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“BLACK AN’ DUSTY, GOIN’ TO AGUSTY”: A HISTORY OF THE PORT ROYAL RAILROAD

JOHN MARTIN DAVIS, JR.*

IMMEDIATELY TO THE WEST OF THE WHALE BRANCH causeway across the Coosaw River that flows between Port Royal Island and the mainland of South Carolina sits a mile-long trestle. The old train bridge passes over the landing of the eighteenth-century rope ferry to the colonial port of Beaufort. Rail service was slow in coming to the insular community. The state-chartered rail line was stymied by the acts of man and forces of nature. It was in receivership several times. Some years the railroad had more attorneys than conductors on its payroll. Even with such tribulations, the Port Royal Railroad was the primary economic stimulant to the southeastern section of the state after the Civil War. Port Royal, Varnville, Hampton, Brunson, Allendale, and Fairfax all owe their city charters to the railroad. Hampton (1878) and Allendale (1919) Counties were formed as a result of the Port Royal line.

The port of delivery at Beaufort was dwarfed by the high traffic United States custom stations of Charleston and Savannah. In 1795 the Port Royal Bridge Company was formed to link Port Royal Island to the mainland. That privately financed project languished for almost fifty years. The nearest antebellum train depot for Beaufort was at Pocatigo Station on the Charleston and Savannah Railroad, completed in 1860.¹

By the mid nineteenth century, America’s heartland producers were freighting commodities to wharfs at Charleston. Savannah, home to the Central Railroad and Banking Company of Georgia, had competing port facilities. The Georgia Railroad and Banking Company needed an Atlantic terminal to remain competitive. The state-owned Western and Atlantic Railroad joined with the Georgia Railroad to build a line along the eastern side of the Savannah River between Port Royal Sound and Augusta, Georgia. Beaufort, South Carolina, was the nearest settlement to the sound, but it had neither a bank nor commercial wharves.

Beaufort landowner Robert W. Habersham wrote in 1858 that the “Port Royal Enterprise” was ready for exploitation “as if preserved by Providence,

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¹ *Beaufort Republican*, March 6, 1873.

temporarily, of his powerful opponents and their respective ideologies and agendas. In the creation of the Bureau of Indian Affairs, Calhoun had indeed proved triumphant. Ironically, it would be one of the last acts in which he would favor centralizing and strengthening federal authority.



The Port Royal terminal of the Port Royal and Augusta Railway, circa 1880. Courtesy of the Historic Beaufort Foundation, Beaufort, S.C.

for some great purpose, the noble bay has been lost sight of almost entirely, and is now open to those who will go on to possess it for commercial purposes." His dream railroad started to take shape in 1857 when the Port Royal Railroad Company was granted a charter from Beaufort to Augusta, crossing the Savannah River at Beech Island. Habersham's neighbor, George Parsons Elliott, promoted Port Royal Sound as being "far beyond competition with any harbor south of the Chesapeake, and makes her equal to any other Atlantic port . . . this is not only the best harbor of the south, but one of the very best in the whole Union."²

Elliott predicted that Beaufort would "easily and naturally extend itself down to deep water" once a rail terminal was built. He reminded the public that "if the mountain cannot come to Mahomet, Mahomet will go to the mountain." His recommended route was through Prince William's Parish across the Whale Branch, up to Barnwell, sixty-five miles northwest of Beaufort, toward the Savannah River at Augusta. Elliott estimated the track distance to be 115 miles. He was right on the mark. Only two waterways, the Coosaw and Savannah Rivers, were crossing hazards. The country was naturally flat and "well adapted for railroad construction," free of mountains

² George Parsons Elliott, "Beaufort, South Carolina As the Terminus of the Pacific Railroad," *DeBows Review*, 2d ser., (June 1856); R. W. Habersham, "Port Royal Enterprise," *DeBows Review*, 2d ser., (October 1858).

and lowland swamps. In Elliott's opinion, all "nature points to Port Royal harbor as the great future" of South Atlantic commerce to the benefit of the entire American Union.³

On December 21, 1857, the South Carolina General Assembly passed "An Act to Charter the Port Royal Railroad Company," which vested the enterprise with the same powers and privileges granted previously to the Spartanburg and Union Railroad. Investors could subscribe to as little as one share of the twenty-five-dollar stock. After \$250,000 of stock subscriptions were committed and \$25,000 in cash deposited, the directors could call their organizational meeting.

Five weeks after signing the act, Governor R. F. W. Allston appointed a stock commission which opened in the Barnwell District Courthouse on November 26, 1858, but stock subscriptions were not taken until Monday, January 3, 1859. In December, Governor Joseph E. Brown of Georgia signed the company's Georgia charter which allowed it to build a Savannah River drawbridge. Eleven South Carolina commissioner offices were named:

At Hamburg: William Gregg, G. S. Dunbar, Charles Hammond
At Aiken: J. G. Steedman, F. Swarts, James Purvis
At Silvertown: J. P. Bush, Thomas Myers, G. J. Ramsey
At Barnwell C. H.: Johnson Hagood, J. J. Ryan, B. H. Brown
At Speedwell: F. F. Dunbar, David Bush, William Ashley
At Allendale: B. W. Lawton, W. M. Bostick, P. H. Allen
At Buford's Bridge: J. J. Brabham, William R. Barker, Jones M. Williams
At Whippy Swamp: D. H. Ellis, W. J. Gooding, R. Taylor
At Salkehatchie Bridge: A. M. Peeples, Thomas Allen, George P. Elliott
At Beaufort: John A. Johnson, William C. Danner, Stephen Elliott, Jr.
At Charleston: Samuel Y. Tupper, L. T. Potter, Edward Barnwell, Jr.

Commissioners solicited statewide for thirty days, but the office at Barnwell remained open longer. Attorney Richard J. Davant of Gillisonville was elected president. George Parsons Elliott and ten others joined with Davant to form the organizing board. Stock subscribers were due to make their third five-dollar installment before December 1, 1861. Corporate headquarters on Broad Street in Charleston was located above Edgerton, Richards and Company. Treasurer A. C. McGillivray handled the day-to-day company business. The corporate life was initially thirty-six years.

Right of way acquisition was the next order of business. Rural landowners usually granted railroad property crossings free-of-charge because it added immediate value to their land. Bed work was well underway by the outbreak of the Civil War. When the Union fleet under Commodore Francis DuPont captured Port Royal Sound on November 7,

³ Elliott, "Beaufort, South Carolina As the Terminus of the Pacific Railroad."

1861, the construction project was suspended. The contractor, Hudson Lane and Company, "abandoned their contract." President Davant disputed their final progress payment request of \$1,825.62. A shareholder meeting was held at Pocatigo Station in November 1861, where the group voted to stop operations.⁴

On New Year's Day, 1862, the Union forces attempted to extend their military control of the region farther inland. Their strategic target was the hundred-mile Charleston to Savannah railroad that passed only twenty miles north of the Whale Branch Ferry crossing. The Confederates' transportation lifeline was well defended and withstood repeated assaults by Union forces for three years. Union army railroad crews were ready to run the captured rebel line. After failing to take the Charleston and Savannah Railroad, the Union trainmen were redeployed to the Hilton Head Island depot complex.

The Hilton Head army depots were crucial to the Union strategy. The island boomtown was naturally located for a commercial port. The editor of *The New South* newspaper urged the United States government to complete the Port Royal Railroad while rebel lands were still occupied. The incomplete road across the river at Bluffton reminded Editor Sears how near the Port Royal project was to completion. He pleaded for officials to resume the project with the "influence and control of Northern men."⁵

Pennsylvania railroad tycoon Simon Cameron purchased, with fellow U.S. senators Benjamin F. Wade of Ohio and James R. Doolittle of Wisconsin, the 700-acre Bull Island in Calibogue Sound for \$2,700. Other speculators acquired nearby Savage, Daws, Lemon, and Rose Islands in hopes of capitalizing on a postwar economic recovery. Experienced railroaders soon realized that Hilton Head, although inviting, was too exposed to storms. The congressmen let their land revert back to the government.⁶

Editor Sears described Land's End north of Hilton Head "as the only proper site, hereabouts, for *A New City of the South*." He first believed it was "far superior, every way, to our present location," including as a rail terminal. As late as 1867 Land's End was expected to be the terminal. Laura Towne in her famous wartime diary wrote: "We hear that it is decided positively that the Rail Road is to come through Saint Helena, but not very

⁴ Letter from R. J. Davant, Esq., Gillisonville, S.C., to Rutledge & Young, attorneys-at-law, Charleston, May 28, 1869, Rutledge & Young Records, South Carolina Historical Society, Charleston, S.C. (The South Carolina Historical Society is hereinafter referred to as SCHS.)

⁵ *The New South*, April 22, 1865.

⁶ *The New South*, June 3, 1865.

near us [Frogmore]. It will go through Ruggles old place [Oaks Plantation] . . . I am afraid the railroad is all moonshine, however."⁷

The building of a nationwide transportation network resumed after the army released the military railroads following the Civil War. Southern systems were returned to loyal owners if they were willing to waive all damage claims against the United States government. The Adams Express, for example, through its Southern Express affiliate, invested \$70,000 in the Petersburg Railroad in exchange for freight tariff concessions. A variety of financial arrangements were negotiated by northern investors for control of other southern lines. Resumption of service was slow, although title transfers proceeded with remarkable speed. The Charleston and Savannah Railroad did not begin to operate until March 1870. General William T. Sherman's army had destroyed most of its bridges and rolling stock in 1865.⁸

Not all postwar railroad builders were northern born. The South Carolina legislature only months after the war's end granted a fifty-year charter to the "Deep-Water and Western Railroad Company" for a short line from Foot Point near Port Royal Sound over to Savannah. Offices at Hilton Head and Charleston failed to secure the required \$250,000 minimum capital by the statutory deadline. Meanwhile, northern investors wasted little time in getting their projects going. While reporting on the status of the war-torn southern states, traveling editor Whitelaw Reid noticed in 1866 that Boston capitalists were working hard at reactivating the Port Royal Railroad.⁹

A longtime supporter of a Port Royal transportation hub was Captain Charles O. Boutelle, the regional superintendent of the United States Coast Survey. He served as a Civil War advisor to the navy's South Atlantic Blockading Squadron and the army's Department of the South. Captain Boutelle believed that "Port Royal is one of the three first-class ports on the Atlantic coast south of Newport, Rhode Island, the others being New York and Chesapeake Bay . . . By a first-class port I mean, one into which any vessel yet built can enter . . . or leave the port without a pilot."¹⁰

⁷ Rupert A. Holland, ed., *Letters and Diary of Laura M. Towne: Written from the Sea Islands of South Carolina, 1862-1864* (1912; reprint, New York: Negro University Press, 1969), 209.

⁸ John F. Stover, *The Railroads of the South* (Chapel Hill: University of North Carolina Press, 1955), 50, 39.

⁹ The Deep-Water and Western Railroad Company was chartered by S.C. Act 4768 of the 1864-1865 postwar legislative session. Whitelaw Reid, *After the War: A Southern Tour, May 1, 1865 to May 1, 1866* (New York: Moore, Wilstock & Baldwin, 1866), 25.

¹⁰ *Port Royal Rail-Road Company Prospectus* (New York: John W. Amerman, Printers, 1870).

Captain Boutelle advised ship captains entering Port Royal that "vessels of all nations may safely repair to it without fear." Colonel C. E. Fuller, chief quartermaster of the Department of the South during the Civil War, had observed hundreds of steamers safely in the sound in all weather conditions. Colonel Fuller described Port Royal as "the finest harbor on the continent." The military governor of South Carolina, General Rufus Saxton, considered Port Royal to be "The finest harbor in the South, where the largest ships can enter and ride at anchor in safety. In the heart of the richest part of the cotton district with direct and easy communication by inland water with Charleston and Savannah, it possesses unrivaled advantages . . . and in the future a great commercial city must grow up here."¹¹

Because it was twenty feet deep at its lowest level and twenty-five at high water, Port Royal Sound was not burdened with "the expense and delay consequent on the necessity of lighterage at Savannah and Charleston." The harbor had ample room for multiple steamers at any one time, being over three miles wide at its narrowest point between Hilton Head and Bay Point. Most recognized that Charleston and Savannah, "having the prestige of railway connection inland, have kept Port Royal out of view, though it was known to be the superior harbor."¹²

Beginning in the spring of 1865, Robbins & Appleton, agents for the American Watch Company located on Broadway Street, New York City, ran a weekly advertisement for their retailer Steel & Burbanks (late Douglas & Company) at Number 11, Merchant Row, Hilton Head. Their timepieces were promoted as accurate, simple, strong, and economical. Daniel Fuller Appleton of Boston and New York partner Royal Elisha Robbins were interested in more than peddling watches, however. Around the same time, they purchased the voting control of the bankrupt Port Royal Railroad. Their agent, Beaufort merchant Stephen Caldwell Millett of Connecticut, was related to Appleton on his maternal side. Their silent partner was probably Boston banker William Appleton, a Unionist party representative to the Thirty-seventh Congress and member of the influential House Committee of Ways and Means. The group abandoned the planned rail terminus at Victoria Bluff and replaced it with a site on the southwest tip of Port Royal Island just before war's end.

The re-routing required more right of way. Acting as company president, Millett purchased tracts ranging in size from five to 500 acres directly from the United States tax commissioners as well as from a few private property

¹¹ *Ibid.*; *War of the Rebellion: Official Records of the Union and Confederate Armies in the War of the Rebellion*, ser. I, vol. 6 (Washington, D.C.: Government Printing Office, 1901), 186.

¹² *Port Royal Rail-Road Company Prospectus*.

owners. All land deeds were transferred over to Daniel Appleton once the rail right of way was secured.¹³

President Millett divided his time between his Beaufort office and the construction sites. Robbins and Appleton left day-to-day operations to Millett, who received shares of company stock in lieu of a monthly salary. The company's board of six local and six northern directors oversaw general policy. They held their first meeting at Pocatigo Station in 1867, the same year ground was broken for the Allendale depot station. In attendance were the company's 1868 directors: Daniel F. Appleton, Boston; Royal Elisha Robbins, New York; Stephen Caldwell Millett, James G. Thompson, Samuel L. Harris, P. M. Whitman, George Gage, H. G. Judd, Dr. H. M. Stuart, Duncan C. Wilson, and George Parson Elliott, all of Beaufort; and Richard J. Davant, Gillisonville. Only Davant and Elliott were native South Carolinians.

At the end of the war, the Port Royal Railroad had nothing in its treasury but \$80,000 in worthless Confederate treasury notes. The Beaufort branch of the Freedmen's Savings Trust became the railroad's local banker. Cashier Samuel Harris served as the company's secretary/treasurer until he was transferred to the bank's Charleston branch in 1870. William C. Bellows, a Beaufort merchant, was the second postwar secretary/treasurer. The company office was in the Beaufort Freedmen Bank building on Bay Street. Corporate stock, issued at a deep discount, was used to pay creditors whenever possible. Vendors were assured that once the line was up and running their stock would trade at its par value. On March 7, 1870, Millett wrote the Charleston law firm of Rutledge and Young that he could not pay them for their services because "Not a dollar has been issued for [debts]—I take stock at par for my services."¹⁴

During the winter, rains slowed road construction to a halt. In March 1870, Millett commented in a status report that "the weather has been so bad since January that it has been almost impossible to keep men at work—the ground was so wet I am doing my best to push the road through." When Appleton's initial cash infusion was exhausted, the board secured additional

¹³ A list of fifteen tracts purchased for right of way identified by their owner, acreage, and location can be found in legal papers regarding (*Clark v. Port Royal Rail Road*) *State of South Carolina v. Port Royal and Augusta Railway Company*, U.S. 4th District Court, S.C., Rutledge & Young Records, SCHS. On the acquisition of mainland right of ways, see Rose-Marie Eltzroth Williams, *Railroads and Sawmills: Varnville, South Carolina, 1872-1997: The Making of a Low Country Town in the New South* (Varnville, S.C.: Varnville Community Council, 1998), 24.

¹⁴ Letter from W. C. Bellows to Rutledge & Young, Charleston, March 7, 1870, SCHS.

funds through the Union Trust Company of New York. In the spring of 1870, after months of negotiating, a \$2.5 million long-term bond was arranged, but at terms that included a significant discount and brokerage commission.¹⁵

The Union Trust Company prospectus projected that the company would earn \$5,000 per revenue mile, an amount more than "abundant to provide interest on the mortgage debt, and lease a handsome surplus." All had little doubt "that within a few years the earnings of the road will exceed \$10,000 per mile." In 1870 more than half of the grade work was completed, crossties for sixty more miles were on-site, and a considerable portion of the trestle- and bridge-building materials were at the job sites. Up to eighty miles of the road would be operational by January 1871, in time for springtime traffic. The 800-foot Port Royal dock was only ninety days away from completion at the time of the bond offering.¹⁶

The \$2.5 million in debenture bonds were purchased at a deep discount by a handful of investors. Some were Europeans. The bonds were made attractive by a special voting provision. If the company ever was in default, the bondholders, after six months, could demand payment of the loan in full and take control of the company.

The railroad's promoters also stressed the valuable "deposits of bone-phosphates recently discovered in the vicinity of Port Royal and contiguous to the railroad." Shipments were estimated at a thousand tons a day from Chisholm Island alone. The prospectus assured all that "when cotton can be brought to Port Royal no more profitable cargoes can be made up than of it and these phosphates. Both can be delivered at our wharves at the minimum of cost, and loaded on vessels of any size direct from the cars." The announced completion date was October 15, 1872.¹⁷

Friends in the South Carolina Reconstruction legislature assisted the promoters by amending the railroad's 1857 charter expiration date once fifty miles of line were operable. The fifty-year extension encouraged investment by the following bondholders:

Marx & Company Trustees at New York for "European Foreign Capitalists"	\$1,500,000
Georgia Railroad and Banking Company	500,000
Appleton & Company, Boston	200,000
K. Finney & Company (Broker), New York	200,000
H. H. Boody, New York	<u>100,000</u>
	\$2,500,000 ¹⁸

¹⁵ Letter from Stephen Millett to Rutledge & Young, Charleston, March 17, 1870, SCHS.

¹⁶ *Port Royal Rail-Road Company Prospectus*.

¹⁷ *Ibid*, 17-18.

¹⁸ *Ibid*, 34-35.

At the company's next shareholders meeting, President Millett was replaced by one of the New York investors, H. H. Boody. Millett then became general manager. The 1870 board included eight New Yorkers. All directors not from the Empire State resided in South Carolina. They were: S. C. Millett and George Parsons Elliott of Beaufort, B. T. Willingham of Allendale, and H. R. Cook of Beech Island. Corporate headquarters were temporarily moved to 30 South Street, New York City, during the bond underwriting, but local bills were still paid by the Freedmens Bank in Beaufort.¹⁹

In November 1871, Port Royal residents were invited to enjoy a "Grand Opening Excursion." First-class train passage between Beaufort and Port Royal cost \$1.50. Second-class riders were half-priced. Shareholders rode free of charge. Provided the engine performed properly, the four-mile trip took thirty minutes. A. S. Davenport sold tickets at the Beaufort depot. He also handled freight shipments. The "Port Royal Railroad Stage Line" taxied town folks between the Saxton House Hotel and the station located a mile west of Bay Street down a "Depot Road" paved with shell by H. H. Van Harten and George Waterhouse.²⁰

A third steam locomotive was delivered to the Battery Creek terminal in April 1872. The twenty-five-ton Rogers engine was manufactured in Patterson, New Jersey, at a cost of \$12,000. At the time, two vessels were busy unloading iron rails. Track soon extended northward to A. McBride Peoples's store, Dixie Station, later renamed Varnville, where prices for town lots had already jumped 50 percent in value. Growing optimism pushed up real estate prices all along the route. After adding more rooms, the proprietors of the Saxton House Hotel renamed their establishment the "Sea Island Hotel."²¹

Rail construction came to a standstill in May after the company ran out of funds. The board of directors negotiated a loan of \$500,000 from the Georgia Railroad and Banking Company. Appleton and Robbins relinquished voting control as part of the bargain. They also turned over their shares in the Savannah and Charleston Railroad for \$100,000 in cash.²²

The prospectus for the first mortgage bonds of the Port Royal Railroad Company revealed that "by recent arrangement the Port Royal Railroad will be controlled by the Georgia Railroad and Banking Company, owning the line between Atlanta and Augusta, whereby the unity and economy of

¹⁹ A complete list of the 1870 officers and directors of the Port Royal Railroad appeared in the *Beaufort Republican* on November 1, 1871.

²⁰ *Ibid.*

²¹ *Beaufort Republican*, April 25, 1872; *ibid.*, May 9, 1872; *ibid.*, April 18, 1872; *ibid.*, May 23, 1872.

²² *Beaufort Republican*, May 23, 1872.

its management will be further assured." The planned combination hopefully would create the "Port of New York for the southern Atlantic coast." George T. Jackson of the Georgia Railroad became president of the Port Royal. Four Beaufort residents remained on his board: D. C. Wilson, J. G. Thompson, George Waterhouse, and S. C. Millett.²³

After emergency financing was secured, the board instructed General Manager Millett to finish the project without further delay. In June a dozen schooners delivered more iron railing from the New Jersey foundry. By July track was being laid at the rate of ten miles per week. By autumn the masonry bridge over the Savannah River at Beech Island was almost finished and finally opened to traffic on January 10, 1873.²⁴

The rapid rate of progress was due in part to the productivity of the railroad work gangs. Prison laborers made up a portion of that work force. South Carolina prisoners were hired out by wardens at the rate of \$3.00 per month per inmate. Over 90 percent of the convicts were black. It is ironic that the railroad construction began with slave laborers and was ultimately completed with imprisoned freedmen under work conditions little different than before the Civil War.

Passenger and freight service commenced along the completed portion of the track as the crews continued to work northward. An Allendale Fourth of July celebration was witnessed by paying passengers brought up from Beaufort. The hometown reporter along for the ride described their arduous journey in not so glowing terms: "Last week the Port Royal Rail Road ran a schedule something like this: Trains leave Port Royal every once in a while; reach Yemassee semi-occasionally, connecting accidentally with any train upon the Savannah & Charleston Rail Road. Passengers dying on the train are almost certain of getting around in time for the resurrection."²⁵

On Friday, November 15, 1872, editor J. G. Thompson of the *Beaufort Republican* made a second "Up Train" excursion, as the northern trek was known. This trip went as far as Steel Creek, seventy-five miles northwest of Port Royal. The occasion was Daniel Appleton's inspection tour of the progress to date. Superintendent Millett guided the dignitaries on their two-day journey. The locomotive engaged was his namesake, the *S. C. Millett*. At Yemassee a dinner was catered by "Marcus." Later, the trip continued to the line's uppermost point known as Little Hell, renamed Thompson. There, the party "passed a tolerably comfortable night" with the comfort of blankets in the first-class passenger car. Late that evening, thirty crew cars from the work site several miles above arrived with its "motley

²³ Prospectus for *First Mortgage Bonds of the Port Royal Railroad Company* (New York: Wynkoop & Hillenbeck, 1872), 16, 19.

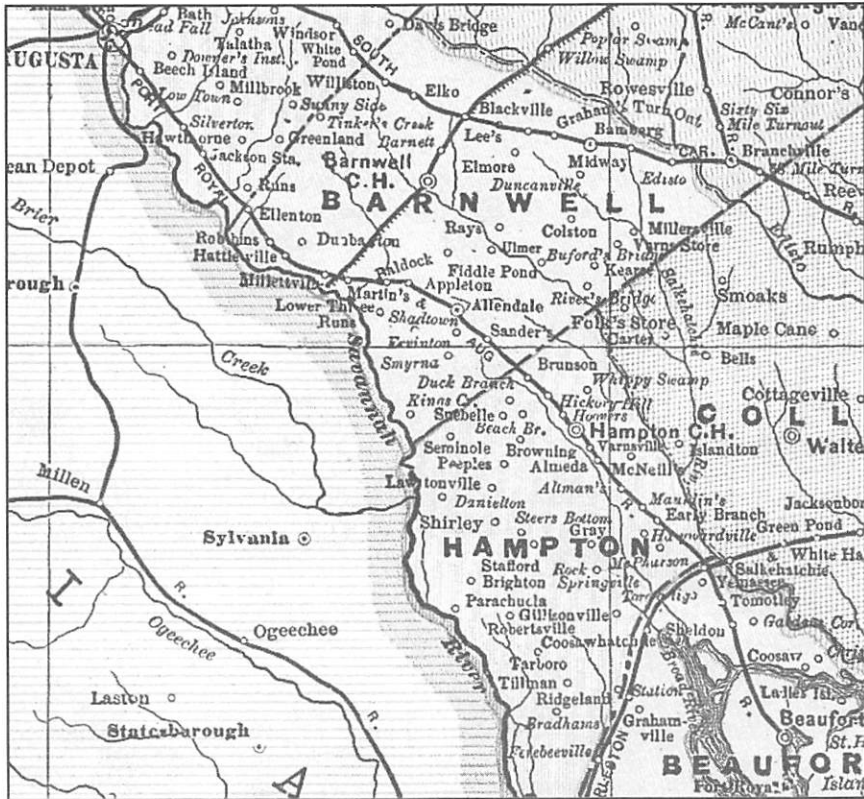
²⁴ *Beaufort Republican*, June 6, 1872; *ibid.*, June 27, 1872; *ibid.*, December 19, 1872.

²⁵ *Beaufort Republican*, July 4, 1872.

crowd." Through the darkness the official party observed the gangs "crouching over the fires, eating, talking, washing and dozing." In the distance could be heard "the notes of devotional hymns," while others performed "double shuffles" and "walk rounds" in "full blast." The group arose before day break and, after partaking a breakfast of "poultice of hot hominy," trekked back to Beldoc. The hamlet of Beldoc boasted a single store and a half-century old saw and grist mill which was in the process of being rebuilt after a fire. The next stop, three miles southward, was Wilson Station, where one hundred bales of cotton waited to be freighted. Mr. Wilson's farm had a "task and a half" of sugar cane, wrote the editor, a crop that was expected to yield eighty gallons of syrup. Next in line, a mile away, the train stopped at Appleton, the highest point of elevation on the road. The company expected up to 500 bales of cotton from this station alone by fall. Besides the depot, two stores and a dwelling were already constructed. Next came Allendale, which had a new depot described as a fine wooden structure complete with fancy turn posts and waiting room conveniences for train passenger comfort. Allendale was expected to ship at least twice the amount of cotton as Appleton.

Five miles farther down the track was Campbellton, also called Sanders. The town's cotton shipments were expected to be surpassed by future deliveries of fertilizer. The phosphate rock was wagoned to the processing terminals. The next whistle-stop, Brunson, matched Campbellton's cotton shipments. Paul & Webb were opening an emporium at "as good a point as there is on the road." Below Brunson the lumber region began. Vast, virgin forests of pine, cypress, and oak grew next to the road. Operating lumber mills were owned by Cummings & Davis; Browning, Steinmyer & Stokes; George M. Hudgin; Owens & Company; Holmes & Niles; and Varn & Hack. The Mauldin's depot, where G. H. Hoover's store was located, renamed Hampton, was six miles south of Brunson and three north of Varnville. Major McBride Peebles and his neighbor J. Levin both ran retail establishments. Only two miles away at Hickory Hill was Paul & Webb's main store. Fifteen hundred barrels of upland rice were shipped from Varnville by rail that season. Next to the depot, over thirty lots priced at \$100 per half-acre had already been sold. Varnville was expected to rival Brunson.

Next came the sawmill towns of Almeda and Early Branch followed by Yemassee. Next to Charleston and Columbia, Yemassee was reportedly the "liveliest station in South Carolina." B. T. Seller's "Eating Salon," complete with sleeping accommodations, regularly served over forty patrons at a time. Levin's second store was located across from the Yemassee depot. After visiting Yemassee's finely appointed station house, travelers were "dumped out into an old cotton field" upon their return to Beaufort. The company promised at least "a shelter" if not a depot in Beaufort for the



The route of the Port Royal and Augusta Railway through southeastern South Carolina. Detail from *New Railroad and County Map of North and South Carolina* (1888).

convenience of passengers sometime in the future. Overall, Editor Thompson judged the Port Royal to be "a good road" in a "good country." The train averaged thirty miles per hour over a generally smooth track consisting of fifty-six pounds of iron to the yard, with fish plates over sand and neatly placed ties. Well constructed trestles, waterways, and bridges made for easy crossings over the natural hazards.²⁶

As the opening day celebrations approached, public excitement grew. By August 1872, freight and ticket revenue from the partially completed line had already reached \$12,000 per month. Newspaper editor James G. Thompson of Beaufort wrote, "The life infused into their country by the road is really wonderful. We saw more signs of energy and improvement

²⁶ *Beaufort Republican*, November 21, 1872.

in our three hour run from Yemassee than in going from Charleston to Greenville." The final spike was nailed at the four-mile post at 7:00 P.M. on Friday, February 28, 1873. A gun salute of 110 shots announced the event, one for each mile of track. The artillery salute was from a cannon which looked "as if it might have been left in Fort Charles by the Spaniard . . ." ²⁷

The through line from Port Royal to Augusta was deemed safe for public transport on March 7, 1873. By month's end, two daily passenger trains ran between Augusta and Port Royal, and there were two nightly freighters. The railroad advertised itself as "the Shortest and Cheapest Route either for Freight or Passenger between Charleston and Augusta and all points South or West." ²⁸

On February 28, G. W. Johnson, editor of the *Augusta Chronicle and Sentinel* voiced his community's appreciation for all those who had made the railroad possible:

We wish it were possible to assemble all those to whose sagacity, foresight, and enterprise we are indebted for the inception, the progress and the completion of this work. But death has robbed us of some, while war and its misfortunes has scattered others. Had George P. Elliott lived to see his darling project on the way to realization; how he would have exalted now! R. J. Davant has passed away so recently that the success of the road in which he had taken so deep an interest was at least assured. Yet it would have added to our pleasure to have had him to rejoice with us.

Those of us who remember the first meeting in favor of the Port Royal Railroad held in Beaufort after the close of the war remember how more than doubtful was the prospect. We thought it would do no harm to talk about it, but the proceedings were looked upon by many as nearly farcical.

There was one there who was in earnest—dead earnest. S. C. Millett was asked to address the meeting. He surprised all by the extent of his knowledge of the subject. All agreed that it was necessary to the welfare of

²⁷ *Beaufort Republican*, November 21, 1872; *ibid.*, March 6, 1873. On February 12, 1873, just before the railroad's inaugural run, an appreciation dinner was held at company headquarters for Manager Millett. The foremen and section chiefs presented Millett with "a massive gold watch chain and an elegantly carved meerschaum pipe." The evening's proceedings were reported in the *Beaufort Republican*, February 20, 1873. The company staff was joined soon thereafter by two government employees. "A. F. Hall, of Beaufort County, and Julius Mayer, colored of Barnwell appointed, upon the recommendation of Congressman Alonzo Ransier of Charleston," became the mail agents between Port Royal and Augusta. The two postmen worked along side freight agents of the Southern Express Company. *Beaufort Republican*, May 22, 1873.

²⁸ Program and brochure for "Anniversary of Completion of the Port Royal Railroad" (N.p. 1874); *Beaufort Republican*, March 6, 1873. The Port Royal Railroad's time schedule for the month of November 1872 appeared in the *Beaufort Republican*, November 21, 1872.

this region; none denied the advantages of labor; but few shared his faith in the certainty of its completion. Yet that meeting was really the revival of the Port Royal Railroad project, and we are glad to feel that we were not among the scoffers.

From that day to this his energy has never tired, his efforts have never intermitted, his hope has never faltered. To him, more than to all others put together, we owe our present success.²⁹

Special mention was made of "driving mechanic" M. C. W. Faber, the company's master machinist, and J. H. Killian, roadmaster. The first trains were only a few cars. The locomotive pulled a first- and second-class coach and baggage car. All were under the charge of Senior Conductor M. M. Hutson. W. W. Thomas was the station master on the Augusta end. The line's chief engineer was W. W. Lockwood, formerly an employee of the Georgia Railroad.³⁰

The company's April 1873 shareholders meeting was held at the Sea Island Hotel. It turned out to be the last such meeting for almost a decade. Of the 120,000 shares of common stock outstanding, 95,312 were voted either in person or by proxy. Dr. H. R. Cook, J. C. Davant, George Waterhouse, and Dr. B. W. Lawton were elected to serve out the unexpired terms of four resigning New York directors. The president's report was read by Daniel F. Appleton. Later, the new board reassembled at the Barnwell County Courthouse. The newly elected board included John P. King and George T. Jackson of Augusta. Jackson was elected president.³¹

Port Royal aspired to become the eastern terminal of the Southern Pacific Railroad, once described as an "airline" between California and Georgia. Freight was arriving weekly from the interior. Marmaduke and Brown of Saint Louis, Missouri, shipped the first car load of white corn to J. Rich & Company of Port Royal. Promotional brochures predicted: "Port Royal, though so insignificant today, bids fair to become the most important city of the south Atlantic Coast. When railroad schemes now in process of solution are consummated, it will be the foreign gate, an outlet not only for the South Atlantic but for the Gulf and South Pacific States."³²

The city of Port Royal was chartered in 1873 by John McFall, Fred Brown, and John P. King, according to a survey by E. G. Nichols of Beaufort. John McFall owned the Bennett and McFall steam-powered cotton compress, and John P. King was an Augusta railroad investor. The town's lots

²⁹ *Augusta Chronicle and Sentinel*, March 11, 1873.

³⁰ *Augusta Chronicle and Sentinel*, April 5, 1873.

³¹ Albert M. Langley, Jr., *Charleston & Western Carolina Railway Album* (North Augusta, S.C.: Union Station Publishing, 2000), 2.

³² *Beaufort Republican*, April 17, 1873; *ibid.*, June 19, 1873; brochure for "Anniversary of Completion of the Port Royal Railroad."

measured twenty-five by one hundred feet each. Prime wharfside commercial frontage was valued at \$20 per foot.³³

The first lot auction at Port Royal was conducted by James M. Crofut on Thursday, April 24, 1873. Special trains ran during the two-day event. A "substantial lunch" was served to prospective property owners. Sales were brisk with almost ninety parcels changing hands that weekend at lot prices ranging from \$30 to over \$500 for those located wharfside. Some purchasers only bought for resale. Two weeks later J. G. Thompson, J. W. Collins, and R. G. Holmes ran advertisements for their own "Lots in Port Royal." These sellers referenced the earlier auction results for current market values. Holmes offered his residential sites for \$25. Buyer's came from as far away as Augusta and Savannah. Successful purchasers included Beaufort residents Robert Smalls, George Gage, P. L. Wiggin, F. E. Wilder, Frances Ann Rollins Whipper, R. H. Gleaves, H. G. Judd, and E. D. Winters. Out-of-town buyers included Josiah Sibley & Sons; John P. King; Jennings, Smith & Company; T. P. Branch; Dr. B. W. Lawton, and Henry Moore, all of Augusta.³⁴

Development around the rail terminal presented one of the few commercial opportunities for local real estate agents that decade. The discovery of phosphate deposits in the surrounding riverbeds added some enthusiasm. Duncan C. Wilson and Beaufort merchant M. Pollitzer joined with Robert Smalls to form the Bull River and Port Royal Railroad Company for a spur line project over to the Coosaw River rock fertilizer plant. Robert Smalls, James Crofut, and merchant George Holmes also applied for a cotton seed processing charter. Both enterprises fell victim to a national financial panic.

After the railroad began full service, the directors returned to the bond market to refinance their corporate debt. The new fifteen-year, 7 percent interest gold bonds were registered as "complete protection against robbery." King, Finney & Company of New York, the bonds' broker, claimed the investments were superior to other southern railroads because the operating Port Royal Railroad Company was free of long term debt. The underwriters were proud to report that the company was "owned and controlled by Northern Capitalists of large means and experience, whose aim and intention is in connection with the Savannah and Charleston, Georgia, Western & Atlantic, Nashville & Chattanooga and the Saint Louis and Southwestern" railroads. Their goal was alleged to be consolidation with the Saint Louis and Atlantic lines for service to Charleston, Savannah, and

³³ South Carolina Statutes at Large, vol. XV (October), 526, 616; *Beaufort Republican*, April 17, 1873; *ibid.*, September 18, 1873.

³⁴ *Beaufort Republican*, April 24, 1873; *ibid.*, May 15, 1873; *Augusta Chronicle and Sentinel*, March 16, 1873.

Port Royal. The bonds were sold just before all the financial markets collapsed in what became known as the "Panic of 1873." The Union Trust Company of New York held title on behalf of the principal bondholders, Marx & Company of New York and the Georgia Railroad and Banking Company of Augusta.³⁵

The Port Royal Railroad defaulted when the next interest payments fell due, and the Union Trust Bank of New York foreclosed. Duncan C. Wilson was appointed receiver in 1875 and, under court supervision, kept the trains running. Stephen C. Millett died unexpectedly from a fever while on company business in Columbia. Thomas P. Branch had assumed the presidency just before the line went into receivership, and W. M. Read was his treasurer. The 1874 board of directors prior to that insolvency included only two northerners, D. F. Appleton of New York City and R. E. Robbins of Boston, and three South Carolinians: H. R. Cook of Beech Island, J. C. Davant of Allendale, and D. C. Wilson of Beaufort. The rest of the board were Georgians: W. W. Clark of Covington; and John P. King, George T. Jackson, Josiah Sibley, W. F. Herring, M. P. Stovall, and Dr. B. W. Lawton, all of Augusta. King and Jackson were also officers of the Georgia Railroad and Banking Company.³⁶

On October 3, 1878, the assets of the Port Royal Railroad were transferred by a United States special master to the newly incorporated Port Royal and Augusta Railway Company. The successor corporation assumed the following capital obligations:

<i>New</i>	First Mortgage Bonds	\$ 250,000
<i>Old</i>	Second Mortgage Bonds (Income Bonds)	1,500,000
<i>New</i>	Capital Stock	<u>750,000</u>
	Total liabilities and capital	\$2,500,000 ³⁷

The company remained in receivership for four years. William Johnson served as secretary/treasurer, while Charles R. Abbott was auditor. During court supervision, both service and creditors suffered. Daniel Appleton saw his investments decline. The local stage line competed against his railroad with bargain-rate service up to the Yemassee depot. Tenant lawsuits also annoyed Appleton. He appealed to civic pride to hold back complaints during the crisis. Considering the difficulties he faced, Receiver Wilson operated the line with demonstrated skill. Several sleeping cars were

³⁵ *Beaufort Republican*, May 15, 1873.

³⁶ Prospectus for *First Mortgage Bonds of the Port Royal Railroad Company*.

³⁷ The old creditors were given thirty cents on the dollar. First mortgage bonds were sold to pay off the foreclosure and receivership expenses. *Beaufort Tribune and Port Royal Commercial*, August 19, 1877.

Port Royal Rail Road Co.

To *George Cooper* Dr.

Address *Augusta Ga*

	Dollars	Cts.
1875 April 8 For the following as per account on file in Auditor's Office this date: <i>Carriage & Machine work as per up on file in Auditor's Office</i>	432	74

The above Account is duly authorized; it has been examined by me and found correct.

Approved *O. S. Fleming* Auditor. *W. M. Read*

RECEIVED, Augusta, Ga. 1875 of *Wm. Read*

Treasurer of the Port Royal Railroad Company, *Four hundred & thirty two*

Dollars, in full of the above Account.

\$ *432 74/100*

W. M. READ TREAS.—The above Receipt must be dated and signed by the party in whose favor this Voucher is made out; or, when signed by another party, the authority for so doing must in all cases accompany it; and this Receipt must not be cut off from the body of the Voucher.

**Voucher for expenses paid, Port Royal Railroad Company, April 8, 1875.
 Courtesy of the author.**

added, and the frequency of accidents and breakdowns was no greater than before court supervision.³⁸

³⁸ *Port Royal Standard Commercial*, April 6, 1876; *Beaufort Tribune and Port Royal Commercial*, January 18, 1877; *ibid.*, January 25, 1877.

As a marketing ploy Wilson authorized the planting of magnolia trees along the route at each mile marker. Thereafter, the company promoted itself as the "Magnolia Route." In addition, the company widely advertised its "Woodruff Palace Sleeping Cars," designed for the comfort of travelling businessmen and winter vacationers.³⁹

The "Magnolia Route" trailed the old Augusta stage road. Editor Thompson correctly predicted that the new towns of Allendale and Brunson would both become thriving communities. Allendale in Barnwell County soon had 600 residents and supported thirty-one stores, a public and private school, and several churches. Brunson was the largest town in Hampton County, boasting nineteen stores, followed by Varnville with fourteen. Both built town halls, high schools, and churches. Hampton Court House had a population of 300 and grew to include eight stores, with a brick courthouse and jail. The railroad founder's namesake, the town of Appleton, did not thrive, and Robbins and Millett were never home to more than a couple of merchants. Instead of the expected 4,000 residents, Port Royal remained stagnant with less than fifty families. In the editor's opinion, only the United States Navy saved the town from total extinction.⁴⁰

The first-class passenger cars were again repainted, refitted, and upholstered in hopes of encouraging increased ridership. An editorial piece in the *Beaufort Tribune and Port Royal Commercial* suggested that the only financial solution for the hometown carrier was for its bondholders to join with the South Atlantic Railroad to form a major Atlantic terminal.⁴¹

An English consortium had organized the South Atlantic Railroad Company for service to western North Carolina from Victoria Bluff. Their South Carolina charter provided for interconnections to Savannah, Macon, and Atlanta. The South Atlantic's board included directors from the Port Royal and Augusta Railway; Central of Georgia Railroad; Macon and Western Railroad; Western Carolina Railroad; and Charlotte, Columbia, and Augusta Railroad. An affiliate, the South Carolina Land and Improvement Company, organized eighteen days before the railroad was chartered, hoped to develop the surrounding real estate. A depressed economy and some financial chicanery doomed both ventures before they could catch hold.⁴²

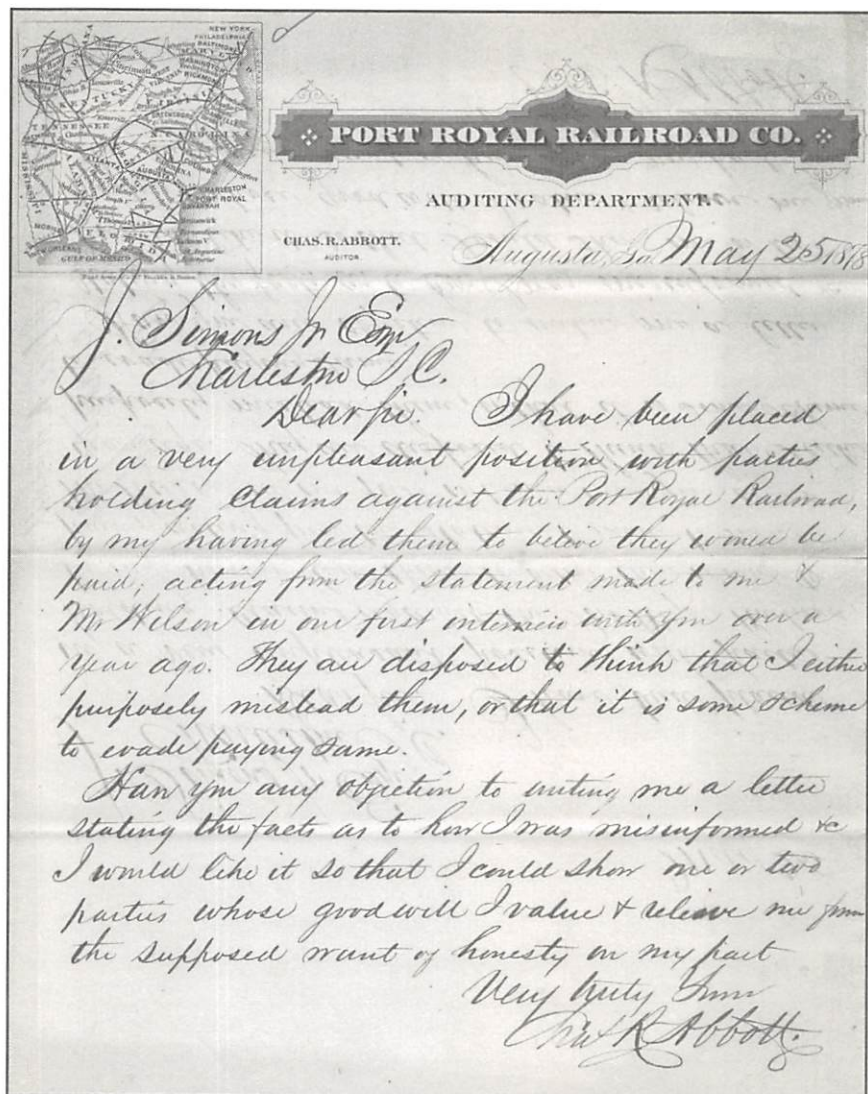
At the time the English competitor was organized in 1879, the Port Royal and Augusta Railway's board of directors included: C. L. Rubsamen,

³⁹ *Beaufort Tribune and Port Royal Commercial*, January 25, 1877; *ibid.*, August 9, 1877.

⁴⁰ *South Carolina Resources and Populations, Institutions and Industries* (Charleston, S.C.: Walker, Evans & Cogswell, Printers, 1883), 688, 692.

⁴¹ *Beaufort Tribune and Port Royal Commercial*, September 6, 1877.

⁴² Prospectus for "South Carolina Land and Improvement Company of Port Royal" (N. p., n. d.).



Port Royal Railroad Company letterhead with map of route, Auditing Department, Augusta, Ga., May 25, 1878. Courtesy of the author.

D. F. Appleton, H. A. Robbins, H. H. Boody, and F. R. Appleton of New York; D. C. Wilson, L. Marz, and J. S. Davant of South Carolina; and E. P. Alexander and C. H. Phinizy of Georgia. Wilson served as president, Robbins as vice president, and Appleton as treasurer. George Riley of Augusta was master mechanic, and the company employed several agents

in Augusta: James S. Davant, general freight and passenger agent; W. S. St. George, western agent; Joseph W. White, contracting freight/passenger agent; and C. B. Crowell, freight agent. The general agent, R. H. Thayer, worked at corporate headquarters, 252 Broadway, New York City.

In 1881 the home office moved to Augusta. Afterwards, Beaufort's influence waned. J. Malcolm Wilson of Augusta replaced local treasurer J. B. Kinghorn of Beaufort. The Beaufort repair shops closed, and the warehouses were emptied

The \$250,000 first mortgage bonds borrowed to bring the railroad out of bankruptcy netted cash proceeds to the company of only \$202,986.72 because of a 17.5 percent brokerage discount and a 1 percent sales commission. Proceeds were disbursed for the following purposes:

Payment of outstanding operating debts	\$130,000.00
Back taxes and daily expenses	31,817.01
Current operations	23,703.50
Investment made in the	
Augusta and Port Royal Compress Co.	<u>17,466.24</u>
Total	\$202,986.72 ⁴³

The investment in the Augusta and Port Royal Compress Company came after Wilson visited their Liverpool facility. Mr. Dempster, the English agent, had promised him that the company would erect a large grain elevator and warehouse at Port Royal. The Georgia Railroad had already built such a facility in Augusta. The compress industrial complex was completed by John F. Taylor, with construction crews provided by Delameter Iron Works of New York. The grain elevator had a 100,000 bushel capacity and was conveniently located alongside the wharf, 100 feet from the cotton press. This cotton press was the largest in the South at the time.⁴⁴

Just prior to moving the home office, the railroad leased a warehouse and shop in Augusta from the Georgia Railroad. The company purchased a lot on Washington Street for future expansion. It also acquired another Rogers locomotive (Number 11) and added a few additional freight cars for \$16,287. Depots were planned for Tomotley, Hampton, and Beldoc as well as improvements to the Beaufort station.⁴⁵

During the first fifteen months of its reorganized service, an \$84,742.83 profit on gross revenues of \$320,176.81 was realized. In 1879 the company

⁴³ "Shareholder Report of the Port Royal and Augusta Railroad Company," January 13, 1880.

⁴⁴ Ibid.

⁴⁵ Ibid.

experienced an increase in overall traffic. This prompted management to add more rolling stock and expand its wharf and storage facilities. The grain elevator attracted larger cargo vessels. The operating efficiency of the rail company in 1879 was 73.53 cents on each dollar of revenue earned. Freight business realized 1.848 cents for each ten miles of freight carried. Passenger revenue accounted for one sixth of the gross revenue, but 80 percent of that was only for cheaper local service. Mail and express charges barely made up 2 percent of the business. Local freight bills were \$100,000 out of a total of \$140,000, which accounted for 75 percent of the gross revenue of the line.⁴⁶

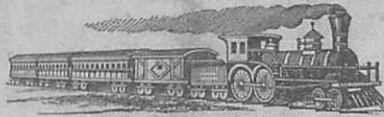
On January 13, 1880, in the first annual statement of the Port Royal and Augusta Railway Company, President Duncan C. Wilson reported that "We are in harmony with all our connection," especially the Georgia Railroad, and its president to whom "we are under many obligations . . . for his advice and counsel." A freight and passenger arrangement for steamship-connector service from Port Royal to New York failed to achieve the expected level of business. The most important connection, the Charleston and Savannah Railroad, was proving "decidedly embarrassing" because of the competing Atlantic Coast Line. Relief was requested from the Southern Railway and Steamship Association. The competing line's share of passenger traffic came from a loss of business from the Port Royal Railroad's portion.⁴⁷

In the 1880s Port Royal's population, in spite of all the optimism, only reached four hundred residents. It did manage to support a school, three churches, two boarding houses, and a hotel. Store rentals were \$8 to \$25 per month, while dwellings went for about 60 percent of that amount. In neighboring Beaufort, with a population of 2,600, rents were four times as great. Although freight cars could be unloaded within twenty feet of a steamship's berth at Port Royal, ships were reluctant to switch terminals. The wharfside warehouse had storage of 13,000 bales of uncompressed cotton, 55,000 tons of phosphate fertilizer, and 250 tons of general merchandise. Within sixty feet of the complex was a modern steam press with a daily capacity of 500 bales of cotton. The adjacent grain elevator could hold up to 90,000 bushels. Phosphate shipments were increasing, but cotton exports were declining. Both the Port Royal Fertilizer Company at Battery Creek and the Coosaw Phosphate Mining Company were expanding

⁴⁶ Ibid.

⁴⁷ Ibid.

FIRST ANNUAL REPORT
OF THE
GENERAL OFFICERS
OF THE
Port Royal and Augusta R'y Co.
TO THE
BONDHOLDERS AND STOCKHOLDERS,



JANUARY 13TH, 1880.

their operations. The Coosaw Company in 1882 contributed over half of the total state royalty tax paid that year.

Five tugs and three pilots stood ready to guide steamships safely through Port Royal Sound. Refueling and watering were more than adequate. Towing and stevedore rates were comparable to Charleston and Savannah. Despite obvious economic advantages, the number of vessels docking at Port Royal in 1882 was only 429 (219,050 tons). In 1882 cotton shipments dropped to 22,000 bales, as compared to a high of 48,000 bales only two years before. Total exports declined from \$2,678,893 in 1880 to only \$1,461,807 in 1881. Custom collections had reached an all-time high in 1879 of \$13,294. The commercial prospects for the Port Royal Railway were poor. In the opinion of the State Board of Agriculture, this was through no "wanting in the place itself, its surroundings, or its geographical relations to other places." Rival Savannah was staunchly against the industrial development of its neighboring port. Governor Hugh S. Thompson, as chairman of the State Board of Agriculture, issued an 1883 report studying the lack of growth at the Port Royal facility. He blamed the stalemate on the "hostile railroad combinations and ill-advised jealousies of neighboring towns" and lamented that competitive interests had "checked the growth of this great seaport."⁴⁸

Port Royal's founder, Daniel F. Appleton, had relied on land values to keep his rail system running. Rental income often provided his only cash return. According to a letter Appleton wrote in 1876, he alone among local property owners was "building cottages for the mechanics and their families." While others waited, he built a "large brick building to be used as stores and offices." He responded to complainers that he had yet to make a profit on his investments. In 1891 Appleton decided to call it quits as a Carolina landlord and sold out to the Port Royal Corporation of Georgia for \$10,000 in cash and a \$100,000 bond, plus 800 shares of stock in a new real estate development company.⁴⁹

Freight traffic never met projections for a variety of reasons. Even with the cotton warehouse and compress facility, shippers preferred the two older and larger ports of Charleston and Savannah. Lowcountry cotton production suffered after the war. As an example, according to government export data, the first year the Port Royal Railroad cleared only 27,912 cotton bales for foreign shipment as compared to over 400,000 bale in Savannah and 600,000 bales in Charleston. Great Britain received 40 percent of all exports in 1874. As a foreign exporter, Port Royal never exceeded a single digit percentage of the total freight shipped overseas by Charleston and

⁴⁸ *South Carolina Resources and Population*, 663-665, 52.

⁴⁹ *Port Royal Standard Commercial*, April 6, 1876.

PORT ROYAL & AUGUSTA R. W.—MAGNOLIA ROUTE ¹			
Sta. Mls	May 7, 1882.	Mls	Sta. Mls
*1805	Atlantic time.		
1806	Augusta 1 st arr.	126	P. M.
1807	Beach Island	106	8 30
1808	Jackson	97	1 20
1809	Robbins	90	1 00
1810	Hatterville	84	12 30
1811	Millert	80	12 50
1812	Baldoc	75	12 02
1813	Appleton	63	11 34
1814	Allendale	59	10 50
1815	Bronson	50	10 20
1816	Hampson	45	10 00
1817	Yanville	42	9 50
1818	Early Branch	35	9 24
1819	at Vermassees ² dlv		8 40
1820	at Charleston, Jve.		5 55
P. M.	(Via Char. & Sav. R.R.)		A. M.
9 40	at Savannah, Jve.		3 00
P. M.	(Via Char. & Sav. R.R.)		A. M.
11 00	at Savannah, Jve.		2 30
P. M.	(Via S. F. & W. R.R.)		A. M.
8 45	at Jacksonville, Jve.		12 40
A. M.	(Via S. F. & W. R.R.)		P. M.
7 00	at Vermassees ² arr.	35	8 00
8 40	at Beaufort	0	6 50
9 00	at Port Royal	4	6 00
P. M.	ARRIVE		A. M.
	LEAVE		

W. G. Row, President, Savannah, Ga.	Mixed Trains. Leave At- lanta 8 30, *at 7 00 p.m., arriving Port Royal 11 50 p.m., 5 30 a.m.
J. N. Bass, Superintendent, Augusta, Ga.	Returning, leave Port Royal 8 30, *at 1 00 p.m., arriving at Augusta 11 50 p.m., 9 30 a.m.
Edward McIntyre, Secretary and Treasurer, Savannah, Ga.	*Daily; **daily, except Satur- day and Sunday; †Saturday only.
James S. Davart, Gen. Frt. & Pas. Agt., Augusta, Ga.	† With railroads diverging.
C. B. Crowell, Agent, 259 Broadway, N. Y.	‡ With Charleston & Sav. R. Y.
D. W. Appren, Agt. Atlanta, Ga.	
J. B. Pusey, Agt. Augusta, Ga.	
General Offices—Augusta, Ga.	

An 1882 timetable for the Port Royal and Augusta Railway.
From *Travelers' Official Railway Guide for the United States, Canada, and Mexico* (September, 1882).

Savannah. After the establishment of the joint tariff convention, Port Royal's exports declined even more.

The economic assumptions supporting Appleton's initial investment in Port Royal had been founded on the resurgence of cotton. Investors reasoned that:

Cotton-culture is such an easy means of bringing into service the entire agricultural population, including the women and children, that the reorganization of labor is not at all difficult. This fact, and the habits of field-work thus engendered, put the agriculture of this region on a totally different footing from that of the North, and assimilate it to that of the best-cultivated foreign countries, where it is made so productive and profitable. Philanthropy could hardly find a more praise-worthy field for its exertions, or one more likely to repay them in material returns, than to establish a model plantation in South Carolina, and so demonstrate what can be done with this black free labor, on a system of paying good wages, and of supplying good food and comfortable shelter to the laborers.⁵⁰

⁵⁰ J. S. Pike, *The Prostrate State: South Carolina Under Negro Government* (New York: D. Appleton, 1874), 278-279.

Officials were slow to realize that excess capacity had forever changed the economics of cotton. Free competition had created a transcontinental transportation network benefiting both producers and consumers. The result was excess shipping capacity. Traffic rates fell in the off-season and during recessions. Railroad capital reserves could only stand so much competition. Price-fixing, interlocking directorates, and other market arrangements became standard industry practices. One protective measure was industrial trade groups, such as the Southern Railway and Steamship Association.

The Southern Railway and Steamship Association, organized by rail lines between the Ohio and Potomac Rivers, standardized tariffs for through freight between eastern and southern destinations. The pricing pool was under the direction of Colonel Albert Fink of the Louisville and Nashville Railroad who later formed the New York "trunk line" pool. The pricing schedule stabilized rates between 1876 and 1884. The lower rates forced less profitable companies to merge with better capitalized systems. Because most northern railroads were better off, many southern lines merged out of existence. Management shifted away from regional control. While pooling generally proved beneficial to the industry, General Superintendent R. G. Fleming of the Port Royal and Augusta Railway in his 1880 annual report noted at what cost: "The Southern Railway and Steamship Association has been of great advantage to the railway management, and has aided in the solution of a great many troublesome questions relative to competitive business. We feel however, that we have not been accorded what percentage we were entitled to; yet, to harmonize, we, in a spirit of compromise, accepted the division. . . ."⁵¹

The Southern Railway and Steamship Association used several pooling mechanisms to stabilize the market. Freight business was allocated among the member lines by both volume and earnings, called traffic and money pools. The practices always favored larger railroads. Overall harmony was restored to the industry at the expense of the smaller carriers. In 1890 Congress passed the Sherman Anti-Trust Act making such restraints of trade illegal. In response, the industry began a period of aggressive mergers. Consolidations, purchases, and operating arrangements concentrated the nation's transportation system into fewer and fewer companies.⁵²

The "Magnolia Route," as colorful as its promotional literature made it sound, failed to ever capture a viable market share. Its competitors were

⁵¹ Stover, *The Railroads of the South*, 27, 151-152; "Shareholders Report of the Port Royal and Augusta Railroad Company."

⁵² Eliot Jones, *Principles of Railway Transportation* (New York: MacMillan Company, 1929), 98, 104.

better funded. A series of corporate acquisitions finally put an end to the Port Royal Railway's separate identity. The Central Railroad and Banking Company of Georgia assumed the operating rights of the Georgia Railroad and Banking Company from the Louisville and Nashville Railroad and an individual investor, William M. Wadley. Later, the Central obtained control of the Port Royal and Augusta Railway. The Central's president, William G. Raoul, extended his company's system into western South Carolina. His goal was to switch traffic over to the deep water port of Savannah. Port Royal was out of the network.

The absorption of the Port Royal and Augusta into the Central Railroad and Banking Company of Georgia was accomplished through the acquisition of all the voting interest of D. F. Appleton in exchange for \$1,500,000 of second mortgage bonds bearing interest at 6 percent semiannually with principal due July 1, 1898. The three hundred separate \$500 coupon bonds were guaranteed by the Central Railroad, countersigned by President W. M. Wodley of that company. President W. G. Raoul and Treasurer Edward McIntyre signed on behalf of the Port Royal and Augusta line on May 1, 1882. D. F. Appleton's Georgia-issued second mortgage bonds were secured by the company's 112 miles of railroad "with all its equipments, appurtenances, franchises and things." At the time of the deed of trust there remained \$1,750,000 still outstanding on the first mortgage bonds of 1878. The second mortgage bonds were redeemed and canceled before the sixth interest payment fell due on July 1, 1885. The ten-year slate of Port Royal and August Railway directors was dominated by Central Railroad and Banking Company interlocking directors. Only D. F. Appleton and D. C. Wilson remained.⁵³

In 1886 four South Carolina railroads consolidated to form the 228-mile Port Royal and Western Carolina system. The combined company operated twelve locomotives, eight passenger cars, and 140 freight cars. The parent company, the Central Railroad and Banking Company of Georgia, operated the Port Royal and Augusta Railway as its "Carolina Division." In 1893 all three lines fell under court supervision during insolvency. H. M. Comer of the Central Railroad was appointed receiver. J. B. Cleveland of Spartanburg was in charge of the Port Royal and Western Carolina workout. J. H. Averill managed the affairs of the Augusta line.⁵⁴

During reorganizations, the old Port Royal train continued to roll up and down the South Carolina side of the Savannah River. Small workers' quarters dotted the landscape near every seven-mile marker. Maintenance overseers' cottages were spaced along eleven sectional intervals. These

⁵³ Langley, *Charleston & Western Carolina Railway Album*, 2-3.

⁵⁴ *Ibid*, 2-4; Stover, *The Railroads of the South*, 208-09.

tenements plus out-of-service box cars and coaches relieved local housing shortages in the rapidly growing communities along the route. After the Jim Crow laws of the 1890s were enacted, public depot waiting rooms had to be modified. Race-separated passenger areas became the standard. Such government mandated construction added nothing to the company's bottom line.

Beaufort politicians were keenly aware of Savannah's efforts to redirect traffic. Since all but sixteen miles of the Port Royal Railway were within South Carolina, a legal complaint was filed. The original charter required South Carolina ownership and management. After a series of public investigations, the matter ended up in the courts. Governor "Pitchfork" Ben Tillman, a Populist to the core, championed the Beaufortonians' cause. He sent a message detailing his concern to the General Assembly in November 1892. The governor charged that out-of-state owners were operating the railroad in contravention of South Carolina's legitimate interests. The governor's political posturing was obvious but effective. The courts agreed with some of Tillman's concerns and placed the line in protective receivership. The destructive Sea Island hurricane of August 27, 1893, closed rail traffic for a time. The line emerged out of receivership in 1896 as part of the Charleston and Western Carolina system. The successor company realized that the decline of the Port Royal Railroad only reflected economic realities rather than a grand conspiracy. In the final analysis, a combination of politics, habit, and competition favored Charleston and Savannah as the ports of choice.⁵⁵

The Charleston and Western Carolina Railway eventually became part of the Atlantic Coast Line syndicate. That company acquired control of the "C. & W.C." by assuming \$791,000 of its bonded debt. Henry Walters, son of the Atlantic Coast Line's organizer, William Walters, was a director of the C. & W.C. The Atlantic Coast Line assumed management of the old Georgia "Plant System" on May 13, 1902. The Charleston and Savannah Railway was an affiliate of the "Plant System." The C. & W.C. received more attention as part of the Atlantic Coast Line, integral to its marketing strategy against regional competitors, the Seaboard Air Line Railway and the Southern Railway System. The C. & W.C. was not fully absorbed into its parent, the Atlantic Coast Line, until 1959.

After the Charleston and Western Carolina line assumed control of the Port Royal and Augusta, it acquired the Charleston and Savannah Railroad on October 3, 1896. The "Port Royal" brand was then withdrawn from the market. Its boxcars, steam locomotives, and depots were repainted with the C. & W.C. logo. Twentieth-century Beaufort has mostly forgotten the old

⁵⁵ *State of South Carolina v. Port Royal and Augusta Railway Company*, U.S. 4th District Court, S.C.

"Port Royal." An oral history reminder of the old train survives in the words of a children's game called "Black an' Dusty, Goin' to Agusty." As recalled by Beaufort artist Nancy Rhett from her childhood, the lowcountry ditty was repeated slowly with her playmates as all mimicked a slow moving locomotive. As the rhythm increased, the children would run faster and faster until all fell down in laughter.

By 1905 the C. & W.C. had reduced its scheduled service from Port Royal to Augusta to a single run a day. The "Up Train" connector only paused at Yemassee, Hampton, Fairfax, and Allendale. On its return to Augusta, passengers boarded at Anderson, Laurens, and Spartanburg. Service continued just past the days of the World War II troop trains.

The Port Royal track remains. Century-old magnolias visibly mark its route. Garden clubs maintain a few of the remaining depot buildings. The Brunson town hall sits above one of the original artesian wells used to water the locomotives, now a popular tourist attraction. The manicured Varnville station is a city park. The depot stop at Millett is nothing more than an abandoned country store. The Robbins station is sealed behind a security fence protecting the Savannah River nuclear weapons facility. Dilapidated tool sheds and workers' tenements stand abandoned along its path. Only a small plaque in a Port Royal city park honors railroad builder Stephen Millett. The most enduring legacy of the railroad are the handful of communities that trace their histories back to simple wooden depots. As oil developed west Texas and gold populated central California, the Port Royal Railroad opened up the virgin timberlands along the Savannah River during uncertain days after the Civil War. Today, little reminds the public of its significance to the region's history. In the future, maybe the Port Royal right of way will be reopened to traffic. Maybe the route will be enjoyed by hikers and bikers as well as automobile tourists. Hopefully, it will not be forgotten.

Appendix: Schedule of Port Royal Railroad Rolling Stock*

TABLE 1: LOCOMOTIVES

Engines					Disposition			
<u>PRRR No.</u>	<u>PR&A No.</u>	<u>Cental of Georgia No.</u>	<u>Manufacturer</u>	<u>Date</u>	<u>Wrecked</u>	<u>Scraped</u>	<u>Sold</u>	<u>Transferred</u>
1	450		Norris & Sons	1869		X		
2	451	1231	Grant	1870				To Receiver
3	452		Rogers	1870		X		
4	453		Grant	1872			X	To Macon Foundry
5	454		Grant	1872		X		
6	455		Grant	1872	X			To Augusta
7	456		Grant	1872				To Receiver
8	457		Grant	1873		X		
9	458	1518	Grant	1873				To Receiver
10			Schenectady	1873			X	To J. Joseph
11	459	1550	Rogers	1878				To Receiver
12	460	1236	Rogers	1880				To Receiver
13	461	1237	Rogers	1881				To Receiver
	462	1563	Rhode Island	1888				To Receiver
	463	1551	Rhode Island	1885				To Receiver
	464	1552	Baldwin	1886				To Receiver

TABLE 2: CARS

Cars		Disposition			
<u>PR&A No.</u>	<u>Type</u>	<u>In Service</u>	<u>Wrecked</u>	<u>Scraped</u>	<u>Converted</u>
1-9	Passenger Coaches	5	1	1	2 to living quarters
1-3	Baggage Cars	2			1 to inspector
1-8	Cabs			7	1 to living quarters
1	Pile Driver			1	
1-197	Box Cars	5	26	160	6 to living quarters
1-67	Flat Cars	4	6	56	1 to plow car

* 1869-1888. Documentation prior to 1869 is no longer extant.