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### EARLY DEVELOPMENT OF RAILROADS IN THE PACIFIC NORTHWEST\*

Prior to 1880 the railroads in the Pacific Northwest consisted of the following: the Oregon-California Railroad from Portland south on the east and west sides of the Willamette River; the Northern Pacific Road from Tacoma to Kalama, built at the time of the Jay Cooke regime, and which was stopped at the time of his failure in 1873; two portage railroads operated in connection with the steamboat interests on the Columbia River, one from the lower to the upper Cascades about six miles, a narrow gauge road; the second running from The Dalles to Celilo, a distance of about fourteen miles, a standard gauge road; third, the Walla Walla & Columbia River, running from Wallula Junction to Walla Walla, owned by Dr. Dorsey S. Baker of Walla Walla. There was also the Seattle & Walla Walla Railroad, later known as the Columbia & Puget Sound Railroad, running from Seattle to Newcastle with a branch to Cedar Mountain. This was also a narrow gauge.

In the later 70's, Henry Villard, who left Germany about the same time that Carl Schurz and other prominent Germans, came to this country, and first started in as a journalist. He was a war correspondent during the Civil War and while engaged in the newspaper business he had a number of friends engaged in the same business, among them Horace White, Murat Halstead and various others. These friendships lasted the balance of his life and he showed in after years an appreciation of the friendships of the early days and never failed to befriend and aid these people with whom he had his early connections in newspaper matters.

Along in the later 70's, he formed some connections with German financial interests and one of his first efforts was a fight with Jay Gould over proper consideration of bonds on the Denver Extension of the Kansas-Pacific Railroad. Jay Gould at that time was

\*First presented to the Monday Club, Seattle.

receiver, and after some fighting in court, Villard was appointed co-receiver of the Kansas-Pacific Road. During this fight he came in contact with Thomas F. Oakes whose subsequent fortunes were very largely linked with Villard enterprises.

About this time, that is in the later 70's, the Oregon-California Road in Oregon, which was built by Ben Holiday, the money for which was largely furnished by German bondholders, was in more or less financial difficulties and the German bondholders were not satisfied with the administration as given by Mr. Holiday. They considered it necessary to have an investigation and to some extent a reorganization. With this end in view, they requested Mr. Villard to come to Oregon and investigate the situation. On his trip to Oregon he was very much impressed with the resources of the Willamette Valley and of Western Washington, the transportation in connection with which was limited entirely to steamboats on the Columbia and Willamette Rivers, outside of the Oregon-California Road. He saw the great opportunities for railroad construction and the development of the entire Pacific Northwest.

He lost no time in obtaining the option on the Oregon Steam Navigation Company which operated on the Columbia and Snake Rivers, the Oregon Steamship Company which operated the vessels between San Francisco and Portland, and the Willamette Transportation and Locks Company which operated the locks at the falls at Oregon City and transportation on the Willamette and Yamhill Rivers. These three companies formed the nucleus of the Oregon Railway & Navigation Company. After acquiring these properties and organizing the Oregon Railway & Navigation Company, he requested Mr. Oakes to take the management with headquarters at Portland. Mr. Oakes was not desirous of assuming the responsibility without some expert help upon which he could rely. He took the matter up with C. H. Prescott as Comptroller and C. J. Smith as Assistant Comptroller, and having obtained their consent to move to Oregon, he proceeded there in August, 1880. After organizing the Company during the balance of the year 1880, he went back to New York to confer with Mr. Villard about the future.

At this time the Northern Pacific Road was being built west and had reached a point near Bozeman. Frederick Billings was the president of the Company and Mr. Villard, being anxious to preserve the interests of the Oregon Railway & Navigation Company whose articles of incorporation provided for the building of a road from Portland to Wallula Junction, was desirous of having

the Northern Pacific meet the Oregon Railway & Navigation Company at that point and either take trackage or make definite working arrangements that would obviate the possibility of a competing line to Portland.

Mr. Billings did not see fit to make such arrangements and Mr. Villard, therefore, put out his request for the famous blind pool amounting to eight million dollars which was subscribed by the financial interests in Boston and New York without a knowledge of what the object would be. That object was the purchase of sufficient stock of the Northern Pacific Railroad to control it. This he accomplished and subsequently he arranged for the issuance of a further amount of stock of the Company entitled "The Oregon Trans-Continental Company," into which the blind pool was merged, and the proceeds of subsequent issues of stock were used to purchase the control of the Oregon Railway & Navigation and a certain amount of the Oregon-California securities and also to provide for the financing of branch lines on all three of these roads.

At the same time the Oregon Improvement Company was organized by the purchase of the Seattle Coal Transportation Company, which owned the Newcastle mine, the Seattle & Walla Walla Road, the name of which was changed to the Columbia & Puget Sound, the stock of the Pacific Coast Steamship Company, which operated most of the coastwise traffic on the Pacific Coast and various wharf properties in Seattle, San Francisco, and points in Alaska.

At this time Mr. Oakes was made President of the Northern Pacific Road with headquarters at St. Paul, and the construction program of the Northern Pacific was pushed from both the east and west ends. The construction program of the Oregon Railway & Navigation Company was entered into very vigorously and pushed through the years of 1881, 1882, and 1883, resulting in the construction of about one thousand miles of road from Portland via Walla Walla to the Snake River and from the Snake River to Colfax with a branch from Colfax to Connell Junction; also from Pendleton, via Baker City, to Huntington.

In September, 1883, the Northern Pacific Railroad completed their road to a connection with the Oregon Railway & Navigation Company at Wallula Junction, thus forming the first through train service from the East to Portland, Oregon. Subsequently the Oregon Short Line, a subsidiary company of the Union Pacific, had built west from a point on the Union Pacific Railway at Granger,

Wyoming, to Huntington, connecting there with the Oregon Railway & Navigation Company, thus forming the second through service to the East. At the same time the Oregon-California Road was carried through to the California State Line, the construction being from Roseburg.

In the latter part of 1883, Mr. Villard failed and this failure resulted in a stoppage of construction by all the companies with which he was interested, and to a certain extent, a separation of interests.

The Northern Pacific Railroad fell into the hands of Pennsylvania interests represented by C. B. Wright and construction of the road from Pasco over the Cascade Mountains to Tacoma was pushed forward and finished about 1888. About the same time the Oregon Railway & Navigation Company was leased to the Oregon Short Line and operated in connection with the Short Line and the Union Pacific and has continued so since.

In 1887 an effort was made to make the lease of the Oregon Railway & Navigation Company a joint lease of both the Northern Pacific and Union Pacific Systems, but, owing to difficulties in adjusting the construction program and division of territory between these companies, the project fell through.

In the latter part of 1887 there was an effort made by the Oregon Trans-Continental Company and a number of stockholders of the Union Pacific and the Wisconsin Central Railroad to acquire control of the Northern Pacific Railroad. They were not able to accomplish this entirely but it resulted in a compromise which brought Mr. Villard again to the front as Chairman of the Board of the Northern Pacific Railroad and resulted in a lease of the Wisconsin Central Railway to the Northern Pacific Railroad and which gave them an entrance into Chicago.

The efforts of Mr. Villard have never been fully appreciated by the people of the Northwest, especially by the people of Seattle. During his control of the Northern Pacific Road it was his intention, and there was a very considerable amount of money spent, to broaden the gauge of the Columbia and Puget Sound Road from Seattle to Franklin with the expectation of extending the same to Palmer Junction, thus forming a through line to Seattle which would be split at Black River Junction for traffic going to Tacoma and points south to Portland.

Mr. Villard was a man of large vision. It was his idea not only to control the Northern Pacific, the Oregon Railway & Navi-

gation Company, and the Oregon-California Company, but also to extend the Oregon-California Company to San Francisco. In 1883 he foresaw the possibility of expansion of business on the Pacific Ocean and employed a young Englishman to go to China and Japan, the Philippines and the Strait Settlements with a view to obtaining information necessary to put on a steamer line in connection with the Northern Pacific Railway. This information was brought back by the young Englishman about the time of Mr. Villard's failure in 1883 with the result that it could not be acted upon. The Englishman took the matter to London and it being submitted to the Canadian Pacific people, resulted in the establishment of the Empress Line of steamers.

The business of Puget Sound, which up to 1882 had been taken care of by such steamers as the *George E. Starr*, *Northern Pacific* and the *Eliza Anderson* was anticipated by a number of years by the building of the Steamers *Alaskan* and *Olympian*, both side wheel steamers with large carrying capacity, wide and roomy decks and great speed. The *Olympian* operated for several years on the Sound, but the expense of operation was too great for the amount of business. The *Alaskan* was laid up at Portland and being sent to San Francisco for dockage in 1889, was wrecked and sunk off Coos Bay.

All of Mr. Villard's ideas were of the broadest kind and if the resources of the Companies he had been connected with had warranted it, the development of the Pacific Northwest would have occurred much earlier. He was, in fact, the "Blazer of Trails" in the Pacific Northwest and is entitled in every way to be considered the "Empire Builder."

There are a number of curious and sometimes humorous incidents connected with the early railroad construction in the Pacific Northwest. It was the custom on the steamboat lines, operating on the Columbia River, to have two kinds of freight, one ordinary freight and one fast freight. For fast freight they charged five dollars a ton extra, the custom being in shipment to the upper reaches of the Columbia River to load at Portland on the steamer, discharge at the lower Cascades where the fast freight, mail and passengers would be immediately transferred to the steamer operating between the upper Cascades and The Dalles, while the ordinary freight would wait over twenty-four hours for transportation across the portage. This same process was repeated at the portage between The Dalles and Celilo for all freight destined to points beyond Celilo. This

enabled people to obtain their fast freight a number of days in advance of the ordinary transportation process.

Dr. D. S. Baker, who owned the narrow gauge line between Wallula Junction, where it connected with the steamboats, and Walla Walla, thought the question of fast freight was a very desirable one and adopted the plan for his railroad by loading the freight in the first car in the train. His narrow gauge road had rather a peculiar history. It was first built with wooden rails and as these became worn they were recovered with strap iron and it was only after operation of a number of years that he finally obtained regular T-rails.

There was also another incident that was interesting. A large number of immigrants in the States of Oregon and Washington had left the Eastern States in pioneer days when railroad operation was in its infancy and others, who had been born in the Pacific Northwest, had never seen a sleeping car. In 1882 the Oregon Railway & Navigation Company purchased two sleepers named *Wallula* and *Walla Walla*, which came around the Horn in knock down shape and were assembled at the company's shops at The Dalles. On being brought to Portland they were put on exhibition and they were an object of interest and curiosity to thousands of people. It was some time before people understood their construction and operation.

One incident is given of an old pioneer who took a berth in the sleeper operating between Portland and Walla Walla. He brought his blankets with him. After visiting around, at dark, finding the seat would slide out, he arranged to slide the seats down on both sides of the section, and with one blanket for a pillow and one for a covering he took off his boots and went to bed. When the porter noticed this, he offered to make his bed for him. He first said that it was all right the way it was, but he finally consented, and when he saw they had mattresses, sheets, pillows, and pillow cases, his astonishment grew with each successive piece of equipment. This was one of a number of like instances that occurred in the early operation of the sleepers.

There was also a rather humorous incident that occurred in 1887 at the time the Northern Pacific Road leased the Wisconsin Central. A man named Cavanaugh was General Freight Agent of the Wisconsin Central. Being a holiday, he sat in his office with his feet on the desk taking things easy and a portly German came into the office and inquired with a slight brogue, "What office is

diss," Mr. Cavanaugh who assumed that he was some German immigrant, the head office being in Milwaukee and Milwaukee being a large center for German colonists, replied, "Diss is de General Freight Office." The stranger asked, "Who ist de General Freight Agent?" Mr. Cavanaugh replying to him, said, "I ist de General Freight Agent." The stranger said, "I am Mr. Villard." Mr. Cavanaugh almost fell off his chair, but having started in with the German brogue, he was compelled to keep it up during the balance of the conversation.

After the failure of Mr. Villard in the latter part of 1883, there was quite a good deal of suspicion on the part of Eastern stock-and bondholders with reference to the operation and construction of the Oregon Railway and Navigation Company, and a number of experts were sent out to examine the books and to look over the physical properties. Their efforts, however, resulted in very little, if any, criticism of the management of the road and the enterprises.

Among others who came out was a very eminent engineer by the name of George Morrison. He started over the line at the connection with the Northern Pacific at Wallula Junction and he was met there by the Superintendent, the Chief Engineer and the writer. He asked a thousand questions some of which could only be answered by analytical experts, especially on the characteristics of the soil, the weight of the rock, the sharpness of the sand, and a number of like matters. The Chief Engineer who was a capable man in his line of business, was not, however, conversant with these chemical details, and was replying to a great number of them by answering that he did not know. This imparted a suspicion in the mind of Mr. Morrison that the Engineer was deficient in his capacity, and the writer, noticing this, suggested to the Chief Engineer that he answer promptly on such questions, because generally speaking they were not germane to his business and were asked largely out of curiosity.

In going by the sand dunes between Umatilla and The Dalles, Mr. Morrison asked the Chief Engineer what the weight of the sand was per cubic foot, and the Chief Engineer promptly replied, "Two hundred twenty-five pounds." Mr. Morrison threw up his hands and said that was the heaviest and most remarkable sand that he had any knowledge of, and in his report he made some notation of this remarkable fact.

The writer could give a hundred instances of such things, some

of them curious and interesting and some of a humorous nature, but the above is a sample of some things that occurred.

The construction of the railroad was largely done by Chinese. During the height of construction there were employed at one time, five thousand Chinese and about fifteen hundred white men. This same ratio occurred in the construction of the western end of the Northern Pacific and also the Oregon Short Line, and the ability to obtain such labor at that time undoubtedly hastened the period of construction a number of years.

C. J. SMITH.