The Second Virginia Central Railway

By W. Hugh Moomaw*

THE SOUTH IS the last stronghold of the short line railroad, the most picturesque and individualistic of the old, traditional institutions surviving from an earlier grass roots America. Unlike her neighbors to the south, post-bellum Virginia never possessed an abundance of independent, short line railroads, and those still surviving to this standardized day, with some exceptions, present a lean purse and a weak constitution.

Such is the Virginia Central Railway, not to be confused with that earlier, more prominent Virginia Central, which through expansion has matured to the multi-million dollar revenues of the Chesapeake & Ohio Railway.

In recent years the short lines have been subjected to two major crises. The first occurred with the Great Depression and the consequent loss of revenue. The second is present today. The tremendous rise of costs, while deeply affecting the rich, main line companies, has dealt an all but mortal blow to the short line railroads with their limited resources. The Virginia Central was hard hit by the first crisis. Despite all attempts to keep the line operating betwen Orange and Fredericksburg, Virginia, the management by 1938 was forced to abandon the major portion of the railway from Orange to West Fredericksburg. The present day Virginia Central is, therefore, a truncated stem of its former glory and now serves as a switching and terminal railroad between Fredericksburg and West Fredericksburg.

Tonnage figures underlined a chronic situation. In the six years preceding abandonment of the thirty-six miles of track from Orange to West Fredericksburg, the total tonnage moved by the Virginia Central dropped 21 per cent.[1] The point had been reached where the company, with credit exhausted, was unable to provide a safe roadbed, even when the speed of the daily freight train

*Mr. Moomaw was born in London, England. After secondary education in England, he received a B.A. from Washington and Lee University in 1949 and a Master of Arts in history from the University of Virginia in 1953. At present he is an instructor in European history at Randolph-Macon College. This paper was the winner in the graduate division of the first History Club Essay Contest in 1952.

was cut to ten miles an hour. This loss of tonnage was to prove fatal to a railroad that had never earned the interest on its bonds. Action became imperative.[2]

There had been good times, however, and the predecessors of the Virginia Central had had their prosperous years. The original incorporation was granted on March 1, 1853, by the General Assembly of Virginia permitting construction by the Fredericksburg and Gordonsville Railroad of a line between those points by way of Orange. Walker P. Conway was President, and the Commonwealth of Virginia subscribed no less than 1,380 one hundred dollar shares out of 4,600 authorized. By 1857, over twenty miles of roadbed had been graded, but inadequate capital precluded further construction. Work had been suspended for several years before the Civil War broke out, and many years were to pass before the first train operated.[3]

After the war there were many reorganizations. The first train finally reached Orange from Fredericksburg in 1876, but the gauge of the track had been changed from wide to narrow. The narrow gauge fever was then sweeeping the country. At that time the controlling body was The Royal Land Company of Virginia which had ambitious plans for extending the line east to Machias Point on the Potomac River and west to Rawley Springs, near Harrisonburg, Virginia. The company had an interest in some coal mines there and planned the railway as a short haul to tidewater.[4] The Royal Land Company encountered financial difficulties and in 1878 there was another reorganization. The new company was the Potomac, Fredericksburg and Piedmont, and it was declared formally open for business on May 14, 1878. L. H. Richards, of Philadelphia, representing the Northern capital that had financed the post-bellum construction, was the chief stockholder and for many years President; under his management, the road built up a considerable business in handling forest products, the main reason for the line's existence.[5]

Accurate records of the P., F. & P. were poorly preserved, but apparently in 1914, the best year, there was an earned surplus of $17,000. From 1906 through 1916 there was a yearly credit average of some $5,000 in the profit and loss account. Hard times were felt, however, in the early twenties, and in 1924, the last full year of P., F. & P. operations, there was a $14,000 deficit.[6]

The P., F. & P., ordered dissolved by the Virginia State Corporation Commission, was sold at public auction, May 25, 1925, when it was bought by Gordon W. Richards, also of Philadelphia, for $70,000.[7] He planned to scrap the line,, and the State Corporation Commission gave permission to abandon at a hearing held on May 26, 1925. At that time Richards stated that bus competition and the thinning out of the lumber had reduced the earnings of the narrow gauge line to practically nothing. Significantly, there were no protestants.[8]

A group of business men representing the local interests of Orange, Fredericksburg, and Spotsylvania County, headed by P. H. Faulconer, of Charlottesville, then took action to keep the railway running—the last narrow gauge common carrier in Virginia. Faulconer had been raised close to the railway, and his desire to keep it operating was partly based on aethestic reasons. This group formed a company, which was incorporated on June 11, 1925, as the Orange & Fredericksburg Railway, to buy the property of the P., F. & P., which was delivered to the new company on June 12, 1925, for \$72,500.[9] Faulconer was President and Treasurer; R. L. Biscoe, of Fredericksburg, Vice-President; and V. R. Shackelford, of Orange, General Manager.[10]

It was reported that Faulconer was the largest stockholder, but his interest did not constitute a majority.[11] Various improvements were planned and Faulconer stated that lumber rates and passenger fares would be reduced in the hope of recovering business lost to trucks and busses. The Orange Chamber of Commerce passed a resolution of thanks to Faulconer and those whose efforts had secured continued rail service.[12] However, this company was unable to cope with the similar conditions that had driven the P., F. & P. to seek abandonment. Active preparations, therefore, were being made to sell the road at auction when Langbourne Meade Williams, a partner of John L. Williams & Sons, seeing real potentialities in the line, purchased the controlling stock on April 2, 1926.

J. L. Williams & Sons of Richmond was one of the most active investment and banking firms in the South. J. L. Williams, school teacher and scholar, turned to banking and business during and immediately after the Civil War, and in 1874, he established his firm in Richmond. The firm was chiefly interested in railroad development, and by the time of his death in 1915, it had controlled the Seaboard Air Line Railroad, the Georgia & Florida Railway, and several municipal railroad properties. The firm, however, was chiefly noted for its development and consolidation of the Seaboard Air Line. In fact, John Skelton Williams, a son of J. L., was the first President of this railway from 1900 to 1904, when the firm lost control.[13]

Another son, Langbourne Meade Williams, controlled, as President from 1912, and subsequently as Receiver, the Tidewater & Western Railroad, an ailing, narrow gauge line that ran ninety miles from Bermuda Hundred, Virginia, on the James River, to Farmville, Virginia. The Tidewater & Western had been organized in June, 1905, to purchase the bankrupt Farmville & Powhatan, a very old line that had its antecedents in the original Clover Hill Railroad, chartered in February, 1841.[14] The T. & W. ceased operations on May 12, 1917, and Williams proceeded to scrap the line without first securing permission from the State Corporation Commission.[15] His position, however, was upheld by a famous order of the Virginia Supreme Court of Appeals, October 8, 1917.[16] The line proved to have considerable scrap value, most of the equipment being shipped to France for war purposes, and the financial success of this operation pointed the way to his subsequent interest in the Orange & Fredericksburg Railway, the immediate predecessor of the second Virginia Central Railway.

Just by chance, apparently, L. M. Williams discovered that the O. & F. was up for auction, and his fertile mind saw several latent possibilities in the defunct narrow gauge railway. In the first place, the line had to be either scrapped or standardized—continued narrow gauge operations were out of the question. The scrap value was considerable, but Williams had more significant designs.

The Chesapeake & Ohio Railway had possessed for many years trackage rights from Orange to Washington, D. C., over the Southern Railway.[17] Williams perceived that if the O. & F. were developed and standardized, then the C. & O. could run their Washington trains to Fredericksburg and thence into Washington over the tracks of the Richmond, Fredericksburg & Potomac Railroad, of which the C. & O. was one-sixth owner. This route was only a few miles longer, but it would reduce trackage fee payments. There was a possibility, therefore, that the line might become an important link in the C. & O.[18]

Williams' other plan was to extend the O. & F. into the Northern Neck to Machias Point on the Potomac River, east of Frederisksburg, in the belief that the considerable south-bound traffic from Baltimore would be shipped directly to Machias Point and over the O. & F. to interior points. This plan matured to the point that some land was purchased for a terminal at the proposed port.[19]

Shortly after the acquisition of the O. & F., the other partners of J. L. Williams & Sons either retired or sold their interest to L. M. Williams, who became the sole owner of the firm after 1928. Not unaware of the successful history of that earlier Virginia Central, he appropriately decided to change the name of the O. & F. to the Virginia Central Railway. This was done by an amendment to the charter, November 17, 1926.

Williams was a firm believer in the future capacities and earning powers of the line even without the Northern Neck extension. Detailed calculations were made by him, with the aid of C. J. Field, his Vice-President, showing that if the narrow gauge line, which had to transfer all freight, could show an average yearly net from railway operations of $27,500 from 1906 to 1915, then a standard gauge line should earn at least $60,000 annually, after the new trade routes had been developed and the new services brought to the attention of the public and shippers. These calculations were based on prospects of improved local traffic and on the more important through-traffic, which would naturally receive a tremendous fillip from the standardization, permitting direct interchange.

A memorandum to Williams from Field, in 1929, set forth prospective traffic in the amount of 4,900 cars annually, with revenues of $156,000, in which forest products, chiefly pulpwood were to provide the most traffic with 1,770 cars. The Massaponax Sand & Gravel Company was expected to ship about 900 cars, but coal traffic was far down the list with only an estimated 250 cars a year. In later years these estimates, with some exceptions, proved too optimistic.[20]

The task of standardization was immediately put in hand after Williams' acquisition of the line, and it was pursued with such vigor that the first standard gauge train operated over the entire line on November 1, 1926, although all the necessary work on the shops and other facilities was not finished until February, 1929.[21]

Independent connections were built to the tracks of the Chesapeake & Ohio and Southern Railways at Orange, where the Virginia Central owned its depot, several warehouses, and a considerable area of land. In Fredericksburg, headquarters of the line, connection was made with the Richmond, Fredericksburg & Potomac Railroad, and twenty acres of land were purchased, extending a mile from the R., F. & P. depot to the southwest city limits. On this property Williams constructed a grain elevator and several warehouses for the use of shippers, and for additional income for the railway. It was fortunate that the grading of the roadbed, the pre-Civil War part of which had been prepared for five feet gauge track, did not require substantial enlargement; the entire road, therefore, was re-tied with untreated oak cross ties. The alignment was favorable, with no severe curves, and the maximum grade was only a short stretch of 1½ per cent; there were eight miles of level track, and thirty miles of straight track in the thirty-eight mile line.[22]

The financial details of short line railways possess extreme importance since the majority of them often struggle against chronic financial instability. The financial aspect of this standardization, therefore, possessed far greater significance than would otherwise be attached to it. As a consequence, the Virginia Central was capitalized for an amount upon which it was prevented, by unforeseen factors, from earning any return on the investment.

By February, 1929, the Virginia Central had a floating debt of $650,100, chiefly the result of standardization; the bulk of this was owed to J. L. Williams & Sons on open account. The balance sheet at this time showed an investment of $592,950 in the road and equipment, including the $72,500 paid for the road. However, the firm was unwilling to carry this indebtedness any longer in its present form.[23] Since the original capitalization of the Orange & Fredericksburg was inadequate, Williams submitted a new plan to the Interstate Commerce Commission on June 17, 1929, through R. E. Cabell, counsel for the railway. The plan proposed that $400,000 of 7 per cent bonds and 2,350 shares of one hundred dollar par common stock be sold to J. L. Williams & Sons to pay off the indebtedness. The remaining 650 shares of the proposed issue of 3,000 were to be exchanged for the outstanding 650 shares of the O. & F. purchased by Williams.[24] The Interstate Commerce Commission, Division 4, with Commissioners Myer, Eastman, and Woodlock, ruled that the Virginia Central did show reasonable prospects of earning the interest on the proposed bonds.[25] After some deliberation, the Virginia Central was capitalized for $615,000.

Meanwhile, traffic on the railway was developing slowly; for in such an undertaking a period of two years would be the minimum before any favorable results could be expected. The first full year of standard gauge operations was 1927, and as anticipated, there was a sizable deficit—operating expenses alone exceeding operating revenues by $11,700. There was a considerable improvement in 1928 with a railway operating income of $5,900, but with a deficit of $18,000 after all charges had been met. The big year, as it developed, was 1929, and the operating revenue of $99,200 was the highest ever reached by the company. Notwithstanding, there was a deficit of $6,700 after all fixed charges had been met. This was the nearest that the Virginia Central ever came to earning a return on its investment; thereafter, the deficits mounted steadily. In 1930 the deficit was $16,200, and in 1931, a staggering $54,000 was recorded.[27]

The spate of consolidation plans considered by the Interstate Commerce Commission and by the Class 1 railroads in the twenties and their eventual inefficacy exercised little influence on the Virginia Central. The Chesapeake & Ohio consolidation plan of 1928 did include the Virginia Central, but only as a feeder and not as a link in a new route to Washington as Williams had envisioned. Previous to this, he had approached W. J. Harahan, President of the C. & O., who made an offer for the Virginia Central. The negotiations fell through, and when they were renewed in 1936, the original design of Williams senior had suffered the fate of the consolidation plans. The proposed Machias Point extension was killed by the depression.

This left the Virginia Central as a pure and simple short line and one which unfortunately did not serve any large on-line industries. If the standardization had been completed ten years earlier, then the through traffic routes could have been developed before the lean years appeared. As it was, the road no sooner became established and known to shippers and foreign freight agents then the depression removed the cream of the traffic upon which even short lines are dependent. The potentialities of the line in a pre-trucking era were shown in the steady rise of revenues through 1929; several of the summer months of that year showed a one hundred per cent increase over 1928.

Responsibility for the loss of revenue cannot all be laid to the depression or the inroads of the truckers. There was also another cause which, by itself, could nullify Williams 'work. The Virginia Central was dependent for its revenues upon the establishment of joint freight rates with the connecting lines. Provided the traffic came up to Williams' expectations, if there were a distribution of the rates between the connecting lines that did not give the Virginia Central an adequate share of the revenue, then the short line was doomed. The position of the Virginia Central on the railroad map appeared to present strategic opportunities, but in reality, the line was at the mercy of the large connecting systems.[28]

The decisive blow came with the refusal of these connecting lines to establish joint through freight rates on all commodities. The repercussion was soon felt by the all-important through-traffic, which accounted for about two-thirds of the total tonnage of the line. Coal, sand, stone, gravel and pulpwood made up this traffic, the very lifeblood of the line. No pulpwood was shipped over the line as through-traffic after 1933, and the stone, sand and gravel through-traffic declined some 300 per cent from 1931 to 1937. The coal traffic, however, remained relatively stable, averaging about a thousand cars a year, because of substantial shipments for the Quantico Marine Base, the Lorton Reformatory ,and the Colliflower Coal Company in Washington.[29]

Williams put up a valiant fight for his road. The Virginia Central appealed several times to the State Corporation Commission that, contrary to the spirit of the Commission's orders, the C. & O. and the R., F. & P. were retaining "unjust and unduly preferential divisions of the rates."[30] In September, 1930, the Virginia Central petitioned the S. C. C. to establish a joint rate on westbound pulpwood; it claimed that as a short, weak road it needed perferential treatment, a condition generally recognized by large roads as being mutually advantageous, and it also wanted such divisions on all traffic. While the Commission favored the Virginia Central, giving it a slightly more equitable division of the pulpwood rate, divisions were not established for all commodities.[31] The decision, nevertheless, was a case of too little too late, for local traffic was never able to offset the loss of through-traffic. The decision of the connecting lines not to establish joint rates was one of the primary causes of the eventual abandonment of the major portion of the road.

The death of Williams on April 2, 1931, after five years of untiring effort to develop the Virginia Central, marked the end of the first phase of the line. Since he was the sole owner of J. L. Williams & Sons at his death, the assets of the firm, including the railway, passed to his estate, and as the law required that the estate be liquidated as quickly as prudently possible, the new management offered the whole railway for sale to any person who would make a reasonable offer.[32] The times, of course, were most unpropitious for such a sale, and in the meantime, the railway still had to be operated. Two of Williams' sons, Langbourne M. Williams, Jr., President, and E. Otto N. Williams, Vice-President, and after 1933, General Manager, formed the new management with their uncle, Carl Nolting, as Treasurer. Ralph T. Catterall, attorney for the estate, was also counsel for the railway.

The story of the road from 1931 was similar to the struggle of all short lines attempting to make ends meet, and it was marked by low wages, little or no maintenance, but an abundance of red ink. Like others of her type, the Virginia Central was very close to her patrons, most of whom were keenly interested in her comings and goings through their communities. She traversed one of the most historical portions of the state, an area over which many Civil War battles were fought—popularly known as the "Wilderness." This is evident in that apart from Fredericksburg and Orange, which had 1935 populations of 6,820 and 1,380 respectively, no community along the line numbered over one hundred, and there were only five villages which had fifty people or more. Excluding the terminals, the total population served directly by the line amounted to only about 600.[33]

The rail bus, however, did a steady business in express and passengers with 4,300 paying fares in 1936, but local freight was practically non-existent. For six of the seven years, 1931 through 1937, there was a grand total of only five carloads of traffic originated and destined for points on the line. However, in 1934, when the United States Park Service was paving the roads in the Civil War battlefield parks, 155 cars of stone were moved to the parks from a quarry three miles west of Fredericksburg. This proved to be the only year since 1930 that there was a credit in operating income.[34]

The only industrial plants served were oil companies and building supply dealers located in East Orange and West Fredericksburg, although the Virginia Central did handle all the coal required by the large Sylvania cellophane plant at Fredericksburg. There was a small stone quarry along the line, but efforts to exploit this and additional natural resources all failed. The only outgoing traffic was pulpwood, lumber from two small mills, and occasional cars of agricultural products. Otto Williams launched several investigations of the natural resources in the area served by the Virginia Central, but although a wide variety of minerals were discovered, including gold, nothing was found in commercial quantities.

The Virginia Central did, however, wage an active and energetic campaign to capture more of the Fredericksburg traffic. The traditional policy followed by the R., F. & P. redounded to the benefit of the Virginia Central, and a large proportion of the Fredericksburg traffic did flow over the short line. Otto Williams, as General Manager, was well known in Fredericksburg, and many shippers routed even their northbound traffic over the Virginia Central and the Southern Railways. Like all short lines, the Virginia Central was willing to give additional service to secure traffic, and in 1934, it inaugurated the first pick-up and delivery service in Fredericksburg.[35]

Nevertheless, the cold, hard fact remained that the Virginia Central's line from Orange to Fredericksburg was not an economic necessity in an automotive age of trucks and publicly supported highways. The estate had to be liquidated and so, for five years, Otto Williams investigated every opportunity of possible sale but with no results. Craig Miller, of Richmond, J. W. Foster, of Somerset, and later, Herman Lerner, of Orange, all notified him that they represented parties interested in the purchase of the Virginia Central, but none of these contacts developed into actual negotiation.[36]

The most important negotiations were those carried on with the Chesapeake & Ohio Railway. The company was sufficiently interested in the project to stage a full inspection of the Virginia Central. This took place in March, 1937, when the C. & O. traffic experts and engineers fully investigated the physical property and records. Their reports were unfavorable, indicating that an expenditure of $532,000 was needed to bring the line up to the C. & O. branch line standards. After that there would be an increasing deficit in railway operating income; therefore, in May, 1937, the C. & O. declined to purchase its onetime namesake.[37]

The last real hope of saving the Virginia Central intact vanished with the end of the C. & O. negotiations. Abandonment was the only recourse. The chief problem was to make some satisfactory arrangement so that the shippers in Orange and at West Fredericksburg would not lose all their rail transportation service. This was solved with the idea of selling the Orange end of the line to the C. & O. as an industrial sidetrack, and similarly, the Fredericksburg portion to the R., F. & P.[38]

This action was taken none too soon. The arrears of maintenance had accrued to the point where it was imperative, the management claimed, for reasons of safety alone, that operations be ceased before the onset of another winter. The company had been absolved by the Interstate Commerce Commission of negligence arising from the death of an employee in a big wreck in 1935, occasioned by the washing out of a fill. But there were numerous minor derailments, and the company was financially unable to meet even the minimum needs of maintenance to prevent this.

The company held that everything possible had been done to cut expenses to the bone. The President drew no salary; the highest paid executive received only $3,000 a year, while the section hands worked for only $2 a day. All available maintenance funds were used to keep the rails together; there was practically no ballast, and in wet seasons the weight of the train caused the whole track to sink into the mud. At the hearing before the State Corporation Commission, the astonishing fact developed that A. E. Martin, Superintendent since 1926, had not been able to purchase a single car of ballast since the standardization of the line in 1927, and this when a stone quarry was located on the right of way![39]

Deficits had averaged over $45,000 yearly since 1931.[40] Operating revenues were consistently swallowed up by operating expenses and the pressing need for maintenance, leaving nothing available for interest on the investment. "The reason the road does not lose more money that it does is because it does not have any more money to lose."[41] If there had been more money, it would have gone into maintenance. The C. & O. engineer, I. L. Pyle, who inspected the property early in 1937, stated that his company could not run it at a profit even if it were given to them. Reasons making speedy abandonment necessary, stated the company, were that the property was unsafe, and that it could not be operated at a profit.[42]

The work needed to prepare the necessary reports required in abandonment proceedings took several months. Finally, on August 3, 1937, the application was filed with the Interstate Commerce and State Corporation Commissions. No prior word had leaked out, and the announcements in the local newspapers provided the first information that the Virginia Central had reached the end of its resources. The various civic groups and shippers immediately began to organize to protest that the abandonment would be detrimental to the public interest.[43]

Many resolutions and petitions were promptly filed with the State Corporation Commission in Richmond, which had been asked by the Interstate Commerce Commission to take the evidence in the interstate proceedings. The Board of Supervisors of Orange County passed a voluminous resolution on August 9 opposing the abandonment. That was followed by those of the Spotsylvania County Supervisors, the Orange Chamber of Commerce, and the Orange Town Council, all on August 10. The City of Fredericksburg wanted to postpone the proceedings to afford time to investigate, and the West Virginia Pulp and Paper Company also desired a delay sufficient to enable their pulpwood producer, W. C. Newman, of Rhoadesville, to ship out all his wood.[44]

The most vigorous opposition of the shippers came from West Fredericksburg, where M. J. Brown, Co., The Shell Union Oil Co., and J. W. Masters, Inc. were located. J. W. Masters, who had shipped 172 cars of building supplies over the Virginia Central in the two previous years, retained W. J. Gibson as his lawyer to fight the abandonment case. Gibson had an interview with Norman Call, President of the R., F. & P., who stated that his road would serve West Fredericksburg only if the Virginia Central would donate the right of way. Call said that the R., F. & P. would pay only scrap value for the rails and nothing for the right of way.[45]

An agreement between the two companies seemed then rather distant. Gibson in the meanwhile unsuccessfully endeavored to postpone the public hearing, set for October 14, until the two companies came to an agreement over the service. The problem was partially solved late in September, when it was suggested that the S. C. C. set the price for the right of way. Gibson, on behalf of his clients, filed a vigorous petition with the S. C. C. on October 2, requesting that the Virginia Central be required to offer their right of way to the R., F. & P. at a price set by the Commission; that the R., F. & P. be required to serve West Fredericksburg, and be made a party to the proceedings. The petition was approved in that the R., F. & P. was ordered to be present at the hearing.[46]

The most vigorous civic opposition came from Orange, where the Chamber of Commerce and County Board of Supervisors raised immediate protestations; the chief protestants were W. C. Newman and S. M. Nottingham of the Orange Chamber and Bar.[47] Otto Williams came to Orange on several occasions and talked with Herman Lerner, attorney for Newman and other protestants. He offered to sell the whole railway for $250,000,[48] and he said they would not stop operations if enough new traffic were obtained. To this end a canvas of shippers was made in the two towns.[49]

Several joint meetings of all the protestants were held in Fredericksburg during September, the most important being those of the 17th and 24th.[50] Otto Williams attended the first and stated that two hundred additional carloads of freight monthly were needed for the line to show a profit, and that $100,000 was needed immediately to make the roadbed safe since 45 per cent of the ties had decayed. In the second meeting Nottingham and Lerner outlined the policies that they should follow at the public hearing in Richmond.[51] Meanwhile, local editors, reflecting a popular discontentment unaware of the company's financial difficulties brought on by insufficient traffic, attacked the owners of the road claiming they did not wish to continue operations.[52]

Orange interests, then, fought against any abandonment of the road, while Fredericksburg interests primarily desired the postponement of abandonment until arrangements had been made with the

R., F. & P. over the West Fredericksburg service. The Fredericksburg City Council and Chamber of Commerce did originally take steps to protest the abandonment, but later they adopted a policy of stopping the protest if adequate service were continued to those dependent on it.[53]

At the public hearing held before the State Corporation Commission in Richmond, October 14, with Commissioners Fletcher and Hooker present, the Virginia Central was represented by R. T. Catterall, the West Fredericksburg shippers by W. J. Gibson, the Town of Orange by S. M. Nottingham, shipper Newman by Herman Lerner, and the R., F. & P. by E. Randolph Williams, a brother of L. M. Williams, Sr. The court room was filled with citizens of Orange, Fredericksburg and intermediate points.

Catterall, in a surprise move at the outset, asked that the application be amended because the Virginia Central was willing to operate the one mile track to West Fredericksburg for an experimental period of one year. Thereupon, Gibson and E. R. Williams, satisfied that the service would be continued, withdrew from the hearing.[54] Thus the only remaining protestants, represented by counsel, were from the Orange end of the line—the Town Council, the Chamber of Commerce, and W. C. Newman.

Catterall opened his arguments for abandonment on the question of law involved, that "a carrier cannot be compelled to carry on even a branch of business at a loss much less the whole business of carriage."[55] He then went on to show that the road could be operated neither at a profit nor with safety, that the road had never earned interest on its bonds, that it had lost $270,000 since 1931, and that it had no sources of credit. He then dismissed the appeals of the protestants by pointing out that Orange, served by two Class 1 railroads, hardly needed a short line in addition, and that a shipper (Newman) who trucked crossties to Orange was not dependent on rail service.

Otto Williams testified that there was no foreseeable chance of attaining solvency because the loss of a $7,000 mail contract to a Star route at the end of the year and the reduction of rates would permamently lower income.[56]

Nottingham for the contestants challenged the issue of profit, and argued that a proper accounting of the books would show a fair return on the true value of the railway. His evaluation was based on the owner's asking price of $250,000 (also the Commission's appraisal) and not on the past expenditure of the line, determined by the I. C. C. in 1929 to be $615,000.[57] Excess depreciation of $40,000 in 1935 and 1936, he maintained, had been included among operating expenses—sums which, if applied to the deficits of those years, would have resulted in a fair return on an investment of $250,000.[58]

Lerner then challenged the question of safety by showing that the testimony of the C. & O. inspectors, who had testified for the Virginia Central, was that of Class 1 railroad officials, inexperienced in the peculiar problems of short lines. All of the witnesses for the applicant, he charged, were in some degree interested in abandonment.[59] He claimed to show by an independent witness that the road could be made safe for operation until June, 1938, by the replacement of only 10,000 ties.[60] This was less than the average 18,000 ties that the company had replaced in the last five years.[61]

After the hearing a brief was filed by the Virginia Central on October 25, and a reply brief by Lerner and Nottingham on November 1, in which each side summarized its position. Protestants requested the Commission to order the continued operation of the line through 1938 to ascertain the true situation under a correct accounting system. If at that time, they said, there was no improvement, then the line should be put up for sale at a public auction.[62]

Catterall in his brief explained that the incorrect bookkeeping stemmed from the inability of the road to find an experienced auditor, willing to work for a limited salary, and that the adjustment of the depreciation account did not actually entail a cash outlay, as claimed by protestants.[63] In the words of Otto Williams, "We have just 'robbed Peter to pay Paul' on the whole operation."[64]

On November 9, the evidence was submitted to the Interstate Commerce Commission with the state authorities making no representation. That Commission handed down its decision on December 3, granting permission for the Virginia Central to abandon operations, except for the one mile in Fredericksburg. The Commission upheld the arguments of the company that the actual investment of the Williams estate in the line could not be ignored in determining its capacity to earn a fair return. They held that the record disclosed no irregularities in the accounting method. The decision was made effective in thirty days.[65]

The decision was reported locally on December 9,[66] and precipitated a last effort to save the line. A. G. Colley, Master Mechanic of the Virginia Central, was the chief mover, and he reported that $50,000 would secure possession of the line, with the balance of a reported $100,000 purchase price to be paid out of earnings. Colley was optimistic and sought aid from the Fredericksburg Chamber of Commerce in a money raising campaign. Newman conducted a campaign in Orange, and $30,000 was reported to have been raised, but Orange interests claimed that Fredericksburg should raise two-thirds of the amount.[67] Colley was unsuccessful in obtaining Fredericksburg support, and action was deferred pending further information.[68]

A Fredericksburg committee, including Colley, went to Orange on December 23 seeking support of a plan to obtain an injunction prohibiting the discontinuance of service,[69] but nothing came of these last attempts. The end was at hand. On January 1, 1938, the Brill motor bus, with thirty passengers, made the final run, and plans were made to tear up the track and sell the equipment. The C. & O. purchased the Orange end of the line, and by the end of January had rebuilt it to their standards.[70] The work of taking up the rails from Orange to West Fredericksburg was completed by May, 1938, and the four ancient steam locomotives were either sold to other short lines or to salvage companies with the rest of the equipment over a period of eighteen months.[71]

The Fredericksburg portion has remained in operation with small gasoline locomotives, and the Virginia Central is now classified as a Class III terminal and switching line. Continuing the service of the Williams family to the community, George D. Williams, a younger brother of L. M. Williams, Jr., and Otto Williams, is the present president.

Thus the time had come for the last train to sway and clatter on its voyage over the grassy track between Orange and Fredericksburg. The last fires had been banked in the little Consolidation type locomotives, and the last lamps extinguished in the solitary caboose.

The short line railroad was likewise doomed on the national scene for it represented, with few exceptions, an archaic survival from an earlier time. It was as symbolic of the America of 1900 as the stagecoach was to the earlier America of 1800. In fact, the decline of the short line railroad bears a close correlation to the transition of this country from an agricultural to an industrial nation. The coming of the assembly line and national standardization wrote the final chapter of many short lines for they symbolized an independent individualism based on a rural population.

The country had been intrigued by the romance of the early railroads as they conquered the West. Now the great consolidated systems had been hammered together, and under competitive attack and hard times they had become resilient and sinewy. Not so the short lines scattered here and there over the country away from the main streams of commerce. The romance was still there, but the traffic had dried up. In 1937 alone, no fewer than thirty short line companies with more than six hundred miles of track withered and were abandoned. [72]

The passing of an era dealt severely with the second Virginia Central Railway. All the local inhabitants regretted the pulling up of the rails between Orange and West Fredericksburg, especially the postmaster at Unionville, who mourned in verse: "a crooked and weedy railroad was better than none at all."[73]

1. Virginia Central Railway. Annual Reports to the State Corporation Commission, 1931-1936. V. C. Ry. Fredericksburg.
2. V. C. Ry. Return to I. C. C. Questionaire in application for abandonment, July 31, 1937. State Corporation Commission Case No. 6369, Richmond, Va.
3. Annual Reports of the Board of Public Works to the General Assembly of Virginia, Richmond, Va., 1855, 1857, 1859.
4. Annual Report of the Railroad Commissioners, Richmond, Va., 1877; The Royal Land Company Company, Report of C. M. Braxton, Engineer, October 14, 1876, Fredericksburg, Va., V. C. Ry.
5. Annual Report of the Railroad Commissioners, 1878.
6. 108 I. C. C. 25 (Printed cases of the Interstate Commerce Commission.)
7. Fredericksburg *Star,* May 26, 1925.
8. Richmond *Times-Dispatch,* May 27, 1925.
9. 105 I. C. C. 510. The capitalization of the O. & F. was $100,000. Some 650 shares of $100 par were sold, without I. C. C. authorization, to finance the purchase with $7,500 coming from the P., F. & P. treasury. These 650 shares were later bought by L. M. Williams and redeemed by the Virginia Central.
10. Charlottesville *Daily Progress,* June 13, 1925.
11. Fredericksburg *Star,* June 12, 1925.
12. *Ibid.,* July 9, 11, 1925.
13. A. W. Moger, "Early Railroad Practices and Policies in Virginia". *Virginia Magazine of History and Biography,* Vol. 59, (October 1951), 455.
14. State Corporation Commission, Richmond, Va. 1913 Annual Report, 709.
15. *Ibid.,* 1917, 85.
16. *Ibid.,* 115.
17. Agreement between the Richmond & Danville R. R. Co., the Virginia Midland Ry. Co., and the Chesapeake & Ohio Ry Co., dated December 23, 1890, V. C. Ry. Fredericksburg.
18. E. O. N. Williams to writer, February 4, 1952.
19. *Ibid.*
20. Memorandum, May 31, 1929, Fredericksburg, Va. was part of evidence submitted by the V. C. Ry. to the I. C. C. requesting authority to issue first mortgage bonds and stocks.
21. V. C. Ry. Annual Reports.
22. R. T. Catterall, "Prospectus of the Virginia Central", February, 1936. Fredericksburg, Va.
23. 154 I. C. C. 437. Application for permission to issue bonds and stocks.
24. *Ibid.*
25. L. M. Williams calculated that with yearly revenues of $156,000 operating expenses should not exceed $72,000, thus leaving net from railway operations of $84,000. Interest on the bonds would amount to $28,000. Memorandum, May 31, 1929.
26. 154 I. C. C. 437.
27. V. C. Ry. Annual Reports.
28. For example, eastbound coal traffic, originated by the C. & O. in West Virginia, traversed a seventy mile shorter route to Fredericksburg via the V. C. Ry. than the route through Richmond and the R., F. & P.
29. V. C. Ry. Annual Reports.
30. S. C. C. Cases Nos. 4034, 4296, Richmond, Va.
31. *Ibid.*
32. R. T. Catterall. *Op. Cit.*
33. V. C. Ry. Return to I. C. C. Questionaire.
34. V. C. Ry. Annual Reports.
35. V. C. Ry. Fredericksburg, Va.
36. *Ibid.*
37. S.C.C. Case No. 6369.
38. *Ibid.*
39. S. C. C. Case No. 6369. Oral hearing, October 14, 1937. *Record of Testimony,* 51.
40. V. C. Ry. Annual Reports.
41. V. C. Ry., Brief on behalf of. S. C. C. Case No. 6369.
42. *Ibid.*
43. Fredericksburg *Star,* August 4, 1937; Orange *Review,* August 5, 1937.
44. S. C. C. Case No. 6369.
45. Fredericksburg *Star,* August 27, 1937.

46. S. C. C. Case No. 6369; Fredericksburg *Star,* Oct. 5, 1937.
47. Orange *Review,* August 12, 1937; Orange Chamber of Commerce Minute Book.
48. Lerner, acting for his clients, apparently did not make a definite offer for the line, but after the public hearing he suggested that it be put up for sale at public auction.
49. Fredericksburg *Star,* August 25, 1937.
50. The Orange Committee was headed by R. L. Blankenship, the Town Manager, Lerner, Newman, N. C. Bailey and D. L. Porter. Fredericksburg was represented by J. W. Liebenow, C. K. Cueman, M. J. Brown and others. Orange and Fredericksburg Chambers of Commerce Minute Books.
51. Fredericksburg *Star,* September 18, 25, 1937. Orange *Review,* September 23, 30, 1937.
52. Fredericksburg *Star,* September 15, 1937.
53. *Ibid.,* August 11, October 11, 1937.
54. S. C. C. Case No. 6369. *Record of Testimony,* 1, 2.
55. Brooks Scanlon Co. v. R. R. Commission of Louisana. 251 U. S. 396, 64L. ed. 323.
56. *Record of Testimony,* 68.
57. 154 I. C. C. 437.
58. *Record of Testimony,* 58-60.
59. *Ibid.* 49, 50, 83, 89-91.
60. This was D. H. Sencendiver, President of the Winchester and Wardensville Railroad, who *walked* over thirty-three miles of the V. C. Ry. in his inspection. He had more than thirty years of experience in short lines. *Record of Testimony,* 104.
61. V. C. Ry. Annual Reports.
62. Reply Brief on behalf of Protestants, November 1, 1937. S. C. C. Case No. 6369.
63. Brief on behalf of V. C. Ry. October 25, 1937. S. C. C. Case No. 6369.
64. *Record of Testimony,* 31.
65. 224 I. C. C. 249.
66. Fredericksburg *Star,* December 9, 1937. Orange *Review,* December 16, 1937.
67. Fredericksburg *Star,* December 14, 20, 1937. Orange *Review,* December 16, 1937.
68. Fredericksburg *Star,* December 22, 1937. Orange *Review,* December 23, 1937.
69. Orange *Review,* December 30, 1937.
70. *Ibid.* January 27, 1938.
71. V. C. Ry.
72. *Railway Age,* December, 1937.
73. Fredericksburg *Star,* January 5, 1938.