


1968

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Recommended Citation

Johnson, Dudley S. (1968) "The Florida Railroad after the Civil War," *Florida Historical Quarterly*: Vol. 47 : No. 3 , Article 6.

Available at: <https://stars.library.ucf.edu/fhq/vol47/iss3/6>

THE FLORIDA RAILROAD AFTER THE CIVIL WAR

by DUDLEY S. JOHNSON

DAVID LEVY YULEE was the most enthusiastic of the early railroad promoters in Florida. On January 8, 1853, he incorporated the Florida Railroad to construct a line from the Atlantic Ocean to a point on the Gulf of Mexico south of the mouth of the Suwannee River. The charter was amended by the legislature in 1855, and the company was authorized to build from Amelia Island on the east coast to Tampa Bay on the Gulf of Mexico with a branch line to Cedar Key. In addition the company was authorized to own and operate steam vessels on Florida's rivers.¹ Yulee's dream was to construct a railroad across Florida and to establish a steamship line from Cedar Key to other Gulf ports, Central America, and the Caribbean islands. He believed it would be cheaper for the shipper to use ships and the railroad, even if it entailed loading and unloading at each end of the line, than to brave the waters of the Florida Straits. Also Yulee hoped to attract to the state immigrants interested in producing vegetables. Their products could be carried by the railroad to Fernandina where fast steamships would transport them to northern markets.²

Early railroads needed aid to construct lines into and through undeveloped territory. They received support from the federal and state governments in the form of land which could be used as security for bonds and loans. One of the first acts to affect Florida was passed on September 4, 1841, when the United States government granted the territory of Florida 500,000 acres of land which were to be sold and the proceeds applied to in-

1. *Laws of Florida* (1853), 31-38; *ibid.* (1855), 16.

2. C. Wickliffe Yulee, "Senator Yulee: A Biographical Sketch," Part I, *Florida Historical Quarterly*, II (April 1909), 37; Alfred Jackson Hanna and Kathryn Abbey Hanna, *Florida's Golden Sands* (Indianapolis, 1950), 128-29; *The Florida Railroad Company* (n.p., n.d.), pamphlet in the P. K. Yonge Library of Florida History, University of Florida, Gainesville.

ternal improvements.³ Nine years later, the swamp and overflow lands in Florida owned by the federal government were granted to the state.⁴

In order to administer the internal improvement lands and the proceeds from the sale of those lands, the Internal Improvement Board, composed of the governor, treasurer, attorney-general, and registrar of state lands, was established in 1855. These men were known as the trustees of the Internal Improvement Fund.⁵ The act creating this board permitted railroads to issue bonds to the amount of \$8,000 per mile as each twenty-mile section of road was completed; proceeds from the sale of these bonds could be used in preparing the roadbed and for the purchase of material for the track. Each company was also allowed to issue an additional \$2,000 per mile for the purchase of rolling stock. Bonds to the amount of \$100,000 could be issued for the construction of each bridge over the Choctawhatchee and Apalachicola rivers and from Amelia Island to the mainland; the legislature set the amount for a bridge over the Suwannee River at only \$50,000. Of greatest benefit to the construction companies was the state's guarantee of the principal and interest of the seven per cent thirty-five year bonds. The railroad companies, in order to qualify for this aid, had to meet certain conditions. A company had to locate the route in a manner approved by the state engineer, build to a five-foot gauge, use not less than sixty-pound iron rails, and pay into a sinking fund administered by the trustees of the Internal Improvement Fund a total of one per cent of the interest on its bonds. If it failed to pay this premium, the state had the right to seize and sell the railroad. In addition, cities and counties were given permission to subscribe to railroad stock and to issue bonds to pay for the subscriptions.⁶

Yulee was the principal person in steering this legislation through the Florida legislature. He also used his influence in Washington, and in 1856 Congress granted the state a 200-foot right-of-way and every alternate section of land to a depth of

3. U. S., *Statutes at Large* (1841), V, 455.

4. *Ibid.* (1850), IX, 519-20.

5. *Laws of Florida* (1855), quoted in *Minutes of the Trustees of the Internal Improvement Fund*, 6 vols. (Tallahassee, 1902-1906), I, 15-31. Hereafter cited as *IIF Minutes*.

6. *Ibid.*

six miles, designated by odd numbers, on each side of the proposed main and branch lines. If the designated lands were already settled, the state could select federal lands as near the railroad as possible. In addition the United States government agreed not to sell its remaining lands along the right-of-way for less than double the minimum price of public lands. Florida would grant the lands to the railroad companies as each twenty-mile section of line was completed.⁷

Yulee decided to build the branch line to Cedar Key first, and he began construction at Fernandina in 1855. He experienced financial difficulties even with the state aid, and called upon northern investors for the necessary funds. The northerners, Edward Nicoll Dickerson and various associates, exacted a heavy price from the southern promoter by refusing to furnish capital unless they were promised over one-half of the company's stock. Yulee agreed to the arrangement and construction continued on his line.⁸ The railroad was completed in 1861 just as the Civil War was beginning. During that conflict Union forces captured both terminals, and Confederates used rails from the road to build a connector line to Georgia.⁹ At the end of the war the railroad was in poor condition with only sixty miles of the line usable; the iron rails which remained were badly decomposed by rust, and much of the road was overgrown by vegetation. The company made every effort to resume service. On May 8, 1865,

7. U. S., *Statutes at Large* (1856), XI, 15-16. For Yulee's role see Mills M. Lord, Jr., "David Levy Yulee, Statesman and Railroad Builder" (unpublished Master's thesis, University of Florida, 1940), 124-27, 129; Arthur W. Thompson, "David Yulee: A Study of Nineteenth Century American Thought and Enterprise" (unpublished Ph.D. dissertation, Columbia University, 1954), 82-91.
8. Robert L. Clarke, "The Florida Railroad Company in the Civil War," *Journal of Southern History*, XIX (May 1953), 180-81; Hanna and Hanna, *Florida's Golden Sands*, 133-35. For a resume of Dickerson's career as a New York patent attorney see *Dictionary of American Biography*, 21 vols. (New York, 1928-1936), V, 288-89.
9. Hanna and Hanna, *Florida's Golden Sands*, 137-38; Robert C. Black, *The Railroads of the Confederacy* (Chapel Hill, 1952), 208-13. See also Jerrell H. Shofner and William Warren Rogers, "Confederate Railroad Construction: The Live Oak to Lawton Connector," *Florida Historical Quarterly*, XLII (January 1965), 226-27; Helen R. Sharp, "Samuel A. Swann and the Development of Florida, 1855-1900," *Florida Historical Quarterly*, XX (October 1941), 173.

company officials petitioned the Union army for a locomotive to replace one seized by the Confederates and captured by the Federals.¹⁰

The greatest difficulty faced by officials of the railroad concerned finances. The company was behind in interest payments on the bonds guaranteed by the state. In early January 1866, Marshall O. Roberts of New York, a bondholder, petitioned the trustees of the Internal Improvement Fund for payment of interest on one \$1,000 security, but was informed that there was no money in the fund.¹¹ This situation continued throughout the year with neither the railroad nor the state able to pay principal or interest on the bonds. The trustees had no alternative except to order the company sold to satisfy the bondholders. At a public sale on November 1, 1866, Isaac K. Roberts, acting for a group of bond and stockholders, bought the road for \$323,400, one-half paid at the time and the balance at the time the deeds were delivered. The deeds were made to Edward N. Dickerson and various associates.¹² These were the same individuals who had owned the road before the sale, but they were no longer burdened by a mortgage debt. The old officials retained their positions, and David Yulee remained as vice-president. The officials followed a cautious policy. Only a minimum of work was done in replacing rotted crossties and bridges; iron rails were still defective, and delays were common. This policy enabled the management to

10. *IIF Minutes*, I, 270; *The Florida Railroad* (title page missing) 4, pamphlet in Florida Room, Robert Manning Strozier Library, Florida State University, Tallahassee. This pamphlet is similar to *The Florida Railroad Company* but was published in a different year; David L. Yulee to John A. Henderson, April 30, 1886, Yulee Papers, P. K. Yonge Library of Florida History.

11. *IIF Minutes*, I, 272. Marshall Roberts was a wealthy New York merchant and former president of the United States Steamship Company. He owned the *Star of the West* which attempted to enter the Charleston, South Carolina, harbor on January 9, 1861, with provisions for Fort Sumter. For an account of Robert's career see *New York Times*, September 12, 1880.

12. *IIF Minutes*, I, 287, 290. The proceeds of the sale were used to retire the first mortgage bonds held by individuals willing to accept twenty cents on the dollar. Francis Vose refused this arrangement and began the law suit which culminated in limiting the trustees' action in disposing of state land until the Disston land purchase in 1881.

meet the interest requirement on its bonds. On July 21, 1870, Yulee paid \$2,280 into the Internal Improvement Fund as the one per cent interest due on the company's bonds.¹³ At that time the company had outstanding over \$2,000,000 of first mortgage bonds which were held by John A. Stewart and Frederick Conkling of New York. Interest was seven per cent, payable semi-annually.¹⁴

Although the company was able to pay the interest on its bonds, there was no money for needed improvements. The officials refused to take advantage of a law enacted in 1869, permitting certain railroads to exchange railroad bonds for state bonds. That was one reason the Florida Railroad did not go through the various changes, receiverships, and legal battles that plagued the other large Florida railroad, the Jacksonville, Pensacola and Mobile. However, difficulties did occur, and a reorganization took place on January 18, 1872, when the name was changed to the Atlantic, Gulf and West India Transit Company.¹⁵ Robert W. Davis, who settled in Florida in 1879, remembered those years and the railroad because the initials - A. G. & W. I. T. Ry Co. - covered the entire length of a railroad car. He stated that most people did not use the name or the initials, preferring instead "Yulee's Road" or the "Transit Company."¹⁶

The new corporation profited no better than the old one. The company had an income of \$245,381.25 for the fiscal year ending in 1880; its total expenditures for the same period were \$356,974.51, resulting in a deficit of \$111,593.26.¹⁷ At that time the

13. *Ibid.*, 434. Simon B. Conover, state treasurer, reported that the only other monies he had received for this fund since August 1868, was \$315 paid in by Mariano D. Papy on November 29, 1869.

14. New York *Commercial and Financial Chronicle*, January 25, 1873, 118.

15. Seaboard Air Line Railroad Company, "Corporate Histories of the Seaboard Predecessor Railroad Systems," 22. Xeroxed pages in the P. K. Yonge Library of Florida History. Cited hereafter as "Corporate History"; *Laws of Florida* (1872), 89.

16. Robert W. Davis, "Recollection of Forty Years," *Sunshine, Florida's Magazine*, III (June 1924), 9. For biographical information on Robert W. Davis see *Biographical Directory of the American Congress, 1774-1949* (Washington, D. C., 1950), 1064; Rowland R. Rerick, *Memoirs of Florida*, 2 vols. (Atlanta, 1902), I, 131-35.

17. *Tenth Census of the United States: 1880, Transportation*, IV, 44-45.

company owned thirteen locomotives, six passenger cars, three mail or baggage cars, and ninety-six freight cars. There were 225 employees which included four general officers, two office clerks, fifty-six stationmen, thirteen engineers, eight conductors, twenty-five trainmen, ten machinists, eleven carpenters, forty-eight trackmen, in addition to forty-eight others. The yearly payroll amounted to \$117,457. Some 268 stockholders owned \$1,232,-200 in common stock, making ownership in this concern more widespread than in any other Florida railroad.¹⁸

The Atlantic, Gulf and West India Transit Railroad Company controlled approximately one-third of the 528.6 miles of track in Florida in 1880. It owned outright the line between Fernandina and Cedar Key and operated the Peninsular Railroad extending from Waldo to Ocala. The latter company had received the franchise rights of the old Florida Railroad between Waldo and Ocala; construction began in 1879, and the road was completed to Ocala during 1880 with a two-mile branch extending to Silver Springs. The line was constructed to a five-foot gauge and laid with thirty-eight pound iron rails.¹⁹

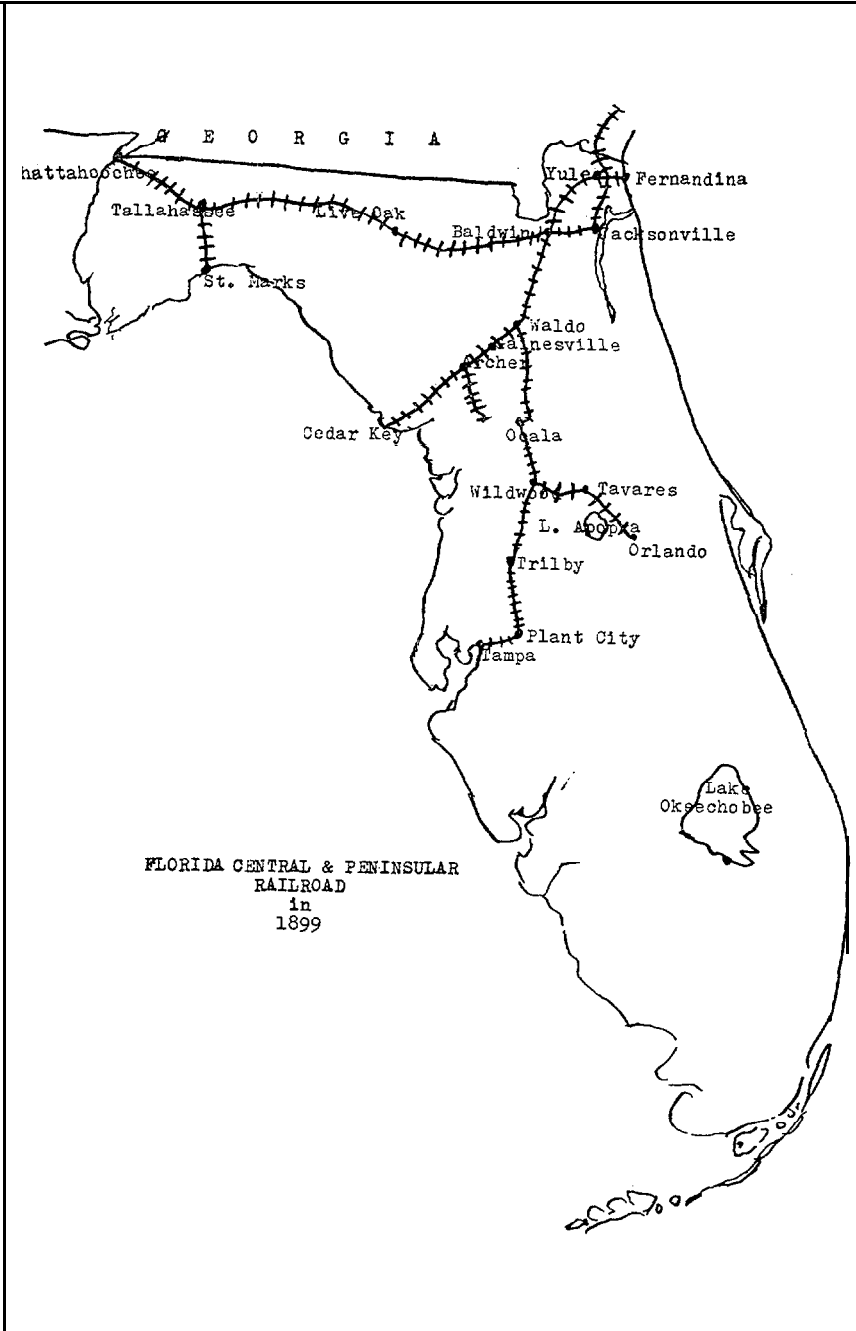
By early 1881, the Atlantic, Gulf and West India Transit Railroad again was behind in interest payments, and stockholders and bondholders made arrangements for a reorganization. A public sale was held on April 4, 1881, and E. N. Dickerson and Charles D. Willard, acting for the bondholders, paid \$12,700 for the railroad. Three weeks later the Florida Transit Railway was incorporated.²⁰ The new company owned and operated the same property as the old one with one addition; it leased the Fernandina and Jacksonville Railroad, a 21.5 mile line constructed in 1880 by Edward Harriman and W. Bayard Cutting, extending from Hart's Road to Jacksonville. This road reduced the distance from Jacksonville to northern points by thirty-three miles.²¹

18. *Ibid.*, 106-07, 268-69.

19. *Ibid.*, 516-17; *IIF Minutes*, II, 135, 273, 502.

20. Seaboard Air Line Railroad Co., "Corporate History," 48; Fernandina *Florida Mirror*, April 16, 1881. Willard was a Washington attorney who represented Sir Edward J. Reed in the United States. For some of his interests in Florida see *IIF Minutes*, II, 211, 379, 506-07; III, 117, 173, 196.

21. Seaboard Air Line Railroad Co., "Corporate History," 48; Fernandina *Florida Mirror*, April 2, 1881. For Harriman's career see *Dictionary of American Biography*, VIII, 296-300. W. Bayard Cutting



Henry Bradley Plant completed the Waycross Short Line between Waycross, Georgia, and Jacksonville in 1881. This route decreased the Plant System's time to the North, a fact that frightened the officials of the Florida Transit Company. The Plant System was an aggressive competitor having excellent connections with northern lines. There was no enthusiasm among officials of the Florida Transit Railway when Plant wrote Yulee suggesting the two cooperate in establishing a tri-weekly steamer service to Key West and Havana from Cedar Key. Plant wrote again in August urging a meeting between officials of the two systems to make arrangements for the interchange of freight and passengers.²² There is no record of Yulee's reply to the first of these two suggestions, but he evidently declined to consider the first proposal because no steamer service was established. Plant did not pursue the subject, but officials of the Florida Transit were worried. The presence of Plant in Jacksonville convinced them that he had come to the state on important business. They were afraid he would absorb their company or the Florida Central and Western which controlled the track between Jacksonville and Quincy. The Florida Transit group decided to concede nothing to Plant, and Yulee was detailed to talk with him on the assumption that Plant would by-pass the Transit company if Yulee asked him to do so.²³ The two met and agreed upon a friendly alliance permitting the two systems to exist side by side. Yulee did not object when Plant insisted that he was obligated to construct a line from

was a New York lawyer and financier. He and his brother, R. Fulton Cutting, a New York banker and civic leader, were interested in many railroad companies, banks, and insurance companies. See *Who Was Who in America, 1897-1942* (Chicago, 1942), 289-90; *The National Cyclopaedia of American Biography* (New York, 1898), XXVI, 442-43. According to John F. Stover, *The Railroads of the South 1865-1900: A Study in Finance and Control* (Chapel Hill, 1955), 272, the Cutting brothers owned a majority of the shares of the Florida Central and Peninsular Railroad which they sold to John L. Williams and Sons of Richmond, Virginia.

22. H. B. Plant to Yulee, May 11, August 21, 1881, Yulee Papers; Tallahassee *Weekly Floridian*, April 26, 1881; Henry V. Poor, *Manual of the Railroads of the United States*, 1881, 411. Title varies in subsequent volumes. Cited hereafter as *Poor's Manual of the Railroads of the United States*.
23. C. D. Willard to E. N. Dickerson, June 13, 1881, Yulee Papers.

Live Oak to Rowlands Bluff. Shortly after their meeting, lesser officials conferred and worked out an agreement affecting interchange of traffic between Yulee's road and the Plant System.²⁴

The Florida Transit owners incorporated the Tropical Florida Railroad in 1881 to continue the extension of the road down the peninsula. The new company received the franchise rights of the old Florida Railroad between Ocala, Tampa, and Charlotte Harbor.²⁵ Construction began immediately, and in 1881 the first locomotive steamed into Wildwood, a small village south of Ocala. The people of that community opposed the railroad, because they believed that when the trees were cut from the right-of-way wind would blow down the tunnel in the forest and kill their crops. Consequently, none of the local men would work for the construction company, and laborers had to be imported. The company met an even more difficult problem in that area: the Panasoffkee Swamp. As fill was poured onto the roadbed it sank into the muck. Efforts to determine the depth of the swamp failed; at one time five pine trees were driven down, one on the top of the other, without reaching bottom.²⁶ In 1884, after hard and expensive work, the railroad eventually reached Panasoffkee, eight miles beyond Wildwood. This road, like the majority of Florida lines, was constructed to a five-foot gauge and laid with forty-pound steel rail.²⁷

The Tropical Florida, however, lost its identity before it reached Panasoffkee. On January 3, 1883, the company and the Peninsular Railroad were merged into the Florida Transit Railway to form the Florida Transit and Peninsular Railroad Company.²⁸ The new corporation owned a 280-mile network of rails extending from Fernandina to Panasoffkee and from Waldo to Cedar Key. In addition, the Yulee group incorporated the Leesburg and Indian River Railroad in 1881 to construct a line from some point on the Tropical Florida Railroad line through Leesburg to the Indian River. Construction began in March 1884,

24. Yulee to D. E. Maxwell, October 24, 1881; Maxwell to Yulee, November 3, 1881; agreement between the Plant System and the Florida Transit Railroad Company, November 2, 1881, *ibid.*

25. *IIF Minutes*, II, 434.

26. *Wildwood Echo*, March 22, 1956.

27. Seaboard Air Line Railroad Co., "Corporate History," 51.

28. *Ibid.*, 46, 51.

and on June 1, 1884, the road was completed from Wildwood to Leesburg, a distance of eleven miles.²⁹

The owners of the successors of the Florida Railroad thus followed a policy of chartering a new company to construct each section of the proposed route as it moved down the peninsula. The Peninsular Railroad built the line from Waldo to Ocala. The Tropical Florida intended to extend the track from Ocala to Tampa, and it actually constructed the track as far south as Panasoffkee. Then the Leesburg and Indian River Railroad was incorporated to build a branch line. As each section was completed, and sometimes before, a merger occurred between the parent company and the subsidiary.

Now a greater merger was in the making; it created the largest network of Florida railroads to that date. The Florida Transit and Peninsular (Fernandina to Panasoffkee and from Waldo to Cedar Key), the Florida Central and Western (Jacksonville to River Junction on the Apalachicola River and from Tallahassee to St. Marks), the Fernandina and Jacksonville (Yulee to Jacksonville), and the Leesburg and Indian River (Wildwood to Leesburg) reached an agreement in March 1884, concerning consolidation of their properties. Papers were filed with Florida's secretary of state in January 1885, incorporating these companies into the Florida Railway and Navigation Company.³⁰ Officers of this new corporation were B. S. Henning, president; John Hodges, treasurer; J. W. Bushnell, chief engineer; and David Elwell Maxwell, general superintendent. All these men had extensive railroad experience. Maxwell, for example, had been associated with railroads since 1865, when he began work as a clerk in the St. Marks office of the Tallahassee Railroad. He entered the employ of the Florida Railroad in 1868, and remained with its successors the rest of his life, eventually rising to the position of vice-president.³¹

29. *Ibid.*, 54; Ralph G. Hill and James H. Pledger (comps.), *The Railroads of Florida* (Tallahassee, 1939), A14-15. Hill and Pledger give the wrong date for the incorporation of this company.

30. Seaboard Air Line Railroad Co., "Corporate History," 67. All these lines were subsidiaries of the Florida Transit and Peninsular except the Florida Central and Western which was a separate entity. The companies operated as a unit from the date of agreement.

31. John C. Cooper, "In Memoriam. David Elwell Maxwell," *Florida Historical Quarterly*, I (January 1909), 3-5. Bushnell, Florida, seat

The *Commercial and Financial Chronicle* reported that Yulee was named a director of the new company, but according to a letter written by Yulee in 1886, shortly before his death, he had severed all connections with the railroad in 1881. Yulee added that he had sold out when Sir Edward J. Reed bought into the company and agreed to complete the Tropical Florida branch to Tampa.³² No other evidence indicates when Reed bought into the Florida Transit and Peninsular, if indeed he did. His controlling interest in the Florida Central and Western gave him an authoritative voice in the affairs of the Florida Railway and Navigation Company.³³ In any case, Yulee, Florida's first great railroad builder, had retired from active participation in the business he knew so well. His railroad schemes had added to his fame, but not to his wealth. Yulee said: "For myself I never got one cent return from my pecuniary contributions toward the creation of the Florida Railroad, even the salary I was allowed having been wholly absorbed in paying installments on stock."³⁴ Yulee was both hated and praised. When he built the line to Cedar Key, the people of Tampa burned him in effigy; later, the citizens of Polk County voted him a grateful thanks for bringing the railroad into their area.³⁵ Even in his last years, Yulee still dreamt of developing a railroad network throughout Florida. A road from Tampa to Pensacola was feasible, he thought, and he promised to work actively towards establishing one.³⁶

While the officials of the Florida Railway and Navigation Company lacked Yulee's ability to dramatize the railroad business, they continued to follow a program of expansion. A line from Leesburg to Tavares was completed in June 1884, and one

of Sumter County, was named for J. W. Bushnell. Federal Writers Project, *Florida: A Guide to the Southernmost State* (New York, 1939), 536.

32. Yulee to Henderson, April 30, 1886, Yulee Papers. Sir Edward J. Reed was an Englishman from County Kent who purchased 2,000,000 acres of Florida land from Hamilton Disston. See *IIF Minutes*, III, 95, 103-06; *Who Was Who, 1897-1915* (London, 1935), 590.

33. Tallahassee *Weekly Floridian*, December 27, 1881; Seaboard Air Line Railroad Co., "Corporate History," 38.

34. Yulee to Henderson, April 30, 1886, Yulee Papers.

35. Ernest L. Robinson, *History of Hillsborough County Florida* (St. Augustine, 1928), 56; resolution from J. H. Humphries as secretary for Polk County Citizens' Group, Yulee Papers.

36. Yulee to W. Major Thompson, January 20, 1881, Yulee Papers.

from Panasoffkee to Terrell was finished in July. The DeBary-Baya Steamboat Line of seventeen vessels was purchased in September 1884. Thirteen boats operated on the St. Johns River and four sailed between Fernandina and Savannah, Georgia. The company officials expected the arrangement to prove satisfactory since practically "all competition" was eliminated, but they were overly optimistic.³⁷ Pointing out that over 9,000,000 people in the Caribbean area exported goods worth more than \$50,000,000 a year, they expected the Florida Railway and Navigation Company to carry, either on the railroad or the boats, many of these products. The volume of traffic was expected to increase tremendously when the road was extended to Tampa and Charlotte Harbor. Local freight would pay all expenses and liabilities; the foreign trade would be all profit.³⁸ These plans revived Yulee's dream of tapping the markets and raw materials of the Gulf and Caribbean area. At the same time the production of Florida goods, especially vegetables, would be served by providing swift transportation to northern markets

In spite of the great hopes, the Florida Railway and Navigation Company faced difficulties from the beginning. Edward Lewis bought the St. Marks branch of the Florida Central and Western at a foreclosure sale on October 9, 1883. He received the deed on June 24, 1885, and on the same day leased the short line to the Florida Railway and Navigation Company. Lewis sold the branch line, subject to the lease, to W. Bayard Cutting for \$25,000 on October 6, 1886.³⁹ Other difficulties arose which were more serious than the detachment of one of the branch lines. The interest on the outstanding bonds was not paid, and on October 27, 1885, the United States Circuit Court appointed H. Rieman Duval, former manager of the Erie Fast Freight Line, as receiver for the 529 mile network of rails. During his receivership Duval continued the building program, completing the thirty-nine mile section between Terrell and Plant City and a two-mile branch to Silver Springs.⁴⁰

37. *New York Commercial and Financial Chronicle*, September 13, 1884, 290.

38. *Ibid.*, August 30, 1884, 233.

39. Seaboard Air Line Railroad Co., "Corporate History," 68.

40. *Ibid.*, 67; *New York Commercial and Financial Chronicle*, October 31, 1885, 494. Duval was a native of Baltimore and a Confederate veteran. *Who Was Who in America, 1897-1942*, 350.

The company's financial condition did not improve under the receiver, and the owners of bonds and stocks began devising means to regain control of their property. Interest on the receiver's certificates was unpaid, adding to the road's indebtedness. Creditors obtained a court order setting the date to sell the company on November 1, 1887, but that date was postponed to the first Monday in February 1888.⁴¹ In the meantime, the owners of the first and second mortgage bonds met and agreed upon a plan of reorganization. There were \$1,500 per mile of receiver's certificates, all held by individuals and companies. The Plant group was expected to buy the company at the sale, but some of the second mortgage holders also wanted the road. Led by W. Bayard Cutting, Wayne MacVeagh, Edward Dickerson, P. C. Van Weil, and A. N. Van Weil, they offered par value plus accrued interest for the first mortgage bonds. The offer was accepted and plans were made to end the receivership. It was decided to issue \$5,000 per mile of first mortgage bonds bearing five per cent interest, \$3,000 per mile of first preferred stock, and \$8,000 per mile of second preferred stock. Common stock would remain as it then existed. The plan was agreeable to the stockholders and bondholders, and the separate divisions of the Florida Railway and Navigation company were sold at three separate auctions, the last one on May 12, 1888.⁴²

The sale of the company was confirmed by the United States Circuit Court on July 5, 1888, and on November 17 letters patent were issued by the Florida secretary of state incorporating the Florida Central and Peninsular Railroad Company. The new company took possession of all the properties of the Florida Railway and Navigation Company on May 1, 1889. At that time the company also received possession of the Tallahassee to St. Marks branch, which had been purchased from W. Bayard Cutting in July 1888.⁴³

41. New York *Commercial and Financial Chronicle*, April 16, 1887, 494; June 25, 1887, 808; November 12, 1887, 642.

42. *Ibid.*, January 14, 1888, 75; February 4, 1888, 171; February 11, 1888, 200; March 3, 1888, 289; May 12, 1888, 609. Isaac Wayne MacVeagh had been attorney general in President Garfield's cabinet and was legal counsel for the Pennsylvania Railroad. See *New York Times*, January 12, 1917; *Dictionary of American Biography*, XII, 170-71.

43. New York *Commercial and Financial Chronicle*, July 7, 1888, 21; Seaboard Air Line Railroad Co., "Corporate History," 85.

H. R. Duval was named president of The Florida Central and Peninsular and J. Hanson Thomas was appointed treasurer.⁴⁴ Capital consisted of \$3,000,000 of five per cent thirty-year gold bonds, \$1,660,000 of first preferred five per cent accumulative stock, \$4,500,000 of second preferred five per cent stock, and \$20,000,000 of common stock. Company assets included 576 miles of main line and eighteen miles of siding; fifty-six pound steel rail was in use on 359 miles. Thirty-seven locomotives and 858 cars made up the bulk of the rolling stock.⁴⁵

Efforts to connect the line to a southern port continued, and, while every one wanted such a connection, there was some disagreement over the selection of the seaport. One group wanted Tampa and another supported Punta Rassa. Tampa was selected, however, after businessmen in that city guaranteed the right-of-way from Plant City. The railroad company experienced some difficulty when construction reached the edge of the old military reservation which had been settled by homesteaders. Trying to prevent the road from crossing their property to the waterfront, the settlers threatened an injunction. The railroad officials decided they could not wait for the long court process of condemnation, and between Saturday and midnight on Sunday they constructed the line across the property. When the courts opened on Monday it was too late for an injunction; the settlers could sue for damages but could not halt the progress of the railroad. The matter was eventually settled, and the extension between Plant City and Tampa was opened May 1, 1890.⁴⁶

The company began construction on a second route down the peninsula in 1891. The point of origin for the second road was Archer, located on the line between Gainesville and Cedar Key. The section to Early Bird was completed by December 1891, but the route to Tampa was not finished until sometime after 1900.⁴⁷

44. The directors of the company were W. Bayard Cutting, R. Fulton Cutting, W. L. Breese, Adolph Engler, Wayne MacVeagh, E. N. Dickerson, John A. Henderson, L. K. Wilmerding, Ferdinand W. Peck, H. Reiman Duval, David E. Maxwell, and F. W. Foote.

45. *New York Commercial and Financial Chronicle*, July 21, 1888, 81; *Poor's Manual of the Railroads of the United States*, 1889, 571.

46. Seaboard Air Line Railroad Co., "Corporate History," 85; *New York Commercial and Financial Chronicle*, September 7, 1889, 300; *Poor's Manual of the Railroads of the United States*, 1891, 213; Robinson, *History of Hillsborough County Florida*, 63.

47. Seaboard Air Line Railroad Co., "Corporate History," 85.

In addition to construction the company added several short feeder lines to its system by purchase. It bought the Tavares, Orlando and Atlantic Railroad in 1891, a line that had been incorporated in 1881. The next year construction began, and the road between Tavares and Orlando was opened in July 1884. Part of the route was over the roadbed of the three-foot gauge St. Johns and Lake Eustis Railroad; longer ties were placed on the roadbed, and the standard gauge track of the Tavares, Orlando and Atlantic straddled the track of the narrow gauge line. The road was not particularly prosperous and the Florida Central and Peninsular purchased it at public sale on March 2, 1891. The court confirmed the purchase on April 14, and the deed and possession were given the next day.⁴⁸

The East Florida and Atlantic was another short line that was added to the larger network in 1891. This road consisted of the Orlando and Winter Park Railroad, extending the five miles between Orlando and Winter Park, and the Osceola and Lake Jesup Railway Company, extending from Winter Park to Oviedo, a distance of ten miles. The East Florida and Atlantic combined these roads in May 1891 and then leased them to the Florida Central and Peninsular, which operated them until January 1894. At that time the roads were purchased by the operating company for \$65,000.⁴⁹

As the Florida Central and Peninsular expanded its network, it improved other services and paid more attention to public relations. The agricultural editor of a north Florida newspaper, after riding over the line on a free pass, reported the company had hired a tobacco agent to stimulate interest in that crop. Cotton had been replaced by oats, corn, and tobacco as the major farm freight. Vegetables from central Florida were increasing in importance as a freight item with the Clermont station shipping 15,091 crates of truck produce in one ten-day period. About the only discordant note in the public image the company presented came in May 1892, when A. A. James, agent at Ellaville and also agent for the express company, departed with a package containing \$3,000 which had been consigned to Drew and Bucki, a nearby lumber firm.⁵⁰

48. *Ibid.*, 55, 85.

49. *Ibid.*, 89, 100; *Poor's Manual of the Railroads of the United States*, 1896, 185.

50. Tallahassee *Weekly Floridian*, May 14, 21, 1892.

The officials of the Florida Central and Peninsular decided that the company needed better connections with the lines to the North. The old Florida Railroad had depended on steamboats out of Fernandina to carry vegetables and other products to northern markets. Later, the company made arrangements with the Plant System for the interchange of freight and passengers, but that arrangement did not work well for anyone except the Plant group. It was decided that the Florida Central and Peninsular needed its own line paralleling that of the Plant System. With this in mind, the Florida Northern Railroad Company was incorporated in Florida and Georgia in 1892; it proposed to construct a line from Yulee, Florida, to Savannah. This company was merged into the Florida Central and Peninsular in January 1893. Construction began at Yulee almost immediately afterward, and the extension was completed to Savannah by January 1, 1894. The new route was approximately forty miles shorter than the existing route and about as many minutes were cut from the time table.⁵¹

In an attempt to further improve connections to the North, the Florida Central and Peninsular secured a ninety-nine year lease on the South Bound Railroad Company extending from Savannah to Columbia, South Carolina, in July 1892. The terms of the lease required the Florida company to guarantee five per cent annual interest on \$2,130,000 of South Bound bonds. If the net earnings of the leased line exceeded the five per cent figure, the surplus would be divided evenly between the lessor and the lessee. The Florida Central and Peninsular deposited \$700,000 for the fulfillment of the contract.⁵² One year later the Florida company purchased the entire capital stock of the South Bound Railroad Company, totalling \$2,033,000, and immediately took possession of the road.⁵³ The network now extended unbroken

51. Hill and Pledger, *The Railroads of Florida*, A8; Seaboard Air Line Railroad Co., "Corporate History," 86, 100. The article "The" became part of the official name of the company with this merger so that it should be called The Florida Central and Peninsular after this date.

52. *New York Commercial and Financial Chronicle*, July 30, 1892, 177; August 6, 1892, 215; *Poor's Manual of the Railroads of the United States*, 1893, 614.

53. *New York Commercial and Financial Chronicle*, October 7, 1893, 595; *Poor's Manual of the Railroads of the United States*, 1896, 185.

from Tampa, north to Columbia, South Carolina, and consisted of over 800 miles of railroad lines; three-fourths of this mileage was located in Florida with the rest in Georgia and South Carolina.

The company appeared prosperous in the beginning. There was a surplus of \$114,485 for the year ending in 1891, and 1892 was even better with a surplus of \$323,274. Gross earnings for these years were well over \$1,000,000, and all the interest was paid as it came due.⁵⁴ The gross earnings for the year ending in 1894 were \$2,105,752; for 1895 the total increased to \$2,272,148. The latter year would have been better if the freezes in December 1894 and February 1895, had not cost the company \$800,000 in anticipated revenue. The surplus for 1895 was only \$3,977 as compared to \$156,710 one year earlier. All divisions of the company earned a profit except the South Bound which had a deficit of \$75,836. The phosphate traffic had been dull although it was not affected by the freezes, and Plant's purchase of the Florida Southern Railway and the Sanford and St. Petersburg Railroad forced the Florida Central and Peninsular to build several short feeder lines.⁵⁵

The deficit for the company for the year ending June 30, 1896, totalled \$111,884, caused by a deficit of \$129,375 on the South Bound division. The following year the deficit was reduced to \$75,671, and the surplus for all divisions amounted to \$51,439. Freight carried increased 83,958 tons to a total of 975,415; more important, average earnings per ton mile increased from 1.195 cents to 1.239 cents. The company's financial condition continued to improve, and even the bonds of the South Bound division were being purchased as an investment by banks by 1898.⁵⁶ Gross earnings for the first ten months of 1898 amounted to \$2,554,224 as compared to a total of \$1,876,192 for the same period in 1897. The deficit for the South Bound was only \$31,835 for the year ending June 30, 1898; the entire company had a surplus of \$325,194 for that fiscal year. Even though finan-

54. New York *Commercial and Financial Chronicle*, December 18, 1892, 1034.

55. *Ibid.*, November 16, 1895, 871; January 18, 1896, 135-36.

56. *Ibid.*, January 9, 1897, 71; December 18, 1897, 1170; September 24, 1898, 633-34.

cial conditions improved The Florida Central and Peninsular never paid a dividend in its history.⁵⁷

That was the situation when John L. Williams and Company of Richmond, and Middendorf, Oliver and Company of Baltimore, Maryland, purchased a majority of the stock of The Florida Central and Peninsular Railroad Company. They planned to bring the line into close union with other roads under their control. The combine, masterminded by Williams, was in the process of forming a network of approximately 2,475 miles of railroad track extending over the eastern section of the United States between Richmond, Montgomery (Alabama), and Tampa.⁵⁸ John Skelton Williams, son of John L., became president of Florida Central and Peninsular on October 20, 1899, replacing H. R. Duval.⁵⁹ This move was a preliminary to the takeover of the Florida concern by the Seaboard Air Line Railway Company. The Florida Central and Peninsular was operated by the larger network from July 1, 1900, to August 15, 1903, when the merger was completed and the Florida road passed out of existence.⁶⁰

Thus, David Yulee's railroad underwent many changes and eventually disappeared completely into a larger railway system. Yet, Yulee's dream of a vast network of rails spanning the Florida peninsula with rapid service to the North had become a reality, and his railroad was certainly not an insignificant part of the new system.

57. *Ibid.*, November 26, 1898, 1109; December 17, 1898, 1260; *Poor's Manual of the Railroads of the United States*, 1899, 414; William A. Joubert, "A History of the Seaboard Air Line Railway" (unpublished Master's thesis, University of Florida, 1935), 106-08.

58. New York *Commercial and Financial Chronicle*, November 26, 1898, 1109; December 17, 1898, 1260; *Poor's Manual of the Railroads of the United States*, 1899, 414.

59. New York *Commercial and Financial Chronicle*, October 21, 1899, 865; Stover, *Railroads of the South*, 273.

60. Seaboard Air Line Railroad Co., "Corporate History," 101.