

Triumph and Tragedy A Railroad Struggle Instrumental in Creating Roanoke, Virginia

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Introduction

One of the most interesting railroad stories of the nineteenth century occurred in western Virginia — specifically in the Valley of Virginia, beginning at Hagerstown, Maryland, and Harpers Ferry, West Virginia, and extending southward into the Roanoke Valley.

There, in post-Civil War Virginia, the Shenandoah Valley and Valley Railroads were formed. Each company launched its enterprise aggressively and competed against the other to be the first to reach Salem, Virginia, the terminal point specified in each railroad's charter. The story involved many of Virginia's — and even the nation's — leading citizens and virtually all the city, county and town governments along each railroad's route. It ended happily for one, unhappily for the other. Like so many events in history, its most important result came somewhat by accident — the creation of a new city, Roanoke, that went on to become the largest and most important city of western Virginia.

Vestiges of the competition between the two railroads can be seen today between Staunton and Fairfield by the thousands of travelers on Interstate Route 81 as they pass the abandoned roadbed and stone structures that formed the Valley Railroad. One of the most significant of these remains is the four-span masonry viaduct over Mill Creek in Au-



The masonry viaduct over Mill Creek in Augusta County, visible from the southbound lane of I-81 at milepost 219, south of Staunton, Virginia. I-81 is visible beneath the viaduct arches.

gusta County, which is readily apparent from the southbound lane of I-81 at milepost 219.

The competition occurred mainly in the Shenandoah Valley, a region which at that time was isolated and distinct from eastern Virginia. The Blue Ridge Mountains, fabled in song and story, form the eastern side of the Great Valley of the Appalachians, which extends from Pennsylvania through Virginia to Alabama. The Great Valley is a series of lesser valleys, which in Virginia are named for the rivers that drain them. The most significant of these is the Shenandoah, which flows from its headwaters in Augusta County to empty into the Potomac at Harpers Ferry, West Virginia. Other Virginia valleys are the upper James, the Roanoke, the New River, and the Holston. Collectively they constitute the Valley of Virginia.

The Blue Ridge is a physical barrier separating the Valley of Virginia and eastern Virginia. The Blue Ridge created different patterns of settlement for the European people who came to America in the seventeenth and eighteenth centuries. The English people, arriving first, generally settled the area east of the Blue Ridge. The Scotch-Irish and Germanic

people came later, migrating south from Pennsylvania and settling the areas west of the Blue Ridge, particularly the Shenandoah Valley. These people held different political and religious views from those held by the people of eastern Virginia. These differences — combined with the earlier settlement east of the Blue Ridge, the location of state government in Richmond, and the physical barrier of the Blue Ridge — isolated the Valley of Virginia from eastern Virginia. The Valley of Virginia remained isolated until 1836, when the Winchester and Potomac Railroad began operations, connecting Winchester at the northern end of the Shenandoah Valley to the Baltimore and Ohio Railroad system at Harpers Ferry.

The Winchester and Potomac became the only practical and reliable means for shipping the Valley of Virginia's products to the major population centers served by the Baltimore and Ohio and the port at Baltimore. The Valley's farmers and manufacturers became dependent on this rail service, although it was inconvenient since their products had to be transported long distances by animal-drawn wagons to the railhead at Winchester.

The reliance on the Winchester and Potomac began to wane in the 1850s, when three railroads and a canal were extended from eastern Virginia into the Valley of Virginia. The James River and Kanawha Canal reached Lynchburg in 1840 and Buchanan in 1851. The North River Navigation Company extended a branch canal to Lexington in 1860. In 1852, the Virginia and Tennessee Railroad was built from Lynchburg to Bristol, Virginia-Tennessee. Following in 1854 were two railroads, the Virginia Central connecting Richmond and Staunton, and the Manassas Gap connecting Strasburg and Front Royal to the port of Alexandria. In 1859 the Manassas Gap was extended to Mount Jackson.¹

These improvements lessened the isolation of the Valley of Virginia. Richmond, Norfolk, and Alexandria became important markets for the Valley of Virginia's products, particularly those of the Shenandoah Valley. Because these markets were limited, the Valley of Virginia required additional markets for its surplus agricultural products and mineral resources, particularly iron ore. The most accessible were the large population centers of the North and the mills of Pennsylvania. However, a north-south railroad was necessary to serve these markets and allow the Valley of Virginia to develop fully its economic potential. Unfortunately, the Civil War interrupted the planning and building of such a railroad.

Following the Civil War, the Valley of Virginia needed to recover its pre-war prosperity. The Valley had suffered severely in many ways: loss of human life, disruption of families, and destruction or damage to mills, mines, factories, and railroads. Following the war, Virginia and the Valley were occupied by Federal troops and governed as a military district. Politically, the citizens had been disenfranchised from national elections; locally, they were confronted with the political, social, and economic pressures of the Reconstruction period. The Valley was fortunate that its people were determined to rebuild their lives and communities. By early 1866, less than a year after the surrender at Appomattox, numerous charters were approved by the General Assembly for railroads, canals, turnpikes, and other public improvements.

It was in this environment that the two railroads were born, each having as its objective the creation of a north-south railroad. In telling their story, abbreviations have been used to designate the principal companies involved. The Valley Railroad is referred to as the VRR; the Shenandoah Valley Railroad as the SVRR; the Atlantic, Mississippi and Ohio as the AM&O; the Baltimore and Ohio as the B&O; the Chesapeake and Ohio as the C&O; and the Norfolk and Western as the N&W.

The organizers of the VRR and SVRR did not have the experience or knowledge to foresee the magnitude of the task of creating a railroad. In the early stage, in 1866 and 1867, however, they viewed their separate but concurrent undertakings as worthy endeavors that would serve and benefit the Valley of Virginia. Each group approached its objective with enthusiasm during a difficult time. The organizers of the VRR were drawn from the towns and counties between Staunton and Salem, while the SVRR's organizers came from the counties along the lower Shenandoah River: Jefferson County, West Virginia, and Warren and Page counties in Virginia. The first task for both was to raise sufficient capital to plan, construct, and equip their proposed railroads. Although both railroads had enthusiastic local support, the financial devastation of the Civil War severely limited capital resources available locally, and it soon became apparent to both groups that outside capital was necessary. As a result, they looked northward and found an interested partner, the B & O Railroad for the VRR and the Pennsylvania Railroad for the SVRR.

On the Eastern Seaboard, the two major railroads were the B&O and the Pennsylvania. Their rivalry, dating from well before the Civil War, intensified following the war and continued into the 1880s², marked

by contentious political battles in Congress and state legislatures for the right to acquire or use existing railroads to extend their systems. The B&O and the Pennsylvania engaged in rate wars that dangerously compromised their financial stability. Even under these circumstances, each continued to expand its system.

The B&O and Pennsylvania systems were generally oriented in an east-west direction: the B&O connected western suppliers to the port of Baltimore and the Pennsylvania to the port of Philadelphia. Each was expanding westward to various locations on the Ohio River and the Great Lakes, reaching into the Midwest for the opportunity to transport its agricultural and industrial production. Each railroad was also developing connections into the Northeast and the port of New York. Both were vitally interested in extending their systems into the South, the first step being the completion of one or more railroads across Virginia. For the officers of the VRR and the SVRR, the B&O and the Pennsylvania, respectively, represented their best opportunity to build the north-south railroad needed to revitalize the war-torn Valley of Virginia.

The northern terminus for the proposed railroads would be the B&O main line at Harpers Ferry on the Potomac River for the VRR; and the Cumberland Valley Railroad, a branch of the Pennsylvania, at Hagerstown, Maryland, for the SVRR. The southern terminus for both railroads was the Virginia and Tennessee Railroad near Salem. The Virginia and Tennessee was independent of either the B&O or the Pennsylvania. Its eastern terminus was Lynchburg, where it connected to the Orange and Alexandria and Southside railroads. Its western terminus was Bristol on the Virginia-Tennessee border, where it connected to the East Tennessee, Virginia and Georgia Railroad, with connections into the Southeast. An intermediate connection to the C&O Railroad in Augusta County would also be beneficial since the C&O served the major coal fields located along its route in West Virginia.

The VRR and the SVRR were not the only expansion projects being considered by the B&O and Pennsylvania, and the two Virginia railroads were not always their first priority. The needs and objectives of the local VRR and SVRR organizers were often subverted to the overall interests of the two larger railroads. The success or failure of the two local railroads was dependent on the financial commitment they received from their respective partners.

Although the Virginia General Assembly had chartered the VRR and the SVRR, there was considerable political opposition in the Assembly to a north-south railroad anywhere in Virginia. This opposition surfaced during the Assembly's consideration of railroad consolidation acts in 1867 and 1870, involving divestiture of Virginia's interest in the majority of the railroads in which the state had made substantial investment prior to the Civil War.³

Consideration of these consolidation acts brought to the forefront William Mahone⁴, a VMI graduate who had been president of the Norfolk and Petersburg Railroad prior to the Civil War. Following distinguished service to the Confederacy, Major General Mahone returned to the presidency of this railroad and successfully directed the rehabilitation of its wartime damage. Based on this success, he was named president of the Southside Railroad, connecting Petersburg and Lynchburg, on December 7, 1865. In November 1867, Mahone acquired sufficient interest in the Virginia and Tennessee to be named its president. During this period, Mahone was an influential member of the legislature, and a leader in the movement to readjust Virginia's Civil War debts. Following his railroad career, Mahone served in the United States Senate from 1881 to 1887.

Mahone believed that the B&O and Pennsylvania efforts to extend their systems across Virginia by supporting the VRR and the SVRR would divert the state's east-west rail traffic to the north and the ports of Baltimore and Philadelphia, adversely affecting the economy of eastern Virginia, Richmond, and the port of Norfolk. Using his influence in the legislature and the news media, Mahone opposed the efforts of both railroads to build either a new railroad through the Valley or to acquire existing railroads east of the Blue Ridge. The cornerstone of Mahone's opposition was his plan to consolidate the three railroads he served as president — the Virginia and Tennessee, the Southside, and the Norfolk and Petersburg — by acquiring the state's ownership in each. The plan required legislative approval.

Mahone's first attempt to consolidate the three railroads failed in 1867, but on June 17, 1870, the legislature approved his plan, allowing Mahone to create the AM&O, a railroad extending 400 miles from Bristol in the west, through Salem, Lynchburg, and Burkeville to the port of Norfolk in the east.⁵ He was then in a position to control the interchange and diversion of east-west traffic to the northern ports and markets served

by the B&O and the Pennsylvania. Mahone's AM&O became a major obstacle to the B&O and Pennsylvania plans for the VRR, SVRR, and other north-south railroads across Virginia.

The B&O had tried to buy Virginia's interest in the Virginia and Tennessee in October 1868, only to be blocked by Mahone.⁶ The B&O then created a north-south connection across Virginia by acquiring the Orange, Alexandria and Manassas Gap⁷ and the Lynchburg and Danville Railroads in 1871. These two railroads connected the port of Alexandria to Charlottesville, Lynchburg, and Danville. They were of limited value, however. At Alexandria, the Orange, Alexandria and Manassas Gap did not provide a direct connection to the B&O system.⁸ At Danville, the Lynchburg and Danville would be blocked by the Pennsylvania's Richmond and Danville Railroad.⁹

The Pennsylvania's efforts east of the Blue Ridge were more successful. It was able to acquire the Richmond and Danville Railroad in July 1870.¹⁰ This railroad connected Richmond, Danville, and Greensboro, N.C. The Pennsylvania then extended its system from Washington, D.C., across the Potomac River railroad bridge to Richmond. By July 1872, the Pennsylvania had extended its system across Virginia into the South, despite bitter opposition by Mahone and the B&O.¹¹

For the B&O to extend its system successfully into the South by sponsoring the VRR, it was necessary that agreements be negotiated with Mahone's AM&O to use its tracks between Salem and Bristol and with the Pennsylvania to connect to the East Tennessee, Virginia and Georgia Railroad at Bristol. Past experience with Mahone and the Pennsylvania gave the B&O little reason to believe that these agreements could be arranged. Nevertheless, the B&O decided in 1872 to begin construction of the VRR at Harrisonburg.¹²

Thomas A. Scott, mastermind of the Pennsylvania's nationwide expansion efforts in the 1870s, had long visualized the Great Valley of the Appalachians as an ideal route for a railroad into the Southeast. The SVRR was an opportunity to complete the first link in such a plan. At the same time it provided the promise of important economic benefits by serving the existing iron ore and mineral deposits along its route.

One important reason for the Pennsylvania's support of the SVRR was its intense and long-standing rivalry with the B&O. The SVRR was a means of compromising and damaging the financial stability of the B&O. While the SVRR's 243-mile length required a much larger investment

than the B&O's financial contribution to the 113-mile VRR, the Pennsylvania was prepared to make this financial commitment and to challenge the B&O in the Valley of Virginia.¹³

The accompanying map (page 73) illustrates the location of the SVRR and the VRR and their geographic relationship to the Pennsylvania, B&O, and other major Virginia railroads in 1872.

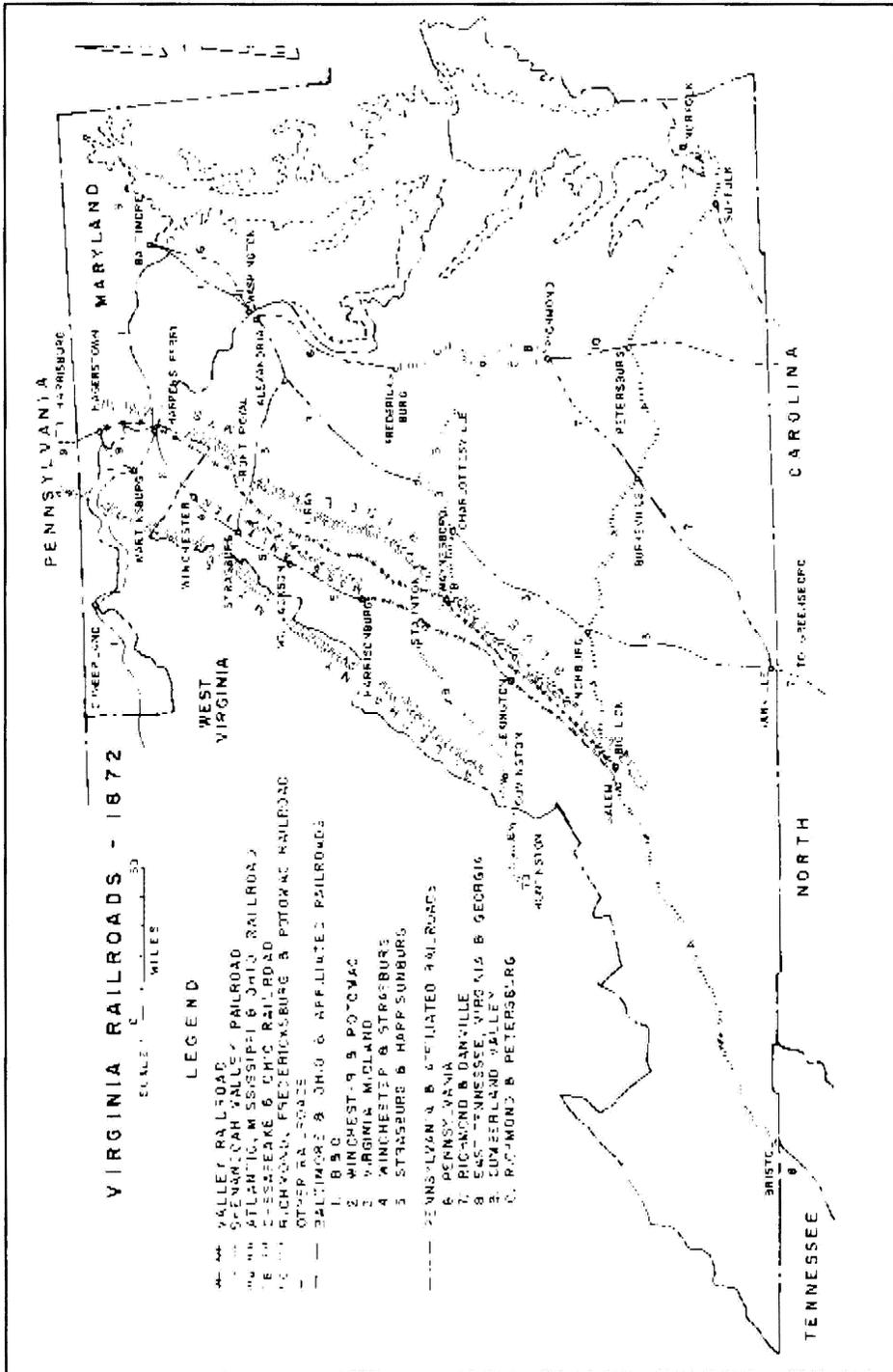
By 1872, the VRR and the SVRR, supported by the B&O and Pennsylvania Railroads, were under construction. Each had the potential to have far-reaching impact on patterns of growth and economic development in the Shenandoah, upper James, and Roanoke valleys. Nowhere would the potential impact be greater than in the Roanoke Valley.

The Triumph of the Shenandoah Valley Railroad

Organization of the SVRR required legislative approvals from Maryland, West Virginia, and Virginia. The Virginia General Assembly was the first to act when it passed charter legislation on February 2, 1867.¹⁴ The act provided that the charter would become effective when \$200,000 of the \$4,000,000 authorized capital had been subscribed in stock at \$100 per share. The road's Virginia section was to begin at some point on the Potomac River, proceed south through the counties of Warren and Page, at or near Port Republic in Rockingham County, continue south through the counties of Augusta, Rockbridge, and Botetourt, and connect to the Virginia and Tennessee Railroad at or near Salem in Roanoke County. Branch lines were to be provided from suitable points on the main line to Harrisonburg in Rockingham County, to Gordonsville in Orange County, routed through Stanardsville in Greene County, and to Lexington in Rockbridge County.

On February 25, 1870, the West Virginia legislature granted the company a charter to construct the railroad through Jefferson County from Charles Town to a crossing of the Potomac River at Shepherdstown. On April 4, 1870, the Maryland legislature granted a charter to extend the railroad from the Potomac River, at any point between Harpers Ferry and Williamsport, Maryland, at or near Shepherdstown, extending to Hagerstown.¹⁵

With the enactment of the charter legislation in the three states completed, the SVRR's sponsors began planning the construction and financing of the railroad. On March 14, 1870, in Luray, Peter B. Borst, a



Virginia Railroads, 1872.

Luray attorney, was elected the company's first president. Nine men were elected to the Board of Directors. In July 1870, a construction contract was awarded to the Central Improvement Company to build the railroad from Shepherdstown to Salem.¹⁶ Financial contributions from the communities being served were limited. Private investment was slightly more than \$100,000. The major source of capital was derived from the sale of mortgage bonds, guaranteed by the Pennsylvania Railroad. Even with this support and without tangible assets, the SVRR was a risky investment from its beginning.

The influence of the Pennsylvania Railroad was confirmed at the April 18, 1871, stockholders' meeting when Thomas A. Scott, then a Pennsylvania vice president, was elected the SVRR's second president, replacing Borst.¹⁷ Scott, then 47, had started his career with the Pennsylvania Railroad in 1850 as a station agent. He advanced rapidly and was named vice president in 1860. He became president in 1874. He was considered one of the "most important railroad officials" in the United States during the nineteenth century.¹⁸ Scott was an ideal choice for the SVRR's presidency.

The July 21, 1870, contract with the Central Improvement Company required the construction of a 224-mile railroad from Shepherdstown, West Virginia, to Salem, Virginia. The total value of the contract was about \$7,800,000, based on a bid of \$35,000 a mile. Central Improvement was a subsidiary of the Pennsylvania Railroad, and the contract meant that the Pennsylvania would play a major role in building the SVRR.

By 1871 Central Improvement had failed to make adequate progress. In August of that year, the company proposed to terminate the contract for the amount already paid, plus costs incurred. The SVRR declined the offer.¹⁹ Problems with Central Improvement continued into 1872. To resolve the situation, the SVRR agreed to modify the company's contract by extending the completion date from August 1872 to January 1, 1875, and by abandoning the work between the C&O Railroad in Augusta County and the Virginia and Tennessee in Roanoke County²⁰, which by August 1872 had been incorporated into William Mahone's AM&O. By deleting the work south of the C&O, the length of the contract was reduced 94 miles for a savings of almost \$3,300,000.

In September, the Cumberland Valley Railroad was asked to aid in the construction of the section from Shepherdstown to Hagerstown.²¹

At the May 1873 stockholders' meeting, Scott outlined the need to construct the SVRR as "rapidly as the stringent condition of the money market would allow" in order to take advantage of a connection with the C&O in Augusta County. The extension of the C&O from Covington to Huntington, West Virginia, had been completed on January 29, creating a 428-mile railroad connecting Richmond and Huntington on the Ohio River. During its construction, vast coal deposits were discovered along its route in West Virginia.²² Scott viewed these coal deposits, together with the development of iron ore and other minerals located along the SVRR's route, as offering the potential for the manufacture of iron products on the scale then existing in the Lehigh Valley of Pennsylvania.

Scott resigned the SVRR presidency on June 17, 1873, less than 30 days after the May stockholders' meeting, giving as his reason the press of other activities with the Pennsylvania and Union Pacific. Thomas B. Kennedy of Chambersburg, Pennsylvania, a Cumberland Valley vice president, was named the SVRR's third president.²³ On July 15, he declined the office, and William M. McLellan of Chambersburg was then named the company's fourth president.²⁴

Winter conditions in 1872-1873 delayed Central Improvement's progress even further, and the January 1, 1875, completion date would not be met.

In September, 1873, the nation experienced the beginning of an economic depression that would last until 1877. One result of the September 1873 panic which would ultimately affect the SVRR had occurred in January, 1874, when Mahone's AM&O was unable to pay the interest on its bonds.²⁵

The year 1874 was a turbulent one for the SVRR. Problems with Central Improvement continued, and its ability to complete its contract was becoming questionable. Central Improvement's president was informed in April that unless work resumed immediately the contract would be canceled.²⁶ Central Improvement was unable to meet this deadline, and a committee was appointed to arrange an equitable settlement for the completed work. The committee was also authorized to make other arrangements to complete construction of the railroad. The SVRR was unable to resume construction in 1875.

In April 1876 the stockholders elected William Milnes, Jr. the company's fifth president²⁷, replacing McLellan. His election was the beginning of a shift away from the influence of the Pennsylvania and the

Cumberland Valley Railroads to Philadelphia banking interests. Milnes was born in Lancashire, England, in 1828 and emigrated to Pennsylvania about 1855. Following the Civil War he moved to Page County, where he purchased the Shenandoah Iron Works. It was through his interest in developing the mineral resources of Page County and the Shenandoah Valley that Milnes had become one of the first directors of the railroad and one of its largest private stockholders. When he died in 1891, he was buried in Shenandoah, a town originally named Milnes.²⁸

Following Milnes' election, the directors elected U. L. Boyce vice president.²⁹ Upton Lawrence Boyce, an attorney and farmer, was born in Kentucky in 1831 and moved to Clarke County in 1868.

As a director and vice president, Boyce was intimately involved with officials of the Pennsylvania. Thomas A. Scott supposedly offered Boyce \$50,000 if he could make the SVRR a success. When the railroad was completed to Big Lick in June 1882, Boyce reportedly received his check for \$50,000. The problem with this story is that Scott died on May 21, 1882, before the railroad was completed. Boyce had considerable influence on the ultimate success of the SVRR. The town of Boyce, Clarke County, located on the railroad two miles north of US Highway 17, was named for him.³⁰

Although the SVRR was unable to resume construction in 1877, the company was occupied with numerous planning and administrative activities. Milnes was re-elected president at the April stockholders' meeting. He reported that the VRR had refused to honor the 1876 lease to the SVRR of its 26-mile section between Harrisonburg and Staunton, with the SVRR having the option to include the incomplete construction between Staunton and Salem.³¹ This would have reduced the SVRR's construction and right-of-way costs significantly.

Milnes believed that construction could be resumed in 1877 and that it was imperative that arrangements be made to connect the SVRR to an operating railroad. To accomplish this, the officers accepted a \$75,000 subscription offer from Berkeley County, West Virginia, to construct a branch line from Charles Town to a connection to the Cumberland Valley at Martinsburg, the money to be spent in Berkeley County.³² The original plan to construct the main line into Shepherdstown, as required by the Jefferson County stock subscription, was retained.³³ The Martinsburg branch line also allowed the SVRR the option of eliminating the Shepherdstown to Hagerstown segment if desired.

In March 1878, negotiations began with the John Satterlee Company and Alfred Creveling of New York City to complete construction and provide operating equipment.³⁴ John Satterlee was a successful railroad contractor with ties to the Philadelphia banking community.³⁵ The resulting contract provided for two branches at the northern end of the line. One branch would begin at Martinsburg, the other at Shepherdstown. They would connect at a point within three miles of Charles Town and then run south to the C&O in the vicinity of Waynesboro, a total distance of 153 miles. The contract, with amendments, was approved and signed by Milnes³⁶ in late April 1878.

By 1879, 20 miles of railroad in good running order had been completed between Shepherdstown and the Jefferson County-Clarke County line at the West Virginia-Virginia border.³⁷ Concurrently, Satterlee was working on the roadbed between the Jefferson County-Clarke County line and Riverton on the Shenandoah River north of Front Royal. This roadbed had been graded by Central Improvement in 1872 and early 1873. The proposed outlet for the 20 miles of completed railroad was a 9.5-mile branch line to the Martinsburg and Potomac Railroad, a road controlled by the Cumberland Valley.³⁸ It provided connections to the Pennsylvania and other railroads at Harrisburg.

On June 20, 1879, the Satterlee Company sold its construction and equipment contract to the Shenandoah Valley Construction Company, a firm organized and owned by E. W. Clark and Company, a Philadelphia banking firm specializing in railroad development and investments. The Clark company's purchase of the Satterlee contract marked the end of the Pennsylvania's support of the SVRR.³⁹

The involvement of the Clark company brought to center stage Frederick J. Kimball. E. W. Clark and Company's interest in the SVRR had its origins in the family relationship of Milnes and his nephew, Kimball, and their shared interest in developing a successful business venture. Milnes needed a more efficient means of shipping the products manufactured by his Shenandoah Iron Works. He had been using horse-drawn wagons and river flatboats to reach the nearest railroad, a costly, inconvenient, and inefficient operation. The SVRR was an ideal solution that would also serve other industries located along the Shenandoah River.⁴⁰

Kimball, a partner in the Clark company⁴¹, had advised Milnes of its financial resources and interest in developing railroads. Kimball also viewed the SVRR as an opportunity for personal financial gain. As presi-



*Frederick J. Kimball,
1844–1903. From a
photograph in the Special
Collections Department of
the University Libraries of
Virginia Tech, Blacksburg.*

dent of Clark's railroad construction company, he could provide the direction and leadership necessary to complete, equip, manage, and operate the railroad.

Kimball was first and foremost a railroader. He was born in Philadelphia in 1844 and began his railroad career at age 18 when he was employed by the Pennsylvania Railroad as a survey party rodman. Two years later, he was promoted to engineer of shops. Lacking a formal education, Kimball went to England in 1868 to work in the railroad shops, gaining experience in a more advanced railroad industry. Kimball returned to the United States after two years, joining E. W. Clark and Company in 1870 as a partner. In 1878, the Clark company named him president of the Shenandoah Valley Construction Company. Kimball was named president of the SVRR in 1881 and N&W president in 1883. He died in 1903.⁴²

E. W. Clark and Company was founded in 1837 as a private bank. The founder, Enoch W. Clark, died in 1857 and was succeeded by Edward W. Clark. In 1877, Clarence H. Clark became president. In addition to its railroad investments, the Clark company developed railroads,

particularly in the East. The company viewed the SVRR as an opportunity to open the western slopes of the Blue Ridge for the production of iron, coal, and gypsum. With this objective, they purchased the Satterlee construction and equipment contract, organized the Shenandoah Valley Construction Company, and named Kimball its president and chairman. Other officers of the construction company included Clarence H. Clark and Frederick S. Kimball, Kimball's father and Milnes' brother-in-law. The Clark company's long-range objective was to extend the SVRR into North Carolina.⁴³

In December 1879, trains began operating between Shepherdstown on the Potomac River and Riverton on the north side of the Shenandoah River near Front Royal, a distance of 42 miles.⁴⁴ Accelerated construction activity and the equipping of the road for an increased level of operations continued into 1880. By April, steel rails had been purchased and the bridge over the Shenandoah River at Riverton was complete, providing 56 miles of service between Shepherdstown and Bentonville, a small community 11 miles south of Front Royal. After many years of disappointment, the stockholders, pleased with the amount of work accomplished, adopted a resolution of thanks to the construction company on May 5 for the "prompt, efficient and satisfactory manner in which it had executed the terms of the agreement."

The construction company, working north from Waynesboro, reached Elkton in Rockingham County on November 22 and the Shenandoah Iron Works on December 20. The Shepherdstown-Hagerstown section had been completed on August 19, and the first train from Bentonville reached Hagerstown on September 4. Two of the railroad's early locomotives, Numbers 2 and 3, built by the Baldwin Locomotive Works, were named the William Milnes, Jr. and the U. L. Boyce.⁴⁵

During 1880 Kimball and the Clark company became aware that the AM&O was for sale. Although it had been in receivership since 1875, it had continued as a well-equipped and well-maintained railroad and was a sound investment opportunity. Acquisition of the AM&O would allow the Clark company to develop the vast coal deposits of southwest Virginia and West Virginia, at the same time enhancing its investment in the SVRR by connecting the two railroads.⁴⁶

The most significant event in the history of the SVRR eventually occurred on February 10, 1881, when E. W. Clark and Company ac-

quired the AM&O for \$8,605,000, plus assumption of liens and claims that increased the total cost to about \$15,500,000.⁴⁷ It was renamed the Norfolk and Western, indicating to Norfolk and eastern Virginia that they would remain a vital and important market for the reorganized railroad. In March, the construction north from Waynesboro and south from Bentonville joined at Luray, and the 143-mile railroad was accepted. Full operations began on April 18⁴⁸, when the first train arrived in Waynesboro from Hagerstown.

President Milnes submitted his resignation at a special stockholders meeting in Luray on April 4, 1881.⁴⁹ Kimball was elected as his replacement, making him president of both the railroad company and the construction company. Boyce continued as vice president and Milnes and Clarence H. Clark, now president of E. W. Clark and Company, were among the directors elected. The company publicly announced its intention to extend the railroad south from Waynesboro through Augusta, Rockbridge, Botetourt, and Roanoke counties to a connection at or near Bonsack or some other convenient point of connection. A contract to build the extension was awarded to the Shenandoah Valley Construction Company.

On May 5, 1881, Kimball reported that the extension followed along the western base of the Blue Ridge. From Waynesboro, it followed the Shenandoah River to its source, crossed the divide to a tributary of the north branch of the James River to a point near Lexington (Buena Vista), where it connected to the Richmond and Allegheny Railroad. From Buena Vista, the line followed the north and south branches of the James River to Buchanan, then crossed the divide to Tinker Creek, which it followed to the N&W at Big Lick. The extension would be completed by the end of 1881.⁵⁰

The most significant statement in his May 5 report, one which would influence the future of the Roanoke Valley, was the designation of Big Lick rather than Bonsack as the connecting point for the SVRR and the N&W. This decision had been made sometime between April 4 and May 5, and the events which transpired during this period are, in themselves, a separate story of great interest, the story of the creation of Roanoke, which was destined to become the largest city west of the Blue Ridge and the gateway to Southwest Virginia.

The SVRR considered Salem, Big Lick, Bonsack, and Montvale as potential locations for its connection to the N&W. Salem was the county

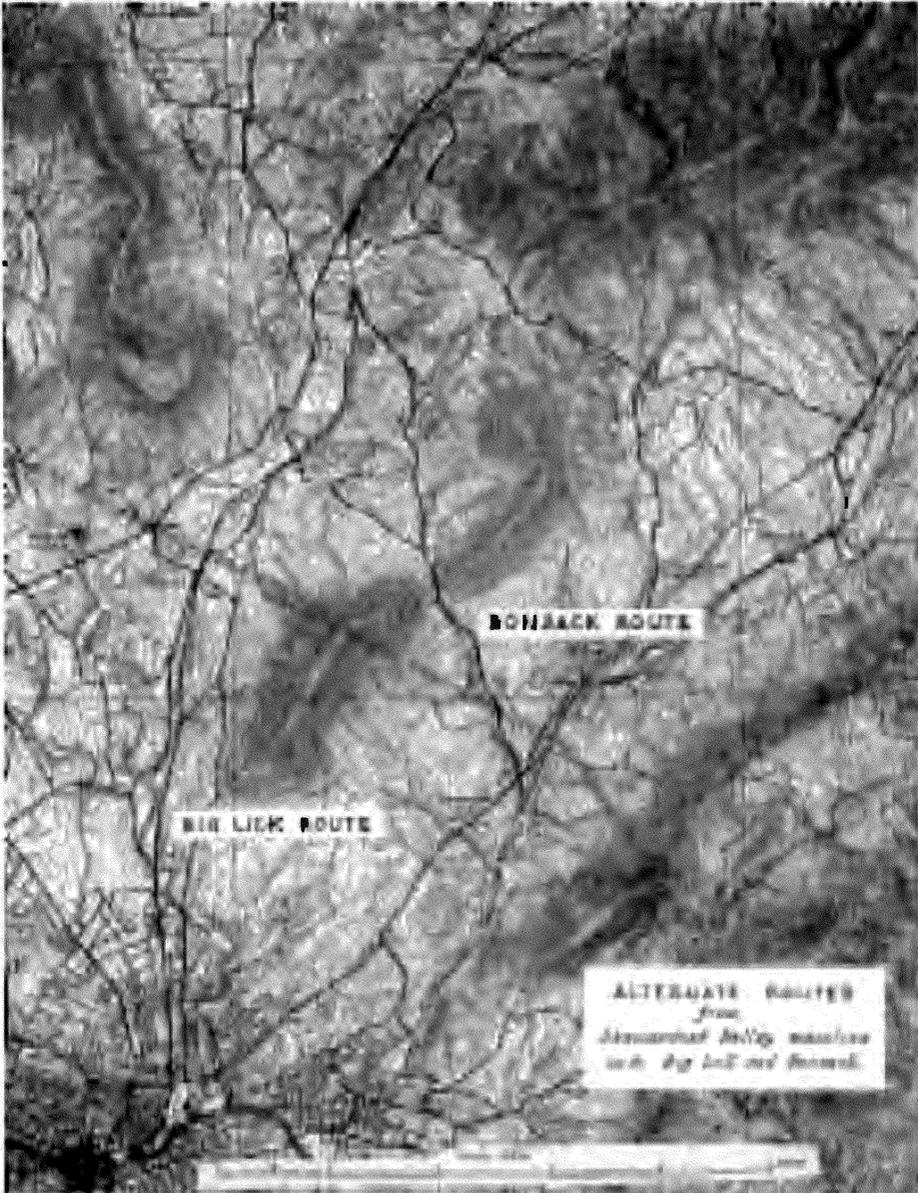
seat, had the largest population and greatest political influence, and was the location of Roanoke College. Big Lick, Bonsack, and Montvale were small villages located along the N&W in Roanoke and Bedford counties. There was keen competition between the four communities to influence the SVRR to decide in their favor.

A Construction Committee had been appointed to resolve all matters regarding location, construction, and financing. Its members were responsible for selecting the location for the SVRR-N&W connection. Their decision would be based on the community whose location required minimum construction and right-of-way costs. Petitions by local politicians, businessmen, citizens, and elected officials were less important.

Salem, as a college town and business and political center, was vitally interested in securing the connection. The SVRR was Salem's last opportunity to obtain a direct railroad connection to the North, for, in 1879, Roanoke County had refused to complete its \$200,000 subscription to the VRR. Salem's efforts began with a presentation to the SVRR stockholders at their April 4 meeting in Luray. The Salem delegation, headed by Dr. Julius Dreher, president of Roanoke College, requested that Salem be selected as the point of connection. Failing to receive any response to its April 4 presentation, Salem submitted a petition on April 28 to U. S. Senator William Mahone requesting his assistance in obtaining the connection point. The petition was signed by numerous business leaders, town officials, and influential citizens. On April 30, Senator Mahone forwarded the petition to President Kimball, accompanied by his personal observation that Salem was the preferred point of connection.⁵¹ It is not known if Kimball responded to Mahone's letter.

Salem's disadvantage was its location. Although the SVRR's charter specified that the connection be located at or near Salem, this did not ensure its selection. The distance from Cloverdale to Salem, following the VRR right-of-way, is approximately four miles longer than the Cloverdale to Big Lick branch. Salem's selection would have added the cost of constructing four additional miles of railroad. It is obvious why Salem was not selected.

Montvale was not a serious candidate because a costly tunnel and heavy excavation were required to connect it to the SVRR main line. Of the remaining communities, Bonsack held the advantage over Big Lick. At the April 4 stockholders meeting SVRR officers specifically identified



*Alternate routes from the Shenandoah Valley mainline
into Big Lick and Bonsack.*

Bonsack as the location for the N&W connection. The accompanying map (page 82) shows that from a common point on the SVRR main line at its crossing of present day U.S. Route 220A, a branch line to the N&W at Bonsack would have been about five miles long as compared to approximately eight and one-half miles required for a connection at Big Lick. The shorter distance reduced significantly the construction and right-of-way costs required by the Big Lick connection. Bonsack was a serious candidate.

Big Lick faced an uphill battle in its effort to secure the SVRR-N&W connection. Numerous discussions were held in the community in early April as to how the connection point could be obtained. At a town meeting on April 21⁵², John C. Moomaw stepped forward to suggest that a monetary contribution to the railroad company would advance their cause. Moomaw was a right-of-way agent or consultant for the SVRR⁵³, as well as a successful orchardist and astute businessman. As a right-of-way agent, Moomaw knew the specific locations of the routes being considered, the point at which each connected to the N&W, and the properties needed for the railroad right-of-way. His job was to contact the affected property owners, negotiate a price for their property, and obtain an option for its purchase by the railroad company. Moomaw was in position to advise Big Lick's leaders on how they could secure the SVRR-N&W connection, including the specific amount of a monetary contribution.⁵⁴

Moomaw's decision to share his knowledge of location and right-of-way costs with Big Lick rather than Bonsack is intriguing. Moomaw was originally from Bonsack, but moved to Cloverdale in 1859. His orchards and packing houses were located on the SVRR's proposed route into Big Lick and direct railroad access would benefit his orchard business. In addition, one of the right-of-way parcels required for the Big Lick route was owned by Lucinda Moomaw, his daughter. Whatever Moomaw's reasons for advising Big Lick, his advice was accepted, the amount he suggested was raised, and arrangements were made for C. W. Thomas to deliver the contribution to Moomaw north of Troutville late in the evening of April 21. From here, Moomaw made an all-night horseback ride to Lexington. He arrived on the 22nd and delivered the Big Lick subscription and the right-of-way options he had negotiated to the Committee on Construction. Upon receipt of this information, U. L.

Boyce, a Committee member, responded, "Gentlemen, this brings the road to Big Lick. This progressive spirit cannot be denied."⁵⁵

The Committee returned to Luray and reported to Kimball the receipt of Moomaw's options for right-of-way near Big Lick, the Big Lick contribution for purchase of the right-of-way, and their recommendation to select Big Lick. Kimball then incorporated their recommendation in his May 5 report, advising the stockholders that the SVRR would connect to the N&W at Big Lick.

Following Kimball's May 5 report, the SVRR designated Cloverdale as the terminus of the main line. This action circumvented the 1867 charter requirement to make connection to the then Virginia and Tennessee at or near Salem. By stopping the main line at Cloverdale and constructing a branch line into Big Lick, a distance of approximately six and one-half miles, the SVRR was in compliance with the April 1870 Act of the General Assembly authorizing construction of branch and lateral roads not exceeding ten miles in length.

Moomaw was the local person responsible for the SVRR's decision to connect its railroad to the N&W at Big Lick.⁵⁶ As a result of Moomaw's advice to the Big Lick community, a "Magic City" was born on April 22, 1881. The small village of Big Lick, with a population of more than 600 in 1880, was renamed Roanoke when it was chartered in February 1882. By 1883, Roanoke's population exceeded 5000, and on January 31, 1884, the General Assembly granted a charter to the City of Roanoke, now the cultural, economic, and political center of the Roanoke Valley and Southwest Virginia.⁵⁷

On August 3, 1881, the Roanoke Machine Works were organized. The principal office was at Big Lick⁵⁸, and the Works were to construct and equip machine shops large enough to build first-class locomotives. The shops at Shepherdstown were closed.

On May 3 1882, Kimball described⁵⁹ to the stockholders the problems in locating and constructing the 95-mile extension and the manner in which they had been resolved "with a clarity highly creditable to the contractors employed and to the engineers engaged in the service of your company." He indicated that the entire line would be in operation by June 15. It would be connected to the Richmond and Allegheny railroad 43 miles south of Waynesboro, where the iron ores of the James River Valley would be interchanged to the SVRR, thereby providing an outlet to the Pennsylvania furnaces, The workshops at Roanoke were under

construction and designed for the joint use of the SVRR and the N&W, and the line would serve the Shenandoah Iron Works, under the management of William Milnes, Jr., former president of the SVRR, who had started construction of a 100-ton per-day furnace to produce pig iron. Kimball's reference to Roanoke was one of the first in the SVRR's records.

After fifteen arduous years, the Shenandoah Valley Railroad was completed on June 19, 1882, when the first through train arrived in Roanoke from Hagerstown, just four days behind the scheduled June 15 completion date.⁶⁰ With the assistance of the Pennsylvania Railroad in its early years and with the financial, management, and construction support of E. W. Clark and Company from 1879, the SVRR had won the battle to create a north-south railroad through the Valley of Virginia and, at the same time, had provided the impetus which led to the founding of Roanoke, the "Magic City."

The Tragedy of the Valley Railroad

The Valley Railroad was incorporated by the Virginia General Assembly on February 23, 1866.⁶¹ The charter was to become effective when \$100,000 of the \$3,000,000 authorized capital had been subscribed. This was achieved in October 1866 when Rockbridge County passed a \$100,000 bond issue for the purchase of stock priced at \$100 a share. The railroad was to begin at Harrisonburg, proceed south through Rockingham County, pass through Staunton in Augusta County, Lexington in Rockbridge County, Buchanan and Fincastle in Botetourt County, and terminate at or near Salem in Roanoke County, with a connection there to the Virginia and Tennessee Railroad.

In April 1866, an organizing convention was held in Staunton⁶², with Harrisonburg, Staunton, Lexington, and the counties of Rockingham, Augusta, Rockbridge, Botetourt, and Roanoke represented. Plans and benefits to each community were discussed, and the capital each county would have to raise to make the project possible was established. Colonel Michael G. Harman of Staunton, one of the wealthiest men in the Shenandoah Valley, served as chairman of the convention and was elected the first president of the VRR, together with ten directors.

The Virginia Central and the Virginia and Tennessee railroads, which would connect to the VRR at Staunton and Salem, provided limited connections to the important northern and midwestern markets. Harman

and several directors approached the Manassas Gap Railroad to seek an arrangement to use its tracks between Strasburg and Mount Jackson and to transfer its authority to build the sections between Mount Jackson and Harrisonburg and between Strasburg and Winchester. This would connect the VRR to the existing Winchester and Potomac Railroad with its connection to the B&O main line at Harpers Ferry.

At the same time the VRR was seeking a means to extend its railroad from Harrisonburg to Winchester, the B&O was attempting to accomplish the same objective. John W. Garrett, president of the B&O, had long visualized a railroad through the Valley of Virginia as one means of extending his railroad into the South. Garrett had begun this effort prior to the Civil War by using the Winchester and Potomac to provide rail service to the lower Shenandoah Valley.

In 1866, the B&O leased the Winchester and Potomac for 99 years and began to purchase stock in the Orange and Alexandria Railroad, which in March 1867 was combined with the Manassas Gap Railroad. The combined company, the Orange, Alexandria and Manassas Gap, was authorized to extend its existing railroad from Mount Jackson to Harrisonburg. With the financial support of the B&O, the extension was completed in December 1868 as the Strasburg and Harrisonburg Railroad. In March 1870, the Winchester and Strasburg Railroad, in which the B&O was the majority stockholder, opened for service.⁶³

Through these activities, the B&O had extended its system to Harrisonburg, eliminating the need for the VRR to build the railroads between Winchester and Harrisonburg. By March 1870, the only unfinished link in a railroad connecting the B&O main line at Harpers Ferry to the Virginia and Tennessee at Salem was the 113-mile Harrisonburg to Salem segment.

Efforts to raise capital in the sponsoring communities proceeded slowly. By 1869 it was apparent that the local communities would be unable to fully finance the VRR. In April a delegation from the sponsoring counties, Lexington, and Staunton traveled to Baltimore to formally request that city's financial aid. On April 23, the delegation, with Robert E. Lee as its spokesman, appeared before the Baltimore Board of Trade, where President Harman requested the board to endorse \$1,000,000 in construction aid, with the counties and towns being served contributing \$1,200,000. The delegation presented the same request to the City Council, with Lee observing that "this route will afford the shortest line of

travel from the large and populous portion of the North to much of the best part of the South." The council acted favorably on the request, although the aid required approval by the Maryland legislature and the Baltimore electorate, a time-consuming process that delayed the start of construction.⁶⁴

President Harman, the driving force in organizing the railroad, was discouraged by the difficulties in raising capital and declined to stand for re-election at the August 1870 stockholders' meeting. He believed that some special emphasis was necessary to make investment in the VRR more attractive. He proposed that Lee succeed him as president, believing that only a person of his character, reputation, and influence could inspire confidence and provide the credibility needed to make the railroad a success.⁶⁵ Lee was then president of Washington College in Lexington. Since the surrender at Appomattox, he had declined to participate in any business enterprise. On July 25, 1870, President Harman, John B. Baldwin, Judge Hugh Sheffey, A. H. H. Stuart, Thomas I. Michie and other citizens and community leaders asked Lee to accept the presidency of the VRR, convincing him that he alone could make the company a successful service to the Valley of Virginia, Lexington, and Washington College.

On July 28, Lee indicated his willingness to accept the office and, at the stockholders' meeting on August 30, 1870, Lee was formally elected the company's second president.⁶⁶ His acceptance of the presidency was typical of his unselfish peacetime service to the Commonwealth of Virginia and Washington College. His quiet, unassuming, behind-the-scenes counsel and advice on the political questions of the day were influential in Virginia's post-war recovery.

Unfortunately, Lee's term as the VRR's president was brief. Following his death on October 12, 1870, Robert Garrett was named the railroad's third president. Garrett was the son of John W. Garrett, the B&O president. His family, originally Baltimore bankers, controlled the B&O from 1858 to 1887. Robert Garrett served as the VRR's president until February 1875, taking a sabbatical until October 1879 when he returned to the B&O. Following the death of his father in October 1884, he was elected president of the B&O and served until October 1887, when the B&O's financial problems ended his administration.⁶⁷

Garrett's election indicated that the B&O was in control of the VRR. The capitalization of the VRR was still incomplete, and by the fall

of 1871 only the B&O's subscription of \$1,000,000 was firm. The City of Baltimore's \$1,000,000 subscription remained conditional, and the local communities had not met their \$1,200,000 goal. Meeting this goal was necessary to secure the Baltimore subscription but only \$1,105,000 had been subscribed, leaving a shortfall of \$95,000. To overcome this deficit, the B&O increased its commitment by \$20,000, making it the VRR's largest stockholder. On August 1, 1871, a Staunton contracting firm, McMahon and Green, agreed to purchase \$75,000 of the company's stock. These two actions eliminated the \$95,000 shortfall, thus removing one of the conditions attached to the Baltimore subscription.

The VRR encountered many obstacles in obtaining sufficient capital to build the railroad. Resolution of this problem was a continuing struggle which was never fully resolved, and the odds against completing the railroad to Salem increased with the passage of time. Even so, by August 1872, contractors had been employed to build the 26-mile section between Harrisonburg and Staunton, including the three major bridges across the North and Middle Rivers.⁶⁸

Surveys for the 87 miles from Staunton to Salem were proceeding. Two lines had been located between Buchanan and Salem but were incomplete. The selection of a specific location between these points was made difficult by the charter requirement that the railroad go through Fincastle, making selection of the most feasible and economical location difficult. Surveys for a third route through central Botetourt County that would provide maximum economy were begun, but the railroad's location would not be resolved until 1876.⁶⁹

The estimated cost of the 113-mile railroad, Harrisonburg to Salem, was \$5,700,000. Financing was based on \$3,200,000 of stock, and a mortgage not to exceed \$3,000,000.⁷⁰

The year 1873 was an eventful one for the VRR. The conditional stock subscription by the City of Baltimore for \$1,000,000 was finalized. In addition the B&O obtained control of the Strasburg and Harrisonburg, the Winchester and Strasburg, and the Winchester and Potomac railroads and incorporated them into its operations.

The work from Harrisonburg to Staunton was scheduled for completion by November 1873, including a connection to the C&O at Staunton. A contract for constructing the 87 miles from Staunton to Salem was awarded to the Mason Syndicate in May 1873, and by early July work in Rockbridge, Botetourt, and Roanoke counties was underway. It was an-

anticipated that rails could be laid, bridges completed, and operations started during 1877.⁷¹

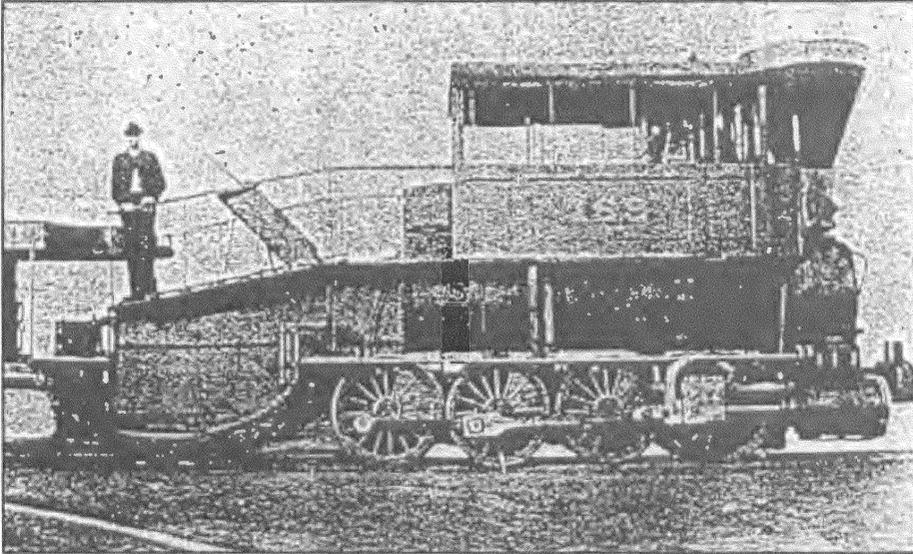
There were problems that would later have an adverse impact on the progress and completion of the railroad. The first was the lack of traffic agreements with the C&O and the AM&O. Without these agreements, the VRR could not succeed. The C&O agreement was extremely critical because of the coal deposits that had been discovered during its construction from Covington to Huntington.⁷² The second problem was the lack of financial participation by Rockingham and Augusta counties. By August 1873, about \$540,000 had been spent on construction between Harrisonburg and Staunton, funded entirely by the B&O. With this 26-mile segment still incomplete, funding of the 87-mile Staunton-Salem construction became entirely dependent on obtaining the \$3,000,000 mortgage.

As a result of the financial panic of September 1873, the VRR was unable to find a market for the \$3,000,000 mortgage. The B&O suffered continuing losses of traffic and revenue that prevented it from providing an offsetting investment of funds in the VRR.

By March 3, 1874, the Harrisonburg-Staunton section was complete and the VRR's trains had started operations over its tracks.⁷³ Construction south of Staunton was proceeding rapidly, but not without problems. By September, the contractor's limit for monthly payments was being exceeded, creating cash flow problems. The depression that had begun in September 1873 was becoming evident in its affairs.⁷⁴ By mid-November, the VRR was insolvent. On November 24, a committee recommended suspension of the work, and on December 2, 1874, the Mason Syndicate agreed to suspend activities for \$40,000. The board accepted the proposal and authorized full settlement with the contractor as soon as possible.⁷⁵

In February 1875, Robert Garrett resigned. He was succeeded by P. P. Pendleton, a B&O vice president.⁷⁶ Activity during 1875 was limited to operations on the Harrisonburg-Staunton segment. Results were unsatisfactory, and heavy financial losses were experienced. The VRR therefore discontinued operations, released employees, and leased the Harrisonburg-Staunton section to the B&O.

During the year the VRR instituted legal action against Botetourt County to force it to increase the \$60,000 previously paid on its \$200,000 subscription. In November, the county's supervisors proposed a compro-



Old 199, B&O Camel Back. Confiscated by Stonewell Jackson in the spring of 1862. Transported overland by Confederate troops to Staunton. Returned to the B&O following the Civil War. Old 199 operated on the Valley Railroad between Harrisonburg and Staunton, and continued in service until 1892 when it was destroyed in a wreck. Drawing courtesy Chesapeake Western Railway.

mise based on an immediate \$45,000 payment, with payment on the remaining \$95,000 beginning when work was resumed in the county. The compromise was accepted, and the General Assembly was requested to modify the VRR's charter accordingly.⁷⁷

The amended charter of the VRR provided that it be allowed to purchase the existing James River bridge at Buchanan instead of constructing a new toll-free bridge. The existing bridge would be conveyed to Botetourt County and the depot at Buchanan eliminated. The amended charter also required the VRR to construct a toll-free macadamized road from Fincastle to the closest depot in Botetourt County. This replaced the original charter requirement that Fincastle, the county seat, receive direct service. The preferred location was four miles south of Fincastle, and the macadamized road connecting Fincastle to the nearest depot solved the problem of selecting a location through Botetourt County.⁷⁸

The officers continued to seek a way to complete the road to Salem. One was the November proposal by the SVRR to lease the operating section for \$2,000 per month for a period of 15 years. The proposal was accepted on a temporary basis.⁷⁹ Efforts to develop a plan for resuming construction continued into 1877. Early in the year the temporary lease of the Harrisonburg-Staunton segment was terminated because the SVRR believed that the lease included both the operating section and such further length of line south of Staunton as it might designate. This, however, was not acceptable to the VRR. At the annual meeting in Staunton on November 14, 1877, the stockholders were advised that the estimated cost to complete the road to Salem was \$800,000 to \$1,000,000, based on using convict labor. The use of convict labor on railroad construction projects in western Virginia was not unusual. Convicts were paid 40 cents a day, with the state responsible for the cost of feeding, clothing, housing, security, and medical attention⁸⁰, a practice obviously advantageous to railroad companies.

At the November 14 meeting, a motion to resume work by April 14, 1878, was defeated. A second motion to place a mortgage on the railroad for an amount not to exceed \$1,000,000 was approved, but the mortgage bonds were never issued due to the depressed market for railroad construction securities. No effort was made to reverse the defeat of the proposal to resume work in 1878. The negative vote on resuming work, combined with a debt to the B&O of \$244,075, was a clear indication that the local communities had little influence in either the VRR's financial affairs or in a decision to resume work.⁸¹

The situation was compounded when Michael G. Harman died in Richmond on December 17, 1877.⁸² Harman's leadership had brought the local communities and the B&O together, and following the B&O's and City of Baltimore's financial commitments in 1873, he was an effective spokesman for the local interests in planning, financing, and constructing the railroad. His task had been difficult, for there was a long-standing element of mistrust between the local communities and Baltimore interests, and he worked diligently to meld the conflicting interests of the two groups.

Local dissatisfaction with the failure to resume construction escalated in 1878. In the fall, J. B. Dorman, an attorney representing Rockbridge County, suggested to his Board of Supervisors that a petition to the legislature be considered as a means of forcing the B&O to resume

work. His suggestion was accepted, and a petition was adopted providing for dissolution of the VRR, revocation of its charter, sale of its property, and distribution of the proceeds. The board requested Botetourt and Roanoke Counties, Lexington, and Staunton to cooperate in the legislative effort.⁸³

At the annual meeting in Staunton on November 13, 1878⁸⁴, the stockholders received a proposal to the B&O and the City of Baltimore from the counties, Lexington, and Staunton to divide the assets of the VRR. Action on the proposal was delayed until a December 3 meeting, when it was defeated by the B&O and Baltimore. The discussion of the proposal revealed the depth of the mutual distrust that had developed between the local communities and the B&O-Baltimore interests.

William Keyser, the newly elected president *pro tem*, criticized the local communities for failing to meet their \$1,200,000 subscription. Baltimore's position was that a division of the company's assets adversely affected the value of all county bonds. The local communities were unmoved by the B&O and Baltimore criticism. Following the December meeting, an unsuccessful effort was made to lease the VRR to the C&O.⁸⁵

William Keyser became the VRR's permanent president in 1879⁸⁶, but was unable to stem the increasing level of local dissatisfaction with the B&O's management and leadership. On January 25 the Roanoke County Board of Supervisors rescinded the county's subscription and withdrew the balance of its \$200,000 commitment.⁸⁷

On April 2, the Virginia General Assembly passed legislation allowing the counties and towns to revoke their financial subscriptions to the VRR. Sponsored by Rockbridge County, the legislation provided for forfeiture of the VRR's charter unless the road was completed to Lexington by April 1, 1881; to Buchanan by April 1, 1882; and to Salem by April 1, 1883. The charter amendment also provided that in the event of forfeiture the whole property of the railroad company would be sold, with the purchaser obligated to complete the road to Lexington within one year, to Buchanan within two years, and to Salem within three years. The counties, towns, and Staunton would succeed to the franchise if the purchaser did not complete the work.⁸⁸

Even this legislation failed to resume construction to Salem. Keyser believed that the legislation threatened the existence of the VRR by requiring its construction within a specified schedule, while at the same

time eliminating the means of obtaining additional financing and investment. He suggested that the legislation's sponsors work for its repeal.⁸⁹

The General Assembly rescinded the charter forfeiture legislation in 1880.⁹⁰ On May 8, Keyser advised the Rockbridge supervisors that arrangements, while not complete, were being made to complete the road to Salem by authorizing a mortgage to raise the necessary funds.⁸¹ While this was welcome news, Lexington and Rockbridge County remained doubtful that work would resume.

Keyser's 1880 report to the stockholders advised that the prospects of obtaining funds to construct the road south of Staunton were very discouraging, and he was unable to determine any means of obtaining a mortgage.

At the same time, a plan was presented for completing the unfinished construction between Staunton and Lexington. It involved the Richmond and Allegheny Railroad, which connected Richmond to the C&O at Clifton Forge. A line was under construction, located along the James River, passing through Buchanan and including a branch line along the North (Maury) River into Lexington. A traffic agreement with the Richmond and Allegheny offered the VRR the possibility of obtaining a mortgage that would allow its completion into Lexington, where it would connect to the Richmond and Allegheny branch line. This action would allow the VRR to benefit from the traffic being generated by the mineral resources of the James River Valley and the manufacturing development at Lynchburg. Through its connection to the B&O system, the VRR would then be able to ship the James River ores to the Pittsburgh and Wheeling mills. Under this plan Lexington would become the southern terminus of the VRR, with an extension further south being dependent on improved economic conditions in the nation.⁸²

On January 20, 1881, the VRR's directors authorized a \$700,000 mortgage, later increased to \$1,000,000, to complete the construction between Staunton and the North River near Lexington.⁸³ The B&O agreed to take the VRR mortgage bonds, not to exceed \$1,000,000, discounted ten percent. The B&O would furnish funds for constructing and equipping the road, contingent on the negotiation of a connection contract and traffic agreement with the Richmond and Allegheny. The B&O also believed the Richmond and Allegheny connection was a sound business opportunity justifying the Staunton to Lexington extension. In

July, the directors formally agreed to complete the railroad to Lexington and efforts to go farther south were abandoned.⁸⁴

On August 11, \$1,000,000 of first mortgage bonds⁸⁵ were authorized, secured by the franchise, effects, and assets of the railroad. The deed of trust securing the mortgage provided that the company, with the concurrence of the trustees, could contract for sale or disposition, in whole or in parcels, of the line south of the depot in Lexington. The deed of trust further provided that "if practical to secure the extension south of Lexington by the purchasers of said property, such sale could be made on consideration of the construction of the road, in whole or in part, by others than the Valley Railroad."

There were no buyers for the partially completed work and right-of-way south of Lexington. This marked the effective end of the VRR as originally planned. The high hopes, dreams, and optimism of 1866 for a 113-mile railroad from Harrisonburg to Salem, connecting the B&O system to what was then the Virginia and Tennessee Railroad, were never realized.

It was late October 1883 when the first VRR train arrived in Lexington. One final effort to complete the VRR into the Roanoke Valley occurred on July 11, 1890, when the VRR, the B&O, and the Roanoke and Southern Railway Company agreed to exchange traffic. The Roanoke and Southern had been chartered in Virginia and North Carolina in 1886. Construction started at Winston-Salem in 1888 and was completed to Roanoke and connected to the N&W in 1892. Once again Salem had lost an opportunity for a rail connection to the North, primarily because the officers and sponsors of the Roanoke and Southern were Roanoke businessmen.⁸⁶

The principal reason for the failure of the VRR was the Panic of 1873. The resulting depression, 1873-1877, severely limited the market for railroad mortgage bonds that were critical to the VRR's capitalization. The VRR's failure can also be attributed to an accumulation of other factors, but none was as critical as the inability to attract additional capital after 1874.

Even the 62-mile railroad between Harrisonburg and Lexington was a failure. It was never profitable. The anticipated income from the Richmond and Allegheny connection never developed because the SVRR made an earlier connection in 1882, depriving the VRR of the income from the James River Valley and Lynchburg traffic. The beginning of the

end occurred in December 1896, when the VRR's connecting link to the north, the Strasburg and Harrisonburg Railroad, was conveyed to the Southern Railway by the B&O. In 1942, when the Harrisonburg-Staunton section was taken over by the Chesapeake and Western Railway⁸⁷, the Staunton-Lexington section was abandoned and the tracks were removed.⁸⁸

The final sad chapter in the Valley Railroad's history occurred on December 29, 1942, when the Chesapeake and Western purchased its entire holdings, including the right-of-way and unfinished construction between Lexington and Salem.⁸⁹ Hungerford's history of the B&O records the Valley Railroad's end as follows: "A little later it reached Lexington, 162 miles from Harpers Ferry. There it halted for all time. Mr. Garrett's (John W.) original plan had been to carry it much further. A right-of-way through Natural Bridge on to Salem had been partly purchased for the extension. At Salem, the B&O would have enjoyed direct connections, not only with the N&W, but with the entire railroad system that stretches itself over the face of the state of Tennessee. Financial difficulties, together with the shrewd machinations of his enemies, thwarted his purpose, however."

Unfortunately, it was not John W. Garrett but the people of Staunton, Lexington, Rockbridge, Botetourt, Salem, and Roanoke County who bore the brunt and disappointment of the VRR's failure. They did not experience the same good fortune as their competitors, the organizers of the SVRR, who, under the same financial conditions, were able to replace their original sponsor, the Pennsylvania Railroad, with E.W. Clark and Company.

Today, their financial sacrifices during difficult times are witnessed by an abandoned railroad, comprised of partially completed excavations, embankments, culverts, and bridges. Dr. E. P. Tompkins offered this conclusion to his history of the Valley Railroad. "Thus passed the railroad which had caused so much talk, so much anxious discussion, so much written in the newspapers and which cost the taxpayers a pretty sum of money. And so the final curtain fell on the tragic-comedy-historical drama of Rockbridge County and its Valley Railroad."

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50. Shenandoah Valley A, pp. 295–98. The 238 mile length of the Shenandoah Valley reported by Kimball was a 5 mile reduction in the length required by the original plan to connect at Salem.
51. Norwood C. Middleton, *Salem, A Virginia Chronicle* (Salem, Virginia: Salem Historical Society, Inc., 1986), pp.124–27.
52. Barnes, p. 87.
53. Workers of the Writer's Program of the Works Project Administration in the State of Virginia, "Roanoke, Story of City and County", American Guide Series, 1942 (WPA VA) p. 191.
54. Clare White, "Roanoke 1740-1982", Roanoke Valley Historical Society, 1982, p. 63. Participants in the meeting may have included M. C. Thomas, P. L. Terry (who later became a director of the Roanoke Machine Works), Ferdinand Rorer, J. M. Gambill, Henry S. Trout, John Kefauver, George P. Tayloe, W. H. Startzman, James Neal, C. W. Thomas (who delivered the Big Lick subscription to John C. Moomaw), T. T. Fishburne, S. W. Jamison, C. M. Turner, and M. Waid.
55. William Couper, *History of the Shenandoah Valley* (New York: Lewis Historical Publishing Company, 1952), p. 1034.
56. White, p. 63.
57. White, p. 71; Barnes p. 95.
58. Roanoke County Clerk of the Circuit Court, Charter Book 1, p. 25.
59. Shenandoah Valley B, pp. 74–77.
60. Corporate History, Shenandoah Valley Railway Co., p. 4; The engineer of the first train into Big Lick was Stephen Lacy Mayo, of Ivy, Virginia, a former University of Virginia student. His lifelong ambition had been to be a locomotive engineer, which

- he realized with the Shenandoah Valley Railroad. Attributed to Mary Francis Fisher Boone, a descendant.
61. The Virginia General Assembly, "Acts of Assembly, Session 1866–1867", Chapter 207 (Assembly, Session, years)
 62. Raymond P. Barnes, *A History of Roanoke* (Radford, Virginia: Commonwealth Press Inc., 1968), p. 67; J.W. Wayland, *A History of Rockingham County* (Dayton, Virginia, 1912), p. 228; Matthew W. Paxton, Jr., "Bringing the Railroad to Lexington, 1866–1883", *Rockbridge Historical Society Proceeding X* (1980–1989), p. 182; Richard K. MacMaster, "Augusta County History, 1865–1950", *Augusta County Historical Society*, 1987, p. 64; Valley, p. 7. Directors elected at the organizing convention were W. E. M. Word, Fincastle; Edmund Pendleton, Botetourt County; James T. Patton, Fairfield; C. D. E. Brady (or Bradley), Buffalo Forge; Dr. J. B. Strayer, New Market; M. Harvey Effinger and Dr. S. A. Coffman, Rockingham County; and John Echols, Bolivar Christian, and William Allan, Augusta County.
 63. Kean, pp. 544–47; Stover, p. 1868.
 64. Paxton, p. 183.
 65. D. S. Freeman, *Robert E. Lee, A Biography*, vol. 4 (New York: Charles Scribner's Sons, 1948), p. 480.
 66. Valley I, p. 76; General Lee's July 28, 1870 letter was written from Washington College, Lexington, and was addressed to M. G. Harman, President, Colonel John B. Baldwin, Judge Hugh Sheffey, Honorable A. H. H. Stuart, Thomas I. Michie, Esquire, and others. It read as follows: "Your favor of July 25 has been received. In response to your kindness in urging me to accept the presidency of the Valley Railroad and to your request that, if agreeable, I should signify my willingness to do so, I have to say that I have no desire for the office and would much prefer that it should be conferred to some other gentleman, yet so important do I regard this work to the interest of the Valley and of the whole state, that when the company is fully organized, if the desire of my services as president and think proper to make such arrangements as may render my acceptance of the position not incompatible with my present duties, I shall be willing to accept the control of the road and to use what energy and ability I may possess in furthering the speedy completion of the work."
 67. *Virginia Magazine of History and Biography*, 4, no. 4 (April 1897); "Necrology, Robert Garrett", p. 458, (Biography, Robert Garrett).
 68. Valley I, pp. 60, 61, 65–67, 92.
 69. Valley I, pp. 60, 61, 65–67, 92.
 70. Robert Garrett, "Second Valley Railroad Company Report to the Board of Public Works, 1872–1873", pp. 152–55 (Garrett 2).
 71. Garrett 2, pp. 152–55.
 72. Stover, p. 127.
 73. Paxton, p. 184.
 74. Valley I, p. 135.
 75. Valley I, p. 140.
 76. Tompkins, p. 22.
 77. Valley I, p. 230.
 78. Assembly, Session 1875–1876, Chapter 5.

79. Valley I, p. 336; Shenandoah Valley A, p. 157.
80. Moger 1, pp. 451, 452.
81. Valley I, pp. 368–67.
82. MacMaster, p. 67; Driver, p. 118.
83. Tompkins, pp. 20, 21; Paxton, pp. 185, 186.
84. Valley I, p. 395.
85. Paxton, p. 185.
86. Valley II, p. 3.
87. Valley I, p. 416; Barnes, p. 70.
88. Assembly, Session 1878–1879, Chapter 74.
89. Valley II, p. 3.
90. Assembly, Session 1879–1880, Chapter 173.
91. Tompkins (manuscript). p. 9.
92. Valley II, p. 25.
93. Valley II, p. 63.
94. Valley II, pp. 46-48.
95. Clerk's Office of the Circuit Court of Roanoke County, Deed Book M, p. 194.
96. Barnes, pp. 163–65.
97. Kean, p. 550.
98. Paxton, p. 190.
99. Clerk's Office of the Circuit Court of Roanoke County, Deed Book 302, p. 45.
