Money Over Morals:

An Analysis on the Profit-based Origin and Operation of the Joint Companies

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In the late 17th century, Pennsylvania founder William Penn discussed the possibility of constructing a canal linking the Delaware and Raritan Rivers and its potential for profit.[[1]](#footnote-1) Although the waterways individually had been utilized for centuries prior by the Lenni Lenape tribe, this instance was the first record of an account trying to connect them to ensure a financial gain. Disease and conflict displaced and reduced these indigenous populations in the decades that followed Penn’s discussions, preventing the risk of indigenous conflicts disrupting plans for the eventual construction of the Delaware and Raritan Canal.[[2]](#footnote-2) Furthermore, New Jersey’s growing population and industrial cities fostered a demand for improving lackluster infrastructure. Both stagecoach travel and shipping manufactured goods were lengthy and costly processes.[[3]](#footnote-3) Intrastate demand from both Pennsylvania and New York, seeking to more efficiently link both Philadelphia and New York City further fostered the potential for great capitalistic success. In February of 1830, the legislatures of New Jersey charted the Camden and Amboy Railroad Company and Transportation Companies. The C&A attempted to capitalize on the increasing demand for travel by offering a faster alternative to stagecoach travel. At the same time, a sister company known as the Delaware and Raritan Canal Company sought to meet the increased shipping demands by expanding beyond company president Robert Steven’s existing shipping operations through the construction of the Delaware and Raritan Canals.[[4]](#footnote-4) Rather than have these two companies operate separately and potentially compete, state legislatures allowed for a partial merger in 1831 known as the “Joint Companies” to occur and to combine their efforts and profit potential.[[5]](#footnote-5) With this merger, New Jersey’s state legislatures further prohibited the construction of other railroads between New York and Philadelphia, guaranteeing a near-monopoly on both bulk freight transportation and rail traffic for the decades that followed. With limited competition and high demands, the Joint Companies would do everything in their power to limit their own expenditures and increase their revenue streams. Thus, the origin, relationships, operations, and responses to grievances of the Joint Companies that constructed both the canal and railroad to meet these demands were all based on maximizing profits and decreasing expenditures.

Before construction had even begun, the reduction of competition through monopolization with the Joint Companies formation allowed for maximum future financial success. Had the Camden and Amboy Railroad Company and Transportation Companies and Delaware and Raritan Canal Company not been merged, competition would have driven down shipping fees and passenger fares. While this would have been beneficial for travelers and consumers, it would result in fewer profits for shareholders. As such, the two companies were merged to decrease the competition. Embedded in the merging contracts were clauses from the state government preventing future railroads from being constructed close in proximation, further reducing potential profits.[[6]](#footnote-6) With the competition out of the way, the Joint Companies sought to capitalize on their newfound monopoly. It was decided that the railroad would primarily be utilized for the transportation of passengers and the canal for manufactured goods and raw materials.[[7]](#footnote-7) This allowed for both the demand for transit and cheap shipping in New Jersey to be met in a way that increased the Joint Companies' profits. This structure of a monopoly, and the legal protections that came with it, set up decades of future success and self-prioritization. Therefore, the foundation of the company laid down the groundwork for the continuation of increasing revenue and lowering expenditures beginning with cheap and exploitable labor sources.

In order to decrease expenditures for the construction of the canal and railroad, the Joint Companies sourced their labor from debt-ridden Irish immigrants. Although there is minimal documentation about the actual number of Irish laborers employed by the Joint Companies, there is sizeable evidence on their wages and experiences. Many of the Irish immigrants that constructed the canal and railroad were heavily in debt because of the fifteen dollars in transportation fees they accrued in pursuing the American Dream.[[8]](#footnote-8) These debts left them serving as indentured laborers for their employers until their debts were paid off. On paper, their wages were around a dollar a day, but they were still responsible for paying for their rations combined with their existing debts. By leaving supplies up to each worker, expenditures for the Joint Companies were minimized. Furthermore, the Joint Companies exhibited further cost-saving measures by only purchasing rudimentary tools. The bulk of the digging of the canal for instance was just done with pickaxes and shovels.[[9]](#footnote-9) Sanitation was another tradeoff for decreasing expenditures, despite Cholera outbreaks resulting in numerous deaths.[[10]](#footnote-10) The Joint Companies understood there was very little the Irish laborers could do to avoid these conditions. The guarantee of wages combined with their existing debts created a simply unavoidable imbalanced relationship with the Joint Companies. These grievances couldn’t even be heard by the government since the New Jersey government had thousands of stocks and a vested interest in the construction. The actions and disregard taken by the Joint Companies demonstrated how the labor source was chosen was done to limit expenditures. Therefore, the Irish were utilized by the Joint Companies because expenditures would be minimal.

Beyond the exploitation of Irish laborers to decrease expenditures, the Joint Companies exploited their relationship with the New Jersey State Government to maximize profit. In exchange for allowing the conjoining of the two companies and the elimination of competition and contractual protections, New Jersey’s government ensured financial gains from stock dividends, the number of passengers utilizing the railroad, and tonnage of goods shipped. These investments led to upwards of 20% of the total revenue of the state coming from the Joint Companies.[[11]](#footnote-11) While there was the potential for both to mutually profit, this would have limited the Joint Companies' ability to maximize profits with legally questionable tactics. New Jersey’s revenue source largely coming from the Joint Companies operations provided ample leverage to deter action being taken against them. Beyond just the government’s vested interest in their profitability, the Joint Companies, directly and indirectly, won numerous local and state elections to further bolster their position against the state.[[12]](#footnote-12) Consequently, New Jersey gained the reputation of being the State of Camden and Amboy and company president Richard Stockton openly boasted that he had the state government in his pocket.[[13]](#footnote-13) The contractual protections that the government willingly provided to increase their own coffers were flipped against them, providing the Joint Companies with tangible deflections of investigations and scrutiny. What could have been a mutually profitable operation had become increasingly one-sided as the Joint Companies manipulated elections and leveraged state profits to limit governmental interference in their operations. Thus, the engagements between the Joint Companies and the state became increasingly exploited as it became financially beneficial to do so.

The Joint Companies conjointly exploited their relationship with the Post Office Department of the United States to maximize profit. One source of conflict between the two enterprises came from the scheduling for mail shipments itself. The Post Office sought to adjust the times to ensure smoother operations and fewer delays for customers.[[14]](#footnote-14) The Joint Companies argued that the schedule that was desired by the Post Office would hinder their own profit margins.[[15]](#footnote-15) They claimed that when accounting for factors such as the tide and inspections, their schedule was the most viable, but the reality was the schedule allowed them to fulfill other orders at the same time. Rather than opting for a schedule that would meet both their needs, the Joint Companies remained adamant that their profits shouldn’t be harmed. Another issue came from the fact that the Post Office Department was paying for the shipment of mail and packages for only fifty-three out of the fifty-eight miles of their route and did not increase payment despite a 200-300% increase in weight.[[16]](#footnote-16) Transportation services were paid for by both mile and weight, so the Joint Companies were trying to ensure every cent of profit could be gained from the government. Furthermore, they complained that a postman with their own carriage was needed with no additional compensation because that meant they were adding another carriage and transporting a passenger for no additional cost.[[17]](#footnote-17) Rather than include it as part of the service and aid the government in maximizing the security and safety of the mail for citizens, they sought to increase their own profits. By offering no leeway to the Department of Post, it’s made clear that the Joint Companies put profits above everything else. Thus, the callous interactions and engagements with the United States Department of Post Office by the Joint Companies demonstrated how profits came before compromise.

Just as how relationships were exploited to increase profits, technological advancements and modifications were taken to decrease expenditures. First off, the Joint Companies chose a single-track railroad to avoid paying for a second. This saved them money at the cost of several accidents, most notably one that injured both John Quincy Adams and Cornelius Vanderbilt.[[18]](#footnote-18) They were aware of the blatant dangers the single track caused, but the financial benefit of not having to pay for another outweighed the potential loss of human life. Furthermore, the utilization of the John Bull steam engine at a time where only two other railroads existed in all the United States demonstrates that even when minimal precedent exists, the Joint Companies were willing to take a risk on new technology when it could lead to profit. The Joint Company leadership knew that the steam engine would drastically increase passenger and freight capacities on the railroad, so much so that outweighed the possible risk of injury. Although modifications such as a bell and headlights were added to increase safety, they were only done so that travel into the night could be done to maximize hours of operation and in turn profit.[[19]](#footnote-19) Besides utilizing new technology on engines, the Joint Companies helped utilize and create safety advancements in the rails themselves. The company’s president, Robert Stevens, designed and created the T-style rail, bolstered with a base that could support heavier loads and using curved spikes to secure the rails better.[[20]](#footnote-20) These safety measures were meant to increase safety, but also increase carrying capacity and potential profits. The railroad was used to ship freight when the rivers froze over, so there was a need to account for increased carrying capacities. Through purchasing, modifying, and inventing rail technology, the Joint Companies sought to increase safety when it was economically beneficial and ignore it when it saved them money. Safety was not a priority. It was simply an added benefit of the Joint Companies' prioritization of profit. Thus, the purchases and innovations by the Joint Companies were ultimately meant to decrease expenditures and maximize profits.

Similarly, the innovations of steam technology and scheduling around weather maximized profits made from shipping freight in the canal. Despite the risk of boiler explosions, steamships drastically increased speed and gave companies the ability to travel upstream. Resultantly, the capacity for the canal greatly increased when horse-towed barges became replaced with various passenger and freight steamships, so it was adopted by the Joint Companies.[[21]](#footnote-21) In tandem, passenger travel became more and more infrequent as the increasing tonnage of freight moving through the canal became far more profitable. Given the industrial nature of the cities along the canal and the technological advancements in both America and Europe kicking off the industrial revolution, the canal also served as both a source of coal for the factories from Pennsylvania to New York and as serving as a path to distributes tens of thousands of tonnages of manufactured goods. Given that the Joint Companies profited by the amount of weight shipped combined with the fact that the route itself saved hours of travel, the Joint Companies sought to capitalize on the growing manufacturing industries of America. Even from the earliest stages, this was demonstrated. The city of New Brunswick became drastically more industrial along the route of the canal as evidenced by the appearance of factories in maps following construction.[[22]](#footnote-22) The only times when the canal would cease operation were when the rivers would freeze over, so freight goods would simply be shipped utilizing the railroad to ensure only minimal impedances to the freight service profits would occur.[[23]](#footnote-23) Otherwise, tens of thousands of tonnages of goods would occur monthly, connecting two of some of America’s fastest-growing cities. By both capitalizing on the growing manufacturing trend of both the two cities the canal linked and the towns between them and by opting out of operating during times of bad weather, maximum profits were ensured with minimal chances of disruption. Thus, the canal’s weather-based operation combined with the usage of steamships to freight goods demonstrates the maximization of profit.

Even the criticisms and investigations into the operations of the Joint Companies showcased the morally and legally questionable lengths went to ensure profit. Primarily, two investigations by commissions into the monopolization did not conclude if any explicit wrongdoing had occurred.[[24]](#footnote-24) Further calls for investigations from concerned citizens on more serious offenses of defrauding the state and price gouging lost traction before conclusions could’ve been drawn. Investigational efforts to see the bookkeeping was refused and financial records were ordered to be destroyed.[[25]](#footnote-25) The Joint Companies used the newspapers they financed and owned to prevent negative coverage. Coupled with this, they were also funneling money into various state elections to influence the Democratic Party. Neither the public nor the government’s concerns and criticism mattered because the leadership knew they could get away with it. Why should they operate ethically when legal ambiguity was far more profitable? Thus, the criticisms and response of the Joint Companies explicitly demonstrate once again that money comes above anything for the Joint Companies.

Through origin and operation, the Joint Companies' ownership of both the canal and railroad have been economic in nature. Before either the canal or railroad had been constructed, the leadership of the newly formed Joint Companies eliminated competition through contracts with the state legislature guaranteeing a virtual monopoly. A cheap and exploitable labor source was found with vulnerable and debt-ridden Irish laborers for construction. Relationships with both the New Jersey state government and US Post Office were exploited and diminished when it ensured either a decrease in expenses or an increase in profit. Even safety wasn’t a guarantee. Rather, it was a welcomed bonus of cost-saving technological developments. Scrutiny from concerned citizens and investigators further highlighted the price gouging and questionable ethics that the Joint Companies followed. Contracts and connections combined with controlling media and elections provided the Joint Companies with vast protection from these investigations, leaving leadership to profit for decades virtually unchecked. Thus, from William Penn’s brain to the Joint Companies operation, the D and R Canal and Amboy Railroad was about increasing profits and decreasing expenditures.

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