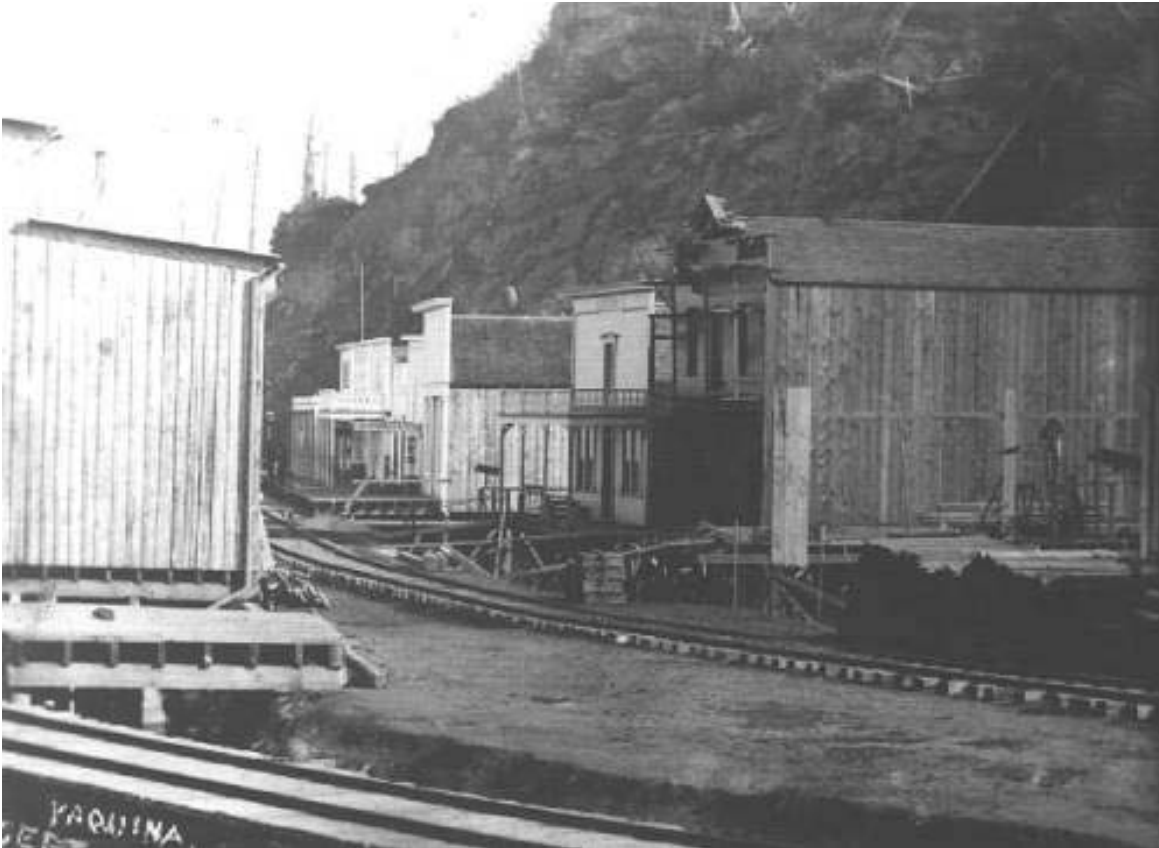


The Rise and Fall of Yaquina City



Source - Salem Historical Society

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Introduction

In the late 1800's, Yaquina City was going to become Oregon's answer to San Francisco or New York – the great Seaport of the Northwest. From humble beginnings in the 1860's, the rosy plans of optimistic businessmen led one to believe that Yaquina City, not Portland, would become the commerce center of Oregon. Yaquina City was positioned perfectly on Yaquina Bay, only seven short miles from the ocean. Timber, wheat and other goods would travel west by railroad, be met by ocean ships to move these goods to their final destination. Millions of dollars were invested into making this dream a reality.

As promised, the train did arrive in Yaquina City in 1884 and the city did grow.



Yaquina City Hotel – 1880's

Over 2000 residents called Yaquina City home in the 1890s. The town boasted more than seven saloons, fancy hotels, and some of the best shopping in all of Oregon. But by the early part of the 20th Century, the population dwindled. By 1947, just 26 families lived there. By the 1960s,

Yaquina City no longer existed.

Why did Yaquina City fail? What makes a city go boom and then bust? This paper will tell a story of promise, broken promises and a town that never came back. Perhaps there are lessons to be learned from the story of one small town that's no longer anywhere – Yaquina City.

Early History

In January 1852, the schooner Juliet was forced inland by storms, and her captain and crew were stranded in what would become the Central Oregon coast for two months. (Kumar, 1997) The captain, Captain Collins, reported that the Yaquina River was abundant with oysters, clams and fish of all kinds. (Bancroft, 1888) In particular, the captain discovered that the bay was full of oysters, a delicacy favored by San Francisco society. In 1863, two oyster companies began operation on the bay. In 1864, the first merchandise store in the area opened to support people working in the oyster business and one of the early settlers in the area was the grandson of Daniel Boone, who had come to Oregon in 1852. (Moe, 1993)

There was one small issue: the bay belonged to the Indians. A federal Indian agent decided to charge a fee of fifteen cents for each bushel of oysters harvested. One of the two oyster companies paid the fee. The other company sued in court and lost. A third businessman, whose warehouse on Elk Creek had been torn down by soldiers for failing to pay, took the fight all the way to Washington, D.C. He gained a favorable ruling that the Indian agent had no authority to interfere with his commercial aims. (Wells, 2006)

Yaquina Bay was also promising as a harbor. In 1860, the Oregon legislature requested to the Oregon members of Congress to obtain right of way for a wagon road to “Aquina Bay.” Congress in 1866 granted lands for a military road from Corvallis to Yaquina and the same year the Oregon legislature passed these lands to the Corvallis and Yaquina Road Company. (Scott, 1924) President Andrew Johnson signed an executive order excising a twenty-mile-long strip of land containing Yaquina Bay from the center

of the reservation and designating the remaining land as two smaller Indian reservations, the Alsea and the Siletz. (Wells, 2006)

In 1875, at the request of Oregon senator John Mitchell, Congress authorized the opening of another large section of the Alsea Reservation to settlement and also closed the Alsea agency, claiming it was as a money-saving measure. The Siletz sub-agency was largely reduced at the same time. Over the next few years the Indians from western Oregon were concentrated on the remnants of the Coast Reservation and on the Grand Ronde Reservation. (Wells, 2006)

Of course, the Indians got the raw end of the deal. Congress granted railroad rights-of-way through both reservations in 1888, 1890, and 1894. In the 1880s and 1890s, other laws pressured Indians to cede most of their collectively held reservation lands and accept individual land allotments. In 1892, when the Siletz lands were allotted, the Siletz Reservation contained 225,280 acres; two years later it contained only 46,000 acres. Today the Siletz Reservation is only 3,600 acres. (Wells, 2006)

By 1890, Yaquina City was a thriving town of some 500 inhabitants, and marketing materials indicate that it “is only waiting the completion of the railroad to its eastern connection, and the marketing of its lots, which are owned by the railroad company and have hitherto withheld from sale, to bloom into a



Source - Salem Historical Society

Yaquina City - 1890

seaport city of importance.” (Corvallis, 1890) How did Yaquina City grow so fast?

Railroad Town

Much of the history of Yaquina City is predicated on the building of the railroad from the East Coast, through the Cascades and Corvallis, and into Yaquina City. However, the construction of this railroad line, eventually built in 1878-89 and stretching from Yaquina City into, but not over, the Cascades, has been called one of the ”monumental fiascos in railroad finance.” (Scott, 1924) The plan, according to the men who proposed it, was to make Yaquina City the great seaport of the north Pacific Coast and the trans-continental terminus of the Union Pacific and Central Pacific or the Chicago and Northwestern railroad.

The route of the Yaquina railroad, in earliest time, was that of a trail used Native Americans and followed a gap in the Coastal Range. The wagon road mentioned earlier had been built along this path and it was logical that the train would take the same route from Corvallis to the coast.

In 1871, Colonel Thomas Egerton Hogg arrived in Corvallis and started to plan his ill-fated railroad. (His brother William M. Hoag was also an officer in the railroad. The brothers spelled their last name differently.) (Haskin, 1980) By this time, a toll road existed from Corvallis to Yaquina City. In 1872, Hogg incorporated the Corvallis and Yaquina Bay Railroad Company, later changing the name to the Willamette Valley and Coast Railroad. Hogg ran into some early issues with money and looked to outside investors to help him build his railroad. By this time, his plan included building a railroad from Yaquina Bay through the Cascades to Boise City, Idaho. (Scott, 1924) Wallis Nash, who would prove to be an important figure in Corvallis history, arrived

from England in order to assist with Hogg with the development of the railroad. In fact, Nashville in modern day Lincoln County was a train stop named for Wallis Nash.

(Bennett)

Initially Hogg considered having the train line extend to Newport. Hogg even offered \$50,000 for space on Newport's bay front to build docks and warehouses. When his offer was refused, he decided to create his own port city at Yaquina City. By plotting and subdividing the city, Hogg thought he could get rich on real estate sales in addition to the money from transportation. (Castle, 1978)

Hogg got millions of dollars from eastern financiers for his plan. Five of the financiers came to visit Yaquina City and they even picked locations in town for their summer cottages. They went home believing that Yaquina City would become a "teeming mart of commerce" as soon as the railroad and its steamships were in full operation. (Castle, 1978)

Unfortunately, the bonds that these eastern financiers bought were basically worthless. The prospectus referred to numerous land grants and support from the state that never came. Land used as security was never owned by Hogg's railroad company. Further, the prospectus estimated enormous revenue from both freight and passenger traffic. The actual earnings never verified these predictions at all. (Scott, 1924)

Much of the success that Hogg had in raising money came from his "able manner" and skills of persuasion. The residents of the Corvallis area had bought into the belief that Corvallis could become a major rail center and a city of importance once the train was finished both east and west. They were glad to believe Hogg's optimistic promises. The eastern financiers were also smitten with Hogg. They liked the high rate

of return they would be receiving and were removed enough by distance that they were unable to see that the actual construction was moving much slower than planned.

Hogg had promised completion of the rail line from Corvallis to Yaquina City by the end of 1884. While he didn't meet this promise, the line from Corvallis to Philomath did open in October 1884. All winter long, teams of workers from China and Europe worked feverishly to build the train to the Coast. For the celebration of the Fourth of July in 1884, the railroad announced its first excursion to the coast. About 70 passengers made the trip, and though the train stalled frequently and they had to switch trains mid way through where one tunnel was not yet complete, the trip was a success. (Castle, 1978) The first carload of wheat was sent to Yaquina City in August of 1884 and ocean connection with San Francisco was started in September 1894.

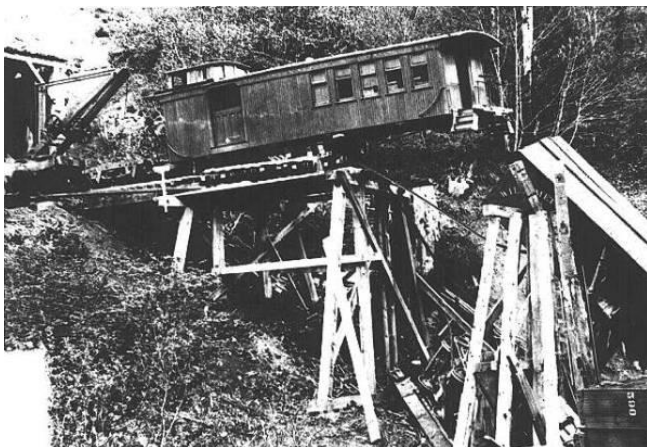
Once the train was actually there, Yaquina City's future appeared to be bright. In the 1880's, Yaquina City had its own bank, newspaper, several hotels, stores, schools, churches and many residents. (Moe, 1993) Yaquina City was also developing into a working port of some importance. For example, 144 ocean going merchant vessels entered and left from Yaquina City during 1888. (Moe, 1993)

A steamer left Yaquina City everyday for Newport and Nye Beach, six miles across Yaquina Bay. The well heeled from Portland would take the train to Corvallis, switch to the train to Yaquina City and finally take the steamer boat to the ocean. (Oregon Journal, 1914) Some weekends the steamer could not carry all the people and jitney launches and rowboats would take the overload. "Girls in gay ninety clothes, all without makeup, wearing high pompadours, wasp waists circled with ribbon, sashes, long

fluffy skirts and with bustles met the boat from Yaquina. It was the social event of the day.” (Oregonian, 1942)

However, not everything was progressing as planned. Though the train had been built from Corvallis to Albany, tracks were not extended east towards the transcontinental lines. Hogg had built some sections of track in the Cascades, but just two small sections that connected to nothing. In order to keep his claim on the pass through the Cascades, he needed to show that he was making improvements on the track. He brought in a boxcar and some mules to pull it over one small section of track. (Castle, 1978)

There were financial issues also. Workers stopped being paid. The bondholders were not receiving their interest payments and started looking into what had been built with the millions of dollars Hogg had raised. Instead of the 600 miles of track promised, only 138 miles of track had been raised. (Castle, 1978) By this point, Portland had been established as major rail center and much of the freight that might have come through Corvallis to Yaquina City was going elsewhere. Some of the financiers tried to buy the line from Hogg and complete the railroad themselves, but Hogg refused to sell. Soon after, all of Hogg’s wealthy connections began to back out.



Source - Salem Historical Society
Train Accident near Yaquina

Accidents began happening on the tracks already built. In their hurry to get the train built, some corners may have been cut.

Financial trouble grew, including some workers from Italy who threatened to kill company officials

if they didn't get paid soon. The railroad was ordered into receivership and Hogg was replaced as the manager. The courts finally ordered the sale of the line and the only bid was by A. B. Hammond for \$100,000. Hogg was still trying to regain control of the railroad when he died of a stroke on a Philadelphia streetcar in 1896. (Castle, 1978)

Why did Yaquina City fail?

According to a recent Business Week article, the number one factor to determine a city's economic success is location. (Business Week, 2006) Did Yaquina City fail just because it was in the wrong location? Even in 1990, the area where Yaquina City was located was called an "ideal location" for development. (Moe, 1993) What else leads to the success or failure of a city? On a larger scale, Jared Diamond, in his best seller *Collapse*, posits that the damage that people inadvertently inflict on their environment has played a large role in the collapse of previous societies. (Diamond, 2005) Did the environment play a role in the downfall of Yaquina City? Maybe it was just bad luck. I will argue that no one factor led to the downfall of Yaquina City – as usual, reality is complicated and a variety of factors led to Yaquina City's collapse.

Economics

The 1890's were a tumultuous economic time period in the United States. The Panic of 1893 had been the worst economic slump in American history so far. The United States was in the midst of the painful transition from an agricultural to an industrial economy, with all the social dislocations and violence that entailed, complicated by ongoing, large-scale immigration. (Garrity, 2002) This timing, combined with the downfall of the railroad recounted above, certainly played a factor in the downfall of Yaquina City. In addition, in 1901 a major fire burned down most of the business district in Yaquina City.

There was not enough capital to rebuild many of the buildings. This fire certainly played a role in Yaquina City's downfall and the business district never fully recovered.

Location

The bar of the Yaquina River was far more hazardous than expected, partly due to poorly constructed jetties and numerous shipwrecks eventually scared passenger ships away.

The freighter Yaquina City ran aground near its namesake City in 1887. A few years later, its sister ship, Yaquina Bay, suffered the same fate. (Moe, 1993) Yaquina City had a much shallower harbor than Newport and this contributed to ships preferring not to travel so far into Yaquina Bay.

The train line ended at Yaquina City, instead of at the more logical city of Newport not because Yaquina City was a better location. Much of the decision was financial – Hogg had never forgiven Newport for not letting him buy land at the harbor and he would not allow the train to be extended to the ocean. Later, the town fathers of Newport begged to be the end of the line, but it was never extended. It is obvious today that Newport makes more sense as a terminus, so the location selected was perhaps a large issue all along.

Competition

In 1890, Toledo was a small village that owed its existence to being a stop on the train to Yaquina City. (Corvallis, 1890) By 1900, the town had grown to 302 residents and it became an incorporated city in 1905. Toledo grew rapidly in the 1910's and 1920's when a federal spruce mill was expanded to supply wood for World War I airplanes. It became the largest spruce mill in the world. (Bureau, 1969) Additional lumber mills opened in Toledo, leading Toledo to become (and remain) an important lumber town.

The train from Corvallis to Toledo exists today just to support the Georgia-Pacific mill still running in Toledo.

In 1882, Newport was a small town with only 250 inhabitants (smaller than Yaquina City). Newport developed into an early vacation spot with most of the visitors coming to Yaquina City by railroad and then onto Newport by boat. It wasn't until the construction of U.S. Highway 101 in the late 1920's and the Yaquina Bay Bridge in 1936 that Newport became the harbor and vacation spot that it is today.

Both Toledo and Newport were better situated for success. Lincoln County only had 3500 residents in 1900 and there was perhaps not the need (or demand) for more than two cities in the immediate region. The development of the road system certainly favored both Toledo and Newport, as they are both close to major roadways. The roads were never developed around Yaquina City and in fact, the road between Yaquina City and Toledo was notorious for being closed due to mudslides. Also a vehicular bridge was never built across the Yaquina River allowing access to the south. It is still a slow and tedious drive around the location of Yaquina City.

Environment

Oysters from near Yaquina City were once treasured for their delicate flavor. These oysters traveled everyday from Yaquina to the Waldorf Astoria in New York City. However, sawdust from sawmill first caused problems by killing the oysters. Later issues developed when sewage waste caused oyster contamination and they were finally declared unfit for human consumption. (Dimick, 1941)

Later History

The railroad would continue by serving passenger traffic to Yaquina and serving numerous saw mills along the line. In 1915, Southern Pacific would take over the line and today most of the line is still active, but only to Toledo, several miles west of Yaquina. A plan in 1919 to extend the train from Yaquina City to Newport never happened. (Oregonian, 1919) The train line between Toledo and Yaquina was abandoned in the 1937. After 1937, the rails were pulled up and planks were laid down on the numerous low level trestles to allow automobiles to drive between Yaquina and Toledo, but slides often blocked the road.

By 1938, with no train line and poor road connection, Yaquina City was seemingly removed from civilization.

Mail delivery was twice a week by boat from Newport. (Oregon Journal, 1938) There was little work in the area and many of those who had stuck it out through the hard times had no choice but to move elsewhere to find employment.



Source - Salem Historical Society

Yaquina City - 1937

A short burst of optimism sprang in 1947. A new general store opened, named



Source - Salem Historical Society

Yaquina Pete's - 1950's

Yaquina Pete's, opened and it was claimed to be the only business in the area. A new highway was planned and the goal was to get tourists, fishermen, clam diggers and other settlers back

into the area. (Oregonian, 1947) When Pete closed shop in the 1960's, there was no longer any Yaquina City. Perhaps Yaquina City was never meant to be – the location was selected in large part in order to make railroad men money. In many ways, Yaquina City died when the railroad did not make it over the Cascades. But when one stands on the water at Yaquina Bay and thinks of what could have been, you can hear the ghosts of those who came before and you wonder what any of our cities will look like in 100 years. Will they survive the broken promises?



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All That Remains of Yaquina City

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