

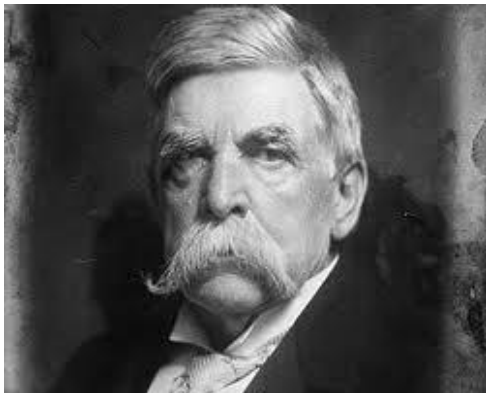
High Finance Nixes Narrow Gauge RR

by
Gary Dielman

This year marks the centennial of the completion at Huntington of the last link—Granger, Wyoming to Portland, Oregon—in one of the nation's earliest transcontinental railroad routes.

The first serious proposal to build the 800-mile section was made by Jay Gould (1836-1892), Union Pacific board chairman. He wanted a narrow gauge railroad to feed into the main line of the Union Pacific at Granger. How Eastern Oregon ended up with a full-scale railroad is a story of high finance played out in the board rooms of New York City.

But the man considered father of this transcontinental link was Grenville Dodge, Civil War general and chief engineer of the Union Pacific from 1866 to 1869. As early as 1867, two years before completion of the nation's first transcontinental railroad at Promontory, Utah, Dodge envisioned a railroad through Idaho and Oregon that would "no doubt ere long become the great through route from the Northwest (Midwest) and control the trade and traffic to the Indies."



Jay Gould



Grenville Dodge

Dodge acted on his vision in 1868 by having J.O. Hudnutt survey a route between Promontory and Portland via Boise, Baker City, and the Columbia River. More than ten years passed before Union Pacific took action on Dodge's recommendation.

In 1879, Gould suggested to rival Henry Villard, who controlled the Oregon Steamship Company and later founded the predecessor of General Electric Company, that they join hands in building a narrow gauge "Oregon Line." They tentatively agreed that Villard would construct a line from Portland to Baker City and Union Pacific would meet him there.

Villard went straight from New York to Portland where he obtained control of the Oregon Navigation Company, which did business on the Columbia River, and a 35-mile-long railroad spur between Wallula and Walla Walla, Washington. The latter was a primitive

affair with strap-iron-covered wood for rails and a single passenger car that was just a boxcar with seats along each side. Villard merged these two concerns and his Oregon Steamship Company into a new company called Oregon Railway and Navigation Company (OR&N Co.).

He appointed Hans Thielsen chief engineer and ordered him to check out eastern Oregon and southern Idaho with a narrow gauge railroad in mind. By June 1879, Villard was back in New York City offering Gould half interest in the new company, but Gould declined. Villard later commented, "Had he joined me, Eastern Oregon might have had to this day (1899) a narrow gauge system of road."

But Eastern Oregon had not yet escaped getting stuck with a minor narrow gauge railroad. Villard went ahead with the original plan and began stockpiling narrow gauge supplies for construction of a line between Celilo and Wallula to begin in February 1880.

The picture soon changed with the arrival of a new railroad in the Northwest. The Northern Pacific coming west through the northern tier of states decided to extend its line through northern Idaho to the mouth of Snake River. There was a distinct possibility this company would build a competing line down the north bank of the Columbia.

Villard took the offensive—he later obtained control of Northern Pacific—and through tough negotiations produced an agreement to a division of the territory with the Columbia and Snake rivers forming the boundary.

For Eastern Oregon, the most important provision gave Northern Pacific the right to run its trains over OR&N Co. tracks for a fixed rate. Since Northern Pacific was a standard gauge railroad, the effect was that the proposal to run a narrow gauge line through Eastern Oregon was abandoned forever.

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