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HISTORY OF THE JAMES RIVER AND KANAWHA COMPANY

BY

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PREFACE

THIS monograph is a study of a phase of internal improvements in Virginia extending over a period of ninety-five years. The length of the road traversed warned the author not to attempt more than brief excursions into neighboring fields, however inviting these might be. Desiring to make some slight contribution to the history of his native state, he has sought to throw additional light upon a subject apparently obscure and to clear away the misconceptions which have enveloped it.

The James River and Kanawha Company was Virginia's bid for the western trade, and the works that it constructed, of which the canal was only a part, formed the chief commercial artery of the state in *ante bellum* times. As such it is entitled to have its story told, and the purpose is to tell it not so much from the point of view of an agency of transportation as from that of a great ideal conceived by Washington, fostered by Marshall, and partially carried out by Cabell and his successors.

For assistance in preparing his little book the author is indebted chiefly to Professors William A. Dunning and Dixon Ryan Fox, of Columbia University. To Professor Dunning, under whose guidance the work was undertaken, he is indebted for wise counsel and kindly aid. To Professor Fox he is under special obligation for a careful reading of the manuscript and for many helpful criticisms as to form and content. Acknowledgment is made of the courteous co-operation of Dr. H. R. McIwaine and his assist-

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ants at the Virginia State Library, where most of the investigation was pursued. For the imperfections of the monograph the author alone is responsible.

W. F. DUNAWAY.

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CHAPTER I

ORIGIN OF THE CONCEPTION OF CONNECTING VIRGINIA
WITH THE WEST

THE History of the James River and Kanawha Company, broadly conceived, is the story of an enterprise which was intimately interwoven with the economic life of Virginia for nearly a century. It was easily the most important of the many internal improvements fostered by the state prior to the Civil War, and forms a significant chapter in the larger story of pioneer America with its advancing frontier and its increasing need of markets and transportation facilities.

The idea of connecting the eastern-flowing waters of Virginia with those flowing westward to the Mississippi early found lodgment in the minds of her far-sighted men, and remained a cherished ideal for many years. This conception is supposed by antiquarians to have originated with Governor Spotswood when on his famous exploring tour to the Blue Ridge in 1716, but the proof of this is purely inferential.¹ The first recorded suggestion of a through line of this nature is found in a letter of Rev. James Maury, who had been one of the companions of Governor Spotswood in his transmontane expedition.² This letter, written to an uncle of Maury, under date of Jan. 10, 1756, was

¹*Correspondence of the President of the James River and Kanawha Company with an association of French Capitalists* (Richmond, 1860), p. 5.

²*Ibid.*

suggested by a new map which had recently appeared, and declared :

When it is considered how far the eastern branches of the Mississippi extend eastward, and how near they come to the navigable, or rather canalable parts of the rivers which empty themselves into the sea that washes our shores to the east, it seems highly probable that its western branches reach as far the other way and make as near approaches to rivers emptying themselves into the ocean to the west of us across which a short and easy communication short in comparison with the present route thither, opens itself to the navigation from that shore of the continent unto the eastern Indies.¹

This letter is interesting as showing how the idea of connecting the east with the west by uniting the upper reaches of the eastward and westward-flowing rivers had at an early date begun to enter the minds of prominent Virginians; and, incidentally, as revealing how little was known of the geography of the west at that time.

The man who first aroused his countrymen to the importance of joining the east and the west by suitable transportation facilities was none other than George Washington, who knew the west more thoroughly than most of his contemporaries and was our first great expansionist. In his youth he was an explorer of the saddle-bags and surveying-instruments variety. At a later period he became still more interested in the western country for economic and political reasons and, as a practical statesman, was the first American to outline a comprehensive policy of western expansion and internal improvement. Beginning his acquaintance with the west at the age of sixteen as a surveyor of the immense estates of Lord Fairfax in the valleys of the Alleghanies in 1748, and gaining further information of its

¹*Correspondence of the President of the James River and Kanawha Company with an association of French Capitalists*, pp. 5-6.

nature and possibilities in his mission to the French forts as an envoy of Governor Dinwiddie in 1753, he made no less than four additional exploring tours beyond the Alleghanies and thereby acquired an intimate knowledge of the country.

It appears probable that Washington, upon his return to Williamsburg from his mission as envoy of Governor Dinwiddie, urged upon the governor and his council the importance of connecting the east with the west by a public highway, on the ground that if England were to hold the west she must have a passageway to it; but inasmuch as the project involved great expense, no serious consideration was given to it.¹ Certain it is, however, that from this time it remained a favorite project of Washington, and that he lost no good opportunity to bring it prominently forward. He discussed it repeatedly with his friends, referred to it in his letters and published in the colonial gazette extracts from his journals bearing on the subject with a view to arousing public interest in the project.² The more he learned of the west by his repeated visits beyond the Alleghanies the greater became his ardor for connecting it with the east.

When Washington made his western tour in 1774, he was surprised to find the change that had recently taken place in the valley of the Ohio. Instead of encountering an occasional trapper or trader, as on his previous tours, he found immigrants occupying that region in considerable numbers.³ Regarding the opening of a public highway between the east and the west as a matter of first importance and believing the conditions to be ripe for legislative

¹Pickell, John, *A New Chapter in the Early Life of Washington* (New York, 1856), p. 19.

²*Correspondence of the President of the J. R. & K. Co., etc.*, p. 6.

³Hulbert, A. B., *Washington's Road* (Cleveland, 1903), p. 192.

action, Washington brought the subject before the House of Burgesses at its regular session in 1774. The Assembly did not receive it with the favor he thought it merited, the principal grounds of objection being the expense involved and doubts as to the practicability of the scheme. Washington now changed his original plan, which had contemplated effecting the improvement at public expense, and introduced a bill to empower individuals to undertake the extension of the navigation of the Potomac from tidewater to Will's Creek, a distance of about one hundred and fifty miles. The bill encountered considerable opposition from the burgesses of central and southern Virginia, who conceived that it would prove beneficial only to the northern section of the colony. To conciliate this element an amendment was incorporated in the bill to include in its provisions the improvement of James River. In this form it had a fair chance of passage and would doubtless have become a law had not the session expired prematurely and difficulties been encountered in securing the concurrent action of the Maryland legislature with reference to the Potomac. Before the project could be matured fully, prospect of war with Great Britain diverted attention from it and a decade elapsed before it could be revived.¹

After the Revolution Washington returned with renewed ardor to his scheme, more impressed than ever with the importance of connecting the east with the west and of adopting a system of internal improvement, as a measure of national concern. He carried on a considerable correspondence on the subject, advocating the policy on the broad ground of the general welfare.² On Sept. 1, 1784, Wash-

¹ Pickell, *op. cit.*, p. 29; also Hulbert, *Washington's Road*, p. 192; *vide* also, Washington's letter to Thomas Jefferson, March 29, 1784, *The Writings of George Washington* (Ford, N. Y. and London, 1889), vol. x, pp. 375-6.

² Pickell, *op. cit.*, p. 34.

ington left Mount Vernon for a tour of the trans-Alleghany country, partly for the purpose of examining the condition of his lands in that region and partly to satisfy himself more fully of "the practicability of opening a communication between the headwaters of the rivers running eastward into the Atlantic, and those that flow westward into the Ohio".¹ On this expedition he traveled six hundred and fifty miles, mostly on horseback but frequently on foot. Returning to Mount Vernon he transmitted a report of his investigations to Governor Benjamin Harrison, to whom he wrote a long letter containing the first general outline of the system of internal improvements to be found in the annals of the time and producing, as its first fruits, prompt action by the Virginia Assembly.²

Washington's letter to Governor Harrison, dated Oct. 10, 1784, was the outcome of his various expeditions to the trans-Alleghany region and voices his profound conviction as to the commercial and political expediency of opening new channels of communication with the rapidly developing west.³ It is one of the longest as well as one of the most interesting and suggestive that he ever wrote. He says, "It has long been my decided opinion that the shortest, easiest, and least expensive communication with the invaluable and extensive country back of us would be by one or both of the rivers of this state, which have their sources in the Appalachian mountains."⁴ He then proceeds to enumerate the objections likely to arise to his plan, of which the chief was the jealousy existing between the different

¹ *Writings of George Washington* (Sparks, Boston, 1837), vol. i, p. 408.

² Pickell, *op. cit.*, p. 38.

³ For Washington's letter to Governor Harrison, *vide, The Writings of George Washington* (Ford), vol. x, pp. 404-14.

⁴ *Ibid.*, p. 403.

sections of the commonwealth lest one part should obtain an advantage over the others, and goes on to say :

Then follows a train of difficulties, namely, that our people are already heavily taxed; that we have no money; that the advantages of this trade are remote; that the most direct route for it is through other states, over whom we have no control; that the routes over which we have control are as distant as either of those which lead to Philadelphia, Albany, or Montreal; that a sufficient spirit of commerce does not pervade the citizens of this commonwealth; that we are in fact doing for others, what they ought to do for themselves. . . .¹

After pointing out certain peculiar advantages possessed by Virginia, he says: "We should do out part towards opening the communication with the fur and peltry trade of the Lakes, and for the produce of the country which lies within, and which will . . . be settled faster than any one ever did, or any one would imagine." He is of the opinion that self-interest is alone sufficient to arouse Virginians to their opportunity, but that political considerations are even more impelling. In this connection he says :

I need not remark to you, Sir, that the flanks and rear of the United States are possessed by other powers, and formidable ones, too; nor how necessary it is to apply the cement of interest to bind all parts of the Union together by indissoluble bonds, especially that part which lies immediately west of us, with the middle states. For what ties, let me ask, should we have upon those people? How entirely unconnected with them shall we be, and what troubles may we not apprehend, if the Spaniards on their right, and Great Britain on their left, instead of throwing stumbling-blocks in their way, as they now do, should hold out lures for their trade and alliance? What, when they get strength, which will be sooner than most

¹ *Washington's Writings* (Ford), vol. x, p. 406.

people conceive (from the emigration of foreigners, who will have no particular predilection towards us, as well as from removal of our own citizens), will be the consequences of their having formed close connexions with both or either of those powers, in a commercial way?¹

The western settlers (I speak now from my own observation) stand as it were upon a pivot. The touch of a feather would turn them any way. They have looked down the Mississippi, until the Spaniards threw difficulties in their way; and they looked that way for no other reason, than because they could glide gently down the stream and because they have no other means of coming to us but by long land transportations and unimproved roads. These causes have hitherto checked the industry of the present settlers. . . . But smooth the road and make easy the way for them, and see what an influx of articles will be poured upon us; how amazingly our exports will be increased by them, and how amply we shall be compensated for any trouble and expense we may encounter to effect it.²

Washington then expressed the opinion that existing conditions, especially the disposition of Great Britain to hold the western posts as long as possible, made Virginia the logical state to undertake these improvements; and that the western inhabitants would do their part to further the project. He said:

Weak as they are, they would meet us at least half way, rather than be driven into the arms of or be made dependent upon foreigners; which would eventually either bring on a separation of them from us, or a war between the United States and one or the other of those powers, most probably the Spaniards.

He thought that the preliminary expense would be small

¹*Washington's Writings* (Ford), vol. x, pp. 406-7.

²*Washington's Writings* (Ford), vol. x, pp. 407-08.

and that at the same time the enterprise would serve to attract the attention of the western settlers and to convince them "of our disposition to connect ourselves with them, and to facilitate their commerce with us".¹

Having enumerated the advantages likely to accrue from the execution of his plan, Washington proceeded to recommend to Governor Harrison the appointment of commissioners of high character and ability to make a thorough investigation of the matter and to present their findings to the public. He said:

Let these commissioners make an actual survey of James River and Potomac from tidewater to their respective sources; note with great accuracy the kind of navigation and the obstructions in it, the difficulty and expense attending the removal of these obstructions, the distances from place to place through their whole extent, and the nearest and best portages between these waters and the streams capable of improvement, which run into the Ohio, and with equal accuracy. The navigation of this river (the Ohio) being well known, they will have less to do in the examination of it; but nevertheless, let the courses and distances be taken to the mouth of the Muskingum, and up that river to the carrying place to the Cuyoga; down the Cuyoga to Lake Erie; and thence to Detroit. Let them do the same thing with Big Beaver Creek and with the Scioto also. In a word, let the waters east and west of the Ohio, which invite our notice by their proximity, and by the ease with which land transportation may be had with them, and the Lakes on one side, and the Rivers Potomac and James on the other, be explored, accurately delineated, and a correct and connected map of the whole be presented to the public.²

Washington expressed his belief that if the foregoing

¹*Washington's Writings* (Ford), vol. x, pp. 409-10.

²*Ibid.*, pp. 409-10.

were done, prejudices and jealousies would yield to the obvious advantages revealed by the facts in the case. He suggests that to avoid injurious consequences growing out of delay, the Assembly might grant a sum of money towards opening one or more of the nearest and best communications with the west, "and if there should appear a manifest disposition in the Assembly to make it a public undertaking, to incorporate and encourage private adventurers for the purpose of extending the navigation of the Potomac or James Rivers; and in the former case to request the concurrence of Maryland in the measure."¹ He pointed out that the produce of the settlements about Fort Pitt could be brought to Alexandria by water, by the Youghiogheny-Potomac route, a distance of three hundred and four miles, of which only thirty-one miles would be by portage, and added:

For my own part, I think it highly probable, that upon the strictest scrutiny, if the Falls of the Great Kanhawa can be made navigable, or a short portage be had there, it will be found of equal importance and convenience to improve the navigation of both the James and Potomac. The latter affords the nearest communication with the Lakes; but James River may be more convenient for all the settlers below the mouth of the Great Kanhawa, and for some distance perhaps above the west of it Upon the whole, the object is in my estimation of vast commercial and political importance.²

To Washington's letter Governor Harrison replied, Nov. 13, 1784, strongly approving "your plan for opening the navigation of the western waters", and stated that he had taken the liberty of laying the letter before the Assembly, "who appear so impressed with the utility of the measure,

¹ *Writings of George Washington* (Ford), vol. x, p. 411.

² *Ibid.*, pp. 412-13.

that I dare say they will order the survey you propose immediately, and will at their next sitting proceed to carry the plan into execution".¹ The Assembly referred Washington's communication, which was received with the greatest respect, to an appropriate committee. The ablest and most influential members of the Assembly rallied with enthusiasm to the support of Washington's views.² At this stage of events Washington, accompanied by Lafayette, paid a visit to Richmond and received a tremendous ovation. There were many entertainments and much speech-making in honor of these two distinguished men, the Legislature being then in session. But amidst it all the great business of promoting the internal improvements then in contemplation was not forgotten. "The ardor of the moment", says Marshall, "was seized to conquer those objections to the plan which yet lingered in the bosoms of those who could perceive in it no future advantages to compensate for the present expense".³ Nor did Washington, to whom the project had now become a matter of primary concern, fail to impress by private conversations its importance upon leading members of the Assembly. Madison, then a member of the Assembly, was much impressed with the enthusiasm displayed by the General for his pet enterprise. In a letter to Jefferson, he says:

The earnestness with which he espouses the undertaking is hardly to be described, and shows that a mind like his, capable of great views and which has long been occupied with them, cannot bear a vacancy; and surely he could not have chosen an occupation more worthy of succeeding to that of establishing the political rights of his country, than the patronage of

¹ *Writings of George Washington* (Ford), vol. x, p. 415.

² Marshall, John, *Life of George Washington* (Phila., 1804-1807), vol. v, p. 17.

³ Marshall, *Life of George Washington*, vol. v, p. 17.

works for the extensive and lasting improvement of its natural advantages; works which will double the value of half the lands within the commonwealth, will extend its commerce, link with its interests those of the western states, and lessen the emigration of its citizens by enhancing the profitableness of situation which they now desert in search of better.

Such was the origin of the conception of connecting Virginia with the west. To Washington is due the credit of originating and fostering this movement in those early days when it possessed for his countrymen all the charm of novelty and seemed to contain within itself tremendous potentialities. To his initiative was due the introduction into the Virginia Assembly of the bills to incorporate the Potomac Company and the James River Company, for the improvement of the navigation of those two rivers and aiming ultimately at the connecting by public highways of their sources with the sources of the rivers flowing westward into the Ohio, and thereby providing channels of communication with the developing west. They were twin enterprises fostered by the state and each has an interesting history. Out of the Potomac Company grew the Chesapeake and Ohio Canal Company and the canal it constructed, which is still in operation. It fell short of accomplishing the purpose Washington had cherished of a complete connection with the west; but the Cumberland Road and later the Baltimore and Ohio Railroad carried out his main idea for that route and justified his fundamental plan. Out of the James River Company sprang the James River and Kanawha Company, with the canal and other works it constructed, including the highway from the sources of the James to the Ohio river. This project also failed to measure to the full standard of Washington's conception,

¹*The Writings of James Madison* (Hunt ed., N. Y. and London, 1901), vol. ii, pp. 104, 109.

but along the valley of the James and the general route of the line of the James River and Kanawha Company's improvements runs the Chesapeake and Ohio Railway, also carrying out Washington's fundamental conception and exemplifying his practical wisdom. The origin of both enterprises was due to Washington's early appreciation of the future of our western territory, and to his counsels and zeal in pressing its importance upon his countrymen.

We now turn to that phase of the general scheme of internal improvements thus inaugurated, as represented by the James River Company and what grew out of that company.¹

¹ The relation of the James River Company to the Potomac Company seems to have been confusing to writers on the subject. Even so good a historian as Justin Winsor makes the mistake of thinking they constituted a single enterprise. He says, "After the James River and Potomac Canal Company was organized, Washington was induced to become its first president." Winsor, *The Westward Movement*, p. 257. There was a James River Company and there was a Potomac Company, but there was no "James River and Potomac Canal Company." For Washington's relation to the two projects, see *infra*. Beveridge is also badly confused as to these two companies. He says, "The Potomac and James River Company, of which Marshall when a young lawyer had become a stockholder," etc. See Albert J. Beveridge, *The Life of John Marshall* (Boston and New York, 1919), vol. iv, p. 42. Beveridge makes the further mistake of stating that the James River Company was formed in 1784, in *ibid.*, vol. ii, p. 56, whereas the bill incorporating this company was passed January 5, 1785, and the organization was effected August 21, 1785. See *Journal House of Delegates, 1781-1786*, p. 70. The fact that Hening does not give the date of passage of the bill, but simply states that it was passed at the "October Session", 1784, has led many to give 1784 as the year of incorporation of the James River Company. But the "October Session" continued into 1785, and the House Journal clears up the matter.

CHAPTER II

THE JAMES RIVER COMPANY AS A PRIVATE CORPORATION (1785-1820)

As the most important water-way lying wholly within the borders of the state, the James river has played an important rôle in the history of Virginia from the beginning. Formed in Alleghany county by the junction of the Jackson and Cowpasture rivers, it pursues a devious course of some three hundred and thirty-five miles to its mouth. Below Richmond, which is at the head of tide-water, no obstacles to navigation present themselves; but above that city, first the falls and then a series of obstacles of various kinds occur at intervals to its source, and navigation in the early days was difficult and often dangerous.¹ Consequently, it was that portion of the river above Richmond, or about two-thirds of its course, which was the occasion of so much interest and legislative activity on the part of those who fostered its improvement as an important link in the chain of Virginia's internal communications. In the early days this part of the river furnished almost the only means

¹ "Tradition assigns to Rev. Robert Rose (friend and executor of Governor Spotswood) the credit of being the first white settler in Virginia to propose the descent of James River above tide-water in an open boat. This feat he accomplished as far as Richmond, from a point some fifty miles above, in company with two others, it is thought as early as 1726. To his resolution and pluck, has been claimed, was due the important demonstration of the navigability of the rapids of James River—a knowledge which soon ripened into the practical usefulness of freight transportation." Wm. F. Switzler, in *Report on Internal Commerce of the U. S.*, 1886, part ii of Commerce and Navigation, p. 10.

of transportation for a large and fertile section of central Virginia.

On the western side of the Alleghanies and lying wholly within the borders of old Virginia the principal river is the Great Kanawha, which is formed by the junction of the New and Gauley rivers and is navigable practically throughout its whole length, a distance of about ninety-eight miles to Point Pleasant on the Ohio. The Greenbrier, a tributary of the New, is the nearest river of West Virginia to the sources of the James, and were it joined by a canal with the James there would be a central water route connecting the Virginia Capes with the Mississippi.¹ To unite the sources of these eastward and westward-flowing rivers, first by a public highway, and later by a canal, was long a favorite scheme of Virginia statesmen.

The plan proposed in 1784, however, contemplated only the improvement of the navigation of the James above Richmond; but in the background loomed ever the larger project of improving the navigation of the Greenbrier, the New, and the Great Kanawha, and the connection of the two river systems by a public highway, thereby furnishing a through line to the west. As time passed and the development of the country outstripped all calculations, it was found that the improvement was inadequate to meet the growing needs, and in its stead was adopted the more comprehensive plan of a continuous water line from Richmond

¹ "Kanawha River rises in Watauga, Ashe, and Alleghany counties, N. C., flows northwestward through Va. and W. Va., and joins the Ohio at Point Pleasant, W. Va. In its upper course it is known as the New River. . . . The main river cuts the Alleghany front just below Pearisburg, Va., thence the course of the river lies through a narrow valley of W. Va., over a rough bed with many falls and rapids. . . . Below the junction with the Gauley the river is known as the Kanawha," *vide*, Grover and Bolster, *Hydrography of Virginia, Geological Series, Bulletin no. iii* (Published by Va. Board of Agriculture and Immigration, 1906), p. 213.

to the Ohio, and in its larger aspect, from the Atlantic to the Mississippi and its tributaries. It was a great ideal, worthy to engage the best thought and endeavor of the statesmen of the time.

Prior to 1785 the Virginia Assembly had passed several acts with reference to the improvement of the James above Richmond, but it appears that these remained a dead letter, though the idea persisted.¹ On Nov. 15, 1784, Washington arrived in Richmond to meet Lafayette and to promote his project for internal improvement as outlined in his letter to Governor Harrison. On the morning after his arrival he was waited upon by a committee of the Assembly, headed by Patrick Henry, bearing greetings from that body. In compliance with the suggestion of Washington, the Assembly proceeded to appoint a commission to make the requisite surveys, and Washington returned to Mount Vernon, accompanied by Lafayette.² On December 15, 1784, it was ordered in the House that leave be given for bringing in a bill for opening and extending the navigation of James River, "and that Messrs. Madison, Southall, Carrington, Johnston, Wilson Carry Nicholas, and Benjamin Harrison, do prepare and bring in the same."³ The bill duly passed through its various stages and became a law Jan. 5, 1785, and was signed on the same day by John Tyler, Speaker of the House, together with the bills incorporating the Potomac

¹The House of Burgesses passed an act Dec. 27, 1765, for improving the navigation of James River, and authorized certain men to receive subscriptions for that purpose. Hening, W. W., *The Statutes-at-Large* (Phila. and N. Y., 1823), vol. viii, pp. 148-50, cf. *Journal H. of B.*, 1761-5, p. 355; also act of Feb., 1772 "for opening the Falls of James River by subscription, etc.," Hening, vol. viii, pp. 564-70, cf. *Journal H. of B.*, 1770-72, p. 303.

²Article "Canals," by R. A. Brock, in *Richmond Standard*, Feb. 15, 1879; also Madison's letter to Jefferson, *Hunt's Madison*, vol. ii, pp. 104-07.

³*Journal H. of D.*, 1781-86, p. 70.

Company and for "vesting in George Washington a certain interest in the companies established for opening and extending said rivers".¹

The act of Jan. 14, 1785, declares that:²

Whereas the clearing and extending the navigation of James river from tide-water upwards, to the highest practicable point on the main branch thereof, will be of great public utility, and many persons are willing to subscribe large sums of money to effect so laudable and beneficial a work; and it is just and reasonable that they . . . should be empowered to receive reasonable tolls for the money advanced by them in carrying the work into execution. and for the risk they run; and,

Whereas it may be necessary to cut canals and erect locks or other works on the sides of the said river,³

Be it enacted by the General Assembly that it shall . . . be lawful to open books in the city of Richmond, the borough of Norfolk, at Botetourt court house, at the town of Lewisburg, in Greenbrier county, and at Charles Irving's store, in Albemarle, for receiving and entering subscriptions to the amount of one hundred thousand dollars, for the said undertaking, under the management of Turner Southall and James Buchanan, in the city of Richmond; of Robert Taylor, Jno. Kearnes, and Thos. Newton, Jr., in the borough of Norfolk; of Wm. Cabell and Charles Irving at Irving's store; Patrick Lockhart and Geo. Skellern, at Botetourt Courthouse; Geo. Clendinen and Andrew Donolly, at Lewisburg. . . .⁴

The act further provided that the books should be opened for receiving subscriptions from Feb. 1, 1785, to Aug. 10, 1785; that on Aug. 20th there should be a general meeting

¹ *Journal H. of D.*, 1781-86, pp. 108-10; also Hening, vol. xi, pp. 450-62; and Brock, *op. cit.*, *supra*.

²For this act, *vide* Hening, vol. xi, pp. 450-62.

³The preamble is section 1, of the bill.

⁴Section 2.

of the subscribers at Richmond; and that the capital sum should be divided into five hundred shares of two hundred dollars each.¹ Section three provided that in case half of the capital sum should be subscribed, the subscribers should be incorporated into a company "by the name of the 'James River Company'", and authorized them to effect an organization by the election of a president and four directors. After investing the company with all the rights and powers necessary to the carrying out of the purposes of incorporation, section eighteen of the act declares that:

The tolls herein before allowed to be demanded shall be paid on condition only, that the said "James River Company" shall make the river well capable of being navigated in dry seasons by vessels drawing one foot of water at least, from the highest place practicable to the great falls, beginning at Westham, and shall at or near the said falls, make such cut or cuts, canal or canals, with sufficient locks, if necessary, each of eighty feet in length, and sixteen feet in breadth, as will open a navigation to tidewater, in all places at least twenty-five feet wide, except at such locks, and capable of conveying vessels or rafts drawing four feet of water at least, into tidewater, or shall render such part of the river navigable in the natural course.

The act further provided that if the company failed to begin work within one year after its organization, or to complete the work within ten years, its charter should be forfeited.² Section twenty empowered the commonwealth to subscribe to one hundred shares of the capital stock, to be paid as required.

¹Sections ii and iii.

²Section xix. According to Ringwalt this charter was the first under which active operations were prosecuted in this country for the improving of river navigation. See J. L. Ringwalt, *Development of Transportation Systems in the United States* (Phila., 1888), p. 41.

In conformity to the act of incorporation, books were opened for receiving subscriptions at the places designed in the charter on Feb. 1, 1785, and continued open until Aug. 20, 1785; following which a meeting of subscribers was held in Richmond Aug. 20, 1785.¹ It was found that nearly the whole number of shares required was completed by subscriptions made in Richmond alone, and it appearing from advices received of subscriptions elsewhere that the capital sum was over-subscribed, the stockholders proceeded on the following day, Aug. 21, to perfect an organization by the election of a president and four directors. George Washington was elected president; and John Harvie, David Ross, Wm. Cabell, and Edmund Randolph, directors. The regular annual meeting was held in Oct., 1785, when the same officers were elected for a term of three years. At a subsequent meeting of directors, James Buchanan was elected treasurer, James Harris manager, and James Brindley clerk.² Thus was constituted the James River Company, which continued under the existing charter until 1820, when it underwent radical changes at the hands of the Legislature.

Washington, whose primary interest was in the Potomac Company, of which he became the active president, did not desire the presidency of the James River Company since he knew he could not assume its active duties; but his interest in the success of the enterprise was such that he prevailed upon to allow his name to stand as head of the company with the understanding that he would not serve actively in that capacity.³ Edmund Randolph wrote Wash-

¹*Correspondence of the President of the James River and Kanawha Company with an Association of French Capitalists*, p. 9.

²*Ibid.*, p. 9; also Mordecai, S., *Richmond in Bygone Days* (Richmond, 1830, 1860), p. 297.

³Marshall, *Life of Washington*, vol. v, p. 24.

ington, "I endeavored to deliver you from the office of President, but the universal suffrage called you to the post, without an expectation, however, that you should undergo more of the business than your convenience may reconcile you."¹ To this communication Washington replied:

I feel very sensibly the honor and confidence which has been reposed in me by the James River Company, and regret that it will not be in my power to discharge the duties of the office of President of the Board of Directors with that punctuality and attention which the trust requires. Every service, however, that I can render, compatible with my other avocations, shall be afforded with pleasure I would earnestly recommend to you to press the execution of the survey between the James River and the navigable waters of the Kanhawa, and a proper investigation of the latter. It will be a source of great commerce with the capital and in my opinion will be productive of great political consequences to the country.²

Owing to the inability of Washington to give personal attention to the affairs of the company, Edmund Randolph was appointed as acting-president, which office he continued to hold until 1789, when he resigned its duties to become Attorney General of the United States, and was succeeded by Dr. William Foushee. Washington continued to be honorary president of the company until 1795, when his connection with the organization ceased entirely and Dr. Foushee became president in name as well as in fact.³

The company thus organized was essentially a river improvement concern chartered for the purpose of improving

¹*Correspondence of the President of the James River and Kanawha Company with an Association of French Capitalists*, p. 9.

²*Ford's Washington's Writings*, vol. x, pp. 497-8.

³*Report on Internal Commerce of the U. S.*, 1886, part ii of Commerce and Navigation, p. 11; also Mordecai, *Richmond in Bygone Days*, p. 298.

the navigation of the James above Richmond, and its task was chiefly to improve the bed of the river by removing obstacles to navigation. This was accomplished for the most part by opening and enlarging sluices. But the charter further required that navigation be opened to tidewater, and this required the digging of a canal around the falls immediately above Richmond to Westham, a distance of about seven miles. This was the most difficult and expensive part of the work. Strictly speaking, it consisted of two canals connected by slackwater navigation. The canals, known as the upper and lower, were between three and four miles in their whole extent, and were supposed to be thirty feet wide and three feet deep—dimensions which they seldom attained. The lower level extended from Richmond to what was known as the “lower arch”. The river was then used for a distance of about three miles, at which point the upper canal, of about two hundred and fifty yards in length, was located. Thence to Crow’s Ferry the navigation was carried on altogether in the bed of the river, the sluices of which were opened and improved.¹

The first survey of the route of the canal was made by Eliot Lacy in 1786. The company, being required by the charter to provide a continuous water-way from the falls or rapids above Richmond to tidewater below the city, was authorized to acquire land one hundred and fifty feet in width for this canal, the title for which it obtained in fee-simple.²

At the October session of the Legislature, 1785, the original act of incorporation was amended to allow the company to extend the shares “so as not to exceed one hundred

¹*Twenty-sixth Annual Report James River and Kanawha Company*, p. 667. Crow’s Ferry was 220 miles from Richmond.

²R. A. Brock, article “Canals” in *Richmond Standard*, Feb. 15, 1879; also Hening, vol. xi, pp. 457-8.

shares in addition to those already subscribed, and to proportion the depth of water in the canals to the depth of the water in the river in dry seasons." This act further established Crow's Ferry, at the mouth of Looney's creek, as the highest point of navigation; and authorized the company to borrow money at six per cent. interest.¹ The requisitions on the original five hundred shares, of two hundred dollars each, began Dec. 1, 1785, and continued until Feb. 20, 1791. With the funds thus provided the work progressed favorably for a while, but soon began to encounter difficulties, involving as it did great labor and expense and being pursued at considerable financial risk to those engaged in it.² Doubtless it was this risk which cooled the ardor of many of the subscribers and caused them to overlook paying their subscriptions. The company, however, not to be outdone in the matter, secured an act of Assembly, Dec. 1, 1787, authorizing legal proceedings against the delinquents to force payment of subscriptions.³ The treasury being now somewhat replenished, work on the canal proceeded more rapidly and was completed in Dec., 1789, to about seven miles above the city; and on Dec. 29, 1789, the members of the general assembly were invited to take a trip up the canal and through the locks. But it was not until 1795 that the work was completed so as to allow boats to enter Richmond for the purpose of loading and unloading.⁴

On Nov. 25, 1790, the company memorialized the Legislature, setting forth:

That the canal and improved navigation of James River is

¹Hening, vol. xii, pp. 116-17.

²*Statement of James River Company*, 1805, pp. 1-2.

³Hening, vol. xii, p. 508.

⁴R. A. Brock, article "Canals," *Richmond Standard*, Feb. 15, 1879.

fully completed from the first obstructions at Westham down to a place called Broad Rock, and from thence considerable progress is made still downwards, so as to afford good reason to expect complete navigation for batteaux to the city of Richmond in two years when it will soon afterwards yield a revenue adequate to the sum expended, which must increase in proportion to the population and wealth of an extensive country greatly benefited by this navigation.¹

The memorial further represents that the original stock subscribed is so nearly exhausted as to be insufficient for carrying on work for another year; and petitions the commonwealth to subscribe to one hundred additional shares in the new subscription now opened. In response to this memorial the assembly passed a bill, Dec. 20, 1790, enabling the company to open new subscriptions for two hundred shares, in addition to the fifty-five already subscribed, and directing the treasurer of the state to subscribe for one hundred shares in behalf of the commonwealth; but only in so far as to meet the subscriptions made by private individuals.² The requisitions on the two hundred additional shares commenced April 1, 1792, and ended Dec. 24, 1795, previous to which time the whole number of shares were subscribed for under the law. The funds of the company being again exhausted in 1796, loans were resorted to, and many individual proprietors advanced considerable sums at six per cent. interest; which sums were later repaid.³ On Dec. 26, 1795, the general assembly came to the relief of the company by enacting a law authorizing the treasurer of the state to

Advance on each share of James River Company held by

¹*Memorial of Directors of James River Company to the Legislature of Virginia, 1790.*

²Hening, vol. xiii, pp. 163-65.

³*Statement of James River Company, 1805, p. 1.*

the state a sum not exceeding thirty dollars, at six per cent. interest, to be reimbursed from tolls before any dividend shall be made of the tolls: provided one-half the sum so raised be exclusively appropriated to clearing the navigation of the river through the Blue Ridge to Crow's Ferry.¹

From 1796 to 1801 the company employed a superintendent with a suitable number of hands to prosecute the work of improvement on the main bed of the river from Crow's Ferry to Lynchburg, particularly through the mountain. In 1801 it reported the navigation as being nearly complete in that part of the river.² Some slaves were hired from their owners to work for the company at fifteen pounds per annum, which was about fifty per cent. higher than they could be hired to work on the farms, the owners conceiving that the risk to the health and life of the slaves was greater, not to mention the increased risk of their running away.³ The work progressing more slowly than had been expected, the Legislature had in 1793 passed an act extending by six years the time originally granted for its completion.⁴ There were many difficulties and vexations encountered. The expense had proved greater than anticipated, and for years the stockholders received no dividends. The bonds of the company, however, held up well, and were exchanged for goods at the country stores at from fifteen per cent. discount to par, though below 10 per cent. discount was rare.⁵ The first dividend was paid in 1801, being three per cent.⁶ Having been authorized by the Assembly, by act of Dec. 28,

¹Hening (New Series, Richmond, 1835), vol. i, p. 375.

²Letter of Wm. Foushee, President James River Company, to Governor James Monroe, Journal Virginia Senate, 1801, p. 15.

³Report of Henry Lee from committee to examine the accounts of the James River Company, House Journal, 1790, p. 131.

⁴Hening (New Series), vol. i, p. 242.

⁵Report of Henry Lee, *op. cit.*, p. 131.

⁶Letter of Wm. Foushee, *op. cit.*, p. 15.

1797, to open and improve the branches of James River, the company effected some improvements on North river, towards Lexington. From 1801 to 1805 work was prosecuted on the main bed of the James below Lynchburg, and considerable improvements were made on its branches, chiefly on the North and Rivanna rivers.¹

The company began to charge tolls in April, 1794, half tolls only being demanded at that time; but in 1806 full tolls were charged. To Jan. 1, 1805, the company had received in tolls, for the first twenty years of its existence, only about \$65,000, and the years had been lean for the stockholders. From then on, however, it began to be a profitable investment. Stock was at par in 1805, and the company was considered a prosperous concern. Its capital stock was \$210,000, and it had expended up to this time \$136,000 on the works of improvement.² The tolls brought increasing revenue as the James River valley grew in wealth and population.³ The present aspect of affairs was favorable, and the prospect was not unpleasing. The officers of the company in 1805 were Wm. Foushee, president; and Edward Carrington, George Pickett, Robert Gamble, and James Brown, directors. Robert Pollard was secretary and treasurer; and Hezekiah Mosby, toll-gatherer.⁴

¹Hening (New Series), vol. ii, p. 108; also *Statement of James River Company*, 1805, p. 2.

²*Statement of James River Company*, 1805, p. 4.

³The nature of the produce brought down the river is illustrated by the fact that in the year 1803, the James River Company charged tolls on:

16,917 hogsheads of tobacco.

170,588 bushels of wheat.

58,183 barrels of flour.

34,248 bushels of corn.

2,022 coal boats (maximum capacity of a coal boat about 1,000 bushels).

Besides a variety of other articles. *Statement of James River Company*, 1805, p. 3.

⁴*Ibid.*, p. 9; also Mordecai, *Richmond in Bygone Days*, pp. 298-9.

By 1808, when Gallatin made his famous report to the United States Senate on roads and canals, the James River Company was regarded as one of the most successful internal improvements in the country. Gallatin speaks favorably of the two hundred and twenty miles of river made navigable from Richmond to Crow's Ferry, saying, "The natural navigation of the river through that extent is considered as better than that of any other Atlantic river above the falls".¹ He describes the improvement from the falls of the river to Richmond as follows:

A communication has been opened by the company from Westham, at the upper end of the Great Falls, to Shockoe hill, in the city of Richmond in the following manner. The water is drawn at Westham from the river into a canal two hundred yards in length, at the end of which boats descending 34 ft. through three locks re-enter the river, and, after using its natural navigation three miles, are brought by a canal three and a half miles in length to a basin on Shockoe hill, where the navigation terminates The canal is 25 ft. wide, and admits boats of 8 tons drawing 3 ft. water. The locks, 80 ft. long by 16 ft. wide, are of solid masonry; but the cement is defective. The aqueducts have been thrown across valleys intervening in the course of the canal, and some difficult digging was necessary on the side of the hills and through ledges of rocks.²

The company had expended up to this time (1808) about

Mordecai states that Pollard held the office of secretary and treasurer for thirty years, from 1793; and that Mosby was toll-gatherer for thirty-seven years, from 1803, *ibid.* Foushee retained the office of president till 1818, when he was succeeded by Major J. G. Gamble, who held the office about a year and was succeeded by W. Cary Nicholas, ex-governor of Virginia. See Mordecai, pp. 297-98.

¹Gallatin's Report on Roads and Canals, April 6, 1808. *American State Papers, Miscellaneous*, vol. i, p. 730.

²*Ibid.*

\$231,000 in effecting improvements; the annual tolls were about \$16,750; and the annual repairs amounted to \$5,000. The company drew an additional revenue from the rent of water applied to mills and other water-works erected along the canal, and being now in a prosperous condition was paying dividends of about twelve per cent. on the original capital.¹

From the beginning, however, the public had not failed to find fault with the company, and now that it was growing prosperous the complaints grew louder than ever. It was urged that though the company had received full tolls since Oct. 1, 1795, it had not removed many obstructions to the navigation of the river; and that the bed of the river was not "so cleared as to be well capable of being navigated in dry seasons by vessels drawing one foot of water", as demanded by the charter. These complaints moved the General Assembly to pass a bill Jan. 5, 1805, declaring that tolls must cease unless the charter was complied with, and appointing five commissioners "to view the situation and report to the executive."² The commissioners met preparatory to viewing the river, but "owing to a sudden rise of water, they were prevented from effecting the object of their meeting", and their time was extended.³ Neither had they found opportunity to "view the river" by 1808, when their time was again extended, and two other commissioners added.⁴ Neither had they acted in 1809, when the Legislature passed an act, Jan. 20, extending by two years the time allowed the company for improving navigation for vessels drawing one foot of water in dry seasons;

¹Gallatin's Report, *Am. State Papers, Mis.*, vol. i, p. 730.

²Hening (New Series), vol. iii, pp. 154-55.

³*Ibid.*, p. 323.

⁴*Ibid.*, p. 404.

but declared that the company would be "allowed five years and no longer" for clearing and improving the navigation of James River and connecting with tide-water, thus completing the work, under penalty of being taken over by the state and tolls regulated by the state.¹ Finally, the commissioners previously appointed to view the river having repeatedly failed to act, the general assembly passed a measure Feb. 13, 1811, appointing seven new commissioners, five of whom performed the duties designated and duly reported to the legislature.² The commissioners loaded a trial boat to draw twelve inches of water, and starting from Crow's Ferry proceeded to view the river on a trip covering fourteen days, and reported, Oct. 26, 1812:

In our passage down the river we have carefully noted all the obstructions which . . . we believe have not been cleared and improved in the manner stipulated by the charter. . . . It is due to the James River Company to state . . . that great and valuable improvements have been made above and through the mountain, the sluices generally being made straight, which renders navigation easy and safe; but duty compels us to state also, that others, particularly below the mountain, are so crooked, meandering, and shallow, as to render the navigation difficult and dangerous, and not such in the unanimous opinion of the commissioners, as is contemplated by the charter.³

This report did not help the company and its charter might have been forfeited at this time but for the fact that war with Great Britain distracted attention from its affairs for some years.

At this point it might not be amiss to describe the evid-

¹*Virginia Acts of Assembly*, 1808-09, pp. 38-39.

Ibid., 1810-11, p. 64.

²*Report of Commissioners to explore upper navigation of James River*, House Journal, 1812-13, pp. 25-27.

ent policy of the company, and to indicate the broad results that grew out of it. It was primarily a river-improvement company and seems to have had no ambitions to extend its operations to the wider field of uniting the east and the west, which had been the chief purpose in the mind of Washington and others in 1785. Its tolls and water-rents were making for it a handsome profit, and good dividends were being paid regularly. From the standpoint of the private stockholders, what more could be desired? The policy of the company was plainly to make it a paying concern to the stockholders. And by what better way could this desirable object be accomplished than by charging the limit of tolls allowed under the law, and keeping down expenses by doing the least work on the improvement that could possibly be done without forfeiting the charter? This policy delighted the stockholders, who drew their dividends regularly, sometimes as high as 16 per cent., and congratulated themselves on a paying investment; nor had any desire to change the management. But it angered the public, and more especially those who lived on the river, or in the territory tributary to it, and had occasion to make use of it in bringing their produce to market. They complained often and loudly that the company was not giving them a square deal; that it was not living up to its charter obligations; that it was charging high tolls and giving poor service; and in general, that it was an unsatisfactory concern, interested only in its own profits and neglectful of the public welfare. And this, too, despite its high-sounding self-praise, which it lost no opportunity of expressing. But the company gave scant heed to these complaints, and went forward piling up dividends for the stockholders. Occasionally the legislature, prompted thereto by sundry petitions, memorials, and individual complaints from the inhabitants of the counties bordering on the river, would

lose patience with the company, prod it to action, and threaten it with the loss of its charter. Under these stimuli the company would arouse itself to effect some improvements of a minor nature, and for the moment complaints would cease. But the company would soon return to its old policy, complaints would again multiply, and again the company would display unwonted energy for the moment, only to relapse speedily into profitable inactivity. Thus matters drifted along during the decade 1810-20.¹

The attitude of the public toward the James River Company was reflected in the press of the time. An illustration of this is seen in the following article from the *Richmond Enquirer* by a contributor signing himself "A Farmer":

Do the public know, (if not it is high time they should) that there has been for some years past comparatively or no attention paid to an institution whose members receive more money from their capital than is received from any other capital of the same size in Virginia. I am told that between fifteen and twenty per cent. is annually divided among the stockholders; and in what sort of condition is the river from Richmond to 60 or 70 miles above? . . . To my certain knowledge there has been shipped from Lewis' mill, on said river, in one favorable year, between 15 and 20,000 bushels of wheat besides tobacco and corn to a considerable amount. In what way was it shipped? I answer, if good tide takes place—if not, the planters and farmers are compelled to carry it to Carter's Ferry, ten miles below, by land—and all this expense and inconvenience incurred merely for want of labor of ten or twenty hands, for about ten days, by the James River Co. I have been for many years in the habit of sending produce to Richmond in my own boats; last winter I accompanied them; when I arrived at the lock gates I was told by the keeper of them that nothing was more common than to see boats in

¹For authorities for the foregoing, see references *infra*.

tolerable tides grounded in a hundred yards or perhaps less, from the toll gates; all which he had often represented to persons in Richmond, authorized to attend to these matters, and no kind of notice was taken of it.¹

The writer then goes on to say that the people were grossly imposed upon by the James River Company, and he wanted to see abuses remedied.

The company, being on the defensive, issued another of its rare statements as to its condition and achievements, in a pamphlet dated Nov. 4, 1816. After setting forth that great benefits had accrued to the inhabitants of the James River valley by reason of the reduced expense of transportation effected by the company's improvement and by the enhancement of the value of real estate in the communities bordering on the river, the statement described briefly the works and expenditures of the company. It showed that by means of locks, canals, dams and sluices, the river had been improved from Richmond to Crow's Ferry, a distance of 220 miles; and that the total cost of the improvements from their beginning to Jan. 1, 1816, amounted to \$374,290.04, in actual money expended, but that if the capital stock of \$140,000 and \$64,000 interest were added, the work would have cost \$578,290.04, or a little over \$2600 per mile.² The tolls from 1794, when tolls first began to be charged, to January 1, 1816, totaled \$346,458.96. Rents of water and ground in the same period amounted to \$43,601.59, making the total revenue of the company up to that time \$390,060.55.³

The company conceded its difficulty in preserving at all times the depth of water required by the charter, especially

¹*Richmond Enquirer*, April 3, 1816.

²*Statement of James River Company*, 1816, p. 2.

³*Statement of James River Company*, 1816, p. 5.

in dry seasons; and the liability of such improvements as wing-dams and sluices being destroyed by freshets. It was forced to admit, also, that, "The great dams at the upper locks and entrance into the canal are now much out of repair; but every effort will be made to put them in repair at the first favorable season".¹

On the whole the company's statement was not convincing, and failed to remove the doubts of its critics or to silence their clamors. Especially did it fail to answer the objection that it was making large profits, but giving poor service. The company showed, it is true, that prior to 1802, when it first began to pay dividends, it had lost in interest on the capital invested the sum of \$103,200; but was silent as to the handsome profits realized since 1802.² The public, however, remembered nothing of the lean years of the company's early history, but its more recent profits were fresh in their minds and seemed very unfair in view of the inadequate service rendered.³

¹ *Statement of James River Company*, 1816, p. 3.

² *Ibid.*, p. 6. In 1817 Morris Birkbeck, an Englishman, visited Virginia and his memoirs throw an interesting side-light on the situation along the James river. He says: "About 25,000 hhds of tobacco and 200,000 bbls of flour have been the yearly export of the country through the hands of the merchants of Richmond. . . . The falls of James River, extending for five miles above Richmond, afford admirable mill seats. There are several fine flour mills; some of them turn eight pair of stones, and can grind and dress 1,000 bbls of flour per week. To grind 25 bushels of wheat per day is reckoned the work of a pair of stones. A canal is formed by lockage parallel with these rapids, by which produce is brought down in long barges, capable of containing 25 hhds of tobacco. Morris Birkbeck, *Notes on a Journey in America from the Coast of Virginia to the Territory of Illinois* (London, 1818), p. 15.

³ It is not without significance that the attitude of the public towards corporations was similar in those days to what it is now. The James River Company was the strongest corporation of its time in Virginia, and was thought by its patrons to be a soulless affair given to exploiting the public, a dangerous monopoly.

These complaints against the company for imputed neglect of duty and violation of their charter "were most earnestly and perseveringly urged from the south side of the river and the Legislature was repeatedly pressed to charter another company with privileges incompatible with the James River Company, and to declare its charter forfeited and void."¹ On Nov. 19, 1816, a petition was presented to the House of Delegates from sundry inhabitants of Manchester and vicinity praying for the passage of a law incorporating a company for the purpose of establishing "a safe and easy navigaion from the head of the falls to tidewater".² On Dec. 18, 1816, the House listened to petitions from sundry inhabitants of Albemarle, Nelson, and Richmond city, complaining of the failure of the James River Company to comply with the terms of its charter, and praying redress.³ The only immediate effect of these petitions was still further to weaken the company in the estimation of the public. But the company went fatuously on, disregarding the danger signals.

At the next session of the Legislature the attack on the company was renewed by an unusually strong memorial from the counties of Chesterfield, Powhatan, and Cumberland, and the town of Manchester, under date of Dec. 4, 1817. This petition declared that:

All the country above the Falls contiguous to James River is greatly interested in the establishment of a canal on the south side thereof, inasmuch as it will not only destroy an odious monopoly by affording the planter, the farmer, and the merchant of the upper country a choice of markets, but

¹*Proceedings and Debates of the Virginia State Convention of 1829-30*, p. 289.

²*House Journal*, 1815-16, p. 32.

³*Ibid.*, p. 97.

. . . . will ensure to them at all seasons of the year a far more constant, easy and safe navigation than they have hitherto had At some times the present canal can hardly be navigated by empty boats; at other times the locks are out of order, and not unfrequently the navigation is hazardous. Your petitioners are impressed with the belief that for the cure of these evils no remedy would be so prompt and infallible as competition.¹

This petition was referred to the Committee on Roads and Internal Navigation of the House, and on Dec. 26, 1817, the committee brought in a report. The report stated that the committee had listened to much testimony to prove that the James River Company had not complied with the terms of their charter; but inasmuch as an inquiry into this question would be more properly before the judiciary than before the Legislature, "resolved that the petition be rejected." The petitioners sought to have the motion amended to the effect that the company had violated their charter, but the amendment failed to carry. The debate on the motion, however, had revealed considerable opposition to the company in the Legislature.²

The opposition gathered force as the session of the legislature advanced. The house appointed another committee to inquire further into the affairs of the company, with special reference to the charge of non-compliance with the charter. This committee reported that the company had not complied with the terms and conditions of the charter, and recommended that the Attorney General "be directed to institute the proper proceedings against it for such non-compliance in some court authorized to take cognizance of the subject." This recommendation was adopted by the

¹*Petition of Chesterfield, Powhatan, and of Cumberland Counties, and of Manchester, Dec. 4, 1817.*

²*House Journal, 1816-17, p. 109.*

house on Feb. 24, 1818.¹ On the next day the senate adopted the following resolution:

Whereas, it is alleged that the James River Company have failed to perform the conditions, on which they were authorized by the laws regulating their charter to demand and receive tolls, and it is desirable to ascertain by legal proceedings, whether such allegations be true or not, therefore,

Resolved, That it shall be the duty of the attorney general to institute the proper proceedings against the said company, for the purpose of ascertaining the truth of the allegation aforesaid, and to prosecute such proceedings to a judgment, as soon as may be. . . .

Resolved further, That it shall be the duty of the Board of Public Works to take such measures as may to them seem best, either in conjunction with the James River Company or otherwise, to cause an accurate survey to be made of James River and its branches, for the purpose of ascertaining the best means of improving the navigation thereof. . . .²

This resolution was agreed to by the House the same day, and in pursuance thereof the Attorney General, Sept. 24, 1818, obtained a rule from the superior court of law for the county of Henrico, against the James River Company, commanding its officers to appear before the court to show cause why an information in the nature of a writ *quo warranto* should not be filed against the company, to nullify and vacate their charter and to prevent their receiving tolls.³ The charges specified against the company were, that they had failed to make the river navigable in dry seasons by vessels drawing one foot of water at least; that they had suffered the navigation to be obstructed by rocks, gravel,

¹ *House Journal*, 1817-18, p. 216.

² *Senate Journal*, 1817-18, p. 170.

³ Memorial of the cultivators of tobacco in the Counties bordering on James River and Its Branches, *Richmond Enquirer*, Dec. 7, 1830.

and other obstructions, which rendered navigation difficult and even dangerous; and that they had failed to make the canal from the falls into Richmond capable of carrying traffic according to the terms specified in the charter.¹

Many witnesses appeared against the company, and gave damaging evidence. The company likewise produced numerous witnesses, the tendency of whose testimony, however, "was not to show that they had discharged their duties, but to afford an excuse for non-performance." The defense of the company was founded on the impracticability in dry seasons of making the bed of the river the required depth, and the effect of floods, at other times, sweeping away their improvements and rendering their utmost endeavors to comply literally with the charter unavailing.² The superior court of Henrico directed the rule to be made absolute and an information to be lodged against the company. But while the prosecution was pending, an arrangement was entered into with the James River Company which resulted in an act of Legislature, Feb. 17, 1820, by which the state became the purchaser of the charter of the company, and the prosecution against it was dismissed.³

By the provisions of the act of Feb. 17, 1820, the state succeeded to all the rights and privileges of the James River Company, and assumed control of its works as a state enterprise. By the terms of the purchase the state assured to the stockholders a dividend of twelve per cent. per annum on the original value of the stock until the year 1832, and fifteen per cent. forever afterwards.⁴

¹*Richmond Enquirer*, Dec. 7, 1830.

²*Ibid.*

³*Ibid.*; also *Va. Acts*, 1819-20, pp. 39-47.

⁴*House Journal*, 1834-5, p. 13; *Va. Acts*, 1819-20, pp. 39-47. Before the *quo warranto* proceedings against the company, its stock was selling at \$400 per share; but in consequence of the prosecution the stock de-

The James River Company as a private corporation, chartered in 1785, went out of existence in 1820, when its rights and interests were transferred to the commonwealth; and it entered upon a new phase of its career as a state enterprise. The steps by which this change was effected were of such consequence as to call for more extended treatment in the succeeding chapter, especially in view of the fact that the change was the result of an entirely distinct movement which had been gathering force for some years. Before tracing the further history of the enterprise, however, it is desirable to pause long enough to give a brief summary of what the company had accomplished in the thirty-five years of its history.

Incorporated in 1785 with a capital of \$100,000 (divided into five hundred shares of \$200 each), for the purpose of clearing and extending the navigation of James River from tidewater upwards to the highest point practicable on its main branch, its object was to afford to the adjacent country an easy and cheap transportation of its produce to market, and if possible to secure a portion of the western trade. And back of it all was the hope that it might expand into an enterprise that would furnish a through line to the west and tap the resources of the Ohio and the Mississippi valleys. A subsequent act declared Crow's Ferry in Botetourt county to be the highest point practicable within the meaning of the first act; and the capital stock was increased to seven hundred shares, of which the state became a subscriber for two hundred and fifty.¹ The James River Company constructed a canal around the falls of James River from

clined to a little over \$200 per share (the original subscription). *Richmond Enquirer*, Dec. 7, 1830. Following the act of Feb. 17, 1820, the stock immediately recovered to \$400 per share, and later advanced to \$500 per share, as the result of the guaranteed dividends of 12% and 15%. *House Journal*, 1834-5, p. 13.

¹*House Journal*, 1834-35, p. 13.

Westham to tidewater, a distance of seven miles. The rest of the improvements effected consisted in clearing the river of obstructions from Westham to Crow's Ferry, at the mouth of Looney's Creek, in Botetourt county, a distance of about two hundred and twenty miles; but at no time were any improvements effected beyond that point. Something was done toward improving the navigation of certain branches of James River, such as the Rivanna, the Willis, and the North River to Lexington. The operations of the company were never on an extensive scale, and were the object of persistent complaints on the part of the inhabitants along the river.¹ Unlike most similar enterprises in the state and elsewhere, the company was a financial success, its prosperity increasing with the years. A report of its receipts and disbursements for the last year of its operation shows that its receipts for 1820 were \$33,731.95. Its disbursements for that year for salaries of officers and employees, interest on money borrowed, and dividends, amounted to \$26,577.57, leaving a surplus of \$7,144.38. The report also shows that the company paid a dividend of twelve per cent. that year. The capital stock was \$140,000, of which one half was owned by the state.²

The principal articles brought down the river from about 1815 to 1820 were tobacco, wheat, corn, flour, coal, iron ore, stone, timber, and pork. The principal commodities carried up the river were articles of merchandise. The tolls in effect in 1820 were, for a ton of 2,000 pounds, 15

¹*Report of the Board of Public Works*, vol. vi, 1830-31, pp. 463-64; also *Report of James River & Kanawha Company*, 1860, p. 667.

²*House Journal*, 1820,-21, pp. 118-19. The state subscribed 100 shares in the act of incorporation in 1785; then 100 shares to be vested in Washington; then by act of Dec. 20, 1790, 100 additional shares; and finally purchased 50 more, making 350 in all, or \$70,000 of the capital stock. C. Crozét, *Outline of Improvements in the State of Virginia* (Phila., 1848), p. 20.

cents for drygoods, 15 cents for groceries, 4.8 cents for tobacco, 14 cents for flour, 8 cents for wheat, 3.9 cents for corn, 3.9 cents for oats, 13 cents for bar iron, 4.4 cents for pig iron, 2.5 cents for lime, 15 cents for salt, and 2.4 cents for coal. These tolls had no reference to distance. The amount of toll was the same whether the article was transported from Westham, or Maiden's Adventure, or Lynchburg.¹

It had become evident that the scale of improvements carried on by the James River Company was not adapted to the growing needs of the country. It was desired to improve the navigation of James River beyond Crow's Ferry to the mouth of Dunlop's Creek; to make a road thence to the head of navigation of the Kanawha River; and to make the Kanawha navigable from the falls of that river to the Ohio. But as their charter imposed no such obligations

¹*Twenty-sixth Report James River and Kanawha Company*, p. 728. The tolls on the James River Canal for the year 1820 were as follows:

Parts of a dollar

Every pipe or hhd of wine containing over 65 gallons	45-62
Every hhd of rum or other spirits	36-72
Every hogshead of tobacco	30-72
For casks of linseed oil, the same as spirits	
Wheat, peas, beans or flax seed, per bushel	5-288
Indian corn, or other grain, or salt per bushel	2½-288
Pork, per barrel	15-72
Beef, per barrel	10-72
Flour, per barrel	30-288
Copper, lead or other ore, other than iron ore, per ton	60-72
Stone or iron ore, per ton	12-72
Lime, per hundred bushels	38-72
Pipe staves, per hundred	6-72
Plank, or scantling, per hundred cubic feet	25-72
Other timber, per hundred cubic feet	55-288
Every boat or vessel which has not commodities on board to yield so much	1-3-72

Ibid., p. 733.

on the James River Company, it was necessary to enter into a new arrangement to effect the desired improvements, and this the state did by the act of Feb. 17, 1820; and with this act the James River Company as a private corporation passed out of existence.¹

¹ The organization of the James River Company as it existed, 1785-1820, is frequently styled "The Old James River Company" in the literature bearing on it to distinguish it from the James River Company under the compact, and under exclusive state control, which succeeded it in 1820 and 1823, respectively; and is also loosely used to distinguish the James River Company in all stages of its career from the more important James River and Kanawha Company, which took over its works in 1835.

CHAPTER III

THE SECOND JAMES RIVER COMPANY; OR THE JAMES RIVER COMPANY AS A STATE ENTERPRISE

(1820-1835)

THE public had been dissatisfied with the scope of the work of the James River Company no less than with the manner in which that work had been carried forward within the limits of the charter. Always there was the ideal of a through line to the west, and this persisted despite the difficulties in the way of its realization. Especially was the rapidly developing region west of the Alleghanies concerned with this phase of the problem; while only less interested were the more farsighted men in eastern Virginia, who were enchanted by the conception of a grand scheme of internal improvements extending from the Virginia capes to the Mississippi and cementing the east and the west by political and commercial ties. When it is recalled that the only means of transportation in those early days, other than by water, consisted of imperfectly constructed mud roads over which bulky products like wheat and corn could not be transported at a profit beyond a hundred miles at most, it is easy to see the intense interest in the subject of internal improvements felt by our forefathers. First came the river-improvement era; then the turnpike movement; then the canal movement; and lastly the railroad. Nobody in those times could foresee the railroad, but the most farsighted soon began to have visions of improved transportation facilities through canals as a cheap, easy and safe means

of communication; and the enthusiasm for canal-building in the twenties and thirties, and even in the forties when the railroad had demonstrated its practicability, was tremendous.

Leaders in Virginia thought that the Old Dominion was especially favored in having rivers flowing both eastward and westward, with only a short distance between their head-waters. To them it appeared eminently desirable to unite the James River, the main commercial artery of the state east of the Alleghanies, with the Great Kanawha, the main commercial artery of the state west of the Alleghanies, by a turnpike road, thereby affording a through line of communication to the Ohio, and down the Ohio to the Mississippi. It was also thought that Virginia occupied a peculiarly favorable and strategic location as regards the Union at large, and that if the contemplated improvement could be carried out, the Virginia line would be the great central route from the east to the west. True, nothing was done for a time to carry out this conception as a practical proposition, because admittedly the expense would be great and the difficulties to be encountered would be formidable; and the James River Company was not ambitious to further the movement in its larger aspects. But a well-voiced demand of the public and the appointment of various commissions by the Legislature to investigate the subject attest its interest in the minds of the people.

The General Assembly, on Feb. 2, 1811, adopted a resolution appointing five commissioners to view James River from the upper end of the canal to the highest point of navigation at the mouth of Dunlop's Creek; to mark the most practicable route from Dunlop's Creek to Greenbrier river; and to view that river to its mouth, as well as the New River to the great falls of the Kanawha.¹ A majority

¹ *Va. Acts*, 1810-11, pp. 121-22.

of the commissioners appointed under this resolution met at Lexington July 19, 1811, and authorized the building of a suitable boat and employment of persons to navigate it. No provision having been made by the Assembly for defraying their expenses, the commissioners each advanced \$50 to meet immediate needs. These measures were the extent of the commission's services, however, for it failed to act further.¹

At its next session the Assembly, by act of Feb. 15, 1812, appointed a new commission, consisting of twenty-two commissioners, headed by Chief Justice Marshall:

To view James River from the town of Lynchburg to the mouth of Dunlop's Creek, and to mark out the best and most direct way from the mouth of said creek to the most convenient navigable point of Greenbrier river, and to view that river to its junction with New River, to the falls of the Great Kanawha. The said commissioners . . . are further directed to make a report of their proceedings to the next General Assembly, stating their opinion of the practicability of making the said rivers navigable, the probable expense thereof, and the prospect of advantage therefrom, to the states of Kentucky and Ohio and to the United States, with any information which they may deem important. And be it further enacted, That the sum of \$750 be appropriated to defray the expenses of this undertaking, and the expenses which have accrued under the last General Assembly.²

¹*House Journal*, 1811-12, p. 8. The commissioners were W. C. Nicholas, James Breckenridge, Wm. Carruthers, Andrew Donolly, Jr., and W. J. Lewis. The failure of the commission to act further was due to the ill health of Mr. Carruthers, the public engagements of Gen. Breckenridge, and the necessity Mr. Nicholas, the chairman, "was under of withdrawing from that service in consequence of an accident by which he had been personally disabled to walk or to ride horseback any distance," *ibid.*

²*Va. Acts*, 1811-12, pp. 51-52. The commissioners appointed under this act were John Marshall, chairman, Andrew Burns, Oliver Towles,

Great importance was attached by the Legislature to the appointment of this commission, as evidenced by the character of the men composing it, who were among the foremost in the commonwealth. The commissioners who acted were John Marshall, James Breckenridge, William Lewis, James McDowell, William Carruthers, and Andrew Alexander. They made a thorough investigation and on Dec. 26, 1812, submitted to Governor James Barbour an elaborate report, which was laid before the General Assembly Dec. 30, 1812.¹ As this report was epochal and possesses features of unusual interest, it is deemed desirable to go into it in considerable detail.

The commissioners met at Lynchburg Sept. 1, 1812, and the necessary preparations having been made, began at the bridge at Lynchburg to view James River and to take its level by sections to the mouth of Dunlop's Creek. They proceeded up the river in a boat from Lynchburg to Crow's Ferry, or Beal's Bridge as it was now beginning to be called, which was the highest point embraced in the improvements effected by the James River Company. Thence they pro-

Laurence A. Washington, Gordon Cloyd, David Ruffner, Henly Chapman, Elisha McComas, John Coalter, Wilson C. Nicholas, James Breckenridge, Landon Cabell, Wm. Lewis, Wm. Carruthers, Charles Yancey, James McDowell, Charles F. Mercer, John G. Gamble, Edward Watts, Thos. L. Preston, Andrew Alexander, and Allen Taylor, of whom any three might suffice to carry out the provisions of the act.

¹*Report of Commissioners to view certain Rivers* (Printed according to a joint resolution of the General Assembly, 1816). This report is also found in the Journal of the H. of D., 1812-13, pp. 83-89, inclusive; and in the Journal of the H. of D., 1828-29, pp. 1-8; and as *Original no. 4, Va. vs. W. Va. (W. Va. Debt Settlement) filed as an exhibit for the complainant, Supreme Court of the U. S., October term, 1907, 39 pp.*; it also appears that it was ordered published by the House, Feb. 14, 1814, for distribution, but the writer has been unable to find such a copy. It was easily the most famous report in the history of Virginia internal improvements, and its influence on the thought of the time was profound.

ceeded to Dunlop's Creek, a distance of about sixty miles above Crow's Ferry and the site of the present town of Covington.¹ From Dunlop's Creek, the highest point to which it was thought navigation could be rendered practicable, the commissioners proceeded to mark out what appeared to them to be the most direct route for a turnpike road over the Alleghanies to the most convenient navigable point on the Greenbrier river on the western slope of the mountains. The route recommended lay past Bowyer's Sulphur Spring to Anderson's Ford over the Greenbrier, at the mouth of Howard's Creek, which was practically the direction of the dirt road already existing over the mountains between Dunlop's Creek and Anderson's Ford. It was thought that it would be a comparatively easy matter to build a turnpike road through this region "since the materials for a turnpike are everywhere convenient, and not more leveling will be necessary than must be expected in passing through a mountainous country."²

Starting at the mouth of Howard's Creek the commissioners proceeded down the Greenbrier in the same boat in which they had ascended the James. Progress was slow, owing to the shallowness of the river caused by an unusually dry season. They encountered long and frequent shoals and considerable falls. Numerous large rocks in the bed of the river also impeded navigation where the water was low. With reference to the navigation of the Greenbrier the commissioners concluded:

On an attentive consideration of the obstacles, which were found by your commissioners to be great, while the river remains in the state in which they viewed it, they are unani-

¹Dunlop's Creek (or Dunlap's Creek) enters Jackson River at Covington, about 280 miles above Richmond by the James-Jackson route.

²*Report of Commissioners*, pp. 7-14.

mously and decidedly of the opinion that its navigation may be rendered as safe, as certain, and as easy as that of the James, at all times, except when the water is unusually low A sufficient depth may be attained, with the exception of a short period in a very dry year, to swim any boat which can be brought at the same time down James river.¹

This appears to have been an exceedingly optimistic view to take of the navigable possibilities of the Greenbrier, considering that it took the commissioners ten days of arduous labor, assisted at intervals by an extra force of men and sometimes by horses on the bank of the river, to cover the distance by boat from Howard's Creek to the mouth of the Greenbrier, a distance of only about forty-eight miles. But they attributed their difficulties to the fact that it was the dryest season of an exceptionally dry year, and thought that in the month of June the distance might have been traversed in a single day.²

The commissioners reached the mouth of the Greenbrier the evening of Sept. 28, spent the night among the islands, and the following day entered New River. The New River, or that part of the Great Kanawha which is above the mouth of the Gauley, presented difficulties essentially different from those encountered in the Greenbrier. The supply of water was abundant, but "the velocity of the current and the enormous rocks which often interrupt it, the number and magnitude of the falls and rapids, the steepness, cragginess and abruptness of the banks, constitute the great impediments which at present exist to navigation between the mouth of the Greenbrier and the Great Falls of the Kanawha."³ Immediately above the falls of

¹ *Report of Commissioners*, pp. 14-15.

² *Ibid.*, p. 16.

³ *Ibid.*, pp. 17-18.

the Great Kanawha the Gauley river unites with the New to form the Great Kanawha. These falls are 20 ft. 4 in. high. Below the falls is a deep, smooth basin, and the Great Kanawha presents no further considerable obstacles to navigation throughout its whole course to the Ohio. Here terminated the expedition of Marshall and his associates.¹

The conclusion reached by the commissioners with regard to the rivers viewed was that both the Greenbrier and the upper reaches of the James could be rendered navigable without incurring extravagant expense, and that both could be navigated to great advantage, not only in descending but in ascending also. But with respect to New River they were not so sure. Still, they were impressed by the fact that the boat which conveyed them "passed from the mouth of Greenbrier to the place where their expedition terminated, without being taken out of the water, except at the Great Falls of New river, and at the Great Falls of the Kanawha." Canals could be dug around the falls, they thought, and the river might otherwise be rendered navigable at ordinary seasons, though navigation would be endangered by freshets. They were positive that "New river may be relied on with certainty for the transportation of articles from east to west", but were less confident of "the practicability of using this channel for the transportation of articles from the western country towards the rivers which empty into the Atlantic", owing to the velocity of the current.²

¹*Ibid.*, p. 20. The most noteworthy obstacles to navigation encountered by the commissioners in the sixty miles traversed between the mouth of the Greenbrier and the great falls of the Great Kanawha were Brook's Falls, about four miles below the mouth of the Greenbrier, and the Great Falls of New River. At Brook's Falls the water descends 13 ft. 6 in. in 50 poles; at the Great Falls of New River the water falls perpendicularly 23 ft. *Vide* report, *passim*.

²*Report of Commissioners*, pp. 21-25.

The commissioners submitted the following propositions with regard to the navigation of New river :

First, That boats impelled by steam may be employed successfully on New river (provided there was sufficient traffic to justify the expense). Second, . . . Resort may be had to horse labor (by constructing a horseway along the bank of the river, which would be expensive). Third, Should neither of these expedients be deemed eligible . . . boats may be forced up the current, where it is too rapid for oars and too deep for poles, by the aid of chains fastened in the rocks on the banks.¹

With respect to the expense involved in improving the rivers viewed and in building the connecting road over the mountains, the estimates of the commissioners varied from \$190,000 to \$600,000.² The mountain road from Dunlop's Creek to the mouth of Howard's Creek, where began the navigation of the Greenbrier, was twenty-eight miles in length, and there were "no peculiarities attending this route, which will render any plan the Legislature may prefer for turn-piking it, more costly in its application to this road, than to others which have been constructed in various parts of the United States."³

As to the advantages which might be expected to result from effecting the desired improvements, the commissioners were of the opinion that :

Should the navigation of James River be carried up to the mouth of Dunlop's Creek, and a turnpike road be made over the Alleghany mountain, although nothing further should be

¹*Ibid.*, pp. 26-27. These suggestions illustrate forcibly the difficulties of transportation in the early days; *cf.* the custom of boatmen on the Mississippi, in coming up stream, occasionally to tie ropes to trees on the bank and pull the boat forward by this means.

²*Report of Commissioners*, pp. 29-30.

³*Ibid.*, p. 30.

done, a considerable impulse will be given to agriculture, and a valuable effect produced on the wealth and population of a considerable tract of country. It cannot be doubted that Bath, a part of Botetourt, and a great part of Greenbrier, Monroe, and perhaps even Giles, would find a real interest in searching for a market on James river Agriculture would mingle more than heretofore with grazing; and industry would flourish when the reward of industry would be attainable. . . . An increase of population would result, not only from the check which this state of things would give to emigration, but also from its operation on the inhabitants, in other respects.¹

It was thought that these advantages would probably be extended by improving the navigation of the Greenbrier also.

The larger aspect of the case, as well as the more difficult, would be involved in the improvement of the New river, but the advantages derived would be correspondingly great, because:

Not only will that part of our own state which lies on the Kanawha and on the Ohio receive their supplies and send much of their produce to market through James river, but an immense tract of fertile country, a great part of the states of Kentucky and Ohio, will probably give their commerce the same direction. All that part of the state of Kentucky which lies above Louisville, and all that part of the state of Ohio whose trade would pass through the river of that name, might reasonably be expected to maintain a large portion of their commercial intercourse with the Atlantic states, through the James river or the Potomac. Certainly, in a contest for this interesting prize, the states through which those rivers run have geographical advantages, the benefits of which they can lose only by supineness in themselves, or by extraordinary exertions in others. It is far from being impossible that

¹ *Report of Commissioners*, pp. 31-32.

even the southwestern parts of Pennsylvania may look down one of these rivers for their supplies of goods manufactured in Europe.¹

The commissioners appreciated the importance to be attached to the growing commerce of the west, and thought that Virginia should exert herself to secure that portion of it which naturally belonged to her. But apart from its commercial aspect, they thought the contemplated improvement would be of great value in cementing ties of friendly social and political intercourse with the west; and further, that the commercial advantages accruing to Virginia would be shared by her in common with the states of Ohio and Kentucky, and deserved their serious consideration.²

It was argued by the report that the west needed the contemplated improvement because otherwise it would be shut up to the use of the Mississippi as a means of importing outside products. To limit itself thus to a single channel of communication would be undesirable in time of peace, while in time of war their whole trade might be annihilated by the blockade of the Mississippi. Furthermore, a shorter route to the seaboard was desirable, especially for those articles not intended for the foreign export trade. For these products at least the Virginia route, as being more direct, would be far preferable.³

¹*Report of Commissioners*, pp. 32-33.

²*Ibid.*, pp. 33-34. According to Beveridge, "Marshall's report is alive with far-seeing and statesmanlike suggestions". See his *Life of John Marshall*, vol. iv, pp. 42-45, for his account of this tour.

³*Report of Commissioners*, pp. 34-35. The commissioners thought that if the improvement were efficiently carried out the expense of transporting one hundred weight from Richmond to the Ohio river would not exceed half the price of transporting the same weight from Baltimore or Philadelphia to the same place. They were further convinced that the Virginia line could compete successfully with the proposed improvements in New York, in so far as the commerce tributary to the Ohio was concerned. *Ibid.*, pp. 37-38.

The commission concludes its report by saying:

The advantages to accrue to the United States from opening this new channel between the eastern and western states are those which necessarily result to the whole body from whatever benefits its members, and those which must result to the United States, particularly, from every measure which tends to cement more closely the union of the eastern with the western states. In those operations, too, which the exigencies of government may often require, this central channel of communication by water may be of great value. For the want of it, in the course of the last autumn, government was reduced to the necessity of transporting arms in wagons from Richmond to the falls of the Great Kanawha. A similar necessity may often recur.¹

The report of the commissioners was received with every mark of favor by the General Assembly and by the public, and it appears that steps would have been taken promptly to undertake the improvements suggested but for the war with Great Britain which broke out at this juncture.² Following the war, however, interest in the subject revived, and the "Report of the Commissioners" was printed and widely circulated. Governor Nicholas in his message to the Assembly at the session of 1815-16 said, "To improve the navigation of the James to its source, and to connect it with the waters of the Greenbrier and Kanawha rivers by a turnpike road would confer incalculable benefits, political and commercial."³ The Committee on Roads and Inland Navigation, to whom this part of the governor's message was referred, strongly endorsed the contemplated improvement in its report to the Legislature.⁴

¹*Ibid.*, pp. 38-39. The report was signed by John Marshall, James Breckenridge, William Lewis, James McDowell, William Carruthers, and Andrew Alexander.

²*House Journal*, 1813-14, p. 190.

³*Ibid.*, 1815-16, p. 6.

⁴*Ibid.*, p. 75.

On Feb. 5, 1816, the General Assembly passed an act to create a fund for internal improvement. This was an act of the utmost importance in the economic life of Virginia. The fund thus created consisted of the shares held by the commonwealth in the various internal improvement projects in the state and in the Bank of Virginia and the Farmers' Bank of Virginia, "together with such dividends as may, from time to time, accrue to such shares of stock, and such bonus or premiums as may be hereafter received for the incorporation of new banks, or for the augmentation of the capitals, or the extension of the charters of the existing banks".¹ The fund was to be kept distinct from all other public money, and was to be applied exclusively to the improvement of rivers and the construction of canals and public highways. The act further created the Board of Public Works, of which the governor of the commonwealth should be *ex-officio* president, and the Treasurer and Attorney General and ten other citizens should be directors, empowered to appoint a principal engineer, secretary, and such other officers as the board might deem necessary. The Board of Public Works was authorized to subscribe, in behalf of the state, to such public works as the Assembly might agree to support; but no subscription was to be made to the stock of any company until at least three-fifths of the whole stock should have been otherwise subscribed, and one-fourth actually paid in or secured upon real estate.² This act gave a great impetus to public improvements in Virginia and was intimately connected with their operations. It was received with great enthusiasm over the state, and favorable notice was taken of it elsewhere.³

At the session of the General Assembly, 1816-17, the

¹*Va. Acts*, 1815-16, sec. 2, p. 35.

²*Va. Acts*, 1815-16, secs. 1, 3, 4, 7, 10, 11, pp. 35-37.

³*Richmond Enquirer*, March 2, 1816; March 9, 1816; March 23, 1816.

Board of Public Works, in its first annual report to the Legislature, recommended that correspondence be opened with the government of the United States and with the states of Ohio, Indiana, and Kentucky, to invite their co-operation in uniting the navigable waters of the Great Kanawha with those of the James. In compliance with this recommendation, the General Assembly passed a resolution inviting such co-operation.¹ The board also directed an inquiry to the James River Company, Oct. 1816, requesting to know if they would undertake, with the approbation of the Assembly, to extend the navigation of the James to the mouth of Dunlop's Creek, and on what conditions.² Upon the receipt of this communication the James River Company replied by recommending the incorporation of a new company, in which it was willing to take an interest if satisfactory tolls were provided by law.³ Thereupon the Board ordered the civil engineer, L. Baldwin, to make an examination from Crow's Ferry (Beal's Bridge) to the mouth of the Kanawha river with a view to opening the navigation of the James, Jackson,⁴ and Kanawha rivers, and the propriety of a connecting road between the heads of those rivers. This duty was duly performed by Mr. Baldwin.⁵

The subject stimulated the increasing interest of the people, who were now becoming generally aroused on the question of better transportation facilities. On Dec. 12, 1817, a petition was presented from the inhabitants bordering on the James river and its branches and from those

¹ *House Journal*, 1816-17, p. 100; *ibid.*, p. 226.

² *Ibid.*, doc. A.

³ *House Journal*, 1816-17, doc. B.

⁴ The James above its Junction with the Cowpasture river is known as the Jackson river.

⁵ *Report Board of Public Works*, 1817, pp. 8-9.

bordering on the Greenbrier, the New, the Kanawha, and the Ohio, praying that a law might be passed extending the scope of internal improvements. The petitioners desired the General Assembly to provide for opening and constructing a turnpike road from the highest point of navigation on the James to the nearest point on the Great Kanawha susceptible of navigation; for improving the navigation of the latter river to its confluence with the Ohio; and for the liberal investment by the state in such a company. It was also suggested that the state invite the United States government to become a stockholder in the contemplated enterprise.¹ On Dec. 22, 1817, a petition was laid before the House from the Board of Trustees of Washington College, proposing a more efficient plan for the improvement of the James river "than that hitherto adopted by law, and partly carried into effect by the James River Company."² These petitions not only attest the lively interest now taken in internal improvement by the public, but incidentally reveal the growing dissatisfaction with the results accomplished by the James River Company.

The Board of Public Works, in its second annual report to the Legislature, again strongly endorsed the proposed extension of the improvement of the navigation of the James and its connection with the improved rivers west of the Alleghanies by a turnpike road.³ It also ordered a new survey more comprehensive than that made by Baldwin. The new survey, made in 1818 by Thomas Moore, was communicated to the Legislature in a supplemental report by the Board at the session of 1818-19. It embraced surveys, plans, and estimates of two different modes of improvement—one by dams, canals and locks; the other by

¹*House Journal*, 1817-18, pp. 34-35.

²*Ibid.*, p. 60.

³*Report Board of Public Works*, 1817, pp. 8-9.

sluice navigation. The estimated cost of the former was \$1,512,826; that of the latter, \$191,421.¹

On Jan. 21, 1818, the House Committee on Roads and Inland Navigation brought in an elaborate report, based partly on the views of Marshall and his associates in their famous report of 1812, but speaking with more certainty as to ways and means. The committee recommended improvements on the Great Kanawha from its falls to its mouth, estimated to cost \$100,000; the construction of a turnpike road from the falls of the Great Kanawha to the mouth of Dunlop's Creek on Jackson river, estimated to cost \$500,000; and the improvement of the James and Jackson rivers from Crow's Ferry to the mouth of Dunlop's Creek "equal to the present state of navigation of James river within the Company's limits, at estimated cost of \$400,000." Lastly, the committee recommended that:

It is expedient to incorporate a company for improving the navigation of James and Jackson rivers from Crow's Ferry to the mouth of Dunlop's Creek, with a capital of \$400,000; and it is expedient to incorporate a company for the constructing and making a turnpike road from the mouth of Dunlop's Creek to Montgomery's Ferry below the Great Falls in the Kanawha river, and for the improving the navigation of that river from thence to the Ohio, with a capital of \$600,000.²

The Board of Public Works now entered into correspondence with the James River Company and proposed that the

¹*Supplemental Report Board of Public Works*, 1819, pp. 5, 35, 39. Sluice navigation was used when funds were not available for costly improvement. It consisted of wing-dams to give sufficient depth of water over the shallows and to distribute the fall at the shoals and ripples, thereby deepening the channel where necessary. The wing-dams were sometimes placed at right angles to the stream and sometimes oblique, as circumstances might require.

²*House Journal*, 1817-18, p. 141.

company execute the improvement on James and Jackson rivers, recommended by Thomas Moore and the improvement on the Kanawha recommended by Baldwin, and connect the two by a turnpike road.¹ The James River Company stated the terms on which it would consent to undertake these improvements, as follows: The capital of the company to be augmented by the addition of \$1,500,000 new stock, the shares of existing stock of \$200 each to be rated at four shares of \$100 each in the new company; the Board of Public Works to subscribe two-fifths of the stock of the company; the company to receive dividends of six per cent. per annum, payable semi-annually, while the work was in progress, and after the completion of the works on James river, a net dividend of not less than ten per cent. nor more than fifteen per cent. per annum, whether expended on the eastern or western waters, or on the road connecting them. Furthermore the tariff of tolls on James river must be revised to produce double the present revenue, with provision for a progressive further increase as the improvements advanced up the river. But the company refused to consent to the modification of their charter to effect these improvements.²

The Board of Public Works, anxious to effect the improvements proposed and conceiving the James River Company to be the best agent to do the work, acceded in principle to these extravagant demands and recommended to the Legislature the passage of a law embracing the proposals made by the company.³ This communication was referred to the Committee on Roads and Inland Navigation, which brought in a bill embodying its recommendations. The bill, however, was opposed strenuously on the floor of

¹ *Supplementary Report Board of Public Works*, Jan., 1819, p. 6.

² *Supplementary Report Bd. Pub. Wks.*, Jan., 1819, pp. 59, 64-65.

³ *Ibid.*, p. 9.

the House as being a sort of unilateral arrangement in the interest of the James River Company, whose demands were deemed excessive, and justly so. The Legislature refused to be held up in this manner by the company and proceeded to defeat the bill.¹ It would appear that the James River Company shrewdly made their demands so extravagant as to insure a non-compliance with them at the hands of the Legislature, and that they were well satisfied with the defeat of the bill. The stockholders had no cause to be dissatisfied with the existing state of things, their stock now being worth \$400 per share on the market and regularly paying handsome dividends.

After the failure of the negotiations with the James River Company, the General Assembly, still impressed with the importance of the project, adopted a resolution later in the session directing the Board of Public Works:

To report to the next General Assembly the best practicable communication for the purposes of trade between the waters of the James river and those of the Great Kanawha; together with an estimate of the probable expense of such plan or plans as they may suggest; and that they procure, in addition to the services of the principal engineer of the Board of Public Works, another skillful engineer, to examine, either separately, or in conjunction with the said principal engineer, the said rivers and water courses, with a view to the connection aforesaid, between the eastern and western waters of Virginia.²

The new survey authorized by this resolution was made during the summer of 1819 by Thomas Moore, state engineer, assisted by Isaac Briggs. At the suggestion of Moore, who appears to have been the first to conceive the

¹*House Journal*, 1831-32, p. 4.

²*Va. Acts*, 1818-19, p. 104.

idea, the scope of the survey was extended to include not only what had been authorized by the Legislature, but also the plan of an independent or continued canal along the James River from Richmond to Covington.¹ These engineers, with a full force of assistants, surveyed the whole line of contemplated improvements from the head of tide-water at Richmond to the mouth of the Kanawha at Point Pleasant, and made separate reports.²

The reports of Moore and Briggs were communicated to the Legislature during the session of 1819-20 in a supplementary report of the Board of Public Works, Jan., 1820. Governor Randolph, who was *ex-officio* president of the Board, accompanied the report with a notable message, in which he said :

The skill and industry of two able engineers . . . have at length demonstrated this grand conception of the Legislature to be practicable, by means entirely within their power. . . . Capital to any amount may now be borrowed within the state . . . to execute what has been so happily conceived. . . . Competition with other states of the Union . . . is encouraged and supported by the consideration of the peculiarly advantageous circumstances which a more happy climate and a more favorable approach from the sea manifestly afford to Virginia. The inland navigation contemplated will be suspended by ice, the only possible obstruction, not every year; and then one-fourth of the time only which must be experienced every year by our less fortunate rival, besides the sea risks on the tempestuous lakes, which her commerce must pass before it can meet ours in the markets of the western states The subject is now mature for the decision of the Legislature.³

¹ *House Journal*, 1831-32, p. 5; *Supplementary Report Board Public Works*, January, 1820, p. 6.

² *Ibid.*

³ *House Journal*, 1819-29, p. 144.

The reports of the two engineers, Moore and Briggs, concurred in a recommendation of the contemplated scheme, and of a continued canal on the margin of James and Jackson rivers as a part of the line. Moore's estimate of the cost of the project was \$1,927,067, while that of Briggs was \$1,945,446. They were both of the opinion that moderate tolls would suffice to pay the interest on the capital to be invested.¹

The Board of Public Works, in their supplemental report accompanying the reports of the engineers, strongly endorsed their views as to the value of the proposed improvement and the expediency of beginning the work promptly. They stated their belief that the work was not only practicable, but that the necessary funds to finance it could be procured from the Fund for Internal Improvement. They recommended to the General Assembly to purchase the rights of the James River Company and to place the enterprise on the footing of a state work to be conducted by the agents of the state, on state account.²

In conformity to this recommendation of the Board of Public Works, which was presented to the Legislature Jan. 25, 1820, the General Assembly on Feb. 17, 1820, passed the "Act to amend the act entitled 'An act for clearing and improving the navigation of James river' and for uniting the eastern and western waters by the James and Kanawha rivers".³ This bill provided for a compact between the commonwealth and the James River Company, declaring:

"That, if the James River Company shall, on or before the fifteenth day of March next, assent to the provisions of this

¹*Sup. Report Bd. Pub. Wks.*, Jan., 1920, pt. iii, p. 109.

²*Ibid.*, pt. iv, pp. 6-10.

³For this act see *Va. Acts*, 1819-20, pp. 39-47.

act . . . then shall this act immediately be in force; and shall hereafter be considered a compact between the commonwealth and the said company; subject, however, . . . to such change and modifications as the legislature may think proper to make; Provided that no such change or modification shall be made as will take from the James River Company their right to the dividends . . . allowed them by this act". . . .¹

The act further provided that in the event the James River Company assented to the compact, the company should promptly commence and prosecute to completion the following works:

1. To improve the navigation of the Great Kanawha so as to render it navigable at all seasons, for boats drawing at least three feet of water, from the Great Falls to its junction with the Ohio.

2. To improve the navigation of the James from tidewater to Pleasant's Island by locks and navigable canals, affording at all seasons of the year at least three feet of water "so as to navigate conveniently boats carrying 1,000 bushels of coal".

3. To make the best road practicable, at an expense of \$100,000, from the mouth of Dunlop's Creek to the great falls of the Great Kanawha river.

4. To make a navigable canal and locks, in continuation of the lower James river canal, from Pleasant's Island to the mouth of Dunlop's Creek, affording three ft. depth of water at all seasons of the year.

5. To make safe and convenient communications from the river at such points as would afford ample accommodation to the trade on the south side of the river.²

The law made adequate provision for tolls on the rivers and on the road, and declared that "the road, canals, locks,

¹*Ibid.*, sec. i.

²*Va. Acts*, 1819-20, sec. ii, p. 40.

dams and other works, with all tolls and other profits and emoluments arising therefrom, shall be vested, and the same are hereby vested in the said company as agents in trust for this commonwealth." The writ of *quo warranto* then pending against the company was to be dismissed as soon as they should assent to the provisions of this act. The treasurer of the commonwealth was to be *ex-officio* treasurer of the company, which was authorized to borrow \$200,000 annually for carrying on the work of improvement. A portion of the tolls was to be set aside to pay dividends of 12 per cent. per annum on their shares to the stockholders of the old James River Company for twelve years on their original par value, and 15 per cent. forever thereafter.¹

This act, dependent upon the ratification of the James River Company, was to be binding upon the state when so ratified, and its most significant feature was that the company for the future should be the agent in trust, holding for the benefit of the commonwealth. The effect of it, of course, was to destroy the James River Company as an independent corporation, and to make it merely the agent of the state in carrying out such improvements as the state might determine upon. Nine commissioners were to be appointed annually by the Assembly, for superintending works on the Kanawha road and the Kanawha river; and similarly, for the James and Jackson rivers.²

The compact was duly ratified by the company, urged thereto by the *quo warranto* proceedings then pending. It now organized itself according to the provisions of the recent law, and for about three years the work progressed with considerable vigor upon the Kanawha road, the Kanawha river, and the lower James river canal. The results

¹*Ibid.*, *passim*.

²*Va. Acts*, 1819-20, sec. xi, p. 45.

accomplished, however, were very disappointing to the public, partly because the revenue from tolls was much less than had been expected, and partly because the expense involved was far beyond the estimates originally given.¹ A large income had been expected from tolls on salt in the Kanawha region and from coal in the upper James river region, but this was not forthcoming. The estimates of Moore and Briggs had placed the expense of a continued canal at about \$7,000 per mile; whereas the actual cost of that part executed by 1823 was about \$20,000 per mile. The sections of the state not benefited by the improvement objected to the heavy expense incurred up to this time, and recoiled at the prospect of still heavier expenditures in future.²

Complaints arose in various quarters against the manner in which the company was organized as well as against the results accomplished and the expense entailed. Articles began to appear in the public press voicing the complaints of the people. A correspondent signing himself "One of Many" was especially vigorous in a series of communications to the *Richmond Enquirer*.³ He admitted the utility of the enterprise, but found fault with its method of execution. He claimed that the execution was radically de-

¹*House Journal*, 1831-32, p. 9; *Proceedings Va. Convention of 1829-30*, p. 287.

²*House Journal*, 1831-32, p. 9. The science of civil engineering was then in its infancy in America. The New York Canals were still unfinished; while those of Pa., Ohio, and the C. & O. Canal, had not been begun. Prior to about 1810 engineers were imported from Europe for important works. Whitford states that, "When a man was needed for preparing plans for the Erie, there was no professional engineer in America." See Noble E. Whitford, *History of New York Canals* (Albany, 1906), vol. i, p. 788. Whitford gives an interesting account of the canals as a school of engineering, cf. *ibid.*, chapter xxiv.

³*Richmond Enquirer*, issues of Feb. 6, 1823; Feb. 11, 1823; Feb. 13, 1823; Feb. 15, 1823.

fective, owing to the fact that the president and directors were constantly changing, and that this placed small responsibility on any one,¹ while the stockholders by whom they were elected were annuitants, hence not particularly interested in the work. He further asserted that the commissioners were neither practical nor efficient men, and that the organization of the agency of execution involved needless delay and expense. He objected that the officers, being elected by the stockholders, were independent of the Legislature and not responsible to it as officers, individually or collectively, "yet they appoint, direct and remove all subordinate officers, engineers, etc." He concludes that the Board of Public Works is the proper fiscal and executive agent to conduct the enterprise, and demands that the commissioners be dispensed with, and that the James River Company transfer all its accounts, papers and documents to the Board of Public Works, which should supply and disburse the necessary funds and superintend the work "under the eye of the Legislature".² This conclusion was also that of "James River Farmer", who insisted on "shaking the James River Co." as the fiscal agent managing affairs.³ "Freeholder" objected that the law of 1820, transferring the rights and interests of the James River Company to the state, was at variance with the law creating a fund for internal improvement, in both principle and policy.⁴ Thus it appears that there was considerable dissatisfaction with the existing condition of things and a well-voiced demand for a change.

¹This statement was not sustained by the facts, as John Coalter was president of the James River Co. throughout the whole period that it acted as the agent of the state, which was from Feb. 29, 1820, to March 27, 1823. The commissioners, however, were elected annually.

²*Richmond Enquirer*, Feb. 15, 1823.

³*Ibid.*, issue of Feb. 11, 1823.

⁴*Ibid.*, issue of Feb. 15, 1823.

The other side of the controversy was given by "Brindley", who showed that of the 700 shares of the James River Company's stock, the state owned, in Jan. 1823, 427 shares; Washington College, 100; the College of William and Mary, 22—making a total of 549; whereas individuals owned only 151 shares. The state, owning a majority of stock, could control the election of officers. Of the \$16,800 paid annually as dividends to stockholders, individuals received only \$3,624. "Brindley" further called attention to the fact that the James River Company had only a nominal existence, the state in fact being the "James River Company" and as such choosing all the directors and superintendents.¹

The public, however, was thoroughly dissatisfied with the existing arrangement and insisted on a change. On Jan. 14, 1823, the House passed a resolution requesting a report from the James River Company as to the condition of the works under their charge.² In response to this request the company submitted a report, Jan. 23, 1823. They advert to the complaints against their management of the improvement, and state that, "They have been at all times fully aware of their incapacity to conduct such important concerns, and have hitherto been induced to continue their superintendence of them by the sole consideration that others could not be procured to undertake the trust".³ With this statement of their incapacity the public appears to have been in full accord. It is doubtless true, however, that there was much prejudice, misconception, and sectional jealousy directed against the improvement at the time, as there was generally thereafter, regardless of the authority in control of it.

¹ Article signed "Brindley," *Richmond Enquirer*, Jan. 2, 1823.

² *House Journal*, 1822-23, pp. 136-38.

³ *Ibid.*

At this crisis the General Assembly passed the act of Feb. 24, 1823, which radically changed the status of the enterprise.¹ By the act of Feb. 17, 1820, the rights and interests of the James River Company had been transferred to the commonwealth; but the company had continued to act as the agent of the state, holding in trust for the benefit of the state, and executing the work under the control, direction and superintendence of the Legislature. Under the act of Feb. 24, 1823, this mode of prosecuting the work was abandoned, and henceforth the improvement became a state enterprise under the exclusive control and superintendence of state officials. The act provided that all the rights, powers and privileges of the existing president and directors of the James River Company:

Shall be superseded and annulled, and thereafter no other election of president and directors shall be made in the manner provided by law; but the Governor, Lieutenant-Governor, treasurer, and auditor of the commonwealth for the time being, and the second auditor, whose office is created by this act, shall be *ex-officio* the president and directors of the Company; of whom the Governor shall be president, and the Lieut.-Governor, treasurer, auditor, and second auditor . . . shall succeed to and possess all the rights, duties and privileges of the existing president and directors.²

The faith of the commonwealth was pledged to provide funds to defray interest on all loans hitherto made or that might be made. The act further provided that a commissioner should be appointed by the Assembly for the James and Jackson rivers, annually; and a similar officer to be known as commissioner of Kanawha road and navigation.³

¹*Va. Acts*, 1822-23, pp. 50-58.

Ibid. The second auditor, whose office was hereby created, was destined to become one of the most important officials of the state.

³*Ibid.*

With a view to the accommodation of the western counties, the General Assembly passed an act, March 8, 1824, authorizing the construction of a canal at the pass of the James river through the Blue Ridge; and an additional loan of \$400,000 for this purpose and for the construction of the first three sections of the principal scheme.¹ The act also authorized a new survey from Maiden's Adventure Falls to the mouth of Dunlop's Creek, "for the purpose of ascertaining the most practicable improvement for that part of the line, together with an examination of the works hitherto executed and their present state."² In compliance with this act the state engineer, C. Crozét, assisted by Benjamin Wright of New York, made an elaborate survey, which showed that the cost of a continued canal would greatly exceed the estimates of former engineers.³

By the act of Feb. 16, 1825, the General Assembly authorized the company to borrow \$200,000, on the credit of the state, for the purpose of finishing the first three sections of the canal, and the Blue Ridge canal; and of extending the road from the Great Falls of the Kanawha to the lower end of Kanawha county.⁴

The work on the improvement progressed slowly. By February, 1824, the results accomplished consisted of thirty-four miles of canal constructed, an imperfect road of some 100 miles, and contracts let for the improvement of the Great Kanawha; while the cost had already involved borrowing \$830,000.⁵ Governor Tyler, in his sessional

¹*Va. Acts*, 1823-24, pp. 12-13.

² Maiden's Adventure Falls is here substituted for Pleasant's Island as the highest point of the lower canal. It was about 27 miles above Richmond.

³*Report Bd. Pub. Wks.*, 1824, vol. iv, pp. 24-29.

⁴*Va. Acts*, 1824-25, pp. 38-45.

⁵*House Journal*, 1824-25, pp. 136-38. The report of the second auditor, Feb. 10, 1826, showed expenditures amounting to \$1,030,000, obtained

message to the Legislature of 1825-6, Dec. 4, 1826, said with reference to the James river improvement and the report of the state engineer thereon:

You will learn that \$4,750,000 will be required to complete the canal as originally contemplated from Maiden's Adventure falls to Covington. . . . The improvement of the Kanawha is nearly completed, and the Kanawha road is entirely completed, so far as originally contemplated. . . . The state occupies the footing of a company in regard to this work. There has been expended on this improvement already \$1,230,000; all of which has been procured on loan, and forms an outstanding debt against the state. The interest on that debt amounts annually to \$71,673.50. In order to meet this interest we are to look to tolls receivable. . . . What expedient is left but that the scheme of improvement should be consummated; and that it should be achieved on such a scale as to pay the interest on loans contracted for its completion, and to afford a reasonable prospect of reimbursement of the principal of those loans?¹

The Legislature, however, refused to take the necessary measures to complete the canal. As often as the friends of the project rallied to its support, and they did make four determined efforts to carry it through to successful completion, sectional jealousy or timid counsels blocked their efforts and they were never able to secure the desired majority in the General Assembly.² Thus the work on the

from loans from Feb. 17, 1820 to Jan. 1, 1826. Of this there had been expended on canal from Richmond to Maiden's Adventure, \$636,295.05; on canal through the Blue Ridge, \$175,267.24; on Kanawha turnpike road, \$150,224; on Kanawha river, \$53,861.06. *House Journal*, 1825-6, doc. A.

¹*House Journal*, 1826-27, pp. 9-11. All the transactions of the organization while under exclusively state control were still in the name of the "James River Company," which remained its style.

²*Eleventh Annual Report James River & Kanawha Company*, p. 753.

canal came to a stand-still. The Legislature did bestir itself to pass the act of Jan. 30, 1829, authorizing the extension of the Kanawha road to the mouth of Big Sandy river, together with a loan for that purpose of \$50,000, on the credit of the state. The act further provided for the appointment of a superintendent of the road, to make contracts and direct the work.¹

On July 14, 1828, a great Internal Improvement Convention, with delegates from thirty-nine counties of the state, met at Charlottesville. Ex-President Madison was chosen president of the convention. Other prominent members were John Marshall, James Monroe, Joseph C. Cabell, James Barbour, and Wm. C. Rives. It was a memorable gathering and lasted six days. Every phase of internal improvement in the state was discussed with great seriousness and ability, and the results of the discussions were embodied in a memorial drawn up by a committee of which Monroe was chairman. This memorial, which was addressed to the Legislature, was chiefly a plea for the completion of the canal along James river, more particularly on the ground that unless it were completed the money already spent on it would be comparatively unproductive. It also recommended the improvement of the Great Kanawha from the falls to the Ohio "as a link in that chain of connection which, passing through Virginia, may unite the Ohio to the Chesapeake." It further declared that "the extension of the Kanawha road, westward to the Ohio, and eastward to the eastern frontier of the state, is a measure dictated by sound policy."²

The Charlottesville Convention, held to revive interest in internal improvements, produced but slight effect on the

¹*Va. Acts*, 1828-29, pp. 46-47.

²*Proceedings of the Convention*, found in House Journal, 1828-29, pp. 35 *et seq.* of docs.

course of events.¹ The great obstacle to any scheme of improvement that was at all adequate was that it involved a large outlay of money, and this in turn necessitated an increase in taxes, to which the people were not inclined.² Nevertheless, Virginia was at that time expending considerable sums on internal improvements, and continued to increase such expenditures. The trans-Alleghany region threw the whole weight of its influence in favor of the movement as being of vital importance to its interests. Those parts of the state which received no particular benefit from the scheme steadily opposed it, and hence it proceeded haltingly amid the conflict of sectional interests. The James river project was from the beginning by far the most important phase of Virginia's internal improvement scheme, and continued to remain so, but from the first it encountered strong opposition and persistent criticism. In order to secure funds with which to carry on this enterprise, its friends in the Legislature were forced to accede to the terms of those from other sections of the state who were demanding funds for improvements in their respective localities. Thus it happened that much money was spent on internal improvement schemes of minor importance to the injury of the few which were of vital significance to the development of the commerce of the state at large. It was the old story of sectional prejudice and jealousy, with here and there a man of broad and statesman-like views rising to stand for the interests of the whole state and of the Union.

Had the western counties not been deprived of their just share of representation by the slave-holding aristocracy of

¹*Proceedings and Debates of the Va. State Convention of 1829-30*, p. 143.

²*Proceedings and Debates of the Va. State Convention of 1829-30*, p. 143.

the eastern counties, the story of internal improvements in Virginia, and especially of that of its main enterprise, would have been very different. The Virginia Constitutional Convention of 1829-30, while composed of a distinguished membership, was thoroughly undemocratic in its outlook and actions and gave a body-blow to the aspirations, both political and commercial, of the rich and growing counties of western Virginia. This attitude greatly embittered the trans-Alleghany region, whose most insistent commercial demand was for increased transportation facilities as being essential to its development and prosperity. Nothing better reveals the extent of sectionalism in the state than the circumstances surrounding this convention. The tidewater counties were opposed to its being called at all and voted overwhelmingly against it, but the Valley and the trans-Alleghany counties were strongly for it, while Piedmont was divided. The west favored it as being likely to give a wider basis for suffrage and an increased representation from that section in the legislature; the east opposed it for these reasons. The west wanted greater political power the better to enforce its demands for internal improvements; the east, which paid the larger part of the taxes, feared the growing power of the west and did not wish to be shorn of its privileged position. When the convention met its time was devoted chiefly to discussion of the issues of representation and the suffrage, and sectional feeling rose high. The east stood for maintaining the *status quo*; the west demanded reform. The completed constitution was the work of the conservatives, who proved the stronger. It granted to the west only a slight increase in representation, though it did extend the right of suffrage somewhat. The trans-Alleghany region was so dissatisfied with the result that talk of dismemberment was frequent.¹

¹For description of this convention and its work, see *Proceedings*

Eastern Virginia continued to hold the purse-strings and to dole out grudgingly appropriations for internal improvements in the trans-Alleghany region. Though members of the Assembly from that region continued to demand insistently a policy of improvements that would develop its vast resources of mine and forest, no such policy was inaugurated at this time and the people of western Virginia "had to remain content with paltry appropriations for turnpikes, obtained by logrolling, while vast sums were spent on badly managed improvements which were undertaken in the East".¹

The question of internal improvements was to the fore in the session of the Assembly of 1830-31, and sectional interests determined the votes of the members. The sectional lines had been commented on by Mr. Johnson of Augusta, during the Convention of 1829-30, as follows:

The country east of the Alleghany and above tidewater is divided into three great interests, the Potomac, the James, and the Roanoke, and two subordinate, the Rappahannock and Appomattox, not to mention the yet smaller interest of the Pamunkey. The trans-Alleghany interest might be associated in part with the three great interests in plans of very extensive improvement, but as to all minor objects would be sub-divided with reference to its own navigable streams.²

and Debates of the Virginia Constitutional Convention of 1829-30 (Richmond, 1830); H. B. Grigsby, *Virginia Convention of 1829-30* (Richmond, 1854); Ambler, *Sectionalism in Virginia, 1776-1861* (Chicago, 1910), chapter v; J. M. Callahan, *History of West Virginia* (Published by the Semi-centennial Commission of West Virginia, 1913), chapter vi.

¹Callahan, *History of West Virginia*, p. 134.

²*Proceedings and Debates of the Virginia Constitutional Convention of 1829-30*, p. 287. The disbursement of the internal improvement fund for 1830 serves to show how the members were accustomed to vote appropriations from sectional motives, as follows: Tidewater district, \$300,500; Middle (Piedmont) district, \$317,708; Valley (including the Southwest), \$70,625; trans-Alleghany, \$13,180. Obviously this represents a union of the Tidewater and Piedmont interests in the Assembly to control the situation. See *Niles' Register*, vol. 39, February 12, 1831, p. 427.

The clashing of these interests, with their various ramifications, resulted in the defeat of a bill to appropriate two million dollars to internal improvements at this session, "some of the members seeming to prefer that no improvement should be made unless their own immediate neighborhood had a part in it."¹

The people most interested in turnpike roads and canals were those above the head of tidewater, and the farther west one proceeded the greater became the demand for such improvements. The speech of Mr. Scott of Fauquier in the Convention of 1829-30 illustrates further the different interests that made logrolling for appropriations in this era of internal improvement a feature of almost every session of the Assembly. He said:

The scale of improvements of the larger streams suited to the wants of the middle region is much inferior to that demanded by the western people; they would therefore be but partially benefited by the improvements which the interests of the people of the middle region would lead them to make. Those demanded by the people of the Valley will afford for the most part no benefit to the people of the middle region and little to those west of the Alleghany. They require that the Chesapeake shall be united with the Ohio, the James with the Kanawha.²

The friends of the James River Company, consisting chiefly of the James river valley delegation and the members from the trans-Alleghany region, favored the policy of concentrating the funds of the state in consecutive order first on one and then on another of the more important internal improvement projects rather than scattering them indiscriminately on a host of petty schemes. But this policy

¹*Niles' Register*, vol. 40, March 12, 1831, p. 25. The vote in the House was 57 for to 66 against the bill, *ibid*.

²*Proceedings of the Constitutional Convention of 1829-30*, p. 127.

fell before the system of simultaneous appropriations for different parts of the state. In the bill of 1831, lost through contentions as to the division of the spoil, one-fourth of the loan was apportioned to the James River Company and the other three-fourths to the various smaller interests.¹

The sections of the state not immediately interested in the improvement effected by the James River Company, ordinarily known as "the central line", had for some years "evinced a growing discontent at the heavy drafts made upon the fund for internal improvement, and the prospect of heavier drafts in future."² Sectionalism was chiefly responsible for the failure of the commonwealth to prosecute this state enterprise to a successful completion. Nevertheless, the state was not disposed to allow any rival line to be established which was likely to interfere with the central line. At the session of 1826-27 the General Assembly passed an act giving its sanction to the charter of the Baltimore and Ohio Railroad Company, which measure was necessary to enable this road to run through Virginia, but the Assembly, in order to avoid interference with the James River line, incorporated in the bill a proviso that the new railroad should pass along the northern border of the state "so as to strike the Ohio river at some point north of the Little Kanawha river."³ At the next session of the legislature a bill was introduced, at the instance of several of the western counties, to have this restriction upon the right

¹*Address of Joseph C. Cabell to the Citizens of Richmond, December 10, 1834, on the expediency of a liberal subscription to the stock of the James River and Kanawha Company* (Richmond, 1835), p. 23.

²*Report of Committee of Roads and Inland Navigation, House Journal, 1831-32, doc. no. 34, p. 9.* This report is extended and valuable.

³*Ibid.*, p. 13.

of location of the Baltimore and Ohio Railroad removed. The bill aroused a lively discussion, but was decisively defeated.¹

At the session of 1828-29 an act was passed providing for the extension of the Kanawha road to the mouth of Big Sandy river and authorizing a loan of \$50,000 for that purpose.² In 1821 this road had been located westward through Greenbrier toward the falls of the Great Kanawha, and lay on the right side of the New and the Great Kanawha. In 1822 bridges were constructed on that portion situated between Lewisburg and Gauley. By 1824 the road was completed to the Kanawha falls and three years later it had reached a point within twenty-six miles of Charleston. The Board of Public works, impressed with the belief that this would be the shortest road to the west, in 1828 recommended its completion to the Ohio. It appears, also, that Clay had encouraged the expectation that Kentucky would build a good road from Lexington to Big Sandy, which would make a through connection from Covington to Lexington and beyond. Charleston was selected as the point of crossing the river and work was renewed in 1828; and the act of 1829 insured the funds to complete the road to Big Sandy.³ It was completed in 1829 under the supervision of Claudius Crozét, the state engineer; and extended a distance of two hundred miles from Covington to the mouth of Big Sandy on the Ohio, with a branch of eight miles from Barboursville to Guyandotte, making its total length two hundred and eight miles.⁴ The cost of the

¹*Ibid.*, p. 15.

²*Ibid.* This extension would make the road 200 miles long, from Covington. At the time it was an important highway.

³J. M. Callahan, *History of West Virginia*, pp. 95-96.

⁴C. Crozét, *Outline of Improvements in the State of Virginia* (Phila., 1848), pp. 23-23. Crozét was an interesting character. Born in

Kanawha Turnpike, as completed, was \$192,874.78. It was "generally twenty-two feet wide, with the center raised by a curve from each side, and sloped ditches."¹ There were two excellent bridges over the Greenbrier and the Gauley, costing about \$18,000 each.²

Toll gates were erected at suitable intervals and toll gatherers received nine per cent. of the collections. By act of February 1, 1809, tolls had been fixed varying from three cents per score for sheep or hogs to twenty-five cents for wagon team and driver. In 1825 the toll was five cents for each person. Exemptions were made for those living within four miles of a toll gate and not traveling over four miles; and, by act of February 28, 1829, for persons going to and returning from mill.³

In 1827 the first stage line was established between Charleston and Lewisburg, and made weekly trips at a fare of \$7.00. When the road was extended to Big Sandy, the weekly stage route was likewise extended to that point, and

France in 1790, he served under Napoleon. Came to America in 1816, and was appointed Professor of Mathematics and Engineering at West Point Military Academy. Became chief engineer of Virginia in 1824. In 1830 he reached the conclusion that a railroad was the best plan for the central line of improvement, but this not meeting with favor he left Virginia and went to Louisiana, where he became president of Jefferson College. Returned to Virginia as chief engineer in 1837, which position he held until the office was abolished in 1844. In 1849 he was engaged by Virginia to locate and construct the Blue Ridge Railroad; and at a later date was engaged to locate the Virginia and Kentucky Railroad. Was an outstanding figure in Virginia's economic history. See J. D. Imboden, "Report on Virginia," in *Report on the Internal Commerce of the United States, 1886, Part II of Commerce and Navigation, Appendix*, pp. 17-18.

¹G. Armroyd, *A Connected View of the Whole Internal Navigation of the United States* (Phila., 1830), p. 308; cf. *Twenty-sixth Annual Report James River and Kanawha Company*, p. 725. The cost of the road to 1830 was \$176,190.04. *House Journal, 1830-31, doc. no. 20.*

²Callahan, *op. cit.*, p. 95.

³*Ibid.*, pp. 93-96.

passengers might travel from Big Sandy to Lewisburg for \$11.00. The road really had two termini on the Ohio; one at Big Sandy, the other at Guyandotte, and connected with the Ohio steamers at either place. Guyandotte, however, was the principal point, as it had a population of 300 by 1835, and, next to Wheeling, was the most important point of steam-boat embarkation and debarkation in western Virginia. At Big Sandy, connections could be made in 1832 with a stage line to Lexington, Kentucky. At Lewisburg connections might be made with a stage line running eastward through White Sulphur, Salt Sulphur and Sweet Springs to Fincastle.¹ In 1831 the increase of travel eastward necessitated extra stages and the mail contracts made daily stages profitable. The time required for transmission of mail from Richmond to Guyandotte in the thirties, was four and one-half days.²

Callahan describes the effect of this road on the life of the times as follows:

Among the local influences attributed to the turnpike were the decrease of game, the increase of evidence of civilization resulting partly from the immigration of families of refined people from eastern Virginia, and the economic and industrial development resulting from market facilities and the increase of passing travel and traffic.

The route soon become a busy thoroughfare of travel and traffic—an avenue of activity and increasing wealth. . . .

¹*Ibid.*, pp. 97-99. "White Sulphur Springs, a resort which has been crowded with visitors during the warm season of each year since its first opening in 1818, was reached from Washington in three days travel—by steamboat to Fredericksburg, thence by stage via Charlottesville, Staunton and Warm Springs. Callahan's celebrated tavern thirteen miles east of White Sulphur was a center of the travel from all directions—Pennsylvania, Maryland, North Carolina—and an interjunction of several mail routes." Quoted by Callahan, *ibid.*, p. 99, source not given.

²Callahan, *loc. cit.*, p. 98.

Westward over the route passed many families emigrating to Ohio and Kentucky. Hundreds of wagons and other conveyances filled with emigrant families . . . who had left the worn-out lands of Virginia to seek new homes in the states bordering on the Ohio. . . .¹

The road continued to be an important highway until about 1852, when its traffic began to decline. Other roads were built which lessened its importance and afforded "preferable routes to the eastern markets." Receipts from tolls fell off appreciably and the road became hardly self-sustaining.²

At the session of the Assembly, 1830-31, Crozét, the state engineer, in a communication to the Committee on Roads and Inland Navigation, confessed his change of view in regard to the proper plan of improvement on the James river line and advised as a substitute for locks and dams a continued railroad from Richmond to Covington; but this recommendation did not meet with the approval of the committee.³ The friends of the central improvement attempted at this session to secure resumption of work on the line,

¹*Ibid.*, pp. 99-100. There was a considerable freight traffic on the road in the thirties and forties. Thousands of hogs were driven to the eastern markets, and great quantities of salt were hauled thither. The chief products carried west were plug-tobacco, fruit, whiskey and general merchandise. Cf. Armroyd's *Connected View*, p. 309.

²*Eighteenth Annual Report James River and Kanawha Company*, p. 480; cf. *Eleventh Annual Report, ibid.*, Appendix, p. 1; also *Twenty-third Annual Report, ibid.*, p. 401. The ravages of the Civil War were disastrous to the road, and the busy life of ante-bellum days never returned. Besides the James River and Kanawha Turnpike, other important roads connecting Virginia with the west were the Cumberland Road (National), the Staunton and Parkersburg Turnpike, and the Northwestern Turnpike (Winchester to Parkersburg). All these roads were factors in the westward movement and in the problem of communication between the East and the West in the early days.

³For Crozét's report, see *Report Board of Public Works*, 1830, p. 241.

but were outvoted by their opponents. The most that could be gotten was the authorization for another survey by the state engineer and an assistant engineer,

Still further to test the comparative merits of an improvement by a continued canal, by a continued railroad, or by a line of locks and dams, from the city of Richmond to the town of Covington; as also to ascertain the best location for a canal or a railroad, from the James and Jackson's rivers to Roanoke and New rivers, as well as the most expedient plan for improving the navigation of the latter stream.¹

Even to secure the authorization for this survey it was necessary to obtain the support of the Roanoke river interests by including that river in the scheme of the survey.

Under the authority thus conferred Judge Benjamin Wright, of New York, was again called into the service of the state in the capacity of assistant engineer. Unfortunately for the progress of the enterprise Judge Wright and Crozét disagreed as to the best plan to be adopted. Wright advocated a canal from Richmond to the mountains, and a railroad thence to the west; Crozét, a continued railroad throughout the entire line from east to west. The conflicting reports of the two engineers still further complicated the situation and added to its perplexities. It would have been difficult to secure the resumption of the work on the canal even if the engineers had agreed upon a plan and there had been no division in the public mind as to the plan, but the variant views of the engineers, coupled with the confusion of the public mind on the subject and the clash of sectional interests, effectually prevented the prosecution of the work to completion. As a state enterprise, the James River Company never resumed the work, and the friends of the improvement began to consider the expediency of

¹ *House Journal*, 1831-32, doc. no. 34, p. 15.

converting it into a joint stock company to continue the work.¹

The James River Company as a state enterprise, whether under the compact or under the exclusive control of the state, was a signal failure. It never accomplished what it set out to do. It failed to construct a canal from Richmond to Covington, which was its original design. After 1823, work on this part of the improvement was almost suspended, and after the lapse of a few years was entirely suspended. After 1828 practically all work on the line as a whole, except on the Kanawha road, was allowed to languish for lack of funds to execute it. Though the organization continued until 1835 but little new work was undertaken. The public mind was unsettled, the public counsels divided, sectionalism precluded progress. Repeated surveys had been made to ascertain the practicability and expense of the project. The legislature, ever cautious, had not proceeded vigorously to the task. Timid counsels had caused it to lay out the work in three main sections, rather than as a great single improvement. The first section was the canal from Richmond to Maiden's Adventure Falls, a distance of about thirty miles, and this section was completed. No other canal construction was done by this organization except a canal through the Blue Ridge, about seven miles in length. The second section designated by the legislature for construction was the Kanawha turnpike, which was duly completed. The third section consisted of the improvement of the Kanawha river. It had been expected that the tolls upon coal would defray a large part of the expense of constructing the first section; the tolls upon

¹Joseph C. Cabell, *Defense of the Canal and of a Continuous Water Line Through Virginia* (Richmond, 1845), p. 753. Cabell's "Defense" may also be found as a supplement to the *Eleventh Annual Report of the James River and Kanawha Company*, pp. 627-769.

the road, that of the second; and the tolls upon the salt trade of the Kanawha region, that of the third. The Blue Ridge canal was the subject of subsequent legislation and was not included in the original scheme. It was thought that even if the improvement were not extended beyond the sections thus provided by law, these would still be permanently useful. When the first three sections had been completed the expenditures on the canal had so far exceeded the estimates that the Assembly became alarmed and hesitated to proceed with the work. One of the main factors in its discontinuance was the expense involved. Furthermore, the expectation as to the revenues to be derived from the completed portions of the work were not realized, and this caused enthusiasm to wane.¹

The James River Company under state control, from 1820 to 1835, enlarged and reconstructed the former canal from Richmond to Westham and extended it to Maiden's Adventure Falls in Goochland county. The enlarged canal was about thirty miles long, forty feet wide, and from three to three and one-half feet deep. The dam across the James at Maiden's Adventure created a pond about nine miles long, which served as a feeder to the upper portion of the canal. About ten miles above Richmond another dam was built across the river for the purpose of feeding the canal below, creating a pond several miles in extent.² The Maiden's Adventure section, completed in 1825, at a cost of \$640,143.12, consisted of a series of twelve locks, which connected the river with a basin at Richmond. The Blue Ridge section, ordinarily known as the Balcony Falls Canal,

¹*Proceedings and Debates of the Virginia Constitutional Convention of 1829-30*, pp. 289-290.

²*James River and Kanawha Company; Central Water Line from the Ohio River to the Virginia Capes* (Richmond, 1868), p. 53; also, *Reports Board of Public Works*, vol. vi, 1830-31, pp. 463-465.

extended about seven miles along the bank of the James through a gap of the Blue Ridge and had a lockage of ninety-six feet. It left the James river opposite Piney Island, pursued the right bank to Curshaw Falls, where the canal crossed the river and continued its course along the north bank to its junction with the James about one mile above Balcony Falls. It was commenced in 1824 and appears to have been completed in 1828. Its locks were $10\frac{1}{2}$ feet wide and 76 feet long. The cost of this improvement to 1830 amounted to \$368,401.64.¹

Despite the insufficiency of the improvements actually constructed by the James River Company under state control, these proved advantageous to the public in getting produce to market. A comparison of tolls under the old company prior to its dissolution in 1820 with those subsequent to that period will serve to illustrate the advantages derived. From 1817 to 1820 the tolls on tobacco, wheat and flour, which were the principal articles transported, from Cartersville to Richmond, were \$3.48 per ton, and from Lynchburg to Richmond were \$11.12 per ton; but from 1827 to 1832, tolls were \$2.06 and \$5.30 per ton between the same points, respectively; or about half what they had been, for a ton of 2,000 pounds in each instance.²

The company improved the navigation of the Great Kanawha by wing-dams and sluices from Charleston to its mouth, a distance of about fifty-eight miles. At intervals throughout the river navigation was impeded by the existence of shoals and ripples, but the channel was deepened at the points where it was shallow and the navigation be-

¹Armroyd's *Connected View*, p. 304; also, *House Journal*, 1830-31, doc. no. 20; and H. S. Tanner, *The American Traveler, or Guide Through the United States* (Philadelphia, 1834), pp. 128, 415.

²*Eleventh Annual Report James River and Kanawha Company*, Appendix, pp. 107-108.

came safer and surer. The improvements effected, however, were not of a satisfactory nature and gave rise to much complaint from the people of the Kanawha valley. To 1830 the company had expended on the Kanawha river improvement the sum of \$91,766.72.¹ The political influence of western Virginia, in this instance as in others, did not prove to be sufficiently strong to secure the appropriations necessary for the proper improvement of the river and this remained a standing grievance with the people of the region bordering on the Great Kanawha. As an improvement the Kanawha road was much superior to the Kanawha river. Nevertheless the people derived considerable advantage from both improvements. Armroyd, writing in 1830, says in this connection:

It is remarked of the turnpike, which has opened to a certain degree the communication sought after with the beautiful valley watered by the Kanawha, and of the river navigation set of improvements, that both together have already given an impulse to business; the valley exhibiting an activity not known before, partly in the lively train of wagons now engaged in transporting salt to Lewisburg. The principal part, however, of the salt manufactured, descends the river as yet to Point Pleasant in flat boats, which load from 400 to 500 barrels of 360 pounds each. Horse boats also navigate the river, and it is quite probable that light steamboats will, ere long, be introduced.²

The report of the second auditor to the legislature on

¹*James River and Kanawha Company, Central Water Line, etc.*, p. 53; also see *House Journal*, 1830-31, doc. no. 20; cf. *House Journal*, 1831-32, doc. no. 34, p. 15.

²Armroyd's *Connected View*, p. 309. "In 1819 the first steamboat on the Kanawha, 'The Robert Thompson', ascended to Red House . . . In 1820 the 'Albert Donnally' ascended to Charleston, and the traffic by river thereafter steadily increased." Callahan, *History of West Virginia*, p. 54.

March 23, 1832, shows that the cost of the works of the James River Company to the state (exclusive of the capital of the old James River Company) to January 1, 1832, amounted to \$1,349,709.57. For the fiscal year ending December 31, 1831, the company's income from tolls and other sources amounted to \$81,409.20, and its net revenue to \$42, 731.94. The loans authorized by the legislature for the benefit of the company to this time totaled \$1,283,500, on which the annual interest was \$75,978.50. After applying the surplus revenue to discharging this interest there still remained a deficit of \$30,394.76, which was paid from the revenue of the Fund for Internal Improvement.¹

When it had become evident that the improvement would not be completed as a state enterprise, a new movement started for undertaking it under the auspices of a joint stock company. This movement gathered headway and took form as the James River and Kanawha Company, which was incorporated March 16, 1832, and was organized May 25, 1835.² By its charter the whole interest of the commonwealth in the works and property of the James River Company was transferred to the James River and Kanawha Company, the state subscribing three-fifths of the capital stock.³ By this transaction the works of the James River Company were valued at \$1,000,000. The new company was charged with the payment of the annuity of \$21,000 to the stockholders of the old James River Company; and as this sum is equivalent to a principal of \$350,000 at six per cent. interest, the real purchasing price of the works sold to the James River and Kanawha Company was

¹ *Reports of the Board of Public Works*, vol. vi, pp. 460-462.

² *Va. Acts*, 1831-32, pp. 73-103; see also *First Annual Report James River and Kanawha Company*, pp. iii-xx.

³ *Va. Acts*, 1831-32, *loc. cit.* The new company was commonly called the J. R. & K. Co. and as such is often so designated *infra*.

\$1,350,000.¹ With this sale the James River Company passed out of existence and was succeeded by the James River and Kanawha Company, which undertook to carry out the project on a larger scale as a joint stock company.²

¹*Va. Acts*, 1831-32, pp. 77-103, *passim*.

²From February 29, 1820, to March 27, 1823, when the James River Company acted as the agent of the state under the compact, the president was John Coalter. The governors who were *ex officio* presidents of the James River Company from March 27, 1823, to May 25, 1835, when it was exclusively a state enterprise, were James Pleasants, John Tyler, William B. Giles, John Floyd and Littleton W. Tazewell.

CHAPTER IV

THE INCORPORATION AND ORGANIZATION OF THE JAMES RIVER AND KANAWHA COMPANY

(1832-1835)

ATTENTION has been called to the fact that the project of connecting Virginia with the west assumed first the form of a stock company; next, that of state work under the agency of the officials of the old James River Company; then that of a state enterprise under the exclusive control and superintendence of state officials; and that under all these forms of control it continued to be known as the "James River Company". It now enters upon its last and most important phase under the form of a joint stock company, in which the state invested heavily. As such it had an eventful career extending over a period of forty-five years, at the end of which it succumbed before the superior claims of the railroad, and was abandoned.

After the Legislature, at the session of 1831-32, had demonstrated conclusively its unwillingness to complete the canal along the James, the friends of the improvement brought forward the plan of a joint stock organization, accompanied by the proposition that the state's property on the line should be transferred to the proposed new company at a fair valuation.¹ The antagonism to the work as then conducted was so deep-seated and the desire to get rid of it so keen that the proposition to dispose of the property

¹ *Eleventh Annual Report James River & Kanawha Co.*, p. 753.

on these terms was seized upon with avidity by the Legislature, which at the session of 1831-32 promptly passed a bill incorporating the James River and Kanawha Company.¹

The most active promoter of the new movement was Joseph C. Cabell, an able and talented man, who may justly be called the founder of the James River and Kanawha Company.² Cabell procured his return to the House of Delegates at the session of 1831-32 for the express purpose of aiding this project, and took a leading part in securing its charter.³ The friends of the improvement met together and held three conferences in regard to the existing situation. At the first of these it was agreed unanimously to make one more effort to prevail on the General Assembly to resume the execution of the works at the public expense and under state control. Considering the question at this juncture as mainly financial, Cabell voted with the other friends of the improvement for a state system with the forlorn hope that another appeal to the Legislature might possibly prove successful. It became evident, however, that there could be no well-founded expectation of overcoming the strong opposition of the sections hostile to the enterprise "so as to re-embark the state in the permanent support of the scheme." On the other hand the sentiment among the members of the Assembly appeared to be favor-

¹ *Eleventh Annual Report James River & Kanawha Co.*, p. 753.

² Joseph C. Cabell was a member of the Va. House of Delegates and Senate for twenty-five years. He was in the Senate from 1810-29, inclusive; and in the House 1808-10, and 1831-35, as a member from Nelson County. He was Jefferson's co-worker in founding the University of Va., and a member of its Board of Visitors from 1819 (the year of its founding) till his death, and was twice rector of the Board. He was one of the original incorporators of the J. R. & K. Co., and its president 1835-46. Governor Wise announced his death in 1856 in a special message to the Legislature. His memory is revered in Virginia.

³ *Eleventh Annual Report J. R. & K. Co.*, p. 760.

able to the formation of a joint stock company, and it was thought that the cooperation of both the Legislature and of individuals might be secured on that basis. At later conferences between Cabell and his associates he endeavored to impress upon them the futility of further efforts to secure a majority of the General Assembly to favor the resumption of the work by the state. But they still thought it worth the trial and Cabell joined them in this last attempt, but with the understanding that if it failed they would unite with him in the effort to procure the substitution of a joint stock association. James McDowell, at the request of the conferees, headed the movement in the House in favor of resumption of work on the improvement by the state and made a forceful presentation of the proposition. The Legislature, however, was obdurate and no further attempt was made to enlist its support in this direction.¹

Upon the failure of this effort, Cabell brought forth the alternative measure agreed upon among the conferees. Describing this situation a decade later, he says :

The friends of the improvement being then in utter despair of the consummation of the enterprise through the medium of the state, united upon this proposition. Upon the meeting of the committee of roads and navigation, I was appointed chairman of the sub-committee to prepare the contemplated charter. I then called upon Chief-Justice Marshall, who took a deep interest in our proceedings, and consulted him as to the advisability of the course to pursue; which met with his entire

¹ *Eleventh Annual Report J. R. & K. Co.*, p. 760. The conferees alluded to were Geo. W. Summers of Kanawha, Wm. B. Preston of Montgomery, James McDowell of Rockbridge, Charles Cocke of Albemarle, Archibald Bryce of Goochland, Wm. Rives of Campbell, and Joseph C. Cabell of Nelson. These had been the most active friends of the James River enterprise and had been in the habit of holding conferences in its behalf during the sessions of the General Assembly. *Ibid.* A resolution to complete the work at state expense was defeated by a vote of 57 to 67. *House Journal*, 1831-32, p. 224.

approval. It was to confide the draft of this important instrument, along with a schedule of its principal intended provisions, to men of such universally acknowledged legal ability as to remove from the public mind every possible doubt in regard to its technical accuracy and general fitness for the fundamental basis of a permanent improvement looking to future distant times.¹

The act incorporating the James River and Kanawha Company, which underwent a degree of scrutiny and discussion in its passage through the Legislature proportionate to the magnitude of the interests involved, was passed March 16, 1832.² The preamble recites the inadequacy of all previous measures adopted for the purpose of connecting the tidewater of James River with the navigable waters of the Ohio, and the expediency of incorporating for that purpose a joint stock company to which the interests of the commonwealth in the James River Company shall be transferred at a fair value. Section one of the act authorizes the president and directors of the James River Company at once to cause books of subscription to be opened in the city of Richmond, and in the towns of Lynchburg, Lexington, Pattonsburg, Covington, Staunton, Fincastle, Lewisburg, Union, and Charlestown on the Kanawha, "and such other places as they may deem expedient, and under the superintendence of such commissioners as they may think proper to appoint, for the purpose of raising a capital stock

¹ *Eleventh Annual Report J. R. & K. Co.*, p. 761.

² *Va. Acts*, 1831-32, pp. 73-87. The vote on this measure in the House was 75 for to 37 against. It was opposed by members from the region bordering on the proposed route of the Baltimore and Ohio Railroad and the Lynchburg and New River Railroad. Its most ardent supporters came from the Kanawha Valley and from the counties between the headwaters of the Kanawha and the James. The James river delegation in general was strongly for the bill. *House Journal*, 1831-32, p. 225.

of five million dollars, in shares of \$100 each." Thirty days notice was directed to be given through the press of the time and places of opening the books. The books were to be kept open twenty days, and if three-fifths the capital stock were not subscribed within that time, they should again be opened and remain open, if necessary, until the second Monday in December, 1832.¹

The bill then provides that the state shall subscribe for 10,000 shares of the stock, to be paid for by a transfer of its whole interest in the works and property of the existing James River Company.² No subscription was to be regarded as valid (except that of the commonwealth) unless accompanied by a payment of at least five dollars to the credit of the James River Company.³ In the event of three-fifths of the capital having been subscribed by individuals and corporations other than the commonwealth, but the whole amount not having been subscribed, then the commonwealth was to be regarded as a subscriber for the residue of the five millions.⁴

When three-fifths or more of the capital stock should have been subscribed "by persons, bodies politic or corporate, other than the commonwealth", in valid subscriptions, then the subscribers should become a corporation by the name of "The James River and Kanawha Company", and should become the successors of the existing James River Company.⁵ As soon as the conditions of incorporation had been met, publication of that fact through the public press was required, together with the appointment of a day, not more than thirty days off, for a general meeting

¹ *Va. Acts*, 1831-32, pp. 73 *et seq.*, sec. I.

² *Ibid.*, sec. ii.

³ *Ibid.*, sec. iii.

⁴ *Ibid.*, sec. iv.

⁵ *Ibid.*, sec. v.

of stockholders in the city of Richmond, for the purpose of effecting an organization.¹ The organization should consist of a president and seven directors, and such other officers as the company might prescribe.²

The act provided that within thirty days after the adjournment of the first general meeting of stockholders, the stockholders must pay an additional five dollars on their subscriptions on each share of their stock, and the residue at such times as the company might prescribe.³ When the private stockholders had paid such proportion of their subscriptions as would equal the state's subscription paid by the transfer of the property of the James River Company, then the residue of the state's subscription should be paid in proportion as the private stockholders were required to pay their subscriptions.⁴ Provision was made that at the expiration of thirty days from the adjournment of the first general meeting of the stockholders, the whole interest of the commonwealth in the works and property of the existing James River Company should be "transferred to the James River and Kanawha Company, hereby incorporated, to be held by them forever, for the sole use and benefit of the stockholders".⁵

It was further provided that the James River and Kanawha Company should take the property thus transferred to them, subject to the payment of 15 per cent. per annum forever to the stockholders of the old company, and subject moreover to the pledge of the surplus tolls of the company made by former laws for the security of those public creditors who on the faith of that pledge had loaned money

¹ *Ibid.*, sec. vi.

² *Ibid.*, sec. xi.

³ *Va. Acts, loc. cit.*, sec. xvii.

⁴ *Ibid.*, sec. xix.

⁵ *Ibid.*, sec. xx.

to the James River Company for the use of the commonwealth. But the General Assembly in its turn pledged the faith of the commonwealth to the new company that they should be protected from the payment of any part of the principal or interest of the debt contracted by these loans, and pledged itself further to provide funds to meet the interest thereon.¹

The James River and Kanawha Company was charged with the duty of connecting the tidewater of James river with the navigable waters of the Ohio by one of three plans of improvement, at their election; namely, either by a continuation of the lower James river canal to some suitable point on the river not lower than Lynchburg, and a continued railroad from its western termination to some convenient point on the Great Kanawha river; or, secondly, by a continuation of the James river canal as above, and a continued railroad from its western termination to the Ohio river; or, thirdly, by a continued railroad from Richmond to the Ohio river.² If the company elected to continue the lower James river canal to Lynchburg, or beyond it, as a part of their improvement, it was required that the canal should be in all its parts at least 40 ft. wide at top and 28 ft. wide at bottom, with not less than 4 ft. depth of water at all seasons of the year, and provided with a convenient tow-path adapted throughout its whole extent to the navigation of boats of not less than 35 tons burden, propelled by horses. The act provided that the bed of the river might occasionally be used as a part of the line of navigation, when the reflux water from the dams would admit the convenient application of horse power and the safe and easy passage of canal boats. The canal at its lower termination was required to be connected with tidewater "so as to enable the

¹ *Va. Acts, loc. cit.*, sec. xxi.

² *Ibid.*, sec. xxii.

boats which usually navigate it with their cargoes at all times conveniently to pass into tidewater, and descend the river or return."¹

It was further provided that the works required of the company should commence within two years of the passage of this act and be finished within twelve years after the first general meeting of the stockholders, on pain of forfeiture of the charter.² The company was authorized to enlarge its capital if five million dollars should be found insufficient to complete the works required of it.³

To secure a charter for the new corporation had been a comparatively easy matter, but to secure the large amount of money required to make it effective proved to be a far more difficult task; and it was over three years before the project had progressed to the point where its organization, as provided by law, could be effected. Meanwhile the friends of the enterprise, led by Cabell and Chief Justice Marshall, put forth heroic efforts to make the movement a success. At the time of the enactment of the charter it was thought by many that if a reasonable subscription should be obtained within the limits of the state, thereby evidencing the proper confidence at home, it would be comparatively easy to secure the requisite additional subscription in the principal cities of the north. But this proved to be too fond a hope, for notwithstanding the fact that a million dollars had been subscribed by May, 1832, followed by a respectable subscription the ensuing summer and autumn, in the territory along the line of the improvement, assistance from the north was not forthcoming. Hence

¹ *Va. Acts, loc. cit.*, sec. xxiii.

² *Ibid.*, sec. xxvii.

³ *Ibid.*, sec. xxviii. The company was further required to keep open and in good repair the Kanawha turnpike, "as well as the extension thereof to the mouth of the Big Sandy river." Sec. xxxiii.

the promoters of the enterprise, when it was found that the subscriptions for the first year fell far short of the three millions of private stock required by the charter, ceased to look for aid beyond the borders of the state and began to direct their attention more particularly to some of the corporate bodies at home.¹

The Charter provided that the existing James River Company should cause books to be opened for subscriptions to the new company. This it did by dividing up the territory which was more especially tributary to the line of improvement and by appointing commissioners to superintend the work. The commissioners displayed great industry and caused a thorough-going canvass to be made. The amount of money required to make the charter effective was the largest sum ever attempted to be raised by subscription in Virginia up to this time, and it was recognized that it could be secured only by the greatest exertions. The friends of the enterprise labored incessantly to make the movement a success. By pen and voice they urged the importance of the project, leaving nothing undone to enlist the interest of the public and to persuade the wary investor. Chief Justice Marshall evinced an abiding interest in the enterprise and played a prominent part in the canvass for subscriptions. He was chairman of the meetings of the citizens of Richmond upon several occasions when the fate of the movement hung in the balance, and his influence aided powerfully to turn the scale in favor of the project. He presided over gatherings in Richmond in its interest in May, 1832, August 1833, and November 1834.² In August, 1833, he was

¹ *Eleventh Annual Report J. R. & K. Co.*, pp. 753-54.

² *Ibid.*, p. 763. According to Ambler, "There was not enough capital at the command of individuals residing in the east to promote such an undertaking, and the banks of the eastern cities, remote from the proposed central line of improvement, refused to contribute to a scheme which would make Richmond more powerful commercially." See his *Sectionalism in Virginia*, p. 184.

a member of the committee of citizens charged with the duty of promoting the subscription, and served zealously in that capacity. He was prevailed upon by the commissioners appointed to superintend the subscription in Richmond to give his views of the enterprise and of the charter to the people along the proposed line of improvement in an address, under the modest signature of "A Subscriber", but the authorship was well understood at the time.¹ This address was printed by the Richmond committee for distribution throughout the counties adjacent to the improvement, and was reprinted for still more extensive circulation by the commissioners appointed to superintend the subscription in the county of Nelson.²

Marshall's address is interesting as expressing the views of prominent Virginians at the time, as well as serving to illustrate the arguments advanced by the friends of the enterprise to influence subscriptions to its stock. He says:

It is with you, fellow-citizens, whether this great work shall succeed or totally fail. You are now to decide whether it shall raise us to our former rank among our sister states, or add one to the examples already given of the ruinous apathy with which we neglect the natural advantages which Providence has bestowed upon our country with so profuse a hand, while they are seized by others. With those contributions which your wealth enables you and your interest invites you to make, a direct and safe conveyance to a market in your neighborhood will be furnished for the produce of your labor, and you will participate with your sister states in the rich commerce with the west. Withhold these contributions, and all

¹ *Eleventh Annual Report J. R. & K. Co.*, p. 763.

² *Ibid.* Curiously enough Beveridge fails to mention in his *Life of John Marshall* the aid rendered by the great Chief Justice in the inauguration of the James River and Kanawha Company. Marshall's interest in the enterprise was great and his influence contributed powerfully to making the charter effective.

improvement of the present state of things is hopeless. Your commerce will be diverted to other states, and you must seek in them a market for your produce.

Our commerce with the western states depends on you. Unless you will now come forward and make an effort to preserve your share of it, 'tis gone forever. It must be divided between New York, Pa., and Md., leaving no portion of it for Virginia. Richmond and Charleston have made great exertions . . . but cannot of themselves accomplish this great work. The intermediate country must put forth its strength, or it must fail.

New York, Philadelphia, and Baltimore have already enriched and are daily enriching the states to which they belong, while the largest towns in Virginia remain inconsiderable villages.

All who hold property near this line of intercourse, or live near it, have irresistible motives to aid it. The facility with which you may transport your goods to market and the safety with which they may be transported, must be greatly increased by the proposed work. The freight and consequently the expense of transportation will be reduced. Many articles may be taken into estimate which are now lost or wasted because they will not bear transportation, as timber, firewood, hay and iron.¹

Marshall also pointed out that producers might deliver their crops of wheat and tobacco as interest required and avail themselves of the highest price; that the country in the neighborhood of the line would derive immense profit from the fact that a great part of the money subscribed would be expended among them in the form of wages to

¹ *J. R. & K. Co. Reports*, vol. 1841-45, appendix, pp. 109 *et seq.*, contains the address of Marshall in full. It is also found in *Resolutions and Proceedings of the Commissioners of Nelson County, Appointed to Open Subscriptions to The James River and Kanawha Improvement* (Richmond, 1832). All copies of the original publication appear to have been lost.

workmen and in the purchase of provisions; and that the value of landed property would increase. He was also of the opinion that the stock of the company would soon rise above par, and concluded that, "the calculation then is not unreasonable that you will not only secure to yourselves the immense advantages stated; but will also acquire a new property worth more than you gave for it."¹

The most active and effective promoter of the enterprise, however, was Joseph C. Cabell, who threw himself into it heart and soul. In an address, "To the inhabitants near the proposed line of connection between the tidewater of James River and the navigable waters of the Ohio", given to the press in Sept., 1832, he says;² "Subscribe, else your commerce will be diverted to other states, Virginia will decline in power and influence; trade will be divided between New York, Pennsylvania, and Maryland, leaving none for Virginia." He asserted that the new line of improvement would increase the facility for transporting produce to market, and the safety of transportation; that the canal would be superior to the river and would make possible the use of larger boats; and that freight would be reduced in cost, and farm products would be increased in value. He showed that by making transportation possible at all times the farmer might deliver his crop of wheat as his interest required and might thus avail himself of the highest price; and that the country along the line would receive an immediate benefit from the subscriptions expended there for workmen's wages, provisions, and the like. He called attention to the fact that the road from

¹ *Marshall's Address, loc. cit.* "Marshall's account book shows many payments on stock" in the James River Company. Beveridge's *Life of John Marshall*, vol. ii, p. 56 (footnote). Marshall's investment in the old company had been very profitable, and he doubtless thought the new joint stock company would be a profitable venture.

² For Cabell's address see *Richmond Enquirer*, September 21, 1832.

the headwaters of the James to the mouth of Big Sandy river on the Ohio would be the shortest and most convenient line between east and west, and that wealth would increase, villages rise, and a wave of prosperity would sweep over the region. With reference to the subscriptions he alluded to the fact that payments for stock would be in instalments, and stated that it was probable that the stock would soon go above par, like that of the old James River Company, whose stock was then worth three times the sum originally subscribed.¹

Throughout 1832 the canvass for subscriptions proceeded vigorously at the hands of the commissioners appointed for that purpose by the James River Company. The fourteen commissioners for the Richmond district, of which Marshall was chairman, opened the books at the time prescribed by the charter. On May 30th a meeting presided over by Marshall was held at the capitol, and a committee of seven was appointed to devise means for advancing the canvass. When the books were closed for this district June 11, 1832, it was found that Richmond had taken 10,024 shares, or or over a million dollars worth of stock.²

In other districts the commissioners were no less active, especially in Nelson county, the home of Cabell. In this county seventy-two commissioners were appointed at a meeting held August, 1832, for the reopening of the books of subscription. The county was divided into six districts and practically a house-to-house canvass was made. Patri-

¹ *Richmond Enquirer*, Sept. 21, 1832.

² W. Asbury Christian, *Richmond her Past and Present* (Richmond, 1912), p. 120. Richmond at this time had a population of perhaps 18,000. Its population in 1830 was 16,060; and in 1840 was 21,053. Its growth was slow; even in 1860 it had reached only 37,910. For these census returns and others from 1800-1878, see R. A. Brock, *Richmond as a Manufacturing and Trading Center, Including a Historical Sketch of the City* (Richmond, 1880), p. 7.

otic citizens were invited to cooperate with the commissioners in calling upon the people of the county at their homes for the purpose of explaining the charter and securing subscriptions. A pamphlet was issued containing Marshall's address and other data bearing upon the project, and was widely distributed.¹ Similar methods were pursued in other districts for which commissioners had been appointed, but the canvass was doubtless closer in Nelson county than elsewhere owing to the personal influence of Cabell.

Despite the energy displayed by the promoters of the enterprise throughout the year 1832, the requisite three millions of stock to be taken by the public lacked a great deal of being subscribed. Application was therefore made to the Legislature to extend to the end of another year the time allowed for raising the subscription; and to give authority to each of the two principal banks of the state to subscribe a half million each, and to the city of Richmond to subscribe \$400,000. Accordingly, the General Assembly passed an act Dec. 8, 1832, allowing the books of subscription to remain open until the third Monday in Dec., 1833; and providing further that forfeiture for failing to begin work within the two years prescribed by the charter should not take place, provided the work should begin within two years of the passage of this act and be completed within twelve years after the first general meeting of the stockholders.² On Feb. 16, 1833, was passed an act authorizing the Bank of Virginia and the Farmers' Bank of Virginia each to subscribe to shares of stock in the James River and Kanawha Company not exceeding five thousand.³ In order to encourage these banks to take stock, the Legislature pas-

¹ *Resolutions and Proceedings of the Commissioners of Nelson County, etc.*, pp. 7-9.

² *Va. Acts, 1832-33*, p. 55.

³ *Ibid.*, p. 56.

sed an act March 4, 1833, authorizing them to increase their stock "to the amount of any subscription which the stockholders of such bank may take to the capital stock of the James River and Kanawha Company."¹ It being represented to the General Assembly that a majority of the citizens of Richmond, qualified by law to vote for members of the Common Hall, deemed it expedient for the corporate authorities of the city to subscribe to the stock of the James River and Kanawha Company, the Assembly passed the act of Feb. 13, 1833, authorizing the corporation of Richmond to subscribe to the James River and Kanawha Company's stock not exceeding \$400,000 and empowering them to borrow money to effect the same.²

While the bill for authorizing the Bank of Virginia and the Farmers' Bank of Virginia to subscribe for stock was before the Legislature, it encountered violent opposition in both houses; and from various quarters of the state came petitions against it. Some Fredericksburg stockholders in these banks memorialized the Legislature Feb. 1, 1833, expressing surprise and regret at the proposal and denouncing the bill then pending "as a palpable and direct violation of the charter under which they became stockholders" and alleging that it was

Unfair to compel a minority of the stockholders to hazard their stock and their funds . . . in a great enterprise of internal improvement, extremely hazardous and doubtful as to its completion. . . ; and thus to be forced to embark their interest contrary to their own inclinations and judgments, upon the sanguine calculations and speculations of zealous and warm advocates, many of whom have no interest whatever in the stock of the two banks, but whose property along the line of this great contemplated improvement or the vicinity, it is supposed will be considerably enhanced in value.³

¹ *Va. Acts*, 1832-33, p. 56.

² *Ibid.*, p. 57.

³ *Senate Journal*, 1832-33.

About the same time a similar petition from the stockholders in the two banks residing in Norfolk and vicinity represented that the act should have originated with the stockholders instead of with the Legislature, and that the manner in which it had been introduced had taken the stockholders by surprise. It was further alleged that the act, besides disregarding the rights of the minority, would impair public confidence in the two banks and cramp their operations.¹ A petition to the Legislature couched in similar terms was received about the same time from the Petersburg stockholders in the two banks.² The opposition to the measure is described by Cabell as being "of the most vehement character, urged in both houses of the Assembly."³ Nevertheless the bill was carried in both houses by fair majorities. Obviously the Legislature was anxious to rid itself of the conduct of the improvement as a state enterprise, and was straining a point to ensure the success of the subscription requisite for making effective the charter of the new company. The policy of the majority of the Assembly was to do everything in their power to forward the movement, and if at any time they grew hesitant the powerful influence of the friends of the project was freely exerted to resolve their doubts. It was recognized on all hands that unless the movement received the support of strong corporate bodies, it was doomed to failure. Hence the zeal of its friends to enlist the support of the banks and of the corporation of the city of Richmond.⁴

The subscription of a half a million dollars by the Bank of Virginia was carried by the overruling vote of the treasurer of the commonwealth, the state holding a large

¹ *Senate Journal*, 1832-33.

² *Ibid.*

³ *Eleventh Annual Report J. R. & K. Co.*, p. 754.

⁴ *Ibid.*

block of stock in this bank; but it was defeated in the Farmers' Bank of Virginia, in which the state held a smaller share of stock, in July, 1833.¹ These were decidedly the strongest financial institutions in Virginia at that time, and the failure of the Farmers' Bank of Virginia to subscribe to the stock of the James River and Kanawha Company was a heavy blow to the project. The banks of Virginia were sound, conservative, and well-managed institutions, and subscription to the stock of the James River and Kanawha Company did not appeal to the more thoughtful stockholders as a judicious act.²

¹ *Eleventh Annual Report James River and Kanawha Company*, p. 754.

² In 1804 the General Assembly chartered the Bank of Virginia, which was the first chartered bank in the state. Its capital stock was \$1,500,000, divided into shares of \$100 each. It had branch offices at Lynchburg, Petersburg, Fredericksburg and other places, with local presidents and directors for each office. A stockholder, however, was a stockholder in the Bank of Virginia, and not in the local branches. The state's share in the original capital stock was \$300,000. In 1814 its capital stock was increased to \$2,500,000, the state subscribing an additional \$200,000, making the total stock of the state in the bank \$500,000. In 1812 the Farmers' Bank of Virginia was established with a charter similar to that of the Bank of Virginia. A large part of Virginia's Internal Improvement Fund, amounting to over one million dollars, was invested in bank stock. The state invested in bank stock not so much because the banks needed its aid as because it was regarded as a good investment, profitable to the state. There is no record of the failure of any Virginia bank prior to the Civil War. W. L. Royal, *A History of Virginia Banks and Banking Prior to the Civil War*, pp. 9-11, 39; Richard L. Morton, "The Virginia State Debt and Internal Improvements, 1828-38," in *The Journal of Political Economy*, vol. 25, April, 1917, pp. 347-349; also R. R. Howison, *History of Virginia* (Phila., 1856), vol. ii, p. 407. See also Ambler's *Sectionalism in Virginia*, p. 184. Ambler's statement as to the refusal of banks to contribute to the James River and Kanawha Company from sectionalism and jealousy of Richmond appears to be overdrawn. Banks subscribe to stock when they think it profitable, and sectionalism has very little to do with it. In the case of the Farmers' Bank of Virginia's refusal to subscribe, which it did by a vote of about two to one, the bank's attitude was determined by business, not sectional reasons. It appeared a hazardous proposition to the directors. For the vote, see *Niles' Register*, vol. 44, June 15, 1833, p. 248.

Cabell, who had for months been devoting himself exclusively to promoting the canvass for subscriptions, describes the situation at this juncture in a letter to Madison, in which he says :

Upon the refusal of the Farmers' Bank of Virginia to subscribe, I saw clearly that the scheme would fall, unless the people on the line could be induced to subscribe the greater part, if not the whole of the deficient sum of \$700,000. . . . I urged the Richmond committee to divide the 25 counties on the line into four districts and to nominate and publicly to request one or more leading men in each district, to ride thro' and address the people at their Court Houses. But they declined the recommendation. I then determined to go forth alone and endeavor to arouse the people in the counties east of the Ridge. My first plan was to confine my scope to the six counties of Albemarle, Buckingham, Nelson, Amherst, Campbell, and Bedford; and the town of Lynchburg. But having put all these places into motion (except Campbell, where I have twice been and twice failed. . . .), I shall set out on the 16th and visit the people of Goochland, Powhatan and Cumberland, on my way to the Assembly. From the subscriptions already made, and those upon which I may reasonably calculate, I shall, with the aid of my friends in the places visited by me, raise more than half the money. The counties beyond the ridge will doubtless raise a fourth part: and the balance I hope will be taken up in Richmond. . . .¹

¹ Manuscript letter of Cabell to Madison, November 14, 1833, *Madison Papers*, vol. lxxiii, Writings to Madison, January 19, 1833 - March 31, 1834. Cabell says further: "I have had to encounter an *antagonist* scheme, put forth under the name of a *substitute*, from the town of Lynchburg. . . . I have just returned from Lynchburg, where by conferences with the leading members of the council and some of the principal inhabitants, I have, I believe, confirmed and settled the late vote there in favor of a subscription of \$100,000. A party in that place, headed by the leading advocate of the late Lynchburg and New River Railroad Co., aimed to overthrow our charter. . . . If we succeed in securing our charter, the unhappy discord between the James River country and the rest of the state will be composed, and incalculable advantages in a prospective view will result." *Ibid.*

The subscription of \$400,000 by the corporation of the city of Richmond encountered less opposition than had been manifested in the matter of the banks. It was not secured without a struggle, however, and was finally made after discussion and action recommending the same by a mass meeting of citizens. While the matter was being agitated in the city the Common Council had appointed a committee to inquire into and report upon the expediency of a subscription to the stock of the James River and Kanawha Company on the part of the city. This committee, in its report to the Council, stated that of the \$3,000,000 to be subscribed by parties other than the commonwealth, about \$1,600,000 had been subscribed by individuals; and that of this amount the citizens of Richmond had taken over \$1,000,000, leaving a deficiency of about \$1,400,000. The report further stated that:

To the city of Richmond, the execution of the proposed improvement is of the first consequence; and there is not one of her citizens . . . who will not be more or less affected by its success or failure. The merchant, manufacturer, tradesman, laborer, mechanic, and owner of property—all . . . are deeply interested in the completion of this great work. The improvement of our city cannot remain much longer stationary; her languid commerce must receive a new impulse, or her most enterprising merchants and citizens will seek a more congenial location. . . . The existing resources of the City of Richmond, united with their probable increase . . . justify a subscription . . . of \$400,000. If Richmond hopes . . . to keep pace with the improvements of our country . . . she must by some decided measure executed within a short time secure to herself the trade of that vast and rich interior, which is so eagerly sought by the rival sister cities, and for obtaining which they are willing to expend millions of dollars.¹

¹ *Report of the Committee of the Hall* (no date), pp. 1-6.

The report of the committee concluded with a recommendation that the mayor call a meeting of the citizens at the capitol to consider and determine the matter of whether a subscription should be made by the corporation of the city of Richmond.¹ This meeting was duly called and it was decided to make the subscription of \$400,000.²

In August, 1833, the James River Company, led by Governor Floyd, *ex-officio* president under the old régime, distributed through the medium of the Richmond committee considerable literature bearing on the improvement to arouse the public interest. Cabell continued indefatigable in his efforts, making numerous speeches in the rural districts and promoting needful measures in the Legislature. Throughout the year 1833 exertions to raise the required subscription were renewed upon an enlarged scale in town and country; but at the close of the year there yet remained a very large deficiency to be met.³ The General Assembly on Dec. 7, 1833, extended the time for keeping open the books of subscription "until the last day of the present session of the Legislature".⁴ This being found to be insufficient time for completing the subscription, the Legislature, Feb. 14, 1834, extended the time until Dec. 31, 1834; and in the same act provided that "when half or more of the capital stock in the James River and Kanawha Company shall have been subscribed, but the whole capital shall not have been subscribed, then the commonwealth shall be regarded as a subscriber for the residue of the \$5,000,000."⁵ This act reduced the subscriptions required from those other than the commonwealth from \$3,000,000 to

¹ *Report of the Committee of the Hall*, p. 7.

² Christian, *Richmond, Her Past and Present*, p. 120.

³ *Eleventh Annual Report J. R. & K. Co.*, pp. 756, 762-63.

⁴ *Va. Acts*, 1833-34, p. 101.

⁵ *Ibid.*, pp. 101-102.

\$2,500,000. By subsequent acts the Legislature extended the time for completing the subscription to February 1, 1835.¹

It had been hoped by the promoters of the new company that when the state raised its subscription to \$2,500,000 the success of the enterprise was assured and that it would be a comparatively easy matter to secure the additional private subscriptions requisite to confirm the charter, but as the year 1834 drew to a close it was found that on account of the failure of many subscribers to confirm their subscriptions by a cash remittance there was still a deficiency of \$750,000 to be met.² Cabell afterwards gave an explanation of the situation at this time which not only sets forth the difficulties in the way of the James River and Kanawha Company in securing the confirmation of their charter, but which incidentally throws an interesting sidelight on the general condition of the country financially. He says:

It was at this period, that the panic produced by the removal of deposits from the Bank of the United States, spread abroad throughout the land, shaking in its progress to their very foundations, the system of both public and private credit, and causing individuals everywhere to seek to lessen their engagements and to draw in and husband their resources. Among other institutions and enterprises of the day it was well nigh levelling in the dust the subscription of the millions which had then been made to the stock of this company. Early in March 1834, there was a period when the overthrow of the scheme, by a general and simultaneous abandonment of their subscriptions on the part of the private subscribers, seemed to be the probable, indeed, I may say, the inevitable result, of the panic which then prevailed. What rendered the crisis still more formidable was, that after the lapse of so much time, the general enthusiasm had begun to subside, and

¹ *Va. Acts*, 1833-34, p. 69; *ibid.*, 1834-35, p. 70.

² *Eleventh Annual Report J. R. & K. Co.*, p. 758.

both the city and country were simultaneously alarmed by reports, in each to the effect, that the other had determined to abandon the scheme.¹

Further hindrance to securing subscriptions in large amounts from individuals was found in the eighth section of the charter which provided "that each stockholder should be entitled to one vote for each share held by him, as far as ten shares, and to one vote for every five shares above ten." According to Cabell,

It was forcibly represented, that distant individual capitalists, having no interest in the marginal property, and no interest in the future trade of the line, could not be induced to invest money in a scheme in which they would appear in the annual meetings of the stockholders merely as cyphers, to be voted down by the all powerful vote of the state, and would consequently have no real voice whatsoever in the management of their own funds. . . . The legislature in order to furnish still further invitation and encouragement to make new subscriptions and to confirm those already made, agreed to alter the scale for graduating the votes in the general meetings of the stockholders by an amendment, passed March 11, 1834 which provided, "That the whole number of votes given on behalf of the commonwealth, shall in no case exceed one fourth part of the whole number of votes given on behalf of the other stockholders then present, or represented at the meeting." ²

Though this amendment to the charter was strenuously opposed by some members of the Assembly it was carried by a large majority, and was subsequently used very generally as an inducement to subscribers to confirm their subscriptions.³

¹ Cabell's *Defense of the Canal and of a Continuous Water Line through Virginia*, pp. 755-756.

² *Ibid.*, pp. 754-756.

³ *Ibid.*, pp. 756-757.

Inasmuch as the confirmation of the charter was deemed a matter of especial concern to the city of Richmond, a movement was set on foot to induce the city to subscribe the \$750,000 needed to complete the subscription. A meeting of the citizens was held on December 10, 1834, presided over by mayor Joseph Tate. Cabell delivered a set speech in which he urged the expediency of a liberal subscription by the city. The chief points of his address dealt with the subscription as an advantageous investment of capital, and with the question as to whether the project would collapse with the charter. He asserted that the security and stability of the stock were guaranteed by the alliance with the state and by the partnership of powerful corporations in the scheme, and spoke confidently of the likelihood of good dividends. With reference to the status of affairs if the subscription should fail and the charter be lost, he stated that in such an event the improvement would cease, as the legislature had repeatedly voted down every attempt to secure adequate appropriations to complete the project as a state work. To avoid such a contingency and to insure the success of the enterprise, the city should rise to the occasion and by a liberal subscription secure the confirmation of the charter.¹

Cabell's address, which was very elaborate, resolved the doubts of many who had come to the meeting in a divided state of mind, and proved to be a powerful influence in carrying the movement for the confirmation of the charter to a victorious conclusion. A report was made to the gathering that 25,528 shares had been taken, of which the citizens of Richmond and vicinity had taken 10,722, the corporation of Richmond City 4,000, and the Bank of Virginia 5,000,

¹ *Address of Joseph C. Cabell to the Citizens of Richmond, December 10, 1834* (Richmond, 1835), pp. 1-23.

making a total of 19,722.¹ This would have been sufficient had the subscriptions been validated by a cash payment, but so many subscribers had failed to do this that there was still a shortage of \$750,000 in bona-fide subscriptions. It was resolved by the citizens present at the meeting to ask Richmond to take 7,500 additional shares. The city council approved this action on the ground that the prosperity of the city was involved in the enterprise, and agreed to submit the issue to the freeholders at an election to be held Dec. 29, 1834. The election was duly held, and the vote stood about four to one in favor of the subscription.²

Following the gathering at the capitol and the action of the council consequent thereon, a bill was introduced into the Legislature enabling the corporation of the city of Richmond to subscribe the three-quarters of a million required. Thereupon ensued a scene of excitement almost unparalleled in the history of the city, for many of the citizens, including an overwhelming majority of the non-freeholders, considered the measure for this additional subscription oppressive and unjust.³ Nevertheless the bill, though encountering stubborn opposition on the floor, and much heated argument, passed the House by a decisive majority; and this despite a memorial from those claiming to represent a majority of Richmond real estate vigorously protesting against it.⁴ The fate of the bill now hung on the action of the Senate; and here its opponents made a determined fight against it. Another vote was taken in the city to determine more clearly its wishes in the matter, and again it was carried in favor of the bill by a decisive

¹ Christian, *Richmond, Her Past and Present*, p. 128.

² *Ibid.*, p. 129.

³ *Eleventh Annual Report J. R. & K. Co.*, p. 758.

⁴ *House Journal*, 1834-35, doc. 12.

majority as regards the number voting, but by a rather close majority as regards the real estate represented. The heaviest property owners voted against it.¹ The bill, upon which in all probability hung the fate of the whole enterprise, was ultimately carried through the Legislature in an amended form, Jan, 24, 1835; and as a compromise measure due to the hesitant attitude of the Senate. The act provided that the additional subscription of the city should be cut down to \$250,000, making Richmond's total contribution as a corporation \$650,000; and that the half million still lacking to complete the subscription should be subscribed by the commonwealth, in addition to the \$2,500,000 previously subscribed. This raised the state's subscription to \$3,000,000, and assured the confirmation of the charter.²

When it was learned that the movement which had been carried on for three years with so much industry and zeal and amid so many difficulties and uncertainties had at last succeeded, there was great rejoicing, especially in Richmond, where a salute was fired in honor of the occasion.³ It seemed as if the dream of Washington was at last about to be realized, and that the project which he had been chiefly instrumental in originating half a century before was now to be pushed forward to triumphant consummation. At last there was to be a through line connecting Virginia with

¹ Memorial of the Citizens of Richmond, *House Journal*, 1834-35, doc. 12. The aggregate affirmative vote of the city represented property assessed at \$1,887,090; the negative vote, \$1,581,577, leaving a majority of \$305,513; while the amount of real estate in which no vote was given was \$3,068,001. The assessed value of all real estate of Richmond at this time was \$6,536,668. At this election 217 freeholders voted in the affirmative, and 80 in the negative; 115 non-freeholders voted in the affirmative, and 16 in the negative. Of the 217 voting in the affirmative, the real estate of 30 was not ascertained, nor of 3 voting in the negative; hence these not accounted for in the foregoing statement. *Ibid.*

² *Va. Acts*, 1834-35, pp. 70-71.

³ Christian, *Richmond, Her Past and Present*, p. 129.

the west, and the towns and hamlets along the James River valley, through an expanding commerce, were soon to become thriving cities, while Richmond, the fairest of them all, was to become the metropolis of the Atlantic seaboard.

In the early days it did not necessarily appear that Richmond would be outdistanced by New York, Philadelphia, and Baltimore in the race for the trade of the western country. Each of these cities made a special effort to secure that trade, it being recognized on all sides as the key to commercial expansion. New York sought it through an all-water connection by the Erie Canal and the Great Lakes, and the success of her effort stimulated other cities to great efforts to compete with her on even terms for the rich prize. Philadelphia sought this trade by a system of internal improvements connecting her by canal and railroad with Pittsburgh and the Ohio. Baltimore sought it, after flirting with the Cumberland Road and the Chesapeake and Ohio Canal, by the construction of the Baltimore and Ohio Railroad. What is ordinarily overlooked by historians is that Richmond also sought it for the same reasons and in much the same way as did New York, Philadelphia and Baltimore. The James River and Kanawha Company was Richmond's bid for the western trade. It was thought then and for many years thereafter that the Virginia line, as being more central and direct, and favored by a better climate, had an equal chance to win the prize. Washington, Marshall, and Cabell, and other leading Virginians, saw clearly the necessity of connecting Virginia with the west if she were to hold her own commercially with her sister commonwealths, and sought earnestly to form this connection. Far-sighted men in Pennsylvania and Maryland were no less desirous of reaching this commercial goal, and labored for it manfully. The comparative failure of Pennsylvania, Maryland, and Virginia, and the chief cities within their bounds, to

win the prize which went far to make New York the Empire State and New York City the metropolis of the Union, was due not to the superior foresight of the latter, but to the fortunate situation which did not require the digging of a canal over the mountains.¹ The completion of the Erie Canal in 1825 gave New York a long lead over her competitors, whose transportation problems had to wait for solution on the development of the railroad. In the thirties, however, though numerous railroads were chartered their progress was slow and it did not then appear as a foregone conclusion that they would supplant canals as a means of transportation.²

Pursuant to public notice given by the president and directors of the James River Company, the stockholders of the James River and Kanawha Company held their first

¹ References to the Erie Canal abound in the literature bearing on the James River enterprise. Even before the Erie Canal was commenced, the plans for that work were well known in Virginia and were influential in moulding sentiment; and after it was built it was the stock argument for friends of internal improvement in Virginia, as elsewhere. Sufficient attention does not seem to have been paid, however, to the greater engineering difficulties and correspondingly greater cost to be encountered in effecting an all-water connection with the west by the Virginia, Maryland, and Pennsylvania lines than was the case with the New York line.

² Contemporaneously with the movement to secure the completion of the James River line, resulting in the chartering and organizing of the James River and Kanawha Company, was a movement for railroads in Virginia. This appears to have been of the nature of a compromise between the friends of the rival modes of improvement. The first railroad chartered by Virginia was the Baltimore and Ohio, on March 8, 1827. During the session of the Assembly of 1830-31, the Staunton and Potomac, the Loudoun, the Petersburg, and the Lynchburg and New River railroads were chartered. These were lateral lines, feeders to the canal. Poor's *Manual of Railroads*, 1889, pp. 83, 602; *Va. Acts*, 1826-27, chap. 27, 1830-31, pp. 167-205; Ambler, *Sectionalism in Virginia*, pp. 179-183; Morton, "The Va. State Debt and Internal Improvements," *loc. cit.*, p. 361.

meeting on May 25, 1835, at the capitol in Richmond. Dr. John Brockenbrough was made chairman of the meeting, and Samuel McD. Reid secretary. A communication was read from James Brown Jr., second auditor of the commonwealth, making formal delivery of the original books of subscription, together with certificates of payment into the banks by the subscribers and containing his endorsement for their payment to the new company. A committee of nine was appointed "to report on the morrow such measures as may seem to them to be expedient to be adopted by the stockholders at the present meeting."¹

The following day the stockholders reassembled, 704 additional shares of stock being represented. Chapman Johnson, chairman of the committee of nine, brought in a report recommending that the plan of improvement be "by a continuation of the lower James river canal to some suitable point on the river not lower than Lynchburg, a continued railroad from the western termination of that canal to some convenient point on the Great Kanawha river, below the falls thereof, and an improvement of the Kanawha river from thence to the Ohio, so as to make it suitable for steamboat navigation". The second recommendation was that,

¹ Proceedings of the Stockholders, *First Annual Report James River and Kanawha Company*, pp. iii-iv. The following stock was represented at the meeting:

Commonwealth of Virginia	30,000	shares
Corporation of Richmond	5,773	"
Bank of Virginia	5,000	"
Corporation of Lynchburg	1,000	"
Washington College	100	"
Individual stockholders	4,845	"

Ibid., p. vi. Attention is called to the fact that an overwhelming majority of the stock was held by corporations, not by individuals. It was the subscriptions made to the stock by corporations which confirmed the charter and enabled the company to organize. The total valid subscriptions made by individuals were under \$1,000,000.

with certain specified exceptions, the canal should be not less than 35 ft. wide at the bottom nor less than 50 ft. wide at the surface, possessing a depth of not less than 5 ft., with a suitable tow-path and guard-bank. The seventh recommendation was, that "the canal shall be extended to the town of Covington on Jackson's river, and shall be divided into three divisions: the first commencing at the city of Richmond and ending at the town of Lynchburg; the second commencing at the town of Lynchburg, and ending at the town of Pattonsburg; and the third commencing at the town of Pattonsburg, and ending at the town of Covington. The tenth recommendation of the committee, was that the improvements on the Great Kanawha be deferred until the commencement of the execution of the third division of the James river canal, and should then progress simultaneously with those on the third division of the canal; and the eleventh deferred the execution of the railroad from the town of Covington to the falls of the Great Kanawha until after the execution of the other parts of the line.¹

These resolutions were the order of business the following day, May 27, and the entire day was spent in discussing them, as they by no means met with the unanimous approval of the stockholders. Wyndham Robertson sought to amend the resolutions of the committee on the ground that the company should not at this time be committed to any specified plan, but should await more complete investigation. Robertson, Nicholas, Fleming James, Moncure Robinson, and Brockenbrough favored a continuous railroad; and the whole question of the relative eligibility of railroads and canals was discussed thoroughly. Cabell and Chapman Johnson, however, carried the majority with them in favor of the canal.¹ On May 28, the recommendations of the

¹ *Proceedings of Stockholders, ibid.*, pp. vii-ix.

² *Proceedings*, pp. xii-xix; also, Wyndham Robertson, "The First

committee were adopted after certain minor amendments had been made; together with thirty by-laws for the regulation of the company. The by-laws provided for a chief engineer and assistant engineers, and fixed the salaries of officers.¹ The twenty-ninth by-law provided that:

At the expiration of thirty days from the adjournment of this meeting the president and directors shall take possession, in the name and for the benefit of the company, of the work, property, books, and papers, of the former James River Company, and transferred to this company by their charter, and shall take such order for the preservation and management thereof as to them shall seem proper. The officers and agents of the James River Company now in place, shall hold their situations respectively and receive compensation and perform the duty now required of them, until otherwise ordered by the president and directors of this company.²

After the adoption of the by-laws the meeting proceeded to the election of a president and seven directors, in conformity to the eleventh section of the act of incorporation.

Meeting of the J. R. & K. Co.," in *Richmond Dispatch*, Jan. 25, 1879. Robertson, in this article, says that about one-third of the stockholders (per capita) favored the railroad, and that the recorded vote gave the canal an overwhelming majority, but that the vote of the state and of the corporations decided the issue. He says further: "Perhaps they who at that period, when efficient steam-power railroads were as yet but five or six years old, and the best science of the day had limited their future useful speed to 15 miles per hour, and when construction, skill, material, method, and the locomotive were all but tentative and imperfect, advocated on mere speculative amelioration the giving them precedence over the hitherto uncontested supremacy of canals, more require pardon for rashness than the friends of the latter deserve censure for what at most was an overstrained prudence." But this generous disclaimer of ex-Governor Robertson does not blind us to the fact that he was about the first man in Virginia to recognize the supremacy of railroads over canals.

¹ *Proceedings*, pp. xiv, xviii-xix.

² *Ibid.*, p. xix.

Joseph C. Cabell was unanimously elected president. The directors elected were Sidney S. Baxter of Richmond, Richard Sampson of Goochland, Samuel Marx of Richmond, John H. Cocke of Fluvanna, John Early of Lynchburg, Randolph Harrison of Cumberland, and Hugh Caperton of Monroe.¹

The James River and Kanawha Company now stood duly incorporated and organized, and ready to begin work on the great project that was to connect "the eastern and western waters".

¹ *Proceedings*, p. xx.

CHAPTER V

THE COMPLETION OF THE JAMES RIVER AND KANAWHA CANAL TO BUCHANAN

(1835-1851)

THE president and directors of the James River and Kanawha Company entered immediately upon the discharge of their duties, being urged the more thereto by the delay experienced in securing the confirmation of the charter and by the evident anxiety of the public for prompt action. At a called meeting in June, 1835, they adopted the necessary measures relative to taking possession of the property and works transferred to them and to receiving the tolls and rents for the benefit of the stockholders. Committees of the board of directors were deputed to receive the property from the officers of the old company and to deliver it to the officers of the new company.¹

Steps were taken to form a corps of engineers and to determine the location of the canal. Judge Benjamin Wright, of New York, was appointed chief engineer and entered upon his duties promptly. The remainder of the corps consisted of three assistant engineers, three surveyors, six rodmen, and six chainmen; and was divided into three units, each consisting of one assistant engineer, two rodmen, and two chainmen. Upon the nomination of Judge Wright, the directors appointed as assistant engineers Simon W. Wright of New York, and Daniel Livermore and Charles

¹ *First Annual Report J. R. & K. Co.*, pp. 3-4.

Ellet, Jr., of Pennsylvania.¹ During August and September, 1835, the location of the canal was pressed energetically, the surveying parties "making their way with difficulty through fields of luxuriant corn, and through the rank vegetation of the low grounds, sleeping in covered boats, amid the dews and fogs by night, and operating under the action of a burning sun by day."² The line, as located by the assistant engineers, commenced at the water-works dam at Lynchburg and continued along the southern shore of the James for ten miles. Here it crossed the river by a tow-path bridge, and continued down the northern shore of the river to Maiden's Adventure dam, passing over Tye river by means of a tow-path bridge, over Rockfish river on an aqueduct, and over the Rivanna river by one or the other of these methods as might later be determined. The places fixed upon as the most suitable sites for feeding dams were Lynchburg, the mouth of Tye river, the head of Sycamore Island, and the Seven Islands. By Oct. 1, 1835, the location of the line from Richmond to Lynchburg had been nearly completed. The line from Maiden's Adventure dam to Lynchburg was divided into three principal sections. The first section extended from Maiden's Adventure to the

¹ *Ibid.*, p. 11. Judge Benjamin Wright "was the most prominent of early canal engineers, being sometimes called the 'Father of American Engineering.' . . . He was employed in 1811 by the Canal Commissioners to make an examination of the north bank of the Mohawk from Rome to the Hudson, continuing this work in 1812 from Seneca lake to Rome, and from thence to the south side of the Mohawk to Albany. He was placed in charge of the middle section of the Erie Canal in 1816, and from 1817 to 1828 was the Chief Engineer of the New York State canals. . . . His last years were spent chiefly in Virginia." Extract from Noble E. Whitford's *History of New York Canals*, vol. i, pp. 1171-1172. Judge Wright was at various times engaged as chief or consulting engineer on the Chesapeake and Delaware, the Chesapeake and Ohio, the Delaware and Hudson, the Welland, and other canals. *Ibid.*, p. 1172.

² *First Annual Report J. R. & K. Co.*, pp. 11-12.

town of Scottsville; the second, from Scottsville to the mouth of Tye river; and the third from the mouth of Tye river to Lynchburg. The location of the line, within each of these principal sections, had been given in charge of one of the divisions of the corps; and was but slightly modified by the chief engineer.¹

In Oct., 1835, the company advertised for contract seventy-three miles of the first division of the canal; and in December following let to contract most of the work, embracing the most difficult and expensive parts of the line. Except in a few cases, the contractors were required to deliver the work in good condition on or before July, 1838.² Prior to December, 1835, there were three requisitions on the private stockholders of the company, and the amount thus realized was \$160,000.³

In compliance with a memorial of the stockholders, the Legislature amended the charter of the company by the act of March 19, 1836, by authorizing the acquisition of more land than under the original charter, and by the making of more satisfactory regulations for the assessment of damages with regard to the land condemned along the line.⁴ The damages allowed by the assessors appointed under this act amounted to \$158,656.50, or about \$1,322.13 per mile from Lynchburg to Maiden's Adventure dam.⁵

¹ *Ibid.*, pp. 12-13.

² *First Annual Report J. R. & K. Co.*, p. 16.

³ *Ibid.*, pp. 17-18.

⁴ *Va. Acts, 1835-37*, p. 89.

⁵ *Second Annual Report J. R. & K. Co.*, pp. 91-92. Maiden's Adventure dam was the limit of the old canal, which extended 27 miles from Richmond to that point. A matter of interest to the proprietors along the line was the number of bridges to be allowed them, a question that came up for settlement at every highway leading to the river and in the assessment of every farm on the line. Fifteen road bridges and 83 farm bridges were allowed, a total of 98. *Ibid.*

The work now progressed at a fairly rapid rate. The line of 120 miles from Lynchburg to Maiden's Adventure was divided into 201 sections, each section being subject to a separate contract. In December, 1836, there were 161 sections under contract, and the force employed on the work at this time consisted of 1,356 men and 361 horses.¹ To meet the expenses thus incurred the company made five additional requisitions on the private stockholders during 1836, which raised the total amount received from this source during the year to \$442,672.²

The old works, known as the "western improvements", which had come into the possession of the company at the time of the transfer by the state of the property of the James River Company, embraced the turnpike roads and the Kanawha river improvement. The turnpike roads, consisting of the old road from Covington to the falls of the Great Kanawha, of the new or continued road from the falls of the Great Kanawha to the mouth of Big Sandy river on the Ohio, and of the Guyandotte turnpike from Guyandotte to Barboursville, totaled 208 miles in length. These roads were examined by a committee of the board of directors in Sept. 1836, while on a tour of inspection of the western improvements; and, with the exception of the old mountain road from Covington to the falls of the Kanawha, were found to be in good repair. This portion of the road was defective and required extraordinary repairs.³ The 208 miles of road were divided into six districts and to each of these districts was assigned a sufficient working force of from eight to twelve men, with an overseer and a suitable number of draft horses attached to each party, to keep the roads in good repair.⁴

¹ *Ibid.*, pp. 93-94.

² *Ibid.*, p. 108. The company spent for new improvements during the year 1836 the sum of \$229,348.92.

³ *Second Annual Report J. R. & K. Co.*, pp. 98-99.

⁴ *Ibid.*, p. 100.

The Kanawha river improvement consisted of artificial sluices, of not less than 40 ft. in width, excavated through shoals so as to connect the pools of the river, and extended sixty miles from Charleston to the mouth of the Great Kanawha at Point Pleasant. The chief revenue from this part of the works was derived from tolls on salt, which had been fixed by the Legislature at one-half cent per bushel.¹

The plan of operations of the James River and Kanawha Company for its long line of improvements began even this early to be the subject of criticism in various quarters. An editorial in the *Norfolk Beacon* in September, 1836, urged the propriety of substituting a railroad along the James river for a canal, and favored doing away with the whole canal policy of the state and substituting railroads instead. It asserted that time was an object in connecting the east with the west, and made a special plea against the James river canal as being such a formidable enterprise and one that would require so much time and money to complete.² At this juncture the *Richmond Whig* also published an editorial asserting the deep-rooted hostility of the people along the line of improvement to the enterprise as planned, and urging the company to change its scheme. The *Whig* declared its belief that it was the overwhelming sentiment of the public that the canal would not meet the needs, and buttressed its argument by alleging sharp complaints that the canal already in operation between Richmond and Maiden's Adventure was quite unsatisfactory.³ These

¹ *Third Annual Report J. R. & K. Co.*, pp. 237-38; cf. "Vindictory Statement of Ezra Walker," *Eighth Annual Report, ibid.*, p. 376. This part of the company's line of improvements was never very satisfactory, either to the company or to the people along the Great Kanawha river.

² Quoted in *Richmond Whig*, Sept. 23, 1836.

³ *Richmond Whig*, Sept. 23, 1836. In the same issue the *Whig* published an article by a correspondent voicing loud complaints against the plan and management of the enterprise.

initial criticisms were but an earnest of the stubborn opposition that the company was destined to experience throughout the whole of its troubled career.

But if the project had its foes it also had its friends, and Governor Wyndham Robertson's sessional message to the Legislature, Dec. 5, 1836, gives a more hopeful view. He says :

The vast scheme to connect the waters of the Ohio and the James, happily at length undertaken and now in progress, will accommodate the trade and progress of the west: a scheme that proposes, besides, to invite to our markets a portion of the immense trade of the states separated from us by the Ohio river, and which originally commended by Washington, and subsequently sanctioned by the approval of our wisest and most discerning citizens, possesses still the confidence of men whose confidence is not easily yielded; and even if viewed, as some view it, in the light of an experiment, is yet one so grand in its conception, and if successful, so incalculably beneficial in its results, that the possibility of failure that at most can be but partial, ought not to weigh against its vigorous prosecution, or suffer the idea of its abandonment to be for a moment entertained. Whatever now may be the issue of this great and too long deferred improvement, none who have witnessed with what benefit similar undertakings have been fraught to other states, can doubt the splendid results that must have ensued to Virginia, had she been the first to invite, by suitable inducements, the trade of the west to her own seaports. . . .

Surely, in the irretrievable loss, in great part at least, of this vast trade she has paid dearly enough for her supineness and the narrow, timid and short-sighted counsels to which she has listened. Let her not set the seal forever on her relative and growing inferiority as a state by allowing the sole remaining stake worth playing for, already jeopardized by her inertness, to be wrested from her by the superior enterprise and more farseeing policy of neighboring states.¹

¹ *House Journal*, 1836-37, pp. 11-12.

Judge Wright, consulting engineer of the company, in a report during the fall of 1836, gave as his professional opinion, that it was quite probable that when the improvements of the company were completed "the commercial transactions of Richmond will be from five to ten times what they now are, and will steadily increase".¹

While the merits of the enterprise were thus being discussed by its friends and its foes, the company was actively pushing the works along the line. The old works were put into good repair, including the canal from Maiden's Adventure to Richmond and the seven and one-half miles of canal through the Blue Ridge.² Among the "old works" which had come into their possession after the time of the transfer of the works of the James River Company, was the Blue Ridge turnpike and ferry. The Legislature had, by act of March 26, 1831, appropriated \$9,000 for the construction of this road along the mountain section of the James River canal, through the Blue Ridge.³ The act of Feb. 25, 1833, provided that the road "when constructed shall inure to the James River and Kanawha Company, upon their tendering full payment . . . of all expenses . . . incurred", or at the option of the J. R. & K. Co. they might transfer an equivalent of their stock to be held as part of the stock of the state in the capital of the J. R. & K. Co.⁴ The J. R. & K. Co. decided to take over this road, and on April 2, 1836, received it at a cost of \$9,258.80, paying for it with 92 shares of the company's capital stock to be taken in part payment of the state's subscription, and the balance in cash.⁵

¹ *Second Annual Report J. R. & K. Co.*, p. 160. Judge Wright had resigned as chief engineer, and had been appointed consulting engineer. *Ibid.*, p. 86.

² *Third Annual Report J. R. & K. Co.*, pp. 227-29.

³ *Va. Acts*, 1830-31, p. 159.

⁴ *Ibid.*, 1832-33, p. 57.

⁵ *Second Annual Report J. R. & K. Co.*, p. 108. This road was nine

Contemporaneously with the improvements accomplished on the old works, proceeded the construction of the new works projected by the company. The work on the new canal from Maiden's Adventure to Lynchburg progressed energetically throughout the year 1837. The president reported:

The valley of the river has exhibited a vast scene of activity and animation—the assistant engineers and their parties passing on their daily rounds, the principal engineers moving in their more extended circles, the chief engineer performing his monthly tours, the consulting engineer making his quarterly visits—the contractors with their throngs of laborers and teams, forming a line almost unbroken of the most lively and cheerful industry for 120 miles.

A corresponding activity has prevailed at the company's office at Richmond, and at the monthly meetings of the board, where the regular system of monthly settlements and payments has responded to and kept pace with the great movements on the line.¹

The total force employed on the new improvements rose from 1400 in 1836 to 3300 in 1837.²

The lower canal from Richmond to Maiden's Adventure, received from the state as a part of the old works, consisted of over four miles of slack-water navigation as the bed of Tuckahoe Creek, and the remainder of canal proper. This was now declared a principal section, and the company determined to reconstruct it as a continuous canal 27.7 miles long, thereby transferring it to the class of "new works". Progress on this part of the line was slow, and the unex-

and one-half miles long, three and one-half miles being on the south side of James river and six miles on the north side, connected by a ferry. *Third Annual Report, ibid.*, p. 229.

¹ *Third Annual Report J. R. & K Co.*, p. 251.

² *Ibid.*

pected delay in its execution was the subject of much adverse criticism. The contract system proved unsatisfactory, and it grew increasingly difficult to obtain contractors. Some contractors forfeited; and there was an extensive failure of the system of contracts.¹ Furthermore, the general character of the force employed on this section was objectionable. About two-thirds of the laborers were white, consisting mostly of Irish immigrants. In May, 1838, they struck for higher wages, with demonstrations of force; and again in June, but returned to work the second time on promise of a raise of 20 per cent. for those who remained to the completion of the work. The summer of 1838 was unusually hot and some of the Irish died of prostration. At this, a sort of panic seized the Irish and about two hundred of them quit work and migrated north. In the autumn the force became more stable and manageable, two-thirds of them now being tractable negroes.²

The construction of the new canal from Maiden's Adventure to Lynchburg advanced steadily throughout the year 1838.³ Beyond Lynchburg, the canal was located and construction was begun between that point and the eastern termination of the Blue Ridge canal; and seven sections were placed under contract.⁴

At this time, also, a survey was made and estimates furnished of the whole western portion of the company's proposed line of improvement; of the line of canal from the eastern termination of the Blue Ridge canal to Covington; of the railroad from Covington to Kanawha river; and of the proposed improvement for steamboat navigation on the latter river.⁵

¹ *Fourth Annual Report J. R. & K. Co.*, pp. 323, 325-27, 329.

² *Fourth Annual Report J. R. & K. Co.*, pp. 331-32.

³ *Ibid.*, p. 334.

⁴ *Ibid.*, p. 336.

⁵ *Ibid.*, p. 338. E. H. Gill executed a survey of the water parts of the

Throughout the year 1839 the company confined its operations more particularly to the construction of the canal from Richmond to Lynchburg, and the works immediately connected therewith. Construction of the line of connection between the canal and tidewater, or of additional line of communication between the canal and the south side of James river, had not yet commenced and was deferred for the time being.¹

The canal to Lynchburg, known as the first division and being 146-½ miles long, was completed in the fall of 1840. On Nov. 11, 1840, the directors of the company left Richmond on a tour of inspection of this division, arriving at Lynchburg Nov. 17. The condition of the work being found satisfactory, the public were notified that on Dec. 1 the navigation of the whole first grand division of the canal would be thrown open and the new regulations carried into effect. When on Dec. 3 the freight-boat General Harrison, accompanied by a similar boat, both laden with merchandise from Richmond, entered the basin at Lynchburg after traversing the entire length of the canal without accident, they "were received with cheers and acclamations by the inhabitants of the town, who had assembled to witness their arrival."²

In the course of the following year various additions and line, from Lynchburg to Covington, and a route for a railroad between the Great Falls of the Kanawha and Charleston; David B. Harris executed a survey commencing at Covington and completed at the Great Falls of the Kanawha. Gill estimated the cost of improving the Great Kanawha for steamboat navigation from Loup Creek shoals to the Ohio river, a distance of 87.75 miles, at \$408,098; Judge Wright, at \$208,500. The estimated cost of a railroad from Covington to Loup Creek shoals was \$2,602,950; and of a canal, Lynchburg to Covington, \$580,477. *Fourth Annual Report J. R. & K. Co.*, pp. 338, 346-47, 348-422.

¹ *Fifth Annual Report J. R. & K. Co.*, p. 515.

² *Sixth Annual Report J. R. & K. Co.*, p. 661.

improvements were introduced on this division of the canal, and constituted in the aggregate a large amount of work. Substantial railings were placed on all the aqueducts; lamps and lamp-posts were erected at each of the fifty-two locks on the division; spacious road bridges were built across the canal at the corner of the public warehouse, and at the armory in Richmond; foot-bridges, outlet locks, head gates, additional feeders and dams, were constructed. Lock-houses were built for all the locks on the first division except four, being cheap wooden houses costing from \$250 to \$300.¹

At the close of the first year of operation on the new canal, the president reported:

The new system of navigation has already been signally successful in the reduction of the price of transportation. In the latter part of the year, between Richmond and Lynchburg, it has ranged below one per cent. per ton per mile for agricultural products and heavy goods, thereby affording a speedy confirmation in regard to this great interest of the community of the most sanguine anticipations of the friends of the improvement.²

Tolls on the new line of canal from Jan. 1 to Dec. 1, 1841, amounted to \$121,565.56, which was double the amount received on the old line the preceding year. In order to transfer quickly the trade from the river to the canal, the new tariff of tolls had been suspended to Jan. 1, 1841. A fleet of canal boats had to be built; so that the spring of the year was well advanced before the number was sufficient to answer the demands of the trade. Everything considered, it was felt that an auspicious beginning had been made. The regulations prescribed for the gov-

¹ *Seventh Annual Report J. R. & K. Co.*, p. 9.

² *Ibid.*, p. 12.

ernment of the canal proved very successful, and hopes were entertained of a rapid increase of revenue as time passed.¹

Almost from the beginning, however, the company had been in financial straits. The General Assembly by act of March 21, 1837, made provision for the payment of the state's subscription to the stock of the company, exclusive of the million subscribed in the form of the works of the old company, amounting to \$1,990,800, which was the residue of her original subscription of \$2,000,000 in money. The sum of \$9,200 had already been paid in the transfer of the Blue Ridge turnpike from the state to the company. The act provided that the requisitions on the stock of the state should be met by the Board of Public Works, which was empowered to borrow money on the credit of the state and apply the same to the payment of the requisitions of the company as these arose "at the same time and in the same proportion with the requisitions made by the said company on the stockholders generally."² The Board of Public Works, in conformity to this act, by public notice proposed a large loan to the state, but the amount thus procured was less than \$100,000, a goodly portion of which was appropriated to other improvements along with the J. R. & K. Co. After the failure of this loan, other provision had to be made to meet the state's requisitions, amounting during the year 1837 to \$780,000. At the same time as the state loan was being agitated, the common council of Richmond advertised for a loan of \$50,000 to meet the requisition made on it by the company; but the proposed loan was a total failure. Meanwhile the situation of the company was becoming critical, and the failure of both the state and city loans threatened a suspension of its operations unless assistance was promptly forthcoming. In

¹ *Ibid.*

² *Va. Acts, 1836-37, chapter 101.*

this extremity it was proposed to receive from the Board of Public Works, in payment of the requisitions made upon the state, certificates of the stock of the state at par value, and bearing interest at six per cent. This proposal was accepted by the Board of Public Works on behalf of the state and the stock was issued accordingly.¹

The common council of Richmond in its turn proposed as the only practicable means of meeting its obligations to the company, amounting to \$144,200, to issue corporation stock, bearing interest at six per cent, payable semi-annually. The company accepted this proposition and the stock was issued to it July 1, 1837. The common council of Lynchburg likewise issued stock to discharge a balance of \$12,500 then due on its subscription, and for a further balance of \$5,000 to become due July 25, 1837. Thus the company stood heavily loaded with state and city stock at a time when it stood in special need of a large amount of cash. While it had given its consent to these arrangements, it had done so very reluctantly. The stock issued by Richmond and Lynchburg proved to be hard to dispose of, and was of no immediate benefit to the company.²

Arrangements were made with the Bank of Virginia, whereby the bank became an agent of the company to sell the stock it had received from the state. The president of the bank visited the northern cities and disposed of large blocks of the stock, and the bank further aided the company by making advances on the credit of the stock. But these funds proved inadequate to the company's needs, and it was forced to resort to the anticipation of its requisitions to secure funds to tide it over the emergency. On April 12, 1837, the Bank of Virginia loaned the company \$50,000, in anticipation of the two requisitions to become due and

¹ *Third Annual Report J. R. & K Co.*, pp. 253-254.

² *Third Annual Report J. R. & K Co.*, p. 254.

payable from the bank on May 25 and July 25 of that year. Further loans were made to the company by the Farmers' Bank of Virginia and by the branch bank of the Bank of Virginia at Lynchburg. By this means the company managed meet the obligations incurred during the year ending Nov. 30, 1837, which amounted to \$1,052,477 for the new improvemens being constructed.¹

Within twelve months after the foregoing arrangements had been effected the affairs of the company were again in a critical condition, and it became evident that an increase of capital would be required for the continued prosecution of the work on the canal between Richmond and Lynchburg. At this juncture the company petitioned the Legislature, at the session of 1838-39, to subscribe on the part of the state three-fifths of the sum of six million dollars proposed to be added to the company's capital stock, and to give the company the authority to subscribe the other two-fifths of this additional capital and to borrow the amount of the subscription upon the credit of the corporate funds. It was thought by the stockholders that this loan, if sanctioned by the Legislature, could be negotiated in Europe at an interest not exceeding five per cent. and that the plan would in other respects be decidedly advantageous.² The Legislature, however, refused to concur in these views, and passed instead the act of March 23, 1839, by which the company was authorized to borrow \$1,500,000 on the credit of the corporate funds, and the faith of the state was pledged as guarantee for the punctual payment of the interest and the redemption of the principal.³

This act was objected to by Cabell on the ground that it was introducing the policy of operating exclusively on bor-

¹ *Third Annual Report J. R. & K Co.*, pp. 254-55.

² *Twenty-sixth Annual Report J. R. & K. Co.*, p. 700.

³ *Va. Acts*, 1839, pp. 59-62.

rowed funds at an earlier period than seemed expedient. Nevertheless, it was felt that the company could not afford to reject it, and it was accordingly accepted and adopted as an amendment of the charter. No mortgage or other specific lien was required of the company to secure the loan thus authorized.¹ On account of the depressed state of the money market at this time, both at home and abroad, it was found to be impossible to negotiate the loan of \$1,500,000 during the year; and the company, in order to meet its pressing financial obligations was forced to resort to the issue of postnotes to the amount of \$703,000.²

The James River and Kanawha Company was very unfortunate in that at the very beginning of its career it had to pass through two national financial crises which had a damaging effect on its fortunes. Attention has been called to the effect of the withdrawal of deposits in Jackson's administration upon the movement to secure the subscriptions requisite to confirm the company's charter. Having once secured its charter and begun to construct its works, it encountered the panic of 1837, the result of which was not only to influence the legislature to reject its petition for the increase of its capital stock by a substantial sum, but to render it difficult to negotiate the loan that the state had authorized. Meanwhile the company, being in the midst of its work of construction, required a large amount of money to defray its accumulating indebtedness. Under ordinary conditions a loan could doubtless have been secured, but the effect of the panic was to preclude its possibility in this country at that time. Neither was the time opportune for negotiating a loan abroad, whence so much money had come to finance American enterprises, because

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 700.

² *Fifth Annual Report J. R. & K. Co.*, p. 552.

at this juncture Europe was also experiencing a period of financial depression. Thus the company was caught on all sides in the tide of adverse circumstance.¹

Throughout 1840 negotiations proceeded with a view to a loan under the provisions of the act of March 23, 1839. Information having been received in February, 1840, that Gen. James Hamilton, of South Carolina, was about to proceed to Europe for the purpose of negotiating a loan for the Republic of Texas, the company entered into communication with him with a view to engaging his services to effect the desired loan. On the invitation of the company, Gen. Hamilton came to Richmond in April, 1840, *en route* to Europe, and entered into contract with the directors, by which he undertook the negotiation of its loan as the authorized agent of the company. He was limited to \$550,000; and five per cent. sterling bonds to an equal amount, guaranteed by the state, were delivered to him along with a power of attorney and suitable instructions. Previously to embarking for Europe, in May 1840, he secured a temporary loan of \$50,000 from the New York Banking Company.² Most unfortunate for the James River and Kanawha Company was the outcome of Hamilton's agency, for while in Europe he "hypothecated 15,800 pounds sterling of the bonds of the company with a mercantile house in Holland to secure some loan negotiated with

¹ Cabell's *Defense of the Canal and of a Continuous Water Line through Virginia*, p. 742. It appears, however, that the panic of 1837 was not felt as seriously in Virginia as elsewhere. No Virginia bank failed at this time; the conservatism of the state government in financial matters stood it in good stead; the policy of the state in borrowing money to aid internal improvements received no material check; the state's credit continued excellent. Cf. R. L. Morton, "The Virginia State Debt and Internal Improvements, 1820-38," in *The Journal of Political Economy*, April, 1917, pp. 370-371.

² *Sixth Annual Report J. R. & K. Co.*, pp. 670-71.

them in which the James River and Kanawha Company had no interest or agency.”¹ This unexpected diversion of the funds of the company from the purpose to which they were entrusted to Hamilton “filled the company with surprise, mortification, and regret, which added to their financial embarrassments and exposed them to ultimate loss.”² Gen. Hamilton later endeavored to make amends to the company for the misappropriation of its funds by executing three papers to indemnify the company for its loss. They were intended to give the company a lien on certain properties held by Hamilton in Alabama, Mississippi, Georgia, and South Carolina, the supposed value of which was estimated by him at \$87,750. Cabell said of this lien, however, “Its ultimate value seemed doubtful, and it couldn’t be relied on as furnishing the means of immediate relief.”³ The company ultimately lost \$63,820 by reason of this transaction, and it was the beginning of the more serious financial difficulties which dogged its career ever afterwards.⁴ Nor did the company recover its bonds hypothecated by Hamilton with the Dutch house of Determeyer, Westlingh & Son, of Amsterdam, until Feb. 1844.⁵

Immediately upon the receipt of the communication from Hamilton informing the board of directors that “a credit had been raised with Messrs Determeyer, Westlingh & Son

¹ *Eighth Annual Report J. R. & K. Co.*, p. 96; also *Twenty-sixth Report, ibid.*, p. 700; and *Docs. H. of D.*, 1853-54, doc. 62, p. 26.

² *Eighth Annual Report J. R. & K. Co.*, p. 97.

³ *Ibid.*, p. 101. Hamilton applied the money secured on the security of the company’s bonds (from the Amsterdam house) chiefly to the uses of the Texan government “under the expectation, as he afterwards declared, that the misappropriation would be of very short duration, and that it would be rectified from the proceeds of the Texan negotiations.” *Twenty-sixth Annual Report J. R. & K. Co.*, p. 700.

⁴ *Eleventh Annual Report J. R. & K. Co.*, p. 587.

⁵ *Tenth Annual Report J. R. & K. Co.*, pp. 497-98.

of Amsterdam, on an hypothecation of a portion of the company's bonds, and that this credit had been applied to other purposes than those of the company",¹ this distressing news was communicated to the Legislature then in session. The company accompanied this communication with a memorial praying such relief as would maintain its credit and that of the state as a member of the company and the endorser of its bonds.² The specific relief asked for was a loan of \$250,000, which was urgently needed by the company to meet pressing obligations, to pay off temporary loans, to take up post-notes, and to relieve the income from the burden of redeeming these notes.³

In response to this memorial the General Assembly passed the act of March 25, 1842.⁴ This act was passed during a period of considerable excitement in the Legislature, just after the tidings had been received that half a million of the company's guaranteed bonds were tied up abroad by Hamilton's transactions, and "was clogged in its course by an active and violent opposition." This unfortunate affair, which was the source of endless difficulties for the company, was seized upon "as a fit occasion for violent assaults upon the administration of its affairs."⁵ The bill, as finally passed, was far different from that which was first proposed; and while it authorized a loan to the company of \$250,000, the conditions and restrictions annexed were such as to impair seriously the independence and credit of the company. This act required, among other things:

First, That the company should execute to the Board of

¹ *Eighth Annual Report J. R. & K. Co.*, p. 83.

² *Twenty-sixth Annual Report J. R. & K. Co.*, p. 700.

³ *Eighth Annual Report J. R. & K. Co.*, p. 97.

⁴ *Va. Acts*, 1841-42, pp. 72-75.

⁵ *Eighth Annual Report J. R. & K. Co.*, p. 87.

Public Works a mortgage or other specific lien on all their property, real and personal, and upon the net income of all their tolls and receipts.

(1) To secure the payment of the annuity to the old James River Co.

(2) To secure the state from loss, by reason of her responsibility for the guaranteed loan under the act of March 23, 1839.

(3) To secure the payment, semi-annually, of the interest, and repayment of the principal certificates then authorized to be issued.

Second, That when redeemed, the company should return to the treasurer of the commonwealth \$100,000 worth of the guaranteed bonds, to be by him canceled.

Third, That the company, until authorized by the Legislature, should enter into no new contract or engagement, for work to be done on the line of its improvement.

Fourth, That the certificates of stock then authorized to be issued should not at any time be disposed of at less than their par value, without the consent of the Board of Public Works; that the company should be prohibited from making any new issues or reissues of script or postnotes.¹

This act, conceived in a spirit of hostility to the company, was followed the ensuing year by the act of March 24, 1843, which, in the sixth section, provided,

That if the said company shall make default in payment of any money now advanced, or hereafter advanced for the payment of interest on the guaranteed debt of the company by the commonwealth, or any instalment of the annuity to the old James River Company now in arrear, or which may hereafter

¹ *Va. Acts*, 1841-42, pp. 74-75; *Twenty-sixth Annual Report J. R. & K. Co.*, p. 701.

become in arrear, when payment thereof shall be required by the General Assembly, or by the Board of Public Works, it shall be lawful for the Board of Public Works to recover the sum or sums so due, with lawful interest thereon, by motion in the name of the commonwealth, on ten days' notice, in any court having jurisdiction of motions in behalf of the commonwealth, against public defaulters.¹

This act, in conjunction with the act of March 25, 1842, went a long way toward ruining the credit of the company and toward rendering it dependent almost entirely upon the Legislature.²

The whole property and income of the company being thus encumbered for the indemnity of the state, the ability of the company to borrow money from any other quarter than the state was effectually destroyed.³ A further consequence of the act of 1842 was to prohibit the company from proceeding further with its works for the time, with the result that the sum of \$482,428.57, which had been previously expended between Lynchburg and the mouth of North river, was for years lost to the company, while the interest upon it remained a charge upon its income.⁴ The company never fully recovered from the difficulties growing out of this act, intensified as it was by the act of March 24, 1843.

Meanwhile such works as the company had received in the transfer of the James River Company's improvements proved in large part defective and some of them had to be practically reconstructed, which was an unexpected draft on the company's resources. Added to this, was the increasing cost of constructing the new works, which far exceeded

¹ *Va. Acts*, 1842-43, p. 68.

² *Eleventh Annual Report J. R. & K. Co.*, p. 742.

³ *Docs. H. of D.*, 1853-54, doc. no. 62, p. 26.

⁴ *Ibid.*

all estimates. The old canal from Richmond to Maiden's Adventure proved to be entirely inadequate and the company had to reconstruct it, in order to make it a constituent part of the new canal to Lynchburg, at an expense almost equal to the cost of an entirely new work. Thus the \$640,000 at which the old canal had been valued at the time of the transfer was nearly all lost to the company. Similarly, that part of the old works known as the Blue Ridge Canal had to be rebuilt, as it could accommodate boats only ten feet in width and was inadequate to the needs of the new improvement. Consequently the company was required to build a canal from Richmond to Lynchburg which was practically new throughout.¹ Having thus secured slight benefit from these two works, which had cost the state a million dollars, the capital of the company, though nominally \$5,000,000, was really only about \$4,000,000 with which to carry on its great enterprise. This capital was nearly exhausted by the time the canal was completed to Lynchburg, and when the company sought to increase its capital, with the state contributing its *pro rata* share, the Legislature refused to concur, and all manner of trouble ensued, as we have seen.²

Despite the financial embarrassments to which the company had been subjected since 1839, however, it had not been

¹ *Ibid.*, pp. 25-26; also *Twenty-sixth Annual Report J. R. & K. Co.*, p. 748.

² *Docs. H. of D.*, 1853-54, doc. no. 62, pp. 25-26. "The original capital of the company was \$5,000,000, of which the state paid \$1,000,000 in old works, and of the private subscription there proved to be insolvent \$73,336, leaving \$3,926,664 as the actual available cash capital. All beyond the capital thus realized, has been money either borrowed directly from the state treasury or on bonds guaranteed by the state, on which the company has been required to pay interest from the day it was received, before it was expended, and of course long before it began to yield any return." *Central Water Line from the Ohio River to the Virginia Capes*, p. 54.

idle. As has been noted, the canal was completed as far as Lynchburg in 1840 and had been duly opened to traffic. Throughout 1840, progress was being made on the second grand division of the canal from Lynchburg to Buchanan, a distance of fifty miles. By July of that year all the work in this division had been contracted for and was going forward energetically.¹ This action excited much unfavorable comment, but was justified by the company on the ground that it was required by considerations of public and private faith to the people of the western part of the state, as well as by fiscal reasons, that the western section of the canal be completed with all possible dispatch.² Early in the spring of 1841 the Blue Ridge canal began to be enlarged by the company. Traffic was conducted at that point on the bed of the river while the improvement was in progress. The water was drawn off from that portion of the canal in February and March in order to render possible the enlargement of the trunk of the canal.³ This constituted one of the most expensive parts of the new works above Lynchburg. Much work was done on the second division in 1841 in the completion of locks, dams, bridges, and culverts, and in the breaking of ground for the canal, at a cost of \$268,929. A mixed system of navigation, with extensive use of slack water on this division reduced the cost of the improvement per mile below that on the first division from Richmond to Lynchburg.⁴ Following the passage of the act of March 25, 1842, work on the second division of the canal above Lynchburg was suspended, but not before the company had expended \$353,685.90 on this portion of the line. In consequence of the suspension of operations, these

¹ *Sixth Annual Report J. R. & K. Co.*, p. 669.

² *House Journal*, 1844-45, doc. no. 55, p. 6.

³ *Seventh Annual Report J. R. & K. Co.*, pp. 6, 17.

⁴ *Ibid.*, pp. 18-20.

works remained for some years in an unfinished and declining condition, though they might have been completed at an estimated cost of about \$375,000.¹

The charter of the company required that "the canal at its lower termination shall be connected with tidewater, so as to enable the boats which usually navigate it with their cargoes at all times conveniently to pass into tidewater, and descend the river or return."² In meeting this requirement it appeared that no other plan was so feasible as the purchase of the Richmond Dock. When it seemed probable, in Feb. 1841, that the dock, which had fallen into a dilapidated condition, would be sold under decree of court, the directors of the J. R. & K. Co. petitioned the Legislature for permission to purchase it; and a bill to that effect was passed unanimously by the Assembly on March 20, 1841. The company accordingly bought the property, which was sold at public auction in Richmond July 9, 1841. The purchase price was \$100,000, for which the company gave its bonds, extending over a period of four years.³ The dock

¹ *Eighth Annual Report J. R. & K. Co.*, pp. 127-129. There had been expended on this division for construction of the canal, \$256,525.23; for construction of locks, \$87,617.95; for bridges, \$2,816.69; for dams, \$5,316.92; for culverts, \$1,408.98. *Ibid.*

² Act of incorporation, sec. xxiii.

³ *Seventh Annual Report J. R. & K. Co.*, p. 16; *Va. Acts*, 1840-41, p. 95. "This dock originally extended along the north bank of the river from 26th St. up to Mayo's Bridge, on the line of 14th St., being a distance of 3,750 ft. The original design contemplated a depth of 11½ ft. from the outlet lock at 26th St., up to Shockoe Creek, and of 10½ ft. from the creek up to Mayo's bridge, but this depth was speedily lessened by the deposit brought in by the waters of the creek. The whole dock, being projected on a low level, with embankments raised only to ordinary height above its water surface, was exposed to the landwash, from the rising ground on the one side, and on the other to the direct access of the river, upon the occurrence of every extraordinary flood. In consequence of the unfavorable features of the original plan and construction of the work . . . had fallen into a ruinous and dilapidated condition." *Eighth Annual Report J. R. & K. Co.*, p. 117.

proved to be one of the best investments in the history of the company. In order to repair and enlarge it, the company expended within the first two years after its purchase the sum of \$112,132. It was put into operation early in 1843, having been opened in January for vessels of the smaller tonnage, and in April for those of the larger class. The amount of tolls on the dock from April 1 to Nov. 1, 1843, was \$7,740.49.¹

In July, 1842, occurred the greatest freshet on the James River since 1795. Between Richmond and Lynchburg the river was out of its banks for a distance of twenty-four miles, and the embankments of the canal were broken in 103 places in this division. The works of the company suffered great damage, which it required the services of four hundred men to repair. The financial loss involved was \$42,000; and inasmuch as uninterrupted navigation on the line was not restored until Oct. 2, 1842, a large additional loss was incurred by reason of diminished tolls. The tolls received during the year ending Dec. 1, 1842, amounted to \$109,228.69, which was less than that of the previous year by \$12,522.60, whereas under normal conditions the tolls should have shown an increase. On the first division of the canal there were at this time 58 locks, 11 aqueducts, 191 culverts, and 133 farm and road bridges, and with these the freshet played havoc on a part of the line.²

Attention has been called to the embarrassments experienced by the company growing out of the hypothecation of its bonds by General Hamilton and to the hostile attitude assumed by the Legislature, culminating in the act of March 25, 1842. Following the passage of this act the company continued to be the target for much adverse com-

¹ *Ninth Annual Report J. R. & K. Co.*, p. 396.

² *Eighth Annual Report J. R. & K. Co.*, pp. 122, 127. At Beaver Creek the water rose 30 ft. above the level of the low-water mark. *Ibid.*

ment and some unfavorable legislation. On Jan. 3, 1843, the House of Delegates appointed a special committee of five, subsequently enlarged to eight,

To investigate the condition and affairs of the J. R. & K. Co., and particularly the proceedings and conduct of the present officers of the said company in the management thereof and that said committee be instructed to report at as early day as practicable the result of their investigation and inquiry; and upon all other such matters and things pertaining to the said company, and the management thereof, as they may deem required by the interests of this commonwealth.¹

The Senate having appointed a similar committee about the same time, the two committees decided to pursue the investigation jointly, and to render identical reports to the two houses.² The committees made a thorough-going investigation into the affairs of the company, and on March 25, 1843, rendered an elaborate report to the Legislature. They found that the company had adhered to the requirements of the charter as regards the plan and dimensions of the canal; that the purchase of the Richmond dock was a suitable connection with tidewater and a judicious investment of capital; and that the location of the canal was "liable to no just objection." With reference to the new works of the company, they reported that these had been executed in "a skilful, faithful and workmanlike style." They found the regulations adopted for the navigation of the canal "a judicious and well-considered system". They reported the cost of the first division of the canal, from Lynchburg to the foot of the basin at Richmond, 146.6 miles, as being \$5,006,453.29, or about \$34,150 per mile;³ and added:

¹ *House Journal*, 1842-43, pp. 57, 93, 100, 252.

² *Ibid.*, p. 252.

³ *House Journal*, 1842-43, pp. 252-254.

The committee have found nothing to warrant the belief that the president and directors have been wanting in economy, either in the construction or conduct of the work. On the contrary, their care in regard to assessments, etc, . . . furnishes such evidence of zeal, judgment and attention to details, as justifies the conclusion that the cost of the work was as low as was consistent with the plan. . . . The J. R. & K. Canal has been constructed at a less rate per mile than either of the two great lines to the north of us, rivals for the same western trade, due allowance being made for differences of prevailing prices. The excess cost of those lines per mile, over the cost of this is as follows: Of the main line of the Pa. canal, \$11,584; and of the C. & O. canal, \$21,255.¹

The only point on which the committee found fault with the company was to question the expediency of commencing work on the second division, above Lynchburg, before the canal had been completed on the first division.² The report of the committee, therefore, was a vindication of the company as regards both its officers and its works.

On Feb. 16, 1843, a petition was presented to the House of Delegates from certain citizens of Kanawha county, making complaint as to the condition of the improvements on the Kanawha river and as to the tolls charged for traffic on the river.³ To this memorial the company filed a remonstrance setting forth that 8,370,000 bushels of salt, liable to tolls, had been shipped down the Kanawha within the preceding five years; and that only 4,144,563 of this had been manifested, the residue of 4,225,964 having been shipped without being manifested, in violation of the rights of the company and by evading its officers. The company claimed that as a result of this evasion it had been defrauded

¹ *Ibid.*, p. 254.

² *House Journal*, 1842-43, p. 255.

³ *Ibid.*, p. 141.

of the sum of \$21,129. The remonstrance admitted that the improvement of the Kanawha was not the best possible, but claimed that it was sufficient to justify the moderate tolls received; and that, with the road, it had contributed powerfully to the development of the Kanawha valley. It called attention, also, to the fact that since the improvement had been in operation the quantity of salt manufactured in Kanawha county had increased from 400,000 bushels to 2,000,000 bushels annually.¹

In response to a petition of the company asking for such modification of the charter as would enable them to increase the tolls on their line of improvement on James river, the General Assembly passed the act of March 24, 1843, providing for a new tariff of tolls "not exceeding an average of three and a half cents per ton of 2000 pounds per mile."²

The Legislature of 1842-43 was seized with one of its periodical fits of retrenchment in expenditures. It appointed a joint committee on retrenchment, which reported, in part, as follows:

The expenses on works of internal improvement have been enormously high. The salaries of some of the officers have been outrageously extravagant. . . . It appears that the expenses incurred in the payment of the agents of the J. R. & K. Co. from its organization to Dec. 1, 1842, amounted to

¹ *Eighth Annual Report J. R. & K. Co.*, pp. 371-374. In 1828 an act was passed which for the first time authorized tolls to be taken on the Kanawha river. This act fixed the toll on salt, the chief article of export in that region at the time, at one cent per bushel. In 1829 the toll was fixed by the Legislature at one-half cent per bushel. *Ibid.*, p. 373.

² *Va. Acts*, 1842-43, p. 68. This act also provided that the number of directors of the company should be five; and that the fiscal year should end regularly thereafter on Oct. 31. The Legislature at this session passed the act of Jan. 21, 1843, providing for the advance by the state of the interest and dividend debt due from the company Jan. 1, 1843, and appropriating \$41,280 for these purposes. *Ibid.*, p. 19.

\$432,689.07. Few, if any, other works are more economically managed. There must be a reduction of salaries of officers on these works of internal improvement.

The Legislature, mindful of this report, passed a resolution March 27, 1843, directing the proxies of the commonwealth to move and vote for a reduction in the salaries of the president and secretary of the J. R. & K. Co.² The stockholders, however, declined to reduce the salaries of these officers.

In his sessional message to the Legislature, Dec. 4, 1843, Governor James McDowell dwelt at length on the affairs of the J. R. & K. Co. After reviewing the history of the improvement, he stated that the company was in no condition to go forward with its undertaking, being encumbered with a six per cent. debt on \$1,500,000, and its revenues being barely sufficient to meet its current expenses; and that it was so situated as to have no means of replenishing its funds except by augmenting its capital, or by borrowing. He declared that unless the state came to the aid of the company promptly it would not only be unable to prosecute its work to completion but would lose what it had expended beyond Lynchburg. His recommendation was that the Legislature should come generously to the assistance of the company.³

On Jan. 16, 1844, the company presented a memorial to the General Assembly asking for \$536,000 "to be applied to the completion of the company's unfinished works between Lynchburg and the mouth of North river; and to the construction of the connection required by law between the canal and the Rivanna river; and the contemplated connec-

¹ *House Journal*, 1842-43, doc. no. 46, p. 3.

² *Va. Acts*, 1842-43, p. 117.

³ *House Journal*, 1843-44, pp. 12-14.

tions between the canal and the south side of James river.”¹ They further asked the privilege of paying in instalments the loan of \$87,822 “to meet their interest and dividend debt due in January and July of last year”.² The Legislature declined to grant the \$536,000 requested by the company, but on Feb. 13, 1844, passed a bill providing that the company might pay the \$87,822, which had been advanced by the state previously, in instalments running over a period of three years.³

On Dec. 6, 1843, the House of Delegates by resolution called upon the second auditor for a statement showing the capital appropriated to and expended by the James River Company and the James River and Kanawha Company from the commencement of the enterprise to date. In compliance with this request the second auditor, J. R. Brown, Jr., rendered a statement Dec. 23, 1843, showing the total sum subscribed to the capital stock by individuals, by corporations and by the state, to have been \$5,467,000. He showed further, that the state had aided the J. R. & K. Co., by loans, by advances of money, and by guaranteeing the bonds of the company, to the amount of \$1,926,617.25; and that the total amount expended on the improvement from the beginning was \$7,153,370.79.⁴

In his annual message to the Legislature, Dec. 2, 1844, Governor McDowell referred to the James River & Kanawha Company, as follows:

This work has been regarded, and justly so, for more than half a century as the principal one in the state and hence it has been aided again and again by successive legislatures with peculiar and great liberality. Not only is the state a sub-

¹ *Ninth Annual Report J. R. & K. Co.*, p. 461.

² *Ibid.*, p. 462.

³ *Va. Acts*, 1843-44, p. 68.

⁴ *House Journal*, 1843-44, doc. no. 14, pp. 3-4.

scriber for three-fifths the capital stock . . . but she has advanced it large sums out of her own funds and has guaranteed the punctual payment of still larger advances which have been made to it by others. The actual condition of the work and of the company undertaking it is therefore a subject of habitual interest to the Legislature and to the public. . . .¹

The governor then stated that the company was without means to complete the unfinished part of its works. He suggested several possible plans that might be pursued: either that the state buy out the other stockholders and complete the work itself; or that the state should divide the line of improvement with the company; or that the state should advance such funds to the company as would enable it to finish either some particular part of the work, or the whole of it. He recommended the second alternative, but if this was deemed inadvisable, that the state should loan the company "such sum as shall be sufficient to save it from ruin, and render available in some way its disjointed works between Lynchburg and the mouth of North river."²

On August 14 and 15, 1844, an internal improvement convention, representing fifteen of the western counties and the city of Richmond, was held at Lewisburg, Virginia. Its deliberations were embodied in a memorial which was presented to the Legislature Dec. 3, 1844, and urged the expediency of liberal state aid to the J. R. & K. Co. to enable it to complete the line of improvements to the Ohio river.³

To the recommendations of Governor McDowell, the appeals of the company, and the memorial of the Lewisburg Convention, in behalf of the company, the Legislature

¹ *House Journal*, 1844-45, p. 10.

² *House Journal*, 1844-45, pp. 10-11.

³ Proceedings of the Convention, *House Journal*, 1844-45, doc. no. 7, pp. 1-6; also *House Journal*, 1844-45, p. 16.

turned a deaf ear. The enterprise had incurred the hostility of rival sections and interests, and was unable to muster sufficient support to enable it to go forward with the work of construction. Meanwhile there was much criticism of the administration of the affairs of the company as conducted by the existing president and directors, notwithstanding the favorable report of the legislative committee of investigation. Feeling that this criticism was unjust, the president and directors of the company demanded a re-investigation of its affairs, from its organization to date, by a joint committee of the two houses of the assembly. Cabell, who had been an especial target for criticism, demanded a thorough-going investigation of his own administrative acts and of the dissatisfaction directed against himself in particular.¹

In compliance with the foregoing request the Legislature appointed a joint committee to investigate the affairs of the company. After a painstaking investigation the committee brought in a unanimous report which was a complete vindication of the officers of the company and an endorsement of their management of the enterprise.² There can be no doubt that up to this time the management of the project had been scrupulously free from any taint of corruption. The company had come unscathed through two searching legislative investigations, during the course of which its enemies had made a bitter and determined assault upon it. The result showed the high character and ability of the men who were in charge of its affairs, and incidentally revealed how strongly the general scheme of the work was entrenched in the minds of the members of the General Assembly. The sentimental background of the project as a great state enter-

¹ *House Journal*, 1844-45, pp. 80-81.

² Report of the Committee, *House Journal*, 1844-45, doc. no. 55, pp. 1-11.

prise, founded by Washington and fostered by Marshall, coupled with the hope that it was destined to be a grand central highway of traffic between the east and the west, never failed to rally to its support those of the legislators who were too broad-gauged to be influenced by petty sectional prejudices. The fact that the state itself was the heaviest stockholder in the enterprise also stood the company in good stead in all the varied embarrassments encountered in its chequered career. The people might complain, as was their privilege, and members of the Assembly from districts not benefited by the improvement might oppose it with voice and vote, and for the time successfully, but its friends were always able to rally a strong party to its support as long as it had the slightest chance to accomplish its original purpose.

Cabell's management of the enterprise had been singularly able and blameless, but from the very nature of the case he had become the target for criticism, a favorite object of attack for the foes of the project. He had stood consistently for an all-water route over the mountains to the west, and the majority of people in Virginia had approved his plan. Many thinking men, however, had begun to inquire as to the expediency of continuing the canal, now that railroads were proving their practicability. Cabell was now under fire both as regards his management of the company and his plan for future work.

At their annual meeting in Dec., 1845, the stockholders of the company adopted a resolution declaring that "the connection between James river and Ohio should be by a continuous railroad".¹ Despite his opposition to this policy, Cabell was unanimously re-elected president of the company at an adjourned meeting held Feb. 3, 1846.² He

¹ *Eleventh Annual Report J. R. & K. Co.*, p. 614.

² *Ibid.*, p. 618.

declined to accept re-election, however, and on Feb. 10, 1846, tendered his resignation as president. This resignation was accepted at an adjourned meeting of stockholders held March 4, 1846, and Walter Gwynn was elected as his successor.¹

Cabell's retirement was of temporary advantage to the company as removing for the moment the customary object of attack by its foes, and before these could refill their quivers for further onslaught the friends of the project rallied to its support and secured favorable legislation from the Assembly.²

It had become obvious that unless the state came strongly to the aid of the company it would soon become insolvent, its charter would be forfeited, and all hope of the completion of the work would vanish. It was still the most important corporation in the commonwealth and was backed by powerful influences; but its financial difficulties, together with sectional prejudices and a growing conviction as to the superiority of railroads, had forged a weapon with which its enemies might assail it. Dependent upon the legislature for funds with which to complete its works and often for means to meet its current expenses, it was ever appealing for aid and its affairs were constantly before the public for attack and defense. The state, being a majority stockholder in the company and the guarantor of its bonds, besides being

¹ *Ibid.*, p. 625. The stockholders, in accepting Cabell's resignation, expressed their appreciation of his character and services in very handsome terms. *Ibid.*

² The main objections urged against the company had been: that the plan of a continuous water line was liable to insurmountable physical difficulties; that the water line, if executed, could not compete with rival lines for the trade of the Ohio valley; that the capital invested would be unprofitable; and that the existing joint stock company was a failure. See *Eleventh Annual Report J. R. & K. Co.*, pp. 625-740, *passim*.

under moral obligation to support it because of its past relations to the project, would come tardily to its rescue whenever its very life was at stake, but this was always over the protest of a formidable opposition and apparently more from a sense of *noblesse oblige* than from a conviction of the utility of the enterprise.

During the session of 1846-47 the legislature passed important measures relating to the company, thereby insuring it a new lease on life and providing for its enlarged activity, to the gratification of its friends and the discomfiture of its foes. On December 8, 1846, the company presented a memorial to the Legislature setting forth the condition of its affairs and praying for aid.¹ This petition was met by the General Assembly by the passage of two acts for the relief of the company. The act of Dec. 18, 1846, provided for a loan of \$59,559 to meet the interest falling due Jan. 1, 1847.² Of more importance was the act of March 1, 1847, providing for the completion of the canal to Buchanan. The time for completing the improvement to Buchanan, as given in the 27th section of the act of incorporation, was extended to May 25, 1859. The treasurer of the state was directed to loan the company certificates of state stock to the amount of \$1,236,000, in return for which the company was to execute a "mortgage or other specific lien on all its property, real and personal, and upon the net income of all its tolls and receipts", and to pay semi-annual interest on the loan.³

By the act of March 20, 1847, the Legislature provided for the connection of the canal at Richmond with the tide-water of James river through the Richmond dock, and

¹ *House Journal*, 1846-47, doc. no. 6, p. 1.

² *Twelfth Annual Report J. R. & K. Co.*, p. 82.

³ *Va. Acts*, 1846-47, pp. 80-82.

authorized the company to borrow \$350,000 to complete this improvement.¹

The stockholders of the company, elated at the prospect of plentiful funds for the extension of the canal to Buchanan and for the completion of the tidewater connection at Richmond, entered with zest upon the prosecution of the work. Gen. Walter Gwynn was made chief engineer to superintend the new improvements, and his place as president was supplied by the election of Wm. B. Chittenden.² Work on the line from Lynchburg to Buchanan was resumed in July, 1847. The work below the mouth of North River was prepared for contract and much of it put under contract during 1847; and in December of that year preparations were made to contract for the work above the mouth of North River, though active operations did not begin on this part of the line until 1848.³ In Nov., 1851, the canal from Lynchburg to Buchanan, a distance of fifty miles, was completed and opened to the public.³ In its construction the company had built 38 locks; 4 stone dams, and 7 timber dams, across James river; 48 square drains, 17 tow-path gridges, 8 culverts, 2 farm bridges; and one street bridge over the basin at Lynchburg. Its cost was \$2,422,566, or \$48,451 per mile.⁴ There was now through traffic by the canal from Richmond to Buchanan, a distance of 196-1/2 miles, of which about nine miles was by slack-

¹ *Ibid.*, pp. 82-84.

² *Twelfth Annual Report J. R. & K. Co.*, p. 155. Gen. Gwynn was a prominent civil engineer of Virginia and appears to have been appointed to the office of president of the company because personally popular and politically influential, but not with the expectation of holding the position permanently. He served as president a little over a year, and was then appointed to the more congenial post of chief engineer of the company.

³ *Sixteenth Annual Report J. R. & K. Co.*, p. 9.

⁴ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 671.

water navigation. Repeated attempts were made to extend the canal from Buchanan to Covington and considerable money was expended on that part of the line; but such work was never completed and Buchanan remained to the end the terminus of the line in its finished form. The cost of constructing the canal from Richmond to Buchanan was \$8,259,184, which exceeded the cost of the original Erie Canal.¹

At an adjourned meeting of stockholders on May 11, 1849, John Y. Mason was elected president of the company to succeed Chittenden, who had died a short time before.² Mason served the company as president ably and acceptably until October 26, 1853.³ He was one of the most influential men in Virginia and had had a long and distinguished career as jurist and statesman, and resigned the presidency of the company to become minister to France. The directors chose him as president of the company because of his political influence and his conciliatory manners, which they thought would be helpful not only in securing needed legislation but would tend to win friends for the enterprise. These hopes were justified by Judge Mason in so far as it was possible for any one to justify them in the existing condition of affairs, and it was with regret that the company accepted his resignation.⁴

¹ *Central Water Line from the Ohio River to the Virginia Capes*, p. 54. The cost of the original Erie Canal was estimated by the engineers at \$4,926,738, but its actual cost was \$7,143,789. Its width at the surface was 40 ft., at bottom 28 ft., its depth 4 ft. It was begun July 4, 1817, and completed October 26, 1825. See *Preliminary Report of the Inland Waterways Commission*, 1908, p. 211.

² *Fourteenth Annual Report J. R. & K. Co.*, p. 104; also *Docs. H. of D.*, 1853-54, doc. no. 62, pp. 15-16.

³ *Nineteenth Annual Report J. R. & K. Co.*, p. 546.

⁴ *Eighteenth Annual Report J. R. & K. Co.*, p. 510; also *Nineteenth Annual Report*, *ibid.*, p. 544. John Y. Mason began his career as a

The company having been unable to borrow the money authorized by the act of March 20, 1847, for the completion of the Richmond dock and for effecting the connection with tidewater contemplated by that act, this important work had been neglected. A movement was now begun to push this matter more vigorously. The company presented to the legislature a memorial, accompanied by petitions from the citizens of Richmond and Lynchburg, praying aid in making the tidewater connection.¹ These memorials resulted in the act of March 9, 1849, authorizing the treasurer of the commonwealth to guarantee the bonds of the company to the amount of \$350,000 for this work.² Construction of the work began promptly and was pressed vigorously. It consisted of a series of locks and basins extending from the main basin of the canal to the upper end of the dock, and a ship canal connecting the dock with the river at Rockett's.³ As the work progressed it proved more costly than had been estimated and required three additional acts of assembly, authorizing further loans amounting in the aggregate to \$240,000, before it was completed. The total cost of the dock and tidewater connection was \$851,312, and it was not completed until 1854; but it was a

lawyer in Southampton county, Virginia. He was a member of the legislature for several terms, and of the Va. Constitutional Convention of 1829-30, and a Member of Congress, 1831-37. Was appointed judge of the U. S. district of Va. Served as Secretary of the Navy under Tyler, and as Attorney General and Secretary of the Navy under Polk. Was president of the Va. Constitutional Convention of 1850. Was appointed by Pierce minister to France in 1853, and was reappointed by Buchanan to the same post. He died in Paris Oct. 3, 1859. See *The National Cyclopædia of American Biography*, vol. vi, p. 7. To his fellow-Virginians he was ordinarily known as "Judge Mason".

¹ *Docs. H. of D.*, 1848-49, doc. no. 11, pp. 1-4; *ibid.*, doc. no. 46; *ibid.*, doc. no. 29, pp. 9-11.

² *Sixteenth Annual Report J. R. & K. Co.*, p. 16.

³ *Ibid.*, p. 17; also *Seventeenth Annual Report J. R. & K. Co.*, p. 192.

very substantial work and proved to be a wise and profitable investment.¹

In 1851 the company very unwisely began to take measures for the completion of the canal above Buchanan. This was to be known as the "third division" of the canal and was designed to connect Buchanan with Covington, a distance of forty-seven miles. At an adjourned meeting of stockholders held March 26, 1852, a resolution was adopted petitioning the legislature "to provide the means necessary to extend the canal to or near Covington . . . and to enable the company to construct thence a railroad to the Ohio river."² The petition was rejected, but the company proceeded with the construction, nevertheless, and by January 1, 1853, had expended \$77,635.36 on this work. The sum expended on this division before it was finally abandoned amounted to \$638,058.58. It remained to the end in an unfinished condition and was practically a dead loss to the company.³

Simultaneously with its improvements previously mentioned, the company had been extending its activities in the purchase or construction of several minor works ancillary to its general scheme of the main line to the west. The acts of Assembly of 1839 and 1847 had imposed the obligation on the company of connecting the Rivanna Navigation Company's improvement with the canal at Columbia, and on Jan. 10, 1850, an agreement between the two companies was made.¹ The tonnage of the Rivanna river thus entered the canal at Columbia, which was fifty-seven miles above Richmond. To effect this connection the company expended \$117,094.76, and while it added to the tonnage

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 670.

² *Nineteenth Annual Report J. R. & K. Co.*, p. 630.

³ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 835.

⁴ *Nineteenth Annual Report J. R. & K. Co.*, p. 555.

on the main line this was not commensurate with the cost involved.¹ This improvement was known as the "Rivanna Connection."

Another series of works of the company, known as the "South Side Connections", consisted of several bridges to connect the main line of the canal with the south side of James river. Bridges were built across the James at New Canton, Hardwicksville, and Bent Creek. The company also constructed a dam, with river lock and lateral canal, at Cartersville. These works were constructed in 1854-55, and cost the company \$164,694.52.²

More important than the foregoing subsidiary works was the "North River improvement". The North River Navigation Company had, between 1853 and 1857, effected improvements on North River from Lexington to the junction of that river with the James at a point one hundred and seventy-four miles above Richmond, at a cost of \$425,538. The distance from Lexington to the mouth of North River is about twenty miles, and the improvements constructed by the North River Navigation Company consisted of ten miles of canal and nearly ten miles of slack-water navigation. In 1857 this company proposed to sell its works to the James River & Kanawha Company.³ The proposal was received favorably, as it was thought that the acquisition of these works would add a desirable feeder to the main works of the James River canal, with the second division of which it was connected at the mouth of North River; and also because the purchase could be effected at considerably less than half the cost of the work to the North River Navigation Company. Application was made to the

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 835.

² *Ibid.*; also *Twentieth Report, ibid.*, p. 780.

³ *Twentieth Annual Report J. R. & K. Co.*, p. 665; *Twenty-third Report, ibid.*, p. 339.

Legislature for permission to make the purchase, and this was granted by act of March 16, 1858.¹ The transfer was duly made and cost the James River & Kanawha Company² \$200,000 and the sum requisite to complete it, estimated at about \$73,000. It was not fully completed until 1862, and eventually involved an expenditure of \$536,551. Its purchase proved of doubtful value and was a heavy drain on the resources of the company.³

¹ *Va. Acts*, 1857-58, pp. 93-4.

² *Twenty-third Annual Report J. R. & K. Co.*, p. 339.

³ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 675.

CHAPTER VI

THE JAMES RIVER AND KANAWHA COMPANY AT THE HEIGHT OF ITS ACTIVITIES

(1850-1860)

ATTENTION has been called to the fact that the James River and Kanawha Company was not merely a canal enterprise, but had other works as well.¹ It is now proposed, even at the risk of tedious detail, to give a somewhat extended description of the works of the company and to point out its value as an agency of transportation, its cost of construction and maintenance, its traffic, and its relative importance in the scheme of Virginia's internal improvements in the *ante-bellum* period. It is further proposed to pass in review the effect of rival enterprises and of sectional prejudices on its fortunes. Being an enterprise toward which the state occupied the position of stockholder, surety and creditor, it is deemed advisable to describe somewhat further the development of public sentiment in relation to its support and progress.

The James River and Kanawha Company's line of improvement extended from Richmond to Point Pleasant at the mouth of the Ohio, a distance of four hundred and eighty-five miles.² The company reached the height of its activities in the decade 1850-1860, and in that period its

¹ In his investigation of this subject the author has been struck by the misconceptions existing on the part of such writers as have made reference to this enterprise. It seems to be conceived of very generally as merely a canal project of small importance and is ordinarily dismissed as such with a certain unwarranted contempt.

² *Twenty-sixth Annual Report J. R. & K. Co.*, p. 669.

works embraced the Richmond dock and tidewater connection, the James River and Kanawha Canal, the Southside connections, the Rivanna connection, the North River improvement, the Kanawha River improvement, the Kanawha turnpike road, and the Blue Ridge turnpike road.

Beginning at Richmond, our attention is first directed to the Richmond dock and tidewater connection, which was one of the company's most substantial works. The dock and tidewater connection extended for one mile along the north side of James river. It consisted of a series of locks and basins extending from the main basin of the canal to the upper end of the dock, and a ship canal connecting the dock with the river at Rocketts.¹ The business and revenue of the dock exceeded that of any other portion of the company's works except the canal, and its trade

¹ The ship lock, built of granite, was 185 feet long between the gates, 35 feet wide, had a lift of 15 feet, and would pass vessels of 500 tons. The dock was 4,100 feet long from the ship lock to Seventeenth Street and had a continuous wharf, protected by a granite wall for its whole length on the north side and for about 1,000 feet on the south side. Its depth was from 11 to 15 feet, and its average width 100 feet. Above Seventeenth Street was a continuation called "the upper dock", which was also of granite and was 800 feet long and 200 feet wide. The dock was connected with the basin by means of five locks, having an aggregate lift of 96 feet. The cost of the dock and tidewater connection was \$851,312, the cost of the dock alone having been \$244,721.98. This part of the company's works was completed in 1854. See *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 670, 672, 685. The navigable possibilities of the James below Richmond are described by President Ellis as follows: "The James river is navigable for ships of 1,000 tons burden, drawing 17 feet, from its mouth to City Point, 36 miles below Richmond. From City Point, vessels drawing 15 ft. water can ascend to Warwick, five miles below Richmond. From Warwick to Richmond the river is navigable at this time (1860) for vessels drawing 11½ ft. water. But improvements are in progress, at the expense and under the supervision of the city of Richmond, by which the depth will be increased to 16 ft., from Richmond to City Point." *Ibid.*, p. 670. The James River and Kanawha Company was the successor not only to the James River Company, but to the Richmond Dock Company as well.

increased steadily from 1853 to 1860. In 1855 there were 1217 boats and vessels entering the dock, and 1377 leaving; in 1857 the number entering was 1852, and those leaving 1891; in 1860 the number had risen to 2123 incoming vessels and 2337 outgoing craft. In 1855 sixty New York packets, forty Baltimore packets, and twenty-nine Boston packets entered the dock with assorted cargoes. In 1860, the number had increased to fifty-six from New York, seventy-five from Baltimore, and thirty-nine from Boston.¹ The principal articles of trade unloaded at the dock were the heavy, bulky staples in whose first cost transportation is so large a factor, and the bare statistical details will give a truer notion of their character than any generalization. In 1860 incoming vessels unloaded 29,897 tons of coal, 25,470 barrels of fish, 22,778 tons of guano, 29,813 bales of hay, 13,333 tons of iron (pig and scrap), 48,491 casks of lime, 27,035 bushels of oats, 8,149 tons of plaster, 73,177 sacks of salt, 3,116,600 shingles, 2,053 barrels of tar and rosin, and 43,112 bushels of wheat. The principal articles loaded at the dock on outgoing vessels the same year consisted of 423,194 barrels of flour, 56,367 packages of tobacco, 143,000 bushels of wheat, and 1,117 tierces of tobacco.² The receipts from dockage for 1860 were \$50,128.03, the disbursements were \$7,721.52, and the net income \$42,406.51. The dock was decidedly the most profitable part of the company's works.³ Following the Civil War the trade of the dock declined rapidly owing to increased traffic on the railways and the consequent decline of Richmond as a port. In 1880 the receipts from dockage were only \$10,446.31.⁴

By far the most important work of the company was the

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 802-803.

² *Ibid.*, p. 787.

³ *Ibid.*

⁴ *Forty-sixth Annual Report J. R. & K. Co.*, p. 153.

canal from Richmond to Buchanan, a distance of 196½ miles.¹ It was completed to Lynchburg, a distance of 147½ miles, in 1840, and to Buchanan in 1851. The James River and Kanawha Canal was thirty feet wide at the bottom, fifty feet wide at the water-line, and five feet deep. The tow-path was twelve feet wide, and the berm bank² eight feet. The locks were one hundred feet long between the gates and fifteen feet wide in the chamber. The total lockage from Richmond to Buchanan embraced ninety lift locks, having a total lift of seven hundred and twenty-eight feet. Other works built along the canal consisted of six guard locks, two accommodation locks, twenty-three dams, twelve aqueducts, one hundred and ninety-nine culverts, one hundred and thirty-five farm and road bridges over the canal, twenty tow-path bridges, and one street bridge of one hundred feet span over the basin at Lynchburg. The cost of the first division, from Richmond to Lynchburg, was \$5,837,628, or \$39,082 per mile; that of the second, from Lynchburg to Buchanan, \$2,422,556, or \$48,451 per mile. In the second division were twenty-eight miles of canal and twenty-two miles of slack-water navigation. The canal as a whole, from Richmond to Buchanan, contained 159¾ miles of canal and 36¾ miles of slack-water navigation, and cost \$8,259,184.³

¹ In estimating the length of the canal it was customary to add the dock and tidewater connections, making the total 197½ miles.

² The berm bank, or berm ditch, was described as follows: "Along the entire canal, on the lower or river side, there is a ditch, called the soakage ditch, which is intended to prevent damage to the adjacent land by percolation from the canal; while on the upper or hill side, there is commonly a ditch, called the berm ditch, intended to catch the washing from the neighboring slopes or streams, to prevent its passing into the canal, and convey it off through culverts, at suitable points under the canal." Letter to *Richmond Enquirer*, February 7, 1867.

³ *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 671-672. The slack-water navigation was by means of locks and dams.

The third division of the canal from Buchanan to Covington, a distance of forty-seven miles, was designed to consist of forty-one miles of canal and six miles of slack-water navigation. It was estimated to cost \$2,555,131, and the first fifteen miles above Buchanan were put under contract in 1853, but for want of funds the work on this division was suspended in 1856. The amount expended on this portion of the line was \$511,094.¹

The canal was located on the north side of James river from Richmond to within a few miles of Lynchburg, and on the south side of the river from Lynchburg to the Blue Ridge Canal, a distance of about seventeen miles. Here it crossed again to the north side of the river and consisted of a sort of mixed slack-water navigation from Balcony Falls to Buchanan.²

Ancillary to the first division of the canal was the Rivanna Connection, consisting of a branch canal of about four miles in length which connected the Rivanna river with the main line of the James River and Kanawha Canal. In effecting this improvement the company expended \$115,043.³ Connected with the second division of the canal was the North River improvement, extending a distance of nine-

¹ Though never completed, this division of the canal was definitely located, and was designed to have a lockage of 464¾ feet. The portion actually completed embraced ten lift locks and the abutments and piers of three of the aqueducts over the James river. The foundations of two of the dams, up to the surface of low water, were constructed. The Mason tunnel, 198 feet long, was completed. Of the Marshall tunnel, designed to be 1900 feet long, about 800 feet had been excavated before the work was suspended. *Twenty-sixth Annual Report J. R. & K. Co.*, p. 672.

² All the charts portraying the location of the canals of the United States which the author has seen place the James River and Kanawha Canal on the north side of the river continuously, which is of course erroneous.

³ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 671. Cf. Letter of President Ellis to *Richmond Enquirer*, February 7, 1867.

teen and three-fourths miles from the mouth of North River to Lexington.¹ The total mileage of the canal, including the North River and Rivanna branches was 222 miles, of which 177 miles consisted of artificial canal and 45 miles of slack-water navigation.² In the fifties it was the principal artery of commerce in Virginia, especially in central Virginia, and it is deemed advisable to describe in some detail, however unexciting it may be as literature, the character and extent of its traffic and of the tolls charged on the same.

Freight traffic on the canal in 1841, the first year after its completion to Lynchburg, amounted to 110,141 tons, for which the gross receipts were \$121,751.29, and the net revenue \$59,610.33. In 1845 the traffic had increased to 134,759 tons, with gross receipts amounting to \$183,651.05, and a net revenue of \$128,519.58. In 1852, the first year after the completion of the canal to Lynchburg, the tonnage was 210,040, the gross receipts rising to \$277,448.97, and the net revenue being \$182,190.47. The canal reached its maximum as a revenue producer in 1853, when its tonnage was 231,032, its gross revenue \$293,512.92, and its net revenue \$170,368.81. In 1860 it reached its maximum as a freight carrier, its tonnage for that year being 244,273, but the gross receipts had fallen to \$238,991.27, and the net revenue to \$105,928.42.³ After 1853 the growing

¹ This work consisted of ten miles of canal and nine and three-fourths miles of slack-water navigation. The principal works built on this improvement consisted of 22 locks of the same size as those on the main canal, and having a total lift of 188 feet; 9 stone dams, one timber dam across North river, and four aqueducts. The cost of this work was \$506,551, including the amount expended on it before its purchase by the James River and Kanawha Company; *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 671, 685.

² Letter of President Ellis to *Richmond Enquirer*, Feb. 7, 1867.

³ The panic of 1857, coupled with increasing railroad competition, affected the canal adversely at the very time when it should have experienced a considerable increase of business and revenues.

traffic of the railroads interfered with the canal's business, which declined steadily until 1860 when it revived somewhat, though its revenues were decreasing owing to the necessity of reducing tolls in order to compete with the railroads. It appears that but for the disastrous effects of the Civil War the canal would have continued to do a fair business for a considerable time. Following the war, its traffic rapidly declined in the face of depressed business conditions and the competition of the railroads.¹

In the adoption of a tariff of tolls the company at first acted upon the principle of graduating the charge by the length of the voyage and the use made of the canal, and continued to adhere to this policy until the competition of rival lines forced the directors "so to regulate the tolls as to yield the greatest possible amount, with or without discrimination of places, as the case might be."² In 1845 the average rate for through tonnage was eight mills per ton of 2,000 pounds.³ In 1847 the tariff of tolls on the canal for a ton of 2,000 pounds varied from one-half cent per ton per mile for heavy articles like coal, gravel, iron ore, lime, and stone to one cent per ton per mile for articles such as corn, hay, pig iron, slate for roofing, and timber. The rate was two cents per ton per mile for vegetables, ship-stuff, dressed stone and marble, salt, and potatoes; three cents per ton per mile for apples, barley, potters' ware, bar iron, flour, wheat, and molasses; three and one-half cents per ton per mile for tobacco of all kinds; and four cents per ton per mile for articles of merchandise. Sand for all distances was five cents per ton.⁴ In 1852 the company

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 818-819. See also *Forty-second Annual Report*, *ibid.*, pp. 150-151.

² *Twenty-sixth Annual Report J. R. & K. Co.*, p. 728.

³ *Eleventh Annual Report J. R. & K. Co.*, Appendix, p. 12.

⁴ *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 736-739.

adopted a new tariff of tolls, reducing the rates about thirteen per cent.¹ To meet railroad competition a further reduction was made in 1859. The new tariff of tolls which was put into operation in January, 1859, ranged from one-fourth of a cent per ton per mile for heavy articles like iron ore and rough stone to four cents per ton per mile for articles of merchandise. The average rate per ton per mile in 1841 was \$1.81; in 1847, it was \$2.27; in 1860, it had declined to \$1.30.²

The most approved kind of freight boat for use on the canal was one capable of carrying eighty tons, though the load usually carried seldom exceeded sixty tons. The heaviest traffic was between Richmond and Lynchburg, and the time ordinarily taken by the freight boats for an uninterrupted voyage between the two points was "three and one-half days up, and three days down."³ Cabell describes the possibilities of profit to operators of freight boats on the canal in 1845 as follows:

Making allowances for procuring freight, unloading, repairs, and interruption to navigation, a freight boat will make twenty-three trips a year from Richmond to Lynchburg. The expense to the proprietor of such a boat, including wages of captain, five hands for night and day service, towlines,

¹ *Seventeenth Annual Report J. R. & K. Co.*, p. 426; cf. *Eighteenth Annual Report, ibid.*, p. 454.

² *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 740-744, 818. The principal articles brought down the canal in 1860 were 15,268 hogsheads of tobacco, 53,076 boxes of manufactured tobacco, 2,308 hogsheads of tobacco stems, 78,711 barrels of flour, 695,388 bushels of wheat, 10,933 bushels of corn, 4,177 tons of pig iron, 21,305 tons of coal, 20,898 tons of stone, and 9,540 cords of wood. The principal articles carried up the canal that year were 26,045 sacks of salt, 9,075 tons of plaster, 9,724 tons of coal, 2,618 tons of castings, 3,952 barrels of fish, 16,390 kegs of nails, and 9,072 tons of guano. The estimated value of tonnage on the canal in 1859 was \$21,658,000; *ibid.*, pp. 707, 817.

³ *Eleventh Annual Report J. R. & K. Co.*, Appendix, p. 13.

bowlines, oil, fuel, etc, deterioration of boat and four horses and interest on their cost, with their keep and shoeing, for one year, is about \$2,070, being \$90 per trip or 5 mills per ton per mile. To one who is both owner and captain of the boat the cost is less. The carrier's profit being 3 mills per ton per mile, the net earnings of a boat will be \$1,208 per year.¹

In 1854 the boats regularly engaged in transportation on the canal as freight carriers were as follows: 75 decked boats, 66 open boats, and 54 batteaux, making a total of 195 boats, which required for their operation 867 men and 423 horses. The estimated value of the decked boats, with their teams, was \$1,000 each; of the open boats, with their teams, \$500; and of the batteaux, \$25; making an aggregate valuation of \$109,350.²

Passenger traffic on the canal was never extensive and even at its height was confined to six regular packet boats. There was a line of packet boats leaving Richmond ever other day for Buchanan; another line leaving Richmond every other day for Columbia, which was fifty-seven miles above Richmond at the mouth of the Rivanna river; and a third line leaving Richmond every other day for Scottsville.³ These packet boats required ninety-six men and one hundred and twenty horses to operate them, and represented an investment by their proprietors of \$28,500 for the boats and horses.⁴ In 1845 the fare for passengers on the canal from Richmond to Lynchburg, inclusive of lodging and meals, but not of tolls, was \$5.27, or at the rate of 3.6 cents per mile. The time consumed in making the

¹ *Eleventh Annual Report J. R. & K. Co.*, Appendix, p. 13.

² *Twentieth Annual Report J. R. & K. Co.*, pp. 663-664.

³ *Ibid.*, p. 663.

⁴ *Twentieth Annual Report J. R. & K. Co.*, p. 664. The six packet boats were valued at \$13,500, and the 120 horses at \$15,000.

trip was "33 hours up, and 31½ hours down".¹ Prior to Dec. 16, 1848, the fare by packet boats from Richmond to Lynchburg was fixed at \$7.50, including meals, for grown persons. In 1851 tolls on passengers were one cent per mile for whites over twelve, and one-half cent per mile for colored persons and for children between the ages of five and twelve. Tolls on passengers on all other boats than packets were two mills per mile and at a rate not exceeding \$3.50 per passenger, exclusive of meals, from Richmond to Lynchburg, and *vice versa*; and at that proportion for way travel along the line of the canal. After 1848 the regular fare on the packet boats from Richmond to Lynchburg and *vice versa* was \$3.50 without meals, and \$7.50 if meals were included. Children and servants regularly traveled at half fare.² Owing to railroad competition the passenger rates were reduced in 1859 to two mills per mile for white passengers over twelve, and one mill per mile for children and servants. At the same time the tariff was reduced to one cent per mile on boats and flats and one-half cent per mile on batteaux.³ The canal was at all times a public highway and might be used by any one desiring it, upon compliance with the regulations of the company.

The receipts from passenger traffic on the canal the first year of its operation amounted to \$5,368.36. The maximum receipts from this source were in 1847 and amounted to \$8,708.79. After 1854, when the competition of the railroads began to be felt, the traffic dwindled rapidly until in 1859 the receipts were only \$2,125.40. But the reduction in passenger fares that went into effect in 1859 more than doubled the passenger traffic for 1860, and the revenues

¹ *Eleventh Annual Report J. R. & K. Co.*, Appendix, p. 13.

² *Seventeenth Annual Report J. R. & K. Co.*, p. 427; cf. *Twentieth Annual Report*, *ibid.*, p. 779.

³ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 744.

from that source increased that year to \$5,076.64.¹ For purposes of through travel between Lynchburg and Richmond the canal ceased to be preferred by the gentry after about 1855. It was found to be more convenient after that date to go by rail to Farmville and thence by stage to Lynchburg; "so that for purposes of through travel the canal lasted, one may say, only ten or a dozen years."²

George W. Bagby, in his reminiscences of travel on the James River and Kanawha Canal, describes one of his trips from Richmond to Lynchburg on the regular packet as follows:

The packet-landing at the foot of Eighth Street presented a scene of great activity. Passengers on foot and in vehicles continued to arrive up to the moment of starting. . . . At last we were off, slowly pushed under the bridge at Seventh Street; then the horses were hitched; then slowly along we passed the crowd of boats near the city, until at length with a lively jerk as the horses fell into a trot, away we went, the cut-water throwing up the spray as we rounded the Penitentiary hill, and the passengers lingering on deck to get a last look at the fair city of Richmond, lighted by the pale rays of the setting sun.

As the shadows deepened everybody went below. There was always a crowd in those days, but it was a crowd for the most part of our best people and no one minded it. . . .

Supper over, the men went on deck to smoke, while the ladies busied themselves with draughts or backgammon. But not for long. The curtains which separated the female from

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 818.

² George W. Bagby, *The Old Virginia Gentleman and Other Sketches* (N. Y., 1910), p. 246. Bagby's book, written in pleasing style and with a delightful vein of humor, contains a chapter entitled, "Canal Reminiscences—Recollections of Travel on the J. R. & K. Canal." This chapter was also published in pamphlet form and a copy of it may be found in the New York Public Library.

the male apartments were soon drawn, in order that the steward and his aids might make ready the berths. These were three deep, "lower", "middle", and "upper", and great was the desire on the part of the men not to be consigned to the "upper". . . . We all went to bed early. A few lingered, talking in low tones; the way-passengers, in case there was a crowd, were dumped upon mattresses, placed on the dining tables. . . .

We turned out early in the morning and had precious little room for dressing. . . . There was abundant leisure to enjoy the scenery, that grew more and more captivating as we rose, lock after lock, into the rock-bound eminences of the upper James. . . .

In fine summer weather the passengers, male and female, stayed most of the time on deck. . . . For the men this on-deck existence was especially delightful; it is *such* a comfort to spit plump into the water without the trouble of feeling around with your head, in the midst of a political discussion, for the spittoon. . . .

All the scenery in the world . . . all the facilities for spitting that earth affords, avail not to keep a Virginian away from a julep on a hot summer day. From time to time he would descend from the deck of the packet and refresh himself. The bar was small, but vigorous and healthy. . . . "Gentlemen, your very good health"; "Colonel, my respects to you"; "My regards, Judge". "When shall I see you again at my house? Can't you stop now and stay a little while, if it is only a week or two"? "Sam" (to the bar-keeper), "duplicate these drinks". . . .

Arrived in Lynchburg, the effect of the canal was soon seen in the array of freight boats, the activity and bustle at the packet-landing. . . . ¹

The climatic advantages of the James River and Kanawha Canal were much superior to those of the canals

¹ George W. Bagby, *loc. cit.*, pp. 235-245.

farther north. From 1840 to 1848 no suspension on account of ice was reported except for twelve days in 1845. From 1848 to 1868, suspension due to ice amounted to an average of only fifteen days per year.¹ Senator Windom, of Minnesota, estimated that even if the route were completed over the Alleghanies, it would be closed by ice only about thirty days in each year, and gave this as a reason why it was to be preferred to other routes to the west as a suitable object of federal aid.²

Ancillary to the canal were the South Side Connections, which connected the canal with the south side of the James river. These improvements consisted of a dam and an outlet at Cartersville, and three bridges; one at New Canton, one at Hardwicksville, and one at Bent Creek. The construction of these works cost the company \$162,685. The income in tolls from the bridges was always inconsiderable and was insufficient to meet the expenses incurred for maintenance and repairs. The company constructed them because required to do so by act of Assembly, and their chief benefit was that they afforded facilities for persons and freight using the canal and these were required by law to pass free of charge. The yearly receipts from this source were about \$450.³

The James River and Kanawha Company derived a fair revenue from water rents, for the use of mills along the line of the canal. The receipts from this source amounted in 1842 to \$5,584.28, and in the decade 1850-1860 averaged

¹ *The Central Water-Line from the Ohio River to the Virginia Capes*, pp. 89-90.

² "Cheap Transportation," *Speech of Hon. Wm. Windom of Minnesota, April 24, 1874, Senate of the United States* (Washington, 1874), p. 45.

³ *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 671, 826, 828; *Nineteenth Annual Report J. R. & K. Co.*, p. 556.

about \$10,000 annually. In 1859 they reached their maximum of \$14,087.¹

An extended account having been given above of the Kanawha Turnpike Road, it is necessary at this point to direct attention to this road only with reference to its revenues. In the fifties its importance declined, and in the sixties it passed from the control of the company as a result of the dismemberment of the state. The total receipts from this road in the decade 1835-1845 amounted to \$116,857.73, the disbursements to \$98,036.16, and the net revenue to \$18,121.57. In 1845 the receipts were \$9,484.47, the disbursements \$5,567.50, and the net revenue \$3,926.77. In 1852 the receipts from tolls at gates and bridges were \$8,028.57, the disbursements \$5,841.07, the net revenue \$2,187.50; in 1857 they were \$3,639.95, \$2,150.97, and \$1,488.98, respectively. In 1859, however, the receipts rose to \$8,816, but the disbursements were \$9,413.15, leaving a deficit for that year of \$594.67.² The Kanawha Road was rather thrust upon the company at the time of its organization and was apart from the general scheme of its works, which looked more to the completion of an all-water line to the west. It appears that the company would have been not unwilling to dispose of the road at a fair price had opportunity offered, as it entailed extra burdens of administration and was beginning to be a financial liability in the late fifties.³

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 918. R. A. Brock, writing in 1879, says: "The franchises and water privileges of the J. R. & K. Co. are valuable and remunerative, all of the large manufacturing establishments near its line bearing them tribute." See Brock's article on the canal in *Richmond Standard*, February 15, 1879.

² *Eleventh Annual Report J. R. & K. Co.*, Appendix, pp. 1-2; also *Twenty-third Report*, p. 401; *Eighteenth Report*, p. 480; *Twenty-sixth Report*, p. 826.

³ For extended description of Kanawha Turnpike Road, see *supra*, pp. 81-84.

The Blue Ridge turnpike road, which the James River and Kanawha Company had taken over in 1836 at a cost of \$9,280, was nine and one-half miles long. Six miles of this road were on the north side of the James and the remainder was on the south side, the two portions being connected by a ferry. The receipts from this source were inconsiderable and the improvement was unprofitable to the company inasmuch as the income was usually exceeded by the expense of maintenance and repairs. The revenue from the road in 1860 amounted to only \$217.60.¹

The Kanawha River Improvement was an essential part of the James River and Kanawha Company's scheme of a great central water-way connecting Virginia with the West and would doubtless have received considerable attention had the line been completed from Covington through the mountains, but inasmuch as this was not done the Kanawha river was neglected, much to the disgust of the people living along its border. Nevertheless the company had taken over this improvement at the time of the transfer of the works of the James River Company in 1835 and it remained a part of the company's works until the state was dismembered. The improvement of the Kanawha river by the James River Company under state control had been undertaken at a time when flatboats for the shipment of salt and keel boats for the ascending freight were the modes of transportation employed, and when the steamboat was an experiment rather than an established means of commerce on the river. Later, when the steamboat and larger flatboats came into general use on the Kanawha, the improvements effected proved to be inadequate. Nor were such improvements as had been made constructed in a workmanlike and scientific manner. It being to the interest of the

¹ *Third Annual Report J. R. & K. Co.*, p. 229; cf. *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 826-828.

contractors to obtain the width and depth through the shoals and rapids required for the channel at the least possible cost, "the connection between stretches of deep water in the narrow channel was formed on the shortest and cheapest line that would be had, regardless of the current of the river."¹ Hence, as pointed out by engineer Charles B. Fisk,

At some of the rapids, and elsewhere, the new channels or "dog shutes" . . . , through and across a succession of short lengths of deep water and shoals, pursue a zigzag course which it is difficult for boats to follow in some stages of the intermediate between high and low water—for they do not, at these stages, coincide or run parallel with the river current. Boats consequently, are sometimes thrown upon the side walls or banks of the "dog shutes" by that current.

The shutes and channels made by the state are generally too narrow. . . . At some of the shoals and rapids a secure entrance for boats in certain stages of the river has not been made at the head of the "dog shutes".

In consequence of these defects in the existing improvements, steamboats . . . have difficulty in passing through some four or five of the "dog shutes" below Charleston, and there are some at which, in certain stages of the river, steamboats are compelled to follow the old or natural channels, which from the diversion of a part of the water through the new or excavated channels, have not as much depth of water as they would have if the river had been left in its natural state.²

The sluices opened through the shoals or shallows of the

¹ Memorial of the Citizens of Kanawha, Fayette, Putnam, and Mason counties to the Virginia Legislature, *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 716-720.

² Report of Charles B. Fisk, Engineer, "On the Improvement of the Kanawha River, Oct. 21, 1854," *Twentieth Annual Report J. R. & K. Co.*, pp. 746-747.

Kanawha formed narrow channels of rapid water confined by stone walls on each side and approached at their head "through funnel-shaped wingdams", and having been constructed unscientifically proved unsatisfactory.¹ The original cost of these improvements had been \$91,666.72, and the James River and Kanawha Company had not attempted to replace them by constructing new works to meet the changed conditions that had arisen. It had, however, from time to time spent considerable sums in repairing and maintaining the works already constructed. Its expenditures for this purpose to September 30, 1854, amounted to \$61,170.40, and it continued to make disbursements regularly thereafter to keep the improvements in repair, though never to the satisfaction of the people along the river.² The navigability of the Kanawha varied with the seasons, upon which it depended far more than on the artificial improvements maintained by the company. According to Fisk,

From four to five months each year, in winter and spring, flatboats descend and steamboats ascend and descend the Kanawha without obstructions from either shoals or rapids, and as freely as they in that period run on the Ohio. During the low water stages of the river, the Kanawha has about six inches more water available for navigation than the Ohio above Point Pleasant. In extreme low water its navigation, like that of the Ohio, is suspended. In the stages in-

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 718. The sluice navigation recommended for the Kanawha by Fisk in 1854 was (1) "To place wingdams at right angles or oblique to the stream as circumstances might require, and at suitable points longitudinally of the river, to give sufficient depth of water over the shallows, and at the same time distribute the fall at the shoals and ripples, over a greater distance than at present; (2) To form channels with parallel banks or dykes . . . from wing wall to wing wall, and from one stretch of deep water to another. . . ." See *Twentieth Report J. R. & K. Co.*, p. 748.

² *Reports Board of Public Works*, vol. vi, pp. 460-462; *Twentieth Annual Report J. R. & K. Co.*, p. 668.

intermediate between high and low water the navigation of the Kanawha is at present somewhat inferior to that of the Ohio.¹

The traffic on the Kanawha was inconsiderable for many years, but in the fifties was increasing at a fairly rapid rate. The chief articles conveyed on the river were salt and coal. The manufacture of salt had long been the most important industry of the Kanawha valley.²

The salt manufactured in the Kanawha valley in 1854 amounted to 3,000,000 bushels, and was valued at \$1,000,000.³ Meanwhile the coal trade on the river, which was much later in its development, had begun to assume important proportions. In 1855 there were at least twenty coal companies doing business in Charleston or its general vicinity and this business was stimulated by the improved transportation facilities afforded by the steamboat. The result was an increased traffic in coal on the river, but that in articles other than salt and coal was not noteworthy prior to the Civil War, and consisted chiefly in timber, lumber, iron, grain, flour, corn, pork, whiskey and general merchandise.⁴

¹ *Twentieth Annual Report J. R. & K. Co.*, p. 745.

² According to Ambler, "In 1797 Elisha Brooks set up the first salt furnace on the Great Kanawha. In 1807 the Ruffner brothers improved the method of manufacture and increased the quantity of the Kanawha product. Soon the "Kanawha salines" became known far and near for the excellent quality of the salt produced. Hundreds of people became dependent on the salt-making industry for a livelihood. Some built keel-boats and distributed the manufactured product along the Ohio and its tributaries; others made barrels and found employment in drawing the salt brine from the wells and evaporating it. In 1841 the Kanawha Salines produced 600,000 bushels annually, supplying the western markets at prices of 75 cents to \$1.00 per bushel. At this time salt was selling at \$5.00 per bushel in the Atlantic ports." C. H. Ambler, *Sectionalism in Virginia*, p. 84.

³ *Twentieth Annual Report J. R. & K. Co.*, p. 733.

⁴ *Twenty-first Annual Report J. R. & K. Co.*, pp. 71 et seq.; cf. Ambler's *Sectionalism in Virginia*, p. 314.

The James River and Kanawha Company never at any time engaged in carrying freight or passengers on this part of its line, but its position was merely that of the proprietor of certain improvements on a stream open to the navigation of the public and for the use of which improvements it was authorized to take compensation in the form of toll, as upon a public highway. It owned no boats of any kind plying on the river, which was navigated by others owning their own boats and doing the entire carrying trade. No charge was ever made by the company in the form of tolls for passengers on the Kanawha river, but its income from that portion of its works was derived exclusively from tolls on freight.¹ The schedule of tolls for the Kanawha river improvement was as follows: for drygoods, sugar, coffee, bacon, oil, flour, lard, whiskey, beer, empty barrels, staves, corn, pork, cheese, wine, fish and hemp, at the rate of one cent per ton per mile; salt, iron, nails, castings, one-half cent per ton per mile; coal, lime, lumber, one fourth cent per ton per mile.² In 1833 the tolls on coal and salt were one-half per bushel for all distances.³ The industrial development of the Kanawha valley region was rapid in the fifties and had the company effected more adequate improvements it appears that a considerable revenue would have been derived from this portion of its works, but the incomplete improvements then existing produced a feeling of irritation on the part of the people, who formed the habit of evading the tolls whenever possible and thus depriving the company of much of the income to which it was legally entitled.⁴

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 850.

² *Twentieth Annual Report J. R. & K. Co.*, p. 740.

³ *Nineteenth Annual Report J. R. & K. Co.*, p. 560.

⁴ The receipts from tolls in 1845 were \$10,017.07, and the net revenue was \$7,135.09. For the decade 1835-45 the receipts were \$65,479.01, the

Having passed in review all the works of James River and Kanawha Company, attention is now directed to the enterprise as a whole. The number of officers and agents employed by the company in 1860 to manage and supervise its varied works was one hundred and sixty-five, who received an annual income of \$55,746. The principal officers were the president, six directors, secretary, bookkeeper, clerk, the chief engineer, two assistant engineers, two superintendents of repairs, and the officers of the Kanawha board. In addition to these were minor officers and agents, besides a large force of subordinate mechanics and laborers, raising the total number of employees of the company to four hundred and fifty-five.¹ In the purchase and construction of its works the company expended the sum of \$10,413,996.13 from the time of its organization in 1835 to 1860. Its original capital was \$5,000,000, but inasmuch as one million of the state's subscription was in the form of old works, most of which had to be rebuilt, and the private subscriptions proved to be insolvent to the amount of \$73,336.46, the company realized only \$3,926,663.54 as the available cash capital with which to construct its works.

disbursements \$25,405.21, the net revenue \$40,073.80. In 1860 the receipts were \$9,864.28, the disbursements \$2,116.24, the net revenue \$7,748.04. It will thus be seen that the Kanawha River Improvement, while unsatisfactory to the public, was a source of profit to the company. *Eleventh Annual Report J. R. & K. Co.*, Appendix, pp. 2, 7; also *Twenty-sixth Annual Report J. R. & K. Co.*, p. 826.

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, p. 689. Officers of the Kanawha Board, which was organized separately, though subordinate to the company's directorate, consisted of the president *pro tem.*, four directors, and secretary. Minor officers and agents of the J. R. & K. Co. consisted of three toll-gatherers on the canal, three toll-gatherers' clerks, three inspectors of boats, ninety-eight lock-keepers, one distributing agent, two master masons, four master carpenters, six overseers, one ferryman, one collector on the dock, two collectors on the Kanawha river, four bridge-gate keepers, two turnpike agents, thirteen turnpike-gate keepers, and one patrol. *Ibid.*

All beyond the capital thus realized was borrowed money, which entailed heavy interest charges. The sums borrowed from time to time aggregated \$5,487,332.59. The company expended from 1835 to 1860 the sum of \$2,424,096 for repairs and maintenance; for interest, annuity and sinking fund, \$3,164,397; for dividends to stockholders, \$11,599.59; for losses sustained through General Hamilton's agency, \$63,820.45; making a total for expenses and charges of \$5,663,913. In the same period it received from tolls and other sources of income, chiefly water rents, the sum of \$5,161,850. In 1860 its indebtedness was over \$7,000,000.¹

In 1860 the James River and Kanawha Company was still the most powerful corporation in Virginia.² For the fiscal year closing September 30, 1859, its income from its various works amounted to \$308,895.33, its disbursements to \$155,179.45, and its net revenue to \$153,715.88. What brought the company into constant financial embarrassments was not that it failed to do a good business, but that its works were constructed chiefly with the proceeds of loans, the interest on which accumulated to such an extent that it kept the company always heavily involved. Hence it was never profitable to the stockholders. Nevertheless, it was the most important agency of commerce lying wholly within the borders of Virginia prior to the Civil War, as well as the most heavily capitalized corporation. Despite its financial embarrassments and its halting course of construction, its tonnage in 1859 was over three times that of the Richmond and Danville Railroad, the most important

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 682, 685, 699, 826-830; *Docs. H. of D., 1859-60*, doc. no. 43, pp. 5-7.

² Virginia not being a commercial or industrial state in the *ante bellum* era, large corporations backed by powerful financial interests were not a feature of her economic life. Her genius was not commercial, but political. Her chief economic interest was agriculture.

railway in the state at that time; and exceeded by 2,523 tons that of the combined tonnage of the four railroads entering Richmond.¹

It appears that even as late as 1860 the James River and Kanawha Company was by far the largest freight carrier in Virginia and that the freight traffic on any of the more important railroads was insignificant by comparison. If this was the case in 1860 it would be yet more apparent taking the decade as a whole, while prior to 1850 the James River and Kanawha Company loomed up as the giant corporation of the state. This would hold if the canal alone were taken into consideration, but if all the works of the company were included, its relative importance in the scheme of Virginia's internal improvements was impressive until the Civil war and was overwhelming prior to 1853. The James River and Kanawha Company was regarded by the people of Virginia in the thirties, forties, and fifties as a corporation overshadowing all others in the state and as such was repeatedly referred to by governors, legislators, and committees of the General Assembly. The traditions connecting its earlier stages with the names of Washing-

¹ In their last annual reports prior to 1860 the freight tonnage reported by the railroads having their terminals in Richmond were as follows: the Richmond and Danville Railroad, 57,315; the Virginia Central, 64,177; the Richmond and Petersburg, 59,479; and the Richmond, Fredericksburg & Potomac, 22,791; making a total for these four roads of 203,762 tons of freight on their aggregate length of 433 miles. But the tonnage of the James River and Kanawha Canal for the same year was 206,295. The only other railroads in the state which made reports of tonnage in 1859 were in Virginia and Tennessee, 59,154; the Orange and Alexandria, 29,300; the Manassas Gap, 28,765, the Winchester and Potomac, 15,550; the Norfolk and Petersburg, 7,502; and the Seaboard and Roanoke, 32,660. These railroads, with a total mileage in 1860 of 562 had an aggregate tonnage in the preceding year of 172,931 tons, which was exceeded considerably by that of the canal for the same period. The freight business of all the ten railroads named above combined was in 1859 but 376,693 tons, while that of the canal was 206,295 tons; *Twenty-sixth Annual Report J. R. & K. Co.*, p. 708.

ton, Marshall, Madison, Breckinridge, and others of the foremost men of the state, coupled with the ever-present hope of completing the work as a great central waterway to the west, made a powerful appeal to the popular mind, even after the railroad era was in full swing, and carried the day for the enterprise in many a crisis of its fortunes.¹

Nevertheless the canal was doomed. Railroads were more in harmony with the impatient wants of the age and when once they had demonstrated their practicability and usefulness the James River and Kanawha Canal, like most of the others in the country, was unable to compete with them and finally succumbed to their superior advantages. Such competition was hardly felt by the canal prior to 1853, but after that time it encroached steadily upon the traffic and revenues of the canal, whose whole tonnage basin was finally circumscribed by the railroads, and rendered its situation hopeless. In the fall of 1859 the rivalry between the railroads and the canal was described by President Ellis as follows:

The Southside, Danville, and Central railroads are formidable rivals to the canal . . . and have diverted an amount of trade and travel, the loss of which has told very perceptibly on its revenues. . . . With slight exceptions . . . there had been a steady increase of revenue . . . down to 1854. In that year these works began to divert trade from our line, and since then, notwithstanding the tribute brought to the canal by the Virginia and Tennessee Railroad, and notwithstanding the effect produced upon the trade of the entire line by the completion of the tidewater connection, there has been a falling off year by year.²

¹ See the annual messages of the governors of Virginia, reports of the Board of Public Works, memorials of internal improvement conventions, petitions to the legislature, and the annual reports of the J. R. & K. Co., *passim*.

² *Docs. H. of D.*, 1859-60, doc. no. 43, p. 32; *cf. Twenty-sixth Annual*

Though the railroads continued to diminish the tonnage and revenues of the canal until they finally reduced it to bankruptcy and abandonment, there was no other canal enterprise in the state that interfered seriously either with its traffic or with its appropriations. The Chesapeake and Ohio Canal would have become its competitor for trade only in the event that both these enterprises had carried out their original plan of connecting with the Ohio by an all-water route, but as both failed in this ambition neither interfered with the traffic of the other. Nor did they con-

Report J. R. & K. Co., p. 706. The "Southside Railroad" referred to above was the Atlantic, Mississippi, and Ohio Railroad, the construction of which began in 1852. This road completed 106.91 miles in 1852; 75.94 miles in 1853; 86.08 miles in 1854; and in 1860 had a mileage of 428.36 miles. In 1881 it was merged into the Norfolk and Western Railroad Company's system. Its route lay through Petersburg and Farmville and paralleled that of the canal roughly for a considerable distance. See *Tenth Census of the United States*, 1880, vol. iv, pp. 348-349; and *Poor's Manual of Railroads*, 1889 (N. Y., 1889), p. 1039. The "Danville Railroad" was the Richmond and Danville Railroad. In 1850 construction began on this line and 14.35 miles were built that year; 31.67 miles in 1851; 30.28 miles in 1852; 11.55 miles in 1853; 10.40 miles in 1854; 32.70 miles in 1855; 13.70 miles in 1856. In June, 1860, its mileage was 153.32 miles. It competed with the canal for freight on the south side of James river. *Tenth Census, ibid.*, pp. 350-353; *Poor's Manual, ibid.*, p. 610. The "Central Railroad" was the Virginia Central Railroad. This road was chartered February 18, 1836, as the Louisa Railroad Company, but its name was changed to the Virginia Central Railroad Company on March 5, 1849, and on March 1, 1867, became the Chesapeake and Ohio Railroad Company, extending a distance of 205½ miles from Richmond to Covington, via Charlottesville. Construction began with 35.54 miles in 1839; 13.73 miles in 1840; 21 miles in 1850; 27.54 miles in 1851; and by 1860 had reached 146.80 miles. It was completed to Covington in 1867, its cost from Richmond to that point being \$6,090,140. This road was the chief competitor of the canal and began to interfere with its traffic about 1851, particularly on that part of the road between Richmond and Charlottesville. *Tenth Census, ibid.*, pp. 346, 353; J. D. Imboden, "Report on Virginia," in *Report on the Internal Commerce of the United States*, 1886, Part II of Commerce and Navigation, Appendix, p. 20; *Seventeenth Annual Report J. R. & K. Co.*, p. 345.

tinue to be rivals for appropriations before the Virginia legislature. In the matter of subscriptions to stock in the Chesapeake and Ohio Canal Company, Virginia failed to measure up to the expectations of the friends of that company and soon ceased to be interested in it altogether. The Virginia assembly subscribed \$250,000 to this enterprise in its beginning, but made no additional subscriptions. The federal government definitely abandoned it in 1832 and at about the same time Virginia discontinued its patronage and refused all aid; and it came to be regarded as distinctively a Maryland project. Thus the James River and Kanawha Company had no occasion to fear it as a rival enterprise.¹

Throughout the whole course of its history the James River and Kanawha Company was handicapped by sectional animosities and the jealousy of rival interests. Though it was practically a state enterprise in all but name, sectional differences made it difficult to secure legislative aid. At the session of 1836-37, at the very time when the newly-incorporated company, with the state as a majority stockholder, was making the dirt fly on the canal to Lynchburg and was beginning to be cramped for funds to prosecute the work, the legislature, instead of concentrating on this project, scattered its funds on many internal improvement schemes. At that session the state appropriated about \$4,500,000 for such enterprises, including nine railroads.

¹ G. W. Ward, *The Early Development of the Chesapeake and Ohio Canal Project*, J. H. U. Studies, series xvii, pp. 107-108; A. B. Hulbert, *Great American Canals*, vol. i (Cleveland, Ohio, 1904), p. 150; *Docs. H. of D.*, 1832-33, doc. no. 47. The Chesapeake and Ohio Canal was constructed in the years 1828 to 1850. It is 179.5 miles long, forty feet wide at bottom and fifty to sixty feet wide at the surface, with a depth of six feet. It has seventy-five locks, and cost \$11,290,307. See T. C. Purdy, "Report on the Canals of the United States," *Tenth Census*, 1880, pp. 22-23. Coal constituted the principal tonnage of this canal, and it was for many years one of the most important coal-carriers in the country.

This serves to illustrate the extent of log rolling and the interplay of sectional interests in the legislature. Every section of the state must needs have a slice of the appropriation; all the varied interests must be placated before any one could be supported. It was pork-barrel legislation of the most approved type.¹

From 1837 to 1840 the James River and Kanawha Company was jeopardized by the wave of enthusiasm for railroads which swept over Virginia at that time. This enthusiasm cooled in the decade of the forties, however, and the canal held the foremost place in public interest and received large financial support. It seemed preposterous to many men of affairs to abandon such a work, especially when railroads showed small returns on the money invested in them. In the decade 1850-60 there was a marked revival of interest in railroads and public sentiment grew cold toward the canal. Railroads had demonstrated their utility and their superiority to canals was generally recognized, though Virginia was slower to arrive at this conviction than was the case with most of the other states and clung longer to the idea of canals. Reluctance to abandon the idea of a great waterway that had so many treasured traditions contributed to dilatoriness in railroad building. It appears to be a debatable question whether the railroads interfered with the canal or the canal interfered with the

¹ Some of the works aided by the state at this session were: Richmond and Petersburg R. R. Co., \$200,000; Louisa R. R. Co., \$120,000; Portsmouth and Roanoke R. R. Co., \$50,000; Roanoke, Danville and Junction R. R. Co., \$320,000; Falmouth and Alexandria R. R. Co., \$400,000; Lynchburg and Tennessee R. R. Co., \$200,000; Baltimore and Ohio R. R. Co., \$302,000; City Point R. R. Co., \$60,000; North Western Turnpike, \$65,000; New Shenandoah Company, \$46,666; Dismal Swamp Canal, \$126,000; J. R. & K. Co., \$1,990,000; besides smaller sums for various turnpike roads. See *Niles Register*, April 22, 1837. It was the custom of the state to subscribe three-fifths of the capital stock of internal improvement companies.

railroads the more, in the thirties and forties. There seems to be no doubt that prior to 1850 the railroads feared the canal more than the canal feared the railroads, but that after that time the situation was reversed. The rivalry between them was constant, and at times bitter, and was a part of the larger story of sectional conflict during this era. The experiences of the railroads in getting their lines constructed were not dissimilar to those of the canal. It was difficult for them to secure the funds necessary to push the work. The state's subscription, as in the case of the canal, was only available in proportion to the amount paid in by the private stockholders, who frequently failed to meet the assessments or repudiated them altogether. They also experienced difficulty in selling their bonds, despite the fact that these were guaranteed by the legislature. Thus the railroads progressed by slow and painful stages to completion.¹

Nothing serves better to illustrate both the jealousy of the various sections with reference to internal improvements and the rivalry between the railroads and the canal than the struggle of the Baltimore and Ohio Railroad Company for a suitable right of way through Virginia. Immediately after having been chartered this road appealed to the Virginia legislature for a right of way across the state, which was secured only after a sectional conflict. The company then sought permission to construct its line to the Ohio via the Shenandoah and Kanawha valleys, partly because the engineering difficulties were less by this route and partly because the farther south the road would run the less the com-

¹ Caroline E. MacGill, *History of Transportation in the United States before 1860* (Washington, 1917), pp. 458-459. The capital stock of all the railroads in Virginia in 1853 was only \$16,117,100, and the mileage actually completed was but 676, though there were 636 miles in process of construction. *Ibid.*, p. 462; cf. *Hunt's Merchants' Magazine*, xxvi, p. 505, April, 1853.

petition with the Pennsylvania lines of improvement. This petition was strongly supported by the trans-Alleghany press, but was defeated by the east because it was feared that the result would be to build up Baltimore at the expense of Richmond. At the session of 1844-45 the Whig majority in the House rejected petitions from the northwest praying that the Baltimore & Ohio R. R. Co. be allowed to construct its lines via Parkersburg and Clarksburg to the Ohio, and fixed the terminus at Wheeling. This action was taken partly from fear that the road would divert trade from eastern Virginia to Maryland, and partly from a desire to protect the James River and Kanawha Company from competition. From the standpoint of the canal forces Wheeling was preferable to Parkersburg as the terminus of the railroad, as being farthest removed from its proposed all-water line. The James River and Kanawha Company could always be counted upon to join hands with the interests opposed to granting favors to the Baltimore and Ohio Railroad, or to any other railroad jeopardizing its interests.¹

The James River and Kanawha Company, having been chartered and organized at a time when public sentiment was divided as to the relative advantages of the railroad and the canal as a means of transportation, experienced from the first the disadvantage of undertaking its work at a time when the railroad era had already begun. From the first the public counsels as well as those of certain private stockholders were divided as to the form the improvement should take, and this reflected unfavorably on the progress of the enterprise. Cabell favored a continuous canal con-

¹ *Niles' Register*, vol. 33, p. 163; *Richmond Enquirer*, Dec., 1829; March 15, 1831; *Va. Acts*, 1826-27, pp. 78-84; *House Journal*, 1830-31, p. 249; Ambler, *Sectionalism in Virginia*, pp. 124-125, 180, 241-242; Callahan, *History of West Virginia*, p. 114; *House Journal*, 1845-46, docs. 1, 12, 22.

necting Richmond with the Ohio, but as time passed his views were questioned seriously by both the legislature and the company and he retired from the presidency. It was thought at the time of his retirement that the improvement would be completed by a railroad from Buchanan or Covington to the Ohio river, and the stockholders voted in favor of this method. Though there continued to be much difference of opinion on the part both of the company and of the public as to the preferable form for the improvement, Cabell's successors in the presidency reverted to his policy of a continuous water route.¹ The result of a survey in 1841 had caused the stockholders to vote by an overwhelming majority in favor of an unbroken water communication to the Ohio. But a few years later sentiment veered around in favor of a railroad from Buchanan or Covington, and Cabell resigned. His successors, however, with the experience of Pennsylvania in mind, reflected upon the disadvantages of a broken line of improvement and the stockholders supported them in the policy of a continuous water route to the end. The result of this shifting sentiment, along with the opposition of the railroad interests and the increasing apathy toward the enterprise on the part of those not immediately benefited by it, was to retard the progress of the work and to render its very existence precarious.¹

The James River and Kanawha Company inherited the sectional prejudices which had prevented the James River Company, as a state enterprise, from completing the canal. In 1823 work on the canal was suspended because of the extreme dissatisfaction of those portions of the state at the heavy appropriations hitherto made for the work and at the prospect of yet larger "drafts made by this object

¹ *Eleventh Annual Report J. R. & K. Co.*, pp. 613-614; also, *Memorial of the Citizens of Kanawha County*, Dec. 30, 1858, *Twentieth Annual Report J. R. & K. Co.*, p. 736.

on the common stock in the general improvement fund.”¹ Sectional jealousy was a menace to the canal throughout its entire history, and it was able to make what progress it did only through the aid of powerful friends in the legislature, who were forced, however, to resort to shrewd political manipulation and compromise to obtain appropriations. At almost every session there was a wrangle over internal improvements. In 1846 the situation was described in the contemporary press as follows:

We regret to observe indications of a deplorable want of harmony, from which an entire failure is to be apprehended. So far no scheme or interest has been able to rally a majority of the legislature—sectional interests, the east against the west, as a matter of course, is the first grand division of interests. Then these have each some half dozen sub-divisions, such as Wheeling against Parkersburg; the James River Canal against the railroads, *etc, etc.*²

The unfavorable trend of public sentiment toward the James River and Kanawha Company was reflected in the complaints which led to the appointment of a legislative committee of investigation in 1854. This committee reported:

An enterprise of vast importance to the public and private interests of the state . . . enjoying the privilege of transporting passengers and a great amount of tonnage over a long water line, it has been involved in embarrassments and difficulties from its organization to this day, and has unhappily provoked the hostility and incurred the distrust of large numbers—perhaps a majority of the people and public men of the state

¹ *Ibid.*; also Cabell's *Defense of the Canal and of a Continuous Water Line through Virginia*, pp. 587-588.

² *Niles' Register*, vol. 69, p. 304, Jan. 10, 1846.

It is not the design or desire of this committee to depreciate the value of this improvement. It is the most important in the commonwealth to the interests of its citizens. But doubt as to the possibility of prosecuting it to the Ohio, and the difficulties and delays attending its past operations, with other causes, have excited disgust and prejudice, which diminish the value of its stock, and effectually prevent any capitalist, save one as deeply interested as the state of Virginia, from risking any means in advancing its fortune. . . .

The private subscribers paid in their original subscriptions and then stopped their pecuniary contributions; but they have written memorials and petitions constantly, to ask aid from the legislature In the meantime the state has been burdened with the cost of this work, her property has borne the increased taxation, her credit the weight, her finances the embarrassment incurred in behalf of this company. . . . ¹

A Norfolk representative, in making a plea in 1857 for the completion of the water line to the west, refers to

The conflicting jealousy of the sections and cities of Virginia, which, under the hallucination that each were rivals of the other, have kept back the prize, which though it might have benefited some more than others, yet still would have conferred vast benefits on all.²

At about the same time E. Lorraine, the chief engineer of the company, in one of his reports calls attention to the growing alienation of western Virginia on account of the lack of proper means of communication between the two sections. The trade and commerce of the trans-Alleghany inhabitants were principally with the people of Ohio, and

¹ Report of the Joint Committee to Investigate the Affairs of the James River and Kanawha Company, *Documents of the House of Delegates*, 1853-54, doc. no. 62, pp. 6-8; see also *Twentieth Annual Report J. R. & K. Co.*, pp. 769-771.

² D. T. Bisbie, *An Appeal for the Completion of the Water Line through Virginia* (Richmond, 1857), pp. 23-24.

their children were sent to Cincinnati to be educated rather than to eastern Virginia. Lorraine, lamenting this condition, says: "As long as the mountain barriers which divided the state are unsubdued by the hand of improvement, so long will there be mountains of sectional jealousy and prejudice unremoved."¹

The fortunes of the James River and Kanawha Company were affected adversely not only by the jealousy of rival sections and enterprises, but also by the caprices of partisan politics. The Whigs were more friendly to the company than the Democrats, and favorable legislation was more likely to be forthcoming in times of Whig ascendancy. The Whig Assembly of 1834-35 made the subscriptions necessary to make the charter effective, and denied the petitions coming from Democratic strongholds which might be prejudicial to the interests of the new company. This policy incurred the hostility of the sections not adjacent to the proposed line of improvement and contributed to the defeat of the Whigs at the ensuing election. The return of the Democrats to power militated against the canal and the legislatures of the period 1835-36 to 1837-38 gave it little assistance, but sought to conserve party interests by granting appropriations for turnpikes and railroads which traversed Democratic constituences. Inasmuch as the line of the James River and Kanawha Company traversed a region where the Whigs were in the ascendancy, there appears to have been a disposition to regard it as a Whig enterprise and to give it scant attention, but the hearts of the people in Democratic strongholds were made glad by substantial appropriations to internal improvements in those sections.² At the session of 1844-45 the Whig House of

¹ *Twenty-first Annual Report J. R. & K. Co.*, p. 73.

² *Niles' Register*, vol. 52, p. 115; vol. 53, p. 352; Ambler, *Sectionalism in Virginia*, pp. 240-241; *House Journal*, 1834-35, pp. 103, 181.

Delegates was desirous of making a substantial appropriation to the company, but the measure was defeated by the Democratic Senate. The Democratic legislature of 1845-46 did make an appropriation to continue the canal beyond Lynchburg, but stipulated that it should not extend further than Buchanan, whereas its logical terminus was at least as far as Covington. The Democratic assemblies were not averse to appropriations to internal improvements and made liberal grants to those objects from 1847 to 1850, but in general were quite careful to make them in such a way as to strengthen their political fences. From 1850 to the Civil War the Democrats were in control of the state government, and it was no doubt owing in part to this fact that the James River and Kanawha Company was neglected until at the very end of the decade when, for reasons stated below, it was taken under the patronage of the party. It would be easy to overestimate the significance of the canal as a sort of Whig enterprise, but the evidence appears to be conclusive that it was generally in favor with the Whigs and in disfavor with the Democrats; and that from 1835 to 1860 it was the football of politics, and inasmuch as the Democrats were more often in control of the state government than were the Whigs, the James River and Kanawha Company had no friend at court the greater part of the time.¹

Trans-Alleghany Virginia was not united in its demands for internal improvements. The Whigs of the Kanawha valley insisted upon the completion of the water line to the Ohio and, failing this, at least upon the adequate improvement of the Kanawha river; but the region around Wheeling, which was Democratic, was not interested in promoting the James River and Kanawha Company in whole or in

¹ Ambler, *Sectionalism in Virginia*, pp. 241-243, 300-302; *House Journal*, 1844-45, docs. no. 13, 22; *ibid.*, 1845-46, doc. no. 14.

part, seeking rather railway communication with the east through the Baltimore and Ohio Railroad. The same conditions existed throughout the whole section traversed by this railway. Again, the proposed Covington and Ohio Railroad, a state enterprise, was designed to run from Covington to Charleston, but from the latter point diverged from the Kanawha to run in a southwesterly direction to Huntington. This satisfied the people in the vicinity of Huntington, but failed to meet the needs of the people of the Kanawha Valley from Charleston to Point Pleasant, whose interests still pointed to the improvement of the Kanawha river. Amid these conflicting interests the political forces supporting the canal proved to be less influential than those favoring the railroads. The Whigs in Virginia lost ground fast after 1844, and an unbroken line of Democratic governors from 1843 to 1860 could with difficulty be induced to render aid to the canal. Only Henry A. Wise, who was governor from 1856 to 1860, displayed any particular interest in the James River and Kanawha Company in this period of its history. Wise had been friendly to the railroads, but had rather championed the interests of western Virginia, which looked to him for favorable consideration. His advocacy of the claims of the canal, however, appears not to have been due to any conviction as to its superiority to railroads, but rather to the belief that in the probable event of civil war a continuous waterway to the Ohio would be in the interest of a united south. Considerations of high political expediency led him to advocate closer relationships between eastern and western Virginia and he thought this might be brought about by improved communications. He first sought the vigorous prosecution of the Covington and Ohio Railroad, but when this movement failed through the clash of sectional interests and the financial depression resulting from the panic of 1857, he lent his sup-

port to the James River and Kanawha Company to strengthen the ties binding eastern Virginia with the trans-Alleghany region.¹

From 1854 the people of the Kanawha Valley became very bitter toward the James River and Kanawha Company for its failure to improve the Kanawha river for steamboat traffic, and petitions to the legislature became more frequent and pointed, praying that something be done. This agitation led to the establishment of a branch organization, called the Kanawha Board, by act of February 15, 1858, for the purpose of improving the navigation of the Kanawha from its mouth to Loup Creek shoals. This board, the five directors of which were required to be residents of the Kanawha valley, was intrusted with the control and management of the Kanawha improvement, subject to the instructions of the stockholders, but had no control over any other works of the company. Relations between the James River and Kanawha Company and the branch organization, which was thrust upon it by the legislature, were not harmonious. The eastern board passed a resolution declaring the Kanawha board *functus officio*, directed the collectors on the Kanawha river to disregard its authority, and appointed a commissioner to take charge of its books and papers. Against this action the Kanawha board appealed to the stockholders, who sustained it in general meeting in October, 1859. At the ensuing session of the legislature application was made for an amendment to the act of Feb. 15, 1858, defining more clearly the rights, powers and duties of the two boards with reference to the Kanawha improvement. To remove all doubt in the matter, the legislature, in section nine of the act of March 23,

¹ Ambler, *Sectionalism in Virginia, passim*; *Docs. H. of D.*, 1859-60, part 1, doc. no. 1; B. H. Wise, *Life of Henry A. Wise* (N. Y., 1899), p. 221; *Kanawha Valley Star*, January 19, 1858.

1860, placed under the exclusive control of the Kanawha board \$300,000 of the six per cent. registered stock of the commonwealth to be used by them for the improvement of the navigation of the Kanawha river. The Civil War interrupted whatever improvements might have been effected on the Kanawha river under this act, besides removing the river entirely from the jurisdiction of Virginia.¹

Meanwhile the finances of the company had been going from bad to worse. By 1860 its indebtedness totaled over \$7,000,000. With this heavy handicap and with its whole property under a lien to the commonwealth, which had loaned it the money to effect its improvements, it was impossible for the company to make any further progress with its works.² At this crisis in its fortunes Governor Wise, impressed with the threatening aspect of national affairs and with the desirability of a closer union between eastern and western Virginia, came to the rescue of the company in his annual message to the General Assembly at the session of 1859-60. He said:

I ask for an immediate appropriation . . . for a permanent provision in the future; that the capital stock of the company shall be increased to the amount of 80,000 shares, of which the state shall take 60,000 in payment of her debt and liabilities due by the canal, and the remaining 20,000 shall be sold,

¹ *Twentieth Annual Report J. R. & K. Co.*, p. 736; *Twenty-third Annual Report, ibid.*, pp. 335-336; *Twenty-sixth Annual Report, ibid.*, pp. 663-665, 669, 716-720, 755-756, 784, 836-837. The J. R. & K. Co. was bitterly opposed to the formation of the western board to improve the Kanawha river, considering it to be in effect "a proposition to abandon the connection of the tidewaters of Virginia and the Ohio river." *Ibid.*, p. 657. Neither party to the controversy realized that the era of river improvement by state or corporate agency was practically ended, and that for the future this kind of improvement must be left to the initiative and aid of the national government.

Central Water Line from the Ohio River to the Virginia Capes, p. 54.

if practicable, to private persons, thus converting the debt and liability of the state into the stock of the company. This will complete the canal to Covington. . . . The most important line of the state is the James River and Kanawha Canal. It should not be left where it is any longer.¹

Governor Wise was a powerful political figure in the state and his recommendation carried weight. The legislature responded to his suggestion by passing the act of March 23, 1860, known as the "conversion scheme". This act provided that the capital stock of the company should be increased to \$12,400,000, in shares of \$100 each, and the Board of Public Works was directed to subscribe on behalf of the state for 74,000 shares. Of this amount 72,000 shares "shall be taken in full satisfaction of the debt now due from said company to the state, and for the assumption by the state of the debt for which the state is bound as surety of the said company, and the annuity to the old James River Company." For the residue of two thousand shares, the bonds for the aggregate amount of \$200,000 were to be delivered to the company to be applied to the extinguishment of its floating debt. The company was authorized to borrow money, at a rate of interest not exceeding seven per cent., for the purpose of completing the canal to Covington. Section nine of the act provided that \$300,000 of six per cent. registered stock of the commonwealth should be placed under the control of the Kanawha Board of Directors of the company for improvement of the navigation of the Kanawha river from its mouth of Loup Creek shoals.²

The company, being thus relieved of its indebtedness to the state and released from the lien on its property, was

¹ *Docs. H. of D.*, 1859-60, part I, doc. no. I, p. 34.

² *Va. Acts*, 1859-60, pp. 113-18.

thereby placed in a much more favorable position than it had occupied in years, and it was thought at the time that it would be enabled to borrow sufficient money to complete the canal to Covington. This, however, proved to be too fond a hope. The company never availed itself of the authority given by the above act to borrow money for the purpose of completing the canal to Covington and of carrying on its other works, owing to the disturbed conditions growing out of the Civil War.¹

Upon the retirement of John Y. Mason from the presidency of the company, Thomas H. Ellis had been elected his successor in October, 1853, and continued to occupy this position until February, 1867. Ellis displayed great energy in the beginning of his administration of the company's affairs, but was somewhat visionary and, in the later years of his presidency, his conduct failing to meet the approval of the stockholders, his term of office came to an abrupt and involuntary close.²

In 1859 an association of French capitalists, styled Messieurs Bellot des Minieres, Brothers & Company, entered into negotiation with the James River and Kanawha Company with a view to the purchase of the company's works. Their representative, Ernest de Bellot des Minieres, conducted a voluminous correspondence on the subject and at a later time visited Virginia to make a personal investigation of the matter. He stated that his firm held large estates in western Virginia, amounting to some 300,000 acres, which it was proposed to develop. Conceiving that the value of this land would be enhanced tremendously if the James River and Kanawha Company's canal were completed on an enlarged scale, and that the canal itself was a

¹ *Twenty-seventh Annual Report J. R. & K. Co.*, p. 13.

² *Thirty-third Annual Report J. R. & K. Co.*, p. 707.

worthy enterprise, the French company, according to its representative, contemplated its purchase with a view to completing the improvement as a great inland waterway from Richmond to the Ohio. This firm was vouched for by important persons in France, by the French consul at Richmond, and by C. J. Faulkner, then American minister to France.¹ Being thus satisfied of the reliability of the French firm, the James River and Kanawha Company on July 25, 1860, at a called meeting of stockholders which endorsed the proposition, entered into a provisional agreement whereby the French company agreed to purchase the works of the James River & Kanawha Company, and to complete the canal on an enlarged plan.² Governor Letcher, in a message to the Legislature Jan. 7, 1861, referred to the provisional contract entered into by the James River & Kanawha Company with the French firm for the sale of its entire line of improvements, with all its franchises and immunities, including the commonwealth's interest, and with stipulations for the completion of the entire work. In setting forth the fact that the Legislature's approval was necessary to give validity to the contract, Governor Letcher said: "The completion of this great line of improvement is an object of first importance to the people of Virginia. . . . When completed it will do more to develop the vast resources of our state than any improvement that has been projected." He recommended the whole subject to the favorable attention of the Legislature.³ That portion of the governor's message which related to this matter was referred to the Committee on Roads and Internal Navigation,

¹ *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 555-556, 759-761; also Report of Committees of Roads and Internal Navigation of Senate and House sitting jointly, *Docs. H. of D.*, 1861, doc. no. 31.

² *Twenty-sixth Annual Report J. R. & K. Co.*, pp. 761, 770.

³ *Journal House of Delegates*, Extra Session, 1861, doc. no. 1, pp. 40-41.

with instructions to inquire into the expediency of incorporating the Virginia Canal Company upon the basis of the provisional contract referred to above.¹ This committee reported on Feb. 19, 1861, in regard to the ability of the French firm to comply with their contract for the completion of the canal in an enlarged form, and resolved all doubts that the members of the Assembly might have entertained in the premises.²

The General Assembly, on March 29, 1861, passed "An act to incorporate the Virginia Canal Company, and to transfer the rights and franchises of the James River & Kanawha Company thereto". This act provided for the formation of a new company to be styled the "Virginia Canal Company", with a capital stock of not less than twenty, nor more than thirty-five, millions of dollars, in shares of \$100 each; to which should be transferred all the property and franchises of the J. R. & K. Co., including the state's interest therein, upon compliance with the terms of this act. The new company was required to complete the improvement from Buchanan to the Ohio river by a continuous water line. The entire work was to be completed within ten years, and as an evidence of good faith the company must deposit with the state treasurer one million dollars in the six per cent. registered stock of the state, to be returned as the work progressed. The new company should be fully incorporated when the Board of Public Works were satisfied that the minimum capital of \$20,000,000 was raised. It was further provided that if the new company failed to comply with its undertaking and its charter were abrogated, the J. R. & K. Co., as it existed prior to the passage of this act, should be restored to its former rights and privileges as effectually as if this act had

¹ *Journal House of Delegates*, Extra Session, 1861, p. 5.

² *Journal House of Delegates*, Extra Session, 1861, doc. no. 31, pp. 7-43.

never been passed, and that the state should have the same rights and privileges as heretofore.¹

Within twenty days of the passage of this act Virginia had seceded from the Union and her soil was to be the chief battleground of the long and bloody Civil War that followed. In consideration of this fact the General Assembly passed an act on Dec. 17, 1861, extending the time for the organization of the Virginia Canal Company one year, and provisionally two years. Owing to the exigencies of the war no application was made to the Legislature for a further extension of the time, although such a request was made by the French firm. Immediately upon the close of the war Mr. Ernest de Bellot des Minieres wrote in behalf of his firm, claiming their rights under the agreement and expressing their readiness to comply with its terms. The J. R. & K. Co., still impressed with the advantages to be derived from the sale of their property, memorialized the General Assembly on Dec. 20, 1865, requesting that body to revive the act of March 29, 1861, and to extend for one year the time for the organization of the new company; and that the time allowed the J. R. & K. Co. to complete their works might be extended ten years in the event that the sale of the property should not be effected.² In response to this petition the Legislature, by the acts of Feb. 3, 1866 and Feb. 21, 1866, enacted the legislation desired.³

Immediately upon the passage of the act of Feb. 3, 1866, amending the act of incorporation of the Virginia Canal Company, the Virginia Assembly adopted joint resolutions

¹ *Va. Acts*, 1861, pp. 70-123. The Kanawha Board was strongly opposed to the proposed sale of the line to the French company, in so far as it involved the Kanawha river, on the ground that it would delay the improvement of that river and impose prohibitory tolls. See *Twenty-sixth Annual Report J. R. & K. Co.*, p. 841.

² *Docs. H. of D.*, 1865-66, doc. no. 12, pp. 3-5.

³ *Va. Acts*, 1865-66, pp. 93-145; *ibid.*, p. 219.

requesting the West Virginia legislature to concur in the same. Thereupon the West Virginia legislature passed an act conditionally ratifying the Virginia act and inserting certain modifications of the charter, to which the Virginia Assembly assented Feb. 28, 1866.¹ The charter, as thus amended, was accepted by the French firm. Further correspondence ensued between the president of the J. R. & K. Co. and Mr. Ernest de Bellot des Minieres, who held out great hopes of what his company was prepared to do in complying with its contract. But it soon became evident that these hopes would be unrealized, and in the fall of 1866 all expectation that the French firm would comply with its contract was abandoned.²

¹ *Thirty-second Annual Report J. R. & K. Co.*, pp. 244-5; also, *Va. Acts*, 1865-66, pp. 218-19.

² *Thirty-second Annual Report J. R. & K. Co.*, p. 245.

CHAPTER VII

THE EFFECT OF THE CIVIL WAR UPON THE FORTUNES OF THE JAMES RIVER AND KANAWHA COMPANY; THE ATTEMPT TO ENLIST FEDERAL AID, AND ITS FAILURE

(1861-1875)

THE Civil War was disastrous to the James River and Kanawha Company and dealt it a blow from which it never recovered. The revenues of the company began to fall off from the first and continued to decline steadily as the war progressed. The proclamation of President Lincoln declaring a blockade of the Confederate States soon became effectual in so far as the James river was concerned; and the commerce on which the trade of the dock, and to a great degree that of the canal, depended, being thus cut off, traffic was interfered with and the revenues diminished.¹

The Code of Virginia provided that in time of war, invasion or insurrection, the tolls collected on troops should not exceed on the railroads one-half, and on other improvements one-fourth, the rates on other persons. With this provision the company complied and afforded the Confederate Government every facility possible for the movement of troops and military supplies.² The canal remained open during the first years of the war and was of great assistance to the Confederacy. Beginning with 1862 the revenue from the canal was insufficient to keep it in a good

¹ *Report Board of Public Works, 1860-61, p. 74.*

² *Ibid.*, pp. 74-82.

state of repair, but as it was growing more important constantly for purposes of transporting military supplies the Confederate Government was anxious to have it kept in good condition. In compliance with the government's request the General Assembly passed the Act of March 28, 1862, authorizing the issue of \$200,000 of the registered stock of the state, under the direction of the Board of Public Works, to enable the company to keep open the navigation of the canal from Richmond to Buchanan. Immediately after the passage of this act the company sent an agent to hire negroes from refugees who were known to have brought many with them when the Army of the Potomac fell back from Manassas early in March. The president of the company passed over the entire line, urging all the superintendents and foremen to energetic efforts to put the canal in the best possible condition.¹ The Confederate Government rendered the company every assistance that the exigencies of the military situation permitted. It empowered the chief engineer of the company to impress farm hands and teams along the line of the canal, and allowed the company to purchase, at government prices, carts, wheelbarrows, shovels, picks, and other implements from stores not open to the general public. At a later date it authorized advertisement to be made calling for five hundred hands to be hired, in the name and at the expense of the Confederate Government, for the purpose of working on the canal near Lynchburg. These measures did not suffice, however, to secure the full force of labor desired by the company, which at no time had a sufficiently large force to keep the canal in thorough repair. The government organized its own line of transportation, having purchased or impressed for that purpose about a dozen first

¹ *Twenty-eighth Annual Report J. R. & K. Co.*, pp. 54-57; *Va. Acts*, 1862, pp. 73-75.

class boats which had previously been open to the use of the public. The canal was of great service in many ways. In the latter part of 1864 nearly all the foremen and mechanics were called to the colors, and repairs on the canal were practically suspended.¹

On March 6, 1865, a force of cavalry estimated at from four to eight thousand men, under the command of General Sheridan, entered the town of Scottsville and proceeded immediately to injure and destroy the works of the company at that point. Being joined the following day by another column at Tye river, they spent about a week passing up and down the canal for a distance of some ninety miles and inflicting all the damage in their power on the works of the line to within thirty miles of Richmond. This work of destruction was an eloquent tribute to the value of the canal to the Confederate Government during the war.²

In the conflagration which followed the evacuation of Richmond on April 3, 1865, the general office and the toll office of the James River and Kanawha Company were burned, with all their contents. The most valuable books and papers of the company were saved, however, thanks to the foresight of its officials, who sent them up the canal the night before the fire. But it was impossible to remove everything, and much that was of interest and value was lost in the destruction of the two offices. In about ten days after the fire those documents which had been removed were brought back, but in the confusion of the moment many were lost or stolen.³

¹ *Twenty-eighth Annual Report J. R. & K. Co.*, pp. 57-60; also, *Thirty-first Report, ibid.*, p. 189.

² *Thirty-first Annual Report J. R. & K. Co.*, pp. 189-193.

³ *Ibid.*, pp. 177-199. The burning of the company's offices renders the task of writing its history infinitely more difficult. A mass of illuminating material, which might otherwise have been drawn upon by the writer, was lost beyond recovery. The material available, apart from

Everything being in a state of demoralization upon the occupation of Richmond by the Union forces, nothing could be done by the company immediately to reopen navigation on the canal. Negotiations were entered into with the United States military authorities in command at Richmond and an agreement was reached, with the approval of the War Department, whereby the government was to furnish the requisite labor, provisions, tools, materials and boats, to repair the canal, upon condition that the company should charge the government one-half the ordinary tolls as an offset against these advances and should pay the balance, if any, within a reasonable time after the completion of the repairs.¹

During the progress of the war that portion of the company's works which was west of the Alleghanies had been confiscated by the West Virginia legislature and had passed definitely out of the hands of the company. The West Virginia legislature, by act of May 15, 1862, took over the Kanawha River improvement and the Kanawha Road.² By the act of December 2, 1863, it authorized the newly appointed Kanawha Board to borrow \$50,000 for improving the Kanawha river, on pledge of the tolls and movable property under their control.³ By act

the more formal sources, is greatly restricted, often fragmentary, and sometimes baffling.

In the fire following the evacuation of Richmond, the damage thereby inflicted upon the city is thus described by Ellis: "About 230 of the best business houses of the city were destroyed, besides the county court house, two railroad depots, several tobacco warehouses, all the banks, the state armory, and one church, together with an amount of property in goods, wares, merchandise, produce, certificates of debt, etc., estimated by competent persons at \$30,000,000." See Ellis' communication to *Richmond Enquirer*, February 11, 1867.

¹ *Thirty-first Annual Report J. R. & K. Co.*, pp. 179-180.

² *Laws of West Virginia, 1862*, pp. 20-21.

³ *Ibid.*, 1863, pp. 151-152.

of February 28, 1866, it transferred the interest of the state in all turnpikes and bridges to the several counties in which they lay;¹ and by the acts of February 27 and February 28, 1867, specifically transferred the James River and Kanawha Turnpike to the counties through which it passed.² This state of things, which was part and parcel of the whole process by which Virginia was deprived of a third of her territory, obviously involved grave questions of constitutional law, besides leaving the James River and Kanawha Company in doubt as to how far its line of improvement now extended. This doubt was not lessened by the fact that the dismemberment of the state was not regarded as a constitutional act by her people.³ The convenient fiction under which the grand old commonwealth was rent asunder was too transparent to deceive the people of Virginia at the time, nor has it ever deceived them since.

At the beginning of 1867 the James River and Kanawha Company, shorn of its works and hopelessly in debt, was at the ebb of its fortunes. With the exception of the *Enquirer*, the Richmond papers vied with each other in holding it up to public ridicule. An editorial in the *Richmond Times* declared:

The canal seems to be gravitating from bad to worse with constantly increasing rapidity. . . . Half a century or more of thought, labor, and distinguished administrative and en-

¹ *Ibid.*, 1866, p. 115.

² *Ibid.*, 1867, pp. 133, 169-170.

³ *Thirty-first Annual Report J. R. & K. Co.*, p. 186. The argument for the constitutionality of the act erecting West Virginia into a separate state is not convincing, and would carry no weight with the people of any state today in the event that a disgruntled minority should appeal to it. Furthermore, it is difficult to see the difference in principle involved in the secession of a section of a commonwealth and in that of a section of the country at large. Wherein lies the force of the reasoning that it was right in one case and wrong in the other?

gineering ability has left it almost in the articles of death. . . . It has a talent for sinking into a state of hopeless bankruptcy A broken down, impoverished concern like the J. R. & K. Co. can not afford to maintain this army of well paid officials.¹

The *Times* closed with a suggestion that the canal be leased before it devoured the state.

The *Richmond Whig* also came forward in an editorial, in which it said:

The canal is attracting a large share of attention. . . . The heavy expense at which it is operated and which threatens to continue has frightened the whole state while the whole affair, when its pretensions are compared with its results, presents an almost ludicrous aspect of Chinese or Mexican grandeur. . . . The great object in which we are all interested is the completion of the canal. . . . We believe that any feasible plan for its completion would be acceptable to the whole community. . . . If we can sell advantageously to any responsible company it should be sold.

The editorial declared further that the completion of this channel of communication with the west was not a local but a national work, and that it was a matter of first importance to secure the cooperation of the west and north-west with a view to its completion as a link in a great waterway from east to west, a subject much discussed at the time. It criticised the president of the company, Thomas H. Ellis, as being inefficient, and asserted that the canal would always be a heavy charge upon the state unless completed as a through line to the west.

In reply to the criticisms of the press, President Ellis published a series of articles in the *Richmond Enquirer*,

¹ *Richmond Times*, February 2, 1867.

² *Richmond Whig* (semi-weekly edition), February 12, 1867.

taking exception to the statements set forth in the newspapers and defending the management and policy of the company.¹ His management of its affairs failed to stand an investigation, however, and his resignation followed. On March 28, 1867, Major Charles S. Carrington was elected his successor, and held office for ten years.²

After the failure of the effort to induce foreign capitalists to take hold of the enterprise in a large way and press it forward to completion, the James River & Kanawha Company began, in 1867, to direct its attention to enlisting the aid of the Federal Government in the project as a national undertaking. It was encouraged to do this by the fact that at about this time there had begun to develop beyond the borders of the state a considerable interest in the Virginia water line as a means of communication with the west, and it appeared that strong support for the scheme would be forthcoming from the states of the west and northwest, which were demanding enlarged transportation facilities to the seaboard.³ To enlist the support of the Federal Government it was of course necessary to consider the improvement in its widest possible scope; and the company, in pursuance of this object, stressed the idea of a great central water-way from the Atlantic to the Mississippi. This was, after all, but a return to the original conception of Washington, Marshall, and the fathers of the enterprise. As such it had always appealed to the imagination of great-souled Virginians, and this goes far to explain why for so many years governors and statesmen had championed its cause when its practical accomplishment seemed chimerical. Always in the background was the ennobling conception of

¹ *Letters from the President of the J. R. & K. Co.* (Richmond, 1867).

² *Thirty-third Annual Report J. R. & K. Co.*, pp. 320, 324.

³ *Forty-second Annual Report J. R. & K. Co.*, pp. 148, 223; also, *Thirty-fifth Report, ibid.*, pp. 418-19.

a great central route from east to west. The James River & Kanawha Company, disorganized by the war, its resources small and its credit gone, seized with avidity upon this idea as the last possible chance to retrieve its fortunes and to carry throughout to triumphant completion that which had been the underlying motive of the enterprise for nearly three generations.

To awaken interest in its scheme, the company spent considerable sums in publishing pamphlets of an informational nature, and put forth every effort to rally support to the project. In 1868, at the suggestion of certain enterprising westerners, it issued a sort of prospectus with the high-sounding title of "Central Water Line from the Ohio River to the Virginia Capes". This was a part of the movement being fostered at the time to arouse public interest and to bring pressure to bear on Congress to take upon itself the further prosecution of the work. For several years it appeared that there was a reasonable prospect that the movement would succeed, as it gained considerable impetus and was strongly supported by some of the western states. The company represented that if a line of cheap water transportation were opened directly eastward, from the centers of western production to the center of the Atlantic seaboard, it would offer all the advantages of directness, expedition and freedom from interruption which were presented by the railroads, besides being much cheaper; and that such a line would be afforded by completing the unfinished portion of the Virginia canal over the eighty miles distance between the terminus at Buchanan, Virginia, and the Greenbrier river, in Greenbrier county, West Virginia. It asserted that this would connect steamboat navigation on the Kanawha River by a canal two hundred and twenty-seven miles long, whereas the Erie Canal connected steamboat navigation at either end by a canal three hundred and sixty-three miles in length. It further represented that:

The Virginia canal owing to the costliness of the work, did not reach completion before the railroad fever had taken possession of the public; and it has had to wait for its consummation to that returning appreciation which is now again felt, of cheap water transportation. It offers now a channel of navigation from west to east shorter than any other, cheaper than any other, more expeditious, and more free from all obstructions arising from climate or a public enemy, than all the rest. Its only rivals in capacity, for western trade, are the Mississippi and Gulf route on the one hand, and the Great Lake-Erie Canal-and-St. Lawrence-river route on the other. Both of these boundary routes are circuitous, while the central one is direct. It offers the safest, shortest, most central, cheapest, most constantly open, and most available of all the channels of outlet by water for western trade. The rapid extension and expansion of inland navigation in the central basin of the continent is producing an increase in the quantity of trade demanding outlet to the seaboard, far exceeding the outlet of all existing avenues of outlet to discharge, and imperatively requiring the opening of a new line of direct water navigation to the seaboard equal in capacity to the Erie Canal. The extent of this inland navigation is tremendous.¹

In 1868 the General Assembly of Iowa unanimously voted a memorial to Congress in behalf of the Virginia central water line. The memorial declared this to be a work of national importance, whose benefits would be shared directly by more than half the people of the United States, and indirectly by all, and should be carried forward by the whole country for the general welfare. Iowa's representatives in both branches of Congress were asked to use their best efforts to secure the early completion of this line of communication with the west through federal aid.²

¹ *Central Water Line from the Ohio River to the Virginia Capes*, pp. 5-6, 37-38.

² *Memorial of the Twelfth General Assembly of the State of Iowa to the U. S. Congress relative to water communication between the Atlantic and the Mississippi* (Des Moines, 1868), pp. 17-18.

The national commercial convention which met at Louisville, Ky, Oct. 12, 1869, and was composed of representatives from twenty-eight states, memorialized Congress in favor of the project, urging "The completion of the Central Water Line from the mouth of the Ohio and Kanawha rivers, and the completion of the James River & Kanawha canal on a scale commensurate with the great objects to be accomplished by it".¹ The commercial convention met the following year at Cincinnati and drew up another memorial to Congress, setting forth the inadequacy of the transportation facilities offered by the railroads and the high charges thereon for freight, and demanding that the products of the Mississippi Valley have "a great, central, un-taxed waterway from the Ohio River to the seas".²

On April 16, 1870, the Ohio legislature adopted resolutions in favor of aid by the United States in the early construction of the Central Water Line on an enlarged scale, on the ground of its national importance and especially as involving the vital interests of the western states. The governor of the state was directed to forward copies of these resolutions to the president of the United States, with the request that he lay the same before Congress, and to the governors of the several states with the request that they lay the same before their respective legislatures. Ohio's representatives in Congress were requested "to use their best endeavors to secure the passage of such measures as will conduce to the early construction of this work."³

On May 14, 1870, the governor of Iowa transmitted a second memorial of the Iowa Legislature to Congress, representing that:

¹ *Memorial of Louisville and Cincinnati Conventions to Congress on the opening of a complete system of water communications between the Mississippi and the Atlantic* (Richmond, 1873), p. 3.

² *Ibid.*, p. 5.

³ 41st Congress, 2 sess., *Senate Mis. Docs.*, doc. no. 128, p. 1.

The question of uninterrupted water communication between the Mississippi valley and the Atlantic seaboard has become one of all-absorbing interest to the people of the whole country, and more especially the food-producing states of the Northwest. It has been considered by the people met in local, county, state, and national conventions; by boards of trade and other commercial associations; by city councils and boards of supervisors of cities and counties; by the legislatures and governors of states, and through the public press; and without exception, by resolution, memorial, message and public discussion, all have united in recognizing its importance and imperative necessity, and urging the attention of Congress and the country in relation thereto.¹

This memorial of the Iowa General Assembly to Congress, while not directed solely to the consideration of the Central Water Line, embraced it within its purview and serves to indicate how seriously the west was disposed to take itself in regard to the question of cheap and abundant transportation facilities to the seaboard in the decade following the Civil War. Its bountiful harvests of grain, increased many times by the rapidity of its settlement and by the extended use of improved farming machinery and commercial fertilizers, taxed to the utmost such transportation facilities as already existed and cried loudly for increased facilities. Furthermore, the demand of the west was for cheap transportation for its bulky produce and it was conceived that improved waterways would meet this demand, especially in view of what was thought to be extortion on the part of the railroads. Such conditions formed the background of the attempt of the James River & Kanawha Company to enlist federal aid for its enterprise, and for the moment seemed to promise a fair chance of success. At any rate it was deemed worth a trial, even though somewhat of the nature of a drowning man grasping at a straw.

¹ 41st Cong., 2 sess., *H. of R., mis. doc. no. 136*, p. 1.

On Feb. 8, 1870, the James River & Kanawha Company presented a memorial to the Virginia legislature relative to the aid sought from the federal government in behalf of the enterprise, representing that it was necessary to seek outside assistance in completing its work. The memorial declared that the company was convinced that a large majority of the states of the Union were interested in the completion of the water line and requested the General Assembly then in session to memorialize Congress on the subject. It further recommended that the state should yield up to the federal government all her interest as a stockholder of the company and turn the work over to the government to be completed as a national enterprise in such ways as Congress might prescribe, and when completed, to be thrown open as a great public highway, toll free, for the general benefit of the country.¹ The company made a similar request of the West Virginia legislature. In compliance with these requests the legislatures of the two states memorialized Congress in behalf of the project, the Virginia memorial being adopted March 11, 1870; and that of West Virginia, Feb. 23, 1870. These memorials, which were identical in substance, set forth that there existed a necessity for a shorter, cheaper and better channel of communication between the western states and the Atlantic seaboard; that such a channel could be obtained through the Virginias by connecting the waters of the James, New, and Kanawha rivers; that its benefits would be national and would be enjoyed by a majority of the states of the Union; that in case of hostile invasion it would be invaluable to the government as an interior means of communication; and that the states of Virginia and West Virginia, through which it passed, were unable to complete it and felt justified, in view of the general benefits it would confer upon the people of the United States

¹ *Thirty-sixth Annual Report J. R. & K. Co.*, pp. 473-74, 482-89, 475-81.

and the peculiar benefits to be derived from it by the government, in soliciting federal aid in the prosecution of the project. The memorial declared that the necessity for a cheaper and shorter channel of communication between the west and the Atlantic seaboard was shown by the enormous charges upon the transportation of grain from the northwestern states to New York. It brought out the fact that the charges on wheat from the Mississippi to New York by railroad, when the canals were closed, averaged 72 cts per bushel, and that even by water from Chicago the charges sometimes amounted to 56 cts per bushel, or about 62 cts from the Mississippi river, so that the western farmers had to pay about one half of their crops to get the other half to market; and that the effect of the high price of transportation was to depress the agricultural interests of the states and territories west of the Mississippi, to limit their production for exportation, and to discourage immigration. The memorial closed by asserting that a sufficiently cheap transit could be obtained only by water and by opening a communication from the Mississippi by way of the Ohio river and the Virginia water line to the Virginia capes.¹

The far-reaching nature of the movement in behalf of the Central Water Line is seen in the enthusiasm it aroused in Kansas. Governor James M. Harvey, of that state, in a message to the legislature, urged its importance at length. After discussing the cheapness of water transportation as compared with railroads, and pointing out the circuitous nature of existing water routes to the Atlantic, he went on to say:

It is the duty of the national legislature to see that a route is provided from the interior to the sea which will not tax the labor of the working man seventy-five per cent simply to

¹ *Thirty-sixth Annual Report J. R. & K. Co.*, pp. 475-76, 481.

furnish transportation for the resultant product. In view of these things and others which furnish reasons equally cogent, I deem it eminently fit and proper that you should memorialize Congress asking that, as a national enterprise, the James River & Kanawha Canal be enlarged and completed in such a way as to connect the navigable waters of the Ohio and James rivers, thus affording means of transit by water from the navigable streams of the interior to the Atlantic Ocean, without the necessity of transshipment, and without risk from climate, tempest, or alien enemy, and at a cost for transportation vastly less than that which is entailed upon us by the insufficiency of the present lines of communication. Our geographical location should interest us in prosecution of this work, for when it is completed barges may be loaded at Leavenworth, Atchison, Wyandotte, or any point on the Missouri River, or upon the Kansas River if some improvements be made for its navigation, and the barges thus freighted could be towed by steam to the head of navigation on the Kanawha River, thence passed through the canal as canal-boats to tidewater in Chesapeake Bay, whence access is easy to the best markets, both foreign and domestic. The barges could be returned to the west freighted with such commodities as may be in demand here.¹

Upon this recommendation of the governor, the Kansas legislature on Jan. 17, 1873, adopted a memorial to Congress along the lines of his message and it was duly presented to that body on Jan. 27, 1873, and supported by the Kansas delegation.²

President Grant, in his second annual message to Congress, Dec. 5, 1870, says, "The whole nation is interested in securing cheap transportation from the agricultural states of the West to the Atlantic seaboard".³ In his fourth

¹ *Memorial of Kansas Legislature*, 42d Cong., 3 sess., *H. of R.*, mis. doc. no. 70, pp. 1-2.

² *Ibid.*, pp. 2-5.

³ Richardson, *Messages and Papers of the Presidents*, vol. vi, p. 4060.

annual message, Dec. 2, 1872, he returned to the subject and called attention to "the various enterprises for the more certain and cheaper transportation of the constantly increasing surplus of western and southern products to the Atlantic seaboard"; and suggested that Congress take immediate steps to gain all available information to insure equitable and just legislation in the premises. Among the three routes specifically mentioned in this connection was the James River Canal to the Ohio.¹

The various memorials to Congress in behalf of the Central Water Line, being thus in harmony with a growing and insistent demand for cheap transportation to the seaboard, awakened considerable interest in that body and were given more or less serious consideration for several years, beginning about 1870. The subject was introduced into Congress on March 31, 1870, by Waitman T. Willey, senator from West Virginia, in the form of a resolution, as follows:

Resolved, That the Committee on Commerce inquire into the expediency of causing a survey and examination, under the war department, of the line of water communication between the tidewater on the James river and the Ohio river at the mouth of the Great Kanawha, by way of the James and Kanawha rivers and their tributaries, with a view to ascertain the practicability and utility of such water communication as may be required for the transportation of military supplies in time of war, and to meet the commercial necessities of the valley of the Mississippi river, with liberty to report by bill or otherwise, as they deem best.²

An identical resolution was introduced into the House the same day by Job E. Stevenson, representative from Ohio, and both resolutions were unanimously agreed to.³ Con-

¹ *Ibid.*, pp. 4050-4051.

² *Congressional Globe*, 41st Cong., 2 sess., 1869-70, part 3, p. 2303.

³ *Congressional Globe*, 41st Cong., 2 sess., 1869-70, part 3, p. 2329.

gress passed a law July 7, 1870, authorizing a survey of the central water route.¹ The object of this survey was to obtain further information as to the practicability and expense of opening a line of continuous navigation between Richmond and the Ohio. The survey was duly made by Major W. P. Craighill, of the Corps of Engineers of the U. S. Army, and transmitted to Gen. A. A. Humphries, Chief of Engineers, who transmitted it to Congress through Secretary of War Belknap, where it was referred to the Committee on Commerce Feb. 11, 1871.²

This report of Major Craighill calls attention to the desirability of the Central Water Line as a means of affording cheap and certain communication between the great producing region of the west and the Atlantic coast, and its superiority to the northern and southern water routes then existing. He submitted a survey of the proposed line made by himself and his assistants, which involved an all-water route from the Ohio to tidewater at Richmond. According to this survey the Alleghanies were to be crossed at the summit level by a tunnel, emerging into the valley of Howard's Creek, and descending thence into the Greenbrier by three locks of ten feet lift each. He declared the scheme within the field of practical engineering, and estimated that an all-water line, with an enlarged canal adapted to vessels of several hundred tons burden, from Richmond to the Ohio, would cost \$47,622,262.³

The Committee on Commerce, to whom the report of Major Craighill was referred, made an elaborate report to the House of Representatives at the third session of the forty-first Congress, and endorsed the Central Water Line as a work of great national importance "entitled to receive

¹ *Ibid.*, 3 sess., H. of R., ex. doc. no. 110, p. 2.

² *Ibid.*, p. 1.

³ *Ibid.*, pp. 3-5.

such aid from the national government as will secure its completion at the earliest possible period".¹ The National Board of Trade memorialized Congress in favor of the project at about this time, and, indeed, such action became quite usual for commercial bodies, boards of trade, and chambers of commerce.²

At the forty-second session of Congress a bill for the completion of the canal along the route of the government survey was presented and referred to the Committee on Commerce, but in the opinion of leading friends of the project it was deemed an unfavorable time to press it, and it rested peacefully in the pigeon holes of the committee, awaiting a more favorable chance of passage.³ Application was made to Congress, however, for a further appropriation for a more detailed survey of the route, with special reference to that portion of the line which lay west of the Alleghanias; and this appropriation was granted and the survey duly made by Major Craighill in 1872.⁴

That the James River and Kanawha Company might have legislative sanction for the possible sale or transfer of its property and franchises in the event a favorable opportunity presented itself, it memorialized the Virginia General Assembly on the subject Dec. 4, 1871. In response to this petition the Assembly appointed commissioners, "Who together with such commissioners as may be appointed by the state of West Virginia, shall . . . be empowered to invite and receive proposals for the completion of the canal".⁵

On Feb. 13, 1873, the Committee on Commerce of the

¹ *41st Cong., 3 sess., H. of R., ex. doc. no. 110, p. 96.*

² *Ibid.*, p. 101; also, *Thirty-sixth Annual Report J. R. & K. Co.*, p. 451.

³ *Thirty-eighth Annual Report J. R. & K. Co.*, p. 535.

⁴ *Ibid.*

⁵ *Thirty-eighth Annual Report J. R. & K. Co.*, p. 551; *Va. Acts, 1871-72*, pp. 59-61.

House of Representatives, made a further report on the Central Water Line. The report set forth the now familiar arguments in favor of the project, but went more specifically than heretofore into the nature of the route of the proposed water-way, as follows:

The line of navigation on the proposed route will consist of the Ohio river, from its mouth to the mouth of the Kanawha, at Point Pleasant, 728 miles; the Kanawha, New, and Greenbrier rivers, 208 miles; the James River & Kanawha Canal from Greenbrier river to Richmond, 272 miles; and James river to Hampton Roads, 125 miles; making a total distance of 1,333 miles from the mouth of the Ohio to Hampton roads. To perfect this route it is proposed to improve the Kanawha river from its mouth, 85 miles to Lyken's shoals, for sluice navigation; thence to improve that river and the New and Greenbrier rivers, by locks and dams, for steamboat navigation, to the mouth of Howard's creek; and thence to cut a canal from Howard's creek to Buchanan, 76 miles; and to enlarge to the same dimensions the canal already made from Buchanan to Richmond, 196 miles. The total length of improved river and canal navigation will be 480 miles, of which 254 miles will be river and slack-water navigation. Present estimates contemplate a canal adapted to boats carrying 280 tons moved in fleets by steam tugs.¹

The Committee returned with this report the bill for the completion of the Central Water Line, which had been previously referred to it. No action was taken on the bill at this time, however.²

¹ *Report of Committee on Commerce, H. of R., Feb. 13, 1873* (Gibson Brothers, Washington, 1873), pp. 3-15. Distance from the Mississippi to New York by the Illinois and Michigan Canal, the Lakes, and Erie Canal, was 1,919 miles; by the Fox and Wisconsin improvement and Lakes, 1,560 miles; by the most direct railroad route to Chicago, and thence by the Lakes, 1,731 miles; by the Ohio river, Wabash Canal, Lakes and Erie Canal, 1,818 miles; by the Va. Central Line, shortest route to Atlantic, 1,333 miles. *Ibid.*, p. 7.

² *Thirty-ninth Annual Report J. R. & K. Co.*, p. 574.

Meanwhile the Senate was displaying considerable activity in the matter. In 1873 it appointed a "Select Committee on Transportation Routes to the Seaboard", which underwent some changes in its membership, but on Feb. 24, 1874, was composed of the following: William Windom, chairman, John Sherman, Roscoe Conkling, J. Rodman West, Simon B. Conover, John H. Mitchell, Thos. M. Norwood, Henry Gassaway Davis, and John W. Johnston. The committee visited various parts of the country and collected a mass of material, and submitted a voluminous report to the Senate on April 4, 1874.¹ In October, 1873, Senators Windom, Sherman, Conkling, Conover, Norwood, and Davis, as members of the committee, visited Richmond to hear such evidence as might be offered in connection with the Central Water Line and to inspect the line as far as practicable. After inspecting the company's works in and near Richmond, and hearing all the testimony offered, they proceeded to Clifton Forge, where they again held a meeting to hear testimony; and thence over the line to Charleston, W. Va., where they again sat to hear testimony.² That portion of the report of the Windom Select Committee to the Senate which relates to the Central Water Line estimated the cost of this enterprise, on the large scale proposed by the engineers, to be about \$55,000,000; and the time required to complete the work at from four to six years. The report was favorable to the project and urged that it "would form a connection between tidewater at Richmond and 16,000 miles of inland navigation by the Kanawha and Ohio rivers, and open a cheap and valuable channel of transport for the cereal products of the west."³

¹ *Preliminary Report, Inland Waterways Commission, 1908* (Washington, Government Printing Office, 1908), pp. 582-96.

² *Thirty-ninth Annual Report J. R. & K. Co.*, p. 574.

³ *43rd Cong., 1 sess., Senate Report 307*, part 1, pp. 71-243; see also, Appendix, *ibid.*, pp. 2-13.

Under an order of the War Department, Jan. 27, 1874, a board of engineers, consisting of J. G. Barnard, B. H. Latrobe, Wm. P. Craighill, Q. A. Gillmore, and G. Weitzel, was convened with instructions to report on all questions of practicability, plan, and probable cost of a water communication to the Ohio river by way of the James and Kanawha rivers, together with the probable time of its completion and cost of maintenance when completed, in order to place all these matters beyond doubt in the public mind.¹ This board met and organized at the office of the J. R. & K. Co. in Richmond, Feb. 5, 1874. They went over the line as far as Charleston, W. Va., examining the location of the proposed route as they proceeded, and duly brought in their report. They were unanimously of the opinion that it was "entirely practicable to connect the waters of the James and the Ohio rivers by a water navigation seven feet in depth", and that there was a sufficient water supply at the summit level. They further agreed that the cost would be within \$60,000,000, possibly not over \$50,000,000, and that it could be completed within six years. As to the benefits to be derived from the work when completed, they adopted a resolution unanimously declaring that the route presented extraordinary claims as a measure of relief to the population of the western states in furnishing them for their bulky products cheap transportation to market, and as a stimulus to the commerce of the United States by developing immense mineral resources, hitherto neglected.²

The favorable investigations and reports of engineers of the War Department and of congressional committees in the House and Senate, led to an undue confidence in the officials of the J. R. & K. Co. that the Central Water Line would be happily consummated after all the weary years

¹ 43rd Cong., 1 sess., H. of R., ex. doc. no. 219, p. 1.

² *Ibid.*, pp. 2-7.

of waiting. So certain was Major Carrington, the president of the company, of the favorable impression on Congress, that in his annual report, Nov., 1874, he said, "We may look forward hopefully to the great work being undertaken by the government at an early day."¹ But his optimism was not well founded, for had there been nothing else to defeat its completion the panic of 1873 would have sufficed to cause the federal government to withhold its aid. It had, in fact, never had but the ghost of a chance at the hands of Congress, though at one time it did appear as if something might be done for it by that body. In his annual report to the stockholders in 1876, President Carrington confessed that all hope of federal aid had vanished.²

The struggle for federal aid ceased from this time forth. It had been a manful fight to save the enterprise from the ruin now facing it—another of that long series of delusive expectations which had ever characterized the history of the project, a hope deferred like many another, ever vanishing yet ever recurring. Never was an enterprise more fondly cherished than the James River & Kanawha Company, and to the last its friends, with a sublime stubbornness, refused to see that it was doomed to failure. After each heavy blow more staggering than the last, they rallied their flagging energies for a new effort, nor contemplated the idea of defeat until it came.

¹*Fortieth Annual Report J. R. & K. Co.*, p. 614.

²*Forty-second Annual Report J. R. & K. Co.*, p. 108.

CHAPTER VIII

CLOSING DAYS OF THE CANAL; ITS SALE AND ABANDONMENT

(1875-1880)

ABOUT the year 1875 the affairs of the James River & Kanawha Company were in much better condition than they had been for several years. With the exception of the comparatively small sum of \$67,589.27, the floating debt had been paid off or funded in first mortgage bonds, which were selling at 65, a decided advance. The credit of the company had been restored and its current debt was small; and the expenses of the fiscal year closing Nov., 1875, showed a surplus revenue, exclusive of interest, above all repairs, of \$53,727.90.¹

On March 29, 1875, the General Assembly passed a bill authorizing the company to mortgage all its property and franchises to secure a loan not exceeding \$750,000, and stipulating that the proceeds of the loan were to be expended exclusively in payment of the company's subscription to the capital stock of the Buchanan & Clifton Forge Railway Company and in the improvement of the canal from Richmond to Buchanan. The bill further authorized the city of Richmond to guarantee the bonds of the J. R. & K. Co. to the amount of the company's subscription to the Buchanan & Clifton Forge Railway Co., if three-fourths of the qualified voters of the city favored it.²

¹ *Forty-second Annual Report J. R. & K. Co.*, p. 152.

² *Va. Acts*, 1874-75, pp. 376-77.

In Feb., 1876, there was an adjourned meeting of the stockholders of the J. R. & K. Co., lasting four days, at which the question of extending the line by rail or canal to Clifton Forge was fully discussed.¹ The revenues derived from that portion of the canal between Lynchburg and Buchanan had never been equal to the expenses incurred for operating and repairing it. Following the freshet of 1870 and the heavy expenses it entailed, it had become increasingly evident that the canal, especially the Lynchburg-Buchanan division, could not be made self-sustaining without a connection with the Chesapeake & Ohio Railway at Clifton Forge, especially as that railway was now beginning to tap the rich coal fields of West Virginia. Under these conditions the friends of the canal, and more especially those interested in the prosperity of the James river valley, had begun to look to a cheap, low-grade railroad, under the control of the J. R. & K. Co., from Buchanan to Clifton Forge, as the only promising scheme to bring about local development and to feed and preserve the existing canal. It was thought that this would, in a way, give the long desired through connection with the west and would retrieve the accumulating disasters of the canal by tremendously increasing its tonnage.² As matters then stood, the tonnage basin of the canal was greatly circumscribed by the Chesapeake & Ohio and the Orange & Alexandria railroads on the north side of James river and by the Richmond & Danville and the Atlantic, Mississippi & Ohio railroads on the south side. These railroads competed for local freights with the canal along almost its entire length; and, through their connection with each other,

¹ *Forty-first Annual Report J. R. & K. Co.*, pp. 79, 145-52.

² *Forty-fourth Annual Report J. R. & K. Co.*, pp. 408-9. The distance from Buchanan to Clifton Forge was thirty-two miles. It was an easy grade, and a very desirable connection.

competed for through freights between Richmond and Lynchburg. Hence the canal faced ruin unless something could be done to increase its tonnage. The proposed Buchanan & Clifton Forge Railway was the last frantic effort of the J. R. & K. Co. to save itself from impending disaster. It was thought at the time that the city of Richmond would be sufficiently interested in the preservation and prosperity of the canal and in the development of the James River valley as a commercial tributary to make common cause with the state and the bondholders in speedily completing the desired connection with Clifton Forge, especially as the amount of money required to form the connection was not large.¹

Influenced by these considerations the company secured from the Legislature the passage of the acts required for the launching of the Buchanan & Clifton Forge Railway. On March, 27, 1876, the General Assembly passed an act to incorporate the Buchanan & Clifton Forge Railway Company, and to enable the J. R. & K. Co. to subscribe to its capital stock. The bill provided that the capital stock of the Buchanan & Clifton Forge Railway Company was to be not less than \$400,000, nor more than \$700,000, in shares of \$100 each. The J. R. & K. Co. was authorized to subscribe \$400,000 to the capital stock of the new company and to execute a mortgage on its property to secure the \$400,000 of bonds to be issued under this act. Previous acts relating to the incorporation of the Buchanan & Clifton Forge Railway Company and to the relations of the James River & Kanawha Co. thereto were hereby repealed.²

In April, 1876, the directors of the J. R. & K. Co. authorized the survey and location of the Buchanan & Clif-

¹ *Forty-second Annual Report J. R. & K. Co.*, pp. 150-52; *Forty-fourth Report, ibid.*, p. 409.

² *Va. Acts, 1875-76*, pp. 215-19.

ton Forge Railway Company under the direction of Major Peyton Randolph, who organized a corps of engineers and began the survey in May, 1876. The subscription of the J. R. & K. Co. to the capital stock of the new company was made in April, 1876, it being a project fostered and controlled by that company. The Buchanan & Clifton Forge Railway Co. was organized Nov. 16, 1876. The expected cooperation of Richmond in promoting the project was not forthcoming, which proved a great handicap to the enterprise. At a meeting of the stockholders of the new company on November 16, 1876, the subscription of 4,000 shares was formally accepted. An organization of the company was then effected by the election of Charles S. Carrington as president; of Wm. P. Munford as secretary and treasurer; and of W. W. Gordon, Thomas Seddon, A. Y. Stokes, B. H. Nolin, and John J. Allen as directors. Work was begun on the railroad with a small force in Nov., 1876, and was prosecuted for several months. The mortgage on the canal works to secure the \$400,000 of bonds authorized by the Legislature was duly executed.¹

Acting under orders of the president of the two companies, the engineer and superintendent of the J. R. & K. Co., William Jolliffe, made a valuation of the works of the company west of Buchanan such as would be of us to the Buchanan & Clifton Forge Railway Co., the aggregate valuation amounting to \$151,541.83. The new railway company struggled on with inadequate and precarious means and progress was slow. Its estimated cost was only \$472,000, but even this modest amount was not forthcoming. Meanwhile the necessities of the J. R. & K. Co. demanded its prompt completion as a means of increasing traffic by connecting with the Chesapeake & Ohio Railway at Clifton Forge. In April, 1877, President Carrington

¹ *Forty-third Annual Report J. R. & K. Co.*, pp. 99, 103, 263-4.

resigned, and Major John W. Johnston, who was the last president of the J. R. & K. Co., was elected to succeed him.¹

The demands of the situation were such that in the summer of 1877 the company made a determined effort to construct the railroad. Work thereon was resumed with a large force of convicts furnished by the state to the J. R. & K. Co. free of charge and hired by it to the railway company. The work progressed favorably for a time, and only required some small corporate aid to make it a success. Such progress was made with convict and free labor that thirty-four miles of road were more than half graded within three months, and preparations were made for getting ties and other timbers. The company expected to press the work to completion during the ensuing winter.²

At this juncture occurred the freshet of November, 1877. The James river, especially above Lynchburg, became a roaring torrent which played havoc with everything across its path and damaged the canal throughout its entire length. The damage inflicted on the company's works was estimated at \$200,000. This was the beginning of the end of the canal, as the company never recovered from the effects of this last and severest blow. The canal was so broken and riddled that it was at first considered ruined; even the railway projected to Clifton Forge was damaged to the extent of \$18,000. Work on the railway was at once suspended and the convict force which had been employed thereon was transferred to the canal and joined to another convict force to effect repairs along the line. By act of Dec. 12, 1877, the commonwealth agreed to furnish for canal repairs all the available convict labor of the state, free of hire, and to furnish in addition a sum of money not ex-

¹ *Ibid.*, pp. 235, 265-8, 317.

² *Forty-fourth Annual Report J. R. & K. Co.*, p. 411.

ceeding 35 cents *per capita* per day to feed, clothe, and guard the convicts until the work of repairs should be completed. In return for this aid from the state the company was required to execute its obligation payable within five years from the passage of the law. Through navigation to Lynchburg was resumed in February, 1878.¹

Following the freshet the stockholders held seven special meetings before their regular annual meeting in November, 1878; but were unable to take effective measures to retrieve the losses due to the disaster. Upon the prostration of the company's works by the freshet, traffic necessarily went to competing lines, whose superior facilities and eager bid for business rendered still more difficult the company's effort to regain the business it had lost. To add to its difficulties, a minor freshet in 1878 again threw the company back and thwarted its plans for resumption of work on the railroad. The company was now in more serious financial embarrassment than at any time in its history. A suit for foreclosure was instituted against it, and though its more ardent friends tried heroically to save it, its end was obviously near.²

During the session of 1877-78, the General Assembly passed an act incorporating the Richmond & Alleghany Rail Road Co., and authorized it to purchase any of the property and franchises of the J. R. & K. Co. within the limits of its charter. This new company promptly effected an organization, with the exception of the election of a president. On Nov. 15, 1878, its vice-president, H. C. Parsons, addressed a communication to the president of the J. R. & K. Co., Major John W. Johnston, requesting the appointment of a committee of consultation with a view

¹ *Ibid.*, pp. 340-4, 412-13.

² *Forty-fourth Annual Report J. R. & K. Co.*, pp. 408-9; *Forty-fifth Report*, *ibid.*, p. 54.

to the possible purchase by the Richmond & Alleghany R. R. Co. of the works of the J. R. & K. Co. This committee was duly appointed and empowered to receive propositions and submit the same to the stockholders.¹

The J. R. & K. Co., while averse to disposing of its property, was compelled by the necessities of the case to give serious consideration to any proposition looking to its purchase. A suit against it was pending in the courts, and public opinion was distrustful of its utility and favorable to its sale. All its hopes of completion had failed utterly; it was hopelessly insolvent; its enemies were numerous and aggressive, its friends few and lukewarm. President Johnston expressed himself as being strongly opposed to selling the property to any private corporation. While admitting that the situation abounded in difficulties and uncertainties, he insisted that in any event the repairs on the canal should be continued and pushed to early completion.²

General Logan, chairman of the committee of fifteen appointed to confer with the representatives of the Richmond & Alleghany R. R. Co., presented the report of the committee at an adjourned meeting of stockholders of the J. R. & K. Co., Nov. 28, 1878. This report recommended the sale of the property to the Richmond & Alleghany R. R. Co., and set forth a provisional agreement for such sale, which was adopted by the stockholders. This decision was against the wishes and advice of President Johnston, who thereupon tendered his resignation. By unanimous request of the stockholders he was induced to withdraw his resignation, however, and agreed to execute the contract reported by the committee and adopted by the stockholders whenever the Richmond & Alleghany R. R. Co. should execute the same on its part, and to report his action to an ad-

¹ *Forty-fourth Annual Report J. R. & K. Co.*, pp. 389-90.

² *Forty-fourth Annual Report J. R. & K. Co.*, pp. 458-9.

journing meeting on Dec. 5, 1878. When this meeting was held President Johnston reported that the contract had not been executed, and again tendered his resignation but was again persuaded to withdraw it.¹

Acting upon the instructions of the company, President Johnston engineered the introduction of a bill into the Legislature at the session of 1878-79, authorizing the J. R. & K. Co. to sell its property and franchises to the Richmond & Alleghany R. R. Co.; and, upon further instructions by the stockholders, caused a supplemental bill to be introduced allowing the sale of the property and franchises of the J. R. & K. Co. to any other corporation, person or persons, in the event that the Richmond & Alleghany R. R. Co. failed to close the contract or purchase authorized by the main act.² The bill encountered unexpected delays and difficulties, and was much discussed in the public press. The *Richmond Dispatch* kept the matter of the canal and its sale prominently before the public. The tone of its editorials, which were numerous, was to the effect that the J. R. & K. Co. had been an inefficient and unprofitable enterprise, was unequal to the wants of the section it traversed, and should be superseded by a railroad under the authority of the act then pending in the Legislature. It strongly and consistently urged the passage of the bill.³

While the matter of the sale of the company's property was under discussion the Senate, Jan. 16, 1879, instructed its committee on courts of justice to ascertain and report as to what rights and franchises the J. R. & K. Co. possessed and would convey, in the event of its sale, to another corporation.⁴

¹ *Ibid.*, pp. 464-92.

² *Forty-fifth Annual Report J. R. & K. Co.*, pp. 12-13.

³ *Richmond Dispatch*, Jan. 11, 1879; Jan. 21, 1879; Jan. 25, 1879; Jan. 28, 1879; Jan. 30, 1879; Jan. 31, 1879; Feb. 7, 1879.

⁴ *Senate Journal*, 1878-79, p. 144.

The Senate passed a further resolution, Feb. 12, 1879, requesting the president of the J. R. & K. Co. to furnish data as to the claims and debts against it, and as to what portion of these the R. & A. R. R. Co. would be required to assume by the passage of the bill then pending for the sale of the company's works. To this President Johnston replied that the debts and obligations of the company amounted to \$1,960,899; and that the provisional contract with the Richmond & Alleghany R. R. Co. required the assumption and payment of all these debts and obligations by the purchaser.¹ Doubt having arisen in the minds of some as to the intentions and good faith of the railroad company, the Senate passed a resolution, Feb. 14, 1879, instructing the committee on roads and internal navigation to enquire and report "whether or not the Richmond & Alleghany Railroad Co., as at present organized, intend to build the road proposed between the city of Richmond, Va., and Clifton Forge, or whether it is the purpose to sell its franchises". The committee reported that satisfactory evidence was produced as to the good faith of the railway company in undertaking to build the road, and that it would not sell its franchises should it obtain them.²

Nevertheless the bill encountered strong opposition in the Legislature and made slow progress through that body. The city of Norfolk opposed its passage, as did also the city of Alexandria. Gen. Echols, of Augusta County, opposed it strenuously on the floor of the House, basing his argument on an exaggerated estimate of the value of the canal. The stockholders, however, voted unanimously in favor of its sale, and the friends of the bill rallied to its support. It excited the deepest interest in the public mind, which favored its passage. After a protracted struggle,

¹ *Senate Journal*, 1878-79, p. 269; also *ibid.*, doc. no. 22, pp. 1-6.

² *Senate Journal*, 1878-79, pp. 280, 294.

lasting from Jan. 10 to Feb. 6, 1879, it passed the House by a vote of 83 to 28, and became a law Feb. 27, 1879.¹

The bill authorized the J. R. & K. Co. to sell its property and franchises to the Richmond & Alleghany Railway Company, which was required to maintain the canal as a line of commerce, subject to the interruptions and abandonment incident to the building of the railroad. The railroad company was required to assume and pay the debts and obligations of the J. R. & K. Co. A sum of money to be agreed upon of not less than \$30,000 nor more than \$50,000 was to be paid in cash to the J. R. & K. Co. to be expended in payment of salaries and wages due officers and employees of that company up to the time of the transfer, and in payment of such expenses as had been incurred in the administration of the company since May 1, 1867. The railroad company was required to deposit with the Board of Public Works United States Bonds to the amount of \$500,000, or in other approved security, as a pledge for the completion of its railroad up the valley of the James river to a point at or near Joshua's Dam, "on or near the tow-path to Clifton Forge, with a branch of like gauge to Lexington from the mouth of North River, within twenty months of such sale or conveyance." The bill further provided that:

It shall be the duty of the Richmond & Alleghany R. R. Co. to maintain the present water supply between Bosher's Dam and tidewater, and along the Lynchburg level between the water-works dam (which shall be preserved) about Lynchburg, and the first lock below Lynchburg, and in the construction of its railroad it shall not so destroy or obstruct the present canal between Bosher's Dam and tidewater, or between the water-works dam above Lynchburg and the first lock below Lynchburg, as to lessen the present water supply.

¹ *Richmond Dispatch*, Jan. 25, 1879; Jan. 28, 1879; Jan. 31, 1879; Feb. 7, 1879.

The railway company was required, in substituting a railroad in place of the canal as a line of commerce, not to interrupt the business of the canal during the progress of railroad construction "on such parts of the canal as are not necessarily occupied by the railroad at the time of construction"; and was forbidden to build additional dams across the James river, or to charge tolls on the navigation of the river after the completion of the railroad. It was further required to furnish the people on the south side of James River with facilities for the transportation of persons and produce across the river equal to those which had been afforded by the J. R. & K. Co. The bill further provided that before the execution of the contract between the Richmond & Alleghany Railway Company and the James River and Kanawha Company there should be a satisfactory agreement between the Richmond & Alleghany Railway Company and the Buchanan & Clifton Forge Railway Company, which agreement must be made within twenty days after the passage of this act.¹

Following the passage of this bill the railroad company was slow to avail itself of the authority granted it to purchase the property of the James River and Kanawha Company, and there ensued a period of waiting and uncertainty. The management of the canal company could not say what its future would be or what facilities the line could afford for present or prospective business. Shippers became alarmed as to the safety, sufficiency and permanency of canal transportation; boat owners declined to build new boats. Competing lines made the most of the situation by offering special rates to attract business, which involved the company in an unprofitable rate war. Under these conditions the company memorialized the legislature, asking the enactment of the supplemental bill then pending, the terms

¹ *Va. Acts*, 1878-79, pp. 118-125.

of which authorized the James River and Kanawha Company to sell to any other party in the event of the Richmond & Alleghany Railway Company's failure to purchase its works.¹ In response to this petition the legislature passed the act of April 2, 1879, authorizing the sale of the company's property to other parties than the Richmond & Alleghany Railway Company.²

Negotiations between the James River and Kanawha Company and the railway company continued during the spring and summer of 1879, but without reaching an agreement. Under the authority of the supplemental bill of April 2, 1879, the James River and Kanawha Company then proceeded in July, 1879, by advertisement to invite propositions from other parties for the purchase of its works; but no such propositions were forthcoming. After these successive and vexatious dissappointments the company resumed work on the Buchanan & Clifton Forge railway, in September, 1879, and made considerable progress in the construction of the road.³

Meanwhile President Johnston was actively engaged in straightening out the affairs of the James River and Kanawha Company and the Buchanan and Clifton Forge Railway Company by the settlement of pressing obligations and by securing further legislation in the interest of these companies. He was not without hope that by these measures the James River and Kanawha Company would be enabled successfully to manage its business, to consolidate the reduced indebtedness, to preserve its property, to complete the Buchanan and Clifton Forge Railroad, and gradually to convert the canal into a railroad.⁴ In the furtherance of

¹ *Forty-fifth Annual Report J. R. & K. Co.*, pp. 54-55; *Senate Journal*, 1879-80, doc. 32.

² *Va. Acts*, 1878-79, pp. 386-387.

³ *Forty-fifth Annual Report J. R. & K. Co.*, pp. 54-61.

⁴ *Forty-sixth Annual Report J. R. & K. Co.*, p. 120.

these objects he secured from the legislature the passage of a bill, January 24, 1880, providing for the continued use of convict labor; and of a second bill, February 10, 1880, authorizing the consolidation of the James River and Kanawha Company and the Buchanan & Clifton Forge Railway Company, and making it lawful for the former to acquire the works, property and franchises of the latter by purchase or agreement.¹

Spurred to action by these measures of President Johnston, the Richmond & Alleghany Railway Company announced early in March, 1880, that they were ready to close the pending agreement for the purchase of the James River and Kanawha Company's works and franchises. They stated that they had deposited with the Board of Public Works the sum of \$500,000 required by the act of assembly, and that they were ready to pay to the James River and Kanawha Company the \$30,000, and to the Buchanan & Clifton Forge Railway Company the \$4,000, required by the contract. On March 4, 1880, President Johnston communicated these facts to an adjourned meeting of stockholders and congratulated them upon this consummation as well as upon the prospect of the early construction of a railroad up the James river valley. The company's counsel, Major Isaac T. Carrington, presented and read the deed conveying the property to the Richmond and Alleghany Railway Company.²

The following day, March 5, 1880, in the presence of the stockholders, the deed of conveyance was formally delivered by an exchange of duplicate copies, fully executed by John W. Johnston and George M. Bartholomew, the presidents of the two companies. Mr. Bartholomew then announced that he formally took charge of all the works, property and

¹ *Va. Acts*, 1879-80, p. 12; *ibid.*, p. 39.

² *Forty-sixth Annual Report J. R. & K. Co.*, pp. 120-121.

franchises of the James River and Kanawha Company. On the same day the capital stock of the Buchanan & Clifton Forge Railway Company, then held by the James River and Kanawha Company and amounting to four thousand shares at the par value of one hundred dollars each, was transferred to the Richmond & Alleghany Railway company, and the convicts employed by the James River and Kanawha Company were returned to the superintendent of the penitentiary.¹

Thus on March 5, 1880, the James River and Kanawha Company, the successor of the James River Company and of the Richmond Dock Company, after a troubled career of forty-five years, and in its larger aspect of ninety-five years, passed into history. At the time of its sale its property consisted of the Richmond dock, the canal from Richmond to Buchanan, and the North River canal, together with its interest in the Buchanan & Clifton Forge Railway Company. Its most valuable possession, however, was its right of way along the James river valley from Richmond to Clifton Forge, claimed to be the easiest grade from the Appalachian Mountains to the Atlantic seaboard.

The dream of Washington, Marshall, and Cabell was at last realized, not in just the way they had fancied, it is true, but in a better and more enduring way, and the Chesapeake and Ohio Railway now traverses the territory along the valleys of the James, the Greenbrier, the New, the Great Kanawha and the Ohio, connecting the "eastern and western waters", the Mississippi river and the Virginia capes.²

¹ *Ibid.*, pp. 136-144.

² The Richmond & Alleghany Railroad Company began promptly to build the railroad from Richmond to Clifton Forge, a distance of 230 miles. The roadbed used was largely the tow-path of the James River and Kanawha Canal, which was abandoned as the railroad advanced, and within a year had ceased to be used for the purposes of commerce. In 1888 the Chesapeake & Ohio Railway Company acquired the Rich-

mond & Alleghany Railroad and in due time merged that company into its corporate system as the James River Division of the Chesapeake & Ohio Railway, from Richmond to Clifton Forge. See *Report on the Internal Commerce of the U. S., 1886*, Part II of Commerce and Navigation, Appendix, p. 68; *Fourth Annual Report of the Railroad Commissioner of the State of Virginia*, p. 11; *Fifth Annual Report*, *ibid.*, p. 219; James Poyntz Nelson, *The Chesapeake and Ohio Railway* (Richmond, 1916), pp. 19-20. Among the directors of the Richmond & Alleghany Railroad Company in 1880 it is interesting to find the names of James G. Blaine, Hugh McCulloch, and Cyrus H. McCormick. See *Fourth Annual Report of the Railroad Commissioner of the State of Virginia*, p. 143. The canal still extends nine miles out to the dam, the Chesapeake & Ohio Railway Company being required by law to maintain it as a conduit of water for power and water purposes for the city of Richmond. See *Preliminary Report of the Inland Waterways Commission, 1908*, p. 208. The James River and Kanawha Company, from its organization in 1835 to its sale in 1880, received and disbursed the sum of \$23,329,332.38. See *Forty-sixth Annual Report J. R. & K. Co.*, pp. 155-156. The presidents of the company were Joseph C. Cabell, Walter Gwynn, William B. Chittenden, John Y. Mason, Thomas H. Ellis, Charles S. Carrington, and John W. Johnston; the chief engineers of the company were Benjamin Wright, Charles Ellet, Jr., E. H. Gill, Walter Gwynn, D. S. Walton, E. Lorraine, James M. Harris and William Jolliffe; the most noteworthy secretaries, C. O. Gerberding and William P. Munford. Thomas M. Bondurant and Robert A. Lancaster, prominent directors of the company, each served as acting-president for a short while, the former in 1849 and the latter in 1867.

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