

The Pacific and Eastern Railway was organized under the laws of the state of Oregon on May 27, 1907, as a result of the organization of the Medford and Crater Lake Railroad Co., which constructed the road in 1905, but which company never operated it. A receiver (J. F. Reddy) was appointed for the road Feb. 2, 1907. It was sold at receiver's sale May 11, 1907, to George Estes, from whom it was purchased by the Pacific and Eastern Railway on May 27, 1907.

At the time of organization, W. C. Morris, Portland, was President, S. W. Stryker, was Vice-President, and George Estes, Portland, was Secretary-Treasurer and Manager. The general office of the company was in room 607 of the Couch Building in Portland, and the operating office was located in Medford. The railroad operated a main line from Medford, Oreg. To Eagle Point, Oreg., a distance of 11.06 miles, and operated under trackage rights over the SP from Crater Lake Junction to Medford, a distance of 1.04 miles, or a total mileage operated of 12.10 miles. Actual operation of the road began on June 27, 1907. The company owned one locomotive, which was used in both freight and passenger service, one combination car for use in passenger service, and two box cars and six flat cars, for freight service. The line was capitalized at \$1,000,000, not all of which was actually outstanding, with all of the stock being held by four people. In 1908 an extension was started east from Eagle Point for a distance of approximately 21 miles. Ownership of the line was transferred to new management, with J. R. Allen, New York, Chairman of the Board and President, Wm. Gerig, Medford, Vice-President and Chief Engr, G. P. Humphrey, New York, Sec.-Treas., and W. F. Turner, Medford, GF&PA., with J. R. Allen, S. B. Linthicum and C. E. S. Wood, Directors. John Stevens succeeded J. R. Allen as President.

The extension between Eagle Point and Butte Falls was placed in operation in April 1911. The line now had three locomotives, two passenger cars, and seven freight cars, and the line now had a total mileage of 34.50 miles, with 103 curves, and climbing a total of 1,397 feet. President of the line was now C. R. Gray, and Directors were C. R. Gray, R. Budd, W. F. Turner and Wm. Gerig, all but Gerig being officers of the SP&S Railway, which controlled the line. The SP&S had secured the line with the intention of using it as part of an extension into the Rogue River Valley, eventually connecting with the Oregon Truck Railway from Bend. The Oregon Truck was to be extended approximately 100 miles almost straight south from Bend, passing to the west of Klamath Marsh and to the east of Agency Lake. The road was to cross the neck of water connecting Agency and Upper Klamath Lake, then turn southerly around the Lake of the Woods and thence northwesterly to the connection with the Pacific and Eastern at Butte Falls. A passenger station was built in Medford, and the line did haul quite a few passengers, carrying 17,086 passengers in 1915 for 242,951 passenger miles with revenue of \$8,262.75. In the same year they handled 10,769 tons of freight with revenue totaling \$11,025.02. Net operating deficit was \$15,950.04 for the year ending June 30, 1915. By this time a total of \$2,088,646.97 had been invested in road and equipment.

The line was never connected with the rest of the SP&S system and was eventually sold, and the line in later years was used strictly as a logging line by the Owens-Oregon Lumber Co and later by the Medford Corp., which as mentioned last month, has announced plans for abandoning the railroad and converting the right-of-way to a private logging road, due to relocation of US 99 in the Medford area.

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