

Who is Edward W. Barnes?

Determining the exact genesis of the great Bear Valley Timber Sale is an imprecise adventure at best. Its sort of like the chicken-and-egg problem: which comes first. But there is no doubt that in 1922 the U.S. Forest Service offered for sale to the highest bidder 890,000,000 board feet of timber located in the Malheur National Forest. This was the first sale to be offered from the Malheur and it was the largest sale of board feet in the Service's history. What brought this sale about? Was it the Forest Service's initiative? Was it Oregon's political force in Washington? Or, maybe, was it this man Edward W. Barnes?

While trying to determine the sale's beginning one is forced to look into the individual that played a major role in the timber industry's development in Grant and Harney counties, himself something of a mystery.

Ed Barnes (I may be the only person to refer to him so), like most of Oregon's early timbermen, was not an Oregonian by birth. Probably born in Main, his family moved to Minnesota and by the time Ed was 13 he was working in the woods as a "flunky" (his word) for the camp cook. By age 17 "I did a man's work and got a man's pay, loading logs. I was paid \$26 a month and worked 14 hours a day..."¹

Barnes never revealed the year of his birth so his age when he reached Oregon is a mystery. But by age 33 he went into some sort of business for himself, presumably something to do with timber. In 1916, something beyond age 33, he first came to Portland, then Klamath Falls and then Burns in

1919. That summer and fall was spent "sizing up timber and ascertaining ownership...." This was not his last trip to Harney County; this man was serious about something.

In 1920 he was back in the area with four crews of cruisers.² It is unclear just what land was cruised. Most certainly it was all of the privately owned timberland but Barnes' cruises may have included some of the national forest's land too. Barnes' experience should qualify him for an accurate estimate of the value of his observations. He estimated that the timber "runs 1½ to 3 million feet to the quarter section. I had all of [the] tracts in Harney county cruised, and took options on all privately owned timber that I could secure. Options for a quarter section ran \$1200 to \$2500." Boast or fact, Barnes must have had considerable financial resources at his disposal.

The *Journal* article goes on to tell of Barnes' role in the timber sale but his words are not accurate; the rest of the story goes something like this:³

HARNEY and Grant are big: frontier counties in southeastern Oregon; Vermont and Connecticut could be fitted comfortably inside their boundaries. Burns is the community center for the region and Burns used to be 28 miles west of Crane, which was at the end of a branch of the Union Pacific Railroad that extended westward 127 miles from Ontario. But now that is all changed, for the railroad has come to Burns.

1. From "Impressions and Observations of the Journal Man", a somewhat regular column written by Fred Lockley for the *Oregon Journal*. This article appeared in the September 2, 1936 issue. Written in the first person, this is the most extensive source of information on Barnes to be found.

2. "a) – A timber estimator. B) A logger in town looking for trouble. C) A lightweight logger's shoe." Verbatim from Walter McCulloch's *Woods Words* (1958; out of print, very difficult to find). Barnes was a "timber estimator" but he eventually was looking for trouble too.

3. Being a lazy cuss, I don't like rewriting what others have written and I like giving credit to my sources so I'm going to quote heavily from sources. This first quote comes from an article appearing in *The Timberman* of October 1924, "Development of New Oregon Pine Section; Completion of Railroad From Crane to Burns Marks First Step." The article was written by Jno. [sic—maybe "John"?] D. Guthrie, Public Relations, U.S. Forest Service. Seems a bit odd that a government man would contribute to a private publication under his own byline.

Grant and Harney have heretofore been livestock counties. They are an important part of that region of the state which long has known as “the meat platter of Oregon.” The country is one of great distances. One may look east and south and southeast for mile upon mile. To the north are the Blue Mountains, so named by the pioneers who, looking out from their covered wagons, saw them from afar to the east as they came into the Oregon country. These mountains were covered with good western yellow pine in 1845 and they are now.

To the south stretches the cattle and sheep country once knee-deep in nutritious grasses but now badly over-grazed [in 1924!]. In the valleys and the flats are the great green meadows where numberless waterfowl have made their home for centuries.

For many years some of the local residents used to argue that the timber was more or less of a detriment to this cow country, holding that the young pines were ruining the range; it would be better if the timber was burned off every year or so, they said. But many of the pine saplings of 1845 are now pine trees large enough for saw logs. The pine trees grew and became more of an asset to the country, for lumber the country over [meaning the nation] became scarcer and dearer. And now a railroad has come in to take the lumber cut from the mature trees out so it can be used.

From 4000 to 6000 feet above sea level is found the yellow pine forest. Below that is the sagebrush. The forest has been subject to all the harmful influences that forests must withstand. Lightning yearly took its toll, pine beetles have carried on their silent work, fires accidental or man-caused

have taken their share. But where fires have been kept out the young timber has come in and will grow into sawlogs. The young pines, if protected, will bring payrolls to any region, Theodore Roosevelt⁴ set aside most of the Blue Mountains as a forest reserve in 1907. On July 1, 1908, this area was split up into several units, and the southern unit, containing 1,048,666 acres, has since been called the Malheur National Forest.

From its beginning the Malheur forest has been a sheep and cattle country; its sales of government timber have been few and small. In 1924 it carried 23,000 cattle and horses and 80,000 head of sheep and the receipts from grazing fees last year were \$24,258.85. From now on, however, timber is going to be talked about some in the Malheur country, and the pine trees that many of the stockmen used to think were not good for much are going to come to the front. These same pine trees have brought the railroad in.

The Forest Service has been administering and protecting this country now for 16 years [longer actually; Forest Service created in 1906 and forest “reserves” established]. One of its main functions has always been to put to a conservative use the resources of the national forests, which are timber, forage, water and recreation. In 1922, as a result of informal applications⁵, the Forest Service cruised and laid out a big block of timber on the Malheur forest, known as the Bear Valley unit. One of the main conditions of a sale required by the Forest Service was the building of a standard-gauge, common-carrier railroad from Crane into the yellow pine timber of the Malheur forest [no similar requirement had ever been made and was meant to bol-

4. The correct pronunciation of this family’s name, according to Theodore himself, is “Roos-velt”, now “Rose-a-velt”. Teddy and I have become quite close friends. Do you know about his term as police commissioner in New York City? For a glimpse, read *The Alienist* (1994) and *The Angel of Darkness* (1997), both by Caleb Carr. Then watch the movie, “The Gangs of New York”. Elwood Birch, a U.S. Navy buddy, brought these books to my attention. Then if you are really a fan of Teddy, try the fascinating book about the building of the Panama Canal by David McCullough, *The Path Between the Seas* (1977). Roosevelt was not above underhandedness and a little corruption himself. Notes like this one will suffice as bibliography as none is included with this book.

5. This could have been Barnes or the groups which formed around him. No documents exist to corroborate this.

ster the area's economy]. A block containing 890 million feet was therefore advertised in the spring of 1923. This was only a part of some 6,725,000,000 feet board measure of timber considered as tributary to Burns and the proposed railroad. The area of the Bear Valley block is some 67,400 acres, lying at the headwaters of the Silvies River.

This sale, covering the largest body of pine timber ever sold by the North Pacific forest district, was probably more widely advertised throughout the country than any other sale of national forest timber had ever been. Why was this? Because here was an opportunity for a permanent lumber operation, because continuous operation was practically guaranteed by the government as far as a supply of the raw material, the standing timber, was concerned.

The total amount of national forest timber that was offered for sale in this chance was estimated to be:

	Ft. B.M.	Pct.
Western yellow pine	770,000,000	87
Douglas fir	78,000,000	9
Western larch	30,000,000	3
White fir	10,000,000	1
Lodgepole pine	2,000,000	- - -
	<u>890,000,000</u>	<u>100</u>

The average stand per acre for pine is 11,400 board feet; for all species, 13,260 board feet.

The western yellow pine in this region is sound, largely mature, and of good quality, comparing very favorably with the better class of pine timber now cut by the mills in eastern Oregon. The government logging engineers who examined and reported on the area reported that the trees will average about four and one-half 16-foot logs in merchantable length, and will run about

five logs per thousand feet log scale. They estimated that the pine will yield between 25 and 30 per cent of shop and better lumber and over 20 per cent of No. 2 common.

The timber of other species is of smaller size than yellow pine, but in quality comparable to the fir and larch being cut by mills of eastern Oregon. The small size of the trees will make possible very little high-grade lumber from these minor species. This timber is most suitable for dimension stock, ties, small timber and inch lumber for ordinary building.

Tributary to Burns there is estimated to be 6,725,000,000 board feet of timber, of which the railroads, with short branch lines north from Burns, will reach about four billion feet. Adjacent to the government timber in this first sale area there is about 210 million feet of privately owned timber, which makes a total of 1100 million feet as possibly tributary to this operation.

The Forest Service proposes to handle its timber tributary to Burns in such a way that there may be continuous production of lumber in that region. With an estimated stand of 6,725,000,000 feet, it is estimated that this working circle can be so managed that there shall be a continuous yield of approximately 68,000,000 feet each year. Such a plan should make it possible to establish a permanent sawmill plant in that vicinity, with permanent homes for mill and woods workers, with all that this means for community and home life. Such a possibility has long been the purpose of the Forest Service in its practice of forestry on a national forest.

To connect up the outside world and its markets with this immense body of raw material means the construction of much railroad. The town of Burns and the surrounding country have long awaited the coming of a railroad. Livestock could never bring it; it remained for the hitherto unappreciated timber to bring one. To carry through the development plan, the...railroad building was considered necessary by the United States Forest Service....

As good as Mr. Guthrie's rendition of the story is, it lacks some of the "human interest" that was involved. I'll take over here and hit just the high points—in some cases, individuals' actions were quite low.

By now you realize that the economy in both Grant and Harney counties was in desperate shape. These were the years leading up to the Great Depression and many families and businesses were suffering. This timber sale, and the repercussions of it, were to solve all the local problems. That isn't what happened but not for lack of good intentions.

Ed Barnes worked very hard just to get the sale to market. He used tactics that weren't exactly ethical and applied pressure anywhere he thought it would help. He even resorted, or tried to, blackmail. But either in spite of or because of Barnes' activities the sale was offered to the public on August 22, 1922. The lowest bid to be accepted was \$2.75 per thousand feet of timber (within the industry written \$2.75M). There were no bids at this amount so the sale failed.

In April of 1982, Gilda McKinney, U.S. Forest Service, compiled a report of what happened with the sale's failure. An excerpt from that report reads:

[Barnes] asked, requested and finally demanded that in view of the nearby 100 miles of common carrier railroad that would be required to be built that he and his associate be given the sale for a \$1.50 price. When this was refused after the appraisal, Barnes turned agitator and it is believed that the troubles he caused, plus the proposition of the new Governor Pierce, to place a state severance tax on national Forest timber [emphasis added] caused this first sale to fail. The next day Barnes announced Brooks-Scanlon Lumber Company would bid \$2.00.⁶

The second sale was advertised for 30 days at \$2.00M [an 75¢M reduction] and on April 4, 1923 Fred Herrick of St. Maries, Idaho — who had big timber inter-

ests in Idaho and Alabama was high bidder at \$2.80 which overbid Brooks-Scanlon's \$2.00 a thousand.

The contract stipulated Herrick begin cutting on Forest or private land by April 1 1925 and on National Forest land by October 1, 1925. By April, 1924 he had railroad grade completed from Crane to Burns and 14 miles north of Burns. At this time, Herrick was given his first extension to October 1, 1926 to start cutting. Stipulations covered construction on the railroad, excavation for the mill pond and installations for foundations of the sawmill and required \$100,000 should be spend between April 1 and July 1 for railroad construction. The Forest Service again modified the contract in September and made \$50,000 in bonds forfeitable as liquidated damages if he failed to comply. On April 1 of 1926, he paid \$50,000 forfeiture and was again allowed until December 15, 1926 for completion of the railroad and March 1, 1927, for the sawmill. Herrick is [sic] having trouble financing out of his other mills and says he doesn't want to borrow. All this time Barnes has been stirring up the people of Burns, Canyon City and John Day and in February, got the Senate to have investigation of the Forest Service. Negligence on the part of the Forest Service, fraud and collusion of ex-Forest Service employees then employed by Herrick. The Senate public lands committee found these charges to all be false. Herrick was allowed another extension but failed to be able to finance. By now Herrick has completed the mill building, power house and generator building, all adjacent to a mill pond.

[Herrick] has laid 50 miles of railroad from Burns to Seneca — except for "lifting" three miles of tracks and has completed all but the lifting of 7½ miles of main line and logging spurs beyond Seneca. Blaine Hallock of Baker, Herrick's attorney, says "Herrick has spent over a million and a half dollars, built a common carrier standard gauge railroad and practically

6. I cannot locate any proof that this is true. I think Barnes made this up. Brooks-Scanlon has stated publicly that they did not want the sale.

completed one of the finest sawmills in the entire country and has done more than anyone to open up this country.”

On December 15, 1927, Col. Greeley, Head Forester, canceled [Herrick’s] contract.

By this time Herrick was a broken man, psychologically and financially. His timber empire was broken up through bankruptcy courts. Although I’ve learned quite a lot about this man the picture remains clouded. Some family members are still living in Spokane and Seattle but attempts to contact them remain unanswered, which is probably understandable.

Now to cut to the chase: Edward Hines Lumber Co. of Chicago, after lots of pressure from several sources, not least of which was good ol’ Eddie Barnes, won the second offering. I doubt if they ever regretted it yet their coming to Oregon involved a huge financial investment.

By this time, 1928, the Union Pacific Railroad had taken control of the railroad from Crane to Burns, and operations continued until March 1984, when a portion of the line between Crane and Burns was inundated by the rising waters of Malheur Lake. When UP sold the road in 1989 to the Oregon Eastern Division of the Wyoming-Colorado Railroad, who re-built the line with the help of state and federal money and operated until it from 1990 to 1992, when a lack of traffic forced the railroad to suspend operations, and the line was abandoned. This is another story for another time and place.

In what appears to be an attempt to force Herrick to sell his Oregon assets at the lowest possible price, the Hines company announced that they would not buy Herrick’s assets but would find another site for the sawmill and the railroad from Burns to Seneca. Eventually that intention went by the wayside and the Herrick assets were bought by Hines for about \$750,000 which was a very good deal considering Herrick’s investment.⁷ Hines demolished most of Herrick’s con-

struction at the mill site but did finish the railroad to Seneca which Hines renamed the Oregon & Northwestern Railroad; Herrick had named the road Malheur Railroad. This road continued to serve until sometime in the early 1980s as a subsidiary of the Hines company.

The story of the Edward Hines Lumber Co. in Oregon is a book unto its self. Quite a lot has been written about the Oregon operation but not published. In the 1980s the Grant County Historical Society contracted with one Tom Armstrong to write the history of the company in detail. His efforts, for reasons that I’m unable to figure out, were only two-thirds completed. “Completed” in this sense, means that Mr. Armstrong had a draft document before he seems to have dropped from sight. Through my extensive detective skills I located Armstrong through his local sheriff. Since my discovery he has relocated to St. Clarisville, Ohio. We have communicated over the years and although he has assured me that he will finish his work I no longer have any expectation that he will. If it had been completed it would have been a very comprehensive story. Armstrong had full access to company officials and all company paperwork. Since the company left Oregon, much of the paperwork is gone forever.

I have been in contact with the current president of the Hines organization. He sent me some brochures depicting the company’s history and made a very interesting comment in his letter to me. Hines left Oregon, in his words—paraphrased badly probably—because of lack of timber and the environmentalists. My research indicates, at best, additional reasons. Over the years the company had failed to modernize their plant resulting in high production costs. Employees were unionized and Hines had paid them generously but eventually union demands became unreasonable. Go broke or shut down. Not much of a choice; shut down became a reality in June 1983, when most of the company’s assets in Grant and Harney counties were sold to a newly

7. The exact amount of the sale is recorded *somewhere* but I can’t find the document. My collection of Herrick-Hines material is huge.

created Idaho company calling itself Snow Mountain Pine (another book-length story left for someone else to write).

After Hines sold things weren't the same in Harney County. Wage problems and a changing market picked at Snow Mountain Pine until they, too, left the industry in Oregon. There is still some activity at the site, some even obliquely timber related, but for the most part, the site evokes sad memories of a once glorious past.

A few closing remarks about Edward W. Barnes. Somewhere along the line he seems to have worked his way into the good graces of Hines. He became something of a front-man for the company. Two examples will illustrate.

In 1929 the financial situation at the area's hospital, Valley View (in Burns), were critical and had been for some years. In June, Barnes announced he was buying the operation (no dollar value mentioned). Barnes' purchase was "considered a fortunate circumstance for the community as it gives the institution a central authority and, at the same time, an ample capital for improvement and expansion of its facilities."⁸ Company employees received medical care at a reduced cost but I have not uncovered the fee structure. Barnes sold the hospital some years later and it remains in operation today as a community asset.

Eddie was also the founding member of "Seneca Company", the company that built the town of Seneca. Hines had purchased 800 acres known as the Lincoln Ranch on which were built extensive railroad maintenance facilities and the town of Seneca. Barnes did not have personal assets of this magnitude; almost assuredly Hines was his backer. And there is a reason for such backing.

When Hines came to Oregon one of the company's early announcements was that they would never compete with local business. Hines was not going to build a company town, not at the saw-mill or in the woods. Hines hired a Louisiana construction company to build the employees' quarters and it was not a company official that named the town Hines. The original contractor's plans for the town were never fully completed and today a cement, multi-story structure is standing but uncompleted after all these years; the strangest building in Hines was probably intended as a hotel.

The employees' houses are still in use today, as are the company's guest cottages. In the center of the town is a great little park, true to the original design concept.

Barnes later bought the Welcome Hotel in Burns from the Welcome family and many years later he owned a hotel by the same name in Arlington before that town was relocated because of dam (or is that damn) construction (John Day Dam). Barnes died June 30, 1944 while motoring from Arlington to Portland.

This man's impact on the timber industry was huge yet very little is recorded about his efforts. The county in which he died, Gilliam, when I asked for information on this should-be-famous man said they had never heard of him. The Oregon Historical Society in Portland has no listing for Edward W. Barnes.

He may have been a pain in the someplace but he sure boosted Oregon's economy. Good on 'ya, Eddie!

8. *Burns News*, June 7, 1929; page 1, column 3.