

The Story and History of the Railroads **By Dennis Powers**

The railroad's path made hamlets into cities and caused others to wither or die along the way. Owing to the heavy capital requirements needed to build the tracks, bridges, stations, and infrastructure, individuals and their rail companies went out of business, reorganized, or were bought out. Backroom politics was the norm.

The Oregon story begins in 1861 when Joseph Gaston of Jacksonville incorporated a company to raise the funds for a preliminary survey to build a railroad from the Rogue Valley to the Columbia River. Passionate about constructing an Oregon railroad that would connect with a northern one coming from California, he then was practicing law and the editor of Jacksonville's *Oregon Sentinel*.

With funding and capital requirements being a continuing problem, the U.S. Congress passed legislation in 1866 that made large grants of public land to the railroad company that built the railroad between Portland, Oregon, and Marysville, California. The Oregon Legislature would decide who was to build the railway through the state, and the incentive of acquiring large parcels of land galvanized forces into action.

Two years later, Joseph Gaston was in Salem to lobby the legislature for his company. His main rival, powerful shipping mogul Ben Holladay (who owned a stagecoach empire throughout the west including the Pony Express), however, received the legislature's blessing. Gaston accused Holladay's award as due to his having caused "judges, legislatures, and attorneys to betray their clients." As the California railroad began to build north from Marysville, Holladay took over Gaston's company and sold \$10.5 million in bonds to German investors to finance the southern route.

During the early 1870's, different railroad companies came and went, as reorganizations became the norm. Although Holladay was able to cause his railroad to reach Salem, Eugene, and then Roseburg from Portland, he ran out of money in 1872, some 145 miles from Ashland. If he had followed his planned route, the railroad would have run through Eagle Point--not Medford--and that city would never have existed. The venture stopped at Roseburg, and one year later Holladay couldn't meet the required interest payments on his bonds. The company went bankrupt.

Henry Villard represented the German investors and took control four years later of Holladay's Oregon and California Railroad Company ("O&C"). Joseph Gaston did have the last laugh when his competitor became bankrupt and lost control. It took years to reorganize the company with new debt, and the work to extend the railroad to the California border couldn't begin again until mid-1883, due to a bad economy, the high costs, and politics being difficult obstacles.

Having restarted construction, Villard's O&C track was extended from Roseburg through Josephine and Jackson County, finally stopping at Ashland on May 4, 1884, a total of 310

miles from Portland. Villard's company, however, couldn't meet its debt obligations either, and further building to meet California's track coming from the south then ended.

In 1887, the once-again, reorganized O&C was now under control of the Southern Pacific Holding Company, and it began to connect the two states. As part of the agreement, the control and stock of the O&C passed to Southern Pacific. The completion of the railroad over the Siskiyou Summit was then completed from both sides. On December 17, 1887, Charles Crocker, the vice president of the Southern Pacific Railroad Company, drove in the golden spike in Ashland that formally connected the two tracks.

The passage of the railroad through Josephine and Jackson County created new towns and left others in the wind. Towns such as Grants Pass, Rogue River, Gold Hill, Central Point, Medford, and Ashland were made. When Thomas Chavner offered concessions to the railroad, he ended up platting and creating in 1884 the town of Gold Hill with its train station and stop. A few miles down the Rogue River, neighboring Rock Point and its stage stop was by-passed and it withered away. Landowners in the Central Point area made a right-of-way deal with the railroad to build its tracks over their land. In return, they relocated Central Point to the rail-line and that township flourished with its stop.

The story of Jacksonville took another turn. Its leaders assumed that the railroad would come through there, especially since the first surveyors came from the town. Despite its rich history and the assumptions, the cost of building one mile of track was estimated at \$30,000 per mile, and a detour from the straight line through Bear Creek Valley would have been too expensive. The railway continued from Gold Hill through Tolo on the river with its nearby Gold Ray Dam and direct to eventually reach Ashland.

Four property owners in Jackson County, including Cornelius Beekman, had donated 260 acres to the railroad in late 1883, and this land was platted for a new town named Medford. As the railroad came there, dozens of businesses were created, including two hotels, saloons, and the railroad depot. The depot building was replaced in 1900, and in 1910, the brick station was constructed where Porters Restaurant and Bar on North Front Street now is in operation. Jacksonville shriveled away until Robbie Collins and others with their vision brought about its designation in the 1960s as the first National Historic Landmark Town in the country. With the railroad, property values substantially increased and new county seats were born at Grants Pass and Medford. The fast movement of crops, freight, and goods--compared to the days and weeks taken by wagon train--brought the two counties and Southern Oregon into a new prosperity.

Sources: *Mail Tribune*, "Oregon rails to California--a Timeline," December 23, 2012, at [Oregon Railroad Timeline](#); Paul Fattig, "A visionary is derailed," *Mail Tribune*, December 23, 2012, at [Joseph Gaston's Dream](#); Bill Miller, "Betrayal? Railroad misses Jacksonville," *Mail Tribune*, December 25, 2012, [Jacksonville Missed](#); Paul Fattig, "The Birth of Medford," *Mail Tribune*, December 25, 2012, at [Medford's Fortunes](#); Bill Miller, "New way to ship goods or travel eases isolation in Rogue Valley," *Mail Tribune*, December 27, 2012, at [Overview](#).