

L. J. Simpson, President of Port Commission, Outlines Needs of Port of Coos Bay; Tells What Has Been Done With Funds Collected

PRESIDENT OF PORT COMMISSION MAKES DETAILED STATEMENT OF HOW MONEY HAS BEEN USED, HOW PORT HAS PROFITED AS WELL AS CITIZENS BY BIG FILLS IN MARSHFIELD AND NORTH BEND AND OF NEED FOR COMPLETING PROJECT NOW THROUGH ANOTHER BOND ISSUE IN ORDER TO GET THE ADVANTAGES OF WORK ALREADY DONE.

The following self explanatory statement was read by President L. J. Simpson, of the Port of Coos Bay Commission at a recent meeting of the Marshfield Chamber of Commerce, when it was decided to immediately inaugurate a petition campaign to secure the issuance of \$300,000 more port bonds to complete the harbor improvement:

"As president of the Port of Coos Bay, it gives me great pleasure to be afforded this opportunity to make a statement to your honorable body and to the people of the Port district as well, of what the Port of Coos Bay has accomplished and of what it not only should accomplish, but what it hopes with your co-operation to accomplish.

Before the dissolution of the old Port, it adopted a project for the improvement of the inner harbor of Coos Bay which was for a channel from the C. A. Smith mill in Marshfield to the bar, 300 feet in width and 25 feet deep at mean lower low water, which project also provided for turning basins in front of the cities of Marshfield and North Bend, 500 feet in width and not less than 3000 feet long, dredged to a depth of 25 feet at mean lower low water. Authority was granted at an election held for that purpose to the old Port to issue \$300,000.00 in bonds of which \$50,000.00 was available for the purchase of property and the construction thereon of wharves and docks, \$50,000.00 for the improvement of the inlets, and \$200,000.00 for the improvement of the main channel from the Smith mill to the bar. When the new port was organized and the present commissioners elected to office, they did not change the project adopted by the original port and this project of the original port stands today as the project of the present port. The present Port, however, did not believe it to be consistent with the best interest of the whole community to expend the money in the manner in which the original Port was authorized to expend it, and instead of expending so much money in the acquisition of property, construction of warehouses and inlet improvements, the present Port has expended and is expending the bulk of the bond issue upon the main harbor channel.

The Port after legally advertising for bids, sold its bond issue and on April 30, 1913, received the net proceeds of that sale, which amounted to \$286,975.00 with accrued interest to the date of sale amounting to \$4,958.35, or a total of \$291,933.35, having been forced to lose \$9066.65 as a discount resulting in this sale. With funds on hand which went to begin work, the Port entered into a contract with the Puget Sound Bridge & Dredging Company on May 14, 1913 for the excavation of 1,800,000 cubic yards from the main channel of Coos Bay at a contract price of 12 cents per cubic yard for the excavation. The excavation was to be removed from a channel 150 feet in width from the C. A. Smith mill to the bar, which was to be dredged to a depth of 25 feet at mean lower low water. This contract specified that the Port of Coos Bay should pay the expense of handling the shore pipe and constructing the necessary bulkheads to retain the dredgings at its own cost. About this time the Willamette Pacific Railway Co., their representatives submitted a proposition to the Port as follows: "The Willamette Pacific Railway Company agrees to pay the expense of building the bulkheads and handling shore pipe for the amount of excavation that would be removed in the 150-foot channel dredged to the Port's depth in front of North Bend, and that if the Port would increase the width of the channel in front of North Bend to sufficient width to give the Willamette Pacific Railway Company enough fill in yards to bring their station grounds in North Bend up to grade, they would not only handle the shore pipe and bulkhead construction, but would pay the Port of Coos Bay one-half of the cost of this excavation necessary outside of the 150-foot channel, reducing the cost to the Port of such excavation to six cents per cubic yard. They represented also that unless this filling could be done for them immediately, they would withdraw their proposition as their railroad construction required the immediate filling of their station grounds."

The Port after due consideration decided that inasmuch as their project called for a 300-foot channel and a 500-foot turning basin in front of both cities, and inasmuch as they could effect a saving of six cents per cubic yard on a very large quantity of dredging, decided that it was economy and for the best interests of the Port to accept the railroad company's proposition and they began the excavation of the channel and turning basin at North Bend. As a safeguard the Port insisted that the channel and turning basin in front of North Bend be dredged to a minimum of 27 1/2 feet at mean lower low water, and the dredging was eventually so done. The only expense to the Port of the dredging at North Bend being 12 cents per cubic yard for the excavation in the 150-foot channel and six cents per cubic yard for the excavation outside the original 150 feet. The work in front of North Bend was completed and a channel 300 feet, or practically three-quarters of a mile in length, was dredged to a minimum depth of 27 1/2 feet, 300 feet in width, of which 1600 feet was dredged 500 feet in width.

This work completed, the dredger moved to the upper Smith mill bet-

DISBURSEMENTS OF PORT OF COOS BAY FROM ORGANIZATION OF PORT TO APRIL 24, 1914.

Puget Sound Bridge and Dredging Company	\$208,296.31
Engineer Charleson and crew	3,383.25
Improvement Catching Inlet	395.89
Interest on Bond Issue	15,000
Construction Mill Slough Drain	7,717.18
Refund to Marshfield Chamber of Commerce expenses of organization of Port	332.71
Salary account asst. secretary	520.35
Office supplies for secretary and engineer	165.36
Office rent for Port and engineer	112.50
Engineering services prior employment Charleson	132.75
Western Union Telegraph Company	77.78
Interest on outstanding warrants	56.30
Legal expenses and attorneys' salaries	1,900.00
Advertising and other expenses of bond issue	235.28
Expenses delegation to Congress	1,350.00
Printing annual report and official notices	88.61
1913 and 1914 appropriations Rivers and Harbors Congress	300.00
1912 and 1913 statistical reports	100.00
1913 and 1914 premiums treasurer's bond	160.00
Purchasing dredge pipe and wooden water pipe	19.90
Lumber bulkheading	12.94
Damages caused by filling	3.75
Mill Slough bulkhead and box tide gate	288.08
Removal of wreck from channel	20.11
Planting Holland Grass on North Sand Spit	500.00
Sewer assessment Port property	591.22
Hauling wooden water pipe	.75

\$241,760.52

Receipts of Port of Coos Bay Since Organization	\$286,975.00
Interest on bonds to date of delivery	4,958.35
County Port tax	23,250.00
Interest on deposits from local banks	6000.86
Southern Pacific Co., account dredging	17,111.32
A. L. McMahon, account of dredging	250.64

Total receipts \$338,546.17

Total disbursements \$241,760.52

Cash on hand April 24, 1914 \$ 96,785.65

Due from property acct. of fills, etc. 51,207.89

\$148,294.54

Less ten per cent reserved from Puget Sound Bridge and Dredging Co., as per contract \$ 23,090.14

Amount available for continuing present contract with Puget Sound Bridge & Dredging Company \$125,204.40

ter known as the Bay City mill, or Eastside mill. At this time a supplementary contract was entered into by the Port with the Puget Sound Bridge & Dredging Company, wherein it was agreed that the Puget Sound Bridge & Dredging Company would handle the shore pipe for 1 3/4 cents per cubic yard excavation and would build the bulkhead on force account, or for the payment of 10 per cent over and above the actual cost of such construction to the dredging company. The object of entering into this contract was to lessen the cost of such work to the Port, as it was very evident that it would cost the Port a much greater sum of money to do this work themselves, from the fact that the dredging company's crew, familiar with such construction, and on account of being able to handle the shore pipe and the bulkhead construction with the same crew and at the same time, and could do the work much cheaper than the Port could do it with an individual crew of its own.

Work was begun on the Marshfield end of the project 500 feet south of the above-mentioned Smith mill, and a channel was dredged varying from 150 to 200 feet in width from the above point to a point opposite the lower corner of the new Smith mill dock, with a uniform depth of 25 feet at mean lower low water. From this point to the mouth of Coalbank Slough a channel was dredged with an average width of 360 feet, to the mouth of Coalbank Slough and from Coalbank Slough to a point opposite the Coos Bay Ice and Cold Storage Company's plant a channel has been dredged or is very nearly completed, 500 feet in width for a distance of 550 feet with an average depth of 25 feet at mean lower low water. All of this dredging is embraced in the original Port's project, and it was the judgment of the Commissioners that it was for the best interests of the Port to complete this dredging and particularly the Marshfield turning basin before proceeding with the balance of the project for the reason that it would be possible to secure in the lowlands of the city of Marshfield the necessary dumping ground for the excavation and to have all of the cost of handling the shore pipe and the construction of the bulkheads borne by the property owners. If this could not have been done it would have forced the Port to find dumping ground on the Eastside of the Bay, and if the Port had been forced to do this, it would have been obliged to pay 1 3/4 cents per cubic yard for handling the shore pipe and the cost of constructing the necessary bulkheads to retain the dredgings. According to the figures shown in the statement hereto attached, the cost of handling the shore pipe alone for the work mentioned above, would have been \$19,383.48, and the cost of constructing the necessary bulkheads, at the least \$6000 additional so that the Port affected a saving of \$25,383.48 as the result of completing the Marshfield turning basin and giving the property owners of the city of Marshfield the benefit of the fill. This field the benefit of the fill, and turning basin is about completed, and will be completed within the next three weeks. Attention is called to the following financial statement: (See statement above at head of this article.)

From the above it will be seen that there is available \$125,204.40 for completing the Marshfield cut and continuing the 150-foot channel from Marshfield towards the bar. From a careful estimate made by the engineer and corroborated by the

dredging Co., this amount of money will complete the Marshfield turning basin and a channel 150 feet wide from the Marshfield turning basin to the south end of the North Bend turning basin. When this work is completed the Port will have exhausted its entire bond issue of \$300,000.00. Their contract with the dredging company will have been completed, and unless other arrangements are made the work of dredging the channel of Coos Bay will come to an end. It is therefore necessary for the Port to consider the question of continuing the dredging work and completing its project 300 feet wide to the bar. To stop at this point would be the greatest mistake they could make. The work so far accomplished standing by itself would be practically useless unless means were devised for the completion of the Port's project. It is well known that the shoals below North Bend are the worst with which shipping has to contend and that when the tide is high enough to permit vessels to cross these shoals, there is always enough water to allow shipping to go from North Bend to Marshfield. It is therefore necessary, in order to get the full benefit of the work already accomplished, to continue and complete the Port's project so that there will be a channel 300 feet wide and 25 feet deep at mean lower low water the entire distance from the bar to the upper Smith mill.

With the assistance of the dredging company and the Port's engineer, I have prepared an estimate of the amount of yardage of excavation required to complete this project. As before stated, funds now on hand and due the Port will complete the Marshfield turning basin and the 150-foot channel as far south as the south end of the North Bend turning basin. There remains to be removed in the second cut 150 feet wide and 25 feet deep at mean lower low water from the north end of the Marshfield turning basin to the south end of the North Bend turning basin, 500,000 cubic yards and in the first 150 feet cut from the north end of the North Bend turning basin to the bar, 600,000 cubic yards and in the second 150-foot cut from the north end of the North Bend turning basin to the bar, 600,000 cubic yards, or a total of 1,720,000 yards allowing for an addition to this and probable overrun yardage in this amount of dredging, of 275,000 cubic yards there will be a total yardage of 1,995,000 cubic yards to be removed, and paid for, after the present funds are exhausted. It will be necessary for the Port to provide funds for removing this yardage and with the idea of ascertaining what the cost of this work would be, the Port asked the Puget Sound Bridge and Dredging Co. to give them a price on this additional work, and they have submitted a tentative proposition to the Port to complete the 300 foot channel to the bar and to excavate this 1,995,000 cubic yards at a price of 12 cents per cubic yard, which price includes all the expense of handling the shore pipe in the lower bay, which price would therefore be the net cost to the Port for completing their present project after the funds now on hand are exhausted, and would amount to \$239,400.00. As there is no necessity of constructing bulkheads below North Bend and as the property owners above North Bend have agreed to take all of the excavation and to pay the cost of constructing bulkheads to retain it, and to pay the cost of handling the shore pipe,

there would not be any additional expense to the Port other than the above 12 cents per cubic yard, or the before mentioned \$239,400.00 except such amounts as would be necessary to pay the Port engineer, his crew, to the attorneys, assistant secretary, and the miscellaneous expenditures of the Port, which safely can be estimated at \$10,600, bringing the total expense up to \$250,000. The Puget Sound Bridge & Dredging Company have agreed that if they are awarded the contract for the completion of the Port's project to the bar, for the above mentioned price that they will purchase from the Port, or will accept bonds of the Port at par in payment of the dredging. The Port suffered a loss of some \$8000 through being forced to discontinue its first issue of bonds, and in this instance an equal amount, if not a greater one, would be saved to the Port. It seems advisable at this time to issue \$300,000 more of bonds bearing five per cent interest, and the Puget Sound Bridge & Dredging Company has offered to take this entire issue at par, either by direct purchase or to accept bonds in payment for dredging done by them for the Port, and to give the Port \$300,000 in cash, for which it will be given an equal amount of bonds at par, this money to be available immediately for the improvement of the inlets. From the figures given above, showing the amount of yardage to be removed in completing the project, \$250,000 of this additional bond issue would be used in that manner, and there would be available \$50,000 or such portion of this amount as was necessary for the improvement of the inlets.

The Port of Coos Bay has pledged various sums of money for the improvement of Kentuck, North and Willamette inlets, also for the Coos River cut-off. These sums of money being appropriated contingent upon the County Court of Coos County appropriating an amount equal to the Port's appropriation, and the settlers on the different inlets appropriating an amount equal to the Port's appropriation. This has seemed to be almost an imposition upon the people residing on the inlets, and at a recent meeting of the Port Commissioners, it was decided to submit a proposition to the County Court of Coos County which would be substantially as follows: "That the Port of Coos Bay would appropriate one-half of the money necessary for the improvement of the various inlets up to the sum of \$30,000, providing the County Court of Coos County would appropriate the other one-half." Inasmuch as the different inlets of the Bay are the roads and highways of the farmer, it seems no more than right that the County Court should treat them as such and work in conjunction with the Port in their improvement, to the extent of at least one-half of such cost of improvement.

There would be left \$20,000 of the \$300,000 bond issue which should be retained by the Port for emergencies or any contingency that might arise, and this amount could be expended for extended channel dredging or additional inlet improvements as conditions in the future would warrant.

That the project should be completed there is no question, for if it is not completed the usefulness of the work already accomplished will be lost. Whenever delegations and others have interceded with the United States Engineers for a greater depth of water on the Coos Bay bar, they have invariably been met with this question:

"Why do you need more water on the bar when you do not have as much water at low tide inside the bar as you have on the bar at the present time?" If we complete our project we can turn the tables and ask of the U. S. Engineers this question: "Why do you not give us as much water on the bar as we have in our inside channel?"

Before the mills of Coos Bay can enjoy the benefits of a foreign lumber trade, it will be necessary to accommodate steamers with a carrying capacity of from three to six million feet of lumber, and as these vessels are deep draft, we will not be able to load them at Coos Bay until the Port's channel is completed. There is a great possibility that the U. S. bar dredge Michie will give us much better water on the bar before the summer is over, and if the Port completes its project there will be nothing to hinder vessels of the type mentioned coming to Coos Bay and loading cargoes for foreign trade, and these vessels after the completion of the railroad to Coos Bay can return with full cargoes, by rail, to their destination, the vessels themselves loading another cargo of lumber here for the same foreign ports. This one thing would undoubtedly result in the building up of a large foreign commerce between Coos Bay and the Orient, but without the completed channel 300 feet wide and 25 feet deep at mean lower low water, there is absolutely no chance of such a foreign trade being built up for Coos Bay, nor is there a chance for the mills and factories of Coos Bay to market their products to the best advantage which in the end would naturally result to Coos Bay's benefit.

If free tolls through the Panama Canal for American shipping engaged in the interstate commerce be repealed, the mills of British Columbia, which employ Chinese, Japanese and Hindoo labor at a cheap wage, can on account of free trade, ship the products of their mills on English vessels, manned principally by Chinese and Japanese at a low wage, to the Atlantic coast

and successfully compete with the Oregon and Washington sawmills. There is no place on the Pacific Coast better able to meet that competition more successfully than Coos Bay. On account of the many hundreds of miles that it is nearer to the Atlantic Coast than the other lumber producing ports of the Pacific Coast, and on account of the fact that the British Columbia mills are so many hundred miles further away, all that remains to permit Coos Bay to successfully compete with the mills of British Columbia is to give her a 25-foot channel 300 feet wide from the Smith mills to the bar.

Let us give some thought to the effect of this additional bond issue upon taxation. At the present time the Port has levied a maximum tax of three mills, and it has cost the Port this three mills of taxation for the \$300,000 original bond issue. Should the Port issue an additional \$300,000 of bonds, the interest on both issues at 5 per cent per annum would be \$30,000. The assessed valuation of the property within the confines of the Port is over \$9,000,000 and a four mill tax levied upon this \$9,000,000 would produce \$36,000 per year, so that with a four mill tax or with the addition of only one mill in taxation, the Port would not only be able to pay interest on the original bond issue and an additional \$300,000 bond issue, but have \$6000 left for administration or incidental expenses.

Eliminating entirely the benefits that have been derived as a result of the dredging of the turning basins in front of Marshfield and North Bend and dredging the channel of the Bay, the benefits derived from the fills made in North Bend and Marshfield are worth to the two cities in dollars not only the entire amount of the original bond issue, but a sum far in excess of that and at least \$500,000, and if this work of filling had been done in any other manner it would have cost at least \$400,000. Attention is called to the following statement:

Estimated Cost of Street and Property Fills in North Bend and Marshfield by Ordinary Process.

Streets filled in North Bend, 59,108 cu. yds.	@ \$25	\$1,477.00
Streets filled in Marshfield, 495,600 cu. yds.	@ \$30	\$148,680.00
Total, 554,708 cu. yds.		\$163,457.00
Estimated average cost per yard street fills in North Bend and Marshfield, 29 1/2 c per cu. yd.		
Property filled in North Bend, 334,789 cu. yd.	@ \$25	\$ 83,697.00
Property filled in Marshfield 495,600 cu. yd.,	@ \$30	\$148,680.00
Total 830,389 cu. yd.		\$232,377.00
Estimated average cost per yard property fills in North Bend and Marshfield, 28 cents per cubic yard.		
Cost to property owners fill of streets North Bend and Marshfield.		\$163,457.00
Cost to property owners fill of property North Bend and Marshfield.		\$232,377.00
		\$395,834.00

Total cubic yards fill in streets, North Bend and Marshfield, 554,708 cubic yards.

Total cubic yards fill in property North Bend and Marshfield, 830,389 cubic yards.

Amount paid to Port by property owners for street and property fill \$ 73,559.57

Average cost per cubic yard under Port, .653 cents per cubic yard. From the foregoing statement it will be seen that if the streets in North Bend and Marshfield had been filled by any other process than that accomplished through the Port's dredging project, the cost based upon contracts for similar work recently let in both towns, would have cost an average of 29 1/2 cents per cubic yard, and this cost would have been assessed to and paid by the abutting property owners, and that if any equal amount of property in North Bend and Marshfield had been filled by any other process than that of the Port's dredging project, the cost based upon contracts recently let in both towns for similar work would have averaged 28 cents per cubic yard, and would have been paid by the property owners, and that the total cost of this work would have been \$395,834.00 for the actual work performed, to say nothing of the added benefit to the general appearance of the towns, and the consequent added financial value to the towns of such improvement. The actual figures prepared by the Port engineer, showed that the maximum cost to the property owners for street and property fills in both towns is \$73,559.57, and figured on a basis of the total amount of yards placed in the fills, the average cost for both street and property fills, under the Port's dredging project, was a trifle over five cents per cubic yard.

In addition to all the other reasons enumerated above for continuing the Port's project to completion immediately, is the fact that if this work is not completed immediately the dredge Seattle will be taken to some other port, and the Port will not be able to secure as low a figure and as reasonable a contract for the dredgings, as it is able to secure now, nor will it be able to dispose of its bond issue for as good a price as that offered by the Puget Sound Bridge and Dredging Company.

Respectfully submitted
L. J. SIMPSON,