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THE STRUGGLE FOR CONTROL OF THE FLORIDA
CENTRAL RAILROAD, 1867-1882

by PAUL E. FENLON

A golden age of laissez-faire capitalism began throughout the United States within a few years after Appomattox. This was an age of economic expansion which, led by railroad developments, transformed the United States within a generation, changing this country from an essentially agricultural nation into one of the most powerful industrial nations in the world. This era of transformation is sometimes called the period of the greatest industrial revolution in the history of mankind, but it was also a time when skillful financial manipulators fleeced thousands of investors and when there was widespread corruption of many local, state and federal legislators and officials.¹

This age of economic progress, low business ethics, and corruption was not restricted to any particular section of the United States, though these three attributes were found to varying degrees in the different sections of the country. In the South, where economic progress lagged behind the achievements realized in the North and the West, the recently humbled Confederate States were surrendered to the mercies of Reconstruction government, thus providing a substantial basis for violations of the principles of sound business and government operations and making the establishment of a new, dynamic socio-economic institution almost impossible to achieve.

The Florida Central Railroad was one of the many business

1. Charles A. and Mary R. Beard, *The Rise of American Civilization* (New York: Macmillan Company, 1930), II, 178: "Combinations and their enemies are seen operating in legislatures and courts, drawing lawmakers, governors, and judges into one structural pattern. Bribery, intrigue, and threats are matched by blackmail until the closest observer often fails to discover where honor begins and corruption ends."

Frederick Hicks, *High Finance in the Sixties* (New Haven: Yale University Press, 1929), I: "the manipulators, fearless of public opinion, unrestrained and even aided by judges, lawmakers and executives, treated investors' money as their own."

concerns which were caught up in the fast moving flow of confusing events which followed the Civil War. An account of a fifteen year struggle for its control is presented on the following pages.

This account has been prepared largely from facts found in the files of the personal and business papers of Captain Edward M. L'Engle, one of the principal participants in the struggle. It is, therefore, in many ways the story of how Captain L'Engle, a native Southerner, responded to the changed circumstances of business life in Florida as well as being an account of the fifteen year conflict over the Florida Central.

The Railroad

The Florida Central's lines extended from the port of Jacksonville to the inland town of Lake City, where they were joined by the tracks of another railroad, providing a cross-state transportation route through what had been the most rapidly developing section of Florida in the decade before the Civil War. The route had come into existence only a few years before the outbreak of the Civil War. Its main purpose was to provide means of transportation for the cotton grown in the interior sections of north-central Florida. Another reason for its construction was the belief that more people would settle in the area serviced by it, and that, thereby, the value of the land in the area would increase substantially. With an established source of traffic, cotton, and the possibility of increased settlement and prosperity, the cross-state route seemed destined to achieve great financial success. The outcome of the Civil War changed all this. The plantation system, upon which the successful production of cotton seemed to depend, was no longer feasible. The development of the interior portion of Florida became much more problematical.



Courtesy Mrs. Cynthia L'Engle Baker and Richard P. Daniel

Captain L'Engle

Though the outlook for the Florida Central in post-Civil War Florida was uncertain and confusing, it was no more so than was the future which Captain Edward M. L'Engle faced when he returned to his native state after serving for four years in the Confederate army.

L'Engle was a descendant of some of the earliest, most successful, and most influential settlers of Florida.² For five years before the Civil War he had been a successful lawyer in Ocala, Florida, but he returned to Florida to find that the judicial system of his state was controlled by a coalition of Northern carpet-baggers and Southern scalawags. Because he refused to give up or pretend to relinquish his support of the traditions of the Old South, he found it impossible to again take up the flourishing legal practice which he had developed in ante bellum Florida. He, along with others of like attitude, gave serious consideration to the possibility of joining with hundreds of other Southerners who set out to establish new lives for themselves and their families in Europe, South America, or Mexico, but he decided to remain in Florida.

This decision led to his acceptance of a partnership in the law firm of Sanderson and L'Engle in Jacksonville. Colonel John P. Sanderson, the senior partner, was to handle most of the firm's contacts with the Reconstruction courts and L'Engle was to deal mainly with the preparation of legal briefs and most of the more routine affairs of the partnership.

Within a year after L'Engle joined Sanderson, however, he became involved in a series of legal and financial maneuvers which forced him into close contact with financial supporters of the Republican leaders and which occupied most of his time and

2. Unless otherwise noted, all data and quotations contained in the remainder of this article are taken from the *E. M. L'Engle Papers*, Southern Historical Collection, University of North Carolina.

efforts during the next one and one-half decades. These maneuvers started in 1867, when Captain L'Engle represented George W. Swepson, one of the South's most notorious railroad promoters, in Swepson's first effort to secure control of the Florida Central Railroad. They continued until 1882, when, in accordance with decisions of the United States Supreme Court, the Florida Central was sold at public auction.

Early in the fifteen year period during which L'Engle was associated with the struggle for control of the Florida Central he became convinced that Swepson, Swepson's close associate, Milton S. Littlefield, and several other men who became interested in the struggle did not have in mind the best interests of the railroad and of the communities it served. He then led a series of attempts to impede their operations and to assume control of the railroad.

If the importance of the laissez-faire attitude and of the circumstances of the South during the post-Civil War period are kept in mind, this study of the struggle for the control of the Florida Central Railroad may be appreciated as being representative, in many ways, of the emergence of the economy of the South, and, especially, of the Florida economy, from the chaotic conditions which accompanied the era of Reconstruction.

This conclusion seems particularly true in view of the fact that the personal papers of Captain L'Engle played such an important part in its preparation. L'Engle's reactions to the post-Civil War Florida scene may be defended as being typical of reactions experienced by many other Southerners. He was a product of the South's planter-aristocracy who was forced into trying to adjust to a changed society, a society in which the traditions of the Old South seemed to have no significant influence. L'Engle's political opinions and many of his more basic attitudes toward life were representative of opinions and atti-

tudes which were dominant among his socio-economic group; they clashed sharply with those opinions and attitudes which appeared essential for economic success in post-war Florida and throughout the South.

The First Five Years of the Struggle

Though L'Engle was first involved in the Florida Central struggle in 1867, he did not play an important part in it until after Milton S. Littlefield, with the financial support of George W. Swepson, had persuaded a majority of the members of the Florida Legislature to approve a bill which provided for the use of state credit as backing for one million dollars of Florida Central bonds. This legislative action was taken early in 1870, but, due to some peculiar agreements among some of the principals in the affair, one million dollars of state bonds that were issued and exchanged for one million dollars of Florida Central bonds were put into the hands of Colonel Edward Houstoun, one of the pioneer developers of railroads in Florida, to whom Swepson and Littlefield owed a substantial sum of money. Captain L'Engle and his law partner, Colonel John P. Sanderson, sought successfully to prevent this one million dollars of state bonds from being sold, though the Swepson-Littlefield combination did succeed in selling three million dollars of state bonds which were issued and exchanged for bonds of other railroads in Florida. The three million dollars of state bonds were sold to a Dutch syndicate of investors and speculators.³

During the successful effort to prevent Swepson and Littlefield from selling the one million dollars of state bonds which were exchanged for Florida Central bonds L'Engle sent letters to all of the stockholders of the Florida Central. He wrote:

3. The details of the events leading up to the action of the Florida Legislature, Littlefield's actions at the 1870 session of the Legislature, and the sale of the \$3,000,000 of bonds are described in an article in a recent issue of this *Quarterly*. Paul E. Fenlon, "The Notorious Swepson-Littlefield Fraud," XXXII (April, 1954), 231-261.

A majority - in interest - of the stockholders, for purposes of their own foreign to the interests of other stockholders and disconnected with the maintenance and management of the Road, have put a mortgage of one million dollars (twice the amount of the stock interest) on it as a basis for the issue of bonds. . . . This lien and the proceeds resulting from it will be beyond the reach of non-consenting stockholders. I propose to take such action as will protect their interests. I will encounter strong opposition in money and influence.

The prediction that there would be “strong opposition” proved to be correct, though L'Engle soon received support from a strong ally, Colonel Edward Houstoun, in attempting to force Swepson and Littlefield out of their dominant positions in the affairs of the Florida Central. Indirect support for this attempt came from a special committee of the Florida Legislature when it, early in February 1872, submitted a lengthy report of the Swepson-Littlefield maneuvers of 1869 and 1870. After the reading of this report a resolution to impeach Governor Harrison Reed was adopted, and the Trustees of the Internal Improvement Fund were called upon to institute legal action to have a receiver appointed to handle the business affairs of the railroads that had been involved in the Swepson-Littlefield fraud. A receiver was appointed, but L'Engle argued that the Florida Central Railroad's property should be excluded from the receivership, because, “Many of the stockholders of the Florida Central have no combination with or interest in”⁴ the Swepson-Littlefield schemes. The Trustees of the Internal Improvement Fund gave unanimous approval to L'Engle's argument.

In view of these developments, L'Engle agreed with Colonel Houstoun, “that the time is auspicious to form a combination

4. *Minutes of the Board of Trustees of the Internal Improvement Fund of the State of Florida* (Tallahassee: 1904), I, 494.

and rescue our railroad from Littlefield & Co. and the Carpet-bag government of Florida.” In this decision he was joined by the editor of the *Floridian*, who wrote, “Littlefield has run the length of his tether. He is like a man in a bog - every effort he makes sinks him deeper. . . . He is the personification of duplicity, fraud, and falsehood.”⁵

L’Engle filed a complaint against Littlefield in the 4th Circuit Court at Jacksonville, citing Littlefield’s past and present actions as the basis for the appointment of a receiver for the railroad. This complaint was the most completely documented and damaging accusation of Littlefield that had been brought into any court in Florida. Many of L’Engle’s fellow Floridians complimented him for filing the complaint. C. C. Yonge of Pensacola wrote: “Your complaint. . . contains a formidable array of charges against the defendant. If you succeed in compelling him to disgorge, you will have rendered a great service to the country.”

Littlefield was not to be forced so easily “to disgorge.” He, with the support of the still politically powerful Harrison Reed, persuaded the Trustees of the Internal Improvement Fund to sell the Florida Central, though the Trustees postponed the sale until after the state and national election of 1872.

Because of this development, L’Engle shifted his attention from the judicial to the political arena. Throughout the summer of 1872 he devoted almost all of his time to the organization of political rallies and the holding of conferences with Conservative party leaders in various parts of the state. His efforts failed, however, as the Conservative party was defeated in a bitterly contested election.

After this political defeat L’Engle renewed his attack on Littlefield, threatening Littlefield with new, more damaging

5. Tallahassee *Floridian* May 21, 1872.

charges of fraud and corruption. Littlefield then agreed to support L'Engle for the presidency of the Florida Central, and he and L'Engle urged Colonel Houstoun to join in the move to make L'Engle the president of the company. Houstoun refused to cooperate in this move, though he agreed to favor the removal of Littlefield from this position and to create the position of "Managing Director" for L'Engle, with the understanding that the presidency would remain vacant for the time being.

In January 1873, nearly six years after L'Engle first became involved in the Swepson-Littlefield manipulations, he became the chief executive, "Managing Director," of the Florida Central Railroad.

Captain L'Engle as Managing Director of the Florida Central

L'Engle set out to prove that the Florida Central could be operated profitably, and could support a new issuance of bonds. Littlefield assured L'Engle, "My great desire has been and is to get an amicable settlement of our matters," and he requested a personal loan of five hundred dollars. L'Engle ignored the request. He was finding it difficult to operate a railroad that was plagued with the results of Littlefield's mismanagement of its business affairs. The precarious financial position of the Florida Central was so well known that the company could not "sell a through ticket, connecting roads being unwilling to pass its passengers through fear, born of experience, that their money will not be forthcoming when called for."⁶

By August of 1873 L'Engle's superintendent was able to report:

The Florida Central is in as good condition as it is possible to get it without some new iron. The roadbed is good. . . . Our credit is better than it has ever been before. . . , and I am sure that the public are better satisfied than ever

6. *Ibid.*, June 10, 1873.

before. All bills are paid promptly and the men get their money on the first day of the month. . . . Since April 15th the railroad has had net earnings of \$10,585.19. As you directed, the entire sum has been invested in improving our facilities.

The railroad seemed well on the way to becoming a sound business enterprise, but there was a constant threat of political intervention. L'Engle was informed in September that Acting Governor Day was being urged to seize the railroad. He instructed the superintendent of the railroad to surrender the assets of the company only if "superior force" was "actually used." He explained, "I want to make a criminal case against trespassers." The rumors proved inaccurate, and L'Engle continued to improve the efficiency of the railroad. His continued success resulted in his election to the position of President of the Florida Central on November 1, 1873.

L'Engle Loses Control of the Florida Central

The newly elected president was reminded, in mid-December of 1873, that politics were more important than good business practices in the control of the railroad. The state of Florida appealed to the United States Supreme Court, in a move designed to take control away from L'Engle, for a ruling on the validity of the four million dollars of state bonds which were exchanged for railroad bonds in 1870. The state contended: "The honor of the State is at stake and requires that the interest and principal of its bonds shall not be repudiated, but shall be paid when due. Do whatever may be done with individuals and their ill-gotten wealth, but save the honor of the State."⁷

These strong words in defense of what had become known as the "Swepson-Littlefield Fraud Bonds" prompted the editor of the *Floridian* to comment, "The Governor seems to cherish

7. *Ibid.*, January 13, 1874.

a strong affection for Littlefield.”⁸

Though none of the state bonds which had been exchanged for Florida Central bonds had been sold, Colonel Houstoun had allowed some of them to be given, in lieu of interest payments, to the purchasers of the other three million dollars of bonds involved in the Swepson-Littlefield fraud. A favorable decision on the state's appeal to the U. S. Supreme Court, therefore, would make the Florida Central financially responsible for part of the one million dollars of bonds.

An even more direct move was soon made by the state to force L'Engle out of control of the railroad. Judge Archibald, of the Duval County Circuit Court, was requested to appoint J. C. Greeley as the receiver of the railroad. This request was granted on April 15, 1874, and L'Engle instructed the superintendent of the Florida Central to ignore Judge Archibald's order. He wrote, "If there is any law left in the land, . . . the road will be returned to the company." This opinion was shared by many of Florida's newspaper editors. One of them wrote: "The seizure by Mr. Greeley and the orders of Judge Archibald are ominous signs of bad times. A prudent and wise judge would have acted differently. The high character of Mr. L'Engle demanded more regard."⁹

The controversy continued, with L'Engle fighting to protect his interests and the interests of the railroad. He explained to his future wife, Miss Frances Wirt of Wirtland, Virginia, in a letter written during the first week of May 1874:

I have been contending [in] . . . an issue worth fighting about, as I have been and am still doing with all the vigor and resources and influence that I can command. I was much relieved and rejoiced by a telegram sent me

8. *Ibid.*

9. *Ibid.*, April 21, 1874.

today from Washington announcing that the Supreme Court of the U. S. had taken charge of the subject matter of the dispute - and had appointed a "receiver" (viz Major Robert Walker of Tallahassee) over the whole line of road . . . This is a heavy blow to my adversaries and to the corrupt State government (for politics are largely mixed up in the fight) at which I know you will rejoice with me. ¹⁰

Major Walker assumed full charge of the Florida Central on May 12, 1874, relieving Captain L'Engle of all responsibility for the company. The relief from executive responsibility was welcomed by L'Engle, who took advantage of the Walker appointment to carry out plans for his marriage to Miss Wirt and for a long, leisurely honeymoon trip through most of Europe during the summer and fall of 1874.

L'Engle Regains Control of the Florida Central

In January 1875 Captain L'Engle sent a strongly worded petition to the United States Supreme Court, requesting that Walker be dismissed and that the railroad be returned to the control of the Florida Central's board of directors. L'Engle stressed his belief that Walker had done little to improve the railroad during the eight months of his receivership, and he alleged that the company's own officials would be more conscientious, efficient, and thorough than Walker had been.

While Supreme Court action was awaited L'Engle and Walker tried to appear confident of the outcome of their controversy, though Walker made several efforts to achieve a compromise with L'Engle and L'Engle on May first, confided to his wife, "I am still 'on the ragged edge' of doubt and anxiety about my railroad matters."

10. Letter of E. M. L'Engle to Miss Frances Wirt, in the possession of Miss Gertrude N. L'Engle of Jacksonville, Florida.

On May third a Supreme Court ruling gave L'Engle reason to rejoice. It required: "that an account be taken by the receiver [Walker] . . . and the receiver be discharged unless something is due to him . . . and authority is given to pay said receiver if anything is found due."

Additional legal entanglements were placed in L'Engle's way, but he managed to have one of his close friends appointed the "examiner" to determine the validity of a claim which Major Walker submitted for personal funds which he said he had spent for the maintenance of the Florida Central.

Throughout the summer and fall of 1875 L'Engle remained in control of the railroad, though he realized that he would have to secure political support in order to strengthen his position.

The Election of 1876

As early as February of 1875 L'Engle made his position on the 1876 election clear:

There is much disorganization and contention in the democratic party . . . I will support any democrat who can be elected, and I may renounce all personal views positively. My first, last, and constant effort is and shall be party success and the redemption of the State.¹¹

Scandals in Washington and alleged corruption in Tallahassee were the principal points emphasized by L'Engle and his fellow Conservatives (Democrats) during the intensive campaign of 1876. Samuel Tilden, the Democratic presidential candidate, and George Drew, the Democratic-Conservative candidate for Governor of the state of Florida, were presented as men who would take immediate and drastic actions to halt what was pictured as trends toward corruption in all levels of government.

Strong support was given Tilden throughout all parts of

11. Letter in the possession of Miss Gertrude N. L'Engle.

Florida, and even stronger support was given Drew in one of the most hotly contested elections in the history of the United States. The outcome of the election was in doubt for many weeks after the voters went to the polls on November 7. It was decided finally that Drew was to be the new Governor of Florida and that Rutherford B. Hayes had defeated Tilden in Florida and in the nation.

Five Years of Struggle

Two days before Drew was inaugurated his predecessor, Marcellus Stearns, ordered the Florida Central to be sold on April 2, 1877. Drew postponed the sale, studied the Florida Central situation, and decided that the claims of the Dutch bondholders were clear enough to warrant the sale of the Florida Central for their benefit. The new Governor's decision to force the sale of the railroad was based on his belief that the purchasers of the three million dollars of state bonds of 1870 had acted in good faith in accepting part of the one million dollars of state bonds which had been exchanged for Florida Central bonds. The Dutchmen had accepted these bonds in lieu of interest payments on the bonds they had purchased.

While Governor Drew was considering the Florida Central's affairs Captain L'Engle moved to strengthen his position. He secured from Judge Archibald, of the Florida Circuit Court at Jacksonville, a *mandamus* to compel the stockholders of the Florida Central "to meet and organize the company for the benefit of equitable owners and claimants."¹² L'Engle was elected president of the company immediately after the stockholders' meeting was held on March 19, 1877. Among his fellow directors were: Joseph B. Stewart, the legal representative of the state of North Carolina; Milton S. Littlefield, John C. L'Engle, Captain L'Engle's younger brother; and N. K. Sawyer, the editor of the Jacksonville *Florida Union*.

12. *Floridian*, March 13, 1877.

Joseph B. Stewart was a New York lawyer who first became involved in the Florida railroad disputes in 1876. Several editors of Florida newspapers accused him of being the legal representative of George W. Swepson, rather than the state of North Carolina's lawyer, but these accusations were never substantiated. Mr. Stewart, who often referred to himself as "Big Joe," wrote many long letters to Captain L'Engle, giving advice about how to secure and maintain control of the Florida Central. L'Engle, for the most part, ignored Big Joe's advice.

General Littlefield was no longer a powerful political force, and his personal credit was almost entirely exhausted. He had dunned Captain L'Engle for various amounts of money throughout the preceding two or three years. His requests for "loans" ranged from one for five dollars for "laundry" to one for one hundred dollars for "traveling expenses."

The other members of the new board of directors were friendly with L'Engle and they were held in high esteem by many Floridians. The editor of the Tallahassee *Floridian* welcomed the new board of directors in the March 20, 1877 edition of his newspaper. "It appears [that] the road [is] in the hands of those who will improve its condition and make it a high way of travel creditable to the State."

The first official action of the new board was to authorize the issuance of new bonds ". . . of the par value of \$1,000 each . . . to an amount not exceeding \$590,000, . . . which bonds shall be secured . . . by a first mortgage lien on all the property of the company."¹³ The directors then provided that \$200,000 of the new bonds were to be given to L'Engle, to be used to "terminate litigation and pay the company's indebtedness."¹⁴

Governor Drew, in the meantime, had set May 1, 1877 as

13. *Minutes of Stockholders' Meeting, Florida Central Railroad Company*, United States Supreme Court Records, U. S. 100, 390.

14. *Ibid.*

the date of the public sale of the Florida Central, but on April 26 Thomas Settle, the judge of the U. S. Circuit Court, expressly forbade anyone from seizing or attempting to seize the railroad.¹⁵

The legal struggle for the control of the Florida Central continued throughout the remainder of 1877 and 1878, with Captain L'Engle directing litigation in both the United States Circuit Court for Northern Florida and the Florida Circuit Court at Jacksonville. He managed to retain control of the company by stressing the contention that the Dutch claimants could not give adequate proof that they were *bona fide* holders of state bonds which had been exchanged for Florida Central bonds. He emphasized that there was no conclusive evidence that the Dutch bondholders had received the bonds "in good faith."

While the legal battles raged L'Engle persuaded a supplier of iron rails to extend credit for one thousand tons of new rails for the Florida Central. The new rails, the first bought for the Florida Central since 1866, were laid during the late fall of 1877. L'Engle also arranged for the purchase of two passenger cars and one baggage car, and, in general, did "much to promote travel and increase the comfort of passengers."¹⁶

Captain L'Engle became increasingly confident about his ability to remain in control of the railroad. He reasoned that no fair-minded judge would intercede to remove him. He was very certain, therefore, that the Justices of the United States Supreme Court would rule finally in his favor.

L'Engle confidence was badly shaken on May 31, 1879, when Justice Joseph Bradley, of the U. S. Supreme Court, ruled in the U. S. Circuit Court at Jacksonville that the Florida Central was to be sold to satisfy the claims of the Dutch bondholders. Justice Bradley decided:

15. *Ibid.*, 525.

16. *Floridian*, October 23, 1877.

. . . the [Dutch bondholders] have a first lien upon the [Florida Central] . . . to the amount of all the bonds the State of Florida exchanged for the bonds of the Florida Central Railroad Company . . . held and owned by them . . . and all interest now matured and to mature thereon. . . . The amount of all . . . bonds owned and held . . . is one hundred and ninety-seven thousand dollars, and the amount of interest thereon now matured is one hundred and eighteen thousand five hundred and fifteen dollars and twenty cents.¹⁷

The 100,000 Supersedeas Bond

Captain L'Engle announced immediately that he would appeal Justice Bradley's decision to the United States Supreme Court, and he requested Bradley to set the amount of a *supersedeas* bond. Bradley obliged by setting the amount of the bond at \$100,000. He gave L'Engle two months, until the end of July, to raise the bond.

Captain L'Engle contacted many other railroad men, seeking help in raising the \$100,000 bond, but he received no encouragement. He then financed Littlefield in making a tour of the eastern part of the United States for the purpose of persuading someone "to go on the bond." Littlefield sent L'Engle frequent reports on the progress of his tour and even more frequent requests for "a few more dollars for expenses," but he failed to find sureties for the bond.

Early in July, less than a month before the final date for posting the bond, L'Engle was still without any assurance of being able to raise the bond. In a last, rather desperate effort, he went to New York to see if he could get some person or group to provide the bond. For over two weeks after his arrival in New York L'Engle was unable to make any progress

17. *Opinion and Decree of Mr. Justice Bradley in the Florida Railroad Cases*, U. S. 100, 578-579.

toward his goal, but then, suddenly, the bond was secured. He was notified by L. P. Bayne, a New York investment banker with whom he had done business previously, that a "good bond" could be secured if L'Engle would let him "use" \$75,000 of the Florida Central bonds of 1877. L'Engle grasped this opportunity eagerly, and the *supersedeas* bond was secured very quickly and easily – too quickly and too easily.

The bond was prepared by the law firm of Sullivan and Cromwell, one of the best known and most respected law firms in New York. L'Engle delivered it to Justice Bradley, on July 28, 1879. He then returned to Florida to prepare for the appeal to the United States Supreme Court of the May 31, 1879 decision of Justice Bradley.

Within ten days after L'Engle's return to Florida L. P. Bayne, the investment banker whom L'Engle had let "use" \$75,000 of the Florida Central bonds of 1877, informed him by telegram that the *supersedeas* bond was to be challenged by legal representatives of the Dutch bondholders. L'Engle departed immediately for New York, leaving Joseph B. "Big Joe" Stewart in charge of preparing for the appeal to the U. S. Supreme court.¹⁸

Attorneys Sullivan and Cromwell, Bayne, and L'Engle conducted a quick investigation of the sureties. They concluded that the \$100,000 *supersedeas* bond was probably worthless. L'Engle then requested Justice Bradley for permission to post a substitute bond. Bradley angrily refused this request and advised L'Engle to be prepared to defend both the bond and

18. *Deposition of William F. Quaile*, United States Supreme Court Records, U. S. 103, 220: "I was ordered by E. M. L'Engle . . . to prepare the record on the appeal to this court (U. S. Supreme Court). . . . I did not think there was sufficient time to prepare a full, true, and complete record of the case. . . . I allowed L'Engle to place his own clerks in the office. . . and the record was prepared under the direction of L'Engle and Mr. Joseph B. Stewart." Mr. Quaile was the Deputy United States Clerk for the Northern District of Florida.

L'Engle's actions in connection with procuring it.

Faced with the growing certainty that the *supersedeas* bond could not be defended successfully, Captain L'Engle went to Washington, D. C., where, on September 17, 1879 he retained Samuel F. Phillips, the Solicitor General of the United States, to represent him and the Florida Central. Three days later he and Solicitor General Phillips visited Justice Bradley in Stowe, Vermont, where Bradley was vacationing. They urged Bradley to reconsider his decision about the posting of a substitute *supersedeas* bond, pointing out that if Bradley continued to refuse L'Engle's request, the Florida Central would be sold in Jacksonville on the 25th of September. L'Engle and Phillips stressed that this development would further complicate the already tangled affairs of the railroad company, but Bradley refused to change his decision. Justice Bradley was still very angry about what was now admitted to have been a bogus *supersedeas* bond; he told L'Engle that he wanted to hear no more about the Florida Central railroad.

A detailed report of the sale of the Florida Central was contained in the Jacksonville *Florida Union* of September 26, 1879.

Up to a few minutes before the hour of the sale, the rumor was rife that no sale would be made. At precisely one o'clock. . . notice. . . was given that the sale was subject to the approval of the United States Court.

The first bid was made by C. D. Willard (chief legal Counsel for the Dutch bondholders), fifty thousand dollars; . . . the bidding went on. . . till the sum of \$305,000 was bid by Mr. Willard.

Thus ended this important chapter in the complicated railroad history of the State. The next battle will be over the confirmation of the sale before the United States Court. This will be another battle of giants.

From the best information in our possession, the situation is this: A bond was filed by Captain L'Engle, President of the Company, and accepted by Justice Bradley, which bond was to act as a *supersedeas* and so prevent the sale . . . It seems, however, that the bond was not what it should have been. . . . When Captain L'Engle discovered that some of the names on the bond were not good, he promptly. . . asked for an extension of time. Justices Bradley . . . declined to take any further action.

Under these circumstances the road was sold. The question now to be settled by the Supreme Court next month is whether they will allow President L'Engle to give another bond to sustain his appeal; if so, the sale of the Central will be set aside. If this is refused, the question of the confirmation of the sale will come up before Judge Settle (of the United States Circuit Court at Jacksonville) at the next regular term of the court, in which, of course, all objections, etc. will be argued.

. . . the whole State is interested in having an end put to litigation and the road improved and used for developing our own resources. . . . Captain L'Engle has done a great deal since the Central passed into his hands . . . , and the general public have a guarantee that so long as he remains at the helm this road will not be used to break down the trade of this city. . . . If the road does pass into other hands, the people want to be sure that it will pass under the control of those who will prove as faithful to the interests of this city and State as Captain L'Engle has proved himself to be.

The editor of the Tallahassee *Floridian* commented about the September 25th sale of the Florida Central.

Perhaps had Captain L'Engle succeeded in his application to Justice Bradley for time in which to give another bond, the end might have been different. The sale has yet to be approved, and some interesting developments may be brought out before the Court. Being only a layman, and not understanding the quips and quirks by which cases are often disposed of, we are unable to form an opinion as to what the Court may order when it is in possession of the facts.¹⁹

As the editor of the *Floridian* predicted, "some interesting developments" were brought out before the United States Supreme Court when the matter of the \$100,000 *supersedeas* bond came before it.

On November 17, 1879 the lawyers representing the Dutch bondholders began attempting to establish that Captain L'Engle had given to Justice Bradley a bond which he knew was worthless. They sought to show, furthermore, that Captain L'Engle had taken an active part in persuading he spurious sureties to sign the bond.

Captain L'Engle admitted readily that the bond was worthless, indicating that he did not "desire to enter into any discussion as to the sufficiency of the *supersedeas* bond." On the other hand, he protested angrily against the allegations of bad faith.

The appellants deny, with indignation, the attempt of the appellees, through false witness of abandoned men, to fasten upon them, and their honorable agents, the ignominy of knowingly offering for approval, and procuring to be approved, a fraudulent and worthless *supersedeas* bond.

The legal representatives of the Dutch bondholders established, however, that the four signers of the \$100,000 bond had

19. *Floridian*, September 30, 1879.

only the most tenuous claims to respectability and financial responsibility. It was pointed out that they were known habitues of the Bowery section of New York who had no connections with established business concerns of any kind.²⁰

The Supreme Court decision in the case was that the circumstances did not warrant giving the Florida Central Railroad Company permission to substitute another *supersedeas* bond. In the decision there was also mention made of Captain L'Engle's "negligence" in failing to investigate the sureties on the \$100,000 bond.

Final Settlement of the Florida Central Controversy

For another two years after the Supreme Court decision was given in the *supersedeas* bond case there were delays in settling the future of the Florida Central. Captain L'Engle played an increasingly less important part in the controversy, while Joseph B. Stewart and Milton S. Littlefield intensified their efforts to secure control of the railroad. Because of various legal maneuvers Captain L'Engle remained the president of the company until late in 1881, though he turned his attention to plans for the development of his legal practice in Jacksonville. He invited his nephew, William J. L'Engle, to join him in the practice of law. The invitation was accepted, and Captain L'Engle was well started on a new phase of his career by January, 1882, when the Florida Central passed into the hands of Sir Edward J. Reed, "a well known civil engineer and naval architect, . . . head of great enterprises in England, being the chairman of the Milford Dry Docks, the greatest work of the kind in the world."²¹

Within a few years after the settlement of the long controversy over the Florida Central two of the most important figures in

20. U. S. 103, 235-250.

21. *Floridian*, November 15, 1881.

the economic history of Florida pushed forward their plans for the development of much of the central and southern portions of the state. Henry B. Plant, an experienced railroad man, and Henry M. Flagler, a retired vice-president of the Standard Oil Company, opened up vast stretches of territory and brought a new era of land speculation and economic development to Florida. Railroad development, in both cases, led the way to general economic development, as Flagler and Plant built hotels, sold land for agricultural purposes, and established new towns. Miami, in less than a decade, grew from a village to a city which rivalled Jacksonville. Orlando, Sanford, DeLand, and other communities in Central Florida became important trading centers. Tampa became a major port, which, in 1898, was the center for the embarkation of United States troops sent to Cuba.

Captain L'Engle's role in the long struggle for the Florida Central was almost forgotten, and the story of the Florida Central became buried in half-remembered columns of newspapers, in the yellowing pages of court records, and among the hundreds of items in the personal files of Captain L'Engle.

L'Engle failed in his effort to win and keep control of the railroad, but his activities prevented the Florida Central from becoming one of the many railroads in the United States that were used by railroad promoters in the fantastic post-Civil War era and then left to fall into disuse and physical decay.

L'Engle's defeat in the struggle, furthermore, did not result in his failure to adjust to the post-war scene. By the time of his death in 1890 he was able to leave substantial amounts of personal property and real estate, located in both Florida and Tennessee.²² He was a prominent and outstandingly successful lawyer, real estate speculator, and bank official, serving for a

22. *Last Will and Testament of Edward M. L'Engle*, County Judge's Court, Duval County, Florida.

few years before his death as president of a bank which he founded with his brothers Henry and John.

This account of Captain L'Engle and the Florida Central railroad is, in many respects, illustrative of how Florida and many Floridians reacted to and survived the political, economic and social conditions of the period that preceded the Plant-Flagler era.

