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Processed by
Charles Latham
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USER INFORMATION

VOLUME OF COLLECTION: 3 folders

COLLECTION DATES: ca 1911-1915

PROVENANCE: Ronald Rayman, Rayman Americana, P. O.Box 1052, Valparaiso, IN 46384-1052, 27 April 1996

RESTRICTIONS: None

REPRODUCTION RIGHTS: Permission to reproduce or publish material in this collection must be obtained in writing from the Indiana Historical Society

ALTERNATE FORMATS: None

OTHER FINDING AIDS: None

RELATED HOLDINGS: None

ACCESSION NUMBER: 96.0419

HISTORICAL SKETCH

The Gary and Interurban Railroad was the result of two facets of American entrepreneurship. The first facet was the founding in 1906 of the town of Gary, Indiana, as the home of three major plants of the United States Steel
Corporation (headed by Judge Elbert H. Gary). Construction of an entire steel works, as well as a tin plate mill and a bridge plant, began in 1906 and was completed in 1911.

The founding of Gary coincided with a boom in electric interurban railroads, which found an especially hospitable terrain in the flat farm land of northern Indiana. The first interurban line based in Gary (1906) had the ambitious title of the Chicago-New York Electric Air Line Railroad, but succeeded only in building a total of twenty miles of track centered in LaPorte. In 1907 Frank N. Gavit incorporated the Gary and Interurban Railway, with the intent of running streetcars in Gary and interurban service west to Tolleston and Hammond. Service to Hammond opened in 1909 (with a car purchased from another company with big ideas, the Denver and Intermountain Railway). The company paid regular dividends.

In 1911 Air Line stockholders began a movement to purchase the Gary and Interurban. As a result a new company was formed in 1913, the Gary and Interurban Railroad Company. Floated mainly by selling 4 per cent bonds, the new company consolidated lines to South Bend and Valparaiso, extended its lines in Gary, and owned and leased out the street railways in East Chicago. It had 37 passenger cars and six freight cars, operating on 79.3 miles of track. In 1914 it carried 5,525,770 passengers and logged 57,386 freight miles.

However, the company was soon in trouble, partly from over-capitalization, partly because its franchise restricted its fares (3 cents, or ten fares for a quarter), partly because of competition from jitney cabs. The company failed to make interest payments in December 1914, and the following month defaulted on all obligations. It attempted unsuccessfully to raise funds by assessing its stockholders. In October 1915 a receiver was appointed. Two years later the company was split back into its original parts. Operations in Gary were taken over by the Gary Street Railway, and the Gary and Interurban continued to provide service to Hammond.

Sources: Materials in collection
*Electric Railways of Indiana, Bulletin 104, (1960), III-4 to III-6*
*Jerry Marlette, Electric Railroads of Indiana (1980), 95*

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**SCOPE AND CONTENT**

This collection, filling three folders, contains legal forms, correspondence, and a real estate brochure, dated ca 1911-1915. It is arranged by category.

In **Folder 1** are three forms dealing with the consolidation of the Gary and Interurban Railroad Company in 1911-1913.

In **Folder 2** are three letters of August 1915 from two company officers to a stockholder, John O. Amman of Malden Station, Boston, Mass. They explain why the company is asking stockholders to pay an assessment rather than lose the whole value of their stock through receivership. A form letter of October 1915 announces appointment of a receiver.

**Folder 3** contains a four-page brochure for Riverside, a housing development by Steel City Builders between Main Avenue and Deep River in Gary. The area is served by both the Gary and Interurban Railroad and the Joliet and Northern.

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**CATALOGUING INFORMATION**

**MAIN ENTRY:** Gary & Interurban Railroad Company

**SUBJECT ENTRIES:** Gary & Interurban Railroad Company

Gary & Interurban Railroad Company
Street-railroads--Indiana--Gary
Housing development--Indiana--Gary
Business failures--Indiana--Gary
Gary (Ind.)--Transportation--History

END