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It must have been quite a sight, that first railroad in Virginia; Wooden coal wagons rolling downhill from the coalpits near Midlothian to the banks of the James, just across from Richmond, Gravity was the only power during the 12-mile journey, and one car always carried special "passengers" – two mules to pull the empty cars back up the grade to the pits.

Richmond businessman Nicholas Mills was the force behind the Chesterfield Railroad, which was patterned on tram operations serving English coal mines. The Chesterfield opened in 1831 at a cost of about $150,000 and quickly replaced the lumbering coal wagons that travelled the turnpike from Midlothian to the river. It reduced the cost of moving coal from 8 to 10 cents per bushel to no more than 3 cents. It also turned a handsome profit for the enterprising hr. Mills and his associates.

But it was the Chesterfield's very success that helped spell its demise. A young lawyer and member of the General Assembly, Mr. Whitmell P. Tunstall, began a crusade in 1838 to build a railroad from Richmond across the state to Danville. The resulting Richmond and Danville Railroad was chartered in 1847, and construction began almost parallel to the Chesterfield

Clearly, the mule-driven Chesterfield would be no match for the steam-powered R&D line. In 1850, the R8D opened its line from Richmond to Falling Creek in Chesterfield County. The following year, it opened a branch line to Rocketts, on the James River just opposite Richmond. This marked the end for the Chesterfield Railroad. and operations were abandoned.

Actually, the Richmond and Danville was a relative latecomer to Virginia railroading. In addition to the Chesterfield, there were the Richmond and Petersburg Railroad, chartered in 1836 and opened in 1838; and the Richmond, Fredericksburg and Potomac, which was chartered in 1834. The RF&P opened to Fredericksburg in 1837 and then stretched to the Potomac River near Alexandria.

But despite its relatively late appearance, the R8D would become one of Virginia's most important roads and the base upon which Southern Railway would eventually be built. By May of 1856, the R&D had completed the 140-mile Richmond-to-Danville link, but it wasn't without a great deal of teeth-gnashing. In 1854, for instance, a shipload of iron rail ordered from England wound up on the bottom of the Atlantic. The following year, four locomotives were lost through a collision and an enginehouse fire. Within a single hour one January night in 1856, two passenger trains collided, with extensive damage to the equipment . . and the new Richmond station collapsed..

The R&D handled a respectable volume of business, particularly tobacco and other agricultural traffic. Nevertheless, it was little more than a local line. A 48-mile gap separated it from Greensboro, North Carolina, where the North Carolina Railroad and the Charlotte and South Carolina Railroad ran to Columbia.

The "local" tag didn't apply only to the R&D, though All of Virginia's railroads were basically local lines, with no concern for longer-distance hauls. In fact, their very engineering tended to prevent them from becoming anything more. Generally speaking, the north/south lines and those north of the James

River tended to be 4-foot, 8 1/2-inch gauge. Those lines running east/west and south of the James were usually on 5-foot gauge.

One of the 5-foot gauge lines was the Richmond and York River Railroad, chartered in 1853. This line connected Richmond with what its owners hoped would become a major port — West Point, Virginia. With the line's opening in 1861, steamship service began to link West Point — and consequently Richmond – with Baltimore and other coastal ports.

West Point remained an important passenger port until 1894, when Southern Railway acquired the Richmond-toewest Point line. The new management saw a better future for its rail and steamboat operations at the deepwater port of Norfolk. While rail traffic continued between the two cities, West Point would never again be a "seaport."

Despite the local nature of all of Virginia's railroads, they played a critical role in the War Between the States. The tides of battle raged back and forth across most of the state's roads, including the Orange and Alexandria, the Manassas Gap, the Richmond and York River Railroad, and eventually the Richmond and Danville. These lines carried munitions and men to the scene of battle. Often, they were the prize to be fought over. Locomotives and cars were captured by one side or the other, and were often dragged overland to other locations.

The war's first major engagement — First Manassas – was fought over a railroad junction, where the Orange and Alexandria and the Manassas Gap connected. The last dramatic act of the war also played out around a railroad.

As Union troops closed in on Richmond in early April of 1865, President Jefferson Davis called on the Richmond and Danville to move the Confederate government to safety. It was the only rail route still in Confederate hands.

Special trains rolled out of Richmond, carrying government officials, records and property. Among the material were eight wagon-loads of gold from Richmond banks and the Confederate government itself. The train also carried 200 guards and horses for escape in case the train was captured.

For 18 hours, the R&D train was the Confederate capitol until it arrived in Danville on April 3. Had President Davis waited one day more, all would have been lost then and there. For within 24 hours, Union cavalry had cut the R&D line at Burkeville and Jetersville.

The post-war years found Virginia's railroads trying to rebuild and regroup. Track was damaged or destroyed, equipment was scattered all over the South. The Union army held many of the lines, extracting high prices from owners now forced to buy back their own railroads.

But rebuild and regroup they did, often consolidating with other lines to form through routes that ran beyond the state's borders.

During the 1870's and 1880's, it became clear that Richmond‘s future as a commercial center would depend largely on the Richmond and Danville's ability to compete for traffic. And that ability to compete would depend on expansion beyond a simple local line.

In 1880, two brothers -- Thomas and William Clyde of Philadelphia -- bought into the R&D and ensured its competitive position. The Clyde brothers made the R&D into a truly regional carrier through an ambitious program of expansion.

Of course, to do that, the Clydes had to do a little maneuvering. You see, the Richmond and Danville Charter prohibited the leasing and/or control of any railroad that did not actually connect with the R&D. To skirt that obstacle, the Clyde syndicate established a new holding company, the Richmond and West Point Terminal Railway and Warehouse Company, which was nothing more than a legal instrument to get around the RRD charter limitations.

The Terminal's charter, by contrast, authorized it to subscribe to the stock of any railroad company in the states of Virginia, North and South Carolina, Tennessee, Kentucky, Georgia, Alabama or Mississippi. Two years later, the charter was amended to include Florida, Louisiana, Arkansas and Texas. That made every rail line in these 12 states fair game for acquisition.

The Richmond Terminal structure enabled the R&D to expand rapidly. By 1883, the R&D owned or controlled 847 miles of track, and the Terminal controlled 1,657 more. The newly enlarged system -- and now it really yas a system – established the route linking Richmond with Atlanta.

Throughout the 1880's and into the early 1890's, the Terminal company and the Richmond and Danville, which alternated in control of the system -- continued to expand the rail network. Of course, all these acquisitions cost money, and that was the "minor" detail that the R&D never did come to grips with. Both the R&D and the Terminal took on huge floating debts that would continue to grow over the remainder of their life spans.

At the height of its power, the R&D/Richmond Terminal Company possessed three major systems with more than 8,500 miles of road. These were the Richmond and Danville, the East Tennessee, Virginia and Georgia, and the Central of Georgia. And yet, despite the glowing-picture painted by both the popular press and Wall Street, the Terminal company was never more than a few steps from collapse. There were radical swings in its financial stability, fueled most often by personality clashes among its major investors.

In truth, the Terminal company was a failure because it never could unite its subordinate railroads. In fact, the subordinate roads sometimes were pitted against each other by various investor factions that were more interested in “making a fast buck“ than they were in building a healthy system. The company's major investors were just speculators at heart.

For a time, the R&D/Terminal system was like a juggler keeping six indian clubs whirling in the air while walking a tightrope. As long as nobody’s hand shook and nobody jiggled the tightrope, it was a spectacular balancing act.

It is amazing that the system survived as long as it did. Perhaps that is the result of 19th-century journalism as much as anything else. Despite all the in—fighting among owners and the ominous debts that had accumulated, the newspapers of the day continued to report glowingly on this “Wall Street darling.“

By 1891, though, news of the true financial status began to leak out. The Terminal and its three subsidiaries went into receivership. There were two ways out ... reorganize and integrate the individual railroads as a system, or separate them completely. Each action had its supporters who were as stubborn as ever. The first reorganization effort failed. lt wasn't until the owners invited J. P. Morgan in to restructure the company that the remains of the Terminal finally got off dead-center.

In June of 1894, after two years of bickering and negotiating, the Terminal company was finally transformed into a unified operating company. The Southern Railway Company was born.

The new company operated about 4,400 miles of road. Lt was basically, a combination of the R88 system and the East Tennessee, Virginia and Georgia system. The company also controlled lines such as the Alabama Great Southern and the Georgia Southern and Florida.

The new company profited enormously from the strong business revival that swept the South after 1897. A little more than a decade after its founding, Southern Railway had tripled its gross earnings and doubled its net. During that time, it began to regain several railroads that were not included in the 1894 plan. These included the Memphis and Charleston, the Richmond and Mecklenburg, the Cincinnati Southern, the Northeastern of Georgia and the Mobile S Birmingham. By 1900, the system had 7,717 miles of road.

The reorganization had launched not only a great railroad but a great financier as well. For it was the Southern Railway plan that established J. P. Morgan's reputation as the "doctor of Wall Street." His plan furnished a working model for many other reorganizations that took place after the 1893 Panic.

From those early days right up to now, Southern Railway has been a leader in its industry. Southern bought the first diesel-electric road freight locomotive built in America. By mid-1953, it was the largest railroad to complete the change from steam to diesel power.

The diesel era brought with it a number of other advances as well and, here too, Southern was out in front. Southern led construction of the new electronic classification yards that use closed-circuit television, radar and, today, computers. Southern, incidentally, was the first industrial user of the IBM 705 computer, back in 1956.

Southern introduced the unit train concept for hauling coal in rapid turn - around service. It changed the face of agriculture in the South with the introduction of its oversized Big John grain hopper cars. This marketing innovation enabled the development of poultry and livestock production in the South.

Southern was one of the nation's most successful and progressive rail systems, and was always seeking ways to improve service to its customers. Perhaps it was inevitable that Southern would link up with another great Virginia railroad – the Norfolk and Western;++ to provide customers with stillia
greater benefits.

That historic move took place on June 1, 1982. The joining of Southern and NSW under the Norfolk Southern banner marked the beginning of longer-distance single-system service throughout the Midwest and the South.

To promote 1onger - distance traffic; Norfolk Southern developed five new long-distance corridors.- These new routes will speed freight across greater distances and without the delays normally caused by interchanging traffic. Three of those corridors are in operation already. The remaining two will be used as soon as business warrants it.

A Today, trailer-on-flat car traffic can move from Chicago to Atlanta and Jacksonville, all on the Norfolk Southern system. Midwestern grain producers along NSW lines can ship their feed to Southern livestock and poultry farmers, again all on a single system. This means a new market for these grain producers and a new source of feed for the Southern growers. And Southern electric generating plants can now receive coal from the rich Appalachian fields served by N&W.

By combining our car fleets, we can make sure that every customer has available the type of car and the quantity he needs, even in peak loading seasons. We have been able to make joint use of many railroad facilities, such as Southern's rail—welding plant in Atlanta and N&W's car-building shops in Roanoke.

Has our consolidation paid off? You better believe it has. The first year or so for our corporation – unfortunately -- was marked by a very serious recession that hit the rail industry as hard as everyone else.

And while our revenues and net income declined during this period, it would have been much worse had we still been two separate companies. Net income was down more than 22 percent in 1983, compared to 1982, on revenues that declined 6.3 percent.

But our fourth—quarter figures were encouraging and we are confident that we are moving to a stronger position for 1984. Intermodal traffic has been and continues to grow as the nation's businesses grow stronger. Our coal business, on the other hand, could be adversely affected by a coal miners‘ strike, if it occurs this year.

You have no doubt heard about our interest in Conrail. An acquisition would put many new and important markets – such as Baltimore and Philadelphia -- on our lines. We are studying the wisdom of such a move and the terms and conditions that would be acceptable to us.

Obviously, the railroad merger business isn't quite over yet.

There is a great deal of confidence in Norfolk Southern's future. We have a long and distinguished past on which to build. We have qifted leadership and tremendously dedicated employees here in Virginia and in the 19 other states we serve. Each of them is committed to keeping Norfolk Southern in the forefront of the rail industry, and of American industry in general.