,000.00

Probable Cost of Graduation in
the following Counties

Sumter County	27 $\frac{1}{4}$ miles	\$ 252,000.00
Greene County	29 miles	231,000.00
Tuscaloosa County	50 miles	481,000.00
Bibb County	5 miles	60,500.00
Jefferson County	45 miles	188,000.00
St. Clair County	32 miles	188,000.00

Probable Average Cost Graduation
Per Mile Per County

Sumter County	Graduation per mile	\$ 9,250.00
Greene County	Graduation per mile	7,970.00
Tuscaloosa County	Graduation per mile	9,620.00
Bibb County	Graduation per mile	12,100.00
Jefferson County	Graduation per mile	4,180.00
St. Clair County	Graduation per mile	5,875.00

The grading in Mississippi will be similar to that of Sumter and Greene, and from Will's Creek to Chattanooga, it will fall somewhat under \$4,000.00 per mile.

General Averages Per Mile

Graduation	Entire Road, Per Mile, About..	\$6,620.00
Bridging and Masonry	" " " "	1,050.00
Crossties	" " " "	1,000.00
General Manage- ment, &S	" " " "	610.00
Iron Railing, &S	" " " "	7,680.00
Rolling Stock	" " " "	1,500.00
Stationery, Printing, &S	" " " "	1,000.00
Depot Build- ing, &S	" " " "	990.00
		<u>26</u>
Average Cost Entire Road, Per Mile, Com- plete and Equipped		\$20,450.00

Table of Distances Between Places

Mobile and Ohio Railroad to State Line	18 1/4 miles
State Line to Livingston	17 1/4 miles
Livingston to Eutaw (9 1/3 to Jones's Bluff)	26 miles
Eutaw to Tuscaloosa	34 1/4 miles
Tuscaloosa to Elyton	54 miles
Elyton to Trussville	16 miles
Trussville to Springville	13 1/2 miles
Springville to Will's Creek (6 miles south of Gadsden)	26 3/4 miles
Will's Creek to Georgia State Line	56 3/4 miles
State Line to Chattanooga	31 miles
Mobile and Ohio Railroad to Chatta- nooga	294 1/4 miles
<u>27</u>	

26. E. D. Sanford, Report of the Chief Engineer Upon the Survey, Location, and Probable Cost of the North East and South West Alabama Railroad, July 5, 1855, pp. 16-18. Jemison Papers, Folder 2.

27. Ibid., p. 8.

CHAPTER II

Progress and Construction on the
North East and South West Alabama Railroad

The heavy earth work on the first one hundred miles of the road from Meridian on the Mobile and Ohio Railroad to the city of Tuscaloosa was contracted for in 1856. Completion was scheduled for the fall of 1859.¹ In the counties of Tuscaloosa, Greene, and Sumter, the planters subscribed for the grading, on which work they would use their own slaves, under their own supervision, with the reserved right of discharging their obligations by putting on the work and maintaining at their own cost five hands to the mile until the contracted portion of the road was completed. For the work performed, the planters received stock of the company for payment.² In some cases the contracts called for payment partly in cash and partly in stock of the company.³ The light earth work was to be contracted out at a later date, the contractors to receive in payment one-half cash and

1. Proceedings of the Fifth Annual Meeting of the Stockholders of the North East and South West Alabama Railroad Company, December 16, 1858, p. 5. Hereinafter cited as Report to Stockholders, Jemison Papers, Folder 2.

2. Ibid., p. 10.

3. Ibid., p. 5.

one-half stock in the company. This plan was rendered impossible because the advance in the price of cotton raised the price for labor.⁴

In July, 1856, E. D. Sanford made a contract with James C. Coleman, a Mississippi contractor, to complete the heavy grading from the Mobile and Ohio Road to the Alabama State line, at a cost of \$100,000.⁵ Coleman's proposition at first was to take the work at half cash and half stock. However, Sanford thought, in view of the magnitude of the work and in order to stimulate its most vigorous prosecution, that it would be wise to pay a larger proportion than half cash by twenty cents on the dollar.⁶

Sanford realized that since this work was at the southern terminus and since it was the first portion of the road upon which the track was to be laid, it was of primary importance that the company urge it forward with all possible dispatch. To accomplish this, it was necessary to offer the contractor a greater incentive.⁷

On this portion of the road, the company had planned to enter into an agreement with the Southern Railroad

4. Ibid.

5. Minutes Book, p. 131.

6. Ibid.

7. Ibid.

Company. In the spring of 1854, Garland reported to the stockholders of North East and South West Road that he had been able to have a conference with the officials of the Southern Road in the town of Vicksburg, Mississippi.⁸ Garland offered a plan whereby the Southern Road would grade their projected route from Meridian to the Alabama State line wide enough for a double track, giving his road the use of the road bed also, and charge the additional cost of construction to the North East and South West Road.⁹ This plan failed to materialize, but an agreement was reached on February 28, 1857, between W. C. Smeedes, president of the Southern Railroad, and Garland, which made it possible for the two roads to form a junction on the line of the Mobile and Ohio Railroad at or near the town of Meridian.¹⁰

At the time the contracts for the light work were awarded in 1858, it was known that a larger portion of the grading between Five Mile Creek and Tuscaloosa was not provided for, and that it would take an additional \$250,000 to cover the cost of trestle work, small bridges, and crossties between the two points.¹¹ It was con-

8. Ibid., pp. 16-17.

9. Ibid., p. 17.

10. Ibid., p. 153.

11. Report to Stockholders, p. 12.

fidently believed that the Tuscaloosa contractors, Alfred Battle, A. B. Dearing, and J. R. Drish, whose contracts covered work above Tuscaloosa and who had already agreed to substitute grading above Tuscaloosa for an equivalent portion below, could be persuaded to execute such a proportion of their work below as would cover the deficiency in grading between that place and Five Mile Creek.¹²

Battle promptly agreed to the desired change and altered his contract so as to cover fourteen miles of the road beginning at Five Mile and running toward Tuscaloosa. The date of completion on Battle's contract was changed from the fall of 1859, to June 1, 1860, but Battle agreed to complete the said portion of the road earlier if it was possible.¹³ Dearing and Drish refused to change their contracts stating that they desired to execute the bulk of their work above Tuscaloosa at such points which would aid effectively in making the road a through road.¹⁴ The grading contracts of the road from Tuscaloosa to Wills Creek were not given to the contractors until 1859, but from the northern boundary of St. Clair County to Chattanooga, the route of the Wills

12. Ibid., p. 13.

13. Ibid.

14. Ibid., p. 12.

Valley Road, work had progressed at a reasonable rate, and only twenty miles of the road was not under contract.¹⁵

Contracts for the erection of the bridges across the Tombigbee and Black Warrior Rivers were given to W. M. Derby and J. W. Derby of Chicago in July, 1858. These two contractors displayed such energy in their operations, that in a short time after obtaining the contract, were able to acquire a large force of mechanics and laborers and the requisite machinery. Labor at this time, either white or black, was difficult to obtain, the latter being in great demand by the cotton planter, and the former having to be brought in from a distance.¹⁶

For the bricks to be used in the bridge construction, a clay pit was opened for making bricks. The first attempts proved unsuccessful, and costly, but after experiments with other types of clay, a brick of good quality was made.¹⁷

During the construction of the bridge piers, the contractors suffered additional expenses, other than from high water flooding the coffer dam. It seems that when

15. Ibid., p. 19.

16. Ibid., p. 13.

17. Ibid., p. 14.

the steamboats would pass the point of construction on both rivers, the pilots of the boats would allow the current of the water to carry the boat toward the coffer dam thus pushing against it, thereby causing the contractors to erect a new one.¹⁸

Pivot draws were to be used on the bridges. The plan and location of the draw or pivot was such, that, at moderate and high stages of water, steamboats would have the choice of two ninety foot openings in the bridge, and at low water would have their usual channel open to them.¹⁹

Like other railroad enterprises throughout the country at this period, the North East and South West Railroad approached the State for aid. Also, letters were written by the company to the state representatives in Washington, W. R. W. Cobb, P. Phillips, and W. R. Smith, asking for their support in obtaining public lands in Alabama. On June 3, 1856, an act was passed by the Federal Government which specifically mentioned the railroad in the provision,

That a grant of lands shall be made to said State to aid in the construction of the following roads in said State, to wit:... the North East and South West Railroad from

18. Minutes Book, pp. 286-287.

19. Report to Stockholders, p. 13.

near Gadsden to some point on the Alabama and Mississippi State line in the direction of the Mobile and Ohio Railroad with a view to connect with said Mobile and Ohio Railroad ... Provided, that the lands hereby granted to said State for the purpose of constructing a railroad from the Northeastern to the Southwestern portion of said State, lying Northwest of Elyton shall be assigned to such road as may be designated by the legislature of said State.²⁰

It was not until 1860, that the railroad finally obtained possession of the lands. The original grant of land amounted to 227,602 acres,²¹ but the total amount of land later acquired by purchase and Federal grants amounted to 652,966 acres.²² This included the lands donated to the Wills Valley Road also.

With payments on the subscriptions to Company's stock falling behind schedule and most of the money in the treasury already paid out for expenses, the road needed at least \$600,000 to complete the grading, masonry, and laying of the crossties on the road between Meridian and Chattanooga.²³ In December, 1858, the Board of Directors met at Eutaw and took the following action:

20. U. S. Statutes at Large, Vol. 11, Chapter 41, p. 17.

21. Minutes Book, p. 445.

22. William E. Martin, Internal Improvements in Alabama, p. 68.

23. Report to Stockholders, p. 20.

Resolved by the Stockholders of the North East and South West Alabama Railroad Company ... may borrow, at such times and in such amounts as they may see proper, a sum of money not exceeding one million four hundred thousand dollars, ... and to secure the same they are authorized to issue and negotiate Mortgage or Income Bonds or other such securities as in their opinion will best promote the interests of the Company, and may pledge their Lands, Road-bed or any and all other property of the Company to secure the payment thereof.²⁴

Authorized to secure a loan, the Board of Directors on February 18, 1860, negotiated with the State, with the approval of Governor Moore, a loan for \$218,000. The loan was for a period of five years at six per cent interest.²⁵ The Governor, however, informed the Directors that it would be in March before the State would be able to pay as the treasury of the state was temporarily out of funds.²⁶

Moreover, before the railroad was able to secure the loan, its bond and a deed of mortgage had to be executed as required by the state law. Governor Moore insisted that additional security should be given, so the principal

24. Ibid., pp. 3-4.

25. Acts of Alabama, 1859-1860, p. 54.

26. Report of the President and Directors of the North East and South West Alabama Railroad Company to the 7th Annual Meeting of the Stockholders of Said Company, December 13, 1860. Jemison Papers, Folder 2. Hereinafter cited as President's Report, 1860.

stockholders, signing as individual stockholders, pledged themselves heirs, executors, and administrators to the payment of the loan.²⁷ As part of the state loan, the railroad received eighty five North Carolina six per cent bonds, of which fifty five were sold by the Road's New York broker for \$50,871.08.²⁸ Part of the success of securing the three per cent loan was probably due to the influence of Charles T. Pollard, an outstanding figure in railroad and political activities in Montgomery.²⁹

The funds for the three per cent fund were not to come from state taxes, but from a loan by the State of the two per cent and three per cent fund derived from the sales of public lands in Alabama. This had been provided for in 1819, when Alabama was admitted as a state, congress had then directed that five per cent of the net sales from these public lands should be set aside for constructing public roads, canals, and improving the navigation of rivers, three-fifths to be reserved for inter-state purposes and two-fifths for the making of a road or roads leading into the state.³⁰

27. Copy of Contract, Jemison Papers, Folder 2.

28. President's Report, 1860.

29. Letter of James A. Corry, April 21, 1859, Jemison Papers, Folder 9.

30. U. S. Statutes at Large, Vol. 3, p. 491.

Meantime, the city of Tuscaloosa had come to the aid of the road in January, 1859. In 1858, the President of the Road had made an appeal to the Mayor and board of aldermen to help the Road complete the work in section 89, which was located to the south of the city. In this particular section during the spring and summer it was unhealthy, and in the fall and winter too wet to work. Due to these prevailing conditions, the planters hesitated to risk the health of their slaves on the grading and other earth work there.³¹

At first it appeared that the city officials would refuse the request, but in January, 1859, the Mayor was given authority to subscribe \$40,000 in bonds at eight per cent interest to the capital stock of the road to be used in completing the grading on section 89, and on other sections not provided for between section 89 and Tuscaloosa. In order to pay for these bonds the aldermen were authorized to levy a tax on city property.³²

About a week after this, the following editorial appeared:

31. Copy of Report of N. L. Whitfield, Jemison Papers, Folder 10.

32. Copy of trial testimony, Jemison Papers, Folder 10. These bonds were the subject of a controversy at a later date when Jemison sued the City of Tuscaloosa for payment of such.

Last week we said "good," now we say "very good," for the action of our City Council. On Wednesday night they revised their action upon the \$40,000 subscribed to the Railroad so as to give the Company \$20,000 in Bonds on the 1st of February, and \$20,000 on the 1st of July in the present year, -- and this by unanimous votes, as we are informed -- Now will Elyton, Eutaw, and Livingston "face the music."³³

The problem of obtaining iron rails in the South was a very difficult problem. The iron works in the South lacked facilities to manufacture iron rails, thereby causing the southern railroads to purchase their iron rails in the North or else in Europe. The officials of the North East and South West Railroad recognized this problem and formulated a plan for the manufacture of their own rails.

The plan which the company had for securing its rails was one of interest. On January 4, 1855, Professor Garland was authorized to make a tour of the various iron works throughout the country to present the Road's plan to manufacture its own iron. At this time the company's treasury lacked the necessary funds to enable Garland to make his tour, so he sent a letter to John W. Moore, of Talledega County, who had a blast furnace in operation in Benton County.³⁴

33. Independent Monitor, January 15, 1859. See Copy of bond in appendix.

34. Minutes Book, pp. 72-78.

Garland presented the company's plan to manufacture its own rails, and Moore replied that his company would erect the furnace in Jones Valley and manufacture the iron, sixty seven pounds to the lineal yard, for sixty dollars per ton delivered at the works which were to be located at a point on the road.³⁵ For payment of the rails, Moore suggested that the company give a bonus of \$500,000, \$10,000 to be paid when the first blast furnace was built and put into operation, and \$2,000 for each furnace built after that, which would be about twenty five in number.³⁶ This was to include the puddling and heating furnaces.

When the rolling mills were put in operation \$40,000 was to be paid. Upon completion of the iron works 840 tons of rails were to be made per month, the company paying one half in cash and the other half in stock until the sum of \$400,000 was paid which would be in sixteen months.³⁷ After that the company would pay for the 840 tons of rails monthly with certificates of stock until the road was completed.

The Board of Directors discussed the proposal of Moore and decided to invite other iron companies to make

35. Ibid., p. 83.

36. Ibid.

37. Ibid.

an offer, as Moore's offer appeared to be much out of proportion to the cost of manufacturing rails.³⁸ A few months later Garland was able to make a tour of the iron works in the North and East and upon conversing with the iron masters, he was referred to E. W. Stephens, of the Crescent Works, Wheeling, Virginia. From Stephens, Garland obtained drawings and detailed estimates of the cost of erecting works on a scale adequate to turn out 10,000 tons of rails per annum and the cost of manufacturing the rails after the completion of the works.³⁹ Stephens' estimate of the cost of the mill was as follows:⁴⁰

Rolling mill.....	\$181,624.00
3 Coke furnaces (\$50,000 each).....	150,000.00
1 Charcoal furnace.....	38,180.00
1 Foundry.....	9,840.00
1 Machine shop.....	8,490.00
1 Office, house.....	1,500.00
50 Houses for operatives (\$300 each).....	<u>15,000.00</u>
TOTAL	\$404,634.00

Stephens regarded it as absolutely necessary to render the works independent of the north for any part of the original structure except the two driving engines and patterns for the casting, and for any repairs which would be required from time to time were to be

38. Ibid., pp. 83-84.

39. Ibid., p. 95.

40. Ibid.

entirely independent of northern help.⁴¹ Garland states that the estimate of the cost set forth by Stephens would cover all costs of the works and that Stephens had offered to erect and complete the mill according to the plans and specifications and would warrant the excellence of the mill's performance.

No definite action was taken on Stephen's proposal until January, 1857, when the Board of Directors voted to defray the expenses of Stephens who was to make an exploration of the coal and iron deposits along the route in Jones Valley.⁴² In April, 1857, Garland made arrangements with Squires Tannehill and McMath, outstanding citizens in Jones Valley, to hire several laborers at the expense of the company, but not to exceed seventy five cents per day, to remove the soil from several deposits of coal and iron in that vicinity so Stephens would be able to make an examination of the minerals.⁴³ After this work was accomplished, Stephens failed to make his survey. On December 15, 1858, the Board of Directors finally voted against the plan of erecting their own iron

41. Ibid., p. 96.

42. Ibid., p. 148.

43. Ibid., p. 155.

works.⁴⁴

In July, 1859, F. B. Deane, of Lynchburg, Virginia, was employed to negotiate the bonds of the company and purchase the iron rolling stock for the company,⁴⁵ and on October 15, the Wills Valley Road employed Deane for the same purpose.⁴⁶ Up to this time the company was undecided whether to purchase American made iron or English made iron.

The American made iron cost more per ton but was of a better quality than the English iron.⁴⁷ The Crescent Iron Works in July, 1855, made a contract with the Louisville & Nashville Railroad Company for rails at sixty eight dollars per ton, cash on delivery to the Louisville & Nashville Road. The Mobile and Ohio Railroad at an earlier date had purchased 9300 tons of rails in England at forty three dollars and one cent per ton, but the freight charges, duties, and insurance amounted to twenty one dollars and fifty cents making the rails cost sixty four dollars and fifty one cents per ton.⁴⁸ Therefore,

44. Ibid., p. 276.

45. Ibid., p. 327.

46. Ibid., p. 335.

47. Ibid., p. 97.

48. Ibid.

if the road bought English rails, four cents per ton per mile would have to be paid to the Mobile and Ohio Road for transporting the rails from the port at Mobile to the Road's southern terminus, a distance of 140 miles making a total of five dollars and sixty cents per ton. It was estimated that the American rail was worth about eight dollars per ton more than the English rail, therefore, the cost of the English rail would amount to seventy eight dollars and eleven cents.⁴⁹

Shortly after Deane was employed by the Road, he was given permission to purchase equipment either in this country or in England.⁵⁰ One of his first contracts was with a Pennsylvania Company for 6,000 tons of American iron rails, chains, spikes, and rolling stock. The price for the rails was fixed at forty three dollars per ton, one-half to be paid in cash, the balance in eighteen monthly payments.⁵¹

When the construction began falling behind schedule, the company entered into a contract on October 31, 1860, with the firm of Scott and Adams, of Virginia, to complete the construction of the roadbed, laying of crossties and

49. Ibid.

50. Ibid., p. 350.

51. President's Report, 1860.

rails, and other necessary work to be done on the Road.⁵² Through the firm of Scott and Adams, the company was able to establish foreign contacts and secure contracts for rails, spikes, fastenings, and rolling stock.⁵³ In the fall of 1860, the Board of Directors authorized Deane to purchase a supply of rails in England. To pay for these rails, the balance of the money of the state loan was used. The rails, which reached New Orleans just before the Federal troops occupied the city, disappeared. In January, 1871, there was still no trace of the rails although vigorous efforts were made to locate them.⁵⁴

In December, 1860, the President of the Road told the stockholders that while he and his associates had been engaged in the tiresome work of obtaining the absolutely necessary conditions of success, a political revolution had been brewing which they did not and could not anticipate. Just as they had closed the contracts for the iron and equipment, and placed their bonds on the market, the political upheaval burst upon the country with disastrous

52. Minutes Book, p. 404.

53. President's Report, 1860.

54. Letter of T. Reavis to Jemison, January 27, 1871, Jemison Papers, Folder 9.

results to all material interests.⁵⁵

Commercial credit was gone; large commercial houses had failed; and the banks of the Atlantic states had suspended payments of securities of descriptions and were prostrated. The credit of the company for which the directors had worked so hard, was involved in this prevailing mistrust of all credits. Encouragement was not lacking. The company still had credit with the contractors whom they were unable to pay and with outside parties. Some of the latter proposed and furnished spikes, fastenings, and rolling stock for payment in bonds. Others offered favorable credit without security for transporting iron rails on their roads.⁵⁶

The construction work was prosecuted until the beginning of the war, at which time the track was completed from Meridian to York, a distance of twenty seven miles, and a larger portion of the heavy gradation between York and Tuscaloosa, together with the masonry over the Tombigbee and Warrior Rivers.⁵⁷

At this time the road had no rolling stock on the completed portion between York and Meridian. In 1862,

55. President's Report, 1860.

56. Copy of report of Alfred Battle, 1862, Jemison Papers, Folder 2.

57. Harrison, op. cit., p. 992.

the President of the company entered into an agreement with the Mississippi and Alabama Rivers Railroad Company to permit them to use the said portion. From that time until the formation of the Alabama and Chattanooga Railroad Company in 1868, it was under the operation of the Mississippi and Alabama Rivers Railroad Company.⁵⁸

Scott and Adams remained with the road until December, 1861, when they received a contract from the Confederate Government to erect small bridges and trestle work on the projected route between Selma and Meridian, belonging to the Mississippi and Alabama Rivers Railroad Company.⁵⁹

58. Harrison, op. cit., p. 992.

59. Minutes Book, p. 404.

CHAPTER III

The North East and South West Alabama Railroad and
the Wills Valley Railroad During the Civil War

The Civil War was the first great military conflict in which railroads were an important factor.¹ The Confederate Government realized this and gave financial support to some roads of military importance. Other roads, however, ceased operation altogether, and in most cases suffered severe damages to their roadbeds and rails by the Federal troops and the weather. The area over which the war was fought was so great and many sections so sparsely populated that without railroads, it would have been almost impossible for either side to supply large armies at the front unless water transportation was available. The Southern railroads were mostly short local lines, inadequately financed by local capital, poorly constructed, poorly equipped and very seldom supplemented by water navigation. As a whole they were practically unprepared for the large task thrust upon them. Another difficulty usually encountered was the varying guage of the roads. One northern officer solved this problem by having some of his cars made with adjustable

1. Charles W. Ramsdell, "The Confederate Government and the Railroads," The American Historical Review, XXII (July, 1917), 794-795.

trucks so they could be used on all the roads.²

In the case of the North East and South West Railroad, the effects of the war were unfortunate. There was a business depression, a psychological depression with the declaration of the blockade, discouragement by the Confederate Government in the exportation of cotton, a reduction of expenses, the laying off of employees.³

In May, 1862, the president of the North East and South West Railroad, was authorized by the Board of Directors to enter into an agreement with the Mobile and Ohio Railroad or the Alabama and Mississippi Rivers Railroad Company to give them permission to operate their trains over that part of the road completed from Meridian to York. An agreement was made with the latter company on May 7, but the board the following year refused to ratify the agreement that had been made.⁴

Since the Southern people generally opposed governmental interference in industry the Confederate government was slow to take a hand in the operation or settlement of disputes between the roads. That part of the

2. R. E. Riegel, "Federal Operation of Southern Railroads During the Civil War," The Mississippi Valley Historical Review, IX (September, 1922), 126-138.

3. Ramsdell, loc. cit., pp. 794-795.

4. President's Report to Stockholders, 1862, Jemison Papers, Folder 2.

North East and South West Railroad completed between Meridian and York was needed greatly by the Selma and Meridian Railroad, which was one of the important connecting links in the Confederacy.⁵ One of the South's largest and most important foundries was located at Selma. By the Alabama and Mississippi Railroad Company securing this completed portion of the North East and South West Road, it would strengthen New Orleans by shortening the route from Richmond to Vicksburg to New Orleans. In February, 1862, on President Davis' request to the Confederate Congress, a law was passed granting the Selma Railroad Company \$150,000.00 to complete its lines.⁶

In 1863, when Robert Jemison, Jr. became President of the North East and South West Railroad, he and the chief engineer of the company were instructed by the Directors to lease that portion of the road from Meridian to York to such of the railroad companies which had roads connecting therewith, and who would grant the most favorable terms.⁷ In 1862, Alfred Battle, then President of the road, had leased this section not only without

5. Ramsdell, loc. cit., p. 802.

6. Journals of the Congress of the Confederate States of America, Vol. 1, pp. 586-764.

7. Minutes Book, p. 441.

authority, but also contrary to instructions.⁸

On September 15, 1863, Jemison wrote a letter to the President of the Alabama and Mississippi Rivers Railroad Company, requesting that they meet at Selma to try to change the present status of affairs. Jemison wanted a settlement as to the past, and some definite and satisfactory understanding as to the future. A contract was signed which was later cancelled November 1, 1866, and a new one then made.⁹

The following day Jemison wrote to his friend R. H. Smith, of Mobile, requesting him to obtain an audience with General Buckner concerning the North East and South West Railroad. Smith later replied to Jemison that he had been able to see General Buckner and to convince him of the importance of the road as a military necessity. Buckner promised to write the Confederate Government on the subject. Also, Smith recommended that Jemison should go to Richmond to see the Secretary of Navy, and Senator Burwell of South Carolina. Burwell was very influential with the Secretary of the Treasury and reported to be a clever man with liberal views.¹⁰

8. Ibid., p. 434.

9. Minutes Book, p. 441-446.

10. Letter of R. H. Smith to Jemison, February 16, 1863, Jemison Papers, Folder Q.

As events turned out, Jemison himself was soon to become a Confederate State's senator, but few railroad bills were passed, and it was not until February 18, 1865 that a railroad law of a general nature became law. The law authorized the Secretary of War of the Confederate States to place any railroad, canal, or telegraph line under such officers as he would designate, to place the regular railroad officials, agents, or employees under their officers on the same footing as soldiers in the field, and to maintain any road in repair or to give it any necessary aid. Provision was made for reimbursing the road for any damage sustained while in the hands of the government.¹¹

The effect of the conscription of the railroads raised the ire of many leaders in the state. One of the letters of protest that Jemison received soon after the bill was passed was from Major L. J. Fleming. Fleming was especially upset over the mechanics in the Mobile repair shops who had struck for higher wages and had forced the employers to pay them fifteen dollars for each day's work of ten hours.¹² The workers knew that

11. Journals of the Congress of the Confederate States of America, Vol. IV, pp. 573-574.

12. Letter of Major L. J. Fleming to Jemison, May 14, 1864, Jemison Papers, Folder Q.

the Mobile and Ohio Railroad could not operate without them, and if they were permitted to leave, their places could not be filled, and the road would then have to cease operation.¹³

Under the previous law, employees were not allowed to change their places unless they had a written discharge from their employers. The alternative was either to remain in the road's employment or else join the ranks of the army. The new ruling would also force the railroad to raise prices on the transportation of government material as well as for individual fare. Few mechanics would remain with the railroad when employment could be obtained at some private establishment that had a profitable contract with the Confederate Government enabling them to pay almost any price the mechanics might demand for their services and still allow them to stay out of the army.¹⁴ Fleming was in favor of a law which would exempt railroad employees only while they were in the services of the company on whose descriptive list they were turned into the rolling officer and prohibiting other roads with government contracts or government officers from employing them, except under the written discharge of the proper officer of the road where they

13. Ibid.

14. Ibid.

were last employed.¹⁵

The Wills Valley Road during the war had the good fortune to escape all damage by military forces to either its structures, track, rolling stock, books, bonds, or valuables of any description, though the road was exposed for nearly three years.¹⁶ During the first two years of the war, being far removed from the battle front, the work of track laying was continued on the road and completed to Trenton, Georgia, twenty miles south of Chattanooga.¹⁷

A daily train was put on with every prospect of good business, not only from the former local trade of the country, but also from the new iron interests which the war was calculated to foster to a large degree. But when General Bragg abandoned his position at Tullahoma and fell back to Chattanooga, plans of security were changed, and measures were taken at once to send the books, bonds, and valuable papers to a point less exposed.¹⁸ Macon, Georgia was selected and the materials were placed under the care of G. H. Hazelhurst, president

15. Ibid.

16. House Reports, 39th Congress, 2nd Session, Vol. IV (1866-1867), [Serial 1306], p. 1021.

17. Ibid.

18. Ibid.

of the road, until the end of the war.¹⁹

As General Rosecrans advanced southward and crossed the Tennessee River, orders were issued by General Bragg to the road to discontinue running the train to Trenton, Georgia, and to place the train in charge of his chief quartermaster, Major McMicklin.²⁰ Then the road obtained McMicklin's permission to remove the rolling stock to the rear, and arrangements were made to hire it out to the Macon and Brunswick Railroad.²¹

When the town of Macon became threatened by the advancing armies, the stock was sent to Augusta, Georgia, and later it was moved back to Macon. On another occasion, when the rolling stock was threatened by the Union Armies, it was sent to Columbus, Georgia.²² For the last six months of the war, the engine and cars were used in repairing the track of the Atlanta and LaGrange, and Georgia Railroads. The funds which the Wills Valley Railroad received for the use of the engine and cars were applied to the payment of the interest due the state of Alabama on the \$75,000 loan, and the taking up of some of the coupons of the \$56,000 of the company's bonds.

19. Ibid.

20. Ibid.

21. Ibid.

22. Ibid.

Also part of the funds were used to purchase material for repair of passenger cars and work done on the engine "V. C. Larmore" at the railroad shops in Atlanta.²³

Judge King, president of the Georgia Railroad rescinded the balance of \$11,000, due on the engine at the close of the war in consideration of work done by the company's train on his road and for which the Confederate Government had been unable to settle.²⁴

A survey was made at the end of the war on the condition of the Wills Valley Railroad and the track was found to be in comparatively good running order. Then a large force of laborers were employed, and working with the ditching train, soon cleared the cuts and replaced the decayed crossties, repaired the trestles and rendered the road safe for operation.²⁵

23. Ibid.

24. Ibid.

25. Ibid., p. 1022.

CHAPTER IV

The Purchase of the North East and South West Railroad by the Wills Valley Railroad Company

During the early Reconstruction Period, (1865-1868), the road was bogged down in economic problems, and especially by the maneuvers and manipulations of individuals to profit personally. Garland's influence was now gone, and John C. Stanton seemed to create suspicion on all with whom he came in contact. This appears to be true in the case of Jemison, W. A. C. Jones, and Governor W. H. Smith as is later shown.

The first election of officers of the company after the Civil War took place at Eutaw, November 8, 1865.¹ Jemison was reelected president for the year 1866. His salary was fixed at \$5,000 per year, but if he could succeed in building twelve and one-half miles of road from York Station in the direction of Tuscaloosa before June 4, 1866, he would receive a bonus of \$2500.² It was necessary for the company to complete twelve and one-half miles of road in order to retain possession of the public lands granted to it by Congress. If Jemison were successful in maintaining the public lands for the road,

1. Minutes Book, p. 447.

2. Ibid.

but not able to complete the twelve and one-half miles by June 4, 1866, he would still receive a bonus of \$2500.³ If he was able to retain the lands and build the said portion of the road, by June 4, 1866, he would receive a bonus of \$5,000.⁴ However, if he should secure the completion of the whole road without the sacrifice of any of the company's stock, he would receive a bonus of \$50,000 in the company's stock.⁵ In time it developed that Jemison was not able to meet the terms set forth, because of the bad financial condition in the South after the Civil War.

At this time the total assets of the road amounted to \$1,786,231.85, and the liabilities to \$693,156.07.⁶ The estimated cost to complete the road was fixed at \$3,688,995 which left the amount of \$2,595,919.22 to be obtained.⁷

In another plan to secure the completion of the road Jemison entered into negotiations with George Waddell and associates, of Vicksburg, Mississippi, for the pur-

3. Ibid.

4. Ibid.

5. Ibid.

6. Ibid., p. 445.

7. Ibid.

chase of the road. On December 9, 1865, an act had been passed by the Alabama Legislature giving the officials of the road permission to go out of business and to sell its rights and assets.⁸ Waddell proposed to take the road and complete it, although he did not have the sufficient capital ready. Waddell intended to raise the money in London and Wall Street, using the charter and completed work on the road as a basis for bonds.⁹ The project failed to materialize as the financiers saw ahead a political revolution in the South. The large government tax on cotton, and the persistent efforts of the Freedmen's Bureau to demoralize the cotton field labor did not invite investment in public utilities that must rely on support only from a cotton producing community.¹⁰ With Waddell failing to obtain capital by his proposed plan, the North East and South West Railroad Company resolved to open correspondence with Northern financiers as a last resort, and a committee of two was selected, Captain Bozeman and Robert M. Patton, ex-governor of Alabama, and authorized to carry on the correspondence.¹¹

8. Acts of Alabama, 1865-1866, p. 146.

9. DuBose, op. cit., p. 177.

10. Ibid.

11. Ibid.

While Waddell was attempting to raise aid necessary for completing the line, Jemison had been active in Montgomery in obtaining legislation to secure the aid of the State in railroad enterprises. In December, 1866, Jemison wrote A. C. Hargrove, his son-in-law, that he was engaged in the preparation of a bill for State aid to the railroads and that it would be ready before adjournment.¹² Apparently the bill he referred to was the one passed February 19, 1867. This bill eventually served as the basis for all state aid laws of the Carpetbagger-Scalawag regime. The Carpetbaggers merely adopted and extended a policy which they were quick to realize was filled with enormous possibilities for personal gain. They were quick to display an inclination to cultivate their opportunities and soon became the objects of flattering attention from eastern railway promoters and agents of financial houses of New York, Boston, London, and Paris.¹³

By the Act of February 19, 1867, when twenty continuous miles at one end or both ends of a road had been finished, completed and equipped, the governor was authorized to endorse first mortgage bonds at \$12,000 per

12. Letter from Robert Jemison, Jr. to A. C. Hargrove, December, 1866, Jemison Papers, Folder N.

13. Moore, loc. cit., pp. 423-424.

mile, and to continue the endorsement at the rate of each twenty mile section when finished and equipped until the road was completed. This was not to apply to roads of less than thirty miles in length. If one or both termini lay in an adjoining state, the governor was authorized to endorse twenty miles of the road at either or both ends at \$12,000 per mile, provided the bonds so endorsed should constitute a lien on the whole road. Bonds were to be endorsed also for the construction of bridges at the rate of sixty dollars per lineal foot if the bridges were constructed of wood, and if made of iron one hundred dollars per lineal foot. The bonds endorsed by the state were not to be sold for less than ninety cents on the dollar, and for protection against outside plunderers and plungers, the residence of railroad presidents, and the majorities of board of directors and the headquarters of the road receiving state aid, had to be located within the state. Also two of the directors of the road were to be appointed by the governor.¹⁴ On August 7, 1868, the act was amended so that after the first twenty miles had been completed, each five mile section thereafter completed and equipped, the railroad was to receive \$12,000 per mile.¹⁵ Then on September 22, 1868, the act of Febru-

14. Acts of Alabama, 1866-1867, pp. 686-694.

15. Acts of Alabama, 1867-1868, pp. 17-19.

ary 19, 1867, was further amended, under the promptings of railway promoters, whereby the state endorsements were increased from \$12,000 per mile to \$16,000.¹⁶ The act also removed the clause pertaining to the residence of the president and directors of a railroad. Advocates of the new act stated the old law was useless, but if the state would endorse the bonds of railroads to the extent of \$16,000 per mile, capital would flow from Europe and the North and in the course of a few years Alabama would have a network of railroads that would rival that of Pennsylvania.¹⁷

The Corresponding Committee consisting of Bozeman and Patton succeeded in locating two men, John C. Stanton, and his brother Daniel N. Stanton, who possessed a decided influence in financial circles.¹⁸ These brothers declared their willingness to visit Alabama and investigate the situation of the railroad. After an investigation of the Wills Valley Railroad and the North East and South West Alabama Railroad, John C. Stanton became convinced that with the combination of the two railroads, the North East and South West Railroad would acquire greater importance as it would connect Cincinnati with New Orleans and

16. Ibid., pp. 198-203.

17. Hilary A. Herbert, Why the Solid South, pp. 51-52.

18. DuBose, op. cit., p. 177.

parallel a mountain of iron ore and coal.¹⁹

At this time Stanton was not the only one to recognize the value of a railroad through the mineral fields. General Josiah Gorgas of Tuscaloosa, wrote Jemison a letter about the prospects of the road in regard to the resumption of work and its completion. He was interested in developing the mineral resources along the area around Jones Valley, but hesitated to undertake his enterprise until he could obtain more information on the road.²⁰

The self-centered John C. Stanton appreciated the value of such resources and instructed Jemison and the Board of Directors for the North East and South West Railroad to make arrangements to liquidate the company's debts and obtain a relinquishment of its stock to himself and his associates. It is apparent that J. C. Stanton exerted a bad influence over Jemison and Governor W. H. Smith. Then on July 30, 1868, an act was passed by the legislature which suspended the sale of the railroad,²¹ as Stanton's plan called for the merger of the North East and South West Road with the Wills Valley Road.

19. Ibid.

20. Letter from General Josiah Gorgas to Robert Jemison, Jr., N.D., Jemison Papers, Folder 12.

21. Acts of Alabama, 1867-1868, p. 7.

After J. C. Stanton returned to Boston from his visit to Alabama, he wrote Jemison in regard to the indebtedness, stocks and bonds, and everything of that nature outstanding against the North East and South West Alabama Railroad. Stanton told Jemison that he was being relied upon to see that it was all arranged satisfactorily so that there would be no trouble and delay, and that on his part he would do all he could to push matters forward.²² Jemison immediately undertook the task of acquiring the bonds from the stockholders of the company. He sent an agent, D. I. M. Fulton, to contact as many of the stockholders of the company as possible and to attempt to obtain their shares as cheaply as he could. Some difficulty was encountered by Fulton as one of the stockholders refused to sell, giving the reason that Jemison would probably make something on the deal, and furthermore he didn't want to see radicals gain control of the road.²³ Another stockholder objected to selling his stock, as he also did not wish to see the radicals gain control of the road. One man offered to take \$300 for his \$900 worth of stock. Another with \$300 in stock offered them at

22. Letter from John C. Stanton to Robert Jemison, Jr., October 12, 1868, Jemison Papers, Folder 9.

23. Letter from D. I. M. Fulton to Robert Jemison, Jr., October 31, 1868, Jemison Papers, Folder 9.

twenty five cents on the dollar, and told Fulton that Jemison previously had offered him ten cents on the dollar.²⁴ Jemison was active himself. On one occasion he obtained \$1,000 worth of stock from the heirs of Doctor A. J. Alexander for the sum of \$100.²⁵ Thus, it seems apparent that a tidy profit was made by Jemison and others by obtaining the stock at very low prices. Other stockholders, when notified of the proposed consolidation of the above said roads, offered to transfer their stock voluntarily.²⁶

On November 18, 1868, Jemison wrote J. C. Stanton for an advance of \$15,000 or \$20,000 as that amount might be required to take up the indebtedness of the company. In return for this favor Jemison said he would hypothecate the Second Mortgage Bonds that the company was to receive to repay the loan, but the advancement of money, however, was not to take place until the agreement between the above said companies had been ratified and fully consummated. Jemison's purpose was to ascertain how soon

24. Ibid.

25. Copy of agreement between Robert Jemison, Jr., and heirs of Dr. Alexander, Jemison Papers, Folder 6.

26. Letter from D. I. M. Fulton to Robert Jemison, Jr., November 13, 1868, Jemison Papers, Folder 9.
Letter from R. C. Chapman to Robert Jemison, Jr., N. D., Jemison Papers, Folder 9.

after the ratification he could obtain the money.²⁷

J. Whiting, an associate of Jemison, sent him a letter on October 26, 1868, stating that Judge Walker, who had been appointed as an attorney for John C. Stanton's group, had arranged with Governor Smith to pay the amount due the State on the three per cent fund in the second mortgage bonds of the two companies which were to be consolidated, and that the North East and South West Railroad had been advertised for sale under the mortgage to the State.²⁸ Also he stated that he knew nothing at all about the Stantons except what he had learned from Patton and Walker. They were represented to him as men of large means, and with connections which would enable them to control almost any amount of money. Furthermore, he stated, the Stantons were asking Judge Walker to speed up negotiations, and also that they wanted to begin work at once and progress as rapidly as possible, and from what he had seen of J. C. Stanton, he was favorably impressed with him and thought he would build the road.²⁹

27. Copy of letter from Robert Jemison, Jr. to John C. Stanton, November 18, 1868, Jemison Papers, Folder 9.

28. Letter from J. Whiting to Robert Jemison, Jr., October 26, 1868, Jemison Papers, Folder 9.

29. Ibid.

While Jemison was in Montgomery during the session of the legislature in November, 1868, he received a telegram from W. A. C. Jones on November 16, asking him to have the railroad bill pertaining to the consolidation of the two roads postponed until the following day, as the change wanted could be acquired without opposition.³⁰ The next day an act³¹ was approved which made the consolidation of the two roads possible by authorizing the Wills Valley Road to purchase at public or private sale, the North East and South West Alabama Railroad. The three per cent loan which the North East and South West Alabama Railroad had received from the State was to be paid by the Wills Valley Road as required by an act of August 12, 1868.³²

On November 18, 1868, Jemison and Patton, new president of the Wills Valley Railroad, signed an agreement at Montgomery,³³ whereby the North East and South West Alabama Railroad Company would relinquish to the Wills Valley Railroad Company, all rights and claims either at law

30. Copy of telegram from W. A. C. Jones to Robert Jemison, Jr., November 16, 1868, Jemison Papers, Folder 9.

31. Acts of Alabama, 1867-1868, pp. 345-348.

32. Ibid., pp. 40-41.

33. Copy of contract between the North East and South West Alabama Railroad Company and the Wills Valley Railroad Company, November 18, 1868, Jemison Papers, Folder 10. Hereinafter cited as Agreement of November 18, 1868.

or equity to its road, roadbed, superstructure on road bridges, iron, franchises and privileges in the State of Alabama and Mississippi, and all equities of redemption under any statute, together with all its property, real, personal and mixed in Alabama and Mississippi.³⁴

Omitted, however, in this contract were unpaid subscriptions of stock, contracts for construction, labor or material, the office equipment at Tuscaloosa, all lands taken as subscriptions of stock or in payment of such subscriptions, or in payment of debts, all bonds, notes and other debts due the North East and South West Railroad.³⁵ The agreement also called for the North East and South West Railroad to procure and furnish the Wills Valley Railroad with individual indemnity against its creditors, and to make adequate arrangements to secure as far as practicable and with convenient dispatch, an extinction of all the debts of the company and relinquishment of its stock which it had already begun.³⁶

The Wills Valley Railroad Company was to purchase the North East and South West Railroad at a public or private sale under the mortgage given by the said rail-

34. Ibid.

35. Ibid.

36. Ibid.

road and to secure the loan by the State of the three per cent fund and to discharge the entire debt of the State of Alabama secured by such mortgage, irrespective of the amount bid or agreed to be paid for such purchase.³⁷ At this time the balance due the State by the company amounted to \$316,859.32, according to the report of the State Auditor on December 16, 1868.³⁸ Also, the Wills Valley Company, or if its name had been changed to the Alabama and Chattanooga Railroad Company by the date of purchase, agreed to pay an amount of their unendorsed bonds, which was to be ascertained by deducting from \$750,000, the amount of the debts which the North East and South West Railroad owed to the State and to Thomas Scott, Jesse E. Adams, W. A. C. Jones, and Charles E. Rushing.³⁹ The said bonds were to be secured by a mortgage on the entire road and its roadbed, iron fixtures, machine shops, and engine houses from Chattanooga to Meridian. The said \$750,000 in bonds were to indemnify the North East and South West Road as stated

37. Ibid.

38. R. W. Reynolds, State Auditor, Report to Governor W. H. Smith, December 16, 1868 (copy), Jemison Papers, Folder 9.

39. Agreement of November 18, 1868.

in the agreement. However, \$20,000 in bonds were to be unhypothecated and to remain to the North East and South West Railroad, but Jemison and Jones agreed to let J. C. Stanton retain them. Later when Jemison attempted to collect the bonds, Stanton refused to pay and Jemison resorted to legal action to recover the bonds and payment thereof.⁴⁰ A total of \$413,000 in second mortgage bonds were paid to Scott, Adams, Rushing and Jones.⁴¹ What portion Jemison received of these bonds from his partner Jones is not known. There were also two law suits pending against the North East and South West Road and if they were settled unfavorably the bonds of the Alabama and Chattanooga Railroad Company were to be used in payment.⁴²

On December 3, 1868, a meeting was held by the North East and South West Railroad Company at Eutaw, to ratify the contract of November 18, and to convey under seal of the company all the property and franchises agreed to be so conveyed. An agreement was also made by the company with Jemison and Jones whereby they would undertake to

40. Letter from A. J. Walker to A. F. Thayer, December 13, 1870, Jemison Papers, Folder 9.

Letter from C. E. Rushing to Robert Jemison, Jr., December 28, 1870, Jemison Papers, Folder 9.

41. Copy of receipt of bonds, January 11, 1869, Jemison Papers, Folder 9.

42. Agreement of November 18, 1868.

save harmless the Wills Valley Railroad Company against the creditors of the North East and South West Railroad, and use due diligence to obtain the relinquishment of the stock as agreed.⁴³ Jemison and Jones were to receive the office furniture at Tuscaloosa with all instruments and appurtenances belonging thereto, and all lands belonging to the company taken as subscriptions to the capital stock in payment of debts or otherwise acquired, claimed or held, and all bonds, notes and debts due the company.⁴⁴ The Wills Valley Company was to receive the lands donated by the Congress of the United States, or acquired or held for the right of way, and other property as previously mentioned.⁴⁵

The adoption of the provision which stated that Jemison was to receive the bonds held by the company, was objected to by N. L. Whitfield, ex-president of the company, and several others. The basis for their objection was that the provision might be interpreted so as to transfer the bonds of the City of Tuscaloosa to Jemison and

43. Copy of Articles of Agreement between the North East and South West Alabama Railroad Company and Robert Jemison, Jr. and W. A. C. Jones, December 31, 1868, Jemison Papers, Folder 10.

44. Ibid.

45. Ibid.

Jones for collection on the unpaid subscription of bonds.⁴⁶ These bonds in question had been issued to pay the city of Tuscaloosa's subscription to the railroad's stock in 1859. Some of the men present at the meeting pointed out that a contract had already been signed between the two companies at Montgomery, and the directors had no authority to make any change.⁴⁷ Furthermore, if the City bonds of Tuscaloosa were expected from the transfer of property to Jemison and Jones, it was possible that they might decline the arrangement and prevent the consummation of the contract as no one else appeared to be willing to undertake the responsibilities. Some of the members suggested that it would be better for the city to lose the bonds than the railroad. The contract was finally made with Jemison and Jones with but one dissenting vote cast by Whitfield.⁴⁸

The bond question, however, was by no means settled. In 1871, Jemison and Jones sued the City of Tuscaloosa to secure the money owed for the bonds that had been given to the treasurer of the North East and South West Railroad to pay for stock in the company. During the

46. Letter from A. J. Walker to W. A. C. Jones, April 17, 1871, Jemison Papers, Folder 9.

47. Ibid.

48. Ibid.

trial Whitfield testified that Jemison had told Waddell and his associates in 1867, when they had attempted to raise money to complete the road, that the bonds were worthless as they had been obtained from the city upon the condition that they would be used to help complete the construction of the road in Tuscaloosa County.⁴⁹ Then in November, 1868, Jemison had told J. C. Stanton and Patton the same thing, yet the following month he stated the bonds were good. Whitfield then asked Jemison if he had not told these other people that the bonds were valueless. Jemison admitted that he had, but since then had changed his mind about them.⁵⁰

Also, Jemison was further accused by Whitfield of betraying the company. Whitfield said at the time Stanton decided to buy the road there were two judgments against it. One in favor of M. Gould, of Greene County, and the other in favor of Scott, Adams, Rushing, and Jones, obtained in a Mississippi court for the sum of \$90,000. An execution also had been levied against that part of the road running from Meredian to the Alabama State line, and the sale had been advertised to take place only a few days after the directors agreed to the

49. Copy of trial testimony, statement of N. L. Whitfield, Jemison Papers, Folder 10.

50. Ibid.

contract offered by Stanton.⁵¹ Whitfield also stated that he had met Jemison on the street in Tuscaloosa and told him how anxious some of the directors were about the affairs of the road and that a few directors had already taken steps towards calling a meeting as Jemison had been away so long. Then Jemison told Whitfield that he had already called a meeting in regard to that portion of the road in Mississippi offered for sale. Whitfield said he felt some mistake had been made, because he knew a judgment could not have been obtained against the road without notice being given. Then Jemison told him that he had received the notice, but had not informed the directors of the company, as he was delayed in his return to Tuscaloosa longer than he expected to be.⁵² Whitfield and others felt that in this way Jemison had betrayed the road, and that was the reason he was in a hurry to sell it to Stanton.⁵³

Jemison's partner, W. A. C. Jones, charged that Whitfield and others had originated the Tuscaloosa bonds in the beginning so that Whitfield could acquire the presidency of the company rather than Hale. Also, Jones

51. Ibid.

52. Letter from J. Whiting to Robert Jemison, Jr., October 26, 1868, Jemison Papers, Folder 9.

53. Copy of trial testimony, statement of N. L. Whitfield, Jemison Papers, Folder 10.

stated the bonds had been named as assets of the company in each report of the treasurer.⁵⁴

Jemison stated during his defense that the bonds had been included in every statement made by the treasurer of the assets and liabilities of the company. He was also in agreement with G. W. Goldthwaite, a banker from Montgomery, that the bonds of the city had been issued for the purpose of securing stock in the company, and thereby the city became a stockholder on the level with all of the other stockholders.⁵⁵ Jemison failed to realize any benefit from the law suit as he died before the trial was concluded.

55. Letter from George W. Goldthwaite to Robert Jemison, Jr., N.D., Jemison Papers, Folder 10.

CHAPTER V

The Beginning of the Alabama and
Chattanooga Railroad Company

With the consolidation of the North East and South West Alabama Railroad and the Wills Valley Railroad, the Alabama and Chattanooga Railroad Company emerged with John C. Stanton at the helm. Stanton's first action was to secure the passage of a bill on December 31, 1868, which authorized various counties, towns, and cities in the State of Alabama to subscribe to the capital stock of railroads throughout the state that they felt would be conducive to their interest.¹

On April 10, 1869, Stanton succeeded in having the grants of public lands to the railroad renewed.² The law stipulated that the road was to be completed in three years time, and if not, all the unsold lands would revert to the United States. Also, the lands were to be sold to actual settlers in quantities not exceeding one quarter section to any one purchaser, and at a price not exceeding two dollars and twenty five cents per acre, mineral lands excluded.³ Stanton, however, violated this

1. Acts of Alabama, 1867-1868, pp. 514-520.

2. United States Statutes at Large, Vol. 16, April 10, 1869, p. 45.

3. Ibid.

law in all respects. Some of the lands purchased from the road were for bona fide settlement and agricultural purposes, whereas a larger portion of them had been carefully selected and purchased for speculation. These lands were valuable for their coal and iron deposits. The lands which were sold for actual settlement consisted of small tracts, ranging from forty to eighty acres, and the average price paid per acre was two dollars and fifty cents.⁴ Many larger tracts were sold to favored individuals and in no case did the purchasers pay more than four dollars per acre. Such evidence as this shows that there must have been either carelessness or incompetency on the one hand, or a total disregard for the interest of the railroad and the state on the other.⁵

Of 27,540 acres of land sold, 17,760 acres were mineral lands and 9,780 acres agricultural lands. The mineral lands were located largely in Jefferson, Tuscaloosa, and DeKalb counties. In Jefferson county, J. A. Curry purchased 5,200 acres of mineral lands, and William Miller acquired 3,080 acres, at an average price of two dollars and eighty five cents per acre. In DeKalb county,

4. "Reports of Col. James L. Tait, Receiver of Lands, of the Alabama and Chattanooga R. R. to the Governor," Message of David P. Lewis, Governor of Alabama, to the General Assembly, November 17, 1873, p. 4.

5. Ibid.

W. J. Harralson purchased 1,880 acres at an average price of three dollars and seventy five cents per acre.⁶ The value of the mineral lands had received such widespread attention, that inquiries had been received from the North and Europe.⁷

The law which provided for state aid to the railroads was also disregarded by Stanton. The law stipulated that twenty continuous miles of road had to be completed before the state endorsed the bonds of the railroads.⁸ Instead of constructing the road as required, Stanton used that portion of the road already completed between York Station and Meridian to obtain the state's endorsements of the company's bonds. The twenty miles of road south from Chattanooga was rented from another company, but Stanton secured an endorsement amounting to \$320,000. This portion of the road had already been endorsed by the State of Georgia to the amount of \$8,000 per mile.⁹ In order to pay the rent on that portion of the road from Chattanooga, proceeds from the endorsed bonds were used which by law should have applied only

6. Ibid., pp. 6-7.

7. Ibid., p. 5.

8. Acts of Alabama, 1867-1868, pp. 198-203.

9. Walter L. Fleming, Civil War and Reconstruction in Alabama, p. 591.

to the construction and equipment.¹⁰ By November 15, 1869, Stanton had secured the endorsement of bonds amounting to \$1,800,000,¹¹ yet his greed for money was undiminished. During the legislative session of 1869-1870, he was able to secure \$2,000,000 in direct state bonds for the Alabama and Chattanooga Railroad.¹² The act granting the loan stated that the bonds were to be issued from time to time as needed for use in construction of the road in the state, and in return the railroad lands were to be mortgaged to the state, and that the road should be completed and equiped in first class condition and cars put into operation on it by June 1, 1871.¹³

To secure the passage of this act, bribery of the lowest sort was resorted to by the agents of the railroad. The bill had failed to pass in the House on February 4, 1870, but February 5, a reconsideration was moved and

10. Williams, S. K., and Rose, W. M. (editors), Cases Argued and Decided in the Supreme Court of the United States October Terms, 1884, 1885, in 114, 115, 116, 117, W. S. Book 29, Lawyers' Edition, with "Notes on U. S. Reports," pp. 435-440. Hereinafter cited as United States Reports, 115.

11. Message of William H. Smith, Governor of Alabama, to the General Assembly, November 15, 1869, p. 18.

12. Acts of Alabama, 1869-1870, pp. 89-92.

13. Ibid.

the bill was reported back to the committee with direction to report within fifteen minutes. The members having seen the light, passed the measure by a vote of sixty two to twenty seven.¹⁴ From the beginning specific charges of bribery had been made against those who, within three days, had changed from active opposition to support of the measure.¹⁵ A year later an investigation was made which brought forth many unpleasant facts relating to the methods used in securing the passage of the bill. Jere Haralson, a Negro member of the legislature in relating his experience, stated that at first he had opposed the grant and posed as a democrat because he had not been sufficiently remembered on previous occasions when the division of the spoils took place.¹⁶ When Haralson heard a rumor that something was to be divided, he went to Stanton's room at the Exchange Hotel, and said he saw many members of the legislature present. Stanton maintained four rooms at the hotel, to which, at his invitation, all the purchasable members went.¹⁷ He would take

14. Herbert, op. cit., pp. 52-53.

15. The American Annual Cyclopaedia and Register of Important Events of the Year 1872, XII, p. 10.

16. Report of the Joint Select Committee to inquire into the Conditions and Affairs of the Late Insurrectionary States, pp. 319-320.

17. Ibid.

the members, one at a time from his rooms, into the hall to pay them, after which the member would leave. However, Haralson was not called into the hall, but the next day he heard from other negro members that money was to be had, so he called again. Stanton then accused him of being a democrat, but Haralson replied that he had left the party, so he received a loan of fifty dollars.¹⁸

Not all the members settled for a small sum. George B. Holmes, of the firm of Holmes and Goldthwaite, Montgomery bankers, testified that Charles Gilmer, president of the South and North Alabama Railroad, had asked him for \$25,000 to be used at the capitol.¹⁹ Gilmer told Holmes that the banker of the road had refused it, as had also the Farley Bank. Finally, Holmes and Farley each agreed to furnish \$12,000 to Gilmer. The chairman of the legislative committee which reported the bill, John Hardy, had asked for \$25,000 to "oil the bearings" of the political machine, and for that amount had agreed to have the bill passed.²⁰ At the last moment, Hardy demanded \$10,000 more, which Holmes was able to obtain from a friend. Then, arrangements were made for the

18. Ibid.

19. Ibid.

20. Ibid.

committee to give a favorable report, and a sufficient number of legislators "lined" up to secure the passage of the bill. The law provided that the bonds were to be issued from time to time as the road was completed, but instead Governor Smith issued all of the bonds within a month, and Stanton immediately disposed of them in this country and abroad. He used the proceeds to build a hotel and opera house in Chattanooga where he was accused of trying to imitate Gould and Fish.²¹

In the gubernatorial election of 1870, the Stantons undertook to aid Governor Smith for reelection because of the favors he had shown the Alabama and Chattanooga Railroad. They contributed liberally to his campaign, and on election day, J. C. Stanton gathered about 900 employees from the various sections of the road, had them duly registered, and then marched them to the polls and voted them for Smith.²² The Stantons were influenced to support him to some extent, doubtless, because his democratic opponent, Robert B. Lindsay, was critical of state aid procedures and had gone to Montgomery in an effort to defeat the bill for the loan of \$2,000,000 to the Alabama and Chattanooga Railroad. Lindsay, however,

21. Ibid.

22. Moore, loc. cit., p. 431.

was elected and hard times came upon the road.²³

When Lindsay assumed office, he immediately discovered that Smith had endorsed bonds of the road to the amount of \$5,300,000, or \$500,000 in excess of the amount the road would ever be entitled to.²⁴ However, on December 5, 1870, Governor Smith had stated in a message to the legislature that he had endorsed the Alabama and Chattanooga Road for \$4,000,000, for 250 miles.²⁵ Actually, about 240 miles were completed, and of these only 154 miles were in Alabama. As later developments showed, Governor Smith had become careless with his bond endorsement and kept no records, or else destroyed or carried them away. Auditor Reynolds reported in 1871, that his office only had official knowledge of the bond endorsement of the Mobile and Montgomery Railroad.²⁶ Lindsay stated it was impossible to find out under what statutes the bonds had been endorsed and issued by, and that no record could be found in any department of the

23. Ibid.

24. Message of Robert B. Lindsay, Governor of Alabama, to the General Assembly, November 21, 1871, p. 11. Hereinafter cited as Gov. Lindsay's Message.

25. Annual and Special Messages of William H. Smith, to the General Assembly, at the Session Commencing November 21, 1870, p. 5.

26. Fleming, op. cit., pp. 594-595.

action of Smith in this regard.

Governor Lindsay was also unable to ascertain the form of endorsed bonds except those of the Mobile and Montgomery Railroad, and the Montgomery and Eufaula Railroad. Then Lindsay contacted Smith's secretary, who replied that there was no record of the bond issues except the certificates of the railroad presidents. He located some of these, which were plain certificates and read: "This is to certify that five more miles of the (_____) railroad has been finished."²⁷ On each five mile certificate, the road drew \$80,000, yet the law was strict in requiring proof of completion of good rails, bridges, roadbed and equipment.

With all the money that Stanton had received from the sale of the bonds, he was unable to raise the necessary money to pay the interest on the bonds, and in January, 1871, the Alabama and Chattanooga Railroad defaulted in payment of interest. An act was then passed by the legislature which provided for Governor Lindsay to go to New York and arrange for the payment of interest due and unpaid upon the valid claims against the state on account of the failure of the Alabama and Chattanooga Road

27. Fleming, op. cit., p. 595.

to pay the said interest.²⁸ The newspapers of the state began to publish such notices that fraudulent issues had been made, and the Democratic papers were warning purchasers against them, saying that when the people of Alabama again came into power they had no intention of paying them.²⁹

The Carpet-bag regime had many financial agents in New York, Philadelphia, Boston, London and other places. In New York Lindsay was given their assistance in his investigation. Souter and Company stated they had sold 4000 first mortgage Alabama and Chattanooga bonds, and 2000 state bonds for the same company for more than ninety cents on the dollar.³⁰ Erlanger et cie., of Paris, had purchased the state bonds at ninety five cents in gold.³¹ Later, Lindsay learned that 1300 Alabama and Chattanooga bonds had been issued in excess, which was 500 more than the road would be entitled to when completed. Braunfels of Erlanger et cie., testified that he had loaned \$300,000 on 500 bonds numbered between 4000 and 4720, and the trustees under the first deed of trust held bonds numbered 4720 to 4800. They refused to sell

28. Acts of Alabama, 1870-1871, pp. 12-13.

29. Fleming, op. cit., pp. 595-596.

30. Gov. Lindsay's Message, pp. 9-11.

31. Ibid., p. 10.

then as they were known to be fraudulent. Three hundred and forty four bonds of the fraudulent excess had been partly sold and partly hypothecated to Drexel and Company of Philadelphia. Thirty more had been hypothecated to a firm in Boston for locomotives. In 1871, the House Railroad Investigation Committee reported Governor Smith had asserted that the fraudulent endorsements were secured by the active cooperation of Henry Clews and Company, Souter and Company, and Braunfels of Erlanger et cie., with the Stantons.³²

Through the state agents, Duncan, Shorman, and Company, Governor Lindsay recognized the first 4000 of these endorsed bonds as legal and the 2000 state bonds, and ordered interest to be paid on them, rejecting all others as fraudulent.³³ At least 500 of the fraudulent issue had not been sold, and the 700 or 800 bonds numbered above 4000 were declared to be fraudulent by Lindsay on the ground that the part of the road which called for extra bonds did not exist. In an attempt to recover its funds, the State of Alabama sued the officials of the Alabama and Chattanooga Company for \$3,000,000 for damages to the state resulting from the illegal and fraudu-

32. Fleming, op. cit., p. 593.

33. Gov. Lindsay's Message, p. 12.

lent sale and use of the said company's bonds. But, the State lost its suit, because it failed, among other things, to show that the losses for which it sought to recover were the direct and immediate consequence of the wrongful conduct complained of. Moreover, the court averred that the state had no direct lien on the bonds in question and therefore a fraudulent use of them was not a fraudulent diversion of the State's securities.³⁴

Construction on the road had continued at a reasonable rate, and by March 6, 1871, a train reached Tuscaloosa for the first time. The arrival of the train created quite a sensation and the following article appeared in the Tuscaloosa Observer:

Tuscaloosa, March 6, 1871.

... To-day the iron horse, snorting like Behemeth and whistling with a tremendous scream, entered our station for the first time, and for miles around the city of oaks, sent a thrill of joy through every heart.

Its rumbling sound, like distant thunder, silenced forever the old-fogy cry, "It will never come."

... O, it was a joyful sound to those who had remained here, and labored and hoped for years for its advent. ... It brought with it, for West Alabama, a thousand hopes immeasurable today, that the prophecy of the Maxwell Almanac for 1870 should be fulfilled, viz:

Coffee learning, pig tails coming,
Phosphate making, cotton booming,
Rail trains whistling through our valleys,
Mountains throwing back the sallies,

34. United States Reports, 115, pp. 435-440.

Saying, take back our iron, marble, coal,
 Plumbago, limestone, timber all;
 Bring back mechanics, spindles, looms;
 Plant them on our streames and flumes,
 We have riches never sounded,
 We ourselves have never bounded;
 Our richest fields were late the poorest,
 Now their yeild is far the surest
 New kings the old are fast surrounding,
 Where silence was the most abounding,
 And in alliance all are rising,
 With magnificence most surprising.
 Those who thought our spirits faded,
 Learn now, thank God, how they have aided
 To raise our southland into power,
 Just near the dark and doubtful hour,
 Ere daylight burst upon the world,
 When to the shades of night are hurled,
 Oppression, vengeance, slanders, lies,
 With every train that eastward hies;
 Bringing labor sprightly, sure,
 With which the oil of life to pour
 O'er every wound, and make us blest
 With throes of progress like the rest;
 With all our wondrous sources streaming,
 Southland rising, bounding, screaming.

And Mr. Editor, if these prophecies are to
 be fulfilled, Alabama will not have lent her
 credit in vain; she will realize in a few years
 an increase of an hundred fold in her taxable
 property, while her people will become progressive,
 prosperous and happy. Already blast furnaces are
 being located along the line of this road, and in
 time will be sufficient in number, along a space
 of near a hundred miles to be never out of sight,
 and at night will lighten the whole heaven above
 with their cheerful reflections, while a thou-
 sand happy homes will prosper beneath their glare.
 And only a week ago, Northern Capitalists were
 here, practical and earnest men, to examine for
 themselves our wonderful coal fields, with a view
 to its development, who would never have been here,
 but for the building of this railroad, and I pre-
 dict it will not be long before twenty-six hundred
 square miles of territory and the steamers of the
 Mississippi and the Gulf will be supplied from
 here.

It will not astonish me, if within five years
 the Stanton Road, so called, will transport annual-
 ly two million tons of coal over its line, east and
 west, from the Tuscaloosa mines, to be exceeded in-

definitely afterwards, giving a great revenue to this road and blessings innumerable to our country. Besides this, these mines will be developed by slack water navigation, around the Warrior Falls, which will cheapen transport, and one of the finest waterpowers on the continent will be utilized, planning all kinds of manufacturing establishments in our midst, making us not only the Lowell, but the Pittsburgh of the South; for the material for both is here at our doors, the cotton belt, the coal, the iron, the timber and the power, and they who have the enterprise, like Mr. J. C. Stanton and his brothers, will become the millionaires of the rejuvenated South.

We ourselves have not the means, and yet I never saw any sense in a dog in the manger policy. If we can't eat the bone, why growl at another dog eating it, when we can pick up the crumbs, as East Alabama is doing at J. C. Stanton, and through him at West Alabama, to a large extent, through envy at his enterprise, and the intrinsic value of his line. Probably I am too sanguine as the line is my bantling, but I think not.

And here I would say, our squintint even at a repudiation, has already done our credit some damage. From accurate information, I know many leading capitalists were prevented from doing here a month since (prospecting for mutual good) by the unfortunate recommendations of our Governor to repudiation a portion of our bonds.

... [Signed] Thomas Maxwell.³⁵

As the law required the road to be completed by June 1, 1871, Stanton found it necessary to increase his labor force on the road. He contracted with the "Six Companies," a Chinese Corporation in San Francisco, to supply him with 1000 Chinese laborers who were at that time considered the best labor for railroad construction. Also, some of these

35. Tuscaloosa Observer, March 18, 1871.

Chinese were skilled in the art of "shooting dice." On the evening of March 6, 1871, a few of the Chinese laborers were engaged in a game of dice with some Negro workers, and soon won all the money. The Negroes after losing their money, gave way to action and again the Chinese got the upper hand and it was not until a group of former white soldiers came to the Negroes rescue that peace was restored.³⁶ Stanton later went out among the farmers in the vicinity of the line and persuaded many of them to quit their crops to labor on the railroad at high wages. However, Stanton was unable to pay either the farmers or contractors.³⁷

When it became apparent that the Alabama and Chattanooga Railroad Company did not have funds to meet any of its obligations, the State of Alabama began proceedings in bankruptcy against the road. The suit was filed in the United States district court at Montgomery by Governor Lindsay. Judge Busted was the presiding judge and the able General John T. Morgan was engaged by Stanton to represent the interests of the road. The result was a decision which adjudged the railroad company bankrupt, but the Federal Circuit Court, presided over by Judge Wood, reversed the decision on a technicality. The case

36. Tuscaloosa Observer, March 25, 1871.

37. DuBose, op. cit., p. 181.

was next taken before Judge Blatchford in New York, and the final result declared the road to be bankrupt, on June 8, 1871.³⁸

Despite all the crookedness practiced by the carpet-baggers and scalawags which led to the bankruptcy of the railroad, much progress had been made on the road. It is doubtful whether the railroad would have been completed by the time it was, or at all, if the carpetbagger John C. Stanton and his associates had not taken control.

38. Ibid., pp. 185-186.

CHAPTER VI

State Operation of the Alabama and
Chattanooga Railroad

When the State of Alabama took control of the Alabama and Chattanooga Railroad, Governor Lindsay appointed Colonel John H. Gindrat receiver of the road.¹ On July 28, 1871, Colonel Gindrat proceeded to Meridian, Mississippi, to attempt to obtain possession and control of that part of the road located in Mississippi, together with the large amount of rolling stock and other valuable property belonging to the company.² This property was being held by a body of men, former employees of the company, calling themselves "strikers."³

These men were holding the property because they claimed the company was indebted to them for back pay. However, the property was carefully guarded and protected from waste, only part of it being dismantled.⁴ The "strikers" expressed themselves as being willing to listen to any plan of negotiation by which they could obtain at

1. "Report of John H. Gindrat, Receiver of the Alabama and Chattanooga Railroad to the Governor," Gov. Lindsay's Message, p. 3. Hereinafter cited as Report of John H. Gindrat.

2. Ibid.

3. Ibid.

4. Ibid.

least a portion of their claims against the company, and employment by which they could earn a livelihood.⁵

While Gindrat was engaged in this negotiation by which he could obtain peaceful possession of the property amounting in value to over \$200,000, he received orders to return to Alabama and take control of the road within the limits of the State.⁶ Gindrat had secured the good will of the employees in Meridian and they readily placed at his disposal an engine and passenger car, fully manned and equipped to take him over the road in Alabama. At the same time he received a promise from them that the rolling stock and other property belonging to the company in the State of Mississippi, would be held by them, under guard, during his absence in the name of the State of Alabama.⁷

Then Gindrat proceeded from Meridian towards the northern terminus of the road and demanded at every station the surrender of all property held by the agents of the company. Without a single exception, they yielded up all control as agents of the company and agreed to hold possession as agents of the State of Alabama.⁸ Thus,

5. Ibid.

6. Ibid.

7. Ibid.

8. Ibid., p. 4.

Gindrat obtained full possession of the road within the limits of the State of Alabama. Then he received further orders from Governor Lindsay to proceed to Trenton, Georgia, where he was to meet General James H. Clanton. When he arrived at Trenton he found that three trains of cars were held under attachments issued by the State of Georgia.⁹ The Georgia creditors, who had attached the property, showed no disposition to yield to the claims of the State of Alabama so Gindrat left that part of the business to General Clanton. No settlement was reached on the property in Georgia until Governor Bullock was succeeded by Governor Conley who took a wiser and different view of the matter and removed the obstacle,¹⁰ and on November 10, 1871, arrangements were finally settled which made it possible for the Alabama and Chattanooga Railroad to operate its entire length.¹¹

Gindrat returned to Meridian to complete the negotiations for the possession and control of the road and property in Mississippi. Then he discovered that during his absence the attorneys for the road had taken legal

9. Ibid.

10. Ibid., p. 15.

11. Ibid., p. 7.

steps for the seizure of the property held by the employees. The attorneys were unable to give the bond required by the sheriff, but did obtain an injunction against Gindrat and others upon the grounds that he was about to remove the property from the State.¹²

Under these circumstances, Gindrat employed legal counsel, who by their prompt action, obtained an injunction from the United States Circuit Court for Mississippi with an order of sequestration and instructions to the United States marshall to seize the road and property and place it in the hands of Gindrat as receiver and agent of the State of Alabama upon giving his bond with approved sureties.¹³ After obtaining this order Gindrat's next effort was to procure means by which to conciliate the employees on the line from Meridian to York so that trains might run over that portion of the road with safety.

The trains of the Alabama Central Railroad, formerly the Selma and Meridian Railroad, had been stopped from using the road between York and Meridian some weeks before and caused an interruption in travel and the suspension of the United States mail and freight. This caused much damage and loss to the two railroads and the public

12. Ibid.

13. Ibid., p. 4.

was greatly inconvenienced.¹⁴ The manager of the Alabama Central Road, fully appreciating the condition of affairs and recognizing the loss to which his road was thus subjected, proposed to aid Gindrat in all reasonable measures to open up the road. Terms were readily made between the two parties for running trains of the Alabama Central over that part of the track belonging to the Alabama and Chattanooga Railroad between York and Meridian. The agreement was to exist for twelve months and the Alabama Central was to pay at the rate of \$1,000 per month for the privilege. Ten thousand dollars of this sum was paid at the time the contract was made.¹⁵

Gindrat, having obtained a sufficient sum of money, was enabled to pay the employees of the road in Meridian, thereby obtaining their good will and hearty cooperation in successfully and safely running trains over the road.¹⁶

Trains began running over the road from Meridian to Attalla, Alabama, a distance of 217 miles, about August

14. Ibid., pp. 4-5.

15. "Report of Hon. W. H. Moore, Commissioner to Investigate and Audit Claims against the State of Alabama, on account of the Alabama Chattanooga Railroad," p. 4. Message of David P. Lewis, Governor of Alabama, to the General Assembly, November 17, 1873.

16. Report of John H. Gindrat, p. 5.

10, 1871, but the road was in a bad condition. It was overgrown with grass and weeds, and the track in many places was covered by land slides, and without drainage through the cuts. Gindrat began at once, but using extreme caution, to put the road in order. He resolved to incur but little expense until he ascertained how far the earnings of the road would warrant improvements, and in a short time he became convinced that he might anticipate the earnings to a sufficient extent to make the necessary repairs to insure the regular working of the road through the coming winter.¹⁷ Without incurring these expenses for repairs and construction it would have been impossible to operate the road with any success at all.¹⁸

There were no turn tables between Tuscaloosa and Attalla and this forced the trains to stop either at Tuscaloosa, or else proceed all the way to Attalla. Gindrat believed that the road to Chattanooga would be opened up at an early day and, therefore, ran the trains to Attalla incurring the expense of running a long distance over a portion of the road which could be supported by neither freight nor passenger traffic.¹⁹ Finally in

17. Ibid.

18. Ibid., pp. 5-6.

19. Ibid., p. 6.

November, 1871, the road was opened all the way from Chattanooga to Meridian with passenger and freight trains running upon a daily schedule with connections well arranged.²⁰

The road was still unfinished in many places. There were some 15,000 feet of the road not yet permanently constructed. These dispersed strips were spanned by temporary trestles that would soon decay and would require at an early day a large amount of filling in and the erection of a considerable extent of proper trestling and bridging.²¹ It was claimed by enthusiasts that the road would be the best paying railroad in the south when it would be completed and equipped.²² The total value of main track, side track, and rolling stock as of September 30, 1871, was assessed at \$6,120,995.²³ The estimated cost to complete the road was fixed at \$5,983.74.²⁴

20. Ibid., p. 7.

21. Ibid.

22. Ibid.

23. Report of the Auditor of the State of Alabama, for the Fiscal Year Ending September 30, 1871, to the Governor, p. 101.

24. "Report of Messrs. Farrand and Thom, Railroad Commissioners," Gov. Lindsay's Message, p. 8.

In 1872, the road was placed in the hands of the receivers of the first mortgage bondholders. The State Debt Commission surrendered all claims of the state upon it in 1876, and paid \$1,000,000 in addition to interest to get rid of its part of the "disgusting business."²⁵ It has been pointed out by Albert B. Moore that the procedures used in the construction of railroads in Alabama during Reconstruction were "neither better nor worse than those generally practiced throughout the country. They have seemed to be worse only because of the impoverished conditions of the people and because they were foisted upon the people by alien hands upheld by the military power of the Nation."²⁶

25. Moore, loc. cit., p. 433.

26. Ibid., p. 441.

APPENDIX

COPY OF BOND

United States of America

\$1,000

No. 15

City of Tuscaloosa, Alabama

Eight per cent Bond for \$1000. to aid in constructing the North East and South West Alabama Rail Road.

Whence, The qualified voters of the city of Tuscaloosa in accordance with the provisions of Section 1255 of the Code of Alabama laws, as amended by an Act of the Legislature entitled "An Act to Amend 1255 of the Code" approved February 24, 1854 have authorized the Mayor and Aldermen of the City of Tuscaloosa to issue the Bonds of said city for the Sum of Forty thousand dollars and invest the Same in the capital stock of the North East and South West Alabama Railroad Company.

Now therefore in pursuance of the Authority and for the purpose aforesaid the Mayor and Aldermen of Said City promise to pay to the bearer the sum of one thousand dollars lawful money of the U. S. at the Bank of Mobile in the City of Mobile, Alabama on the first day of February in the year 1869 with interest thereon until paid at the rate of eight per cent per annum payable annually at Said Bank of Mobile on the first day of February in each year on the presentation and delivery of the coupons here-

to attached until the maturity of this obligation: And the Said Mayor and Aldermen hereby pledge the present and future revenues of Said City of Tuskaloosa for the payment of this obligation and the accruing interest.

In Witness hereof the Mayor of Said City of Tuskaloosa has Signed this Certificate and Caused the Seal of the Said Corporation to be hereto affixed this first day of February in the year 1859.

R. Blair, Mayor /S/

\$80.

Tuskaloosa, Alabama.
Feb. 1st, 1859

To the Cashier of the Bank of Mobile. Pay the bearer Eighty dollars being one years interest due Feb. 1, 1862 on Certificate No. 15 of the Bonds of the City of Tuskaloosa for the N. E. and S. W. Ala. Rail Road Company.¹

S. H. Bacon /S/
City Treasurer

1. Copy of Bond, Jemison Papers, Folder 10.

PRESIDENTS OF THE NORTH EAST AND SOUTH WEST ALABAMA
RAILROAD

Landon C. Garland,	January 18, 1854
Stephen F. Hale,	July 15, 1857
Newton L. Whitfield,	December 17, 1858
Alfred Battle,	December 13, 1860
Robert Jemison, Jr.,	January 14, 1863
	to
	November 17, 1868

CHARTER OF SAID RAILROAD

AN ACT

To incorporate the North-East and South-West
Alabama Rail Road Company

SECTION 1. Be it enacted by the Senate and House of Representatives of the State of Alabama in General Assembly convened, That James Hair, W. Waldo Shearer, Stephen M. Potts, Samuel M. Gowdey, Samuel L. Creswell, Frederick Merriwether, Alfred Battle, James H. Dearing, Thomas Maxwell, William S. Mudd, James McAdory, James Hendrix, John W. McRae, Thomas C. Barclay, Arthur C. Beard, John I. Thomason and Robert Murphy, their associates and successors, be, and they are hereby declared and constituted a body corporate, by the name and style of the North-East and South-West Alabama Rail Road Company, for the purpose of constructing a rail road from some point on the line between the States of Alabama and Mississippi, in the direction of Marion, Lauderdale county, Mississippi, or the point of intersection of the Southern Rail Road with the Mobile and Ohio Rail Road; thence through the corporate limits of Livingston, Sumter county, to cross the Tombeckbee river at or near Bluff Port, and through the corporate limits of Eutaw, in Greene county, the corporate limits of the city of Tuscaloosa, and the town of Elyton, in Jefferson county; and

thence in a north-easterly direction to connect with some one or more of the rail roads leading to Knoxville, in the State of Tennessee, or as near the points and course here designated as is consistent with the general route here indicated: Provided, That the route of the said road shall not extend to the south or east of the Coosa river. And for the purpose of constructing the said rail roads or ways, the said company is hereby authorized to lay out the road so as not to exceed one hundred and fifty feet wide through any portion of its whole length.

SEC. 2. Be it further enacted, That the corporation hereby created shall by that name sue and be sued in any courts of this state, have and use a common seal, have and hold real and personal estate as the same may be necessary for the construction and use of said road and keeping the same in operation, and the same to sell at pleasure, and have power to do all acts necessary and proper to effectuate the purposes of this grant which a corporation may or can do, except to exercise the franchise of banking.

SEC. 3. Be it further enacted, That the capital stock of said corporation shall be seven millions of dollars, in shares of one hundred dollars each, which may be increased one million more if necessary.

SEC. 4. Be it further enacted, That the subscriptions heretofore made to the capital stock of said company under the provisional organization, shall be ratified upon the organization of said corporation under this charter; and for the residue of the capital stock of said corporation, the persons named in the first section of this act, or any five of them, are hereby authorized to open subscriptions for stock at such times and places as they may designate, and continue the same as often as may be necessary, until the entire stock is subscribed. Subscriptions for stock may either be paid in money or labor, and when the latter, the work shall be done at the estimate cost of the engineers of the road and at the prices for the same kind of labor paid on the Mobile and Ohio Rail Road, and within the time stipulated.

SEC. 5. Be it further enacted, That when one million two hundred thousand dollars of said stock is subscribed, payable in money or labor, including the stock subscribed under the provisional organization, the persons named in the first section of this act, or any five of them, shall hold an election for twelve directors of the corporation, giving twenty days' notice in the public newspapers of the counties through which the road is to be made, of the time and place of holding the election. Each stockholder shall be entitled to one vote for each share of stock,

at all elections, and may vote by proxy: Provided, That for the purpose of organization and holding said election, each mile of grading subscribed shall be estimated at ten thousand dollars, but its ultimate value as stock shall be at the estimate of the engineers.

SEC. 6. Be it further enacted, That the directors, when elected, shall proceed to organize the corporation by the election of a president, treasurer, secretary and such other officers as they may consider necessary to conduct the business of the corporation.

SEC. 7. Be it further enacted, That the board of directors, the president and secretary shall hold their office for one year, and until their successors are elected; and in case it shall so happen that an election of directors shall not be made on any day appointed by said company, said company shall not, for that cause, be deemed as dissolved, but such election may be holden on any day which shall be appointed by the directors of said company; and said directors shall have power to fill any vacancy which may occur by death, resignation, or otherwise. Five members of the board of directors, representing three counties, shall constitute a quorum for the transaction of business; and any member of the board who voluntarily absents himself from three successive regular meetings of the board, may be removed by the board of directors and his place supplied. They shall have power to make

all such by-laws and ordinances as may appear to them needful touching the execution and management of the road or as may appertain thereto not inconsistent with the laws and constitution of the State of Alabama. They shall keep a record of all their proceedings in a book kept for the purpose, which shall always be open for the inspection of any stockholder; and on demand of any director, the yeas and nays upon any motion or proposition acted on by the board shall be entered of record. They shall fix the salaries of the president, secretary and treasurer and other officers, and shall have power to make all such contracts as are necessary for the construction, keeping in repair and putting said rail road into operation, and to employ all such engineers, officers, agents, servants and laborers as they may deem necessary, determine their compensation, remove or discharge them at pleasure, and to contract with any other rail roads or companies intersecting, connecting with, or crossing said rail road: Provided, That any other rail or other internal improvement company, now or hereafter to be chartered by the general assembly of this state, shall have the right to cross, intersect or connect with that of the corporation hereby created; that the said right of connection hereby given shall be on such terms as are

usual and customary in the comity of rail roads, and that the corporation hereby created shall have no power to discriminate in favor of its road against such connecting roads on freight or passengers. And that the like right of crossing, intersecting or connecting with any other rail road or internal improvement company, now or hereafter to be chartered by the general assembly of this state, be, and the same is hereby conferred on the said corporation hereby created, on the same terms and limitations as above designated in this section. They shall, at the first meeting of the board of directors, and from time to time thereafter, fix and determine the time and place of the regular meetings of the board of directors.

SEC. 8. Be it further enacted, That the president shall preside at all meetings of the board of directors, but in his absence a pro tem. appointment shall be made. A quorum of the directors, or the president, shall have power to call an extraordinary meeting of the board of directors when in their or his judgment it is necessary, giving the members of the board ten days' notice of the time and place, either personally or in writing sent by the mail. The president shall do and perform such other duties as may be required by the board of directors.

SEC. 9. Be it further enacted, That the treasurer shall give bond with surety, to be approved by the board of directors, in such sum as they shall require, for the faithful performance of his trust, which shall be filed in the office of the secretary and copied in the minutes of the board of directors; which copy, if the original is lost or mislaid, shall be presumptive evidence of its contents and due execution. He shall pay out no money but upon the order of the president, countersigned by the secretary; he shall keep an account of all moneys received and disbursed by him in a book kept for that purpose, which book, at the expiration of his term of service, shall be the property of the company; he shall, at the annual meetings of the stockholders, and at such other times as the board of directors may require, make a report in writing, showing the receipts and disbursements of the corporation, credits and present financial condition.

SEC. 10. Be it further enacted, That the secretary shall attend all meetings of the board of directors, and keep a full and correct account of all their proceedings in a well bound book; he shall countersign all orders drawn by the president on the treasurer, and keep and preserve in proper files all bonds, contracts and papers of the corporation.

SEC. 11. Be it further enacted, That the stockholders, at the organization of the corporation, shall determine the time and place of the regular annual meeting of the stockholders, and change the same at any regular annual meeting. The board of directors may call an extraordinary meeting of the stockholders whenever in their judgment it is necessary; and any two or more subscribers, representing five hundred thousand dollars of the stock, may, in writing, require the president to call a meeting of the stockholders; and if he fail to do so, they shall have power to make such call, giving twenty days' notice in the public prints thereof: such meeting, so called, shall have all the powers of a regular annual meeting of the stockholders, and be held at the same place.

SEC. 12. Be it further enacted, That the stock of the corporation shall in law be considered as personal property, and may be assigned at the pleasure of the holder: Provided, The purchaser have such assignment recorded on the books of the corporation. But the stock assigned shall be subject to any charge existing against it at the time of assignment.

SEC. 13. Be it further enacted, That the stock subscribed to be paid in cash shall be paid by installments,

on the call of the board of directors, thirty days' notice of the amount of the call and of the time of the payment being given in some newspaper published in the county in which such subscriber lives, or personally; but not more than five per cent of the amount of the stock shall be called for at any one time, and not more than one-third part thereof in any one year; and upon the failure or refusal of any stockholder to pay pursuant thereto, the president and directors of the corporation may, by giving thirty days' notice by advertisement in some paper published in the county of his residence, or if there be none, in an adjoining county, or if the subscriber be a non-resident, or his residence unknown, then in a newspaper published in the city of Tuscaloosa, proceed to sell said stock to the highest bidder, who shall thereby become invested with the title of the delinquent stockholder. If the stock sells for less than the amount due thereon, such delinquent stockholder shall be liable to the corporation for such deficiency.

SEC. 14. Be it further enacted, That upon the failure of any stockholder to pay any installment called for as aforesaid, or for any balance due on a public sale of stock, the said corporation may move the circuit court of the county in which the stockholder resides, for judgment,

at the time at which such motion is made, twenty days' notice being given him of said motion. The notice may be issued by the president of the corporation and served by the sheriff, who shall be entitled to one dollar therefor, to be taxed in the bill of costs; and upon such judgment, execution shall issue as in other cases. The certificate of the president of the corporation of the amount due from a delinquent stockholder shall be presumptive evidence of the fact.

SEC. 15. Be it further enacted, That the said company is also hereby authorized to purchase, receive and hold any earth, stone or timber, and such estate as may be necessary and convenient in accomplishing the object for which this incorporation is granted, and may, by their agents, surveyors, engineers and servants, enter upon all lands and tenements through which they may deem it necessary to make said road, and to survey, lay out and construct the same, and to agree and to contract for the land or right of way with the owners through which they may intend to make the said road; in case the said land belong to the estate of any deceased persons, then with the executor or administrator of such; or in case of the same belonging to a minor, or person non compos mentis, then with his or her guardian or guardians; or in case said land be held

by trustees of school sections, or other trustees of estates, then with such trustees; and the said executors, administrators, guardians and trustees, are hereby declared competent for such estate or minor to contract with said company for the right to use, occupy and possess the land of such estates, minors or trustees, so far as may be useful or necessary to the purpose of said railroad; and the act and deed of such executors, administrators, guardians or trustees, in relation thereto, shall pass the title in said land in the same manner as if the said deed or act was made or done by a legal owner of full age; and such executor, administrator, guardian or trustee, shall account to those interested, upon their respective bonds, for the amount paid him, in pursuance of such agreement and composition; and if the said company and parties representing land prefer, they may refer the question of compensation to arbitrators, mutually chosen, whose award, or that of their umpire, in case of disagreement, shall vest title according to its terms.

SEC. 16. Be it further enacted, That if the said company cannot agree with the owners of the land through which they desire the road to pass, or with the executor, administrator, guardian or trustee, it shall and may be lawful for the clerk of the circuit court of the county

in which the land lies, on application of said company or its agents, and he is required to issue a writ of ad quod damnum, commanding the sheriff that, without delay, he cause a jury of six good and lawful men to be upon said land on a day to be by said sheriff fixed and appointed, and whereof it shall be his duty to give notice to the owner, executor, administrator, guardian or trustee, at least five days before such day, if they be within his county, or, if not, or if the owner or owners be unknown, then notice shall be given, by advertisement, to be by said sheriff posted and fixed on the dwelling house, if such there be, or in a public or conspicuous place, at least five days before such appointed day, and also by advertising the same in some newspaper published nearest the same at least three weeks, by weekly insertions prior to said day, and then cause said jury, after being duly sworn by said sheriff or justice of the peace, to make true inquest of the damage that will be sustained by such owner or estate, by reason of making such road through such land; in making the said valuation, the jury shall take into consideration the loss or damage which may occur to the owner or owners in consequence of the lands being taken or the right of way surrendered, and also the benefit and advantage he, she or they may receive from the erection or establishment

of the said road or works, and shall state particularly the nature and amount of each, and the excess of loss and damage over and above the benefit and advantage, shall form the measure of valuation of said land or right of way; if any such juror shall fail to appear, or by reason of challenge, for cause or otherwise, fail to sit on such inquest, the said sheriff shall fill said jury from the bystanders; and if they fail to render a verdict, the said sheriff shall again, on the same or a subsequent day, empanel a new jury or jurors, until a verdict be had; such verdict and inquest, regularly certified by such sheriff, shall be returned to the office of the clerk of the circuit court of the county in which said land may lie, and there remain among the records; and such verdict shall vest in said company the right to occupy and use such land for the purposes of said rail road. In case no damages are assessed, or on the payment or tender of payment of the damages thereon assessed against such company; and in case of persons absent or unknown, as aforesaid, the placing of the amount of damages to the credit of the owner in the hands of the judge of the court of probate of the county in which such lands may lie, shall be deemed and taken as payment; and such judges shall be liable on their bonds to make due payment of said money on demand.

SEC. 17. Be it further enacted, That it shall be the duty of the sheriff to appoint and hold said inquest within ten days after the receipt of said writ of ad quod damnum, except in cases of absence aforesaid, in which case thirty days shall be allowed him, and five days in addition are allowed him for every additional jury which he may have under said writ, and for every default therein the said sheriff shall be fined by the circuit court, at the instance of either party, not less than twenty, nor more than one hundred dollars, and every juror and witness summoned shall be fined not less than ten dollars, for non-attendance, unless excused by the court; of all such fines, as well as costs, the circuit court of the county shall have jurisdiction. There shall be allowed the following fees to the clerk of the circuit court: for every writ of ad quod damnum, seventy-five cents; for receiving and filing inquest, seventy-five cents; to the sheriff, for giving notice, seventy-five cents; besides printers' fees, not exceeding two dollars in each case; for holding inquest, five dollars; and for summoning witnesses, twenty-five cents each: to jurors, seventy-five cents per diem, each, which fees are not allowed until a verdict be returned and filed, and shall be taxed in the bill of costs and paid by the company: Provided, however, That before the application for said

writ, the said company may make a tender to the owner or overseers of any such land a sum of money by them deemed equivalent to the damage to be sustained, and upon the refusal to accept the sum tendered and a verdict for the same amount or a less sum, the costs shall be taxed to, and paid by, the owners of the land upon which inquest is held: Provided, That the work or labor of said company shall not be delayed on account of the proceedings had as aforesaid.

SEC. 18. Be it further enacted, That said company is hereby authorized to construct, erect, build and use, single, double or treble railway or road, of suitable width and dimensions, to be determined by the directors of said company on the line or course by them designated: Provided, That the gauge of the said road shall be the same as that of the Mobile and Ohio Rail Road; said company shall also have power to construct or authorize to be constructed rail roads to connect with the trunk of said road, not exceeding five miles in length; all of which lateral roads so to be constructed shall, as to right of way and material, have the same power, and be governed by the same rules and regulations, as the main road: Provided, That this privilege shall extend only east of the city of Tuscaloosa: Provided further, That the right to construct any such branch or branches shall not exist when the construction of the same would ob-

struct, interfere with or prevent the building of the main trunk or any portion thereof of any other road now or hereafter to be chartered by the general assembly of this state; and any rail road or plank road company now or hereafter to be chartered by the State of Alabama, shall have the right to construct its improvement or improvements parallel to, and shall have the right to cross, intersect or connect with any such branch or branches, and shall have power to regulate the time and manner in which goods and passengers shall be transported, taken and carried on the same, and shall have power to erect and maintain toll houses and other buildings for the accommodation of their concerns as they may deem suitable for their interest.

SEC. 19. Be it further enacted, That whenever it shall be necessary, for the construction of their single, double or treble rail road or way, to intersect or cross any stream of water or water course, or any road or highway, it shall be lawful for said company to construct across or upon the same, but the company shall restore the said stream or water course, or road or highway thus intersected to its former state, or in a sufficient manner not to impair its usefulness; and in all cases where any public road or highway is so located that said rail road

cannot be judiciously laid out and constructed across or upon the same without interfering therewith, in such case or cases said corporation may, by their engineer, cause such road or roads to be changed or altered in such manner that the said railroad may be made on the best site of ground for that purpose: Provided, said corporation shall put such road in as good repair as at the time of changing or altering the same; and whenever said company shall find it necessary, for the purpose of avoiding annoyance to public travel, or dangerous or difficult ground or foundations, or for other reasonable causes, to change the location or grade of any portion of said road, said company is hereby authorized to make such change of grade and location, not departing from the general route prescribed in the charter of said company, and for the purpose of making any such change in the location and grades of said road, said company shall have the right, privileges and power to enter upon and take and appropriate such lands, and make surveys necessary to make such changes, upon the same terms, and be subject to the same obligations, rules and regulations, as are herein prescribed for the original survey and location, and shall also be liable in damages, when any have been caused by such change to the owner or owners of the land upon which any such change of grade and

location may be made by said company as hereinbefore prescribed.

SEC. 20. Be it further enacted, That no stockholder of the corporation shall be individually liable for the debts of the corporation beyond his interest in the property and effects of the corporation after his stock shall have been fully paid.

SEC. 21. Be it further enacted, That the president and directors of the corporation shall have power to borrow money for the purpose of constructing said road, and to carry into effect the objects of the corporation, and make the necessary bonds, notes or other securities as evidences of the said debt, and also to mortgage or pledge the property of the corporation to secure the payment thereof; but no sum exceeding one hundred thousand dollars shall be borrowed without the consent of a majority in value of the stockholders who may attend at a general meeting of the stockholders of the corporation.

SEC. 22. Be it further enacted, That the said corporation shall have power to erect and carry on machine shops, iron furnaces, foundries and rolling mills, and such other mechanical works as may be necessary, and to make, manufacture and furnish iron and other materials for the full equipment of the road, and to continue to make and manufacture the same under the provisions of this charter, either for sale or their own use.

SEC. 23. Be it further enacted, That the corporation shall have power to commence the construction of said road in such divisions and at such points as they consider most likely to effect the completion thereof, and when a division or part of the road is completed, the corporation may lay and collect tolls on persons or property transported thereon.

SEC. 24. Be it further enacted, That any person intentionally injuring or destroying the said road, or any part thereof, or any car, vehicle or engine thereon, shall be liable to pay the corporation three times the value of the injury sustained, to be recovered in any court having jurisdiction thereof, and in case of the non-payment of such judgment, it shall be the duty of the court to sentence the person so offending to imprisonment in the county jail of his county for such length of time as he may deem proper, not less than six months.

SEC. 25. Be it further enacted, That the president, directors, clerks, agents and other officers of said company, when employed in the service of said company, shall be exempt from jury, military and road duty.

SEC. 26. Be it further enacted, That any subscriptions of stock to said road to be paid in labor, which

shall not be performed according to the requisition of the president and directors, shall subject said stockholder to pay to said company any damages caused or sustained by reason of such delay, to be recovered by said company in any court having jurisdiction thereof.

SEC. 27. Be it further enacted, That it shall be lawful for the company hereby incorporated, from time to time to fix, regulate and collect the toll and charges by them to be received for transportation of persons or property on the railroad or way aforesaid hereby authorized to be constructed, erected, built or used, or upon any part thereof.

SEC. 28. And be it further enacted, That the said company hereby incorporated shall commence building said road, and shall let out contracts in grading and cross ties for at least thirty miles thereof, within twelve months from the passage of this act.

APPROVED, December 12, 1853.²

2. Acts of Alabama, 1853-1854, p. 270.



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