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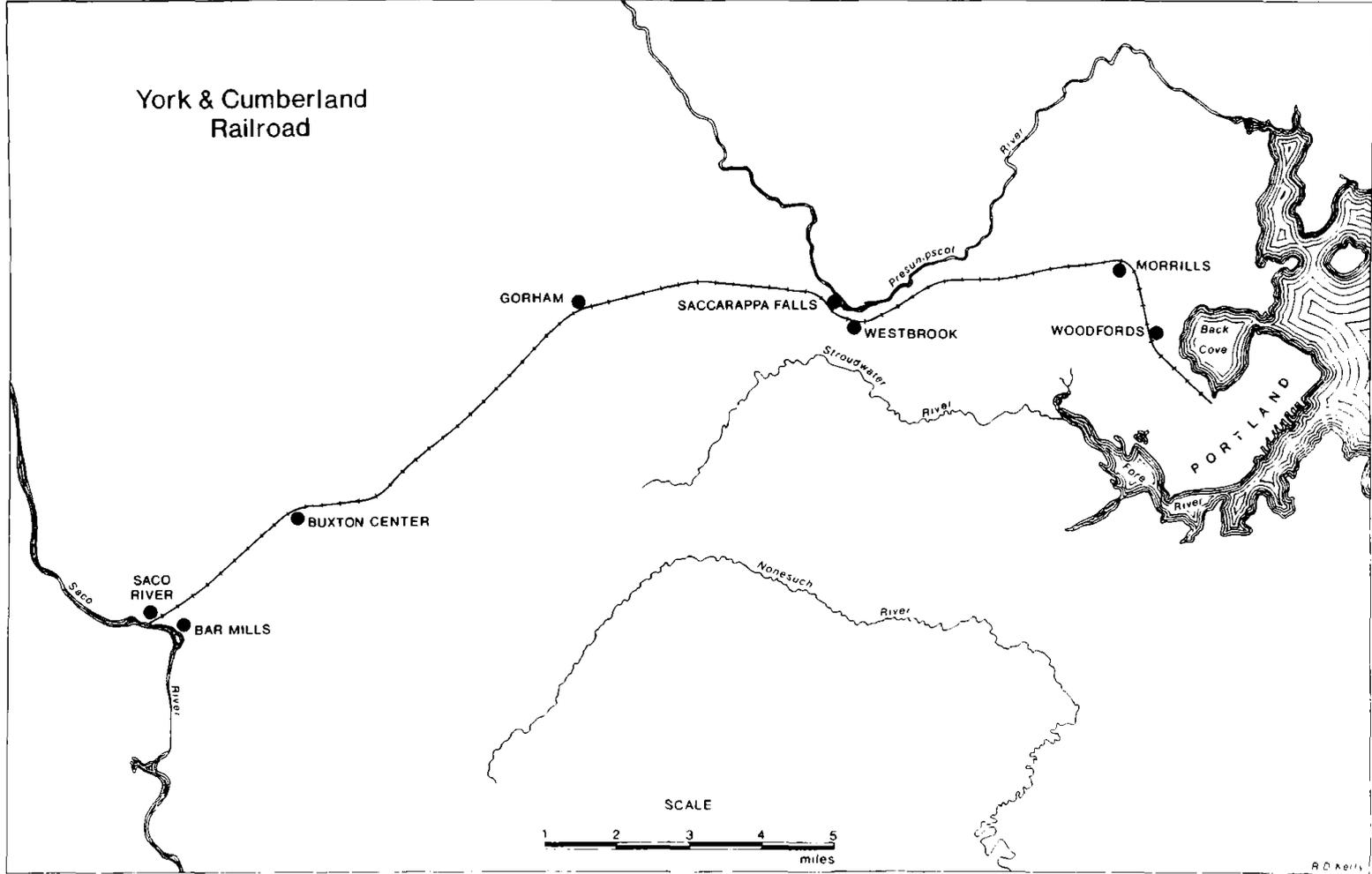


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The Rise and Fall of the York & Cumberland Rail Road

It all began with great hope and enthusiasm. A new Rail Road was to be built, starting in Portland, running west (and inland) to Gorham, then swinging southwest through Saco River (Bar Mills) to Alfred and connecting with the Boston & Maine at Berwick, or South Berwick, thus giving the prosperous farms of York County access by rail both to Boston and Portland.¹ Thirty-seven incorporators were named in the charter, granted by the Maine Legislature in 1846.² In October of the next year, a large mass meeting of the incorporators and friends of the Rail Road was held at Gorham and “stirring speeches were made.”³

The charter provided for between 5,000 and 8,000 shares of stock. The subscribers were to pay for their stock as money was called for in the course of building the Road. Any stockholder who failed to meet any assessment on his shares would have them sold, and if the proceeds weren't enough to pay the amount assessed against him, he would be personally liable for the difference.

There were several “Rail Road meetings” in the fall of 1847 and the winter of 1848, at which there was “much enthusiasm.” At a meeting at Saccarappa (now part of Westbrook) \$5,000 of stock was subscribed by unmarried ladies, mostly factory girls, in that village.⁴ Josiah Pierce,

one of the incorporators, and later a director of the Road, wrote in his Diary:

“People in general seem to be awake to the utility of the enterprise, & the citizens of Saccarappa & Gorham Village have subscribed liberally for the stock.”⁵

But the organizers had to go back to the Legislature to get the charter amended to reduce the minimum capital required to start business to 4,000 shares of \$50. par value each.⁶

In July, 1848, they held the organization meeting, “enough having been subscribed to commence operations on \$200,000.” Directors were elected.⁷ There were addresses at the meeting “all in terms of strong encouragement, expressing full faith that the road would be built, that it would be a through road, and a very profitable and paying route . . .”⁸

By September, the Directors had contracted to begin construction starting near Saccarappa, since the terminus in Portland had not yet been decided on.⁹ And by October, people were “busily digging on the rail road — in Broad’s pasture” near Gorham Village.¹⁰

A report by A. C. Morton, Consulting Engineer, prepared in 1849, spoke glowingly of “the manifest advantages” of the line, and “the importance of an interior route from Portland to Boston, by which the large trade of York County and a portion of Cumberland should be accommodated.” John G. Myers had agreed to build the Road for \$955,500. Land, buildings and machinery were estimated to cost an additional \$200,000, making the average cost per mile \$23,514. Myers was to receive stock for 25% of the cost, or \$238,800. Of the balance of \$916,700, \$135,000 had already been raised, leaving \$781,700 to go.

Morton recommended that the stretch from Portland to Saco River be completed first (17.81 miles). "A handsome revenue will be immediately derived from the local business of the country." He felt that if the work were prosecuted vigorously, the Road might be completed to the Saco River in the fall of 1850, and that the whole Road would be completed in the fall of 1851.

Cattle, ships' timbers, agricultural products, lumber and manufactured goods could be expected to be carried in substantial volume, and Morton expressed the opinion that the advantages of the Road's location were equal, if not superior, to those of most other roads in New England.

Morton estimated that the annual income of the Road, after all expenses, would be \$87,125., which was 7½% on the cost of the Road.¹¹

In October, the *Portland Daily Advertiser* declared the Road to be "in the full tide of success." Grading from Gorham to Morrill's Corner had been completed, and the route from there to the Portland Depot carefully surveyed. F. O. J. Smith had been chosen president, and a contract entered into with Charles Q. and Asa W. H. Clapp to buy a site for the Depot on "their flats now being filled in Back Cove."¹²

This was a time of bursting enthusiasm for the expansion of railroads. At the end of July of 1850, a great Rail Road Convention was assembled in Portland, which lasted until August 3. Governor Hubbard of Maine presided. "Distinguished men" from Maine, Massachusetts, New York, Quebec and Montreal were vice presidents. The State Senate and House of Representatives, mayors of cities as far away as Roxbury and Halifax, and other prominent men were there. President Fillmore, Edward Everett and many members of Congress

sent messages.¹³ It was in this atmosphere that the construction contract with Myers was amended.

Under the amended contract, Myers agreed to get the Road open to Gorham by December first, and finish it as soon as practical. Myers was to get \$32,000 per mile from Portland to Gorham. 50% was to be paid in cash, 25% in 6% bonds and 25% in stock, with half the stock being withheld as security. Beyond Gorham, he was to get \$27,500 per mile, $\frac{1}{3}$ in cash, $\frac{1}{3}$ in bonds and $\frac{1}{3}$ in stock. The Road was not to go beyond Gorham until enough stock was sold to pay Myers the cash he would be entitled to for completing the Road.

There was a time bomb in the contract. In order to enable Myers to complete the Road to Gorham, he was to be allowed to use the credit of the company, i. e., the Company was to guarantee his obligations incurred in building the Road. The Company's guarantee was to be guaranteed, in turn, by the Directors personally. Bonds to which Myers was to become entitled were to be pledged to secure the Directors if they should have to make good on their guarantees.¹⁴

The 1850 Annual Report, covering the year ending July 31, which came out in August of that year, reflected the temper of the "Rail Road Convention":

"few persons remain, if any, who are so short sighted as to suppose that the enterprise can be abandoned.

"It may falter under yet other and new adversities, but *it cannot fail*. Nor will it falter more, if the Stockholders are true to its interest and their own, "

The Portland Depot had been built jointly with the Kennebec & Portland R. R. It was 150 feet long and 100 feet wide with a "suitable portico" The Road reported that it had the financial means to advance as far as Gorham Station, where it would immediately become productive.¹⁵

The Road was opened from Deering's bridge to Morrill's Corner about the middle of August. On the opening day, trains ran twice hourly to take care of the celebrating crowds and "stockholders and others partook of a collation at the Morrill House."¹⁶ The cars ran to Saccarappa November first, and on the eighth, the depot was raised at Gorham. It was one hundred feet long.¹⁷

Fares to Portland were set at 30¢ from Gorham, 20¢ from Saccarappa, 10¢ from Morrill's Corner and 5¢ from Woodford's Corner.¹⁸

Wednesday, February 5, 1851, was "a great day for Gorham":

"This day passenger cars ran from Portland to Gorham. Hundreds & hundreds — crowded the cars — they ran four trips, & each trip each car was loaded to its utmost capacity — A Stockholder & Directors meeting was held at Gorham — Great throng of people — Flags waved — cannon were fired & it was a general holiday — most of the Village children — took a ride to Portland and back. I came home in the last train, & the car was so full that almost all the men & boys stood up. We were 50 minutes from Portland to Gorham."¹⁹

Then dissension set in.

By March, some of the Directors had got into a dispute with A. P. Robinson, Chief Engineer and Superintendent of the Road, over the scheduling of trains. This dispute had become bitter enough so that the matter was brought to the Board

"by a letter from Mr. Robinson, & a communication from Messrs. Morrill and Woodbury — Both parties undertook to state facts but their relation of facts were widely different. . . . High words ensued. W. & M. said R. had insulted them & that either R. must be dismissed or they would resign. R. said he withdrew from the office of Superintendent — & was willing to resign. Mr. W. offered a resolution — stating that in consequence of *ungentlemanly treatment* towards the Directors, Mr. R. was dismissed from employ. . . . Mr. McIntyre moved to lay the resolution on the table, which was done.

“The President F. O. J. Smith did not at all like the dismissal of Mr. Robinson he asserted he was worth any 6 men he knew of for the station — was the smartest man he ever met with &c. &c. The Board had some exciting talk & adjourned to meet tomorrow morning.”²⁰

Smith resigned as President and as Director of the Road the next day. This upset the other Directors, who asked Rufus McIntyre to write Smith to try to persuade him to withdraw his resignation. A few days later, Robinson wrote a letter, saying he meant no offense; Morrill and Woodbury said this satisfied them. Smith withdrew his resignation and things seemed to be going smoothly again.²¹

As Engineer, one of Robinson’s duties was to certify the amount of work done by Myers, and consequently, the amount of the Road’s Bonds he was entitled to receive in payment. Some of the Directors charged that Robinson certified Myers had done more work on the Road than was the case and that \$20,000 more Bonds had been issued Myers than they thought should have been issued.

The charge was serious enough for Robinson to be removed as Engineer of the Road two or three months after his letter of apology. He then had to spend most of a day trying to explain to the Board his certification of Myers’ work.²²

Daniel C. Emery, Treasurer of the Road, had been ill at the time the disputed Bonds were issued, so the Bonds had been signed by N. J. Herrick, Assistant Treasurer. But because the Road’s Bonds were required to be signed by the President and Treasurer, Herrick had purported to sign as Treasurer. Robinson’s explanations weren’t impressive enough, and a “boisterous session” of the Directors on July 29 left tempers frayed enough, so that Emery published a notice, which he signed as Treasurer of the Road, warning that “certain papers purporting to be

coupon bonds of the Y. & C. R. R. Company,” signed by Smith, as President, and Nathaniel J. Herrick, as Treasurer, and issued to Myers were invalid and not binding on the Company, because Herrick wasn’t authorized to sign them.

It was in this atmosphere that the annual meeting of the stockholders of the Road took place in the Court House at Alfred on August 12, 1851.

Both sides had been diligently seeking proxies. The majority of the Board had voted that no new subscriptions for shares of the Road should be received, unless they were fully paid. Nevertheless, F. O. J. Smith and his group had obtained unpaid subscriptions from “foreign capitalists” to a “pretty tidy” number of shares. If these subscriptions had been genuine, Smith would have had control by a wide margin.²³

The Directors met at 8:00 o’clock in the morning. Levi Morrill moved that Smith be removed from office as President because he had caused the \$20,000 of “Herrick Bonds” to be issued illegally. Josiah Pierce seconded the motion, which Smith refused to put to a vote, asserting that only the stockholders could remove him, as he was President of the Corporation, as well as of the Directors. David Hayes, the Clerk, also refused to put the vote. “Nor would he let the Directors look into the Records, but attempted to secrete the Records. A scene of great confusion ensued. Hard names & threats were uttered.” Morrill then put the vote. Seven Directors voted for the resolution, two against, Frederick A. Wood didn’t vote, having conveniently slipped out of the room. The majority then elected McIntyre President.

“At 10 o’clock A. M. the stockholders met, & R. McIntyre took the chair in the Judge’s seat in the Court House. But F. O. J. Smith claiming to be President — had half an hour previous — taken a chair in the

same place. Then appeared two Presidents & two Secretaries. Then came on the tug of war — the strife for the mastery — Smith Myers & Co. on one side & all most [sic] all the stockholders on the other. Now ensued the most perfect Babel scene I ever witnessed, yelling — stamping — crying order, calling for Constables & sheriffs, to carry disorderly persons out. Mr. Smith insisted on presiding, read the riot act, & tried to speak. The audience would not hear him — nor any one of his clique unless they addressed Mr. McIntyre. Finally Smith's party pretended to vote for Directors & declared his list elected by 7000 proxy vote which said he had. They then withdrew — after the books had been taken from Hayes — & given to Warren or secreted in a safe place; the meeting then went on quietly. The stockholders then proceeded to elect 13 Directors. ²³

Charles Q. Clapp particularly distinguished himself at the stockholders' meeting. During the voting, he reached into the hat for Smith's slate and tore up Smith ballots almost as fast as they were collected. At length, someone called for a division of the house. This showed what a small minority Smith's side had. His faction, then, sought to secure the Company's records. One of the books of records was handed to Myers. Clapp had seen this, and about that time, made a "quiet voyage of discovery" over to that side of the house. He suddenly seized the book from Myers and threw it over to the other side, shouting to his friends to take it. Thus Smith's opposition got possession of the Records before Smith retreated to another room.²⁴

F. O. J. Smith, however, went right on purporting to be President. His faction has left us a record of a meeting of the stockholders of the Road, presided over by F. O. J. S., as President, written as though no other group had ever existed. It reported his slate of Directors elected by a large vote. They then purported to appoint a subcommittee which found the "Herrick Bonds" valid. They also adopted a resolution deploring the disorderly conduct of John A. Poor and others, "late Directors of the Road", and charging that the motive was "to embarrass and

defeat the construction of the road, by breaking down its credit, and long delaying, if not utterly destroying, the enterprise, . . .”

The Smith group had another “stockholders’ meeting” August 27, at which a resolution was adopted to the effect that it was imperative for the two boards to adjust their dispute, “by suit or reference or otherwise.” When the McIntyre-Poor group were given notice of this they replied they were ready to meet any suit that might be brought.

The official minutes of the stockholders’ meeting, as prepared by the McIntyre-Poor group, say nothing about the votes for the Smith faction. The minutes report the election of their own slate and the appointment of a committee of investigation “to examine into the affairs of the Corporation and the doings of its various officers” A resolution was adopted thanking Rufus McIntyre “for the fair and impartial manner in which he has this day presided over their deliberations.” The investigating committee sent notices to Smith, John T. Paine, Robinson, Benjamin J. Herrick and Hayes inviting them to attend a meeting, but the invitation was ignored. The committee then found that Smith and N. J. Herrick had no authority to issue the bonds.

Following all this, Myers wrote the Smith group a letter saying that the affairs of the Road were so hopelessly confused that there was nothing for him to do but sue the Road for what was due him, and for damages for breach of his contract.²⁵ Smith brought a proceeding in the State Court in January seeking to be put in possession of the Road, but he was defeated.²⁶ The problem of the two Boards was settled in favor of the McIntyre-Poor group, a victory they must have greatly repented in later years.

Quoting from Josiah Pierce's Diary again:

"Thursday Sept. 25, 1851. Cold morning . . . I then went into Portland, & paid J. J. Brown \$169.33 for $\frac{1}{3}$ of a note I indorsed last April for J. G. Myers. This is the 2d \$500 note I have had to help pay with other indorsers."

A stockholders' meeting in October had authorized the Directors to mortgage the Road to secure an issue of \$750,000 of twenty-year bonds, with Toppan Robie, John Anderson and Nathan Clifford as trustees. Parenthetically, this mortgage of a few handwritten pages presents a striking contrast to the modern corporate mortgage of 150 or 200 printed pages or more. Most of the essentials are there, except that the rate of interest was omitted.²⁵

At about this time, F. O. J. Smith published "A Letter to the Stockholders of the York & Cumberland Rail Road, Being an Exposition of the Causes that have retarded the Enterprise and of the Influences Opposed to its Completion as a Through Road."²⁵ He claimed that everything was going well until the previous March. Then Poor became jealous of Smith, and Levi Morrill got into a fight with A. P. Robinson about the number of trains that could be run daily. The ties had been laid during the winter and had not been gravelled or properly ditched, so Robinson thought only two trains could safely be run each day. Morrill wanted four. Smith charged that the Board wanted to removed him because some of them had subscribed for stock on the condition that they wouldn't have to pay for it until the Road was completed, and they wanted to make sure it wouldn't be completed. He also charged Nathan Clifford with nurturing an old political grudge against him.

Three years later, F. O. J. Smith, representing Myers in his suit against the Road, made an opening address to the Court, in which he told about the dissension between

Robinson and some members of the Board, or, at least, Smith's version of the dissension. He said that one of Myers' difficulties had been that the contract called for the construction of the Road "on the most practicable route with regard to saving expense," but Morrill had had the Road swung to Morrill's Corner (previously known as "Bishop's Corner"), because Morrill had built there "a spacious hotel."

"His own residence, too was in the same neighborhood. Less than four miles beyond was the residence and place of business of another Director, Mr. [George] Warren. And the Treasurer, Mr. Emery, and yet another Director, Mr. Pierce resides at Gorham.

"Suddenly, after the Road had been opened to Gorham, an intense feeling manifested itself on the part of these several officers in particular, respecting the running of trains, and especially of a train that would seem to look hardest toward the convenient dinner hour of these several gentlemen, and of their business localities. I do not say — it is not necessary to say, that these gentlemen were so supremely selfish as to sacrifice very large daily interests of the Road to the running of a train at noon, which would connect with no train coming into the city from either the east or the west, and would only seem to connect with the country custom of Bishop's Corner, and of Saccarappa, and of Gorham, of having dinner served at 12 o'clock noon! But we do say, that from some cause, never yet explained *ex cathedra*, of a sudden, an intense outbreak took place on the part of this Mr. Morrill, upon the engineer, who was doing the duties without pay, and in the infancy of the Road of Superintendent, in respect of the running of these trains, and especially of this noon train. And, strange to tell, Gentlemen — from this circumstance, from the wild, intolerant, malignant feeling growing out of it, the whole of the calamities that have visited the Road — the refusal to pay the Contractor, the suspension of the work on the whole line — the discrediting of the notes of the Corporation — the protest of the Directors' notes given in its behalf — the subsequent violence done to the organization of the Corporation . . . the depreciation of the Corporate Bonds, Corporate stock, and everything pertaining to the credit of the Corporation — all these ills are traceable back only to this one simple cause and interest! . . . Nothing short of a disgraceful immolation of the man would appease the offended dignity of these two or three *dinner loving* Directors."²⁷

Meanwhile, the McIntyre-Poor Board worked out a contract with John M. Wood, the contractor for the Atlantic & St. Lawrence R. R., to build the whole Road through from Gorham to Great Falls. Wood was to receive \$25,000 per mile and the Company was to pay for land, build the stations, fences, etc., and equip the Road. Altogether, the cost was expected to run to \$30,000 per mile. Wood was to be paid $\frac{1}{4}$ in cash, $\frac{1}{4}$ in stock, and $\frac{1}{2}$ in Bonds, but he was to receive no cash until after the Road had been built to Saco River.²⁸

The annual report for 1852 showed a net profit from operations for the twelve months ending July 31 of \$1,505.22. The report went on to say:

“The Stockholders are generally aware of the unfortunate condition of the Road, and the Company’s affairs at its last annual meeting. The contractor abandoned his work in June 1851, leaving every portion of the line in an unfinished state, so that in August last, it came into possession of the present Board subject to all the discredit which its previous history had entailed upon it.”

The report said that from the opening of the Road in February, 1851, to July, 1852, 68,056 passengers had been carried without the occurrence of a single accident. In the last twelve months, 50,322 passengers were carried the Road’s 10.73 miles, an average of 4995 passengers per mile. No other railroad in Maine had carried so many passengers per mile.²⁹

The Road was completed as far as Saco River for freight on February 15, 1853, and for passengers on March 20. By the time of the 1853 annual meeting, the Road had three locomotives, two passenger cars, eighteen freight cars and twenty dirt cars. It needed one more passenger, and ten more freight cars.³⁰

Again, there were clashing personalities within the Company, and again, nobody seemed to care who knew

what they thought of each other. Apparently, Poor had written an anonymous editorial in the *State of Maine*, accusing John M. Wood of wanting to break down the credit of the Road, and Wood replied in the *Portland Daily Advertiser*. Wood claimed he had finished the Road as far as Saco River, according to the contract, but the Board had no means to pay him for going further. He was willing to go ahead on the same basis, but negotiations had broken down.³¹

Despite these squabbles in the high command, the daily operations of the Road were improving. It was reported that they were running 17 freight cars fully loaded regularly twice a day, and some of them three times. An average of 75,000 feet of lumber a day was being carried over the Road, together with other kinds of freight, and that thousands of feet of lumber were waiting to be shipped.³²

The report the Directors presented to the stockholders in August of 1854, also carried an optimistic picture of the operations of the Road. 20,325 more passengers had been carried in the year just ending than in the year before. Train miles had increased to 43,708 from 30,995 in the previous year. The excess of gross receipts overrunning expenses was \$12,304.26, as contrasted with \$11,256.08 the previous year. There were \$355,800 of Bonds outstanding, and \$88,387.22 of "floating debt."²⁵ The report did not point out that 6% interest on the Bonds came to \$21,348.00 a year. Despite the increase in traffic, the Road was a long way from earning a return on the capital invested in it.

Meanwhile, Myers' case against the Road for breach of contract had been referred to Referees appointed by the United States Circuit Court. F. O. J. Smith represented Myers. The Road was represented by George Shepley and

Nathan Clifford. The case was tried from January 3 until January 27, 1854,³³ but was not decided until the following August. Myers was awarded \$159,535.64 for breach of his contract, and cost of \$4,148.37, or a total award of \$163,684.01. The decision also upheld the “Herrick Bonds.”³⁴

Nevertheless, the enthusiasm of the *Portland Daily Advertiser* was undimmed. Six weeks after the decision, it ran an editorial on the Road’s great advantages to Portland, regretting it had had so many difficulties getting started, but arguing that it was impossible for anyone dispassionately to review the route of the Road without being thoroughly convinced of its eventual success. “We are far from entertaining the opinion that it would be acting at all wisely either to give up in despair, or to falter and lag in completing the work.”³⁵

The market quotations on the Road’s securities reflected a little less enthusiasm. The Stock was quoted at 1 bid, 4 asked. The Bonds were 50 bid, 60 asked.³⁶

At a Directors’ meeting in November, 1854, the Directors voted to assess those present \$2400 in order to pay certain claims of F. O. J. Smith and David Hayes. They also voted that Directors’ wives and families should no longer travel free over the Road.³⁷

Early in 1855, the United States Supreme Court affirmed Myers’ award against the Road.³⁸ That left the Road’s finances in a hopeless state, and the market for the Road’s securities showed it. The Stock was still 1 bid, and, strangely, 5 asked. The Bonds had fallen to 30 bid, 35 asked.³⁹

Josiah Pierce’s Diary for October 22, 1855:

“22. Went to Portland to see about suit Cummings vs me as Indorser on a R. R. note, for \$5000 in March 1851 — a most unfortunate case for me. In fact my pecuniary & proprietary concerns are in very unsatisfactory state & I do not see how I can ever extricate myself.”

The following April, he wrote his sister, Hannah:

"The Rail Road has nearly ruined me as to property — I indorsed notes to a large amount & am now sued on many of them. I have already paid for the R. R. more than \$6,000 — & I don't suppose I shall ever have any of it paid to me back. . . "40

Then, on a Monday evening at the end of March, 1856, Myers entered the Portland depot of the York & Cumberland, and took formal possession of the Road and all its property, in his capacity as trustee for the \$20,000 "Herrick Bonds" and \$13,000 of the original Bonds, not in his capacity as judgment creditor of the Road. He continued S. W. Eaton in his job as General Superintendent and Treasurer of the Road, but removed Humphrey Cousins, who had been conductor for years, and appointed Orange P. Thorpe as conductor in his place. 41 As if this weren't enough, John M. Wood then sued the Road for \$80,000, claimed to be due him under his contract, and Myers sent the Stockholders "very neatly printed circulars" informing them that he planned to look to them for the amount of his judgment against the Road.42 Jabez Woodman, now President of the Road, reported its debts at this point to be \$750,083.95.43

Myers ran the Road without any trouble for about six weeks. Then, one evening, the Directors put Humphrey Cousins back as conductor on the train out from Portland. That meant there were two conductors "each claiming to be the 'genuine article' all others bogus." With the greatest politeness toward each other, each purported to collect the tickets, each announced the stations, each told the engineer when to start the engine, all to the delight of the passengers.

Quite a number of Myers' partisans went out to Saco River that night to look after his interests in the morning. Somehow, Cousins had got the keys of the passenger cars,

which me refused to give up when he arrived at the station to take charge of the train. Because of the crowd of Myers' supporters, Cousins told Lord, the engineer, to start the train before the regular time. Lord hesitated, so Weeks, the watchman, who sometimes drove the engine, jumped on the engine, and with Cousins and a few friends, drove the engine to Gorham without the cars. At Gorham, the engine was coupled to two "platform cars" on which benches were placed, and the Gorham passengers were taken to Portland. "There was quite a jolly time among them. The fun made up for the hard seats."

The train with the "platform cars" made the return trip to Gorham at the usual time that morning, and was back in Portland on schedule at 11:00. "As some trouble was anticipated, the mayor, city marshall, his deputies, and a detachment of police were at the depot . . . but everything passed off quietly."

At one o'clock, however, F. O. J. Smith appeared with a strong posse of his friends, and seized possession of the train. The engineer "was collared" and taken from the engine. Thorpe was reinstated as conductor, and Cousins subsided "into the quiet life of a passenger". As an aftermath, Eaton was fired from his job as Superintendent and Treasurer of the Road because he refused to turn the Road's funds over to Myers.⁴⁴

The Board then went into Court asking for an injunction forbidding Myers to retain possession of the Road, or to sell his interest in the Road at foreclosure, but the injunction was denied on the ground there was an adequate remedy at law. For the uninitiate, the Court refused to force Myers to give up possession of the Road because the question of his right to possession could just as well be decided in an action against Myers for trespassing on the Road's property. The quotations for the Road's

Bonds had dropped to 15 bid, 25 asked. The Stock was unchanged.⁴⁵

The Court having refused to interfere, and Myers having previously advertised his sale, F. O. J. Smith proceeded to sell at auction whatever Myers' interest in the Road might be, except for his rights under his judgment in his action for breach of his contract. Amos Finch of New York was the buyer for \$120,000.⁴⁶

The next step was a plan of reorganization, which was presented to the creditors and stockholders at a meeting in Woods' office on September 24, 1856. Second mortgage Bonds were to be reduced from \$379,500 to \$94,875, and "floating debt" from \$50,000 to \$12,500, or a total reduction from \$675,500 to \$353,375. First mortgage Bonds, land claims and Myers' judgment would remain unchanged. Stockholders were to receive nothing. However, they were to be discharged from any further liability on their shares if they surrendered their stock; otherwise, they were to continue liable on Myers' claim.

Myers and Wood, together, were to enter into a contract to finish the Road to its western terminus for \$30,000 per mile. This was to include the cost of right-of-way, equipment, road bed, iron, turnouts, engine, wood and depot houses, fences and masonry. They were to be paid half in stock and half in new bonds, at par, as the work progressed. As soon as enough stock should be issued, "say twenty-five thousand dollars," a meeting would be called, and a new Board elected. The new capitalization would be: Bonds for "consolidation", \$353,375, Bonds for construction, \$502,000, Stock, \$502,000, or a total of \$1,357,375.⁴⁷

Ten days later, the Road's old stock was quoted zero bid, zero asked, Bonds 10 bid, 15 asked.⁴⁸

Somehow, the amount of Bonds for “consolidation” was increased to \$400,000, which would give the old creditors a 30% distribution,⁴⁹ and the next spring, Josiah Pierce went to Portland and surrendered his \$6,100 of Bonds and \$1,145 face amount of coupons for his 30% distribution in \$2,172.30 of new bonds.⁵⁰

R. G. Dun & Co. reported the basis of the plan when it was announced, and pointed out that the stock was worthless. The report concluded: “as soon as this arrangement is completed the road will be in good repute.”

In March, 1857, R. G. Dun & Co. had this to say: “Have adjusted their difficulties. Not desirable within present state.” October: “The more stock one has in this road, the worse he is off. . . . below par; involved.” April, 1858: “Same. Running expenses are promptly paid out of current receipts.” November: “In doubtful cr. but think will come up eventually. . . . Don’t as yet pay interest on Bonds. Bonds will in a few years be good.”⁵¹

By April of 1860, some of the farmers between Buxton Center and Saco River, who hadn’t been paid for the land taken by the Road for its right-of-way, took up enough of the rails so that trains could go no further than Buxton Center.⁵²

The rest of the story is a dismal one. The bondholders took the Road over in 1865, changed its name to “Portland & Rochester” and planned to extend it to Rochester, New Hampshire, where it would form a through line from Portland to New York. Portland issued \$700,000 of bonds to help, and the Road struggled a few miles beyond Saco River. In 1870, the City was persuaded to waive a prior lien so that \$350,000 more bonds could be sold to the public. The next year, a new issue was offered, but couldn’t be sold, so Portland took them up. Finally, the

track reached Rochester, but the rosy visions of a prosperous western connection didn't work out, and after the panic of 1873, the Road could no longer pay its interest. There was another reorganization in 1881, when the stock of the Road was taken over by the Boston & Maine, which merged the Portland & Rochester into itself in 1900.⁵³

Today, if you turn west on Route 114, where it crosses Route 25 at the light in Gorham Village, you only go a few yards when you come to a deep cut on your left, once the York & Cumberland right of way. The trees that now grow where rails and ties once lay are approaching five inches in diameter.

Requiescat in pace!

¹ Map developed from U. S. Geological Survey maps, Portland Quadrangle, surveyed in 1914, and Buxton Quadrangle, surveyed in 1883.

² *Private and Special Law of the State of Maine*, Chapter 369, Laws of 1846.

³ Josiah Pierce, Diary, October 26, 1846. (In possession of the author)

⁴ Josiah Pierce, Diary, December 28, 1847.

⁵ Josiah Pierce, Diary, January 22, 1848. Other "Rail Road meetings" are described in his Diary for November 9 and 29 and December 13, 1847, January 26 and March 14, 1848.

⁶ *Private and Special Laws of the State of Maine*, Chapter 108, Laws of 1848.

⁷ Josiah Pierce, Diary, July 20, 1848.

⁸ *Eastern Argus*, July 25, 1848.

⁹ *Eastern Argus*, September 12, 1848.

¹⁰ Josiah Pierce, Diary, October 6, 1848.

¹¹ A. C. Morton, Consulting Engineer: "Report on the York & Cumberland Rail Road, Its Advantages and Probable Revenue, with Statistics of the Cost and Traffic of Various Roads in the United States." Portland, Foster & Gerrish, Printers. Advertiser's Office. Pamphlet Binder on the York & Cumberland Rail Road, Maine Historical Society.

¹² *Portland Daily Advertiser*, October 31, 1849.

¹³ Josiah Pierce, Diary, July 31, 1850.

¹⁴ "Report of the Committee of Investigation Appointed at a Meeting of the Stockholders of the York & Cumberland Rail Road Held at Alfred, August 12, 1851." Portland, Harmon & Willis Printers, 1851. Pamphlet Binder on the York & Cumberland Rail Road, Maine Historical Society. The Report sets forth the text of Myers' contract.

¹⁵ "Annual Report to the Stockholders of the Directors, Engineer and Treasurer of the York & Cumberland R. R. Co.", August, 1850. Portland, F. M. Nichols & Co. Printers, 1850. Pamphlet Binder on the York & Cumberland Rail Road, Maine Historical Society.

¹⁶ *Portland Transcript*, August 17, 1850.

¹⁷ Josiah Pierce, Diary, November 1 and 8, 1850.

¹⁸ Josiah Pierce, Diary, November 23, 1850.

¹⁹ Josiah Pierce, Diary, February 5, 1851.

- ²⁰ Josiah Pierce, Diary, March 10 and March 12, 1851.
- ²¹ Josiah Pierce, Diary, March 13 and March 17, 1851.
- ²² Josiah Pierce, Diary, June 17 and June 18, 1851.
- ²³ Josiah Pierce, Diary, August 12, 1851.
- ²⁴ *Portland Daily Advertiser*, August 14, 1851.
- ²⁵ Pamphlet Binder on York & Cumberland Rail Road.
- ²⁶ *Portland Daily Advertiser*, January 16, 1852.
- ²⁷ United States Circuit Court, Maine, Opening Address of Francis O. J. Smith, Plaintiff's Counsel, in the Case of Myers vs York & Cumberland Railroad. At Portland, Me. Jan. 3, 1854. Printed by Barzin & Chandler, 1854. Pamphlet Binder on York & Cumberland Rail Road.
- ²⁸ Josiah Pierce, Diary, December 23, 1851.
- ²⁹ "Report of the Directors to the Stockholders of the York & Cumberland Rail Road Company. Presented August 10, 1852." Portland. Harmon & Williams, Printers, 1852. Pamphlet Binder on York & Cumberland Rail Road.
- ³⁰ *Portland Daily Advertiser*, August 10, 1853.
- ³¹ *Portland Daily Advertiser*, October 26, 1853.
- ³² *Eastern Argus*, January 24, 1854.
- ³³ Josiah Pierce, Diary, October 11, 1853, January 3 and 27, 1854.
- ³⁴ Josiah Pierce, Diary, August 21, 1854; *Portland Daily Advertiser*, August 22, 1854.
- ³⁵ *Portland Daily Advertiser*, October 4, 1854.
- ³⁶ *Portland Daily Advertiser*, October 9, 1854.
- ³⁷ Josiah Pierce, Diary, November 14, 1854.
- ³⁸ York & Cumberland R. R. Co. v. Myers, 18 Howard, 264 (1855).
- ³⁹ *Portland Daily Advertiser*, August 27, 1855.
- ⁴⁰ Letter, dated April 7, 1856, from Josiah Pierce to Hannah Pierce.
(In possession of the author)
- ⁴¹ *Eastern Argus*, April 2, 1856.
- ⁴² *Eastern Argus*, April 4, 1856.
- ⁴³ *Eastern Argus*, May 6, 1856.
- ⁴⁴ *Eastern Argus*, May 23, 1856.
- ⁴⁵ *Portland Daily Advertiser*, July 28, 1856; *Eastern Argus*, July 29, 1856.
- ⁴⁶ *Eastern Argus* July 29, 1856; *Portland Daily Advertiser*, July 30, 1856.
- ⁴⁷ *Portland Daily Advertiser*, September 26, 1856.

⁴⁸ *Portland Daily Advertiser*, October 6, 1856.

⁴⁹ *Portland Daily Advertiser*, October 28, 1856.

⁵⁰ Josiah Pierce, *Diary*, March 24, 1857.

⁵¹ R. G. Dun & Co., *Credit Ledgers*, Baker Library, Harvard Business School. With the kind permission of Dun & Bradstreet, Inc. and Baker Library.

⁵² *Eastern Argus*, August 15, 1860

⁵³ Alvin F. Harlow. *Steelways of New England*. New York, Creative Arts Press, 1946, p. 325.

William Curtis Pierce, a member of Maine Historical Society since 1955, lives in New York City. He retired in 1972 after a career of nearly forty years with the New York law firm of Sullivan & Cromwell. Mr. Pierce graduated from Bowdoin College in 1928 and Harvard Law School in 1931. He holds the L.L.D. from Bowdoin (1973) and last year received Bowdoin's Alumni Service Award. Mr. Pierce writes, "My home is the old family farm in Baldwin to which my great, great grandfather, Josiah Pierce, brought his bride from Woburn, Massachusetts in 1787."