

OFFBEAT OREGON

'Shoe-string railroad' beat Southern Pacific in race to Coos Bay

BY FINN J.D. JOHN
For The Spokesman

Very few people outside Coos County, and probably not that many inside it, know what a big deal Coos Bay is.

It's the biggest deepwater harbor on the Northwest coast — that is, between San Francisco and Puget Sound. And it's far safer than Portland or Astoria, tucked as they are behind the "Graveyard of the Pacific" at the mouth of the Columbia.

So, one has to wonder why it had no railroad connection to the outside world until 1916 — more than 30 years after Portland got one.

There have to have been some theories and speculations about that among the residents and business leaders in the towns of Coos Bay (then called Marshfield) and North Bend. Especially after, in the early 1900s, the Southern Pacific railroad stopped work on a feeder line that it had claimed would link to Coos Bay through Drain.

SP had spent a lot of money on the project, going so far as to build a tunnel near Elkton (which was later used for a state highway). But then suddenly all work stopped, and word got around that the whole thing had been a blind bluff. E.H. Harriman, the big honcho at Southern Pacific, had learned that his great rival, James J. Hill of the Great Northern, was contemplating punching a transcontinental through from Chicago and terminating it at Coos Bay.

Harriman had promptly gotten busy on the Drain line just to frighten Hill off. Then, the instant Hill abandoned this plan (if he ever actually entertained it — it's also possible this a rumor from the start), Harriman dropped everything, leaving Coos Bay disappointed ... and more than a bit suspicious.

Avoiding competition

The subtext here seemed pretty obvious to Marshfield and North Bend business leaders: Business interests in Portland were eager to prevent Coos Bay from coming on line as a direct competitor. And since Portland and Salem were where most of the state's political power was concentrated, what they wanted they generally got.

That suspicion would grow even stronger after William J. Wilsey started promoting his planned railroad line, circa 1909. But, that one would not turn out to be a bluff; and despite the best efforts of Harriman & Co., it would turn out to be a rare case in which the tiny upstart wins.

William Wilsey was an interesting man; Oregonian writer Dewey Ray called him "a pint-size promoting dynamo," and, well, he definitely fit the description. Just four and a half feet tall, but handsome, clever, and good-natured, he had a particular persuasive charm and he seems to have never stopped hustling.

Wilsey wasn't from Coos Bay. Most likely he lived in Portland at the time. But he was thrilled by the possibilities a railroad line down the coast would present, both for real estate development (he had a particular resort-development project in Yachats in mind) and, of course, for linking the outside world up with international shipping at Coos Bay.

The residents of Coos Bay's two principal towns were, of course, elated by this prospect. And by this time, those residents included some big-money players in the coastwise shipping and lumber businesses. Although they weren't prepared to go toe-to-toe with E.H. Harriman, they were willing to put up enough seed capital to get Wilsey started — to prime the pump, as it were.

Wilsey, after determining that the line would repay the investment handsomely, headed back east to pitch the project at some of the big financiers on the East Coast.

Nothing doing. Nobody would touch it. Southern Pacific and its financial backers made sure Wilsey found a cold shoulder behind every door he knocked on.

Now, one of Wilsey's real secrets of success was, he did not waste time. This characteristic would play a crucial role several times in this project, starting right here. The instant Wilsey learned which way the wind was

blowing, he canceled any further appointments and got on an ocean liner, headed for Europe. If he couldn't interest any backers stateside, he'd try his luck in the Old Country.

British connection

In Paris, he met with a much warmer reception; however, of the potential backers he met with, none had sufficient liquid capital free to make a move. So he moved on to London, where he finally struck success in the form of a consortium headed by Sir Robert Perks, the builder of the Manchester Canal.

It took some time — Sir Robert was not one to rush things, and he was probably stalling for time while he called in some other investments to free up enough capital to say yes. For a while, Wilsey was afraid his own working capital would actually run out before he could bring the English group aboard.

Finally, several months later, the deal was made — and William Wilsey's railroad project, which was already being made fun of in Oregon newspapers as a "shoe-string railroad," had committed backing from Sir Robert as well as a group of other English financiers including the Duke of Portland and the Duke of Norfolk.

There were some more hoops that had to be jumped through. The investors wanted a railroad engineer they knew and trusted to verify the details. They picked a man named H.A. Sumner, known in railroad circles as "The Old Fox," for the job, and this personnel decision would also prove critical to the project's eventual success.

"The Old Fox" got on a liner and headed across the sea for a three-month cruise of Oregon to scope things out. While he was doing this, Wilsey — who had run completely out of money by now — supported himself in London by taking a job as a busboy in a restaurant. It was a lower-class eatery in which he knew he ran very little risk of meeting and being recognized by a member of Sir Robert's syndicate; but the prospect still must have made for some nervous moments.

Finally, Sumner made it back to London. He was very excited about the project's prospects, but he reported that the group would have to move fast. During the time Wilsey had been out of town, the Oregon Electric railroad line had been started, connecting Portland with Eugene. The Oregon Electric was backed by James J. Hill of the Great Northern. So the two great railroad magnates would soon both have major operations in Eugene.

Sumner urged the syndicate to abandon its plans for the Portland-to-the-coast line and focus all its energies on getting from Eugene to Florence, knowing that if they didn't, the instant Hill or Harriman learned what they were up to, that's where they'd start construction.

Stroke of luck

Wilsey didn't have to be told twice. He was on the very next ship he could secure a berth on, headed back to Oregon.

Almost immediately, he met

with a tremendous stroke of luck. It turned out that another consortium of small-dollar players had already been working on surveying a line from Eugene to Florence, hoping to secure investors for it. They, after meeting with the same cold shoulders Wilsey had in New York, had not had the resources to continue chasing dollars (and francs and pounds) across the Atlantic, so they'd returned to Portland and tried to sell their work to Harriman's Southern Pacific. The SP representatives had seemed very interested at first, but it quickly became clear that they were only interested in learning how far along the company had gotten.

When Wilsey arrived on the scene, these men — Isaac Bingham and Ralph Hunt — were still waiting for SP to make a decision. They quickly realized their good fortune that SP had delayed so long. On behalf of the syndicate, Wilsey promptly bought Bingham and Hunt's company and adopted its name, the Pacific Great Western Railway Company.

Then they got to work. They had a huge first-mover advantage, in that although the big railroads knew they existed, no one had any idea about the English syndicate. The newspapers were already having a great time making fun of their grandiose name for what they openly referred to as a "shoe-string railroad." Mostly they considered it to be a hustle, a big show of activity intended to bamboozle someone into thinking a railroad was going in, perhaps to sell land or something like that.

Shrewd business moves

So while that cloak of anonymity and disreputability was still on them, they made a few very shrewd moves.

First, Sumner identified and purchased a 40-acre parcel of land that covered what they knew would be the only logical entrance to the tunnel that would need to be built at Noti.

Meanwhile, Hunt was on a whirlwind tour through the Siuslaw Valley, making arrangements for the right-of-way. This was a bit of a challenge, because some of the farmers, when they learned a railway was to be built, tried to shake the syndicate down for huge windfalls. Time was precious — as Hunt and his partners well knew, the minute all these purchases started being publicized, their under-the-radar "shoe-string railway" status would change fast. No "shoe-string" operation could afford to throw money around as they were now doing.

So as he moved along, Hunt would make each landowner an offer. If they accepted it, or even asked for slightly more, Hunt would accept it and ink the deal on the spot. But if the landowner demanded an unreasonable price, Hunt would demur, head for the nearest telephone, and call up Pacific Great Western's lawyer, Frederick DeNeffe. DeNeffe would write out a condemnation order on the spot — he actually had a stack of form letters printed up so that all he'd have

to do was fill in a few blanks — and file it with the Lane County clerk the same day. Soon the Siuslaw River canyon was covered with condemnation actions.

This was the point at which the newspapers stopped referring to the Pacific Great Western as "the shoe-string railway" and started calling it "the mysterious railway." Obviously, there was money behind it. But whose?

Mystery revealed

For a little while, the syndicate managed to ride the "mystery" tiger very successfully. Harriman's Southern Pacific assumed they were backed by Hill's Great Northern, and vice-versa, and although both companies issued vigorous denials, nobody believed either one of them.

But then the cat was let out of the bag by none other than Sir Robert Perks himself. Sir Robert, at supper with a New York banker friend, got a little carried away and, after swearing his soon-to-be ex-friend to secrecy, took him into his confidence. The banker betrayed him almost the first instant he was alone in a room with a telephone. And suddenly the Harriman group was wise.

Promptly Harriman's Southern Pacific bought out a local logging railroad with operations in the Siuslaw River area, the Willamette Pacific Railway Company, which immediately announced plans to build a line from Eugene to Coos Bay.

What followed was more or less the railroad equivalent of a race to the patent office. Whichever company filed its line adoption first would have precedence. Willamette Pacific's survey crews plotted a route that zigzagged back and forth across the canyon, such that if they filed their line adoption first, there would literally be no corridor for a competing line. If they made it first, it was game-over for Pacific Great Western.

And if Pacific Great Western made it first, it was game-over for Willamette Pacific. Without access to the tunnel site at Noti, they wouldn't be able to reach Florence either. And since Sumner had bought the land around the tunnel site, the only way they'd get that access would be a condemnation proceeding, which they would only win if their line adoption was recorded first.

Hunt's final survey was finished at nearly the exact same time as Willamette Pacific's, and both engineers headed

for Eugene at about the same time. Hunt arrived at 3 a.m. the following morning, on horseback in a driving rain; and by the time he'd gotten his oilskins off, a company meeting was in session, and the company officially adopted its right of way.

Two days later, Willamette Pacific's engineer arrived at the Southern Pacific offices in Portland, and a similar scene was enacted.

Race to the finish

The Twohy Brothers took one look at these preparations and went back to Eugene to consult with SP. SP promptly filed a condemnation complaint against its rival, seeking to force PGW to provide them access for their railroad line.

And that is how the whole affair ended up in court, relatively early in the game.

It wasn't in court for long. Hunt, it turned out, had not frozen half to death racing back to Eugene for nothing. Pacific Great Western had won the race; its line adoption had come two days before Southern Pacific's.

(Sources: "The Mysterious Shoe-String Railroad," an article by Frederick M. DeNeffe published in the September 1956 issue of Oregon Historical Quarterly; "Eugene-Coos Bay Rails Pushed in 1911-1916 Battle with S.P.," an article by Dewey Ray published in the Aug. 25, 1957, issue of The Portland Oregonian)

■ Finn J.D. John teaches at Oregon State University and writes about odd tidbits of Oregon history. His book, *Heroes and Rascals of Old Oregon*, was recently published by Ouragan House Publishers. To contact him or suggest a topic: finn@offbeatoregon.com or 541-357-2222.

SOLUTION

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Sudoku on Page 2

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DEATH NOTICES

Ruthie Ann Wolfe
of Crooked River Ranch
April 3, 1951 - January 4, 2022

Arrangements: The Garden Florist, 541-923-3977

Services were held at the Redmond Memorial Chapel 11:00am on Friday January 14, 2022

Contributions may be made to: Hospice

Douglas "DJ" Johnson
of Bend
September 13, 1963 - December 29, 2021

Arrangements: Baird Memorial Chapel & Crematory, (541)536-5104

Services: 13:00 Jan. 20th at New Hope Church, Bend

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Baptist	Non-Denominational
<p>Highland Baptist Church 3100 SW Highland Ave., Redmond 541-548-4161 Barry Campbell, Lead Pastor</p> <p>Sunday Worship Services:</p> <p>Blended - 8 & 9 am Contemporary - 10:30 am (Worship Center)</p> <p>hbc Español - 10:30 am Acoustic - 6 pm (Youth Room)</p> <p>*9 am & 10:30 am live-streamed on website: www.hbcredmond.org</p> <p>Family Night Wednesdays (January 2 - March 16)</p> <p>5:30 pm - Dinner in Gym (free) 6 pm - Practical classes for all ages</p> <p>See website for a list of classes!</p> <p>How can hbc pray for you? prayer@hbcredmond.org</p> <p>CHECK YOUR AD On the first day it runs to make sure it is correct. Call 541-617-7823 for corrections.</p>	<p>Seventh Day Adventist 945 W. Glacier Ave., Redmond, OR 541-923-0301</p> <p>Sabbath School 9:30 am Worship 10:45 am</p> <p>Roman Catholic</p> <p>St Thomas Roman Catholic Church 1720 NW 19th Street Redmond, Oregon 97756 541-923-3390</p> <p>Father Todd Unger, Pastor</p> <p>Mass Schedule: Weekdays 8:00 am (Except Wednesdays) Wednesday 6:00 pm</p> <p>Saturday Vigil 5:00 pm First Saturday 8:00 am (English)</p> <p>Sunday 8:00 am, 10:00 am (English) 12:00 noon (Spanish)</p> <p>Confessions on Wednesdays From 5:00 to 5:45 pm and on Saturdays From 3:00 to 4:30 pm</p>

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