

THE GREAT CANAL BOONDOGGLE

How For Years Planners Have Dug Into The Taxpayer's Pocket Without Ever Digging An Indiana Waterway

By RICHARD S. SIMONS

NEARLY 150 years ago, Indiana fulfilled a longtime dream by digging a navigation canal between Toledo, Ohio, on Lake Erie and Evansville on the Ohio River. Within a surprisingly short time, however, it collapsed financially and physically, bankrupted the state and dissolved into a useless chain of stagnant pools and ditches.

Despite this unhappy reality, certain Hoosiers have enjoyed a canal dream that recurs with the regularity of a summer TV rerun. Since the project has surfaced regularly since about 1800, it is, without doubt, one of America's longest-running political pork barrel acts. It would be comic if it didn't reach so deeply into the taxpayers' pockets.

The current dream again would link the Ohio and Lake Erie by canal.

For the first 50 years, the canal dream was resurrected in Indiana spasmodically. But during the last century, it has been a study in perpetual monetary motion.

The ink scarcely dries on one rejection report before Congress appropriates more funds for yet another study. Sometimes, due to news leaks, Congress dips anew into the pork barrel before the report is made public on the last study, and rejection.

The Army Corps of Engineers, which six times has vetoed the idea of a canal as unfeasible, spent about \$1 million on the current study. The first several surveys combined only cost about a half-million.

Clearly the cost of determining that a canal in Indiana is not economically feasible has continually gone up. But so has the estimated cost of building this unfeasible canal.

THE FIRST proposal for a canal in 1828 was priced at \$65,000 and rejected as too costly. Now the estimated tab is as high as \$5 billion, depending on who is doing the talking.

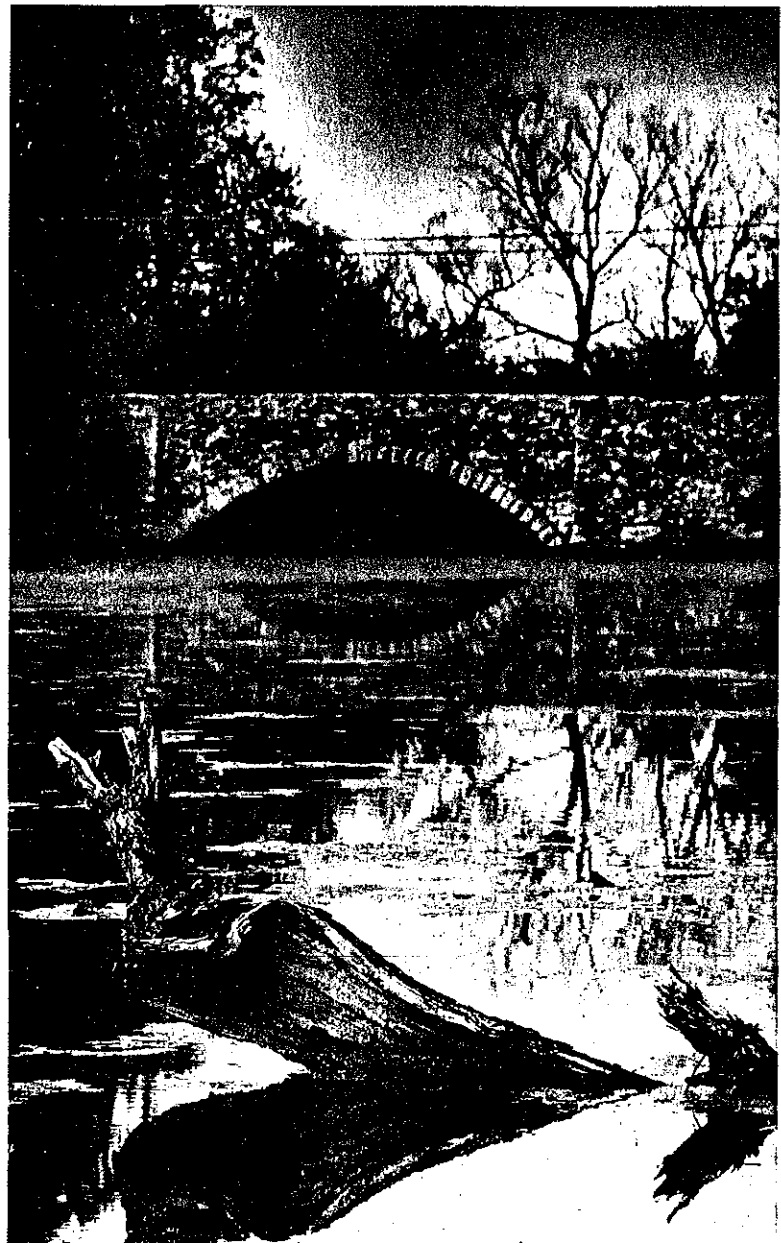
Representative Philip Sharp (D-10th District) has introduced a measure to cut off further funds. Five other Hoosier representatives are co-sponsors.

But, on the basis of past history, it would appear folly to think the canal log-rolling will cease. Proponents continue to contend it would be a boon to coal and grain shippers and would attract new industry, overlooking rail and highway facilities that already parallel proposed canal routes.

Backers include the Wabash Valley Association and its governmental offspring, the Wabash Valley Interstate Commission, although the commission has been stripped of nearly all power.

Opposing the canal are the Coalition on American Rivers, private transportation companies, the Izaak Walton League, some labor unions, numerous Audubon Societies and a variety of local civic groups. Even the Corps of Engineers, which rarely has been known to favor nature, has maintained its objections for at least 75 years.

Nevertheless there has been a



The Wabash and Erie Canal, built 150 years ago, then abandoned, is like this now at Delphi.

century of canal promotional efforts, economic studies, engineering surveys and congressional appropriations.

The main dream is repeating the entire Cross-Wabash project, the one which was built once and failed. When it was in operation, it was the longest canal in North America. The smaller dream is merely to improve the lower Wabash River.

OTHER VERSIONS of these two dreams have been proposed. Sometimes a branch is suggested off the main canal from Lafayette to Lake Michigan. Others would attack a

branch near Cayuga and follow the Vermillion, Iroquois and Kankakee rivers toward Chicago.

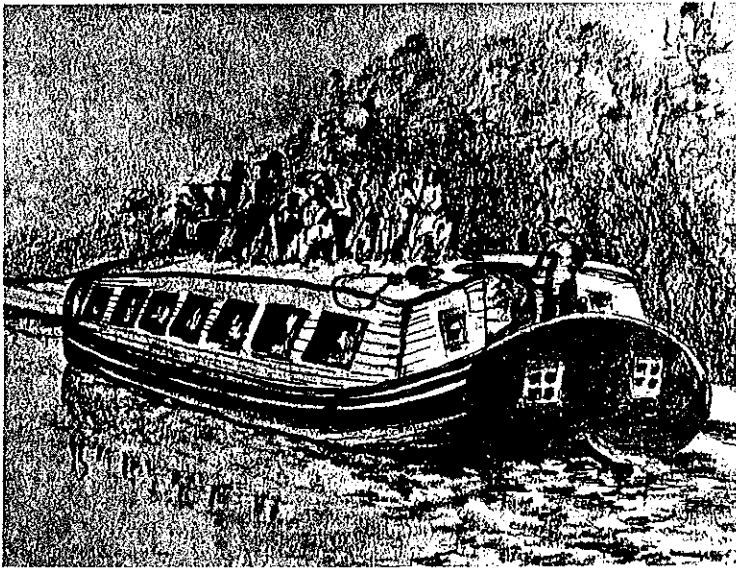
Another version suggests going from Lake Erie to Fort Wayne, then across northern Indiana to Lake Michigan.

The goal of improving the lower Wabash calls for creation of a river-canal system from the Ohio River up to Mt. Carmel, Ill., or maybe as far north as Terre

Continued on Page 8

CANAL BOONDOGGLE

Continued from Page 7



A boating party was the subject of this drawing on the old Whitewater Canal.

Haute. This version usually is proposed in times of stress and suggests that this shipping route then could be put in a holding pattern until a more favorable canal-building climate permitted realization of the entire canal dream.

The historical backdrop for the entire idea is one of disaster. The original canal resulted in bankruptcy for the state. The uncompleted canal was turned over to creditors. Because of this, Indiana shortly thereafter constitutionally prohibited bonded debt for the state, creating the pay-as-you-go policy which is supposed to still be in effect.

French fur traders, portaging their pirogues over the Wabash route, originated the canal idea during the 18th Century. Settlers who followed took up the cry as early as 1800. Eighteen years passed, however, before Congress financed a survey. Recommendation: A six-mile canal.

The idea languished, however, for 10 years until Congress ordered a second survey. This time the idea grew to channel improvement downstream from Logansport at an estimated cost of \$65,000.

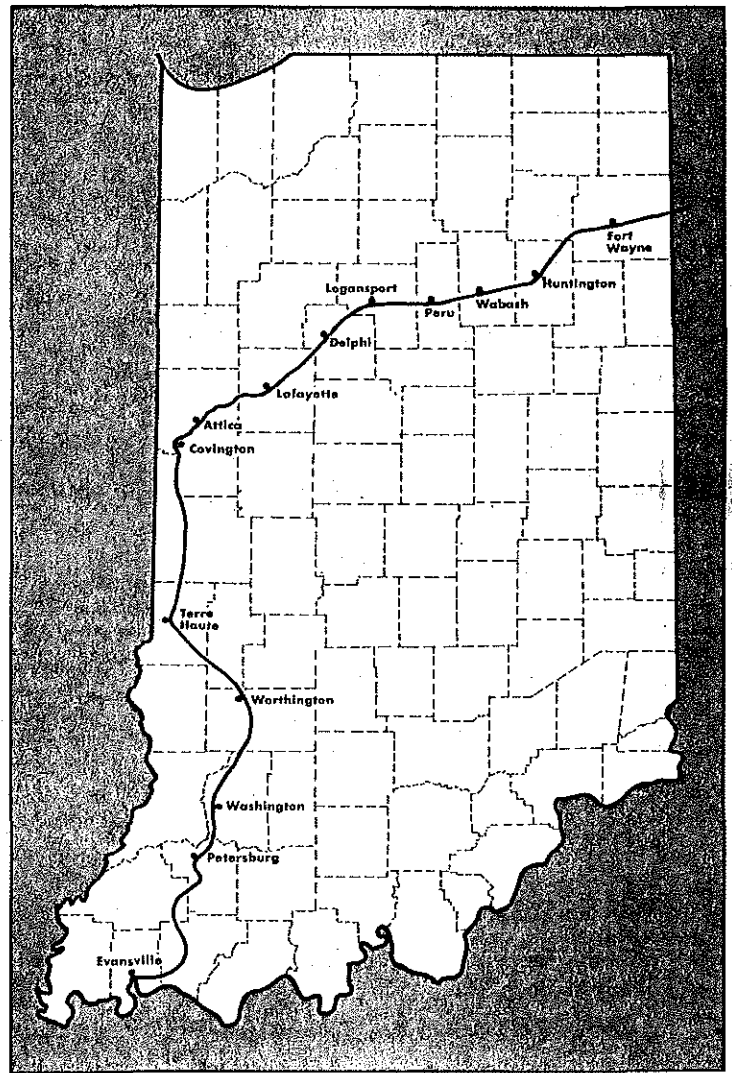
Again, nothing came of it, partly because President Andrew Jackson vetoed a Wabash Valley navigation bill in 1834. "Too extravagant," he snorted.

BUT BY the 1830s, Hoosiers had incurable canal fever. The 1836 legislature passed the Mammoth Internal Improvement Act, which provided for numerous canals, railroads and turnpikes. The Wabash and Erie Canal was to be the star of the show and despite occasional protests that the onrushing railroads were the wave of the future, digging began. An ecstatic buoyancy seized the public.

But three years later the bubble burst. The state went bankrupt. Workmen laid down their picks and spades and walked off the job. All construction halted.

Creditors took possession and completed the canal to Lafayette in 1843. Ten years later, it reached Evansville.

But inadequate traffic never reached projections and continual massive vandalism complicated by lesser natural disasters closed the canal below Terre Haute within seven years. Fourteen years later, the entire route was abandoned as a through waterway and no further effort was made to



Original Wabash and Erie Canal took this route from Toledo to Evansville.

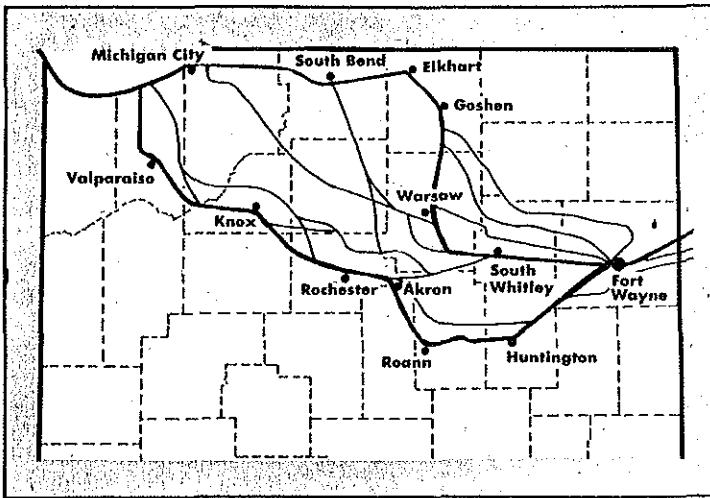
operate it. The subsequent state constitution which prohibited bonded debt showed the Hoosiers had learned a lesson, but, as future events showed, not permanently.

Meanwhile, other efforts were made to navigate the unwilling Wabash. A private firm, Wabash Navigation Company, completed a dam and locks near Mt. Carmel, Ill., in 1849. It cost \$70,000. Unable to make a go of it, the firm sold out to the Federal government for a 10th its original investment. In 1872, Congress funded a plan to rebuild the dam and clear the river for navigation. The price tag expanded geometrically, as it has done with each subsequent Wa-

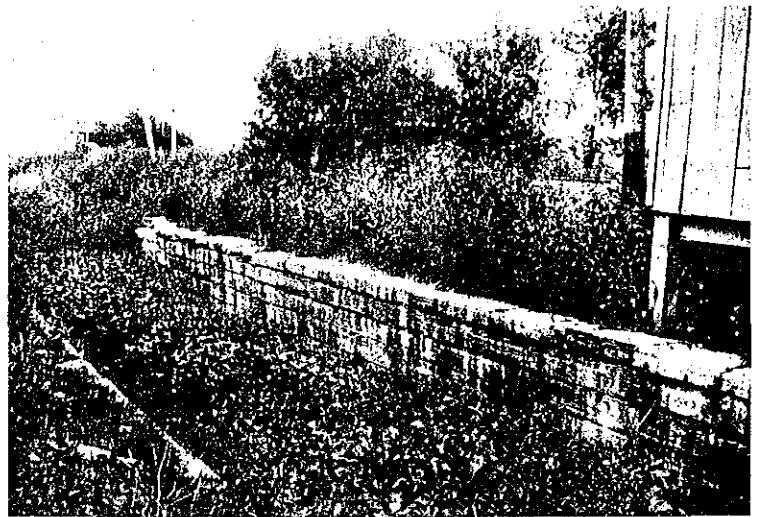
bash Navigation Company's expenditure.

Meanwhile, back at the canal, in 1880, Congress took another look and ordered a survey between Toledo and Lafayette costing \$15,000. The verdict: A canal would cost \$25,000,000 — up \$24,935,000 from the projected cost in 1828. Even the Federal government thought twice and abandoned the idea.

DURING ensuing years, channel improvements were completed on the lower river, pressure mounted for



These routes were proposed for canals between lakes Erie and Michigan. The heavy lines were proposed in 1914.



Part of the locks at Lagro, Wabash County, poke from the weeds.



Remains of canal locks were preserved on an old postal card.

a canal to connect Lakes Erie and Michigan via Fort Wayne and Congress once more looked into another Toledo-Evansville canal.

Came 1885 and Congress appropriated funds to rebuild the Grand Rapids lock and dam in the Wabash near Mt. Carmel. But things moved slowly. It required nine years to do the job, but after only eight years of use, Congress discontinued the funds which it had authorized in 1870. Too little traffic, the lawmakers said.

Twenty-three years later, Congress got around to repealing the law that authorized the funding. But the move was academic. Nearly a quarter century of neg-

lect had reduced the dam to the point of no return.

In 1902 Congress halted all funding for navigational improvements but also appropriated \$5,000 to re-survey the Wabash below Vincennes, and then for good measure threw in a survey upstream to Perrysville in Vermillion County. Estimated cost up to Vincennes: \$3,045,000 or nearly four times the cost of the 1872 improvement.

Further pressure resulted in a public hearing at Vincennes. In 1904, the Board of Engineers for Rivers and Harbors sidestepped a firm decision by calling the project "premature".

Four years later, the Wabash canal project languishing, Congress took a new tack. It considered building a canal to connect Lakes Erie and Michigan via Fort Wayne and earmarked \$50,000 for a survey.

BUT THE river route still kicked feebly. In 1909, Congress authorized yet another survey below Mt. Carmel, Ill., and a year later flew in the face of the engineers who rejected it by ordering a new study all the way upstream to Terre Haute.

When results were tabulated, four years later, estimated cost was \$7,900,000, well over double the Vincennes project estimate eight year earlier.

By 1911, results were in from the Great Lakes-Fort Wayne canal survey. Cost: \$43,000,000. Verdict: Not economically feasible.

Evidently sensing the bad news but not waiting for the official report, canal supporters joined ranks behind the 1911 Rivers and Harbors Act, which sent surveyors swarming over northern Indiana at a \$50,000 cost to determine which of nine routes would be most practical for the canal which already had been rejected in concept.

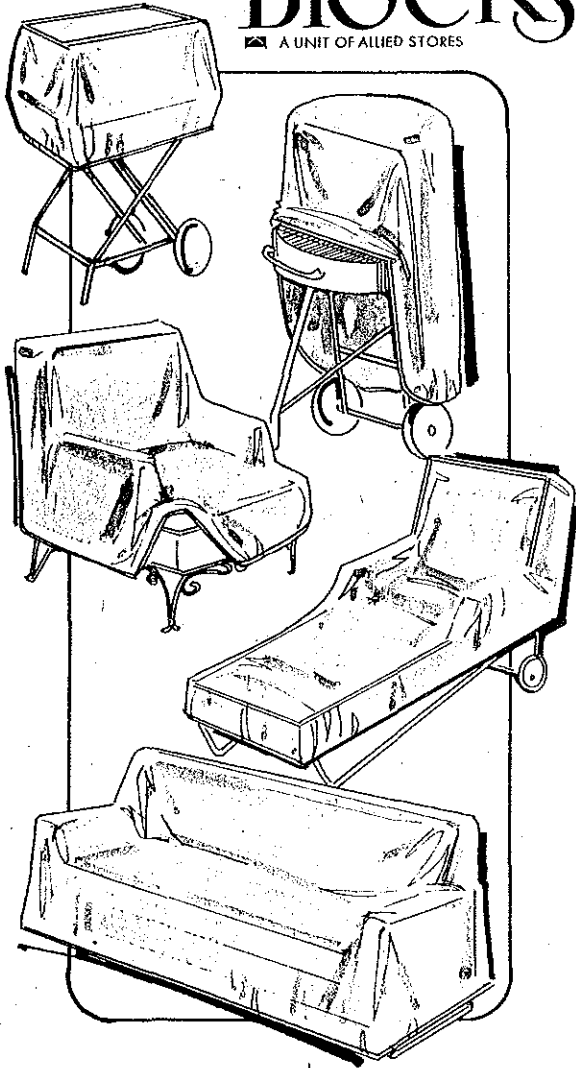
Despite repeated official rejections, canal frenzy began to build as it had during the 1830s. Numerous canal associations organized and issued rosy predictions. Fort Wayne activists foresaw ships steaming through their city within five years. A new survey was urged. By this time its cost had jumped to \$250,000.

The urgency of World War I temporarily sidetracked canal projects but by the early '20s, they were back in full bloom. A prominent Indianapolis businessman in 1925 publicly recom-

Continued on Page 10

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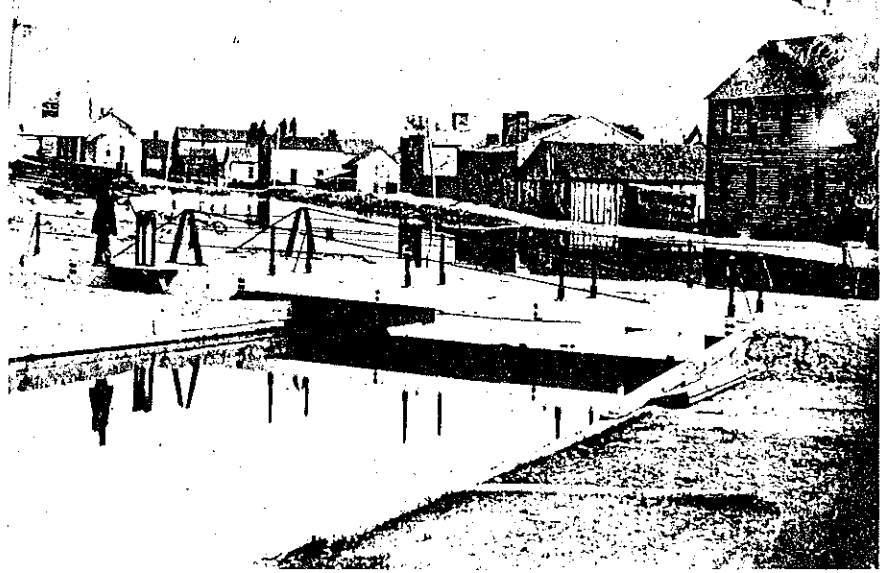
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CANAL BOONDOGGLE

Continued from Page 9



This canal bridge at Logansport was photographed about 1868.

mended that the frequently rejected canal be re-routed through the capitol city. He predicted that nearly all ocean-going ships could call at Indianapolis, which would become the Midwest's leading shipping center. Steel mills, cotton, wool and rubber factories, shipyards and airplane factories would swarm in and the city would grow to a population of 1,000,000. An additional 100,000 transient workers also would be needed, he declared.

Such unbounded dreams brought the canal projects back in full force and in 1927 Congress instructed the Army Corps of Engineers to undertake a major re-survey. Six years and thousands of dollars later the verdict came in: Cost was unjustifiable. The Wabash portion would cost \$110,000,000 and there would be "no considerable commerce" unless the canal would be extended to Toledo. This would run the price tag up to \$160,000,000.

THE RIVER is not so located for trunk traffic, the report stated, and local traffic would not justify the expense. Reservoirs would not effect any substantial reduction in Mississippi River floods.

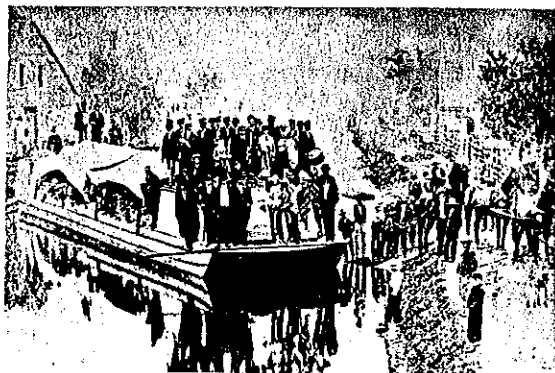
Again in 1946, the Army Engineers rejected a canal project; in 1957, the Indiana Senate requested yet another Great Lakes canal survey, and in 1967, the

Corps reported that an Ohio River-Terre Haute improvement was not economically feasible. This was no news. The corps had reached the same conclusion about Indiana waterways in 1902, 1909, 1911, 1933 and 1946.

But canal enthusiasts pretended not to have heard. Only a year after the latest rejection, the merry-go-round began to move again. Four years and numerous public hearings later, the Corps declared the estimated \$86,000,000 cost of a lower Wabash improvement was unjustified.

After a short three-year breather, however, the United States Senate proposed \$135,000 to take another look at the rejected canal and the House proposed a \$40,000 survey of the lower river. Estimated canal costs now had exploded to \$243.5 million.

In addition to the cost of digging the canal and preparing it for navigation, there is the nagging problem of finding enough water to keep it full. Hydrologists doubt that the area's rivers can provide the depth necessary for floating barges. Opponents are closing in on expansion of the



A wedding party was photographed aboard a canal boat. The date and place are uncertain.

system of Upper Wabash reservoirs, which some say are being constructed with a canal in mind.

Incredible as it may seem, one proposal has been to bring the water from Alaska through a feeder system that would stretch two-thirds the width of the continent. The proposed Alaskan Ramparts Dam there would flood an area larger than the state of New Jersey.

With the Cross-Wabash Canal effectively blocked for the moment, attention turned to a short river/canal system through the lower 42 miles of the Wabash Valley. Estimated cost to the taxpayer would be \$387 to \$390 million, up from \$86 million four years earlier and \$243.5 million the previous year.

The Indiana General Assembly, evidently disenchanted, sliced the Wabash Valley Interstate commission's annual appropriation from \$36,000 to a token \$1. The Corps now has placed a \$1 billion construction price on the Cross-Wabash Canal, although the Izaak Walton League, one of the most vociferous opponents, says the entire canal package will cost nearer \$5 billion.

Meanwhile, as word leaked out that the Corps' latest report will reject the project for the 12th time, plans pushed forward for a repeat survey of the lower Wabash and the Indiana Committee for the Humanities awarded \$5,812 to a Ball State University professor to study related effects.

Old canal dreams, it seems, never die.

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