



## Locating Callaway

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Photographs / Images: Grand Pacific Hotel, built about 1890 in Callaway's "Railroad Addition"; livery stable in Callaway about 1892

(4/5/18)

# Locating Callaway

BY PATRICIA C. GASTER

Callaway in Custer County experienced one of the hardest-fought town site battles in central Nebraska. The town was founded in 1885 by J. Woods Smith after he learned of a plan for two rail lines to intersect in Custer County along the South Loup River. George B. Mair, newspaperman and postmaster in Callaway during its early years, contributed a brief history of the town to Solomon D. Butcher's *Pioneer History of Custer County, Nebraska*, published in 1901.<sup>1</sup> Mair recalled:

"As Mr. Smith tells it, Callaway was first conceived in the lobby of the Paxton hotel, at Omaha in the fall of 1885. While reading the morning paper, he chanced to come across an item stating that the Omaha and Republican Valley railroad was going to survey a line up the South Loup river the next spring to intersect with another road which was to be surveyed up Wood River valley from Kearney. Mr. Smith went to a map which was hanging on the wall, and at once made up his mind that the point where these two points came together would be an ideal place for a town."<sup>2</sup>

The Grand Pacific Hotel, built about 1890 in Callaway's "Railroad Addition."  
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The new town was named for Samuel R. Callaway, vice president and general manager of the Union Pacific Railroad, which later acquired both rail lines. Smith was a gifted and widely known promoter and gave interviews to Omaha newspapers whenever he visited that city. The town of Callaway boomed, and became one of the best advertised in Nebraska. By the summer of 1886, according to the *Omaha Bee*, it had two hundred residents, fifty houses, a hotel, an opera house erected by Smith, and a local newspaper, the *Callaway Standard*. A railroad was expected soon.<sup>3</sup>

However, a dispute arose between the federal government and the UP about the two proposed rail lines into Callaway, and work was suspended before either one reached the community. In 1887 anxious citizens established New Callaway one-half mile west of the previous town site, expecting the arrival of a railroad at this location. The new town offered incentives for businesses to move from the old one, and a second newspaper, the *New Callaway Courier*, was established there.<sup>4</sup>

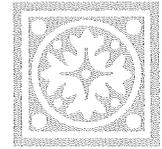
Rivalry between the towns flared. The *New Callaway Courier* was the newspaper of “new” Callaway, while the *Callaway Standard*, established the year before, remained the voice of “old” Callaway. Citizens of the original town called the new community “Podunk” and its inhabitants were christened “Mudhens.” As everyone waited in vain for a railroad to arrive, New Callaway’s residents lost hope and began to leave. The old town regained much of its original vigor, and was incorporated in January 1888 with a population of 214.<sup>5</sup>

The spring of 1889 came and still no railroad. The community was at a standstill. New Callaway was almost dead. The *New Callaway Courier*, then edited by George Mair, was moved to the old town and dropped the “New” from its name, becoming the *Callaway Courier*. In desperation, that fall the township voted \$8,600 in bonds to help the Kearney and Black Hills Railroad to build from Kearney to Callaway.<sup>6</sup>

In the spring of 1890, the K&BH completed its line to Callaway. On October 7 the first regularly scheduled passenger train finally pulled up to a new depot—located not in the old or the new Callaway but between the two competing town sites on a farm owned by Smith, founder of the original town. A third town site, known as the Railroad Addition, was laid out around the depot by the K&BH. Several fine buildings were erected there, including the Grand Pacific Hotel, built at an estimated cost of ten thousand dollars. Smith moved his opera house from the first to the third Callaway and erected a store nearby.<sup>7</sup>

But the fight was not over. It was supposed that the location of the depot would cause an immediate rush to the Railroad Addition, but such was not the case. Many of the old Callaway people had invested in old town real estate, and if the town moved to the new addition, it would become practically worthless. Mair, now postmaster as well as newspaperman, became convinced that the contest could have only one outcome and moved his *Courier* and the community post office from the old town “at midnight . . . without previous notice” to the new addition.<sup>8</sup>

The resulting wrath of old Callaway and subsequent complaints to postal authorities in Washington resulted in the official location of the post office in the old town. The skirmishing ended only when the entire old town capitulated and moved to the Railroad Addition, followed by the post office some months later. The towns had finally merged and pooled their efforts to build one community.<sup>9</sup>



## NOTES

<sup>1</sup> Solomon D. Butcher, *Pioneer History of Custer County and Short Sketches of Early Days in Nebraska* (Broken Bow, 1901), 271-84.

<sup>2</sup> *Ibid.*, 273.

<sup>3</sup> *Ibid.*, 274-76; Nellie Snyder Yost, “Town That Wasn’t There,” *The Nebraska Farmer* 101 (January 17, 1959): 274-75.

<sup>4</sup> Butcher, *Pioneer History*, 277.

<sup>5</sup> *Ibid.*; “Callaway,” *Historic Buildings Survey, Custer County* (Mead & Hunt, Inc. for Nebraska State Historical Society, July 2006), 9-10, viewed May 15, 2009, at [www.nebraskahistory.org](http://www.nebraskahistory.org).

<sup>6</sup> Butcher, *Pioneer History*, 279-81.

<sup>7</sup> *Ibid.*, 281.

<sup>8</sup> *Ibid.*, 282.

<sup>9</sup> *Ibid.*, 282-83.

**A livery stable in  
Callaway about 1892.**  
NSHS RG2608-3447

