

TELLS HOW EAST WAS BOTTLED UP BY THE RAILROAD

History of Various Railroad Deals From Time of Holladay and Villard to Harriman Bared.

By J. B. Ziegler.

Portland, Or., Jan. 21.—To the Editor of The Journal—Portland in its earlier youth, like every other American city with the possible exception of New York, which had a good trade as a seaport before railroads came into use, was so mightily glad to get a railroad that it was ready to give up anything demanded. It probably would have given away the harbor outright had not the national government stood in the way, and it did, by aiding the passage of the act of 1874, which gave the harbor to the low water line, and permitted riparian owners to set up claims down to the navigation line.

The first railroad survey in Oregon was a proposed extension of the California & Oregon as far north as Jacksonville, and was made by S. G. Elliott in 1863. In 1864 Joseph Gaston, then of Salem, now of Portland, organized a company and secured a survey of a line ending at St. Helens, and to connect with the California road. Gaston had promises of a land grant from the federal government and his bonds were generously taken by the state and by private citizens. In 1866 Elliott reappeared on the scene, and in concert with the California road began building the "East Side" road. From now on it became a race between the "East Side" and "West Side" for the great federal land grants. While Gaston had the stronger local influence and was backed by the Portland merchants, the east side route seemed the one most favored by outside capital.

Ben Holladay Line.
Ben Holladay of overland stage fame was at this time operating a line of steamers out of San Francisco, touching all ports between Vancouver, B. C. and Panama, and occasionally going as far south as Valparaiso. Holladay was a plunger and making a lot of money off his coast line. He was not the man to allow the fruition of the plans of this competing railroad. In 1868 he stepped in, took up the east side line and by his influence at Washington secured the greater part of the land grants. He was just as lucky with the Oregon legislature, lobbied through the act of 1874-6, referred to, and had the former act repealed. The fierce rivalry between the two lines ended by Holladay buying out the Gaston line about 1871, obligating himself to carry out the plans for extension of that line, and Gaston accepted service with the Holladay lines, which continued until 1875.

Holladay immediately after his advent in Portland bought the Wheeler donation land claim on the east side and set about excavating the front of same next to the railroad ferry just south of Holladay avenue, and probably had a working agreement with East Portland to establish his terminals on that side of the river. Up to this time there had been more promotion than building. Holladay began to push both lines vigorously, and in 1873 had reached Roseburg. In December, 1875, the site of the present Northern Pacific terminal was sold to the Oregon Central as an exclusive terminal for 50 years.

Villard Takes Hold.
During these first years of Holladay's activity, a thriving business had grown up in East Portland, and the freight it caused the west side merchants, though relieved by the turn things took at this time, was never appeased until Villard had gobbled up all the east side waterfront and built the steel bridge into the west side terminal. The purchase on this side was made at the time when Holladay's grasp was giving way to Villard's, and in 1876 Holladay was forced out, and Villard reorganized the properties, on which he had reported adversely to the honorable committee. Villard had probably penetrated well into the prior history of the enterprises backed by his German patrons and had acquired a horror of competition and called it "blackmail." He called his company a beneficent monopoly, and was not averse to wrecking a competitor when expedient.

In 1875, when Jay Cooke, financier of the Northern Pacific, failed, that road was in operation between Kalama and Tacoma, and had a line surveyed down the north bank of the Columbia to Kalama. This threatened competition had so frightened the owners of the Oregon Steam Navigation company that they had combined with that enterprise by selling to Cooke a controlling block of their stock. With Cooke's failure this stock went on the market and was repurchased by the O. S. N.
In 1875 Villard had conceived a plan for a system including all lines entering Portland, rail or water, and to exclude any line which might tap the Columbia or its navigable tributaries. The base of the system was to be the O. S. N. company lines, and he took a trip to New York with an option of \$100,000 in his pocket on this line, together with options on all other lines within that territory which he did not already possess.

Price of O. S. N. \$5,000,000.
The price of the O. S. N. was \$5,000,000, and Mr. Alsworth, its president, had no idea that the option would be taken up, but it was, and thus passed into Villard's system a property which had been the source of some of the largest Portland fortunes. It had hauled supplies to the mines and later out of the inland empire, its vast wheat exports. It had always charged all the traffic would bear, and had earned as high as 12 per cent on its \$5,000,000 capitalization, and so deep was its attachment to monopoly, that rather than submit to competition, as many such fat fates have done beside, it decided to water its stock and sell out to the other monopoly.

In 1881 Villard had completed the plans for financing his scheme. He obtained the East Portland franchises bottling up that district and leaving it a pretense of a depot as a sole consideration. He now turned his attention to construction and development, and by 1884 had completed the O. R. & N. road to Huntington, where it connected with the Oregon Short Line, and had brought the property to the point of paying \$2,000,000 annual dividends on a capitalization of \$24,000,000.

During this year, however, he was caught in the collapse of the West

Shore road, a rival of the New York Central, in which he had invested, and his fortunes were injured, to the extent that he had to retire. Elijah Smith was elected president of the O. R. & N. Smith's only care was to secure dividends of 5 per cent to the stockholders, which he did, by a lease to the Oregon Short Line, a branch of the Union Pacific. Villard's lease of the Oregon & California was also cancelled. That line passed through the hands of a receiver and later was leased to the Southern Pacific, ultimately to become with the other Villard properties, with the exception of the Northern Pacific, company parts of the royal Harriman system. In 1887 the new owners of the O. & C. had completed their road to the California line, where it was met by the S. P. and December 17 the first trains passed through between Portland and San Francisco.

Not until this time was it deemed necessary to replace the old railroad ferry with a bridge. Three notable events of the railroad history of Portland occurred in this year: The completion of the line to San Francisco, the beginning of the steel bridge and the death of Ben Holladay.

Battle in Court.
The following year the German holders of the various securities of Villard's old lines, deriving no benefit from the drift of these properties into the hands of the U. P. or Gould lines, re-elected Villard president of the holding company. A battle ensued between them and the Gould lines for the control of the O. R. & N. It was carried into the courts, where it was adjudged the lease could not be broken, and the monopoly he had built up by his tremendous energies, from his compelled to see slip finally from his exhausted grasp into that of a rival monopoly which later, under the control of Huntington, commanded the fortunes not only of Portland but of San Francisco and the Pacific coast as well.

The N. P. Villard's sole remaining line, presented no attractions to him without his cherished monopoly, and he now retired finally from the field. Portland was henceforth bound in complete subject to the S. P. monopoly until the advent of Jim Hill, who had taken up the N. P. and brought in the North Bank later against the strenuous opposition of the S. P. lines reorganized by Harriman.

East Side Awakened.
East Portland, in these warfares, although by nature occupying a regnant position, was always a pawn. She had her first awakening in 1876 when for political support Ben Holladay finally planted his terminals on the west side, contrary to the plans proposed whereby he got his east side rights of way. When East Portland granted Villard the extensive O. R. & N. franchises she was more wary and, as stated, specified in the franchise for terminal facilities, but Villard, also catering to the political support of the stronger west side, left her in the lurch.

That East Portland was awakened was evidenced by a number of concrete acts beside the one named. Immediately after Holladay's defection as to terminals, he procured a belated franchise on East First for the O. & C., but it was restricted except where already occupied by three tracks, to two tracks to occupy not more than 20 feet. The second street franchise in ordinance 310 specified for one track only, and provided for the railroad to help improve the rest for street use. A franchise on Water street was refused the Vancouver dummy line. After Villard's reappearance in 1888, Mayor C. H. Rafferty recommended the revocation of the O. R. & N. franchise for non-compliance of terms and compelled the company to receive and deliver freight at the toy freight station on East Hoyt. Immediately after Villard built the spur along the river into Lower Albina, there by excavating away an old wagon road connecting that section with the railroad ferry at Holladay avenue. Crosby street was extended to the Irving dock, the extension to be 80 feet wide. But about this time the politicians got busy again, and with the slogans of "deep water to the sea," "free water" and "free bridges"—three acres and a full house—they played East Portland to a frazzle.

Consolidated Act Passed.
The consolidation act was passed, the Union avenue business moved over to the west side in a few years grass was growing in the streets bounded by glassless windows. The history of Portland is defaced with these ugly rivalries. But now with these rapid increase of population and development for city and country, prosperity returns. The city is too great to be longer the power of a single monopoly, and the promise of the future large enough to submerge factional rivalries. The great light for all Portland is that all assets should be used, east and west sides, and developed with the greatest consideration for economy of construction and of operation, and every effort made to put in completing with reader but less favored ports for preeminence in Pacific commerce and in reality, the greatest gain of every faction will be found in such impartial policy. Of this there is no doubt.

ILLEGAL LIQUOR SELLERS WANT FINES REDUCED

(Special to The Journal.)
Roseburg, Or., Jan. 22.—Four men convicted in the circuit court here for violation of the local option law paid fines totaling \$1800. The period allowed for appeal to the supreme court having expired, and the attorneys for three of them announce that they will petition Governor West for remission of one half of the amounts of the fines on the ground that it was the first time their clients were convicted on such a charge. Max Weiss, through his attorney, will ask for suspension of a 30 days jail sentence.

R. B. Mathews and L. L. Lewis were fined \$500 each and sentenced to 30 days in jail, but the jail sentences were suspended because of the unsanitary condition of the county jail as reported by the grand jury. They ask for remission of one half of their fines. Gus Sparks and Max Weiss were fined \$300 each and Weiss was sentenced to 30 days in jail, but this occurred before the grand jury reported the condition of the jail so his sentence was not suspended. Sparks asks that \$300 be remitted.

Thief Steals Alms Box.

(United Press Leased Wire.)
Los Angeles, Jan. 22.—The Los Angeles police today have a candidate for "the meanest thief" title in a man who "filled in" fastening the alms box in St. Vincent's Catholic church and pocketed the pennies and nickels it contained. The box had not been opened for a week, and is believed to have held a considerable sum.

TILLAMOOK JETTY WORKS APPROVED BY ALL ENGINEERS

Authorities Who Have Studied Proposed Harbor Improvement Scheme Agree That It Would Be Practicable.

(Washington Bureau of The Journal.)
Washington, Jan. 22.—There seems to be every reason to believe that the rivers and harbors bill, assuming that one will be passed, will carry an item of \$200,000 for the construction of a jetty and necessary dredging at Tillamook and Bay City.

Every engineering authority, it would appear, that has been consulted on this subject has given it official approval. Without going into technical details, it is apparent to these authorities that at a comparatively small cost the government can provide such facilities for shipping as will permit ships to enter and leave the harbor in question and carry away the lumber which surrounds it.

Offer Regarded as Liberal.
Russell Hawkins of Portland, who is manager of the big property at Tillamook owned by the Whitney Lumber company, has been here and has explained to the members of the committee which will pass on this matter that his company has expended a dollar for every dollar the government has expended to improve the navigation of this harbor, and that it is willing to continue doing so. As the cost of the improvement is estimated by the government engineers at \$814,000, this means that the lumber company will put up \$107,000. As Senator Burton remarked to Hawkins, this seems to be a liberal proposal.

The government has shown a decided disposition of late to ask that cities or states, or private interests, do something toward meeting the cost of river and harbor work. The state and the government are joining in the expense of work on the Sacramento river, and in the expense incurred by the California debris commission, and in other places the government is being aided with the cooperation of local interests. Enterprising communities are showing a disposition to help in the expense of quicker action, and possibly more satisfactory improvements.

While he is compelled to remain quiescent around Tillamook, Russell Hawkins, as president of the Columbia River company, is cutting some of the splendid timber around Bluff slough, from which place the company has a railroad running in a southerly direction for a number of miles. This road is almost unique, inasmuch as while it is being constructed it is primarily a logging road, it is being built to stay and to become a permanent factor in building up the community after the timber shall have been all cut off. This will not be soon, for it is estimated by Hawkins that there is from 5,000,000 to 8,000,000,000 feet of timber standing in that locality, enough to bring \$75,000,000, and he estimates that it will take his company some 14 years to cut the timber that it owns.

Railroad Well Built.
The railroad, however, is thoroughly well constructed. Part of it was built at an expense of \$25,000 a mile, and the rolling stock is first class, including Malloy compound engines and everything in character. This is very unusual, but this road is expected some day to be an important property and the company will not have to reconstruct it entirely in a few years, as it would probably have to do if it put in the kind of a logging road usually seen in the lumber country.

Possibly everyone knows already that the Columbia River company was organized but very recently. It has a cash capital of \$250,000, which was put up by the stockholders in the Whitney company, limited, and on January 1 last it took over all the property in Clatsop county formerly owned by the Whitney company, limited. The officers of this new company are: David C. Whitney, chairman; Russell Hawkins, president; Charles Stenfield, secretary; A. B. Wastell, manager.

\$1,000,000 IN ALIMONY OVERDUE; JUDGE TELLS WIVES NOT TO RISK IT

(Special to The Journal.)
Seattle, Wash., Jan. 22.—"Any woman who leaves her husband expecting to live on alimony is embarking in a most unwise and detestable," said Superior Judge Wilson R. Gay from the bench today. "I want to make this plain here and now: alimony is a fleeting security, even at its best. I advise you to hold on to the maintenance which is real rather than to fly to risks evasive and ephemeral. I have no doubt that the court records will show at least \$1,000,000 worth of alimony overdue and uncoupled in King county and these accounts would not bring five cents on the dollar. When a man loses his wife in divorce court and is loaded up with an order to pay alimony, he gets restless and uneasy and there is a strong tendency for him to seek another climate and evade the court's jurisdiction. Much time and eloquence are wasted over this alimony business that might well be saved by careful consideration of the dangers of shoal water and forbidding rocks on the divorce coast."

LEBANON DEBATERS VICTORS IN TRIANGLE

(Special to The Journal.)
Lebanon, Or., Jan. 22.—Lebanon high school debating team won the debate in this city Friday night over the Fall City high school team. The question debated was "Resolved, that a state law should be passed providing that school districts should accept free text books in the public schools below the high school grades." Lebanon had the negative question here and won unanimously. The Lebanon school was represented by Miss Lorlin Brown and Glen Wallace, while the Falls City school was represented by Lester and Lamar Toose, twin sons of Walter L. Toose. This makes three years in succession the Toose twins have debated against the Lebanon school, losing each year. The judges were Professor J. H. Straub of the state university, I. H. Van Winkle of Salem and Carlton E. Sox of Albany. The Lebanon team that debated the same question with Corvallis at the same time also won, giving Lebanon the decision in this triangle.

Don't Delay

Every day brings nearer the close of this great five-store sale of men's and boys' clothing and furnishings. Don't let it end without supplying yourself for months ahead. Every price has been cut deeply—every purchase now lowers your living expense. It is to YOUR interest to buy now while every price is down; it is in YOUR interest that we say to you—Don't delay.

\$10.00 Men's New Suits	\$2.50 Boys' Knicker Suits	50c Men's Underwear
\$7.85	\$1.95	39c
\$15.00 Men's New Suits	\$3.45 Boys' Knicker Suits	75c Men's Underwear
\$11.50	\$2.95	59c
\$20.00 Men's New Suits	\$5.00 Boys' Knicker Suits	\$1.00 Men's Underwear
\$14.50	\$3.35	79c
\$25.00 Men's New Suits	\$6.00 Boys' Knicker Suits	\$1.50 Men's Underwear
\$18.50	\$4.35	98c
\$3.00 Men's Trousers	25c Men's Ties	\$1.00 Men's Shirts
\$2.25	19c	69c
\$4.00 Men's Trousers	50c Men's Ties	\$1.50 Men's Shirts
\$3.00	35c	95c
\$5.00 Men's Trousers	Three 50c Ties	\$2.00 Men's Shirts
\$3.75	\$1.00	\$1.25
50c Boys' Shirts	\$1.00 Boys' Sweaters	50c Boys' Knicker Pants
39c	83c	39c
75c Boys' Shirts	\$1.50 Boys' Sweaters	75c Boys' Knicker Pants
59c	\$1.15	50c
\$1.00 Boys' Shirts	\$2.00 Boys' Sweaters	\$1 Boys' Knicker Pants
73c	\$1.35	75c
		50c Boys' Waists
		39c
		75c Boys' Waists
		59c
		\$1.00 Boys' Waists
		75c

First and Morrison

First and Yamhill

MOYER

Second and Morrison

FIVE STORES

87-89 Third Street

Third and Oak

Furniture Auction Tomorrow, Tuesday, at 10 A.M.

New, Beautiful Furnishings of 80 Rooms to Be Auctioned Off

The Entire Contents of the Magnificent
Meredith Apartments
712 Washington Street
Near 22d Street

Containing about 80 rooms of good, up-to-date Furniture, Carpets, Rugs, Draperies, etc.

Comprising Library Tables, Stands, Rockers, Couches, Wardrobe Couches, Couch Covers, Portieres, Draperies, Lace Curtains, Axminster, Velvet and Brussels Carpets, 6x9, 8-3x10-6 AND 9x12 Rugs in the various makes. Dining Suits, viz.: Buffets, Extension Tables, Dining Chairs with Spanish leather and saddle seats, Dinner Sets, etc.

Brass Beds, Springs, Floss and Felt Mattresses, Feather Pillows, Blankets, Comforts, Sheets, Spreads and Slips.

Dressers, Chiffoniers, Bedroom Chairs and Rockers and other effects.

This modern apartment house was recently furnished by one of the leading furniture houses of the city. The goods are first class and in all the latest finishes. This sale offers an exceptional opportunity to parties furnishing. Such a gigantic sale as this seldom occurs. Sale Tuesday at 10 a. m.

J. T. WILSON, Auctioneer.

CHECK ACCOUNTS

Bear in mind, we welcome your account, regardless of the amount of it, if you act in good faith.

For every business reason, you should transact your business through a bank.

We welcome your patronage.

MERCHANTS SAVINGS & TRUST COMPANY

Capital \$150,000

W. H. Fear.....President
Willard Case.....Vice President
O. C. Bortz.....Cashier
Walter H. Brown.....Asst. Cashier
Open Saturday evenings 6 to 8.



ARE YOU SUFFERING?
We are expert truss fitters and absolutely no charge for fitting. We carry the largest line of high grade Trusses in the city. **MURPHY DRUG CO.** Fifth and Burnside Sts., West Side.

WE WANT TO DO YOUR

PRINTING
IMPROVED FACILITIES
BEATTIE & HOFMANN
INCORPORATED
A 4776, MAIN 1837 204 STARK ST

Foster & Kleiser
High Grade Commercial and Electric
SIGNS

East 7th and Main Streets, 2nd Floor
Phone East 1111, 2-4224

Oregon Life
HOME OFFICE:
CORBETT BUILDING,
COR. FIFTH AND MORRISON STS.,
PORTLAND, OREGON.
A. L. MILLS, President
L. SAMUEL, General Manager
CLARENCE S. SAMUEL, Asst. Mgr.
Is Best for Oregonians