SUMMER 2002

## President's Message

by Jeff Silvera

Hello to all! The club has been very busy with our modular layout. We have participated in the first Placerville show, the Children's Cancer Society, and the May Scottish Rite shows. As you may know we are planning work on the layout for this summer. We would be interested to know if any of our members might have a large space that could be used for work and renovation. This is a project that will be done on Saturdays and perhaps some Sundays. It's a project that we can use your participation in!

Remember, our National Convention is just a few months away! It will be held in the big and beautiful town of Las Vegas, Nevada. So get your registration in and join us for the party. It promises to be a great time for all!

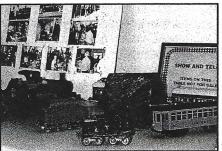
I also want to give a big TTOS "Thank You" to **Tom Mac-Connell** for his generous cash donation to our club layout.

Thanks, Tom!

## Show and Tell - Doing Well

Sacramento Valley Division

By Richard Zanotti



Some items on the May Showand-Tell table

Show and tell is doing well. In April some of the Post War people shared many items, including an S Gauge Toonerville Trolley. In May we had a Mystery session. This included pieces made in Australia, Japan, Germany, Germany(U. S. Zone), and the U.S.A. Bill Williams had a friend of his show and demonstrate a couple of electronic devices that can be used on a train layout. It was suggested that we have a Mystery Section at all our future show and tells. We will try doing this.

**Jerry Azzaro** will be showing his tinplate Japanese trains at the June meeting. We will also have a Mystery section.

I would like to thank everybody for their cooperation and participation including: Bruce Pruett, Jean Hathaway, Jack Ahearn, Jack Hornor, Don Rosa, John DeHaan, Chuck Stone, Clyde Easterly, Jerry Azzaro, Bill Williams, and anybody else that I cannot now recall for making this program a success.

At future meetings we will be showing a Carlisle & Finch layout, antique tin toy ships, and live steam engines and accessories.

### Membership News By George Ann Hornor

Our newest Division members are **Don and Janice Clark** from San Jose, **Ron and Linda Hill** from Auburn, and **Ken Maddux** from Rocklin. Welcome.

A new Division directory will be available at the June meeting. Yes, we did hand out a new directory in May, but not all of the information was current. It's a long story, but I did learn a painful lesson that I can pass on to you computer users — if you're going to update a 2002 list, be sure to use the 2002 database.

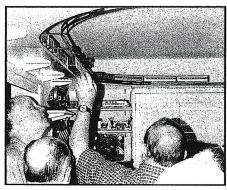
Please contact me at hornors@mindspring.com if you have changes or corrections to the new list.



## Oar Layout Tours -Some Different Views



Barry Garland's display room: planes, trains and automobiles and cardboard structures. SVD members were delighted with Barry's collection when we returned to visit in May.



What do you do when your train room is full and there's no room for more? Why, hang them from the ceiling, of course! That's what we found when we revisited Pete White's layout in April. Pete had some extra track custom-made for his Leland monorail, and it now circles the room at a height that must give his passengers acrophobia.

### By Jack Ahearn

Chugging into the summer months, we continue to highball the mainlines of our members' exciting layouts! Most recently we had an innovative treat at **Barry Garland's** open house. For a change, we enjoyed an aerial view of a layout! After "taking off" from several of Barry's airports, we circled the train room in several of **Barry's** vintage airplanes and got a lofty view of his Standard Gauge train and collection of Bilt-Rite cardboard real estate.

June 1st will bring us to John Freitas' O Gauge empire, which is housed in its own building (or built in its own house). Aside from the close to perfect performance of his trains and accessories, John also highlights breathtaking backdrop paintings. As the year progresses, John will be adding realistic scenery that will evolve his pike into a Hi-Rail "maximus spectacularius". Be sure to make this short trip to Carmichael!

The July 6th tour will bring us to the Loomis mountaintop home of Francis Eister. Not only is his layout located on top of a real mountain, his layout is built around, through and under a mountain that looks almost as real. Indeed, his layout mountain is so big that you can actually get inside, stand and look out (yes, OUT) of the portals and get a tunnellatious view of the rest of the layout. Lots of trains, accessories and buildings surround this multi-gauge pike. It's also a lot of fun to drive all the way up the Eister's driveway. Be sure to set your vehicle's parking brake, and you might consider leaving it on as you drive back down!

## Friends of TTOS

The Friends of TTOS is a grassroots group of TTOS members
who are making a donation to
TTOS National in an effort to see
our organization through some
tough financial times. Your contribution is very welcomed. Make
your donation to Jeff Silvera at
our regular meet, or mail to him
directly. Jeff will consolidate our
donations and forward them on to
National.

## Special Feature -Ted Adams' Railroad History

Member **Ted Adams** has generously offered his essay, "THE RAILROAD MONOPOLY IN CALIFORNIA: THE REIGN of the BIG FOUR", for publication in the <u>Side Track</u>. Ted wrote it many years ago, but the information it contains is still vital and provides a glimpse of our California railroad heritage.

We will serialize this over the next several Side Track issues. It will be printed on a separate insert so that you can pull it out and save it if you like.

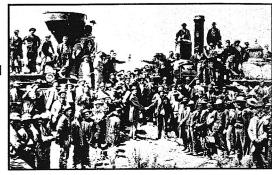


# THE RAILROAD MONOPOLY IN CALIFORNIA: THE REIGN of the BIG FOUR

Ted Adams TTOS 16467

#### Part I

n May 10, 1869, there occurred in Utah an event that was to have its greatest effect in California. On this date, the Central Pacific and Union Pacific Railroads were joined by the driving of a golden spike at Promontory Point, Utah. From this date until the gubernatorial election of 1910, the state of California was virtually owned by the Central Pacific and its California affiliate, the Southern Pacific.



The railroad monopoly in California began with The Pacific Railroad Act of 1862. This Act was passed by the federal government during the critical days of the Civil War

with the hope that a transcontinental railroad linking the Mississippi Valley and the Pacific Coast would consolidate the Union. The Act provided for two companies, one working west out of Omaha, Nebraska and one working east from Sacramento.

Before Congress passed the Act, four Sacramento merchants, Leland Stanford, Collis P. Huntington, Charles Crocker and Mark Hopkins, started the Central Pacific Company in 1861. This railroad was created at the urging of Theodore D. Judah, an engineer greatly interested in conquering the Sierra. The Big Four, as the merchants were later known, hoped to make a fortune from the enterprise after the mineral wealth of Nevada became accessible. When the federal government announced its plan for a transcontinental railroad, these men accepted the challenge and, with Crocker in charge of construction, went to work.

In 1867, as the Central Pacific neared the California state line, the associates told Crocker that they thought it best not to proceed until more capital could be guaranteed. To attract outside capital, the Contract and Finance Company was incorporated with Crocker as its president. According to the articles of incorporation, the stated purpose of the Company was the construction, purchasing, selling and operation of railroads. In fact, the articles empowered the Company to deal in any and all matters pertaining to railroads, wagon and transit roads and steamships. However, as a magnet for capital, the Company was a complete failure, and the associates were forced to take up the Company's stock themselves.

The Contract and Finance Company earned profit through contracts with the California and Oregon Railroad, the Western Pacific Railroad and the Central Pacific. In the latter case, the stockholders of the construction company and the railroad were one and the same. Since much of the Central Pacific was constructed with the aid of loans from the federal government, contracts between the construction company and the Central Pacific meant clear profit for the stockholders with the federal government taking all the financial risk. The Contract and Finance Company was the first of many such ventures initiated for the benefit of the Central Pacific's stockholder-owners.

One of the contracts between the construction company and the Western Pacific led to the acquisition of this railroad by the Central Pacific. Western Pacific stock was placed with the Contract and Finance Company to insure payment for the construction of roadbed from Sacramento to San Jose via Stockton. Through their control of Western Pacific stock, the Big Four were able to bring about the merger of the Western Pacific and the Central Pacific. On June 22, 187O, the two railroads filed articles of consolidation.

Control of the Western Pacific enabled the Central Pacific to operate from Omaha to San Jose thus completing the transcontinental railroad. However, the Central Pacific was operating at a disadvantage; the company possessed no terminal facilities on San Francisco Bay, the center of trade. As a consequence, Oakland was chosen as the terminus of the Central Pacific because of its accessibility and the fact that it was served by two railroads whose valuable franchises could be bought at a reasonable price.

Oakland granted the railroad 500 acres of waterfront property as a reward for selecting Oakland as the terminal site. Nearly all the remaining waterfront was acquired through the Oakland Water Front Company of which Stanford was president. This company was incorporated ostensibly for the benefit of the stockholders, but like the Contract and Finance Company, it existed only to serve the interests of the Central Pacific.

Following the acquisition of facilities in Oakland, the associates moved to acquire holdings in San Francisco. By 1874, the Central Pacific had the desired San Francisco terminus and was firmly established on the Bay. "The first intimation that the Central Pacific Railroad was on its way to something like a monopoly control in the state of California is to be found in the negotiations for terminals on San Francisco Bay". (1)

During the period in which the Central Pacific was acquiring terminal facilities on the Bay, competition from other railroads was receiving considerable attention. The California Pacific, because of its shorter route from Sacramento to San Francisco through Vallejo, was attracting three-fourths of the passengers traveling between these points—the Central Pacific's route via Stockton was 137.5 miles as compared with 87 miles by way of Vallejo on the California Pacific. The poor financial condition of this competition made it possible for the associates to win control of the California Pacific by 1871.

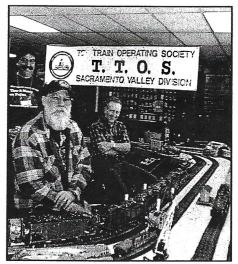
On October 12, 1870, the San Francisco and San Jose Railroad, the Southern Pacific, the Santa Clara and Pajaro Valley Railroad, and the California Southern were consolidated into a corporation, the Southern Pacific Railroad of California, with the Big Four as directors. All four railroads were small companies that could not successfully oppose the power of the Big Four and their Central Pacific. Clearly, the Central Pacific was in control.

The purpose of the new Southern Pacific was to construct a railroad from San Francisco to the Colorado River. Responsibility for construction of the new line was given to the Contract and Finance Company, the Western Development Company and the Pacific Improvement Company, all controlled by the four associates. In their capacity as stockholders of the Southern Pacific, the Big Four required the company to issue and turn over large quantities of stocks and bonds to the construction companies in payment for work done. In this way, the Central Pacific interests gained control of the railroads in southern California.

By 1877, the Central Pacific-Southern Pacific combination controlled 85 per cent of all the California railroads. This comprehensive system was legally and technically divided into five parts: the Central Pacific, the California Pacific, the Northern Railway, the Northern Division of the Southern Pacific Railroad and the Southern Division of the Southern Pacific Railroad. With such a system under their personal control, the Big Four had the power to set freight and passenger rates in the state and discriminate against any group dependent on the railroads for transportation.

### **FOOTNOTE**

(1) Dagget, Stuart. Chapters on the History of the Southern Pacific. The Ronald Press Company, New York. 1922. p. 104



Jack Hornor photo

Paul Wells, Kevin Anderson and Ted Adams kept the trains running on the SVD layout at the Placerville train show in April. The Gold Country Model Railroad Show and Swap Meet, was sponsored by Tom Mac-Connell.

## Travel **Opportunity**

Going to TCA Chicago? Wanna ride back in class? How about a **PRIVATE RAIL CAR??** 

There is one single compartment available on a private rail car leaving Chicago on Sunday, June 30 and arriving at Emeryville on Tuesday evening, July 2. A total of 14 passengers (all local TCA/TTOS members) will share a restored coach with a staff of three, pulled by (but not accessible from) Amtrak's California Zephyr.

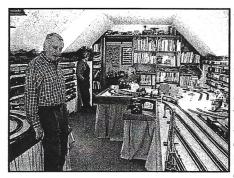
Fare is \$650. A limo from TCA to Chicago Union Station is available. You can board or depart at other AMTRAK stops if more convenient. Fly to Chicago, enjoy TCA, and come back the proper way!

Contact John DeHaan at 707/643-4672 (days) or 707/642-8023 (evenings), or Clyde Easterly at 530/274-3841 to take advantage of this special opportunity.

## SVD Layout Tour Visit to Nevada City

Story and photos by Jack Hornor

Hidden in the Sierra foothills near Nevada City is the beautiful home of train lovers Bill Wilson and Sandy Davison. They designed and built the home with help from family and friends -- and just happened to include space for a 20' x 30' train room above the three-car garage.



The layout is on one level, about 30 inches off the floor in a moreor-less "C" or "J" configuration with a zigzag path down through the middle. It is best described as a double mainline, shaped into a folded dogbone pattern, with O-96 and O-72 curves. To accommodate his large engines, no curve is less than O-72. Each loop has its own rail yard and there is plenty of

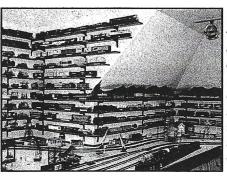
room for villages and accessories. The operation is all conventional, powered by two old-style ZWs. All wire under the table is No.10, and all joints are soldered. Eventually, Bill intends to run all TMCC; therefore, there are no blocks in the design. The track and switches are Gargraves and Ross with wooden ties laid on heavy-duty carpet padding over Homosote and plywood, making for a smooth and quiet operation. The padding is painted earth tones, and the ballast, which

will not be glued, will consist of appropriately sized gravel from Morrow Bay and Lake Tahoe.

The extensive collection of trains and accessories ranges from postwar or modern, and includes all major manufacturers. I counted 80 shelves in the train room and Bill's adjacent office, displaying most of the important engines and rolling stock made by Lionel, MTH,







Bill loves to build structures, and the quality of his craftsmanship is evident in the clever designs and decorations. The entire train room is decorated by stunning overhead murals of mountains and sky. Although the layout is still unfinished, it is far enough along to be fun to see and to operate.

Bill and Sandy are gracious hosts and those who made the trek were rewarded by seeing a great layout in a beautiful setting. Thanks, Bill and Sandy. By the way, if you missed the tour and would like to visit the layout later, just let Bill know and they'll be happy to arrange a visit.



## Down the track

June 1: SVD Meet - Slerra II Center, Sacramento

June 1-2: GATS Santa Rosa - Sonoma County Fairgrounds

June 8: Cen-Cal TTOS Toy Train Meet - Fresno Fairgrounds

July 6: SVD Meet - Slerra II Center, Sacramento

August 3\*\*: SVD Meet - Slerra II Center, Sacramento

\*\*(subject to member vote - the August meet may be cancelled due to conflict with the National convention)

Aug 1-4: TTOS National Convention, Las Vegas NV

Aug 10-11: GATS Cow Palace, Daly City

**September 7: SVD Meet - Slerra II Center, Sacramento** 

September 21-22: El Dorado County Harvest Fair Train Show, Placerville

November 9-10: Roseville International Railfair, Placer County Fairgrounds, Roseville



TTOS Sacramento Valley Division Attn: Jerry Azzaro 291 Bella Vista Way San Francisco, CA 94127-1811