

“The Politics of Transportation.” *Selected Papers in Illinois History, 1980: Inaugural Illinois History Symposium*. Paper read in 1980 and published: (Springfield, Ill.: Illinois State Historical Society, 1982), 17-23.

Selected Papers in Illinois History 1980

Inaugural Illinois History Symposium of the Illinois State Historical Society

**Illinois State Historical Society, 1982
Springfield, Illinois**

The Politics of Transportation

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Even before the construction of the Illinois and Michigan Canal was begun in 1836 it faced competition from railroads. Five years earlier, the Canal Commissioners Board, frustrated in their efforts to raise funds for a canal, were convinced by advisors that it would be cheaper to build a railroad from Chicago to Peru, Illinois. After members of the board recommended a railroad to the general assembly, their positions were abolished.¹ Public opinion seemed to shift, however, and by 1834 the pro-canal forces had gained control of the governor's office and the general assembly. That was a reversion to the attitude that had prevailed since Illinois became a state in 1818. The canal was seen as the most important of all possible internal improvements, particularly by residents of the northern part of the state. Of all the projects started in the 1830s the canal was the only one completed in a useable fashion.

Unfortunately, by 1839 the internal improvements program had become mired in debt. The only project that held any promise of paying its way was the Illinois and Michigan Canal, but sectional rivalries endangered its construction. In 1839 a representative from Gallatin County threatened that if progress on internal improvements in his part of the state were stopped, southern Illinois would retaliate against the Illinois and Michigan Canal, which it had formerly supported.² Many in the northern part of the state were New England Yankees and Whigs who looked askance at Egypt (as the Downstate counties were called), which they regarded as a termites' nest of Locofoco Democrats, more interested in spoils than in promoting any permanent benefit for the state. The fear and distrust comes out in a letter from Canal Engineer William Gooding³ to Col. William B. Archer, Cook County politician and early canal commissioner:

“I know no one at Springfield that would be so likely to write to me as yourself, and I certainly know no one there who I can so well give this information...I trust I need not assure you that I am highly gratified that you are in the legislature, but I am afraid that you will not have it in your power to do the country so much service as you have done heretofore. I think we have reckless Locofoco legislature that will go in for measures of the most destructive kind.

“We are now at work at our report....Our report will present Canal matters in rather a favorable light, but I fear that this will not help the canal cause any. As far as the officers upon the canal I suppose it is already decided that they shall walk. But this so far as I am personally concerned does not give me the least uneasiness. I need not tell you that I have served the state honestly and faithfully for no one knows better than yourself what my services have been. I need not assure you that I have had nothing so much

at heart as the good of the Canal, and that I feel a pride in being connected with it. At one time I fondly hoped that I should gain some credit for the services that I had rendered. But I now feel a perfect indifference. So much have all canal officers been abused (except thorough going locofocos) that I am satisfied to be turned adrift, and let them supply my place with some bawling demagogue.”⁴

It appears that Gooding was removed for a time as chief engineer, but he was not replaced because his abilities in this line were so considerable and his connections with the other engineers so large that the canal could not proceed without him. One of the chief complaints against him was that his salary of \$3,500 was higher than anybody else’s in state employment. Furthermore, some politicians wanted the thing done quickly, if not well, while Gooding and others believed the feat important enough to endure and provide a service to the state for many years to come.

One of the figures who was to thunder across the political sky, much to the dismay of Gooding and others, was Colonel Charles Oakley.⁵ Oakley came on the scene via the Internal Improvements Commission, of which he was the State Fund Commissioner in 1839. In that year he was appointed to go to Europe in an effort to raise foreign capital for the various failing state transportation schemes. The mission was a failure. It must be remembered that the Illinois and Michigan Canal was not under the Internal Improvements Commission, but was a separate body under the Canal Commissioners in 1839 and the Canal Trustees after 1845. In 1843 Oakley directed his efforts to England and the East. He raised nothing for the canal but managed to borrow 200 pounds for himself and his fellow traveler State Senator Michael Ryan above the expense money given them by the state. Of that amount the state would pay back 40 pounds, and in 1847 the canal trustees had to pay back the rest.⁷

Oakley frequently seemed to convey a heightened persecution complex that got on the nerves of even his closest associates. In 1844, for example, he writes to David Leavitt,⁸ a banker who had financial ties with the canal.

“The war is still raging against me. Gen. Ryan commanding the allied forces, they must certainly consider me a man of some consequences or they would not resort to such desperate means to defeat me....There is a combination on the line of the Canal...to prevent me from being trustee on the part of the State. They are well aware if I fill that office they cannot carry out their plans for getting all the contracts in their hands....

“Mr. Ryan passed through this place [Detroit] a few days since on his way to Illinois. He had a long talk with Matteson (Matteson is an old Canal Contractor)⁹ who is here. Matteson with a certain clique at Chicago and along the Canal line are determined to ruin you if possible.”¹⁰

As a result of the state's financial difficulty, it was proposed that the canal be put under a board of trustees, two members of which were to be appointed by bondholders and one by the governor. All canal property would be under this board which would control the property until the debt was paid. The state would pass a land tax, and the governor would have limited power to remove certain officials. These arrangements were made by Governor Thomas Ford, who was determined to free the state from indebtedness without bankruptcy.

The Canal Commissioners had always sought to steer clear of the Internal Improvements Commission from which money flowed freely without any appreciable benefit to the state. Now Oakley was

connected to the canal and happy to use his political influence to benefit allies. For example, on May 4, 1845, one C. C. Wilcox writes to David Leavitt, a trustee, praising Oakley.

On June 30, 1845, Oakley writes to Leavitt urging that Wilcox be appointed to a post on the canal staff and asking for credit from Leavitt's bank.¹¹ Also, Oakley was spreading doubts about men long associated with the canal, including Captain William H. Swift,¹² a trustee, and Chief Engineer William Gooding. In an 1845 letter to Leavitt, Oakley carps:

"I was on the line of the canal a few days since, and I find there is a perfect scramble there by many of the old contractors for the advantages offered by the appointment of Gen. Fry¹³ [as a State Trustee]. They do not want Gov. Davis,¹⁴ but they are very anxious that Cap't. Swift should be elected. They say he has a very high opinion of the late Chief Engineer Mr. Gooding, and he will be put back again in that office, and the work will be prosecuted under the same influence that it has for years past."¹⁵

Governor Ford, however, not only recommended Gooding as Chief Engineer, but also belittled the political favorite to replace him, Senator Ryan. By 1845 Ford was extremely annoyed at Ryan and Oakley because they had arranged an agreement with foreign debt holders whereby the state would pay back \$1,000 for every \$300, despite an earlier agreement negotiated by Ford for repayment of \$1,000 for every \$400. Fortunately, neither deal was consummated.¹⁶

Oakley, traveling to the East, starts an attack there upon Trustees Leavitt and Swift, who lived there. Swift notes in September:

"On my way through New York yesterday...I was shown an article in the *Morning News* newspaper...in which the trustees were assailed and their proceedings misrepresented...all of which corresponds so fully with the accusations set forth in Illinois that I am not at a loss to identify the writers and motive which activated them in propagating their slanderous falsehoods."

He adds that Oakley and Ryan were both in New York.¹⁷

The struggle for political control of the canal intensified as a result of the election of 1846. Ford did not run, and the Democratic candidate Augustus French was elected governor. There was considerable fear that French would be favorable to his fellow Democrats, Oakley and Ryan. Chief Engineer Gooding writes of the changed political climate:

"The truth is that Gov. French and a large majority of the members of the Legislature are profoundly ignorant of what has been or is now being done. There has been a constant effort on the part of certain wire pullers, with Col. Oakley at their head, to misrepresent everything that has been done, and I am sorry to say that I believe Gen'l. Fry has done but little, or tried to do very little to correct this misrepresentation."¹⁸

Jacob Fry (the first state trustee and previously a canal commissioner), despite his best efforts to remain, was indeed removed from his position as trustee because he wasn't loyal enough to French and because he had been insufficiently enthusiastic about Stephen A. Douglas, the rising star in the party firmament.¹⁹ As might be expected, French appointed Oakley as Fry's replacement.

One of the things the other canal trustees feared was that Oakley and his supporters would gain control of awarding preemption claims. These claims had been bought up from the original claimants by speculators. One of those speculators was Joel Matteson, who observed to William Ogden that if there were profits to be made out of claims on canal lands, individuals should be able to make them.²⁰ Another speculator was William Reddick.²¹ As a result, attacks from this quarter began on Canal Land Agent Robert Prescott, who was denounced to Leavitt for some past events.²² This was to no avail, and thus the ire of Oakley and others was turned on Leavitt and Swift. Robert Stuart²³ observed that Trustees Leavitt and Swift were "ever likely to continue to impede the fertilizing benign flow of the Nile over the otherwise naked bottom of Egypt."²⁴

The fears about the new administration in Springfield were expressed not only by Gooding but also by former Governor Ford, who in an 1847 letter to Ogden says:

"I would not allow my name to go before the governor [for State Canal Trustee] for several reasons. I foresee enough to know that it will not be desirable to be in anyway connected with or under obligations to his administration. This is private. I am making no opposition to the Governor...I am afraid of the worst about frauds on the canal...I have advised Mr. Leavitt to keep a strict watch out for such frauds as you describe, and if he sees them about to be perpetrated to keep some small part of the canal from being finished until after the next session of the legislature. I have great confidence in the legislature in a case of this sort."²⁵

Ford's confidence in the legislature was apparently justified. Stuart writes Swift in 1847 that a clique, consisting of Oakley, Reddick, and others was trying to pass a bill giving Oakley the right to appoint the land agent.²⁶ The measure did not pass.

Despite all of Oakley's efforts, he did not get any of his people appointed to canal positions in 1847. He was not deterred, however, and he then went to New York and began spreading derogatory stories about the canal. Then he returned to Illinois and by July was stirring up trouble on the line of the canal itself. He encouraged Irish laborers to go on strike on July 15. He encouraged them to ask for \$1.25 a day and a reduction of the work day to eleven hours. The strike lasted for two weeks and was confined to the Summit section of the canal. The strike failed, and it did not spread to other sections of the canal. The strike did cause some delay in the completion of the canal. Oakley now was a source of growing concern amongst the other trustees. Leavitt writes to Swift on July 30: "I know not what to do with the miserable creature unless it be to give him enough rope to hang himself, which I think he is doing effectively." A week later he writes to Swift: "I agree with you perfectly, that is, if the Col. wants war let him have it in good earnest. I have long thought he designed to throw obstacles in the way of the work on the canal, and am now fully convinced of it."²⁷

There was a growing disenchantment with Oakley, even among his supporters. His attacks upon the other two trustees made it certain that he could not get any support from them for his schemes. Ogden reports: "The clique finding they can accomplish nothing through their imbecile tool, are beginning to turn their vengeance upon him, calling him a d--d fool, etc."²⁸

Oakley having failed in his efforts to remove the other two trustees, turned his attack upon Gooding. First of all he brought charges with the board of trustees in New York. After a full hearing the board voted in favor of Gooding. Then Oakley returned to Illinois determined to use his influence with French. Swift and Leavitt, in an effort to calm the storm in Illinois, turned to Massachusetts Governor John Davis, who in 1845 had been hired to examine the canal for bondholders. His enthusiastic support for the canal and his

honesty earned him a great deal of popularity in Illinois. By 1847, however, he was not anxious to return to the state and face the calumny of the Oakley faction, as he writes in December:

“I get so weary and disgusted with selfishness and intrigue which have everywhere characterized these transactions in the West that I am quite willing to forget them if not too outrageous. I had hardly placed my foot in the business before its character and the characters of those concerned became so obvious that I firmly resolved to have nothing to do with it after making a report and have never repented an adherence to this opinion. When I saw the state of things last summer and encountered the endless misrepresentation I thought the pay, much as I need the money, a poor equivalent for the abuse that is heaped upon you.”²⁹

Oakley brought a number of charges against Gooding. Governor French seeking to back up his anticipated discharge of Gooding, sent a judge along the canal to take affidavits. These were never released, but on April 18, 1848, French removed Gooding. The canal by this time was finished and the first boats upon it.

After Gooding was fired, the trustees-- instead of appointing an associate of Oakley's-- appointed Talcott, Gooding's assistant, as engineer. That Oakley did not rest in his efforts is indicated by a report from one of the first boats through on the canal.

“There was nothing to mar the pleasure of the trip, save a constant annoyance the passengers were subjected to by a fault finding runner from the Ohio River route, by the name of Oakley, who came up with us. This fellow had the impudence to endeavor to convince us and all he saw the entire distance that the Canal was not done, nor would it be this season.

Yours Eastward Bound

P.S. I have since learned that the Oakley I have referred to is the State Trustee for your canal.”³⁰

Oakley was not happy even with Gooding gone. Ever conscious of his importance, he felt that he should not be bound by the ordinary rules regarding canal money. When Canal Secretary Robert Stuart refused to give him \$100 without a receipt, Oakley penned a nasty note to Swift:

"The spirit which animated Mr. Stuart likewise animates all the subordinate officers of the Board and the feelings which they manifest is so general amongst them that it is fair to presume they have some warrant for it. Now I have practiced forbearance until it has ceased to be a virtue, nay it has worked injury to myself.”³¹

Though Oakley had succeeded in getting rid of Gooding he had accomplished nothing in his efforts to get control of appointments to the canal offices. In October 1848, Stuart suddenly died, and on November 2 the board of trustees appointed Gooding to replace him. Both Oakley and French were furious. French would fume and Oakley died. On January 1, 1849, Oakley passed on. His conflicts on the canal, instead of elevating him to the governorship, sent him to an early grave.

The next problem facing the canal was the railroad mania that burned through Springfield in 1850. E. S. Prescott, canal land agent, warned Swift in 1850 that a fight was necessary to protect the waterway's interest:

"It is no doubt important, however, that all committees having in any manner to take charge of Canal and Railroad interests should be composed of right minded and influential men. The best way to bring this about is to give early attention to all preliminary arrangements for the organization of the legislature or its committees and other appointments, and reasonably apply all available means that can be brought to bear on these gatherings."

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But it was difficult to defend the canal in Springfield in 1850. The legislature proposed to grant a charter to the Rock Island and La Salle Railroad extending its line from La Salle to Chicago. The railroad had been originally granted a charter so that it could link the western terminus of the canal to the Mississippi at Rock Island. The extension to Chicago would put the railroad on the canal property and was obviously designed to undermine canal traffic. When on January 8, 1851, Trustee H. B. Wells informed Swift and Prescott what was proposed, Prescott hurried down to Springfield.³³ He found the old canal enemies had their work. As he informs Swift:

"Reddick and Matteson...led off well, and when I got down had an act for the last named road [the Rock Island] passed the third reading in the Senate. Upon my constant remonstrance it was referred to a select committee who could only be induced to allow as tolls on freight during navigation...[It] is now before the Canal Committee in the House where Hese of Ottawa (Reddick's tool) is chairman. I should not be surprised if this Committee should throw off the restriction altogether...I have but little hope as the Canal has not a single friend and advocate in the legislature or out of it that I can find. Protection of its interests are wholly at variance with the program of plunder settled upon."³⁴

On February 3, Prescott informs Swift that the Rock Island extension to Chicago has passed. He notes that the "road gentlemen" (as he called Reddick and Matteson) "had exerted such a strong prejudice against the Canal and the administration of its affairs that by a still larger vote a law might be passed to annihilate the Canal and hang all its officers." He goes on to tell the effect of Matteson and Reddick's work:

"Another unfortunate circumstance for the poor old Canal is that it is looked upon by the railroad maniacs of our legislature and the reckless Multitude with which it is surrounded, as decidedly unfashionable and behind the spirit and demands of this magnificent age or epoch in the history of this distinguished State....

"I made all the effort I could before the Committees of the house to get some modification of the Senate bill in our favor. But I could accomplish nothing. They even exhibited considerable spite and resentment that I had obtained the restrictions I did in the Senate for our benefit....

"The State Trustee was very fierce in his opposition to the measure until he was shown some resolutions of censure upon his official conduct and extravagance."

The Canal Trustees decided to fight the Rock Island's right to take over lands owned by the canal and abutting the waterway itself. The courts ruled in favor of the railroad, however, and as a result the railroad could and did cancel toll rebates. The construction of the Rock Island to Chicago destroyed at once

the profitable passenger traffic on the canal. In 1853 the road bought out all the packet boats. The canal, however, continued to carry a large and profitable freight business. The tonnage continued to increase until 1882, and tolls always ran ahead of canal expenses until the late 1870s. To overcome the freight competition, the Rock Island in 1879 entered into an agreement with some eastern railroads for a system of pro-rating that would make it more expensive for canal-hauled grain to move east of Chicago on the railroads.³⁶

In 1871 the Illinois and Michigan Canal, having paid its cost and the interest, reverted to the state of Illinois. The hands of the new canal commissioners were tied in the matter of canal improvement, however, because the state Constitution of 1870 forbade spending public funds for improving the waterway. Revenue declined after 1882, and the canal commissioners could barely keep up with repairs. As a result, after 1890 a steep decline in canal use set in. The resulting loss in revenue meant further deterioration. Although there was a slight increase in activity in 1912, 1913, and 1914, in the absence of state money the canal was allowed to die as an artery of commerce.

FOOTNOTES

1. Putnam, James W. , *The Illinois and Michigan Canal: A Study in Economic History*, Chicago: University of Chicago Press, 1918, pp. 21-22.
2. Krenkel, John H., *Illinois Internal Improvements, 1818-1848*, Cedar Rapids, Iowa: Torch Press, 1958, p. 154.
3. Gooding was born in 1803 in Bristol, N. Y. After studying engineering on his own, he worked on the Welland Canal in Canada from 1826 to 1829. He also worked on the Ohio Canal until 1832. He settled in Illinois in 1833 and for the next two years surveyed the Erie and Wabash Canal in Indiana. In 1836 he was appointed chief engineer for the Illinois and Michigan Canal. He also served as a U.S. civil engineer and special commissioner of the Board of Public Works for the City of Chicago. In May 1878, he died; burial was at Lockport. Archer was the canal commissioner who in 1836 turned the first spadeful of earth for the Illinois and Michigan Canal. In 1837 he urged the building of a road between Lockport and Chicago. That road is still designated Archer Avenue.
4. The letter, dated Nov. 29, 1941, is in the William H. Swift papers, Chicago Historical Society.
5. Oakley was born in Westchester County, N.Y., in 1792; in 1834 he migrated to Tazewell County with the Tremont Colony. He built the first house in Tremont, and he was among the founders of the first bank of Pekin. He was considered a likely successor to Governor Augustus French, but he died in 1849, well before French's term had expired. An avenue in Chicago bears his name.
6. Ryan was a civil engineer and a Democratic state senator from La Salle County.
7. David Leavitt to William H. Swift, March 1847, Canal Commissioners Correspondence, Illinois State Historical Library, Springfield.
8. Leavitt, president of the American Exchange Bank of New York, had invested heavily in canal bonds. He became a canal trustee in 1845.
9. Joel Matteson—Joliet businessman, canal operator, and Democrat—was elected governor in 1852.
10. Feb. 18, 1844, Canal Commissioners Correspondence.
11. Ibid., Wilcox to Leavitt, May 4, 1845, and Oakley to Leavitt.
12. Swift was a graduate of West Point, famous engineer, and prolific writer on canals and railroads. He was an uncle of artist James McNeil Whistler.
13. Jacob Fry was born in Kentucky in 1790 and came to Illinois in 1819. He served in the Black hawk War, in which he earned his military title—which was usually General, but was sometimes more accurately, Colonel. He was appointed Canal Commissioner in 1837 and was the first State Trustee from 1845 to 1847. He went to California during the Gold Rush and later returned to Illinois and served in the Civil War.
14. A lawyer and a Whig, John Davis served Massachusetts as governor, a congressman, and senator.
15. The remarks are cited in Ford to Swift, July 10, 1845, Swift Manuscripts.
16. Ibid., Ford to Swift, June 1, 1847.
17. Ibid., Swift to James Shields, Sept. 10, 1845.
18. Ibid., Gooding to Swift, Jan. 13, 1847.
19. Ibid., Robert Stuart to Swift, Jan. 29, 1847.
20. Ogden to Swift, Feb. 2, 1847, Canal Commissioners Correspondence.

21. Reddick, a native of Ireland, came to Ohio in 1813 at the age of two. After learning the glassblower's trade, in 1835 he came to La Salle County. In 1838 he was elected sheriff and moved to Ottawa. In 1846 he was elected to the Illinois Senate. He was appointed one of the canal lands appraisers in 1848.
22. See Swift Manuscripts.
23. Stuart was born in Scotland in 1810. He joined John Jacob Astor and was sent to Mackinaw as an agent for the American Fur Company. In 1834 he moved to Detroit. He became secretary of the Canal Trustees in 1845.
24. Stuart to Swift, Jan. 13, 1847, Swift Manuscripts.
25. Ibid., The letter is dated Feb. 8, 1847.
26. Ibid., The letter is dated Feb. 17, 1847.
27. Ibid., Leavitt to Swift, Aug. 7, 1847.
28. Ibid., Stuart to Swift, Aug. 11, 1847. Stuart, after reporting his conversation with Ogden, concluded, "How happy the *Sucker State*, to have two such bright geniuses."
29. Davis to Leavitt, Dec. 8, 1847, Canal Commissioners Correspondence.
30. *Chicago Daily Journal*, May 2, 1848.
31. June 3, 1848, Swift Papers.
32. Ibid., Dec. 18, 1850.
33. Ibid., Wells to Swift, Jan. 8, 1851.
34. Ibid., Prescott to Swift, Jan. 30, 1851.
35. Ibid., Prescott to Swift, Feb. 3, 1851.
36. Putnam, pp. 118-119.