Laying the Rails of War: Infrastructure in Indianapolis during the 19th Century

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Abstract
Early in the American war effort, President Wilson succinctly summarized a major strategic goal of a successful war effort by quipping that “It is not an army that we must shape and train for war, it is an entire nation.” Wilson, like the leader of every major belligerent nation, recognized that the Great War was a conflict different than any previous war. While all prior wars affected their nations as sons died and treaties changed political borders, the First World War touched home in ways never experienced before. Especially in the United States, the home front was required to sacrifice consumer goods for the purpose of supporting the war effort like never before. Governments enacted Alien and Sedition Acts designed to squelch domestic conflict and mass media campaigns urged support for fighting troops. Perhaps the most obvious change in American society was the marriage of government and war-based industries. In order to avoid industrial disruption, government policies promised companies healthy profits even after paying raises to workers. The War Industries Board had broad powers and even threatened the mighty Henry Ford with nationalization of his factories if he did not submit to wartime goals.

Disciplines
History of Science, Technology, and Medicine | United States History

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“Laying the Rails of War: Infrastructure in Indianapolis during the 19th Century”

Early in the American war effort, President Wilson succinctly summarized a major strategic goal of a successful war effort by quipping that “It is not an army that we must shape and train for war, it is an entire nation.”1 Wilson, like the leader of every major belligerent nation, recognized that the Great War was a conflict different than any previous war. While all prior wars affected their nations as sons died and treaties changed political borders, the First World War touched home in ways never experienced before. Especially in the United States, the home front was required to sacrifice consumer goods for the purpose of supporting the war effort like never before. Governments enacted Alien and Sedition Acts designed to squelch domestic conflict and mass media campaigns urged support for fighting troops. Perhaps the most obvious change in American society was the marriage of government and war-based industries. In order to avoid industrial disruption, government policies promised companies healthy profits even after paying raises to workers. The War Industries Board had broad powers and even threatened the mighty Henry Ford with nationalization of his factories if he did not submit to wartime goals.

The purpose and practice of coordinating the economy during the war achieved significant success and transformed the nation. Farmers realized extremely high prices for crops as various markets needed food—after all, soldiers need to eat, but don’t have the time to grow their own food. The high, stable prices for crops guided farmers to improve their machinery and expand output. The need for less farm labor allowed workers to move to cities to obtain high factory wages, enlarge cities and the industrial base in one fell swoop. Industrial output, already

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on the upswing during the early stages of war continued through the end of the conflict as factories realized high profits for necessary war materiel including steel, munitions and uniforms. American industry and infrastructure were, indeed, major strengths of the Allied war effort.

How this infrastructure emerged is the topic of this paper. In particular, I examine how pushes to construct internal improvements during the antebellum era led to the importance of cities like Indianapolis during World War I. Today Indianapolis is known as the “Crossroads of America.” It is home to a central terminus for many major highways and has been home to the iconic Indianapolis 500—celebrating the nation’s automobile heritage—for over one hundred years. Prior to its modern signature, the Indiana capital was known as the “Rail City,” beating out Boston for the right to call itself the namesake of the dominant transportation technology of the late nineteenth century.

However, the early history of Indianapolis and central Indiana gave no evidence that the region would eventually find pride in being so strongly associated with transportation. The city struggled from its inception with a lack of efficient transportation access to outside markets, environmental barriers to settlement and economic collapse which left the city in relative obscurity until the 1850s. Indianapolis was an afterthought in the economy of the Old Northwest until it was able to obtain rail access to the Ohio River in 1847. The city finally emerged on a regional and national level only after the transportation infrastructure of the nation could move beyond the geographic limitations imposed by water routes. Significantly, the lack of access to water transportation kept Indianapolis small enough that when railroad transportation technology made itself economically affordable, the city was a relatively blank slate that could simultaneously fit the needs of the new technology and the nation.
Settling Indianapolis could forgivingly be described as a struggle. The city was created in 1820 by an order of the state legislature looking for a central state capital with water access to the Ohio River. Surveyors—after a season of searching—agreed that the site of the new capital should be at the confluence of the West Fork of the White River and Fall Creek. This site—having a river and situated on the flat, fertile Tipton Till Plain—promised Hoosiers a bountiful future. Unfortunately, residents of Indianapolis quickly found out that the reality of life in central Indiana did not meet their expectations. An outbreak of malaria killed an eighth of the population in 1822. The following year, a gray squirrel infestation destroyed most of the crops. Within a decade, they found that the White River was too shallow and sandy to carry anything beyond flat or keelboats during spring and fall rushes. In 1831, the steamboat Robert Hanna made it to the city—creating a great excitement and expectation that the city would soon see its fortunes explode—but it ran aground on its return trip, announcing once and for all that the White River’s natural state did not allow water access to the rest of the Midwest.

Hoosiers, however, were not dismayed in their search for commercial success for their city at any point in their history. In the 1820s, residents were discussing projects in other parts of the nation. One Buffalo Journal news article reprinted in the Indiana Journal described the advantages of a canal for commerce, noting that the two hundred tons of merchandise that passed through their Erie Canal port would find easy market access on one of the 34 ships headed to New York each week. It concluded that “such is among the consequences of the Erie canal, the enlivening influences of which are still extending west, and are already felt even on the shores of the Mississippi.”

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2 “Canal Commerce,” Indiana Journal, November 6, 1828.
By the 1830s, Marion County residents were certain that internal improvements would allow them to maximize the benefits of their excellent agricultural land and make them and their state the breadbasket of the West. While improving transportation networks were always on the agenda in central Indiana—County Commissioner Records were overwhelmingly focused on building roads—the 1830s saw an explosion of activity promoting canal development. Several trends caused the vigorous pursuit of improvements. First, Hoosiers were anxious to catch up to more economically developed states. Kentucky, through which most Indiana residents emigrated, had solid transportation networks by the 1830s owing to patronage from Henry Clay. Neighboring Ohio had the benefit of better river routes to market and an established major city in Cincinnati. Hoosiers saw the developments of these states and firmly believed that they could take their place as a leader of western agricultural economics. One article from the Indiana Journal promoting Hoosier improvements noted that “The Ohio canal is a work of great magnitude, and well worth the enterprise of this young, though Herculean state. The above is the last loan necessary to complete the canal, which will open a market for the vast and increasing products of valuable farms, that have been heretofore suffered to perish in the garners, or found markets in which profit was consumed by expensive transportations.”

Supporters of internal improvements frequently promoted these dual advantages. On one hand, the state would benefit from trade associated with the commercial traffic from Lake Erie to the Ohio River. On the other, these projects would bolster family economies by offering cheaper transportation to markets, thus allowing farmers to produce a larger profit. For residents of

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3 “Ohio Canal Loan,” Indiana Journal, November 6, 1828. Advertisements like this permeate local newspapers up to the Panic of 1837. The use of two articles from the same issue demonstrates the ubiquity of pro-internal improvement arguments from multiple perspectives at the local level.
central Indiana, internal improvements sounded like the solution to all their problems from top to bottom.

The panacea of a water route from the Great Lakes to the Mississippi caused a surge in applications for internal improvement projects in Indiana during the 1830s and was bolstered by a lack of political cohesion and easy credit. After the state announced that it would begin deficit financing improvement projects, applications came from all corners of the state. The unwillingness of any section of the state to support internal improvements in another region coupled with Hoosiers’ unwillingness to turn a critical eye to canal profit estimates led directly to the assumption of massive state debt. In 1836, the governor signed the Mammoth Internal Improvements Bill which authorized a loan of $10 million for 25 years at 5% interest. The commissioners in charge of the system “were directed to begin work at once and to speed construction on all lines simultaneously.”\(^4\) As a result, the state was heavily leveraged in debt by the time the first rumblings of economic distress rippled through the northeast.

The Panic of 1837, caused, in part, by land speculation and foreign economic policy, was the nail in the coffin for dreams of water access to the Ohio for Indianapolis residents. Indiana may have survived their eagerness and selfishness had credit continued until the completion of their projects but as the panic worsened the interest payments on debts continued to accumulate under the loan. In 1839, the state debt was a shade over $10 million dollars with and interest payment of $479,000 due in January.\(^5\) The legislature borrowed specie from the State Bank of Indiana as a last ditch effort to avoid insolvency, but the damage was done. Hoosiers had drifted too far into debt to recover even after stopping construction on most internal improvement projects. Even the sale of state assets was not enough to right the economic ship. By 1841, the

\(^4\) Fatout, *Indiana Canals*, 73.
state defaulted on its debt and construction on all projects was ordered to stop immediately. The only project ever completed under the Mammoth Internal Improvements Act was the Wabash and Erie Canal. The Central Canal—the portion that would connect Indianapolis to the Ohio—resulted in seven meager miles of unconnected waterway in Marion County.

The significance of this story lay in the fact that the Panic of 1837 prevented Indianapolis from growing as a city. In 1840, the city only had 2,600 residents and they did not have a solid connection to the Ohio River. Not until the Madison and Indianapolis Railroad reached the city in 1847 did workers and residents begin to grow the town. As a result, the city remained pliable to any sort of transportation improvements. Unlike Louisville’s 20,000 or Cincinnati’s 46,000 residents—who were heavily tied to river traffic—Indianapolis did not have to unbuild and rebuild a system of transportation. When railroads emerged as an efficient transportation system, there were no barriers to its construction. Older, more settled towns would have to spend significant amounts of time recreating their urban space to accommodate the new technology. The blank slate environment allowed them to catch up very quickly during the Civil War Era and Gilded Age. They could “build to suit” which allowed them to become a significant player in the transportation industry by the end of the nineteenth century. Most famously, Indianapolis built the first Union Station in the United States just south of downtown. The available space made constructing the structure rather easy because very few residents had to be displaced. The efficiency of Indianapolis’ Union Station allowed merchants to save significant amounts of time and money by avoiding lengthy shipping trips through towns as was the case in all other major cities of the period.

At the same time, concerns about Civil War allegiances made Indianapolis an attractive alternative to Cincinnati as a transportation hub. Morgan’s Raiders and the possibility that
Kentucky would secede from the Union made Indianapolis’ geographical position strategically comfortable. By the end of the nineteenth century, Indianapolis was well known for its transportation skills and automotive excellence. No less than seven major rail lines went through the city and it was the center of major natural gas deposits which fueled factories in the region during the last decades of the nineteenth century.

By the end of the World War I, it had transported vast sums of materiel through the United States to contribute to the war effort. No doughboy could argue that Indianapolis was not an important industrial city in the United States by 1917, but few could have explained the reasons for its success. Only the failure of the Mammoth Internal Improvements Bill eighty years prior allowed for the type of urban environment necessary to quickly catch up with—and surpass—other Midwestern cities. Building a city that could readily adopt new transportation technology with incurring the cost of abandoning an older one provided it with advantages that the rest of the Midwest could not. Canals—which many river-based cities adopted—had an ever-decreasing role in the rapidly industrializing United States. By World War I, Indianapolis had readily achieved the moniker “The Crossroads of America,” but it was also a crossroads between old and new world of transportation technology. It had sought its fortune in the old transportation system, and realized it in the new.