

**CHARTER AND ORGANIZATION OF THE
NATIONAL COMPANY CONSTRUCTING
THE NATIONAL RAILWAY
FROM PHILADELPHIA TO NEW YORK,
WITH STATEMENT IN RELATION THERETO.
CHARTER PERPETUAL**

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Charter and Organization of the National Company Constructing the National Railway from Philadelphia to New York, With Statement in Relation Thereto. Charter Perpetual by Various

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VARIOUS

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The National Company.

Across the New Jersey Peninsula lies the direct line of transit from more than three-fourths of the geographical area of the American Union to its entrepot on the sea.

Thirty thousand miles of railroad converging at the City of Philadelphia find the railroad of one solitary corporation to conduct their combined immense traffic thence to the metropolis of the nation.

Three great railroads are built or rapidly constructing to connect the Pacific States with those east of the Rocky Mountain range.

Philadelphia, with twenty-five per cent. more population than the whole Pacific slope, with a vast, rich productive country populated by 30,000,000 industrious people behind it has but one railroad to connect it with the great city of New York, the city that is fast becoming one of the moneyed centres of the world.

Why this is so the following facts will explain and afford fit reason for estimating the feasibility and probable profit of a competing line.

EARLY HISTORY.

Railroads in New Jersey owe their origin to John Stevens. As early as 1812 he startled the State by proposing to connect the Hudson with the Delaware by this then novel mode of transportation. He was in advance of his age, but could neither be silenced nor driven from the advocacy of his theory. Procuring a charter from the State, he and his sons invested their capital in the enterprise and proceeded to demonstrate its practicability.

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The success of the Erie Canal, and the opinion that water was the cheapest and most expeditious means of conveyance was then almost universal. A charter was obtained for a canal to unite the waters of the Delaware and the Raritan in 1824; but the obstacles interposed by the State of Pennsylvania, to using the Delaware as a feeder, prevented all operation.

In the year 1830, Robert F. Stockton appeared as the advocate for the speedy construction of the canal. John Stevens was equally devoted to his railroad project.

Antagonism and rivalry were the result of these diverse policies of interstate communication.

During the session of 1830, Stockton as the representative of the canal interest, and Stevens as the advocate of railroads absorbed the attention of the Legislature. The conflict was sharp and determined. Neither could succeed without the aid of the other; by combining their strength, each could secure what each desired. To do this required mutual concessions, the uniting of interests before antagonistic, and the calming of passions long stimulated by pride.

On the 4th of February, a bill incorporating the Delaware and Raritan Canal Company became a law, on the same day the Camden and Amboy Railroad Company was chartered.

Each Company organized at once and commenced a battle for public favor. The railroad was a success. The canal was not. Stockton awakened to energy by the good fortune of Stevens, devoted his time and his capital to promote the interests of the Canal Company. Appealing to the Legislature for additional privileges, he was opposed by the Camden and Amboy Company. Resenting the interference, he adroitly procured the passage of a bill enlarging the Canal and permitting the Company to build a railroad along the water bank.

WILSON
CLERK
TREASURER

HISTORY OF MONOPOLY.

The result of this was a proposition from the Camden and Amboy Company for a union of interests; the proposition was accepted by the Canal Company.

This consolidation combined the best modes of transportation then known, and secured a practical monopoly under the best charters ever granted by the State. Not satisfied with these advantages, the managers undertook to secure the companies against competition, by a contract with the State in the form of a positive legal guarantee. To accomplish the bargain, the companies agreed to transfer, and the State agreed to receive, one thousand shares of the joint capital stock, which, with a thousand shares of the capital stock of the Camden and Amboy Company already held by the State, constituted the subsidy, for which the State sold itself to the monopoly and bartered away its highest prerogatives of sovereignty.

The form of this legislative contract is set forth in the second section of the Law of March 2, 1832, which provides: "*That it shall not be lawful at any time during the charter of the Camden and Amboy Company to construct any other railroad in New Jersey, without its consent, which shall be intended or used for the transportation of passengers or merchandise between the cities of New York and Philadelphia, or to compete with the Camden and Amboy Railroad.*"

Thus fortified the Camden and Amboy managers believed their company was above control and secure against competition. Five days after the foregoing law was passed, the Legislature granted a charter to the New Jersey Railroad and Transportation Company, for a railroad from Jersey City to New Brunswick, in which it was provided for the benefit of the State, that a *transit* duty on each passenger, and on all freight should be paid by the Company whenever any other railroad should unite with it and constitute a through line from New York to Phila-

delphia. Pennsylvania had incorporated The Philadelphia and Trenton Railroad Company, and authorized it to purchase property in any direction whereby a continuous route to New York could be secured. For this purpose the Turnpike from Trenton to New Brunswick was purchased. The project was popular. The Camden and Amboy managers were afraid of it, but they soon gained control of a majority of the stock, and made it a new instrument of increasing their power. They did more. On the 14th of February, 1835, they dictated, and the Legislature passed, a resolution declaring that the authorizing of any other railroad, between Philadelphia and New York, would be unjust, impolitic and against the plighted faith of the State.

The next step was to consolidate the Philadelphia and Trenton Railroad with the Delaware and Raritan Canal Companies. This accomplished, Stockton and Stevens again presented themselves to the Legislature, and, with seeming magnanimity, proposed that inasmuch as the consolidated companies were denounced as monopolists, they were eager to sell their franchises and property to the State. The proposition was adroit, but it was clothed with conditions, which they well knew, could not be accepted. To increase the avidity of the State, and to magnify the grandeur of the sacrifice which they were ready to make, they showed that their offer would secure to New Jersey, the ownership of the entire corporate property and two million five hundred thousand dollars in twenty-six years, when in fact, the State would have been a loser to the extent of two million dollars. (*See Legislative Documents 1849—1854.*)

Previous to this a spur had been built from Trenton to Bordentown, enabling passengers taking the Philadelphia and Trenton train to connect with the Camden and Amboy at Bordentown and thus have continuous steam transit to New York.

The Trenton and New Brunswick road, would, when built, intersect with the New Jersey Railroad from New Brunswick to New York. By using this line the State tax, charged in each fare, could be avoided by the monopoly. It was payable only on *through* passengers. They held this to apply only to those passing entirely through New Jersey. They avoided the tax by "breaking bulk" on either side of the Delaware, at Trenton, claiming that the legislative limitation applied from State to State, and not from City to City. By this construction the Camden and Amboy consolidation assumed the right to fix the fare at \$2.50 from Trenton to New York, and at \$4.00 from Philadelphia to New York, thus imposing a tax of one dollar on each passenger in defiance of the law. This exaction stimulated a wealthy citizen of Philadelphia, the owner of Market Street Ferry, to establish a line of steamers from Philadelphia to Trenton, carrying passengers for fifty cents each, and saving one dollar to each passenger between New York and Philadelphia.

Camden and Amboy could in no wise submit to this. Its policy to absorb all privileges and to annihilate all opposition had to be maintained. It purchased the franchises and property of the Market Street Ferry and the steamers, and thus added another element to its already enormous power.

The monopolists conceived that the value of their franchises depended upon their ability to prevent competition. The Raritan and Delaware Bay Railroad Company, chartered in 1854, commenced its work of construction, and when it some years after approached so near its completion as to afford in conjunction with the Camden and Atlantic, a circuitous route between Philadelphia and New York, the power of the Courts was invoked by the Camden and Amboy combination, and the Court of Appeals perpetually enjoined it from carrying passengers or freight between those cities.

The New Jersey Railroad and Transportation Company was the only barrier left between the monopoly and absolute sovereignty with undisputed empire in transportation between Philadelphia and New York. It sought legislative sanction for continuation of its road to the Delaware between Easton and Trenton. The monopoly directed its Legislature to defeat the bill and it was defeated. Stevens, in the session of 1859, obtained an Act to extend the Morris and Essex Road to Hoboken to enable the monopoly to cripple, if possible its last competitor. The New Jersey Company, thus paralyzed in every effort to obtain a through route from New York to Philadelphia ceased its efforts and its opposition. Yet its continued existence as an independent line was a perpetual threat to Camden and Amboy, as it possessed immense power for harm to the exclusive privileges of the monopoly. At last negotiations were opened, and this last barrier was removed by a complete consolidation with and into the monopoly. From that date all power was centered in one omnipotent franchise and direction.

This master stroke of policy gave to the managers a control of more than thirty millions of capital, which was so distributed, while it was effectually consolidated, as to constitute political, financial, corporate and social power. It made the monopoly strong enough to dictate Governors to the people, Senators to the Legislature, Courts to the State, and decisions to the Courts, and it exercised its strength by monopolizing Legislation, honors, offices and emoluments.

From this period to 1869 its usurpations increased as its wealth and arrogance grew into colossal proportions. It was able to kill, politically, whoever dared to question the infallibility of its decrees, and to banish, socially, whatever opposition it could not overcome by bribery, or absorb by identifying its interests into the infamies and extortions of monopoly.

The abuse of a power often accelerates the progress of its dissolution, and when the tyranny of the monopoly became such, that members of the Senate and Assembly of New Jersey who were applied to to introduce bills for competing roads, were afraid to offer them, however meritorious their character; and when few men, of any party or position, felt themselves strong enough to permit their names to be used, as corporators, in any act which contemplated competition, the time for revolt arrived. The tyrant awakens the patriot to action; and the submissive silence of to-day is often the spur to action to-morrow.

Confident in the herculean strength it possessed; in the omnipotence of its vast capital; in the organized force which gave it legislative control; in the terrorism it had so long enjoyed; in the impunity it had so successfully exercised; and in the political and social ability it possessed to overwhelm and defeat all opposition it rested content; it believed it could forever prohibit the enactment of any charter for a competing road and did not ask the Legislature to further extend its exclusive privileges pretending not to desire it.

DEFEAT OF MONOPOLY.

Amongst the people all hope was not alone crushed, but seemed extinguished. The belief that no opposition could succeed was universal. Indeed, it almost required a new Cross to appear in the Heavens, to awaken energy and stimulate faith into action. At this juncture, as it were, like "a cloud no bigger than a man's hand," there appeared upon the scene, under a new banner, a new combination having great faith in the possibilities of the right application of great principles; ambitious to redeem a people from forty years of thralldom, to conquer a power which had crushed a State, and insulted a great nation, to