

Collection #
SC 2734

TERRE HAUTE & INDIANAPOLIS RAILROAD COMPANY STOCK CERTIFICATE, 1888

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Processed by

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COLLECTION INFORMATION

VOLUME OF
COLLECTION: 1 folder

COLLECTION
DATES: October 22, 1888

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RESTRICTIONS: None

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ALTERNATE FORMATS:

RELATED HOLDINGS: SC 2738 (Terre Haute & Richmond Railroad Company Letter, 17 March 1851)

ACCESSION NUMBER: 1999.0532

NOTES:

HISTORICAL SKETCH

The Terre Haute & Indianapolis Railroad Company was originally chartered the Terre Haute & Richmond Railroad Company in 1847. By the end of the Civil War the TH&R found itself part of an increasingly important east-west trunk line and in March 1865, to better reflect reality, the Indiana legislature changed the name of the TH&R to the Terre Haute & Indianapolis Railroad.

The TH&I represented an important asset by connecting Terre Haute to Indianapolis and eastern markets. When a Cincinnati syndicate threatened to take control of the line in the summer of 1867, the board of directors voted William Riley McKeen its president and he began a long and complicated series of maneuvers to keep the railroad independent. In 1868, McKeen struck a deal with J. Edgar Thompson, president of the Pennsylvania Railroad, to lease the St. Louis, Vandalia & Terre Haute to the TH&I. McKeen renamed the system the Vandalia line and used the lease to keep the Pennsylvania at arm's length. He employed the Vandalia to open branch lines into the Indiana coalfields, and invested in other railroads promoting local growth.

By 1872 McKeen was looking to solve his problems with out-of-touch board members and keep the Pennsylvania from taking over the line. He solved one problem by buying a sizeable block of TH&I stock and replacing some members of the board with his friends and associates. Over the next 12 months, McKeen made several adjustments to the organization, and modernized and expanded the line. To improve the relationship between TH&I and the Pennsylvania, McKeen and the board approved a new arrangement in October 1875, which led to the mutual sharing of traffic and revenue, and a supposed end to competition, between the parallel lines of the TH&I and the Indianapolis & St. Louis. This arrangement lasted until January 1878 when the I&StL consented to a termination of the joint operations arrangement, which left the TH&I free to compete on its own.

In June 1887, after years of putting off potential buyers, McKeen sold his stock in the TH&I to Henry Ives & Company, who also owned the Cincinnati, Hamilton & Dayton. Ives had purchased the TH&I and the CH&D in the hopes of using money from the lines to purchase the Baltimore & Ohio line. By August 10 Henry Ives & Company had suspended operations, and McKeen had been re-elected president of TH&I. Ives' administration of both roads had been costly, and it quickly became clear that he had gutted the TH&I treasury. Worse still, they had diverted every available penny to the purchase of the B&O so the TH&I had accumulated a substantial debt.

Once McKeen resumed control, he started fixing the financial problems the line faced after Ives' interlude at the TH&I. As 1892 came to a close, he had brought lingering problems to satisfactory resolutions and things were beginning to look a little brighter for the TH&I. For McKeen the time had come to let go of the property he had faithfully served since the Civil War and had controlled for 20 years. McKeen signed an agreement to sell the line to the Pennsylvania Company on 18 August 1893 which gave him everything he had originally asked for when the

Pennsylvania first expressed an interest in the line in 1885.

The Pennsylvania could not have picked a worse time to purchase the TH&I. While 1892 had been a good year for its own system of roads and 1893 started out well for it and the TH&I, the financial depression that was in full swing by summer had a dramatic effect on railroad traffic and earnings for both lines.

It became evident in early 1894, as traffic and income deteriorated steadily, that the depression would not be a short-lived interruption. 1895 did not start well for the line with the end of its 42-year record of never having killed a passenger, when a train derailed on the afternoon of January 28. McKeen's position as president had been reduced to a mere figurehead and he stepped down at that year's annual stockholders meeting.

Things went from bad to worse for the line over the next ten years and on 14 December at a special stockholder's meeting the TH&I board voted to consolidate the company into an all new Vandalia Railroad Company. The vote passed and at midnight on 31 December 1904 the 58-year history of the railroad came to a quiet end, and the next day the new Vandalia Railroad took its place.

Sources:

Wallis, Richard, (Richard T.). *The Pennsylvania Railroad at bay: William Riley McKee and the Terre Haute & Indianapolis*. Railroad Bloomington: Indiana University Press, c2001. (General Collection HE 2791.T473 W34 2001)

SCOPE AND CONTENT NOTE

This collection consists of a stock certificate from 1888. The certificate is number 1116, worth 2 shares, and is for Miss Sallie Allen of Monrovia, Morgan County, Indiana.

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Terre Haute & Indianapolis Railroad Company,
Stock Certificate No. 1116, 22 Oct. 1888

CONTAINER

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CATALOGING INFORMATION

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1. Go to the Indiana Historical Society's online catalog: <http://opac.indianahistory.org/>
2. Click on the "Basic Search" icon.
3. Select "Call Number" from the "Search In:" box.
4. Search for the collection by its basic call number (in this case, SC 2734).
5. When you find the collection, go to the "Full Record" screen for a list of headings that can be searched for related materials.