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WHO OWNS THE EARTH AND HOW DID THEY GET IT?

By Henry M. Hyde.

III. LOOTING THE FORESTS



FREUDENSTADT is a town of seven thousand people in the Black Forest region of Germany.

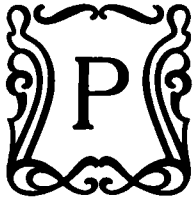
Chisholm was a town of six thousand in the Big Woods country of

Minnesota.

Every year, from the tall black pine trees which grow in ordered regiments on the six thousand acres of publicly owned land about Freudenstadt a regular crop of lumber is cut which pays all the expenses of the city government—Mayor, Aldermen, Police and Fire Departments. And that crop will go on forever. The thrifty people of Freudenstadt may de-

A MYSTERY AMONG RAILROADS

By WILLIAM THORNTON PROSSER



PICTURE the two foremost railway magnates of the country—James J. Hill and E. H. Harriman — contesting in one of the greatest transportation battles of the time for the control of the Northwest, each one blocking the other's progress at every step, each one ready to jump at the other's throat, and suspecting the other of every dire design that the moral or the statutory law might prohibit. Would you imagine it possible for a third railway man, unknown and unheralded, to step in between those two warring giants and build a road on their battleground, spending millions and millions, without disclosing the parentage of his moneybags, resisting every inquiry and baffling all the detectives upon his trail, for three years?

This feat of mystifying the transportation interests of the entire West as well as of Wall Street has been performed so successfully by Robert E. Strahorn that to this day no one knows more about his North Coast Railway, with his seven hundred miles of projected railway and eighty miles of completed roadbed, than when he first sent his surveyors into the field. This North Coast Railway is indeed the enigma of the Northwestern railway situation. It is the riddle of riddles. Time and again have his rivals thought to pry from President Strahorn his secret in the courts, or surprise it from

him while he slumbered. They might as well have whispered to the winds or asked information of Egypt's stony Sphinx.

Time was when Strahorn and his mysterious enterprise were looked upon with contempt. "Who is Strahorn?" railway men sneeringly inquired when his plans were brought to their attention. "Evidently he doesn't amount to much; nobody ever heard of him." But now the Northern Pacific and Great Northern are fighting with all their might and main to keep this same man out of Spokane, where he has purchased the finest terminal grounds possessed by any of the railways entering the eastern Washington city. His rivals do not sneer now when they speak of the mysterious North Coast or its secret-keeping executive.



ROBERT E. STRAHORN.
President of the North Coast Railway.

The mere fact that some man is building a railroad out West somewhere is of no particular significance. To understand why so much stress is placed upon the operations of the North Coast one must know something of the railway situation in its sphere of operation.

For the last five years transportation interests have been struggling for this Northwestern field, with its rich timber, its agriculture, its trade with the Orient, its gateway to Alaska and the Canadian north, its great coastwise traffic.

A quarter of a century ago Henry Villard completed the Northern Pacific to Puget Sound—with bankruptcy as his reward, in spite of land grants from



CANAL MOVED TO MAKE ROOM FOR RAILROAD TRACKS.
Fifteen miles of the Kiona Canal were purchased for this purpose.

Congress which would make an ordinary state or two. In the early nineties Mr. Hill extended his Great Northern line to the coast, paying its way as he went. Then the Great Northern's president gained control of the Northern Pacific; then of the Chicago, Burlington & Quincy, and operating Burlington trains through to the coast.

This was too good a thing for Mr. Hill; Mr. Harriman and the other railway captains viewed Mr. Hill's supremacy with alarm. When Hill began to build a line down the north bank of the Columbia River, from Spokane to Portland, that started things in earnest. Harriman tried to block him, and claimed an old right-of-way, but Hill won out. Then Harriman rushed over to Seattle and Tacoma, and spent some fifteen millions of dollars or more buying terminal sites, rights-of-way and shore lands for docks. He announced plans for the building of the Union Pacific north from Portland, even as far as the Canadian line.

Then the Chicago, Milwaukee & St. Paul, with the Rockefeller interests behind it, decided to take a hand in the Northwest fight, and began work on its Puget Sound extension, something like 1,200 miles west of its South Dakota branch. The last spike was driven the

latter part of March of this year. In the height of the railway excitement, one Robert E. Strahorn rose up with the announcement that the North Coast Railway would be built from Spokane across the state of Washington, with many branch and feeder lines, to Seattle, Tacoma and Portland. He intimated that one of the country's big railway systems would ultimately make use of the North Coast.

"It's the Chicago & Northwestern," said about one-third of the people that pretended to know. "The Northwestern is already half built to the coast from Chicago; it's taking this way of completing its system."

"You're wrong it's the Canadian Pacific, anxious to punish Jim Hill for invading Canada," said an equally strong party.

"You both are wrong," broke in some wise "students of railway affairs," as they were flatteringly called by the newspapers. "Can't you see that Harriman is building the North Coast to beat Jim Hill at his own game?"

There were stragglers who disputed all these assertions. Some said the Milwaukee was building this separate line to effect an entrance into Spokane, which is not on its main line, and into other cities and districts of the Inland Empire,

as the plateau between the Cascade and the Rocky mountains is called. Still others insisted that the North Coast was an independent enterprise, while others maintained that the Strahorn road was impractical in its routings and designed merely to hold-up its competitors, with the object of selling out at a good figure. It is fair to say, however, that subsequent developments have discredited this last surmise, though nothing has happened to controvert definitely any other of the reasons advanced for the North Coast's existence.

But amid all these surmises, contradictions, reports, what did the moving spirit of the North Coast have to say? Did he deny or affirm? Did he refuse himself to inquisitive reporters sent out by city editors who had received sure tips? Not he! This part of his system of operation proved unique, as did the rest. He received each reporter with open arms and welcomed each suggestion that came his way. Was the North Coast a Milwaukee enterprise? Nothing could be more reasonable. The North Coast could give to the Rockefeller road just the connections it wished into Spokane, Walla Walla and the other Inland Empire cities. This was a most reasonable explanation.

The readiness with which this suggestion was accepted by the genial railway president was far from convincing, but Mr. Strahorn would bow out one reporter while another entered.

"Now, you can't deny that the North Coast is a Union Pacific enterprise, for we have direct information from Wall Street that Mr. Harriman is your real backer," says the second inquisitor.

"I can't take you into my confidence," is the reply, "but you have a most logical

assumption. Mr. Harriman with the North Coast could gain a tremendous advantage over Mr. Hill in the struggle for this Northwestern territory. The North Coast will lead Mr. Harriman to just the places he desires to reach. In fact any of these competing railways would be glad to get the North Coast."

Wouldn't that sort of a retort baffle



THE PALOUSE FALLS.

A striking bit of scenery in the country of the "mysterious railroad."

any reporter? Perhaps the same news-gatherer will be a visitor into Mr. Strahorn's office later in the day asking him to affirm or deny that his railway is not a blind extension of the Northwestern. "The Northwestern has been casting longing eyes in this direction, and could reach Washington with less mileage than any other of the middle western



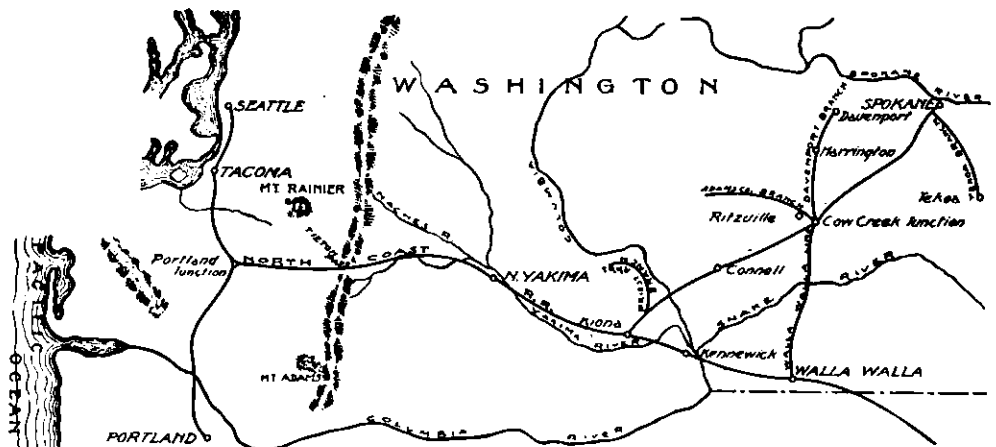
SITE OF THE SNAKE RIVER BRIDGE.
One of the streams to be crossed by the North Coast Railway.

systems," he replies, leaving the poor reporter still more bewildered.

At the same time Mr. Strahorn has said upon different occasions that individuals connected with his enterprise are amply able to build the road from their own pockets. Here is a list of some of the Eastern sponsors of the North Coast, according to its president: Henry J. Pierce, at the head of Buffalo's consolidated railways, and a stockholder in the International Railway of Canada, con-

necting Toronto, Niagara Falls, Buffalo and Rochester; J. G. White, president of the J. G. White Company of New York, railway builders and owners; Banker Frank A. Dudley of Niagara Falls, and several others not mentioned in "Who's Who."

"It should be easy enough to trace this man Strahorn to his hole," thought railway men who declared in their own mind that the president of this mysterious railway would not longer baffle their



MAP OF THE MYSTERY AMONG RAILROADS.
The North Coast line covers territory that many roads would give millions to control.

shrewdness. "We will find out where his pay checks come from; that will tell the tale."

So they investigated, and found that the Strahorn paper passed through the Seaboard National Bank of New York, and that Moffit & White act as his brokers. But what did that indicate? Moffit & White did not care to make any comments on the situation; and the Seaboard National was keeping its mouth locked

cific Coast. To complicate matters still more Mr. Strahorn once a week, at least, gives out an anonymous interview linking his road up with one after another of the various lines.

One thing may be taken as absolutely certain; Mr. Strahorn is not building a railway for James J. Hill. In fact, Mr. Hill is going to keep Mr. Strahorn from reaching the million dollar terminal sites he has purchased in Spokane—if he can.



WHERE THE ROAD WILL COST \$150,000 A MILE.
The Palouse Canyon through which the North Coast Railway will run.

with a combination fastener. That's just where the whole matter stands today.

But it may not be supposed that the various systems linked by report with the Strahorn enterprise refrained from making announcement. The Milwaukee has taken occasion numerous times to insist that the North Coast is no part of its system, while prominent Canadian Pacific officials give statements to the newspapers disclaiming any responsibility for the enterprise. Every now and then one of Mr. Harriman's lieutenants chimes in with a denial, and the Northwestern formally announces that it has no immediate plans for reaching the Pa-

The North Coast crosses the Hill right-of-way several times leaving Spokane. If injunctions and court proceedings avail anything Mr. Hill is not going to stand for that. Mr. Strahorn is now facing the most serious legal fight of his career at Spokane. Agreements have been reached at certain other points.

Mr. Hill sees only one explanation for the North Coast—his deadly rival Harriman. He believes Harriman is the instigator and secret projector of the Strahorn road. And perhaps he is right, for one story told in Wall Street is to the effect that Harriman and the Rockefeller interests formed a secret pool for the joint construction of the North

Coast, without even letting in their subordinate railway presidents on the deal. Constantly the alliance between the Union Pacific and the Milwaukee in the Northwest is becoming closer, which lends color to this explanation—but at that it is nothing more than a supposition.

That the North Coast is no ephemeral scheme is evidenced by the fact that real money is playing its part in the game. Not less than \$6,000,000 has been spent to date in acquiring rights of way, terminals, advancing surveys, grading roadbed and constructing bridges. A contract has been let for a bridge across the Columbia River that will cost close to \$1,000,000. In reaching the Spokane terminals—providing Mr. Hill doesn't

ders railway construction most difficult and costly. Through Palouse Canyon the laying of rails will require the expenditure of \$150,000 a mile. In crossing from central to western Washington Mr. Strahorn has secured in the Tieton Pass one of the lowest and most easily reached routes across the Cascade Mountains, which have proved a difficult barrier for railway engineers since the first survey for the Northern Pacific.

One peculiar feature in the North Coast's progress is that gradually the men who were associated with Strahorn in the beginning have dropped from sight—at least so far as their connection with the North Coast is concerned. Constantly has President Strahorn grown into a larger figure, until now the North



PART OF THE NORTH COAST ROAD-BED.
No expense has been spared to prepare the way for the track.

keep him out—Mr. Strahorn must blast out acres of solid rock to a level of thirty feet below the street grade, and must then floor and wall the entire basin with concrete to keep out the seepage from the Spokane River.

Much of the country which the North Coast traverses on its Walla Walla and Seattle lines is extremely rough and ren-

Coast is Strahorn's road, in common parlance. He lives in a magnificent residence in Spokane, said to be the finest in that city for interior sumptuousness. From a couple of small rooms his offices have expanded until they occupy the greater part of a floor of one of Spokane's big business blocks. How much longer will this genius for concealment



FIVE MILES OUT OF SEATTLE.

be able to withhold the secret of his backers?

There is one possible, though, perhaps, scarcely likely, solution of the mystery. May it not be the fact that Robert E. Strahorn controls an independent road, affiliated with neither the Chicago & Northwestern, the Milwaukee,

nor the Harriman interests, and that he is making use of the fears of these big interests for one another to make secure his position? Not knowing where to strike they hit in the dark. This, of course, is only one of the many possible theories that the would-be puzzle solvers have advanced.



Gratitude

I've heard of hearts, unkind, kind deeds
With coldness still returning;
Alas! the gratitude of men
Hath oftener left me mourning.

—WORDSWORTH.