

## CHAPTER IV

*The New River branch of the Norfolk and Western Railroad Company – Part played by the New River railroad in the development of Southwest Virginia – Its inception and beginning – The original charter – General G.C. Wharton – Dr. John B. Radford – First organization – Meeting at Eggleston's Springs – Resolutions of incorporators – Richard B. Roane – Thomas Graham, J.D. Sergeant, and Walter Wood – Governor Gilbert C. Walker – Options and coal lands, and the manner in which the road was captured from its original incorporators – Country which was opened up by this railroad – Pocahontas and the Flat Top coal regions.*

Of all the auxiliary causes which have played their parts in the development of Southwest Virginia, the New River branch of the Norfolk and Western Railroad Company stands pre-eminently in the front. This road runs from Radford, in Montgomery County, through Pulaski and Giles counties, Virginia, and Mercer county, West Virginia; thence on through Tazewell county, Virginia, touching the West Virginia line at Bluestone Junction, and goes to Pocahontas, Virginia. The branch running from Bluestone Junction goes into the Flat Top coal region, and on to Elk Horn from Mill Creek Junction, which latter branch is being extended to Ironton, Ohio, through West Virginia.

Such a marked effect did the formation and construction of this route have upon the section of country of which we are writing, that every person deserves special notice, and if there should be some stage by-plays among the persona dramatis, all deserve either the praise or blame of posterity as well as thanks.

**In the fall of 1862, General G.C. Wharton, of Radford, was marching through West Virginia with his brigade, on his way to Fayette by the Raleigh turnpike. When beyond Princeton, after crossing Bluestone River, the troops stopped to rest for a few moments in ascending the mountains. Two of his officers, Captain Pole French and Captain Pack, were lying under a train wagon. Whilst conversing with these gentlemen he remarked:**

**"There is coal in this vicinity."**

**"Certainly," replied Captain Pack: "there is plenty of it. Right below here you will see where they have been getting it out."**

**So far as we gather from history this was the first discovery of this coal region which led to any beneficial results. This point was on the headwaters of Camp creek, in Mercer County, West Virginia.**

**Later on during the war, General G.C. Wharton married a daughter of the late Dr. John B. Radford, after whose family the city of Radford is named. Settling there on New river, on some land given his wife by Dr. John B. Radford, General Wharton, who was well acquainted with the iron ore regions of Floyd, Carroll, and Pulaski, conceived the idea that is the coal regions he had traversed during the war could be opened up and coke made, the point where he was living might become in some time an iron-manufacturing centre. Nor were his ideas on that subject at all chimerical at the time.**

**New River, which borders his land, rises in North Carolina, and flowing northwest, cuts directly through the range of mountains between Radford and West Virginia, giving an outlet. General Wharton, being satisfied that the charcoal furnaces could continue long in blast for want of fuel, thought of penetrating this coal region for coke. With this idea**

**framed in his mind, he determined to set the plan in operation at the earliest possible moment. In 1871 he was elected to the Legislature, and while there, on March 7<sup>th</sup>, 1872, obtained a charter incorporating what was then known as "The New River Railroad, Mining, and Manufacturing Company," with John B. Radford, John T. Cowan, Joseph Cloyd, James A. Walker, William T. Yancey, William Mahone, Charles W. Statham, Joseph H. Chumbley, A.H. Flannagan, Philip W. Strother, John C. Snidow, Joseph H. Hoge, William Eggleston, G.C. Wharton, William Adair, James A. Harvey, A.A. Chapman, Robert W. Hughes, A.N. Johnston, Elbert Fowler, David E. Johnson, John A. Douglas, W.B. McNutt, James M. Bailey, and A. Gooch as incorporators.**

**The charter obtained by General Wharton gave the company power upon its organization "to construct, maintain, and operate a railroad from New river depot, a point on the line of the Virginia and Tennessee division of the Atlantic, Mississippi and Ohio Railroad Company, in the county of Pulaski and state of Virginia; and the said New River Railroad, Mining, and Manufacturing Company shall be further empowered to acquire ownership of land for mining and manufacturing purposes, and shall be entitled to enjoy all the rights and privileges respectfully conferred by the laws of the State of Virginia and West Virginia upon railroad corporations and mining and manufacturing companies, and shall be subject to the restrictions imposed by such laws upon like corporations.**

The capital stock of the said New River Railroad, Mining, and Manufacturing Company shall not exceed two millions of dollars, to be divided into shares of one hundred dollars each, each share subscribed to be entitles to one vote in all meetings of said company; and one hundred thousand dollars shall be taken as the minimum subscription on which said company may be organized.

**While the general was applying for this charter, his friends ridiculed the idea of a railroad being run through the mountain gorges and cliffs bordering on the wild banks of New river. But he, nothing daunted, continued his course. When the bill came up to be passed, his brother law-makers said: "There's nothing in it, but we will vote for it because Wharton wants it."**

Finally, as we have said, the bill became a law in March, 1872, and General Wharton, with the power conferred under this charter, proceeded to put his plans in operation.

On the 17<sup>th</sup> day of June, 1872, a meeting of the incorporators of this road was held at Pearisburg, in Giles County, Virginia. From the Pearisburg Gazette of date June 22, 1872, we find that the following business was transacted:

The roll was called, and a quorum being present the meeting proceeded to business. Dr. John B. Radford was elected president, and Elbert Fowler secretary. Dr. Radford had given much of his time and attention to the construction of this company, and was a worthy gentleman in every way to place at the head of scheme in its infancy.

**On motion of General G.C. Wharton, numerous committees were appointed to receive subscriptions at Norfolk, Richmond, Lynchburg, Philadelphia, and all points along the line of the projected railroad. Two other resolutions were passed at this meeting, as follows:**

**"Resolved, That Richard B. Roane be authorized and requested to visit the coal fields in Tazewell and Mercer and secure such grants and subscriptions in land, material, money, and, as far as possible, the right of way on the line."**

**“Resolved, That this meeting adjourn to meet at Eggleston’s Springs on Tuesday the 23<sup>rd</sup> of July.”**

**Richard B. Roane came from Eastern Virginia, a descendant of one of the best and most influential families in that country. He came to Southwest Virginia in 1871, to follow his profession of engineering, and in conjunction with that became well acquainted with the topography and mineral resources of the land. To him was entrusted the onerous duty of securing options, grants, material, right of way, and mineral properties for the New River Railroad, Mining, and Manufacturing Company. He proceeded at once to the counties named, and during this trip laid the foundation for securing grants of the celebrated coal lands on Flat Top and around there which have since proven to be worth millions.** He saw and negotiated with the following parties, as appears from the following memorandum, which is unquestionably true:

“The following parties seen, and negotiations entered into with them for their coal, in the interest of the New River Railroad, Mining, and Manufacturing Company: A.A. Spotts, G.W. Potts, Jonathan Smith, John Smith, India and Sarah Taylor, Amos Read, W. L. Moore, Jacob Buckland, W.H. Whitten, George Reid, Thomas Franklin, I.O. Moore, Lewis K. Harvey, John J. Jeffries, the track on centre of Laurel; Osborne tract, near the same, 500 acres (Laurel); Daniel Bolling, D.H. Dean, Daniel K. Perdue, J. Parker, Mosby Davis, George Tabor, Arch Thompson, C.H. Gleaner, 500 acres.”

These parties were willing to make certain donations and grants, provided the road was constructed in five years. **Most of these lands were in the very heart of the Flat Top region; and the New River Railroad, Mining, and Manufacturing Company, with the options upon such property as this, would have been one of the richest corporations in the South, and made the originators of the scheme rich, had justice played a role on the stage of this railroad theatre.**

On July 23, 1872, the meeting appointed to take place at Eggleston’s Springs was held, and from a subsequent copy of the Pearisburg Gazette of date July 27, 1872, we find the following proceedings concerning the New River Railroad, Mining and Manufacturing Company:

“A quorum for business being present, on motion, Richard Wood was appointed chairman, and A.L. Fry and George W. Easley secretaries. The committee [members] appointed at a former meeting to canvass for subscriptions to capital stock, not being ready to report, were severally continued.

Richard B. Roane, who was appointed to visit the coal fields in the counties of Tazewell and Mercer to secure grants and subscriptions, and as far as practicable the right of way, returned an interesting and flattering report, which was read and accepted.”

A resolution was then passed by the company with reference to subscriptions, and the meeting adjourned after appointing Gen. G.C. Wharton, Hon. P.W. Strother, John T. Cowan, and George W. Easley as a committee to solicit aid from the Atlantic, Mississippi and Ohio and the Chesapeake and Ohio railroads. Although the Gazette does not mention the fact, yet there is evidence that at this meeting John T. Cowan was elected president, with Wood, Strother, Radford, Fowler, and Wharton directors.

In the session of 1872-'73, the charter was amended in several respects to meet the wishes of parties desiring to become connected with the company.

**Early in the spring of 1874, Richard A. Roane visited Richmond, Virginia, and while at the Exchange Hotel was introduced to one Thomas Graham, from Philadelphia, by Governor Gilbert C. Walker, at that time occupying the highest post of honor in Virginia. Roane exhibited some samples of ores and minerals to Graham which pleased him very much, and he made minute inquiries regarding the country, resources, minerals, and all, to which Roane politely gave him all the information possible, desiring to interest every one he could in the New River Railroad, Mining through the counties above named, and then he returned to Philadelphia, carrying with him a box of specimens to be analyzed. Hitherto, in detailing the history of this little company, which was struggling to place itself upon its feet, we have done so with great pleasure; but from this on a canopy of darkness comes over the transactions concerning it which we would gladly leave drawn, but truth in chronicling these events requires that it be unfolded.**

**What passed between R.B. Roane and Thomas Graham during this trip through the country we are unable to say, nor can we explain why Walter W. Wood should have appeared on the scene in Philadelphia about this time, but we find that in this same spring he wrote the following letter:**

Philadelphia, Pa. April 10, 1874

DEAR ROANE – I have had a further interview with the parties to-day. Graham's box of specimens has arrived, and he is proceeding immediately to analyze them. The parties are in dead earnest, and nothing will disconcert them unless the ores turn out bad on analysis – a contingency that they do not contemplate. Whether you deem it is advisable to see Col. Harman or not, you come to Richmond to see me, as the parties want the railroad *captured* right away. I repeat, they mean business.

Very Truly yours,

W.W. Wood

Who the parties were that wanted the railroad *captured* right away we cannot say from Wood's letter, nor have we any idea what plans had been formed for capturing the same. But three days later the following letter was written, which in a measure gives up some idea who the capturing parties were:

Thomas Graham, President T.B. English,  
Sec'y – Treas'r Office North Carolina Centre Iron and Manufacturing Co.

PHILADELPHIA, April 13. 1874  
Mr. R.B. Roane, Esq., Dublin, Pulaski County, Virginia

Dear Sir:

In conversation with our friends on the subject of the New River railroad and matters connected therewith, they join me in the opinion that it will be expedient to see you here, in order to have more definite information. I therefore invite you to come to this city, and meet us, with Governor Walker, in order that you may personally explain and confer with us. Should this meet your wishes, will you please advise Governor Walker, to whom I have written today, and also inform me, appointing the time? I would suggest that you bring with you all necessary papers of information with maps. Enclosed I hand you Girard National Bank check on New York for one-hundred dollars, which please acknowledge.

Very truly yours,

Thomas Graham

**The friends of whom Thomas Graham writes in the above letter were, in all probability, J. Dickenson Sergeant, Richard Wood, Harvey Beckwith, and Lewis Rodman, including Governor Walker, of course. From the best light we have upon the subject, these were the parties then attempting to capture the New River Railroad, Mining and Manufacturing Company.** In his letter of April 13, 1874, Thomas Graham advises R.B. Roane to put himself in communication with Governor Walker. But it appears that Roane had already communicated with Governor Walker, for two days after Thomas Graham wrote Roane, this letter followed:

RICHMOND, Va. – April 15, 1874

My Dear Sir:

Your valued favor of the 7<sup>th</sup> instant reached here during my absence. After my return I had a conference with General G. C. Wharton, who promised to write you, and I presume has done so last evening. I received a note from Mr. Graham, stating that he had written you suggesting a conference between us and others in Philadelphia. I am compelled to be in that city next week on other business, and I have so written him. If you can go on, I think it would be well to do so; and if you will name the day most convenient to you, I will try and arrange to go on at same time. Much caution and good management will be required in all these matters, which of course you fully appreciate. Hoping to hear from you by return mail,

I am very truly yours,

G.C. Walker R.B. Roane, Esq.

In a short time from the receipt of those letters Roane went to Philadelphia. By some people it was thought that as Thomas Graham was not in any way connected with the road, Roane should not have carried the papers, maps, and other information which he had gathered as a duly appointed agent of the New River Railroad, Mining and Manufacturing Company to him and his Philadelphia friends; but upon reflection, we are inclined to think that in this instance Roane should not have been censured, because he wished to show Northern parties the many advantages which his company possessed in the way of minerals and ores. In fact, others knew that Roane was going on, because General Wharton met Roane in company with Thomas Graham; thought that the latter was a Philadelphia capitalist, as he represented himself as such, and from his statements believed that he and his Northern friends could construct and equip the road. **But General G. C. Wharton at that time had not the ghost of an idea that Thomas Graham and his friends were in concert to capture the coal lands, strip them from the New River Company, and let the latter shift for itself.** Nor had such a plan ever entered the mind of John T. Cowan, then president of the company, because, as we shall see directly, he and Hotchkiss were working in the interest of the New River Railroad, Mining and Manufacturing Company, endeavoring to obtain options and grants for land. Prior to this time we find, by a memorandum endorsed, that in 1872 and 1873 all negotiations, bargains, and purchases were being secured by Roane in the name of the New River Railroad, Mining and Manufacturing Company. On the back of the list of men seen in Abb's Valley, in reference to their lands, we find this written memorandum:

" Abb's Valley coal men seen and negotiated with by Roane in 1872 and 1873."

And within we find written...

"In the interest of the N.R.R.M & M Co."

**So we may reasonably conclude that in the capturing minds of Thomas Graham and friends, in Philadelphia, alone rested the idea of gobbling up these mineral lands, at this time, without respect to the wishes or rights of the New River Railroad, Mining and Manufacturing Company.**

What passed at the conference in Philadelphia which Roane attended we cannot say farther than what was subsequently stated by R.B. Roane – that "a plan of action was determined upon."

We are not left, though, in the dark, as to what that plan was, for Mr. Roane, upon being asked, frankly stated that Thomas Graham desired to become a stockholder in the company, with some friends of his. At all events, Roane called a meeting of the directors, which took place in April – 1874 – about the 24<sup>th</sup> – at the Norvell-Arlington Hotel, in the city of Lynchburg. He requested that Thomas Graham and others be allowed to subscribe, but for reasons unknown the directors refused to allow it, doubtless feeling then that things were not going on as they ought. But the stockholders having carelessly omitted hitherto to pay the two per cent, on the fifty thousand subscribed, Thomas Bocock, an astute attorney, at the suggestion of Roane, gave it as his opinion that the whole thing was invalid on that account, and that the books should be re-opened in order to collect the two per cent. Three of the directors consented; the books of subscription were re-opened, and checks were given by the subscribers for the two per cent, and other subscriptions made. At this meeting it seems that Roane made a subscription of five thousand dollars, conditioned upon the fact that he should be satisfied with the organization to be made at the Montgomery White Sulphur Springs, in June, 1874. **We further infer from facts which we will give directly that at this meeting Richard B. Roane was in some manner passed over and ignored in a way which he thought was a poor return for the services he had given this company. From now on we find that he gave the Philadelphia parties every assistance possible, until they broke faith with him, and by their own actions, as we shall see, treated him abominably.**

Shortly after the adjournment of this meeting THOMAS Graham wrote a letter, which we copy verbatim. It was as follows:

Thomas Graham, President T.B. English, Sec'y – Treas'r  
North Carolina Centre Iron and Manufacturing Co.  
Philadelphia, April 28, 1874  
Mr. Richard B. Roane, Esq., Dublin, Va.

My Dear Sir,

Mr. Richard Wood returned, and called on me yesterday. He related what had occurred at the meeting at Lynchburg. His explanation of the results is not made clear to me up to this time. I also have your letter of the 26<sup>th</sup>, which is very clear, and I coincide with the opinions therein expressed. Until I see you I will reserve any further comments. I fully appreciate your surprise and disappointment. I think it just to warn you that you are likely to be ignored. I do not know yet what steps myself and friends will take – surely some, however – of which I will inform you; but I would advise you to strengthen yourself by laying hold of red hematite and magnetic ore, marble, and lithographic stone; also, fossil ores near and tributary to the line. Advise us of properties you can secure, with description, terms, etc., and we will inform you what we will do. Get leases and options. Tell us what you wish us to do for you. If it meets with our views we will do as we agree. It will be wise for you to confine yourself for the

present to properties close to the line of the railroad, and where you know good bodies of mineral exist – the best of such properties – without encumbering yourself with heavy bodies of property. It will be proper to furnish you with funds for your expenses whilst engaged in this work, and the further compensation or interest that may be determined on secured to you by contract. Should you entertain these suggestions, we would prefer that leases, options, or any direct important purchases of mineral property, or strategical points of importance, if approved by us, should be made in the name of or conveyed to J. Dickenson Sergeant, attorney at law, Philadelphia, Pa., subject to the contract of interest or compensation agree upon with you. I call your attention at once to the magnetic property (No. 3) north of Snidow's Ferry; to Charles Parker's red hematite, No. 2; to No. 5 brown hematite, Laurel creek; to the magnetic ore near A.M. & O. R.R.; to the marbles and litho stone. Mr. Wood considers that Mr. Cowan and Mr. Hotchkiss are in positions to enable them to accumulate property for the New River railroad. Probably they are. In writing you this letter, however, it is simply business between us. I shall be glad to hear from you, and I will advise you. Please write me on the matter contained in this letter, and believe me to be sincerely your friend,

Thomas Graham, 233 St. (over)

**P.S. – You will pardon me if I further advise you to make NO confidants. When you write, will you inform me more particularly as to the occurrences of the meeting in Lynchburg, and whether General Wharton agreed entirely with Mr. Wood in the course he pursued? I wish to remark that Mr. Wood was authorized, and agreed to make the requisite subscription, and my telegram inferred further aid, if necessary.**  
T.G.

This remarkable letter was written on the 28<sup>th</sup> day of April, 1874, almost three months before Thomas Graham or J. Dickinson Sergeant became officers in that company. Notwithstanding the fact that Sergeant had no connection whatever with the company, Graham writes the authorized agent of the New River Railroad, Mining and Manufacturing Company to have "all leases, options, or any direct important purchase of mineral land, or strategical points of importance," conveyed to J. Dickinson Sergeant. Graham had some object in view in wanting the New River Railroad, Mining and Manufacturing Company completely separated from the options, leases, and purchases of the mineral lands, and that object could be but one. **Had the leases, purchases, and options of this great coal section been obtained in the name of the New River Railroad, Mining and Manufacturing Company no disposition could have been made of them without the consent, sanction, and authority of the directors of that company, and the general stockholders – not Graham, Sergeant, Wood, Beckwith, and Rodman – would have been entitled to a participation in the profits. The fact stares us directly in the face, that the very property which the company knew was most valuable and upon which it based its calculations was being snatched away and forever sundered from her chartered rights, without any knowledge of the president or board of directors, who were the legal guardians of its property, rights, and franchises.** By virtue of the authority vested in R.B. Roane to secure grants, options, leases, and contracts of mineral and, the New River Railroad, Mining and Manufacturing Company was entitled to them, and Graham and Sergeant well knew that their steps were in violation of that express authority to have them gotten in the name of a total stranger to that company.

It was now absolutely necessary that such a change should be made in the governing body of the company as would enable Graham and Sergeant to continue their concerted plan of operations without question from any president, vice-president, secretary, treasurer, per director. So, at the meeting held in June, 1874, at the Montgomery White Sulphur Springs, Thomas Graham appeared for

the purpose of becoming a subscriber in the sum of \$50,000, to make up the necessary one hundred thousand dollars required by the charter.

At this meeting the stockholders again objected to the books being re-opened or Graham being allowed to subscribe. There seemed to be some insuperable difficulty to his coming in, for at the former meeting in Lynchburg, the director and stockholders had objected. But Roane again came to his rescue, and withdrawing his subscription of \$5,000, and his check for 2 per cent cash, the books were re-opened, and Thomas Graham subscribed \$50,000, and at last became a stockholder in the company with which he had been hitherto connected "sub rosa." At this meeting a new organization was effected, and J. Dickinson Sergeant was made president, Thomas Graham vice-president, T.B. English secretary and Treasurer, and R.B. Roane land agent and mining engineer.

The surprise which Thomas Graham expressed in his last letter to R.B. Roane, at the proceedings in Lynchburg, can be easily understood now. This last reorganization he expected in Lynchburg early in the spring. His taunting Roane with being ignored was but a card played to prejudice him as much as possible against the Virginia board of directors. Doubtless that very objection which they had to Graham's subscribing was apprehensiveness lest the road passed from their hands.

**After this last meeting there was no longer any concealment on Graham's part, so far as Roane was concerned. He distinctly asserts that the land grants, contracts, and options are their private land interests. The following correspondence forever sets this matter at rest, and shows that the options gotten under, by virtue of, and through the authority of the New River Railroad, Mining and Manufacturing Company were appropriated in toto by Sergeant and his capturing friends:**

Philadelphia, July 22, 1874  
Mr. Richard B. Roane, Dublin, Virginia:

My dear sir,

Mr. Sergeant wishes you to come here and bring with you all papers and memoranda you have in connection with our private land interests.  
We are deliberating on our plans on this end, and railroad matters, and your presence with papers and information is necessary.

Mr. English writes you today,

Very truly yours,

Thomas Graham

With this letter from Thomas Graham one came from T.B. English, which reads as follows:

No. 233 South 3<sup>rd</sup> Street, Philadelphia, July 22, 1890

Mr. Richard B. Roane, Land Agent and Mining Engineer, New River Railroad, Mining and Manufacturing Company, Dublin, Virginia:

My Dear Sir,

I am instructed by the president to request you to come to this city, and to bring with you all

papers, contracts, deeds, maps, etc., appertaining to the business of this company in your possession, for examination, etc. Please draw on me at sight for one month's salary and travelling expenses, and advise of the probable time of your arrival here, in order that Mr. Sergeant may arrange to meet you.

Very respectfully,

T.B. English  
Secretary and Treasurer N.R.R.R. M. & M. Co.

Is it not passing strange that Thomas Graham should have to write such a letter, underscoring "private interests," at the same time that the secretary of the company writes to Roane to come in his official capacity? There is but one reasonable solution: these land options had been gotten apart from the railroad company, which was justly entitled to them, and Thomas Graham, fearing that Mr. Roane would not consider these as a part of the railroad papers, deemed it more expedient to speak plainly as to the meaning of the request in Secretary English's letter. That Richard B. Roane did not consider them as in any way connected with the New River Railroad, Mining and Manufacturing Company is conclusively shown later on.

What took place in Philadelphia when Roane went is not positively known except between the parties themselves. But from the evidence before us the options, leases, grants, contracts, and so forth, were deposited with J. Dickinson Sergeant. There has been some little question as to what properties those options, leases, and contracts included. Some have contended that they were simply leases and options of iron mines in and about Giles and Tazewell, but the following letter, coupled with the memorandum already given, shows that they were options on those valuable coal lands around about Laurel creek, in Tazewell, where the mining town of Pocahontas now stands, and some of the Bluestone coal lands:

Abb's Valley, Tazewell County, Va., August 22, 1872

Richard B. Roane:

Dear Sir: - I hasten to reply to your letter received a few days since. Sqr. Moore says there is no doubt but that you can get the Osburn land, as he is now holding correspondence with said Osborn to make the purchase, and expects to let you have it. I saw Nelson, and he promised that you should have the refusal, and will sell to no one else before giving you the first chance. I saw my son and many others, all of whom seem to be willing now to give one-half to come up to your terms - myself with the balance. It is difficult for me to ascertain the exact amount of acres, but I know one thing: that is, the company can secure one-half of it all, or nearly all, of the mineral lands on Laurel, and that is all they want. There is only two persons but what is willing to come in on the arrangement, so I hope that this will satisfy the company. Dr. Johnson is doing well. He, Mr. Moore, and myself are the working men for the company. Write me without delay, and if there is anything that I can do, let me know, and it shall be attended to.

Respectfully,

A.A. Spotts

The property which Mr. Spotts speaks of, on Laurel creek, is among the best of the coal mines in that section now, and worth probably many millions of dollars. Mr. Spotts was under the impression that the negotiations were in favor of the New River Railroad, Mining and Manufacturing Company. The

memorandum which we have quoted from shows that his impression was correct. **By some means or other Governor Walker failed to participate in the new arrangement and reorganization for some time afterwards. W.W. Wood appears upon the scene again by writing the following letter:**

515 Olive Street  
St. Louis, Mo.

Dear Roane,

What's become of the railroad and the mineral property? I saw Graham in Philadelphia, and he gave me an account of the proceedings at the reorganization of the New River Railroad, with the name of the president-elect, etc. He told me that the president would immediately organize things and proceed actively to work in building the road. He told me that Governor Walker was not in on it, but that he intended to protect you fully. Write me all about it, and anything of interest besides that you can think of. I am here at the above address – have stuck out my shingle as attorney at law. My prospects are good and I believe I will do well. Write me all about the iron.

Very truly yours,

W.W. Wood

In 1875, the line was surveyed, commencing at New river. It was to run to Hinton, with power to build any branch roads that might be necessary to bring out minerals. Of course this branch line had direct reference to the counties of Wise, Giles, Bland, Buchanan, and others, but pointed more directly to the rich coal fields near Abb's Valley, in Tazewell, and the county of Mercer, West Virginia. There was but little known regarding this company until 1878, when the state convicts were placed upon the line conceived by General Wharton in 1871, which was deemed almost impossible by everyone, became a living reality. These convicts were secured through General Wharton, who not only succeeded in getting an act passed to that effect, but personally went security upon Thomas Graham's bond, which had to be given to the State before the Governor would allow them to go.

In the meanwhile, between the years 1875 and 1878, R.B. Roane was still seeking leases, grants, and options upon the mineral properties adjacent and tributary to the proposed line. Several of these original options are still extant, with the name of the owner of land, the county in which it was situated, amount specified, and terms of lease. All were obtained in the name of J. Dickinson Sergeant, of Philadelphia. Most of these contracts which did not go into Sergeant's possession were obtained in the counties of Bland and Giles, Virginia, and Mercer County, West Virginia. They appear to have been gotten on or about the 17<sup>th</sup> or 18<sup>th</sup> of May, 1877. Why these failed to reach their destination is accounted for from the fact that in the year 1878 there was a difficulty between Roane and Sergeant in reference to the part Roane should have for services rendered. We give below copy of a contract drawn by Sergeant, which will show that he acknowledges indebtedness for Roane's services. There seemed to have arisen some misunderstanding, because a letter of Roane's, which we will give later on, clearly shows that. This agreement is signed by J. Dickinson Sergeant, and was evidently forwarded by him to R.B. Roane for signature, who refused to append his name to it on the ground of its being defective. The contract is as follows:

Agreement made this \_\_\_\_ day of October, A.D. 1878, between J. Dickinson Sergeant, of the city of Philadelphia, president of the New River Company, and trustee holding certain lands and leases on and near New River, in Virginia and West Virginia, for himself, Richard Wood, Harvey

Beckwith, and Lewis Rodman, of the one part, and Richard B. Roane, of the other. Whereas the said Roane has rendered services, time, and labor to, for, and about the business of the New River Railroad Company, and about the obtaining and negotiating for the lands and leases now held by the said Sergeant, as trustee aforesaid, upon the stipulation that he should have the privilege of taking at the cost thereof, with interest and expenses added, one sixteenth part of the stock of the said company, and a similar proportion in the said land and leases: Now this agreement witnesseth, that the said Sergeant, in consideration of the services of the said Roane as aforesaid, and of one dollar unto him in hand paid by the same Roane, the receipt whereof is hereby acknowledged, doth declare and agree that the said New River Railroad Company shall and will issue to the said Roane one-sixteenth part of the cost thereof, to the said Roane, on payment by him of one-sixteenth part of the stock of said company; and that he, the said Sergeant, shall and will, on payment by the said Roane of one-sixteenth part of the cost thereof, with interest and expenses added, grant and assure to the said Roane, his heirs, executors, administrators, and assigns, one-sixteenth part of the lands and leases on or near New river held by the said Sergeant as aforesaid, and that upon any sale of the stock, leases, and lands, before the said Roane shall have obtained said transfer, the said Roane shall be entitled to receive one-sixteenth part of the profits of said sale, to be ascertained by deducting from the sum realized the cost of acquisition of the same, with interest and expenses thereof.

Provided, however, that nothing herein contained shall be deemed to vest in the said Roane (prior to the payment by him of one sixteenth part of the cost, interest, and expenses aforesaid) any further or other right or title than the right to participate in the profits from sales of the stock, lands, and leases aforesaid, should there be a sale of the same by the parties holding title thereto. And the said Roane hereby agrees to accept the interest hereby intended to be secured by him in full payment and satisfaction for his services to the said New River Railroad Company, and to the said Sergeant and those for whom he is acting as trustee.

In witness thereof, the said parties have hereunto set their hands and seals the date aforesaid.  
(  
Signed) J.D. Sergeant [L.S.]

Witness present:

(Signed) Septimus E. Norris

A true copy: Park Phipps (Witness)

In this agreement the evidence is conclusive that Sergeant did not hold these grants, leases, and options for the benefit of the New River Railroad, Mining and Manufacturing Company, but for the personal benefit of himself and three others. Where had gone the stockholders' interest in these valuable options and leases originally negotiated for in the name of the company? Echo answers, "Where?"

Mr. Roane misunderstood the contract in two particulars. He thought that the interest he should have in the option and leases should be entirely distinct from his participation in the stock of the New River railroad. He regarded the two as totally distinct transactions, just as Sergeant really held when he termed one interest for himself as trustee for others. Moreover, Roane evidently understood that he was to have the interest for services rendered without any payment of cost and expense. That this was the original agreement there can be no doubt, for the correspondence, as well as extrinsic facts, prove it. But J. Dickinson Sergeant, having possession of those leases and options, chose to take a

different position. Mr. Roane's letter written concerning the contract gives his views thoroughly on the subject. It is as follows:

Newbern, Va. March 17, 1879  
J.D. Sergeant, Esq.:

Dear Sir,

I return one of the contracts unsigned. I have examined it carefully for the first time. It is very much mixed, and susceptible of too many considerations – that is, the railroad company and the land company is mixed up together in such a way that one cannot be distinguished from the other; in fact, they are made to appear in the contract as one and the same, while, as I understand it, they are separate and distinct. If this understanding be correct, they should be separated and made distinct in the contract, or there should be separate contracts. The wording of the contract is such that it brings the railroad and land company together in such a way that they cannot be separated. I am sure this was not your intention. Again, the wording of the contract is such that it makes the interest intended to be secured contingent only in the event of a sale, or upon my paying such a portion of prime costs; and even this is foreshadowed with some doubt from the phraseology. And under the program, as I understand it, there will be no sale; hence I am excluded from the contract unless I can by some chance raise the money necessary to be paid from some outside source, which is simply impossible, as I am dependent on my daily labor for sustenance. I am therefore forever excluded under the contract, unless someone will take it off my hands at whatever they may choose to give, although the enterprise may pay for itself in one year, and its net earnings may thereafter be large. Yet I can never participate under the contract unless there is an actual and absolute sale of the stock, lands, leases, rights, franchises, etc., or by my paying the certain proportion, in some source independent of the enterprise, whatever its net earnings may be. Thus, suppose the parties now in interest continue, the road built, the mines and lands utilized, worked, and ore shipped and manufactured – in one year the thing has paid for itself, and the next there is a net profit. **Under the contract I am excluded from participation because I am unable to pay my proportion independent of the earnings of the enterprise. If there is no sale, there is no contract unless I can get the money from some outside source to pay the proportion as mentioned, which I am not able to do, and doubtless never will be, unless the earnings of such operations are to be applied in this way, which the contract does not provide for. While this may be implied, we may die at any time, and this implication disregarded. The contract is imperfect and worded wrong. My first impulse was to sign it without comment, but knowing that you meant and intended differently from what the contract expresses, I thought it best to return the contract and call your attention to its defects. There is not a court in the land but what would construe this contract as I have.**

Yours very truly,

Richard B. Roane

In regard to his having gotten these options in J.D. Sergeant's name, Mr. Roane's explanation is this:

"When I went into Tazewell and Mercer I was under the impression that the organization of the New River Railroad and Manufacturing Company was illegal, so I obtained them in limited grants, in an independent capacity."

**Mssrs. Graham and Sergeant failed signally to liquidate Roane's claim, as just as it was, so far as they were concerned, and he was on the eve of bringing suit to recover his rights when the New River Railroad, Mining and Manufacturing Company was said to have passed into the hands of innocent purchasers – the Norfolk and Western Railroad Company.**

The exact time at which the New River Railroad, Mining and Manufacturing Company passed into the possession of the Norfolk and Western railroad, or Clarence H. Clark *and his associates*, is not exactly known, but we gather from the first annual report for the year ending December 31, 1881, of the Norfolk and Western Railroad Company, that the negotiations for the New River Railroad, Mining, and Manufacturing Company, and all its branches, properties, and rights were completed at the time that Clarence H. Clarke and his associates were purchasing the Norfolk and Western Railroad, which at that time was the Atlantic, Mississippi and Ohio Railroad. The purchase of the latter was made under sale by decree of court on February 10, 1881. Their first annual report shows this fact on page 6. It reads:

“In the proceedings on the bill the said court, on the 9<sup>th</sup> day of May, 1879, pronounced a decree of foreclosure and sale; and on the 10<sup>th</sup> day of February, 1881, the road property, franchises, and rights were sold to Clarence H. Clarke and his associates for the sum of \$8,605,000, subject to liens and encumbrances amounting to \$4,898, 159.14, including the interest calculated to the first day of January, 1881.”

In this same first annual report there is something said concerning the New River Railroad, Mining and Manufacturing Company, on page 15:

“The Norfolk and Western Railroad Company has acquired the control of the various roads in the State of Virginia and West Virginia, which, aggregated, constitute what is known as the New River Railroad, Mining and Manufacturing Company. This line commences at the junction with the Norfolk and Western Railroad Company at the New River bridge, and running down the New river and its tributaries, as at present projected, will be about seventy miles in length, with authority under its charters to extend up New river to the North Carolina border, and in various directions upon the tributaries to the river. At its proposed terminus it strikes a superb body of Kanawha coal in what is known as the Flat Top region. The surveys were completed and work commenced August 3, 1881.”

When we come to the beginning and inception of the Norfolk and Western Railroad Company, in the chapter containing its history, this subject will be reverted to again.

The Pocahontas and Flat Top coal regions, opened up by this company's railroad, is one of the best coal countries in the United States. These lands lie in a part of Tazewell County, Virginia, and Mercer, McDowell, Wyoming, and Raleigh counties, West Virginia. The coal is not only of first-rate quality, but apparently of almost inexhaustible quantities. Throughout a large portion of Flat Top Mountain the coal is above water level, and lies most conveniently for cheap and expeditious mining. The mineral is deposited in layers throughout the mountain, and mined by an entrance cut into the solid bank of coal, on the side of the hill. Tipples are erected near this entrance, and through them the coal goes into a railroad car – after being screened and the fine coal separated.

These coals, geologically, are the lowest members of the coal measures, and are the equivalent of the Quinimont group of the Kanawha region and the Pottsville conglomerate of Pennsylvania. They are low in sulphur and ash, and unusually high in fixed carbon. The coal-bed everywhere presents, so far as discovered, a working thickness of 11'3" round Pocahontas, and holds its working dimensions until it reaches Flipping creek, six or seven miles off, where it divides into two beds, each some 4 ••• and 5 ••• feet thick. Westward of Pocahontas, along Laurel Creek, the bed carries its thickness fairly well for

a distance of eight miles, and shows pretty well the same section for quite a distance north of the dividing ridge, on the waters of the Elkhorn and the Tug Fork of the Sandy. A large area of country is underlaid with this coal, and it has been estimated that it should yield 10,000 tons per acre, while the upper beds should add probably 6,000 tons more. The quality of it has been tested both in the laboratory and by actual practice, and for steaming and coking it has been found very superior. As a domestic coal, it is generally used, and pronounced good. But a safer and better idea of its quality can be gained from McCreath and D'Invillier's analysis. In their report on "the New river-Cripple creek region," they give the following analysis in connection with its quality from an average of fifteen samples:

Water.....	.182	.186	.664
Volatile Matter.....	.719	.494	1.059
Fixed Carbon.....	92.248	92.585	92.816
Sulphur.....	.565	.677	.518
Ash.....	6.286	6.048	4.913
<hr/>			
	100.00	100.00	100.00

Since the discovery of this valuable field many coal operations have begun. At present the following works are in active operation in Tazewell county, Virginia, and Mercer and McDowell counties, West Virginia:

In Tazewell, the Southwest Virginia Improvement Company.

In Mercer county, West Virginia, in what is known as the Bluestone region (because the Bluestone river flows through the country), and John Cooper and Co., the Caswell Creek Coal and Coke Company, the Buckeye Coal and Coke Company, the Booth-Bowen Coal and Coke Company, the Goodwill Coal and Coke Company, the Louisville Coal and Coke Company.

In McDowell County, on the Elkhorn extension of the Norfolk and Western Railroad Company, the Elkhorn Coal and Coke Company, the Shamokin Coal and Coke Company, the Norfolk Coal and Coke Company, the Lick Colliery, the Turkey Gap Coal and Coke Company, the Crozier Coal and Coke Company, the Houston Coal and Coke Company, the Powhatan Coal and Coke Company, the Lynchburg Coal and Coke Company.

These are all actively engaged in shipping. Many others are obtaining leases, and as the railroad extends on through McDowell towards Ironton will begin shipping. To give an idea of the immense amount of coal and coke shipped from these regions we subjoin a table of the shipments since 1883:

Coal	Coke
1883.....	54,552 tons 23,762 tons
1884.....	153, 220 " 56,360 "
1885.....	499,138 48,571
1886.....	739,018 59,021
1887.....	992,260 151,171
1888.....	1,343,312 202,808
1889.....	1,543,900 310,504

These figures do not include the coal mined altogether, because the miners and their families burn an unlimited supply for their own consumption.

As we may easily understand, the opening up of these works was the cause of the growth of towns and the country as if by magic. Pocahontas in two years grew into a city numbering its inhabitants among the thousands, while Bramwell, Graham, Simmons, and Mill Creek soon followed. From a howling wilderness of mountains the whole community in those sections became, as if by and electric shock, a rushing, thriving business place; and now in that mining section embracing a corner in each of the three counties of Tazewell, Virginia, and Mercer and McDowell counties, West Virginia, the population is hardly less than twenty thousand people. The wages of the miners are good, and as they are a class of people who do not believe in denying themselves, there has been a steady business rush all the time. A great of money has been made in speculating and dealing in coal lands, and the formation in joint stock companies of various kinds have, more than anything else, tended to develop each and every resource of the country. Certainly, just from this section alone, the New river division of the Norfolk and Western Railroad Company has almost inexhaustible supplies from which to draw. But, in addition to this great coal section, over this line of road will come the mineral products of the Clinch Valley country, which more properly belong to the history of the Clinch Valley extension of the great Norfolk and Western system.