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## Canal Agitation at Ohio Falls

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When Indiana became a territory in 1800, it embraced present-day Illinois and Wisconsin, the western half of Michigan, and part of Minnesota. In what is now the Hoosier state a scanty population of about three thousand clustered in the southern part, hugging the Wabash River, the White-water, and the majestic curves of the broad Ohio. *La Belle Rivière* inspired adulation. "By far the noblest river in the universe," said the Kentuckian, Henry McMurtrie.<sup>1</sup> An anonymous observer, rhapsodizing upon fertile plains and lofty forests, saluted the stream: "And thou beautiful Ohio, the littoral [*sic*] boundary of this modern *Paradise*, shall remain an impenetrable barrier to guard this sacred land."<sup>2</sup> Under the spell of the great river, even critical Frances Trollope forgot to complain of mosquitoes, squalid villages, rowdy steamboat passengers, and the horrid American custom of eating with the knife when she remarked: "Were there occasionally a ruined abbey, or feudal castle, to mix the romance of real life with that of nature, the Ohio would be perfect."<sup>3</sup>

Magnificent to contemplate, the wide channel was also an admirable thoroughfare for commerce and travelers all the way down from Pittsburgh, except for a rough stretch of about two miles at Louisville. There, an oblique limestone ledge athwart the flow reared a twenty-two-foot dam, through

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<sup>1</sup> H. McMurtrie, *Sketches of Louisville and Its Environs* (Louisville, Ky., 1819), 6.

<sup>2</sup> *Cincinnati Western Spy and Hamilton Gazette*, September 3, 1799.

<sup>3</sup> Mrs. [Frances Milton] Trollope, *Domestic Manners of the Americans* (2 vols., London, 1832), I, 45.

and over which the current raced at fourteen miles an hour to form the "boiling place," or falls. That observant tourist, Judge James Hall, was impressed by this turbulence: "The ear is stunned with the sound of rushing waters: and the sight of waves dashing, and foaming, and whirling among the rocks and eddies below, is grand and fearful."<sup>4</sup>

Through these rapids were three channels, the best of which was on the Indiana side, known as the "Indian chute" or "shoot." Navigation was possible only in high water, and only by a skillful pilot able to steer through a narrow passage fifteen feet wide between outcroppings capable of ripping the hull out of a boat. Even then some mariners came to grief, as in the disaster of April, 1807, when three ships attempted to run the rapids on a rise. The *John Atkinson* "bore down for the head grand shoot and passed handsomely by, rubbing the rocks two or three times," but the *Rufus King* and *Tuscarora* piled up. "The apparent perilous situation of the crews and gentlemen on board was dreadful; in ships without rudders or keels tumbling from rock to rock and rolling from side to side . . . without a possibility of being relieved from the shore."<sup>5</sup> Before the age of steam a boat was at the mercy of the current; an upstream craft could get through only by paying out a line forward to some solid object on shore, moving ahead hand over hand of all hands on board: a laborious method but sure unless the line parted, as it sometimes did.

Low water prevented all loaded boats, even of light draft, from negotiating the falls, and forced boatmen to portage two miles between Louisville and Shippingport, Kentucky. Shippers paid a handsome fee for cartage of cargo and for extra hands to tow the unloaded boat over to the Indian chute or to reload on another craft at the opposite end. To save labor and expense, skippers needed a safe channel around the falls.

Captain Gilbert Imlay, Revolutionary veteran and adventurer serving as deputy surveyor in Kentucky in 1783, took note of Ohio Falls:

The fall is not more than four or five feet in the distance of a mile; so that boats of any burthen may pass safely when there is a flood, but boats coming up the river must unload, which inconvenience may easily

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<sup>4</sup> James Hall, *Letters From the West* (London, 1823), 186.

<sup>5</sup> Cincinnati *Western Spy and Miami Gazette*, May 18, 1807.

be removed by cutting a canal from the mouth of Beargrass, the upper side of the Rapids, to below the lower reef of rocks, which is not quite two miles, and the country a gentle declivity the whole way.<sup>6</sup>

Colonel Jonathan Williams, after a reconnoissance of the Ohio River in 1801, concluded:

That it would be easy to make a canal is probable, because there seems to be no reasonable apprehension of meeting with rocks in the way . . . and as the whole country, above these falls, to an extent of fifteen hundred miles, is interested in facilitating this passage for its produce, the time may not be far distant when such a measure will be adopted.<sup>7</sup>

Early in the nineteenth century, Indiana and other citizens undertook there the first Hoosier canal venture. A futile effort, confused, impeded by sectional and self-interest, it revealed that digging a two-mile ditch was not so easy as the captain and the colonel had surmised. The instigator of this project was General Benjamin Hovey, a land speculator from New York State who visited Ohio Falls sometime in 1804. A native of Massachusetts, he had at the age of seventeen faced the British regulars at Lexington on that memorable April 19, 1775. After the Revolution he was a pioneer of the town of Oxford in Chenango County, New York, where he became a judge, a brigadier general of militia—from which he resigned after court martial proceedings against him—and a member of the state legislature. He struck up a warm friendship with another assemblyman, Aaron Burr, who probably suggested Hovey's western trip.<sup>8</sup>

After looking over the ground, Hovey reported: "When I first viewed the rapids of the Ohio, it was my object to open a canal on the Louisville side, but on examination I discovered such advantages on the opposite side, that I at once

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<sup>6</sup> Gilbert Imlay, *A Topographical Description of the Western Territory of North America* (London, 1792), quoted in *History of the Ohio Falls Cities and Their Counties* (2 vols., Cleveland, Ohio, 1882), I, 48. See also *Dictionary of American Biography* (22 vols., New York, 1928-1958), IX, 461-464.

<sup>7</sup> Col. Jonathan Williams, *Observations on the Falls of the Ohio* (n.p., n.d.), 334, William H. Smith Library of the Indiana Historical Society, Indianapolis. These observations, headed "West-Point, Oct. 4, 1806," and called *Extracts from the Minutes*, are evidently part of a series of reports, perhaps prepared for the United States' Military Philosophical Society, of which Colonel Williams was president, or for the American Philosophical Society, of which he was a Fellow.

<sup>8</sup> See *The Hovey Book* (n.p., 1913), 150-152, New York State Library, Albany, N.Y.

decided in favor of it.”<sup>9</sup> Perhaps he found that Louisville, though larger and more prosperous than the two-year-old town of Jeffersonville, Indiana, across the river, reaped too rich a harvest from portaging to be interested in a canal. Some years later James Flint observed that because of the falls “being navigable for large craft only during times of high water, Louisville derives great advantage from the carrying trade.”<sup>10</sup> North of the Ohio a settled belief was that these Kentuckians opposed change; during the early nineteenth century, Jeffersonville and Cincinnati editors berated Louisville for thwarting canal efforts in that region.

Hovey surveyed a line of about two and a half miles from the mouth of a ravine east of Jeffersonville through the town to an eddy at the foot of the rapids near Clarksville. By November, 1804, his intentions were clear enough to induce Isaac Bowman, of Jeffersonville, to sell town lots to him provided “the said Benjamin Hovey or his Assigns shall in fact commence the Canal within One Year.”<sup>11</sup> News of Hovey’s intentions no doubt traveled across the river, for on December 19, 1804, the Kentucky legislature chartered the Ohio Canal Company to cut a canal on that side. Capitalized at a modest \$50,000 and permitted to raise \$15,000 by a lottery,<sup>12</sup> this company seemed designed for nuisance value rather than for work on a construction job of unknown cost. Josiah Espy, a tourist from Pennsylvania, wondered “whether the Kentuckians seriously intend opening their canal, or whether it is only intended to impede the process of opening one on the other side. . . .”<sup>13</sup>

<sup>9</sup> *Communication from General Benjamin Hovey to His Associates, relative to Opening a Canal Navigation near the Rapids of the Ohio River, with Sundry Documents therein referred to Marked From No. 1 to 7* (n.p., n.d.), 3, William H. Smith Library of the Indiana Historical Society, Indianapolis.

<sup>10</sup> Reuben Gold Thwaites (ed.), *Early Western Travels, 1748-1846*, Vol. IX, *Flint's Letters From America, 1818-1820* (Cleveland, Ohio, 1904), 160. On sectional rivalry, see Richard C. Wade, “Urban Life in Western America,” *American Historical Review*, LXIV (October, 1958), 19.

<sup>11</sup> Memorandum of November 14, 1804, Hite-Bowman Papers, William H. English Collection, William H. Smith Library of the Indiana Historical Society, Indianapolis.

<sup>12</sup> *History of the Ohio Falls Cities and Their Counties*, I, 215.

<sup>13</sup> Josiah Murdoch Espy, *Memorandum of a Tour Made by Josiah Espy in the States of Ohio and Kentucky and Indiana Territory in 1805* (Cincinnati, Ohio, 1870), 15.

Be that as it may, Hovey went ahead. Armed with endorsements from Davis Floyd and Samuel Gwathmey, of Jeffersonville, and from Jared Mansfield, surveyor general of Ohio and of Indiana Territory, he headed for Washington to seek federal aid. While there, he received an enthusiastic testimonial from General James Wilkinson. This flamboyant adventurer, who became a central figure in the Burr conspiracy, was a dubious character. On his sinuous trail were irregularities in accounts, promotion on the strength of services performed by somebody else, involvement in the Conway cabal against General Washington and in the "Spanish Conspiracy" in Kentucky. Still, his approval of the falls canal sensibly mentioned prospective revenue from tolls and water power and expressed an enlightened hope that the canal might curb "our improvidence with respect to our forests, and the destructive waste of timber" that "will at an early date discourage ship building on the Ohio."<sup>14</sup>

On January 17, 1805, Hovey asked Congress, on behalf of himself and his associates, for either a grant of twenty-five thousand acres in Indiana or pre-emption on a hundred thousand acres for the purpose of building a canal. On January 28 a Senate committee—Jonathan Dayton, of New York; John Smith, of Ohio; John Brown, of Kentucky—reported being "impressed with the practicability of the undertaking, of its vast benefit and importance to our whole country," yet withheld a specific recommendation because the memorialists, "although believed to be highly respectable in point of numbers, character and property, have not yet been regularly organized and incorporated. . . ." <sup>15</sup> Whereupon a meeting of associates at Stelle's Tavern in Washington resolved that Hovey, Wilkinson, and General John Patterson draw up a petition for a charter and present it to the first Indiana territorial legislature, which was to convene in Vincennes on July 29. The meeting also resolved that work on the canal should be started soon, that expenses be shared by associates, and that, pending incorporation, the board of directors should be: Hovey, Daniel Hudson, Josiah Stephens,

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<sup>14</sup> *Communication from General Benjamin Hovey to His Associates*, 7.

<sup>15</sup> *Ibid.*, 12, 9-10.

William Croghan, and Davis Floyd; Samuel Gwathmey was named as treasurer.<sup>16</sup>

Within six months after Hovey left Washington, the three members of the Senate committee had joined forces with him. Wilkinson said that only because of his urging "Mr. Brown was prevailed on, under a degree of apparent indifference, bordering on reluctance, to represent on his own behalf, and that of such citizens of Kentucky as might be disposed to embark in the scheme, after a charter was obtained. . . ." <sup>17</sup> Dayton said that he "yielded to the urgent solicitations of Mr. Browne, General Wilkinson, Hovey and others" and intended to visit Ohio Falls, "when I shall be better able to consider the whole subject, its importance and advantages."<sup>18</sup> Another recruit was the former president of the Senate and vice-president of the United States, Aaron Burr. The mixed motives of these men are impossible to disentangle, though hope of gain was a probable one for all of them. Jonathan Dayton owned two hundred and fifty thousand acres between the Big and Little Miami rivers, a holding that internal improvements would make more valuable. Otherwise, as a close friend of Burr, he was deeply involved in the cloudy affairs of the Burr conspiracy. Senator John Smith, speculator and trader, was also an active Burr partisan. Both senators were later indicted for treason but, like other defendants, escaped conviction. Of the senatorial trio John Brown was probably least involved, yet he was no stranger to intrigue, having collaborated with Wilkinson in the Spanish conspiracy. Brown remained friendly to Burr throughout this disturbing episode, but he professed to be a strong Jefferson man, and he was not indicted for treason.<sup>19</sup>

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<sup>16</sup> *Ibid.*, 3. General John Patterson was a congressman from New York. Josiah Stephens was said to be one of the most active canal promoters. William Croghan, a major in the Revolution, was a brother-in-law of George Rogers Clark. Samuel Gwathmey, another Clark brother-in-law, was one of the surveyors and trustees of Jeffersonville. On expenses, Wilkinson said that "to commence the operation, the parties [how many is not stated] agreed to advance 300 dollars each." See letter from James Wilkinson, written February 20, 1806, to the Corydon *Indiana Gazette*, reprinted in *Cincinnati Liberty Hall and Cincinnati Mercury*, April 14, 1806.

<sup>17</sup> *Cincinnati Liberty Hall and Cincinnati Mercury*, April 14, 1806.

<sup>18</sup> Jonathan Dayton to William Simmons, June 2, 1805, in General James Wilkinson, *Memoirs of My Own Times* (3 vols., Philadelphia, 1816), II, 275. Dr. Joseph Browne was a brother-in-law of Aaron Burr.

<sup>19</sup> See Thomas Perkins Abernethy, *The Burr Conspiracy* (New York, 1954), 22, 27, 28, 39, 98, 157-158, 240, 248, 262.

As for Burr himself, neither the evidence at his trial in 1807, nor the scholarship of a hundred years has fully clarified his purposes. In his *Memoirs* Wilkinson said:

I must . . . at that time [1805], have believed, that Burr was about to engage, in the peaceful pursuits of civil life. The value of the contemplated canal, depended upon the continuation of the peace of the western country. In times of civil commotion, it would have been worth nothing to the stockholders; and if Burr had at that time, other views, and only held up this scheme to the public, to lull suspicion, while his plans were maturing, he carefully concealed his design from me.<sup>20</sup>

Perhaps. But historians have generally distrusted Wilkinson's recollections. In the past century, verdicts on Burr have represented him both as a maligned patriot guiltless of sinister design and as a traitor bent on disrupting the Union.

Whatever his intentions, an impression of stagey conspiracy was in the air. Letters written in cipher, cryptic remarks, and mysterious movements created uneasy suspicion. "Burr," said Washington Irving, "was full of petty mystery; he made a mystery of everything."<sup>21</sup> A Cincinnati news story of November, 1806, reflected tension in its report of two boats descending the Ohio, loaded with French muskets and ordnance and manned by French crews who passed every town in the dark of night. "Burr's arriving here on the same evening," said the paper, "gives it rather a *squally appearance*."<sup>22</sup> The same issue headed "Ominous" the story of "a gentleman, apparently an officer of rank," who "declared in this town a day or two past, that col. Burr had been noticed, and would be required in a very short time to account to the United States for his conduct."<sup>23</sup>

In this atmosphere of distrustful uncertainty Burr, Dayton, Brown, Smith, and Wilkinson joined the Ohio Falls canal enterprise. Thereafter General Hovey became a secondary figure, no more than a superintendent taking orders from his Washington associates. At the outset he had had serious intentions, having asked Benjamin Latrobe, famous Washington architect, to be chief engineer of the falls canal and to hire five hundred men. Latrobe, however, did no more than take preliminary steps, and he did not visit the site.<sup>24</sup>

<sup>20</sup> Wilkinson, *Memoirs of My Own Times*, II, 274.

<sup>21</sup> Pierre M. Irving, *Life and Letters of Washington Irving* (4 vols., New York, 1862), IV, 301.

<sup>22</sup> Cincinnati *Western Spy and Miami Gazette*, November 25, 1806.

<sup>23</sup> *Ibid.*

<sup>24</sup> Abernethy, *The Burr Conspiracy*, 20.

No evidence has been found to show that either he or anyone else produced a plan or estimate of cost. In the spring of 1805 Burr and Wilkinson stopped at Ohio Falls, where Wilkinson was said to have talked noisily about making a fortune out of the canal, to have expressed doubts of Hovey's integrity, and voiced a hope of enlisting the support of Governor William Henry Harrison.<sup>25</sup> But the Governor remained aloof, and whether Burr or Wilkinson took at the time any practical steps to further the canal scheme is not known.

Yet some among the canal associates must have bestirred themselves, for on August 6 when Hovey presented to the Indiana legislature his petition for incorporation, it responded with a bill approved on August 24 incorporating the Indiana Canal Company. A long act of incorporation implied that canal men or lawmakers or both had given careful thought to the business. The law specified that: the capital stock be twenty thousand shares at \$50 each; the company might accept from the United States or from any state donations of money or land; the company might invest any part of its capital in the public debt of the United States or of any state; when \$100,000 in gold or silver had been accumulated, the company was entitled to issue promissory notes not to exceed double the funds on hand; work on the canal commence within nine months from the passage of the act and be completed by December 1, 1811; the board of directors be: George Rogers Clark, John Brown, Jonathan Dayton, Aaron Burr, Benjamin Hovey, Davis Floyd, Josiah Stephens, William Croghan, John Gwathmey, John Harrison, Marston G. Clark, and Samuel C. Vance.<sup>26</sup>

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<sup>25</sup> Extract from Captain George Peter's Deposition," Wilkinson, *Memoirs of My Own Times*, II, Appendix No. LXVII, n.p.

<sup>26</sup> See *The Laws of the Indiana Territory, 1801-1806, Inclusive* (Paoli, Ind., 1886), 94-108; Gayle Thornbrough and Dorothy Riker (eds.), *Journals of the General Assembly of Indiana Territory, 1805-1815* (*Indiana Historical Collections*, Vol. XXXII; Indianapolis, Ind., 1950), 63-64, 89, 94. George Rogers Clark, Indian fighter and brigadier general in the Continental army, was best known for military exploits in the territory, one of most dramatic being the march on Kaskaskia and Vincennes with a small force that captured those places from the British in 1778-1779. John Gwathmey laid out the town of Jeffersonville. John Cleves Symmes Harrison, son of Governor William Henry Harrison, was a receiver of public money at the land office in Vincennes. Marston G. Clark, of Salem, having served under General Anthony Wayne, had also been major of militia and aide to General Harrison in the Tippecanoe campaign. Samuel C. Vance was proprietor and prominent citizen of Lawrenceburg.



Of that group another Burr ally was Davis Floyd. A successful lawyer and tavern keeper, he was a political favorite of Governor Harrison, but lost favor because of his part in the Burr conspiracy. As Burr's Jeffersonville agent, Floyd, together with Robert A. New, recruited two boatloads of men for the filibuster and collected about forty muskets. Later indicted for treason, he escaped by a *nolle prosequi*; locally indicted for high misdemeanor, he was convicted, fined \$10, and jailed for three hours. If he lost caste with the Governor, he remained popular with legislators who, while he was under indictment, elected him clerk of the house.<sup>27</sup> "What could posses [*sic*] the men who voted for him?" asked the Vincennes *Western Sun*: "Surely they were bewitched, bewatled or discomgarigomfrigated. Its clear enough they were infected with the Burrrite mania."<sup>28</sup> That puzzled comment shows the strength of the Burrrite mania, which stirred powerful feelings for and against. Aided by staunch friends and assailed by bitter enemies, Burr moved continually in an aura of glamour and brimstone.

Perhaps Burr took advantage of the liberal canal charter to induce company directors to organize a bank for issuing promissory notes and to buy stock in the Kentucky Insurance Company, from which he negotiated a loan of \$25,000.<sup>29</sup> Possibly these moves were not intended to advance the canal but only to further Burr's purposes, whatever they were. Nevertheless, if beneath the surface of canal affairs were the muffled indirection and murky motives typical of Burr, some directors and onlookers believed that the company expected to dig a canal. By October, 1805, subscriptions had risen to \$120,000 "subscribed by men of the first standing in the Union," according to Josiah Espy. He went on to say:

When the canal is finished the company intend erecting . . . water works, for which they say the place is highly calculated. From these it is expected that more wealth will flow into the coffers of the company

<sup>27</sup> See Logan Esarey, *History of Indiana* (2 vols., Dayton, Ohio, 1928), I, 202; Jacob Piatt Dunn, *Indiana and Indianans* (5 vols., New York, 1919), I, 298; Abernethy, *The Burr Conspiracy*, 72, 88, 115, 240, 263. Robert A. New became the first Indiana secretary of state in 1816.

<sup>28</sup> Vincennes *Western Sun*, November 25, 1807. For a detailed account of the Burr episode in Indiana, see Isaac J. Cox, "The Burr Conspiracy in Indiana," *Indiana Magazine of History*, XXV (December, 1929), 257-280.

<sup>29</sup> See Abernethy, *The Burr Conspiracy*, 22-23; Cox, "The Burr Conspiracy in Indiana," *Indiana Magazine of History*, XXV (December, 1929), 265.

than from the passage of vessels. . . . If these expectations should be realized, there remains but little doubt the falls of the Ohio will become the centre of wealth of the Western World.<sup>30</sup>

That rosy forecast was typical of the optimism of ardent internal improvements men, yet how many company directors shared it is impossible to say.

The Kentucky canal company countered with a manifesto dismissing Hovey's plan as misguided:

As nature has not given a single advantage to the opposite, over the side of Louisville, 'tis presumed, that those advantages which he discovered so suddenly will as suddenly disappear . . . . to the pre-eminence of the side of Kentucky, all competition must yield, however mighty may be the struggle of speculation.<sup>31</sup>

Surveys were made on the south bank, but no channel was cut on either side, nor is there available evidence that anybody lifted a hand to dig one shovelful of earth. As a canal and power project, the Indiana effort was a fiasco. General Hovey, who had put into the company a good deal of his own money, retired in disgust and settled somewhere near Lake Erie, as if he could not face returning defeated to his home town of Oxford, New York.<sup>32</sup> He seems to have been one promoter whose mind was set on a canal, but who could not prevent Burrites from seizing control. Burr was soon enmeshed in complications that forced the canal company into the background. What he had expected of it, besides money, is no more clear than his expectations in other inscrutable stratagems.

After the collapse at Ohio Falls, Hoosiers regarded internal improvements with an indifference that looked like inertia. A Vincennes citizen addressed a chiding letter "To the Friends of Improvement":

There is an apathy pervading this country in every thing that regards its improvement, that is astonishing. Intersected with fine navigable streams, possessing a productive soil, and a delightful climate, it is susceptible [*sic*] of as great and rapid improvement, as any other in the union. . . . Not an article of our surplus produce is purchased for

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<sup>30</sup> Espy, *Memorandum of a Tour . . . in 1805*, 14.

<sup>31</sup> *Proceedings of the Managers of the Ohio Canal Co., Louisville, Sept. 11, 1805* (Lexington, Ky., 1805), 15, 19.

<sup>32</sup> See *The Hovey Book*, 152.

exportation; and our money is exchanged for paltry gew-gaws, that, not unfrequently, render our appearance ridiculous—some say there is no produce to be purchased—I fear this is too much the case— I have often seen flour, bacon, and large quantities of whiskey brought from Kentucky.<sup>33</sup>

The rebuke was timely, yet the spirit of enterprise would not slumber indefinitely in a fruitful region attractive to settlers. They came from the south and floated by the boatload down the Ohio.

In January, 1815, Loammi Baldwin, a Boston engineer, surveyed the Kentucky route for the Ohio Canal Company. His estimate of \$240,000 convinced Kentuckians that their side was preferable to the Indiana side.<sup>34</sup> Cincinnati papers implied that Baldwin's estimate was biased, and the *Western Spy*, pointing out the rock-cutting necessary on the Kentucky side, concluded that "the Indiana side must therefore have the advantage in point of economy as well as eligibility."<sup>35</sup> The Lexington, Kentucky, *Reporter* argued for opening the river channel by blasting out the rock ledges:

Gentlemen of the best information, who have resided at Louisville, estimate the expense of opening the channel on the Indiana side at less than sixty thousand dollars, and probably not *half* that amount! Some of the Pilots . . . are of opinion that a channel which would be navigable at all seasons, might be opened for less than *ten* thousand dollars!<sup>36</sup>

This idea did not at the moment find favor, and the canal situation remained muddled.

In the sectional wrangling the principal antagonists were Louisville and Cincinnati. But Indiana internal improvements sentiment, if temporarily stalled, was about to gather head. When the territory became the nineteenth state in 1816, the population had increased to well over sixty-five thousand, and towns were increasing in number and size. Corydon, territorial capital and first state capital, had an imposing limestone courthouse forty feet square that housed the legislature. During sessions the town might be crowded by as many as eighty visitors. Jeffersonville had some fifty

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<sup>33</sup> Vincennes *Western Sun*, March 25, 1809.

<sup>34</sup> *Niles Weekly Register*, XI (February 22, 1817), 432; Cincinnati *Western Spy*, May 9, 1817.

<sup>35</sup> Cincinnati *Western Spy*, March 28, 1817.

<sup>36</sup> Lexington, Kentucky, *Reporter*, n.d., reprinted in Cincinnati *Western Spy*, December 20, 1816.

houses, a dozen stores, and two taverns. New Albany, its younger but faster-growing neighbor, was larger and busier; on the ways there was the *Ohio*, first steamboat to be built in this region.<sup>37</sup> Around Vevay, a picturesque village of brick dwellings adorned with climbing roses and honeysuckle, Swiss families under the benevolent patriarchy of John James Du-four cultivated twenty-five hundred acres of vineyards that produced vintages prized by such connoisseurs as Henry Clay. "We principally remarked the blue or Cape grape," said Timothy Flint, "and the Madeira grape. The wine of the former has been compared to the Claret of Bordeaux."<sup>38</sup> The county there was appropriately named Switzerland.

Brookville, county seat of Franklin County on the White-water River, had about seventy frame houses and "a very civil & commodious Inn," according to Enoch Honeywell, a traveler who stopped there over a month on a leisurely journey from New York to New Orleans. He also said:

Land for a considerable distance round here is verry level, rich & handsome timbered with beach, maple, black walnut, hickory, oak . . . improved farms worth from \$6 to \$10 per acre, thence rode across the woods . . . to Conners ville . . . no road except the one which I crossed, the people are chiefly south Carolinians, but they are poor farmers & an ignorant indolent set, though verry clever & friendly.<sup>39</sup>

At Harmony, settled by Harmonists under the leadership of George Rapp, French horns awakened communal workers who, dressed like Norman peasants, marched to the wheat harvest behind a brass band. Travelers, who made a point of visiting this communistic colony, remarked upon its industry, flourishing vineyards, and wool manufactory that produced fine merino cloth. One Britisher recorded pleased surprise at

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<sup>37</sup> See Dunn, *Indiana and Indianans*, I, 288, 295; Thwaites, *Early Western Travels, 1748-1846*, IX, 164; Harlow Lindley (ed.), *Indiana as Seen by Early Travelers: A Collection of Reprints from Books of Travel, Letters, and Diaries Prior to 1830* (*Indiana Historical Collections*, [Vol. III]; Indianapolis, Ind., 1916), 46-47, 157; *History of the Ohio Falls Cities and Their Counties*, II, 147-148.

<sup>38</sup> Lindley, *Indiana as Seen by Early Travelers*, 155-156, 449; Logan Esarey, *A History of Indiana: From its Exploration to 1850* (Indianapolis, Ind., 1915), 240; Charles Roll, *Indiana: One Hundred and Fifty Years of American Development* (5 vols., Chicago, Ill., 1931), I, 257-258.

<sup>39</sup> Enoch Honeywell Diary, June 8, July 29, 1816. This diary, which Honeywell kept from 1815-1820, is in the Manuscripts Division, Indiana State Library, Indianapolis.

finding order, cleanliness, and high quality home-brewed porter and beer.<sup>40</sup>

The spirit of enterprise was not dead in Indiana, but only collecting itself. If some farmers were ignorant and indolent, if some distillers could not produce more whiskey than they needed themselves, the Indiana potential was yet good. With the coming of statehood, Ohio Falls canalng got its second wind. By the time Governor Jonathan Jennings delivered his message to the first state legislature on November 7, 1816, Hoosier canal advocates were ready for another try. This time they were mainly residents of Clark County, they were not diverted by conspiratorial plots, and they plainly intended to dig a canal. The leaders were John Bigelow and Samuel Beach. On January 3, 1817, they obtained from the legislature a charter for the Ohio Canal Company to be incorporated with a capital stock of \$1,000,000, twenty thousand shares at \$50 each. Liberal provisions conferred power of eminent domain, allowed the company to double the capital, permitted it to receive donations from the United States or from any state, exempted the property from taxation until completion of the canal, and specified that the job be finished by December 1, 1822. A less liberal provision fixed by legislative action definite canal tolls. The act named as directors Bigelow, Beach, James Lemon, Samuel Gwathmey, James Scott, Nathaniel Scribner, and Nathan Cromwell.<sup>41</sup> The directors resolved: that work should start when five thousand shares had been sold, that an agent and three commissioners oversee sales wherever books were opened, that not over a thousand shares be subscribed at any one place without instructions from the board of directors.<sup>42</sup>

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<sup>40</sup> Thwaites, *Early Western Travels, 1748-1846*, Vol. X (Cleveland, Ohio, 1904), 98-100; *ibid.*, 53; John S. Duss, "Harmonie on the Wabash 1815-1825," *The Harmonists* (Harrisburg, Pa., 1943), 36-61; Lindley, *Indiana as Seen by Early Travelers*, 162.

<sup>41</sup> Indiana, *Laws* (1816-1817), 219-228; Indiana, *Journal of the House of Representatives*, 1st Sess. (1816-1817), 118; Indiana *Journal of the Senate*, 1st Sess. (1816-1817), 88. James Lemon, a Clark County justice of the peace, was a popular militia officer who had served under George Rogers Clark. James Scott, known as an able lawyer and good scholar, had been in the territorial legislature; he was a member of the first state general assembly from Wayne County, and a delegate to the convention that framed the first state constitution. Nathaniel Scribner was one of three brothers from New York who founded New Albany. Nathan Cromwell was a lawyer from Daviess County.

<sup>42</sup> *Cincinnati Liberty Hall and Cincinnati Gazette*, March 24, 1817.

Cincinnati exuberantly hailed the new company. The town was the right place for action. Called "*the hot bed of projects*," Cincinnati was described as a city where "three citizens never meet but one or other immediately offers a book and pen for subscription to some new 'project.'"<sup>43</sup> Its vigor, public spirit, and men of means augured well for the canal company. Books were opened there in March, 1817, under the supervision of three prominent citizens as commissioners: Dr. Daniel Drake, Ethan Stone, and Isaac G. Burnet.<sup>44</sup> Prospective buyers found, however, that the proposed canal did not offer enough inducements to attract capital, chiefly because the Indiana act had fixed tolls too low to promise an adequate return. Hence, the campaign to sell stock scarcely got off the ground. By May the *Liberty Hall and Cincinnati Gazette* hoped that the Indiana legislature would "at their next session add such provisions to the law as will afford an inducement to men of *wealth* and *enterprise* to engage in it."<sup>45</sup> And the same paper later made the realistic comment: "He who calculates upon a spirit of patriotism alone to accomplish a great national work will most assuredly be disappointed."<sup>46</sup> A Cincinnati canal meeting appointed a committee of five, who pointedly nudged Indiana by resolving that more inducements should be offered investors, that tolls should be raised, that the state consider adopting a lottery to raise money.<sup>47</sup>

William Lytle, an energetic trader of Cincinnati, had an Ohio Falls canal on his mind when he restated an old shippers' grievance in 1817:

The Toll for passing a flat boat through the Canal would be from 4 to 10 Dollars, and the merchants of Cincinnati and else where assure me they would prefer paying [one?] from 4[00] to 600 dollars per Barge or Steam Boat rather than unload be low the falls and drag their Boats over the rapids, and I think more than forty in that business

<sup>43</sup> *Ibid.*, March 2, 1818.

<sup>44</sup> *Ibid.*, March 24, 1817. Dr. Daniel Drake, author of books medical and historical, was the founder of the Cincinnati Lancastrian Seminary, and he became president of Ohio Medical College. Known as the father of Ohio physicians, he was a public-spirited man interested in all reforms. Ethan Stone, another public-spirited citizen, was known as a patriot and orator. Isaac G. Burnet became the first mayor of the city of Cincinnati in 1819.

<sup>45</sup> Cincinnati *Liberty Hall and Cincinnati Gazette*, May 20, 1817.

<sup>46</sup> *Ibid.*, October 6, 1817.

<sup>47</sup> Cincinnati *Western Spy*, December 26, 1817.

have offered to bind themselves & Heirs to pay it for every loaded Barge or Steam Boat coming up which would amount to a vast sum in the round of 12 months. . . .<sup>48</sup>

In contrast to Cincinnati's committee of five which extended advice to Indiana about how to make progress on its canal, Lytle was not thinking about the Indiana canal but still had his attention on a canal on the Kentucky side. As the owner of three thousand acres on which he founded Portland, Kentucky, a likely canal terminus near Louisville, Lytle had a vital interest in a ditch on the south side. Forthrightly he said:

If I could command my debts now due me I would open that canal my self, as I am of opinion it offers a fairer prospect for accumulating a vast and inexostible scorce of welth beyond any king either Europe or America can offer at this day and which will increase for perhaps 1000 years to come.<sup>49</sup>

As inactive months went by without progress on Indiana's canal, the Cincinnati *Western Spy*, summarizing a Troy, New York, story of the rapid progress on De Witt Clinton's great 362-mile Erie Canal, said bitterly:

If this statement be correct, it must certainly prove a want of public spirit and enterprize in our own section of the country, to see so little prospect of having a Canal of *only two miles* cut around the Falls of the Ohio. . . . But to effect this object the same measures must be taken here that were in New-York. The Legislatures of, at least, Indiana and Ohio, (for it seems Kentucky will not,) must make the cause their own . . . by a mutual co-operation they may easily effect it.<sup>50</sup>

Cooperation seemed sensible, but nothing came of it. Kentucky, despite the sneer of the *Spy*, had made a gesture in that direction, its lieutenant governor having recommended in January, 1817, that the legislature appoint commissioners to examine Ohio Falls, submit an estimate of the cost of a canal, and communicate with the governors of Pennsylvania, Virginia, Ohio, and Indiana. The Ohio legislature approved a resolution recommending a joint canal commission from

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<sup>48</sup> William Lytle to David McClelland, August 2, 1817, Lytle Papers, Historical and Philosophical Society of Ohio, University of Cincinnati Library, Cincinnati, Ohio. Known as the "General," William Lytle had emigrated from Pennsylvania to the neighborhood of Lexington, Kentucky, in 1779; about 1809 he moved to Cincinnati because he did not want his wife, who had been brought up with cultural advantages, to languish in a backward town. See Charles Livingood MS, The Lytle Book, Lytle Papers, Historical and Philosophical Society of Ohio, Cincinnati.

<sup>49</sup> William Lytle to David McClelland, August 2, 1817, Lytle Papers.

<sup>50</sup> Cincinnati *Western Spy*, October 17, 1817.

those several states.<sup>51</sup> Pennsylvania had also acted. Governor Jennings, in his annual message to the Indiana assembly on December 2, 1817, remarked that he had received

a resolution from the governor of Pennsylvania, appointing a commissioner on the part of that state, to meet such commissioners as may have been, or shall be appointed on behalf of the states of Ohio, Virginia, Kentucky and Indiana, or either of them, to examine the obstructions in the Ohio river, and estimate the probable expence that would attend their removal; each of which will be submitted for your consideration.<sup>52</sup>

Hoosier solons did not respond to this invitation, nor did cooperation ever succeed, perhaps because many believed then, as they do now, that government was too inefficient to meddle with business that was the preserve of private enterprise. Commenting on such views, a Cincinnati editor said several years later: "Upon their reasoning and principles, not a road, not a bridge, nor a canal, could ever be made at public expense. We should remain forever in a state of poverty, depression and rudeness."<sup>53</sup> William Lytle, that hardy Cincinnati operator, expressed the attitude of the rugged individualist when he wrote to a correspondent in late 1817:

I have handed in a Petition to the upper house [of the Kentucky legislature] for a law in favour of a canal round the Falls of the Ohio. My motive for it at this moment is to prevent the People of Indiana & the State of Ohio going into the measure, as they are making great exertions and have charged their members of Congress on that point.<sup>54</sup>

The Lexington, Kentucky, *Reporter* had observed that, although Ohio, Kentucky, and Indiana had a common interest in a falls canal, the project properly belonged to Indiana and Kentucky—"and particularly to Kentucky as the superior in age and resources, to take a leading part in accomplishing the common object."<sup>55</sup>

Thus canaling threshed around in a familiar morass of sectional and self-interest. Governor Jennings himself was apparently lukewarm toward cooperation with other states, for he dwelt upon the plight of Indiana's Ohio Canal Company:

<sup>51</sup> *Ibid.*, January 31, 1817, January 3, 1818.

<sup>52</sup> Indiana, *Journal of the Senate*, 2nd Sess. (1817-1818), 8.

<sup>53</sup> Cincinnati *Liberty Hall and Cincinnati Gazette*, January 7, 1825.

<sup>54</sup> William Lytle to John Rowan, December 10, 1817, Lytle Papers.

<sup>55</sup> Lexington, Kentucky, *Reporter*, n.d., reprinted in Cincinnati *Western Spy*, December 20, 1816.



The act of the last session, incorporating a canal company for the accomplishment of this great object, has been found insufficient, and not so liberal in its provisions, as to ensure the attention of capitalists; . . . and it will be with you to determine, whether it shall undergo the necessary alterations, or whether this first effort of the state, for internal improvement, shall fail for want of public patronage.<sup>56</sup>

Lawmakers complied with a charter, approved on January 28, 1818, for the Jeffersonville Ohio Canal Company. On a revamped board of directors were: Benjamin Parke, Jacob Burnet, James Scott, Christopher Harrison, John Paul, William Prince, and Stephen Ludlow. The new law retained most of the provisions of the previous one and added an authorization to raise \$100,000 by a lottery, one-half of which should be used to buy company stock for the state. Thus for the first time, and while yet in its infancy, the Indiana government indicated a willingness to have a financial stake in a canal. Other new provisions stipulated that the canal be navigable by December 1, 1824, and allowed the company to regulate canal tolls without legislative action.<sup>57</sup>

Seeking federal aid, William Hendricks, sole United States congressman from Indiana, introduced in March, 1818, a resolution asking the committee on roads and canals to look into the desirability of instructing the secretary of the treasury to subscribe on behalf of the United States for up to six thousand shares in the Jeffersonville Ohio Company. But

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<sup>56</sup> Indiana, *Journal of the Senate*, 2nd Sess. (1817-1818), 8.

<sup>57</sup> Indiana, *Special Acts* (1817-1818), 57-67; Indiana, *Journal of the House of Representatives*, 2nd Sess. (1817-1818), 212-213, 251; Indiana, *Journal of the Senate*, 2nd Sess. (1817-1818), 163, 208. The bill had some trouble in the house, but it passed there by a vote of 21 to 7. Benjamin Parke, of Salem, had served in the Tippecanoe campaign, as territorial member of Congress, and as delegate to the state constitutional convention; an eminent jurist, he was a scholar who fostered public libraries in Vincennes and Corydon, the latter becoming the nucleus of the Indiana State Library. Jacob Burnet, a leading citizen of Cincinnati, was lawyer, banker, and legislator, bank president, president of the Astronomical Society of Cincinnati, president of Cincinnati College, and president of Ohio Medical College. Christopher Harrison, of Salem, was lieutenant governor of the first Indiana state government; his most startling official act was to take over the governorship when Governor Jennings was absent on an Indian treaty mission, but when the legislature confirmed Jennings, Harrison resigned. John Paul, proprietor of Madison, served under George Rogers Clark, as a delegate to the Indiana constitutional convention, and as a member from Switzerland County of the first Indiana General Assembly. William Prince, of Gibson County, was a captain in the Tippecanoe campaign, served in the War of 1812, became a judge, and was later elected to Congress, but died before completing his term. Stephen Ludlow, one of the first settlers of Lawrenceburg, was on the commission that located a new state capital in 1820.

Congress spent so much time debating the constitutionality of such grants that the committee never reported, and no federal subscription materialized.<sup>58</sup> The privilege of regulating tolls was useful in figuring paper profits, but at the moment there was no canal on which to collect tolls.

The lottery, however, looked lucrative. As a common money-raising device, appealing as always to the hope of getting something for nothing, it was a great favorite. There were canal lotteries, town lotteries, and lotteries to raise money for businesses, lodges, academies, and churches. The Jeffersonville-Ohio gamble offered 20,000 tickets at \$6 each. Of these, 13,658 were blanks, and 6,342 were good for prizes. Six thousand of those returned the buyer only his six dollars, two hundred paid \$50 each, one hundred paid \$100, twenty paid \$500, and so on in decreasing numbers up to one grand prize of \$20,000 to be won by the first ticket drawn on the last day of drawing. All prizes of \$100 and over were to be paid one-half in cash, less 15 per cent, one-half in stock of the company—except eight stationary prizes of \$500 each to be paid entirely in stock.<sup>59</sup> The holder had one chance in about eighty-five of getting back more than the price of his ticket, and about one chance in three of getting anything.

The righteous frowned upon this gaming plan advertised: "By the authority of the State of Indiana." One indignant critic sternly reprehended

the impropriety and injurious tendency of similar acts of government, whose attention should be directed to repress, rather than inflame, that direful passion for the doctrine of chances, which is already too strong in every country, and which in the end, induces nothing but misery and despair, in those who unfortunately become its slaves. . . .<sup>60</sup>

The answer to that could have been that anybody inflamed by the possibilities of this canal lottery was too combustible to be fireproofed. A Cincinnati editor had editorialized in a masterful defense of lotteries that neatly walked the tightrope of morality:

That an indiscriminate license of private lotteries would be in a high degree injurious to society, is a point which will not be controverted, it would create a system of speculation and fraud that would in a short

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<sup>58</sup> Logan Esarey (ed.), *Governors Messages and Letters* (3 vols., *Indiana Historical Collections*, Vols. VII, IX, XII; Indianapolis, Ind., 1922-1924), III, 306.

<sup>59</sup> Brookville *Enquirer and Indiana Telegraph*, February 5, 1819.

<sup>60</sup> McMurtrie, *Sketches of Louisville and Its Environs*, 191.

time reduce the art of swindling to a science. . . . It is not our wish . . . to unbind the wholesome ligaments of moral restraint; they are loose enough in any state of society, but we should regret to see Indiana sacrifice so great an object to an erroneous sentiment.<sup>61</sup>

Moral sentiment did not prevail, yet state endorsement of the lottery was hardly consistent with an act "for the prevention of Gaming" passed at the first session of the state legislature. Among other culprits, it singled out for fining "persons playing at any game or wager."<sup>62</sup> Possibly government was not considered a person.

Aside from pious mutterings, the confusing pattern of events unrolled like a rerun of an old picture. As before, Kentucky immediately retaliated, in early 1818, by incorporating the Kentucky Ohio Canal Company. Among its twelve commissioners were the formidable William Lytle and John Gwathmey, former director of the Indiana Canal Company. Kentuckians forehandedly reserved five hundred shares of stock each for the United States, Kentucky, Pennsylvania, and Virginia, but from this preferred list conspicuously omitted Ohio and Indiana. Evidently the hoped-for buyers did not step up, for when the Kentucky company opened its books in late April, Cincinnati papers observed with smug satisfaction that not a single share was sold.<sup>63</sup> The flurry in Kentucky, said the *Liberty Hall and Cincinnati Gazette*,

is a mere feint, and we are disposed to give the people of Louisville credit for the dexterity of their movements. They are determined to have no canal. . . . The future growth of the town depends upon the existence of the obstruction: remove it and Louisville dwindles into insignificance; the very unwholesomeness of its atmosphere, after the stir of business had subsided, would make it a deserted village.<sup>64</sup>

In Cincinnati, canal ardor topped that of the previous year. When the Jeffersonville Ohio Company opened its books there in April, a booming meeting subscribed for a thousand shares and appointed a two-man committee for each ward of the city to make a door-to-door canvass. All that despite the curious circumstance that the company—notwithstanding it

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<sup>61</sup> Cincinnati *Liberty Hall and Cincinnati Gazette*, n.d., reprinted in the *Madison Indiana Republican*, October 25, 1817.

<sup>62</sup> Indiana, *Laws* (1816-1817), 92-98.

<sup>63</sup> See Cincinnati *Western Spy*, March 14, May 9, 1818; Cincinnati *Liberty Hall and Cincinnati Gazette*, March 18, May 6, 1818.

<sup>64</sup> Cincinnati *Liberty Hall and Cincinnati Gazette*, March 18, 1818.

was reported to have engaged James Flint as engineer—had no plan to submit and no estimate of cost. The subscriber flew blind under adverse conditions described as “so discouraging, that nothing but the most determined public spirit could have surmounted [them].”<sup>65</sup>

A complication occurred at a July meeting in Jeffersonville, when it developed that speculators (whether within the company or outside is not clear) were buying land on the proposed canal route with a view of profiting at the expense of the company. This disclosure, added to lack of plan and estimate, led Cincinnati subscribers to withhold their subscriptions and to appoint a committee to engage an engineer “to examine the obstructions in the bed of the river at the falls, to ascertain the practicability of removing them, and the probable expense of doing it.”<sup>66</sup>

It is strange that these technicalities of plan and estimate, which should have preceded all other effort, should only so belatedly have been considered. A few months later the news was that Captain William Green, of Cincinnati, “is *now* employed in drawing out plans for the locks, and making a general estimate of the expense.”<sup>67</sup> Why Captain Green rather than the company’s engineer should have done these tasks is as puzzling as other haphazard aspects of this undertaking. Still, the notice referring to Green is the first specific one mentioning plan or estimate and came nine months after the company had been incorporated; nevertheless, apparently no estimate was published. Cincinnati subscribers were so disturbed that they were said to be dallying with the thought of joining the Kentucky forces. Such a move, said the *Liberty Hall and Cincinnati Gazette*, would be “tantamount to a total abandonment of an enterprize involving the best interests of a large portion of the western country . . . the Louisville people will never be driven into the project of digging a canal; every consideration of interest is opposed to the idea.”<sup>68</sup>

Into the middle of confused uncertainty the Louisville *Public Advertiser* tossed a wide-eyed disclaimer:

<sup>65</sup> *Ibid.*, March 25, May 20, June 23, 1818; Cincinnati *Western Spy*, May 16, 1818.

<sup>66</sup> Cincinnati *Western Spy*, July 25, 1818; see also the *Western Spy* of July 13, 1818; Cincinnati *Liberty Hall and Cincinnati Gazette*, July 14, 1818; Madison *Indiana Republican*, August 15, 1818.

<sup>67</sup> Cincinnati *Western Spy*, October 10, 1818.

<sup>68</sup> Cincinnati *Liberty Hall and Cincinnati Gazette*, July 14, 1818.

"The fact is, that we are really anxious to see the canal round the falls—to see the steam boats . . . discharging their cargoes at our doors at all seasons of the year. . . . If the people of Cincinnati really want a canal around the falls, they may convince the public of their sincerity, by assisting the people of this place in the construction of it. But if they withhold such assistance, all the bustle they have heretofore made, will be viewed as the offspring of jealousy."<sup>69</sup>

Notwithstanding this gambit in the sectional cold war, Cincinnati canal adherents stood by the Jeffersonville Ohio Company. The problem of land speculation and other difficulties must have been adjusted, for in the fall Cincinnati subscribers reaffirmed their loyalty by resubscribing \$70,000.<sup>70</sup> In Indiana, Lieutenant Governor Christopher Harrison (claiming to be governor) said to the Indiana legislature on December 9, 1818:

The success which has attended the exertions of the Jeffersonville Ohio Canal Company, affords the flattering prospect of a speedy commencement, upon the great object for which the corporation was created, and presents still stronger claims upon the General Assembly to aid its ultimate execution.<sup>71</sup>

True enough, work was actually about to commence. At a meeting in Jeffersonville in March, 1819, canal directors announced that digging would begin on the first Monday in May, and that they expected "to procure a manager and many of the undertakers from the state of New-York, who have been engaged in the stupendous canal of that state."<sup>72</sup> Contemporary reports do not identify these experts from out of town or reveal whether or not they ever showed up.

In late April, John Bigelow, not a man to be caught unprepared for a proper celebration of the event, wrote to John Francis Dufour:

I enclose you \$15 to purchase some Vevay wine that which is unmixed by any kind of preparation would be preferred [*sic*] please to get the best you can of that discription [*sic*] it would be better to be put in a cask that had been used for wine before. On the first Monday in next month we commence the canal and I should be very glad to

<sup>69</sup> Louisville *Public Advertiser*, n.d., reprinted in Cincinnati *Western Spy*, August 15, 1818.

<sup>70</sup> Cincinnati *Liberty Hall and Cincinnati Gazette*, November 3, 1818.

<sup>71</sup> Indiana, *Journal of the House of Representatives*, 3rd Sess. (1818-1819), 22.

<sup>72</sup> Cincinnati *Liberty Hall and Cincinnati Gazette*, March 20, 1819; see also Corydon *Indiana Gazette*, March 20, 1819.

have a little wine of domestic manufactory to drink on the occasion if you could possibly get it down here by that time it would be a great favour.<sup>73</sup>

Starting a canal without bottles or kegs was as unthinkable as launching a cruiser without champagne. At noon on May 3, company directors, each carrying a shovel, marched to the canal site, where they simultaneously dug. The assembled crowd, described by the Corydon *Indiana Gazette* as "a large number of citizens," seized shovels and followed suit with loud huzzas. At 2:00 P.M. everybody "repaired to a bower, prepared on a charming green, in sight of the Canal," where Ethan Stone, of Cincinnati, delivered "an animated and patriotic address." After that all fell to on "an elegant and sumptuous repast, prepared for the occasion by Maj. Charles Futter." Pervading the occasion, said the paper, were "harmony, conviviality and good fellowship . . . and everything exhibited a spirit of generous emulation in promoting this great National work, destined to be one of the strongest cements of our union and common prosperity."<sup>74</sup>

Thus digging began in a blaze of hope, and for a time thereafter the contractor, Michael I. Myers, busily grubbed out a section in Jeffersonville between Spring Street and the corner post of the town allotment and dug about a mile of shallow ditch. The company engineer conceived the ingenious scheme of damming Cane Run, turning the water into the canal ditch and washing out the earth, thus materially reducing the cost of excavation. The idea was clever, but a stratum of blue clay defeated him. Sixty years later a local historian said: "The waters carried out a small quantity of loose dirt, but when the blue clay was reached had no effect, and had it continued running to this day would not have made a canal."<sup>75</sup>

The Louisville *Public Advertiser* engaged in guerrilla tactics of scoffing and making scurrilous remarks about the directors of the Jeffersonville Ohio Company. The object of these attacks, said the Jeffersonville *Indianian*, "is to injure the progress of the Canal and to destroy the sale of lottery tickets."<sup>76</sup> There were rumors that the lottery had been dis-

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<sup>73</sup> John Bigelow to John Francis Dufour [April 20, 1819?], Dufour Collection, Indiana Division, Indiana State Library, Indianapolis.

<sup>74</sup> Corydon *Indiana Gazette*, May 15, 1819.

<sup>75</sup> *History of the Ohio Falls Cities and Their Counties*, II, 453.

<sup>76</sup> Jeffersonville *Indianian*, December 18, 1819.

continued. "It is unfortunately true," said the *Western Spy*, "that the *Canal* has many enemies; and sneering at the efforts already made, and putting afloat such rumors as the above, are some of the mean and petty artifices used by them to retard its completion."<sup>77</sup>

A much worse blow than verbal sniping was the report, in late fall, made by a joint commission appointed by Pennsylvania, Virginia, Ohio, and Kentucky. After examining both sides of the river, this body unanimously reported in favor of building the canal on the Kentucky side; it estimated the cost of a canal there at \$330,594, as against \$1,117,122 for a ditch at Jeffersonville.<sup>78</sup> Even James Flint, Jeffersonville Ohio Company engineer, favored Kentucky, but he finally produced an estimate of \$484,726 for the canal already under way in Indiana.<sup>79</sup> Any one of those figures represented far more money than the Indiana company had on hand or was likely to get. Jeffersonville and Cincinnati editors implied that the commission had been deluded by persuasive Kentuckians. In a letter to the governor of Ohio, Governor Jennings expressed doubts of the commission's fairness:

I am constrained to suppose that all those commissioners did not personally inspect the river and the adjoining shores at the Falls. I have not as yet heard that they visited Jeffersonville, although residing within 25 miles, and yet their report is in favour of the Louisville side of the river. Considerable money has been expended already on this side and the ground much the most safe in warranting the necessary monies to be expended to complete an object of so much importance. If practicable and consistent, I should be much gratified to witness a patronage from the state over which you preside, favouring the execution of the Jeffersonville Ohio Canal. It is my opinion that this State will do as much as its age and rescourses [*sic*] will justify.<sup>80</sup>

Nevertheless, the commission's report was of public record, and it damaged Indiana canal prospects. The *Liberty Hall and Cincinnati Gazette*, reflecting upon Hoosier failure to cooperate with any other state, fell into gloomy musings:

<sup>77</sup> Cincinnati *Western Spy and Cincinnati General Advertiser*, July 24, 1819.

<sup>78</sup> Frankfort, Kentucky, *Argus*, November 12, 1819; Cincinnati *Liberty Hall and Cincinnati Gazette*, January 11, 1820.

<sup>79</sup> Cincinnati *Western Spy and Cincinnati General Advertiser*, November 22, 1819.

<sup>80</sup> Jonathan Jennings to Ethan A. Brown, January 11, 1820, Jennings Manuscripts, William H. Smith Library of the Indiana Historical Society, Indianapolis.

Indiana . . . appears totally indifferent about any other obstructions but those at the falls . . . . we should feel . . . regret in believing, that her regard for the individual interests of a few speculators at Jeffersonville, would induce her to disregard the general welfare of the state . . . . it would appear to be a waste of our resources to expend any more money in the hopeless project of making a canal on the Indiana side, by the unassisted efforts of individual enterprise.<sup>81</sup>

Company directors evidently agreed that individual enterprise was not enough, for they somewhat frantically petitioned the Ohio legislature for aid from that state, only to be politely rebuffed by a resolution: "That it is inexpedient at this time to make any appropriation of money to aid in the accomplishment of the canal round the falls of Ohio on either side of the river. . . ." <sup>82</sup>

Governor Jennings was too stubborn to quit. In his annual message to the Indiana General Assembly on December 7, 1819, he said over-optimistically: "The Jeffersonville Ohio Canal Company has made considerable progress towards the accomplishment of the object of their association, and should be aided by the resources of the Government."<sup>83</sup> Progress was hardly sensational, but the assembly authorized purchase by the state of two hundred shares of canal stock, to be paid for out of the 3 per cent fund.<sup>84</sup> That meant \$10,000, but it was not nearly enough to invigorate the faltering company. For another year it lurched along while die-hards refused to believe that the game was up. In January, 1820, a citizen of Jeffersonville maintained:

"We are not disheartened here; on the contrary, we have started with new life; and every man of this town has either sent a man, or gone himself to work in digging a ditch and making a dam to get head water . . . . the work is done almost wholly at the expense of the town . . . . we have now dug four to five feet deeper, in a strait [*sic*] line from above the bridge to the low bottom back of the town, and we feel confident of washing to the rock, with only a few hands to tumble in the dirt from above."<sup>85</sup>

<sup>81</sup> *Cincinnati Liberty Hall and Cincinnati Gazette*, January 11, 1820.

<sup>82</sup> *Cincinnati Western Spy & Cincinnati General Advertiser*, March 11, 1820.

<sup>83</sup> *Indiana, Journal of the House of Representatives*, 4th Sess. (1819-1820), 19.

<sup>84</sup> See *Indiana, Laws (1819-1820)*, 135-136; *Indiana, Journal of the House of Representatives*, 4th Sess. (1819-1820), 343, 381; *Indiana, Journal of the Senate*, 4th Sess. (1819-1820), 247.

<sup>85</sup> Letter from Jeffersonville, January 23, 1820, in *Cincinnati Western Spy and Cincinnati General Advertiser*, January 29, 1820.



Such dedication was typical of the whole canal effort in Indiana, when confirmed believers were convinced that faith and determination could move mountains. Unfortunately, these sterling attributes did not move enough earth to matter at Jeffersonville.

Drawings in the lottery, which had begun in April, 1819, at Jeffersonville, Madison, Cincinnati, and probably elsewhere, continued until September, 1820. Shepherd's Truly Lucky Lottery Office, in Cincinnati, frequently reported numbers that had won prizes—generally omitting to publish the blanks—scotched rumors that the lottery had been suspended and spurred on chance-takers by such urgings as: "Adventurers, be on the alert, or you will miss a fortune by unpardonable negligence."<sup>86</sup> Nobody made a fortune, for the highest prize listed (twice only) was \$500. Moralists need not have fretted over this lottery, for it was a dismal failure. Of 2,716 tickets sold, 1,497 were sold on credit, and lottery managers had turned over to the company treasury only \$2,536.<sup>87</sup> By the end of 1820 the company was practically broke. Total stock subscriptions amounted to \$108,650, far short of the capitalization of \$1,000,000, and only a small part of that was cash. Adding dribbles from the lottery, generous donators, and the state's modest contribution, then subtracting \$13,660.37 $\frac{1}{4}$  for abortive digging at Jeffersonville left in the treasury a meager cash balance of \$1,272.71 $\frac{3}{4}$ .<sup>88</sup>

But Governor Jennings was a persistent man. Believing that the state was obligated to finish the canal, he once again pressed his views upon the legislature late in 1820. The times were anything but rosy. At a low point in the first boom-and-bust cycle in the United States, money was so scarce that, as one depressed Vincennes citizen wryly said:

Cider and beef we have in plenty;  
And wine and spirits to content ye;  
But not a dollar to be seen—  
A dollar!—not a pistareen!<sup>89</sup>

<sup>86</sup> *Ibid.*, June 26, 1819; see also *ibid.*, April 17, June 19, July 17, 24, 27, August 7, 17, 1819, January 1, 22, February 19, March 4, June 1, July 24, 1820. Cincinnati *Western Spy and Literary Cadet*, September 24, 1820; Madison *Indiana Republican*, May 8, 1819; Jeffersonville *Indianian*, December 4, 11, 1819, January 1, 22, March 17, 31, April 7, 20, 27, 1820.

<sup>87</sup> Indiana, *Journal of the House of Representatives*, 5th Sess. (1820-1821), 135.

<sup>88</sup> *Ibid.*

<sup>89</sup> Vincennes *Centinel*, January 22, 1821.

The state's wallet being as flat as the voter's, the Brookville *Enquirer* predicted a short session of the legislature, "as it is doubtful whether their zeal to do something for the public good will not be considerably cooled by the Treasurer's report. It has long been remarked that the sight of an empty treasury has a very frigorific influence upon patriotism."<sup>90</sup> Nevertheless, the Governor attempted to conjure dollars. "To appropriate a certain portion of the three per cent. fund," he said,

assigned to making roads and canals within the state, not to exceed one half of its annual amount, until the object be attained, upon the condition that the state of Ohio shall become interested, would unite public confidence sufficiently to remove in a reasonable time, the impediments presented by the falls of the Ohio to the increasing and greatly to be enlarged commerce necessarily to be entrusted to its navigation.<sup>91</sup>

Reliance upon the 3 per cent fund was scarcely warranted by the returns from it. Granted by Congress to the state upon its admission to the Union, 3 per cent of net proceeds from the sale of public lands amounted in the first seven years to \$71,950.08.<sup>92</sup> By 1835 the grand total was \$224,464.82. Since the legislature appropriated much of the fund for roads—\$100,000 in 1821—any part donated annually to the Jeffersonville Ohio Company could hardly have built a canal in a generation.<sup>93</sup> But a legislative committee resolved:

That it is expedient that one part of the three per cent. fund, which has accrued, or may hereafter accrue to this state, be applied from time to time in completing the Jeffersonville Ohio canal, provided the government of the state of Ohio shall interest itself in its final execution.<sup>94</sup>

When the government of Ohio evinced no interest, the Jeffersonville Ohio Company illustrated the unconscious humor in the word "execution" by quietly expiring.

<sup>90</sup> Brookville *Enquirer*, December 19, 1820.

<sup>91</sup> Indiana, *Journal of the House of Representatives*, 5th Sess. (1820-1821), 8.

<sup>92</sup> Elbert Jay Benton, *The Wabash Trade Route in the Development of the Old Northwest (Johns Hopkins University Studies in Historical and Political Science*, Vol. XXI, Nos. 1-2; Baltimore, Md., 1903), 41n.

<sup>93</sup> See James Edward Hagerty, "Early Financial History of Indiana, 1816-1872," *Indiana History Bulletin*, Vol. 14 (October, 1937), 268-269.

<sup>94</sup> Indiana, *Journal of the House of Representatives*, 5th Sess. (1820-1821), 134-135.

Thus matters in Indiana rested for a few years. Elsewhere ferment prevailed. In January, 1821, the Ohio legislature authorized the governor to engage an experienced engineer to survey the Ohio Falls site and to submit canal estimates for both sides. This gesture came to nothing since the governor was unable to lure away one of Clinton's busy technologists. In 1823 a board of engineers reported no preference for either side and submitted an estimate of \$140,000 for a canal on either side. In 1824 citizens of Louisville, tired of being labeled obstructionists, held a town meeting that affirmed their interest in a canal and appointed a lobbyist to work for federal aid in Washington. In the same year Alfred Kelley, an Ohio canal commissioner, and David S. Bates, Ohio canal engineer, inspected both sides of the river, estimated the cost of a canal on the Indiana side at not over \$150,000, and reported to the Ohio legislature. Ohio resolved to unite with either Kentucky or Indiana in the building of a canal and instructed the governor to transmit resolutions to the governors of those states.<sup>95</sup>

In January, 1824, the Indiana legislature appointed Christopher Harrison and Governor William Hendricks "commissioners to commence and complete" the falls canal, authorizing them to employ engineers and surveyors, to borrow on the strength of the 3 per cent fund, to apply to Congress for a loan, to ask the Ohio legislature for cooperation, and to use convict labor from the new state penitentiary, which had been conveniently established at Jeffersonville.<sup>96</sup> Of a sudden there flared up a brief flame of former ardor. Hope never burned more brightly than in the hearts of determined canal men industriously collecting enough money for a down payment on a ditch. Governor Hendricks addressed memorials to the legislatures of Ohio and Pennsylvania and instructed the Indiana representative in Congress to inquire about a federal loan. The Governor and Harrison investigated the possibility of floating a loan sufficient to complete the canal.<sup>97</sup>

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<sup>95</sup> See Cincinnati *Liberty Hall and Cincinnati Gazette*, February 14, August 22, 1823; Cincinnati *Emporium*, February 26, 1824; Cincinnati *National Republican and Ohio Political Register*, August 2, 1824; Indianapolis *Gazette*, January 13, 1824; Vevay *Indiana Register*, February 13, 1824.

<sup>96</sup> See Indiana, *Special Acts (1823-1824)*, 78-81.

<sup>97</sup> Indiana, *Journal of the Senate*, 9th Sess. (1825), 46-48.

All these matters produced a lively bustle but no tangible results.

Ohio was willing to cooperate but asked for "propositions more definite in character than those laid before them, to be compared with such as they may receive from Kentucky."<sup>98</sup> At the session of the Indiana General Assembly in 1825 Governor Hendricks transmitted the Ohio message, together with the report of Kelley and Bates, to the committee on roads and canals. The committee had much to say about a Maumee canal in the northern part of the state, but nothing about a canal at Ohio Falls. Still, the Governor hoped that Ohio would unite with Indiana, in which event, said he, "An advance of a small portion of the three per cent. fund *without interest* would . . . enable the state to progress with the work."<sup>99</sup> But the session did not act, and no progress resulted. A Hoosier editor, commenting upon a laggard Indiana that was not keeping up with other states, remarked disgustedly: "Our legislatures meet, and instead of acting on more important subjects, the members content themselves by passing laws to curtail constables' fees, or altering old and laying off new state roads."<sup>100</sup>

In January, 1825, the Kentucky legislature, reacting routinely, chartered the Louisville and Portland Canal Company to cut a canal over there.<sup>101</sup> The usual tumult followed: opening of stock subscription books, expansive stories of stock being quickly snapped up, predictions that work would begin in late spring and be completed by the summer of 1826.<sup>102</sup> There were also familiar sour notes, like that of a disenchanting Indiana man, who declared: "The proposed Kentucky canal at the Falls of the Ohio, will not progress . . . the company have not the means, nor can any corporation be organized which can procure the means; and . . . two thirds of the population feel no interest in it."<sup>103</sup>

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<sup>98</sup> *Ibid.*, 47.

<sup>99</sup> Indiana, *Journal of the House of Representatives*, 9th Sess. (1825), 16.

<sup>100</sup> *Charlestown Indiana Intelligencer and Farmer's Friend*, January 8, 1825.

<sup>101</sup> *History of the Ohio Falls Cities and Their Counties*, I, 255; Dunn, *Indiana and Indianans*, I, 383.

<sup>102</sup> *Louisville Public Advertiser*, April 30, October 22, 1825.

<sup>103</sup> *Cincinnati National Republican and Ohio Political Register*, January 6, 1826.

His pessimism seemed justified when no action occurred for many months after incorporation of the Kentucky company. In October a Hoosier editor said that he had expected a spirited prosecution of the work. "But how mistaken! The season is now far advanced and nothing worth mentioning has yet been done; not even an *earnest* is given that any thing of importance will be performed next year."<sup>104</sup> Thus the Kentuckians floundered in a familiar way. In December, 1825, the company let a contract to a New York firm for \$370,000, but work did not start until March, 1826, at which time the Louisville and Portland Company had in its treasury only \$16,070.<sup>105</sup> That sum would not carry a costly construction job very far; indeed, work in 1826 was so desultory that the Kentucky effort seemed like a repetition of futility in Indiana.

Possibly the customary lumbering movement of canaling over there led Governor James Brown Ray doggedly to bring the subject before the Indiana legislature of 1825-1826. "Should you be satisfied that the public voice sanctions this project," he said, "and that the state of Kentucky will forbear to rear up a ruinous competition, by the completion of a similar work on the other side of the river, you will have but little difficulty in coming to a conclusion favorable to the commencement of this long agitated work."<sup>106</sup> Agitation was obvious, but Kentucky was not precisely forbearing, and Hoosier lawmakers were indisposed to act. It was just as well, for in May, 1826, Congress, impressed by losses to commerce at Ohio Falls, passed a bill authorizing purchase by the United States of one thousand shares of Louisville and Portland stock. Three years later when this federal subsidy was increased to \$290,200, it was almost a guaranty of success. Still, the job was not easy; nevertheless, though beset by slow progress and contractors' failures, the Louisville and Portland Canal was finally completed in 1831, four years behind schedule at a cost of \$750,000. Thereafter it was very profitable,

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<sup>104</sup> Lawrenceburg, Indiana, *Palladium*, October 7, 1825.

<sup>105</sup> See Cincinnati *Liberty Hall and Cincinnati Gazette*, October 28, 1825; Cincinnati *National Republican and Ohio Political Register*, March 10, 1826; Cincinnati *Commercial Register*, March 9, 1826; Lexington, Kentucky, *Reporter*, January 6, 1826.

<sup>106</sup> Indiana, *Journal of the House of Representatives*, 10th Sess. (1825-1826), 38.

though often criticized for exorbitant tolls, and in 1872 it became federal property.<sup>107</sup>

A final faint echo of departed Indiana hopes was Governor Ray's announcement to the general assembly that a Mr. Shriver, of a corps of engineers, had "expected to repair to the Fall of the Ohio . . . to inquire as to the practicability of a canal around the Falls . . . and to prepare a plan and estimate of the same," but that before he could do so "a summons to leave this world has taken this competent engineer away."<sup>108</sup>

Thus ended the first canal efforts in Indiana after much sound and fury signifying nothing capable of floating a boat. Yet if some people down around the Ohio sulked because Kentucky had won the interstate battle, more forward-looking citizens turned their attention to new projects. A Whitewater Valley canal had been talked about for several years; delegates had met, resolved, and set up a Whitewater lottery.<sup>109</sup> Reports of the progress of New York's Grand Canal had great effect. Governor Clinton in person visited Lawrenceburg in July, 1825, to be royally received with a thundering salute, a parade, and a dinner complete with thirteen toasts.<sup>110</sup> When the whole line of the Erie was opened in October of that year, lyrical dithyrambs echoed in the Middle West:

Clinton! around thy brow fame twines her wreath of glory,  
And long thy patriot deeds shall live in song and story!  
Though malice rears her head,  
And envy wakes the dead,  
They bright shall flourish, while Niagara's volumes  
Rear to the skies their rainbow'd cloud-cup columns!<sup>111</sup>

<sup>107</sup> See Logan Esarey, *Internal Improvements in Early Indiana* (Indiana Historical Society Publications, Vol. V, No. 2; Indianapolis, Ind., 1912), 68-69; *History of the Ohio Falls Cities and Their Counties*, I, 48; Dunn, *Indiana and Indianans*, I, 383; *Cincinnati National Republican and Ohio Political Register*, May 26, 1826. The criticism of high tolls recalls William Lytle's remark in 1817 that merchants would be willing to pay "4[00] to 600 dollars per Barge or Steam Boat" for a canal. But when they got their canal they complained. It is an interesting note on the perversity of human nature.

<sup>108</sup> Indiana, *Journal of the House of Representatives*, 11th Sess. (1826-1827), 47.

<sup>109</sup> See Brookville *Enquirer*, October 22, 1822, March 19, 1823, August 13, 1825; Indianapolis *Gazette*, November 9, 1822; Lawrenceburg *Palladium*, August 19, 1825; *Cincinnati National Republican and Ohio Political Register*, August 26, 1825.

<sup>110</sup> Lawrenceburg *Palladium*, July 22, 1825; Brookville *Inquirer and Franklin Republican*, August 30, 1825.

<sup>111</sup> "The Meeting of the Waters." New York *Statesman*, n.d., reprinted in the Indianapolis *Gazette*, June 10, 1826.

Six long letters on internal improvements in the *Indianapolis Gazette* by John Ewing, state senator from Knox County, showed how the wind was blowing.<sup>112</sup> It would be foolish, this paper had said, to oppose an internal improvement in Kentucky or anywhere else. Why not, it asked, consider navigation of the several Indiana river valleys or a canal from Fort Wayne to unite the Maumee with the Wabash?<sup>113</sup> A number of people had already asked those questions. They were still asking, and their voices were growing louder.

Notwithstanding proposals for blasting rock ledges out of the river, Ohio Falls, unchanged, roared on. Even after the opening of the Louisville and Portland Canal some bold skippers shot the rapids. Walt Whitman, describing his journey to New Orleans in 1848, said: "Our captain, with Western hardihood, determined to go over the 'boiling place.' . . . The bottom of the boat grated harshly more than once on the stones beneath, and the pilots showed plainly that they did not feel altogether as calm as a summer morning."<sup>114</sup>

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<sup>112</sup> *Indianapolis Gazette*, September 13, 20, 27, October 4, November 1, 8, 1825.

<sup>113</sup> *Ibid.*, April 19, 1825.

<sup>114</sup> *New Orleans Daily Crescent*, March 6, 1848.