

# The Mason City Road

## From Iowa Shortline to Chicago Great Western Railway Affiliate

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THE CLOSING YEARS of the nineteenth century and the early ones of the twentieth witnessed the phenomenon of widespread railroad consolidation. Seemingly countless small carriers, so-called "shortlines," surrendered their corporate identity. Designed usually for limited purposes that ranged from hauling a particular commodity to providing a transportation-starved community with access to the outside world, these pikes became building blocks in the process of system making. The history then of any large American road is the story of a plethora of once separate companies.<sup>1</sup>

A quintessential shortline of the last century was the ninety-two mile Mason City & Ford Dodge Railroad (MC&FD). Launched in the 1880s to transport coal from the extensive fields in the vicinity of Fort Dodge to connections in Mason City for Minnesota markets, the company lost its independent status in 1901 when it entered the fold of the Chicago Great Western

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1. See Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, 1977), 145-187.

Railway (CGW), the "Maple Leaf Route." The saga of the Mason City road not only reflects national trends in transportation development but casts light on the shaping of Iowa's rail network.

Even though the Mason City & Fort Dodge Railroad was not incorporated until June 10, 1881, the idea of a convenient connection between the two north Iowa county seats of the road's title had existed for a decade. In fact, Mason City businessmen organized the Mason City & Fort Dodge Railway Company on September 5, 1871, to provide "direct communication with best coal fields of Iowa and the large scope of country southwest." Predictably, hope initially ran high. "The enterprise is in the hands of reliable, go-ahead men who will leave nothing undone to insure the success of the project." While the infant firm made plans to build the thirty-three miles between Mason City and Belmond in order to connect with the proposed Iowa Pacific—a Mississippi River to Missouri River project that never turned a wheel—and concurrently sold some stock, the ravaging Panic of 1873 stymied the venture.<sup>2</sup>

Then in the midst of a nationwide railroad construction boom of the early eighties, the "Mason City Road" scheme revived. New incorporation papers were drawn, stock subscribed, and numerous tax levies voted along the projected route. As with the previous attempt, local backers controlled the enterprise. Still, the dream of a Mason City to Fort Dodge trafficway went unfulfilled, due principally to inadequate funding.<sup>3</sup>

Soon, however, outside aid came. James J. Hill, the hard-driving head of the St. Paul, Minneapolis & Manitoba Railroad, core of the future Great Northern, turned his attention to Hawkeye state railroad building. For several years he had been involved heavily in various coal properties near Fort Dodge. This interest sprang from his previous activities as the Twin Cities heating czar, when he controlled the large and prosperous

2. "Corporate History of the Mason City and Fort Dodge Railroad Company, as of the Date of Valuation, June 30, 1916," (Chicago, 1920), 2-3; *Mason City Express*, 16 November 1871; *Fort Dodge Messenger*, 23 December 1881, 4 November 1886.

3. *Mason City Express*, 22 June, 27 July 1881.



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Northwestern Fuel Company. Hill was mostly responsible for convincing area consumers to switch from wood to coal; their decision made him enormously wealthy. Now, though, he was a railroader and his stable of hungry locomotives required mammoth amounts of the black combustibles. In order to tap effectively Iowa's natural resources, improved transportation connections were vital. While it was not necessary to span the entire distance from Minneapolis or St. Paul, a direct rail link from Mason City to the diggings seemed highly desirable.<sup>4</sup>

The Mason City & Fort Dodge took shape in 1886. Survey personnel quickly staked a route and construction crews followed shortly. The project was not particularly arduous. The general terrain, while rolling prairie, could be quickly formed, and only the narrow Iowa and Boone rivers required substantial bridges. Indeed, a sizable portion of the right-of-way already existed, having been fashioned by the ill-fated Iowa Pacific in the early seventies. Acquired for the modest price of \$20,000, this "Duncombe grade" (named after Fort Dodge lawyer and Iowa Pacific sponsor, John F. Duncombe) stretched for nearly forty miles from Belmond southwesterly through Clarion and Eagle Grove to Fort Dodge. The Mason City road's principal contractor, the partnership of H. C. Henry and H. F. Balch of Minneapolis, started in Fort Dodge and worked at repairing the eighteen miles of weed-choked grade to Eagle Grove. It also began to carve out a fifteen-mile branch southeast from Fort Dodge to Lehigh, nestled beside the Des Moines River in the heart of the region's mineral belt. And, too, Henry & Balch turned to the northwestern portion of the proposed mainline. Belmond, in upper Wright County, became the base of operations. "Grading will commence on [April] the 19th from Belmond east and from Mason City west by 28th inst.," wrote Hamilton Browne, Hill's Iowa associate and adviser in both railroad and coal matters. "We have a satisfactory line. Maximum grade 0.8. and curve 4°. with amount of earth work inside my estimate." Repairs went swiftly on the abandoned Iowa Pacific southwestward toward Eagle Grove, and crews

4. Fort Dodge Messenger, 26 April 1883; Albro Martin, *James J. Hill and the Opening of the Northwest* (New York, 1976), 113, 152-153.

pushed the new right-of-way rapidly in the opposite direction toward Mason City.<sup>5</sup>

Soon the ringing sounds of hammers on steel spikes shattered the tranquility along the freshly worked roadbed. In early summer the Fort Dodge to Eagle Grove segment was completed. By July 1 limited service began, and the *Fort Dodge Messenger* could claim that the initial portion of the shortline was "first class in all respects." Such a conclusion probably held merit. "The result of using the old grade is very apparent to one in riding over the line," explained the newspaper, "for it is so settled and smooth that it rides like an old ballasted thoroughfare." Throughout the remaining summer months and into the fall, work progressed at a brisk pace. In late August, Browne reported the only minor problem of note: "It so happened six miles out of Mason City that the track crew reached a piece of unfinished grade before the Engineer expected them, the day before the Contractor was notified to finish the grade and in absence of Engineer he told the Track Laying Boss that the Engineer said 'to go ahead and lay track on the grade as it was.' I arrived there as the faulty grade was being ironed and stopped it at once and Balch (who arrived that evening) put his force on it and made it right. . . ." In mid-October the Clarion to Mason City section was done and only a seven mile gap awaited rail. Then on Sunday morning, October 24 at 10:30 "out between Eagle Grove and Clarion" the Mason City road became an "accomplished fact."<sup>6</sup>

The first through passenger train made its way between Fort Dodge and Mason City eight days later. "I put on a regular train (Engine & Combination [coach]) from here [Fort Dodge] to Lehigh and return here," reported Browne to Hill. "I took a few of the prominent men of each place on the line with me as witnesses of the completion of the line." It had cost \$955,724 (or

5. *Fort Dodge Messenger*, 4 February, 25 March, 8 April 1886; *Belmond Herald*, May 1886; Hamilton Browne to James J. Hill, 16 April 1886, James J. Hill Papers, James Jerome Hill Reference Library, St. Paul, Minnesota (hereafter cited as JJHP); *Railroad Gazette*, 21 May 1886.

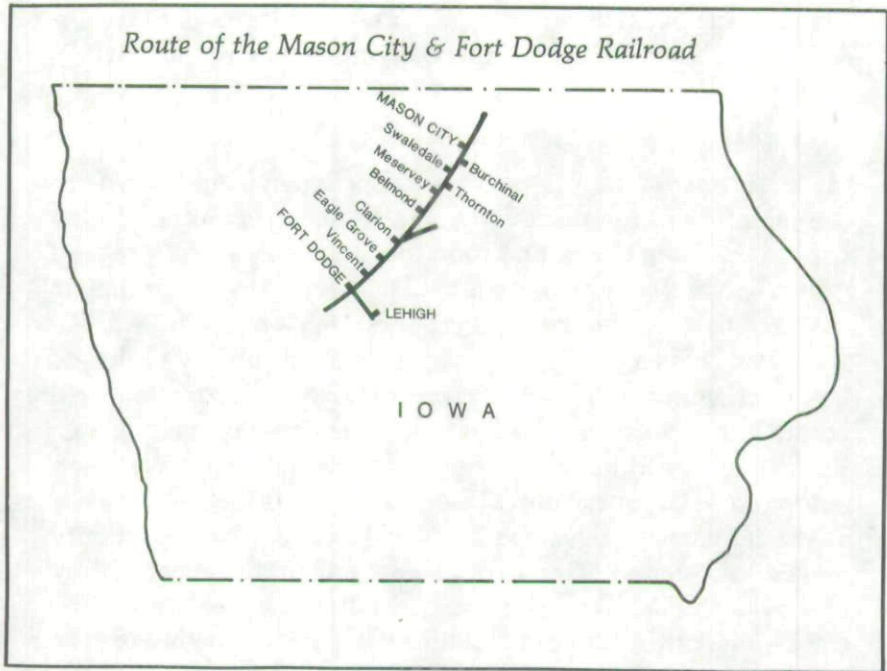
6. *Fort Dodge Messenger*, 24 June, 1 July, 9 September, 10 October, 28 October 1886; *Railroad Gazette*, 12 November 1886, 11 February 1887; Browne to Hill, 27 August 1886, JJHP.



a reasonable \$10,388 per mile) to make the Mason City road a reality and no one doubted the wisdom of this investment.<sup>7</sup>

THE FLEDGLING IOWA CARRIER immediately got down to business. Train crews started to shuttle coal cars on their round trips to the Twin Cities, and soon they handled agricultural and general merchandise cargoes. The company's promoters realized that while their enterprises's *raison d'être* was to transport coal to northern points, it would be utterly foolish to ignore other types of traffic. Farm products, in particular, held considerable potential. As the line's general manager, C. C. Burdick observed in 1890, "the road runs through a very fine Agricultural Country from Mason City to Fort Dodge, which is as yet but partially developed. . . ." Moreover, the opportunity existed to foster a business of mixed merchandise generated by on-line merchants. So the road installed the necessary side-tracks and other support facilities for patrons in the already thriving places that it served: Mason City, Belmont, Clarion, Eagle Grove, and Fort Dodge. And it spawned several new settlements along the seventy-two mile main stem. Even before service began, Browne informed Hill that "I have incorporated a Town Lot Company, and propose acquiring by purchase and donation desirable [*sic*] tracts of land at each station, and lay them out in Town Lots." He added, "at each of the new stations, viz: Mt. Vernon, Pleasant Valley, Grimes, Elm Lake, [and] Newark . . ., we will own the entire Town site, and donate Depot grounds to Railroad Company." Hill approved and shortly these communities took shape. Yet in all cases their names changed; rather, Burchinal, Swaledale, Thornton, Meservey, and Vincent sprang up along trackside. While Burchinal failed to evolve much beyond a sleepy farming hamlet, the other stations grew into bustling villages, good sources of passenger and freight revenue. This largely occurred not because they attracted "livewires," but because the

7. Browne to Hill, 2 November 1886, JJHP; Elliot Nichols to Hill, 17 December 1886, JJHP.



"region . . . was practically unsettled before the road was built."<sup>8</sup>

As so frequently occurred during the heyday of railroad expansion, companies often projected extensions that never got much beyond the "good-idea" stage. The Mason City & Fort Dodge was no exception. By early 1887 Browne was writing Hill about the possibilities of better connections toward the southwest. The road might run either the 130 miles from Lehigh to Council Bluffs through the communities of Glidden, Templeton, and Harlan or the approximately fifteen miles from Lehigh to Gowrie, an important transfer with the Chicago & North Western. The reasons were several. Such construction would enhance the access of Hill's coal to the market areas of southwest Iowa and Nebraska. Naturally the longer extension meant that some rich farm country and places desirous of improved transportation could be tapped and opportunities would

8. C. C. Burdick to William A. Stephens, 25 September 1890, JJHP; Browne to Hill, 27 May 1886, JJHP; Fort Dodge *Messenger*, 4 April 1889.



likely materialize for additional townsite development. Thus with greater mileage the road could expect to receive a higher division of rates on its interchange traffic. It would also make the property considerably more attractive to potential buyers in the event that a sale was deemed desirable.<sup>9</sup>

Word of the possibility of a rail line southwest toward the Missouri River country triggered rumors and widespread public approbation. In fact, even before the Mason City & Fort Dodge finished its main stem, residents of Dayton, eight miles southwest of Lehigh, expressed a burning desire to have the road advanced to their thriving village that had only recently welcomed the arrival of a Minneapolis & St. Louis branch from Fort Dodge. Shortly thereafter agitation developed in Calhoun County, immediately west of Fort Dodge, and in Carroll, Audubon, and Shelby counties to the south and southwest for the carrier. Hill and his associates listened carefully, for citizen approval likely meant a general willingness among taxpayers along any projected route to dig deeply into their pocketbooks to help underwrite building costs.<sup>10</sup>

While owners of the Mason City road contemplated its future course, James J. Hill received a purchase offer from a group of promoters, led by H. W. Lamberton, M. G. Norton, and Thomas Simpson of Winona, Minnesota. These men were then in the process of developing the Winona & Southwestern Railway (W&SW) from their hometown on the Mississippi River towards the southwest. Omaha seemed the ultimate destination. The Hill shortline would be a logical, indeed almost mandatory acquisition, for by this time the Winona road was headed directly to Mason City. Serious negotiations between the principals began in 1890 but they shortly broke off when the Winona group rejected what Hill felt to be a fair proposal.<sup>11</sup>

Failure to sell the Mason City road to the Winona & Southwestern would soon cause some concern for the Hill people. By

9. Browne to Hill, 24 March 1887, JJHP.

10. Fort Dodge *Messenger*, 25 February, 5 August 1886; 10 March, 17 March 1887; J. S. Dewell to Stephens, 27 February 1891, JJHP.

11. Fort Dodge *Chronicle*, 21 January 1890; John S. Kennedy to H. W. Lamberton and M. G. Norton, 7 May 1890, JJHP; J. Kennedy Tod to Hill, 26 June 1894, JJHP.

1892 the determined Winona folks seemed to have worked out an ingenious scheme whereby they could "cut out" the MC&FD by roughly paralleling it to the east. Specifically, the Winona & Southwestern would build from its end-of-tracks, Osage, Iowa, (the road failed to reach Mason City), 114 miles from Winona, southwestward for about eighty miles through Rudd, Rockford, Dougherty, Sheffield, Latimer, and Dows to Webster City. The company would then absorb a seventeen-mile coal carrier, the Webster City & South-Western Railroad, that linked the Hamilton County seat with Lehigh. From that point the W&SW would push diagonally toward Council Bluffs and entry into the "Omaha Gateway." If such an artery became reality, the over-all value of the Mason City road would diminish significantly. While it could continue to be a hauler of coal and mixed freight, the prospects of ever finding a suitable buyer for the road would be bleak indeed. After all, the MC&FD held the potential for being a springboard to Omaha. If built, the short-line would fit especially well into the operations of the Chicago Great Western, Illinois Central, or Chicago, Milwaukee & St. Paul.<sup>12</sup>

Not surprisingly, James J. Hill responded to the challenges posed by the rival Winona & Southwestern. He showed no love toward either the Illinois Central or the St. Paul; in fact, he regularly sparred with the latter road and suspected that it might somehow be involved in the Winona project. Hill, on the other hand, liked greatly A. B. Stickney, the founder-head of the spunky Great Western, a carrier that already tied the Twin Cities with Chicago and Kansas City. Industry insiders knew that Stickney had his eyes set on both Omaha and Sioux City. Hill's course of action would be as follows: The Mason City & Fort Dodge would be extended at once to Omaha and then the combined lines would be either leased or sold to Stickney. Thus the Mason City road would be placed permanently in friendly hands. The Great Western liked the prospects, for it meant access to Omaha and a point of departure (probably Fort Dodge) for Sioux City. And the road could easily link up with the Hill property. It would have to build only nine miles from

12. Burdick to Stephens, 17 April 1893, JJHP; Stephens to Hill, 19 April 1893, JJHP.





*A Mason City & Fort Dodge passenger train steams into Belmond near the turn of the century.*

Manly Junction to Mason City, and it could also connect with a twenty-seven mile addition from Hampton to Clarion.<sup>13</sup>

These Hill-Stickney plans never progressed beyond a tentative stage. For in mid-1893 a nationwide panic struck and triggered a deep economic slide that bore every mark of permanence. Workers by the hundreds of thousands suddenly joined the ranks of the unemployed, and businesses by the thousands went to the wall. Although neither the Great Western nor the Great Northern entered receivership, "system building" was largely out of the question for the five troubled years that followed.

The national economy finally moved upwards and the new century brought a stable and enormously improved business climate. A. B. Stickney and James J. Hill resumed negotiations in 1901. If anything, the passage of eight years made the "Empire Builder" even more anxious to dispose of the Mason City road. The company barely paid its costs, and the

13. Tod to Hill, 9 December, 19 December 1892, JJHP.

likelihood of future financial benefits seemed remote. Only if it were part of a larger unit would there be any potential for profits. By now, too, Hill had gained access to better and cheaper supplies of locomotive fuel. The mines were not in Iowa but in Illinois. The MC&FD was a possession whose time for sale unmistakably had come. Late that spring Hill and Stickney struck an agreement that included the railroad and the principal coal works, the Webster County Coal and Land Company. The price for the former was a reasonable \$1,380,000 and \$120,000 for the latter. Payment would be made in both cash and investment-grade bonds.<sup>14</sup>

The Great Western's acquisition of the Mason City road did not eliminate the latter as a corporate entity, a fate not uncommon for once independent shortlines. Rather, the new owners decided to retain the business shell and use its bonding and stock-issuing powers to build into both Sioux City and Omaha. While the Maple Leaf Route abandoned the former project because of cost, it made the latter one an actuality. On July 14, 1903, a high-stepping American standard locomotive pulled Stickney's private car in a special run from Fort Dodge to Council Bluffs. The long-time dream of the MC&FD touching the Missouri River at last had occurred.<sup>15</sup>

THE MASON CITY & FORT DODGE remained a Chicago Great Western "captive corporation" for four decades. But the property changed markedly. For one thing, it grew dramatically. In addition to the "Omaha Extension," the parent company constructed a connection between Manly Junction and Mason City in 1901 and another between Hampton and Clarion a year later. Then in 1905 the CGW conveyed to the MC&FD its lines from Hayfield, Minnesota to Manly Junction and Oelwein to Hampton. This juggling was designed more for uniformity of operations rather than for any benefits to bond or

14. "Memorandum in re Sale of Iowa Properties (M.C. & Ft. D. R.R. Co. and W. C.C. & L. Co.) to Mason City and Fort Dodge R. R. Syndicate (A. B. Stickney, President,)" JJHP; W. C. Toomey to Browne, 14 June 1901, JJHP; Browne to Toomey, 19 June 1901, JJHP.

15. *Herald* (Carroll), 22 July 1903; *Oelwein Register*, 29 July 1903.



stockholders. Instead of being a ninety-two mile pike, the Mason City's trackage soared to nearly 350 miles. In time, however, some contraction took place. As the coal mines petered out, the Webster County branches disappeared. Crews removed the Coalville spur in 1914 and most of the Lehigh line in 1932.<sup>16</sup>

Advent of the Maple Leaf Route revolutionized the Mason City road, not only on paper but in its physical dimensions. The Stickney people upgraded the roadbed and spent heavily on new depots for several communities, including an imposing Romanesque-styled one in Fort Dodge. And the quality of passenger service increased dramatically. In 1896, for example, the MC&FD, the then Hill affiliate, operated only a single roundtrip daily-except-Sunday passenger train between the two terminals. The company also offered a "mixed" movement as well, merely a passenger coach attached to the local freight. All of the equipment was primitive, discarded rolling stock from the Great Northern. The coaches were often poorly heated and ventilated and potentially dangerous oil lamps gave the dim illumination. A through trip was a leisurely three hours or a speed of twenty-four miles per hour. But in 1908, for instance, the Great Western operated four daily through trains between Minneapolis and Omaha, including two "limiteds," *The Omaha Limited* and *The Twin City Limited*. Both boasted the finest appointments: "Electric lighted throughout. Free Reclining Chair Cars, Pullman Drawing Room, Sleeping Car and Buffet Library Car." The elapsed running time between Mason City and Fort Dodge was two hours and fifteen minutes for an average speed of thirty-two miles per hour.<sup>17</sup>

Once the Mason City & Fort Dodge found its way fully into the Maple Leaf sphere virtually no one considered it a separate entity. Passenger and freight equipment sported Chicago Great Western markings as did timetables and other

16. "Corporate History of the MC&FD," 3; *Twenty-Third Annual Report of Chicago Great Western Railroad Company Year Ended December 31, 1932*, 6.

17. *Twelfth Annual Report of the Chicago Great Western Railway Company for the Fiscal Year Ending June 30, 1904*, 13-15; Mason City & Fort Dodge Time Table No. 30, 10 May 1896; Chicago Great Western public timetable, 1 July 1908.

printed matter. While the CGW annual reports for years contained a MC&FD section, even the owners and managers viewed the satellite as virtually indistinguishable from the rest of the system. Yet, the Mason City road's presence played an important role in the Great Western's history during the 1930s.

Early in 1929 a group of not-so-honest investors, led by a flamboyant railroad carbuilder, Patrick H. Joyce, engineered a successful takeover of the Chicago Great Western. The incumbent leadership, headed by Samuel M. Felton, had controlled the property since shortly after A. B. Stickney's resignation in 1908 during the road's first bankruptcy. The device Joyce and his colleagues employed to capture the Great Western was the era's ever-popular holding company. Their syndicate, the Bremo Corporation, soon exploited the existence of the Mason City & Fort Dodge in two situations.<sup>18</sup>

The stock market crash of October 1929 sent the value of Great Western shares tumbling and threatened the very being of Joyce's financial empire. If trading in CGW certificates could be stimulated by a series of substantial purchases, quotations should rise. An imaginative plan was devised to do just that. Even though the Great Western had an Illinois charter that prohibited acquisition of its own stock, officials simply turned to the Mason City road for a solution. The affiliate was chartered in Iowa where no such ban existed. The MC&FD was directed then to acquire \$250,000 of Great Western stock in late 1930 with the money coming directly from the CGW treasury. If the price of the stock should soar, management apparently planned to buy for themselves the 10,000 shares for what the MC&FD paid. That did not occur. The worsening depression caused these securities to shrink even more and ultimately the quarter-million dollar investment virtually evaporated.<sup>19</sup>

The Joyce regime's Bremo Corporation used the Mason City & Fort Dodge in still another unsavory venture. This time the holding company commanded the Chicago Great Western

18. Interview with D. Keith Lawson, Rogers, Arkansas, 18 October 1890; Oelwein *Daily Register*, 2 November 1931.

19. [Senate] *Investigation of Railroads, Holding Companies, and Affiliated Companies . . . Chicago Great Western Purchases of Its Own Stock* (Washington, D.C., 1940), 1-10.





*A leading symbol of Chicago Great Western ownership of the Mason City & Fort Dodge is the substantial passenger station it erected in Fort Dodge in 1905.*

to acquire a twenty percent interest in the Kansas City Southern. In order to avoid an Illinois law that forbade any locally chartered railroad from acquiring stock in a connecting carrier of another state unless it purchased at least two-thirds of its securities (the CGW was an Illinois company, the Kansas City Southern a Missouri one, and they interchanged at Kansas City), the Mason City & Fort Dodge entered into the deal as the purchaser. As a later Senate investigation of the Great Western revealed, "The whole intercompany transaction was a subterfuge, the subsidiary [MC&FD] acting merely as a nominee for the Great Western." Added the report: "The Mason City performs practically no ordinary corporate function. Not only are all of its stocks and most of its bonds owned by the Great Western, but its entire property is operated by the parent road under a hundred-year lease. As rent, the parent company pays interest, when earned, on the Mason City bonds." It concluded with this observation: "Since most of these bonds are owned by the Great Western, and since the latter also

retains the surplus earnings, the subsidiary is a virtual dummy."<sup>20</sup>

The Kansas City Southern deal fell through, and never again did the Mason City & Fort Dodge serve any significant role, whether upright or not. Entering bankruptcy for a second time in 1935, a reorganized Chicago Great Western left court protection in 1940 boasting a streamlined structure without the Mason City road.<sup>21</sup>

The tale of the Mason City & Fort Dodge covers much territory. At first it reveals the *raison d'être* of a commonplace shortline of the last century, one of limited scope and function. Then as economic conditions changed so ended the road's life as an independent carrier. Great systems emerged and the lesser pikes like the MC&FD regularly disappeared, at least in terms of their workaday operations. Resembling some other absorbed properties, the framework of the Mason City road remained intact; it became a captive corporation in the classic mold. Although its existence would span another forty years, the company's level of activity remained at an extremely low level with only a brief interruption. The parent management brought about that surprising resurrection in the early 1930s, superbly demonstrating the value of a moribund "paper" company to a group of aggressive financiers.

The original core of the Mason City & Fort Dodge is today an obscure weed-covered appendage of the Chicago & North Western Transportation Company, which purchased the Great Western in 1968. In no way does this trackage attest to its complex past. The MC&FD has been forgotten, except by a few railroad workers who may vaguely recall the line's evolution from Iowa shortline to Chicago Great Western affiliate.

20. *Additional Report of the Committee of Interstate Commerce United States Senate . . . Chicago Great Western R.R. Co., Kansas City Southern Stock Transaction* (Washington, D.C., 1940), 30-33.

21. *Ibid.*, 36-37; *First Annual Report of the Chicago Great Western Railway Company Year Ended December 31, 1941*, 8.



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