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OREGON AND CALIFORNIA RAILROAD

Letter from Mr. Villard.

PORTLAND, OR., May 21, 1876.

Editor of the Oregonian:
A short time since you published in your valuable paper an editorial in which it was stated in substance that the construction of the Oregon and California Railroad, as far as it is in operation, ought not to have cost more than two millions of dollars.

No one has a better knowledge of the sins of omission and commission of the former management than myself, and nothing is further from me than to take the defense of the great wrongs inflicted upon those who furnished the money to build the road. But for reasons appearing below I feel called upon to correct the erroneous impression under which you labor in regard to the amount of money required to construct the road from Portland to Roseburg.

For this purpose I beg to submit the following letter:

Portland, May 21, 1876.

H. VILLARD, Esq., President O. & C. R. Co.—My dear sir: About three years ago by request of certain gentlemen sent to Portland at that time in the interest of the holders of the bonds of the Oregon and California Railroad Company, I made a somewhat elaborate and exhaustive estimate of the actual cost of constructing and equipping the road.

The estimate for the greater portion of the road was based upon my own personal knowledge of the amount and cost of the work as it had been performed under my own supervision. The cost of that portion of it that had been done either previous to my taking charge of the work (about twenty miles) or of such expenditures, the amount of which were at that time not accessible to me, I estimated in accordance with my own best judgment, what such work would cost taking into consideration the actual and unavoidable conditions under which it had been done.

By your own request I furnish you here with an abstract of the statement made by me at that time:

Length of road from Portland to Roseburg.....107 1/2 miles.
Length of sidetrack.....18 1/2 "

Total length of track.....126 miles.

| CONSTRUCTION ACCOUNT. | |
|--|-------------|
| Grading..... | \$ 798,140 |
| Bridging..... | 671,332 |
| Ties..... | 134,480 |
| Iron..... | 1,378,386 |
| Track..... | 427,084 |
| Buildings, including the docks at Portland..... | 120,292 |
| Right of way, including the purchase of land, law, &c..... | 224,515 |
| Equipment..... | 411,020 |
| | \$4,162,020 |

This estimate does not include the purchase of a considerable amount of land at East Portland, as the same was incurred in view of only the future necessities of the road, neither the many, almost daily, incidental expenses incurred out-of-pocket of the engineering department, nor the discounts in the sale of bonds, nor the interest paid upon the same during the construction of the road, while the same amount of land or nothing (and which last item alone would amount to over half a million of dollars) which all are really legitimate charges in the construction of the road. Yours respectfully,
H. THIELSEN.

If there should be any doubt of the strict correctness of the foregoing statement every opportunity will be gladly given by me to test it. I will add that the cost of the road, as shown in Mr. Thielson's letter, compares favorably with that of roads in the East and in California, built at the same time, as will be affirmed by any railroad expert. I have a particular object in placing this subject in the right light before the public at this time.

For some time past the freight rates on the road have been altogether too much in favor of our shippers. The company cannot afford to carry at the low rates prevailing in 1875-76 any longer. The net earnings of the road for 1875 were only \$205,000; that is a little over 4 per cent. on the money actually invested, and less than 2 per cent. on the amount of outstanding bonds. No one with ordinary sense of justice can maintain that the holders of the obligations are not entitled to a better income. Such cannot be obtained, however, under the low rates heretofore charged. The company would be glad to do a large business at lower rates, but as long as the business of the country is so limited that, except during the wheat shipping season, the road is not worked to one-fourth of its capacity, so as to return barely the operating expenses, we cannot be justly expected to transport at rates yielding an income of less than one-half the usual interest in this State. Moreover, we are about incurring large extra expenditures for the construction of a new bridge across the Clackamas and other necessary improvements.

We have comprehensive plans for the development of the transportation en-

terprise under our control, but we shall certainly abstain from making the large outlays incidental to their extension if we should find a disposition to dispute our right to receive what is really but a very moderate return upon the investments already made.

There was another statement in the leading article referred to calling for some comment on my part. You made it appear substantially that the value of the land grant being the basis of the Oregon and California railroad enterprise, it was really the State that furnished the means of starting the latter by giving the lands donated by the U. S. government to the company.

Now, so far from having been a benefit, the land grant as yet proved only an unprofitable burden. The aggregate cash outlay caused by the efforts to market the lands so far has been \$100,000—while the actual total cash receipts to date have not exceed \$35,000, although we have had entire control of the land department of the company since the fall of 1874, managing it as economically as possible, the expenditures have exceeded the receipts in that period by over \$20,000.

Nor can it be rightly maintained that the grant has a large prospective value. The truth is, that only a very small percentage of the lands will ever prove saleable owing to their broken and hilly character. We should be glad indeed to get rid of this elephant at a low price and invite bids from all quarters. Respectfully yours,
HENRY VILLARD,
President O. & C. R. Co.

Important Transfer.

Negotiations, which have been pending for some time between the Oregon Steamship Company and the Willamette Transportation and Locks Company, for the transfer of the O. S. Co. in and to all their property on the Upper Willamette river. Nominally the purchase price was \$25,000, and was so stated in the bill of sale; but what other valuable considerations are involved in the transfer (and there certainly must be) are known only to the sellers and purchasers, and consequently do not concern the public. By virtue of this transfer, the Oregon Steam Navigation Company becomes the possessor of all the river steamers on both the Upper and Lower Columbia and Willamette rivers, with the exception of two boats, the Olive and City of Salem. The Willamette Transportation and Locks Company was the ostensible purchaser, but it is well known that the O. S. Co. has the controlling interest in all the property belonging to that corporation, so that really the latter company has the actual control of the locks and a large fleet of boats. All the vessels now belonging to the O. S. Co. are the John L. Stephens, Oriflamme and Ajax, the steamers California and Guste Telfair having (as we are informed) never been transferred from the old North Pacific Transportation Co. to the former corporation. Since the transfer of Saturday the O. S. Co. is in possession of the following fleet of boats, besides a very large amount of other property: Occident, Orient, Williamette Chief, Governor Grover, Beaver, Champlin, Alice, Binanz, Spence, Fannie Patton, E. N. Cooke, E. W. Hayward, Dixie Thomson, Bonita, Welcome, Josie McNear, Onocota, Oward, Rescue, Daisy Alsworth, Idaho, Yakima, New Tenino, Dayton; the barges Autoerast, Columbia Chief, Columbia, Nez Peross Chief and Hootress. In addition the company are building two new steamers, which will be completed the present season.—Oregonian.

PROPOSED MODIFICATION OF THE TREATY WITH CHINA.—The Committee of Commerce have authorized Piper to make a strong report favorable to a joint resolution requesting the President to negotiate an additional article in the Burlingame treaty substantially as follows: The United States do hereby reserve to itself the right to regulate, restrict, and prevent the immigration of Chinese subjects into the United States except for commercial purposes; and, respectively, the Emperor of China does reserve the right to regulate, restrict, and prevent the immigration of citizens of the United States into China except for commercial purposes. This proposition differs from the original in exempting from the restrictive clause all Chinese emigrants who come for commercial purposes. This was the only form in which the committee would sanction the proposition. It is subject to some objection from fear of being subjected to evasion by a strained interpretation. Piper and Page think the resolution, if it becomes a law, will lead to a modification of the treaty into a purely commercial convention under which our federal legislation can be made stringent as necessary to correct existing evils; besides, with this Congressional backing they believe Secretary Fish will see that the language of the treaty shall be incapable of misconstruction. Barger, however, emphatically condemns the proposition as worse than useless, while he thinks it leaves the door widely opened as now to Mongolian of the worst class.

A Trip to the Foothills.

We have lately enjoyed a ride of twenty six miles, from Salem eastward, up the waters of the Santiam, to Smith's ferry, which lies among the foothills of the Cascade range, and is the key to the Fox Valley and Kings Prairie region of Linn county, as well as of an extensive reach of good land that lies in Marion county, on both sides of the Little Fork of the North Fork of the Santiam. This region is fast developing and has peculiar attractions and advantages that will insure its speedy settlement.

Leaving Salem we took through the Waldo Hills, coming down into Mill Creek Valley this side of Aumsville. Our destination was the new town of Weatherford, by the village springing up at Smith's ferry, which will probably be called, named for our fellow citizen J. W. Weatherford, who has taken such a fancy to the locality, both on account of its situation and the refreshing and health giving mountain air, that he has bought a few acres of Mr. J. X. Smith, close to the river bank of the main North Santiam, with a long vista of river reaching down the stream, and a charming view up stream that includes the junction of the rivers, near at hand, and the green promontory that surmounts between them.

Our friend Weatherford was going up to accept the premises he had built there, for a summer residence for his family, and knowing that we had interests also in that neighborhood, he gave the invitation we were glad to accept, to take a seat in his light "wagon" and enjoy the ride in his company. That was how we happened to be on our way last Saturday towards the Cascade foothills.

The people of the region about Smith's ferry are very much interested in a bridge across the Little North Fork, which is the vital point also for the Minto Pass road over the mountains. Application has been made for aid from the county for the said bridge, and we therefore pursued Judge Peabody to accompany us and share the pleasure of the trip, so that he could ascertain the public feeling and judge for himself by actual observation of the practicability of the work as well as of its necessity. So we crossed the Waldo Hills, stopping at the farm of the Judge to take him on board.

Nature is putting on her most beautiful garbure of spring at the present time. Everything was in bloom or glowing with deepest green. The day was delightful, the roads not quite settled but very passable, the team was in fine spirits, and by the middle of the afternoon we reached our destination, having in the meantime interviewed the thriving town of Stayton, which shows decided thrift, growth and enterprise. Here are mills and other manufacturing and several stores, and the presence of wagons from the country and many persons in the stores and streets showed that Stayton is prosperous, and its distance from the railroad secures its continual growth.

Smith's ferry too shows life, or rather the town of Weatherford that is growing up there seems to promise well, as a store is already opened there by Mr. Philomen Morris, late of Sublimity, who is building and improving close by. Mr. Morris remembers with pride that Abraham Lincoln was an old friend of his, and relates how "the martyr President" was a member of his family when he chopped and milled out those historic rails, that cut such a prominent figure in the presidential campaign of 1860. He is not too old, for all that, to take part in building up the fortunes of a new section, and pins his faith on the success of the new town of Weatherford.

The mountain air itself furnishes one with all the excuse needed for an excellent appetite, and the added inducements of Mrs. Smith's table render one excusable for actual voracity. The ferry house is famous for good cheer, and we can promise all who visit her beautiful board that they will both enjoy and remember it well. Our friend J. X. Smith has done much to induce settlement of that region and possesses industry and enterprise that is commendable. As the country above and around there is occupied and cultivated, his town will grow and thrive and become more and more popular as a summer resort.

We found at Mr. Smith's house his eldest brother, recently arrived from the States, who is making an exploring and health expedition to see his friends and perhaps look out homes here for his own folks, constituting in all a group of seven families, being those of his sons and sons-in-law. Mr. John Smith has a farm in central New York, and after several months' stay up there he finds he has regained his health, so that, as he expresses it, he is "as well as he wants to be." This fact, and his observation of the fertility

of the valleys and hill sides thereabouts, and the other natural advantages of the situation, incline him to the idea of selling out and transferring his interests from New York State to Oregon.

Should he and his connections settle at Weatherford they will probably construct and operate a flouring mill there and make other improvements to add to the advantages of the place. It is to be hoped that they will do so, especially as the acquaintance we briefly made justifies the belief that the old gentleman would make a valuable citizen of any community.

We found the people about there much interested in the bridge question, and learned that a meeting of all those interested is called for next Saturday, to ascertain how much can be done by private means, and take steps to raise money by contribution so as to justify the county court in making appropriation towards its construction.

During most of the time for the past six months, and at the time of our visit, it has not been prudent to ford the Little North Fork at the usual point, and there is no other point where it can be attempted really at any time. The people who live over there are—heretofore under many disabilities, and many who would like to settle in the Forks are discouraged from so doing by the fact that communication is cut off so much of the time. There is good reason for asking help from Marion county and also from the railroad company, which has extensive land interests involved. As an initial to the construction of the mountain wagon road the movement for a bridge also has great public importance.

The vicinity of Smith's ferry will become yearly more and more popular to people of Salem and the valley as a summer resort, where they can camp out, go fishing, hunting, and berrying, and cultivate health as well as pleasure, while inhaling the pure mountain air. The scenery is romantic—mountain spurs, beautiful valleys, new homes clustering on the hill sides, and the music of dashing waters from the swift-pouring mountain streams. The road from Salem is almost a dead level, well graded, and so good that even at this season, when the rains have not ceased, our journey home only occupied four hours and a half of an afternoon.

The Walla Walla Spirit says: A week ago we made mention of a young wife about eighteen years old, named Pinar, and whose maiden name was Sophie Depoe, who was supposed to have drowned herself in a fit of despondency in the Walla Walla river. After a seven days search her body was found about three-fourths of a mile below Peter Pambrun's ranche. The coroner, W. D. Lambert was notified of the fact and at once proceeded hither to hold an inquest Sunday. Verdict—"self destruction." The poor young woman had a husband in Montana, whom she left last fall and came down into the valley, her native place. While here, she wrote in her grief and loneliness two letters to her husband. But he peremptorily requested her in a harsh note, not to write him any more. After receiving this missive, she felt forlorn and sad indeed, and in order to free herself from this world's sorrow and tribulation, sought and found peace and rest in a watery grave.

FOR THE CENTENNIAL.—Mr. Thomas Patullo, a gentleman considerably interested in the mining claims of Cariboo, arrived here yesterday per steamer Enterprise. He will leave next week for San Francisco en route for the Centennial Exposition, taking with him 640 oz. of Cariboo gold, specimens of the "back-bone" of British Columbia to show our American friends that Nevada is not the only country on the face of the globe rich in precious metals. Amongst his exhibits is a nice little bar—one of "Hitchcock's best"—weighing 300 oz., which will compare very favorably with anything of the sort to be seen in Philadelphia. Mr. Patullo left Cariboo on Sunday last and making an unusually rapid trip reached Yale on Wednesday evening.—Colonist.

The Mountaineer is told that an Indian, during last week, brought a message in from Itannum, Yakima county, W. T., to a gentleman in the Dalles, a distance of ninety-five miles, in seven hours, riding only one horse. This is rather a remarkable feat of horseback riding—being an average of nearly fourteen miles per hour.

A Telegram from Virginia City, dated May 20th, says, "More snow fell last night, the streets are frozen hard this morning."

LATE DISPATCHES

WASHINGTON, May 20.—The Senate this evening by 37 yeas to 20 nays, rejected a resolution of Paddock, that Wm. W. Belknap, having ceased to be a civil officer by reason of his resignation before the proceedings of impeachment against him by the House of Representatives, the Senate cannot take jurisdiction in this case. It was then decided by the same vote that the said Belknap is amenable to trial and impeachment for acts done as Secretary of War notwithstanding his resignation, and it was ordered that the respondents and managers on the part of the House of Representatives appear on Thursday next at 1 o'clock to hear judgment of the Senate.

PHILADELPHIA, May 25.—Attendance at Centennial very good to-day. At a meeting of the Judges, Sir Charles Reed, of England, made a speech. He said he had been at all of the world's great exhibitions, but could say without hesitation that this eclipse them all.

Mark Twain will preside at the opening of the California building, which will take place about June 15th.

PHILADELPHIA, May 30.—The attendance to-day was much larger than since the opening. It is estimated there were 40,000 or 50,000 people on the grounds at 2 o'clock. All of the buildings were thronged with people. The main building and Memorial Hall were the chief attractions and during a portion of the day uncomfortably full.

PHILADELPHIA, May 30.—The attendance to-day was almost, if not quite, equal to that on opening day.

NEW YORK, May 28.—The announcement was made yesterday on the Produce Exchange that 26 vessels have been chartered to take cargoes of grain to Europe in view of an approaching war. An advance in freight is looked for in consequence.

LONDON, May 29.—On Thursday and Friday Admiral Stark, controller of the navy, and Barnea, surveyor of docks and yards, made an elaborate investigation of the work on hand at Portsmouth yard, with a view of ascertaining the time and money it will require to prepare for sea the various ships now building there. This visit is undeniably strengthening the impression prevailing at Portsmouth that the government purposes taking a bold policy respecting the Eastern question.

The Times says since Friday afternoon insurances at Lloyd's have been made to cover war risks.

LONDON, May 30.—The following has just been received here from Constantinople: It is officially announced here that by the unanimous will of the people Abdul Aziz has been deposed and the heir presumptive, Murad Effendi, proclaimed Sultan.

CONSTANTINOPLE, May 30.—Afternoon.—The deposed Sultan is kept under guard in a mosque, at the expense of the government. The ministers informed Murad Effendi that he was proclaimed Sultan on Monday night. The popular demonstration took place next morning; but it is reported as being a new regime. Perfect tranquillity now prevails. Both Christians and Mussulmans express great satisfaction at the change. The city will be illuminated to-night, and the festivities will continue three days.

The Wall Walla Spirit says: A private telegram states that the revolution in Constantinople was effected without the disturbance of public tranquillity.

PARIS, May 30.—The Evening News says the situation in Constantinople is well relieved in both political and financial circles. It is believed that the settlement of the Eastern difficulties is thereby facilitated.

LONDON, May 30.—A Madrid special says the Protestant school in the province of Porto Vreda has been closed, by order of the minister of Justice, at the request of the clerical authorities.

In Memoriam.

ZENA, May 30, 1876.

At a called meeting of Val Fontis Lodge, No. 74, I. O. G. T., held on the evening of the 25th inst., the following resolutions were offered by committee, and unanimously adopted:
Whereas, the painful intelligence has reached us that our worthy brother James H. Peers, the first member in our remembrance that the lodge has lost by death, during its existence of nine years, who died at D. Hill on the 25th inst.; and, whereas, he was an earnest and devoted member of our lodge and an honest and upright member in the discharge of his duties, and none knew him but to respect him in the common walks of life; therefore, be it Resolved, That we mingle our sorrows with his kindred, and that we will ever cherish sacred memories of our brother who has gone before to that heavenly lodge, where we all hope to clasp hands in a grand reunion, in a temple not made with hands, around the sacred altar of Faith, Hope, and Charity.
Resolved, That our lodge regalia and hall be draped in mourning, until the close of the quarter ending July 31st, 1876.
Resolved, That a copy of the resolutions be sent to the following papers for publication: S. A. Osman, Oregonian, Willamette Farmer, Oregon City Enterprise, Oregon Cultivator, Dallas Itemizer, Pacific Christian Advocate.
The graduating class at the Academy of the Sacred Heart, at this year will comprise Misses M. A. Brainard, A. Hoult, J. Fuller, E. Casper, and Mollie Smith. The annual exhibition will take place during the last week in June.
The Spiritualists will hold a grove meeting on their ground at New Era, Clackamas county, beginning June 2d.