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THE

Chicago, Danville and Vincennes R. R.

*THE MOST IMPORTANT*

**COAL ROAD LEADING TO CHICAGO,**

FORMING PART OF A THROUGH LINE

**FROM THE LAKES TO THE GULF.**

—•—

SPECIAL ATTENTION INVITED

TO THE

FIRST MORTGAGE BONDS AS AN INVESTMENT.

MARCH, 1871.

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OFFICE OF THE COMPANY,

No. 38 PINE STREET, NEW-YORK.

ILLINOIS HISTORICAL SURVEY,

THE

Chicago, Danville and Vincennes R. R.

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New-York:

JOHN W. AMERMAN, PRINTER,  
No. 47 CEDAR STREET.

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1871.

# Chicago, Danville and Vincennes Rail-Road Company.

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JAMES D. FISH, PRESIDENT MARINE NATIONAL BANK,	"

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*To the Holders of Five-Twenties or other funds for invest-  
ment:*

YOUR attention is especially called to the First Mortgage Seven Per Cent. Gold Bonds of the Chicago, Danville and Vincennes Rail-Road, which are still selling at  $87\frac{1}{2}$  and accrued interest, as having claims to the confidence of investors, such as those of other new rail-roads have seldom, if ever, possessed.

This Company's Road extends from Chicago, the chief rail-road centre of the West, through the Eastern Counties of Illinois, to the City of Danville, and thence to a junction with the Evansville, Terre Haute and Chicago Rail-Road, with which it forms a continuous line through the Western Counties of Indiana to Evansville, on the Ohio River. Its general route is from North to South, across the richest and most thickly-settled portions of Illinois and Indiana, and it connects with Chicago four important cities on its line, that for want of rail-road facilities have hitherto had but a limited trade with that important metropolis. And not the trade of the cities only, but the grain, cattle, hogs, sheep, and all the surplus products of the fine country that the road traverses and controls, will seek the Chicago market, to be exchanged for lumber, building materials, merchandise, groceries, furniture, etc.

From the country beyond the Ohio, too, and from places all along the "through line" to the Gulf, a considerable volume of trade will be added to the above.

Local traffic and travel derived from a rich agricultural country, that abounds at the same time in mineral wealth, such as coal and iron, is by far the most certain and most

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profitable traffic. No territory can give better support to a rail-road than that which is covered with thick farming settlements, thriving towns and villages, and successful manufacturing establishments. Measured by this standard, no one of all the Illinois rail-roads can pour a larger trade into Chicago than the Chicago, Danville and Vincennes.

On a well built road, under economical and honorable management, a *large traffic* is the safest and surest basis of its bonded debt. And having at least as good a business, this Company's Road offers as good a bond as the older Chicago Rail-Roads, *whose bonds are esteemed among the best in the country*. The only thing lacking is the *completion* of the road, and a few months' time will suffice for that accomplishment.

But besides all this, and more important than all, the recent discoveries and demonstrations in the "coal fields" of Indiana revolutionize the iron manufacture and iron trade of the Western country. The carrying trade of coal and iron for the future is assured, in large measure, to the rail-roads leading from these coal fields. As a fuel for all manufacturing purposes, for locomotives and for general domestic uses, there is no better coal in America. Directly along the line of our road there are "block-coals" enough and native ores enough to run a thousand blast-furnaces for a thousand years, without materially diminishing the quantity. There is nothing better in the world for smelting iron ores than these coals, and nothing that produces the best iron at so small a cost. Large iron manufacturers must come to this region as they have done and are doing, or else be left behind in competing for the iron business of the West.

The rapid multiplication of blast-furnaces and rolling-mills along and near this line of road *positively assures* to the Chicago, Danville and Vincennes Rail-Road a business in carrying coals northward, and Lake Superior iron ores southward, that will be simply *enormous, such as no other new rail-road in the West or in the East ever possessed or controlled*. A small opening of the Brazil coal fields has, in a

short time, doubled the business of the Terre Haute and Indianapolis Rail-Road.\* But this is only a slight indication of what the general opening of these mines, and the carrying of their coals to Chicago and the Northwest, will add to the otherwise large earnings of this Company's road.

But notwithstanding the enormous traffic that is ready to press upon this line at its completion, and notwithstanding the Company are building the best new road in all that section of country, *the "bonded debt" of the road is only \$18,000 per mile*, less than half the debt of other roads whose bonds, without a business to protect them, are claimed to be the very best in the market for investment. Moreover, this small debt of \$18,000 per mile *is the only debt of the Company, while it is the first and only lien upon the Company's road, property and franchises.*

This Company's road will be finished and the cars running to Watscka, 84 miles from Chicago, in a few days. Iron has been purchased for all the unfinished part of the road, ties are being prepared, and every thing indicates the early completion of the work. The Evansville, Terre Haute and Chicago Road is completed from the Ohio north to Newport, 139 miles, leaving not more than 25 miles to build. The Evansville, Henderson and Nashville Rail-Road has just been opened over its entire length. From Nashville to Pensacola there remains some 40 miles to build on the Northern Alabama, and 60 miles on the Selma and Gulf Rail-Road. As it is the interest of these several roads to push forward the construction and close up the gaps, it would seem probable that the entire "Through Line" will be opened by early autumn.

The Chicago, Danville and Vincennes Company have made arrangements for depot accommodations in the city, whereby its passenger and freight business will be as well provided for as that of any road leaving Chicago.

The Company have issued Two Million Five Hundred Thousand Dollars of First Mortgage Sinking Fund Bonds,

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\* Indiana State Geologist's Report, p. 21.

having forty years to run, bearing seven per cent. interest, payable semi-annually in New-York, both principal and interest payable in *United States gold coin*.

The bonds are in sums of \$1,000 each. The interest upon them, at the rate of seven per cent. per annum in gold, is payable semi-annually on the first days of April and October of each year, in the City of New-York. They have semi-annual coupons attached, but they may be registered by any purchaser, in the Union Trust Company of New-York, for protection against loss or accident.

About one-half of the loan has already been negotiated, and the proceeds of the balance, with the remaining subscriptions which have been made to the capital stock, will be amply sufficient to complete and equip the entire road.

**The Price of the Bonds is 87½ and Accrued Interest.**

They may be obtained of the banks and bankers who are acting as the Company's agents for the sale of them, in the chief cities and towns in New-York, New-England, Pennsylvania and Maryland.

Where there is no agent, they may be had by correspondence directly with the Company, at their office, No. 38 Pine-street, New-York. Remittance may be made through any Bank, and the bonds will be sent by express, free of all charges to the purchaser.

Agents will please order their Bonds directly of the Company, who will receive Five-Twenties or other marketable securities in payment, and return by Express any surplus with the bonds.

By order of the Board.

W. D. JUDSON,  
*President.*

NEW-YORK, *March 20th*, 1871.



THE following letters will be read with interest by parties who are seeking further and more complete information :

MARINE NATIONAL BANK,  
New-York, February 18th, 1871.

W. D. JUDSON, Esq.,

*President Chicago, Danville and Vincennes  
Rail-Road Company :*

Dear Sir,—In answer to numerous inquiries made of me as one of the Trustees for the bondholders, by letter and otherwise, as to the security and value of the First Mortgage Bonds of your rail-road, I will reply by a letter addressed to you :

*First.*—The bonds of your Company are, in my judgment, a good investment. They are based upon a property so valuable as to secure the payment of interest on them from earnings of the road.

*Second.*—They are the first and only lien upon the road and its equipment, the franchises, and all present and future acquired property of the Company.

*Third.*—The Sinking Fund, created and set aside by the provisions of the mortgage, will be sufficient in amount to retire the whole issue of these bonds at or before maturity.

*Fourth.*—There cannot be issued over two million five hundred thousand dollars, according to the terms of the mortgage.

*Fifth.*—Forming, as this road does, part of an "Air Line" from Chicago to Pensacola and Mobile, 850 miles in length, about three-quarters of which is already completed, running through Danville, Terre Haute, Vincennes, Evansville, Henderson, Hopkinsville, Nashville, Decatur and Selma, the expectation of a large through freight and passenger business seems to be reasonable and well founded.

*\*Sixth.*—Assuming the statements of the State Geologist of Indiana and his assistants to be correct, as to the vast quantity of coal found along and near this line, and the unsurpassed quality of this coal for smelting iron ores, as well as for general manufacturing and domestic purposes, this road must do a very large business in carrying coals in one direction, and iron ores as return freights in the other.

Whether the amount of this coal business shall approximate to that of the Lehigh Valley Road, Pa., or to the Reading Road, which has risen from less than two million tons carried in 1860, to more than four and a half million tons carried in 1870, time alone can determine.

*Seventh.*—It seems to me evident that, with a rich agricultural country from the Ohio River upwards to furnish its local traffic, and with coal and iron in illimitable quantities to be carried to a ready market, your rail-road has a basis of strength and security for its bonds that could not be better, and that these bonds are entitled to the full confidence of parties seeking a good and safe investment.

Very truly yours,

J. D. FISH, *Trustee.*

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\* Prof. E. T. Cox, State Geologist of Indiana, in his Report, Jan. 1st, 1870, says, pp. 36, 47: "Block Coal is a name used by miners to designate a variety of non-caking bituminous coal" \* \* \* "that may be mined in large cubes or blocks, which exhibits the whole depths of the bed." \* \* \* "In coking, it scarcely swells or changes form, and never cakes or runs together. It is this latter character which gives to the 'block coal' its peculiar value as a fuel for smelting iron ores; while it has sufficient bitumen—in the form of gaseous matter—to render it highly inflammable; and the blocks retain their shape until burnt to ash, in such a manner as will admit the ready passage of the blast and flame through the entire mass of fuel, ore and flux."

“The discovery of Block Coal in Vermillion County was first made public through the newspapers, on the 15th of November, 1869.”—P. 132. “Vermillion County is thirty-six miles long, and varies in breadth from five to ten miles, with an average of a little less than seven, thus including an area of 249 square miles.”—Prof. Bradley, p. 138. “The final conclusion of the scientific explorer must be, that good coal can *now* be mined profitably under at least *one-half* the area of the county, and *ultimately* under probably *two-thirds* of the remainder. A thickness of eight feet would be a small enough estimate for coal underlying every square foot of the county. This would give, at the usual estimate of one million tons to the square mile for every foot of thickness, the amount of 1,950,000,000\* tons as the supply of the county.”—Pp. 161, 162. Prof. Cox says, p. 137: “As many as three thick seams of coal, with a total depth of twelve to sixteen feet, are found over a large area of this county, and the quality will compare favorably with that of any other coals in the State.” Prof. Cox again states, pp. 133, 134: “The Evansville, Terre Haute and Chicago Rail-Road runs through the entire length of this ‘Block Coal’ field, and will afford excellent facilities along its line for the location of blast furnaces.” \* \* \* “As this rail-road connects at Danville with another rail-road† running direct to Chicago, no location in the ‘Block Coal’ region of the State can be more favorable for manufacturing iron, and for obtaining Lake Superior iron ores at a low rate of freightage.”

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\* At \$2.50 per ton for Block Coal, which is the “*Cannel*” Coal of our market, and \$2.00 per ton for Caking Coal, which is the ordinary “*Liverpool* Coal,” the *value* of coal in this county alone would amount to \$4,387,500,000.

The State Report, p. 69, puts the value of the coal in Clay County at (\$4,364,000,000) four billion three hundred and sixty-four million dollars. But vast as this quantity is, it is by no means all that lies within the reach of the Chicago, Danville and Vincennes Rail-Road, with its connecting and co-operating roads.

† The Chicago, Danville and Vincennes Rail-Road.

*From the late President of the Chicago and North Western Rail-Road Co.]*

*New-York, December 17, 1870.*

W. D. JUDSON, Esq.,

*President Chicago, Danville and Vincennes R. R. Co. :*

Dear Sir,—During the past summer, while in Chicago, my attention was drawn to the high character and quality of the Indiana Block Coal, and the importance of it to Chicago and the country west of it, now and hereafter.

I have no doubt that a road directly to the coal field from Chicago, and with free access to the Lake Superior iron ores at Chicago, would, about as soon as completed, find itself fully occupied in transporting the Brazil or Block Coal of Indiana to Chicago, and the iron ores of Lake Superior from Chicago to the vicinity of this Block Coal, and to the furnaces already there, and to others that will be constructed there as soon as the ores mentioned can be economically transported to them.

The Block Coal of Indiana and the ores of Lake Superior are not excelled in their high qualities and adaptation to the making of cheap first quality of iron; and when brought together by rail, must supply the entire West with advantage and economy, that cannot, so far as I can now see, soon, if ever, be excelled.

Your Chicago, Danville and Vincennes Rail-Road, in connection with the Evansville, Terre Haute and Chicago Railway, now being built, will, as I understand it, soon bring these ores and coals together; and I have no doubt that when so completed and opened, the coal and iron trade alone will support the investment from the beginning, and will increase yearly for many years.

Besides the coal and iron traffic to result from the construction of your rail-road, however, it must have the local business of the fine country through which it passes, and

the business of other roads with which it connects and co-operates.

Its construction through a very level country of alluvial soil will be easy and inexpensive, and there is no reason to doubt that with fair management, its earnings will be ample to the payment of interest on all its bonds from the time of completion, and will soon, if not from the first, increase and be equal to a fair return on its stock.

Yours, very truly,

W. B. OGDEN.

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[From the President of the Pittsburgh, Fort Wayne and Chicago Railway Co.]

*New-York, March 12, 1870.*

Messrs. W. BAILEY, LANG & CO. :

Gentlemen,—I am familiar with the line of the Chicago, Danville and Vincennes Rail-Road, as far south from Chicago as I presume it is proposed to build it. It passes through a very productive agricultural country, and will have, in addition, a large coal traffic from the *Block Coal* fields of Indiana.

The road is not expensive to build, nor will it be expensive to maintain and operate, and cannot, with proper management, fail to pay interest on its cost.

I have been twice over that portion of the road now completed and in operation, and found the road-bed well made, and the track the best *new track* I have ever traveled over of any Western road.

Truly yours,

G. W. CASS.

OFFICE CHICAGO IRON COMPANY,  
45 DEARBORN STREET,

*Chicago, January 11, 1871.*

W. D. JUDSON, Esq.,

*President Chicago, Danville and Vincennes R. R. Co.:*

DEAR SIR,—We are anxiously waiting for the completion of your road to the Block Coal fields of Indiana, so that we can compete successfully with other localities in making Pig Iron.

The long and circuitous route by which this coal now reaches Chicago, makes its cost too great; and what we need, to make Chicago the great manufacturing centre of the country west of the Alleghanies, is cheap fuel to smelt the ores of Lake Superior.

With these ores and the Block Coal of Indiana, we can make an excellent quality of Pig Iron suitable for the general foundry and mill uses, and I have no doubt but that it will be found to be pure enough to make the best quality of Bessemer Steel for rails.

At the price at which you propose to deliver this coal, on the completion of your road, iron can be made here at fully \$2 per ton less than it can be done in Pittsburgh, and of a far better quality.

The Lake Superior ores are delivered here at \$1 to \$1.50 per ton less than they are at Erie, Cleveland, Detroit, or Buffalo. The distance from Escanaba, the great shipping point for ore to Cleveland, is 800 miles; while to Chicago it is about 300 miles. Westward-bound freights on the lakes are from one-third to one-half less than Eastward-bound, the great bulk of our shipments being in that direction, moving our cereals, provisions, &c.

This is a geographical fact which will always be in favor of Chicago; and as we increase in manufacturing our own

rails, steel and other heavy articles, the advantages will be still more apparent.

Last season, the selling price of Lake Superior 66 per cent. ores at Escanaba, was \$6 per ton; freight to Cleveland, \$2.50; dockage and freight to Pittsburgh, (150 miles, by rail,) \$3—making cost, delivered there, \$11.50 per ton.

1½ tons to make a ton of iron, is.....	\$17.25
80 bushels coke, at 7½c.,.....	6.00
	<hr/>
Cost of ore and fuel for one ton iron,.....	\$23.25

*To make it here, would cost :*

1½ tons ore, at \$7.25,.....	\$10.62½
2½ “ Indiana Block Coal, at \$4.25,.....	10.62½
	<hr/>
	\$21.25

Making a saving in favor of Chicago of \$2 per ton. The freight on Pig Iron from Pittsburgh is \$5 per ton; thus making cost of iron made here \$7 per ton LESS than it can be made in Pittsburgh and delivered here.

It is difficult to estimate the advantages which will accrue to the benefit of Chicago and the Great West, when we are enabled to manufacture our own iron and steel, nails, &c., at as low a rate as can be done in Pittsburgh. The saving in freights alone would build and equip a road the length of yours each year.

The coal traffic of the Chicago and Alton Rail-Road last year was over 200,000 tons, and I have no doubt but that yours (being so pre-eminently required for manufacturing purposes) would largely exceed that in a short time.

Yours very truly,

A. B. MEKKER, *President.*

## COPY OF THE BOND.

UNITED STATES OF AMERICA.

No. ———

STATE OF ILLINOIS.

\$1,000.

CHICAGO, DANVILLE AND VINCENNES RAIL-ROAD COMPANY.

FIRST MORTGAGE SEVEN PER CENT. SINKING FUND BOND.

*Principal and Interest Payable in Gold.*

Know all men by these presents, that the Chicago, Danville and Vincennes Rail-Road Company, a corporation existing under the laws of the State of Illinois, for value received, acknowledges itself indebted to Joseph E. Young in the sum of one thousand dollars, in United States gold coin at par, which it promises to pay, in the City of New-York, to him or bearer, on the first day of April, in the year one thousand nine hundred and nine, with interest at the rate of seven per centum per annum, in gold coin as aforesaid, payable semi-annually on the first days of April and October in each year, on the delivery of the annexed interest warrants, in the City of New-York, at such place as may be designated by said Company by advertisement published in said city.

This bond, with others of like tenor and date, amounting in the aggregate to a sum not exceeding two millions and five hundred thousand dollars, is secured by a mortgage on the rail-road, franchises, income, equipments and property of said Company, duly made and delivered to trustees, whose names are signed to the certificate of authentication of this bond, for the benefit of the holder hereof, dated the tenth day of March, one thousand eight hundred and sixty-nine, and duly recorded.

This bond is entitled to all the benefit to be derived from a Sinking Fund, to be annually created and invested as provided for in the deed of trust or mortgage above referred to. And it is agreed between said Company and the holder of this bond, that no recourse shall be had for its payment to the individual liability of any stockholder of said Company; and that in case of any default in the payment hereof, the said Company hereby waives the benefit of any extension, stay or appraisement laws now existing or that may hereafter exist.

This bond shall pass by delivery, or by transfer on the books of the Company, in the City of New-York. After a registration of ownership, certified



hereon by the Transfer Agent of the Company, no transfer, except on the books of the Company, shall be valid, unless the last transfer be made to bearer by the Transfer Agent of the Company, which shall restore transferability by delivery; but this bond shall continue subject to successive registrations and transfers to bearer as aforesaid, at the option of each holder.

This bond shall not be valid or obligatory until it shall have been authenticated by a certificate endorsed hereon, and duly signed by the Trustees under the mortgage aforesaid.

In witness whereof, the said Company have caused the foregoing to be attested in its behalf by its President and Secretary, and its corporate seal to be affixed hereto, and the interest warrants hereto annexed to be signed by its Secretary, at the City of Chicago, in the State of Illinois, this tenth day of March, eighteen hundred and sixty-nine.

\_\_\_\_\_ *President.*

\_\_\_\_\_ *Secretary.*

[Coupon.]

\$35.

The Chicago, Danville and Vincennes Rail-Road Company will pay the bearer, at its agency in the City of New-York, thirty-five dollars, in coin, on the first day of \_\_\_\_\_ A. D. \_\_\_\_\_ for semi-annual interest on its First Mortgage Bond No. \_\_\_\_\_

\_\_\_\_\_ *Secretary.*

[Endorsement.]

No. — Chicago, Danville and Vincennes Rail-Road Company. Seven per cent. Sinking Fund Bond. \$1,000. Principal and interest payable in United States Gold Coin, at par. Principal payable April 1st, 1909. Interest payable April 1st and October 1st, in New-York.

[Trustees' Certificate.]

We certify, that this bond is one of a series amounting to \$2,500,000, described in and secured by the Deed of Trust or Mortgage mentioned herein, bearing date March 10th, 1869, which is recorded according to law.

\_\_\_\_\_ }  
 \_\_\_\_\_ } *Trustees.*





