

# "The Diagonal"

## The Story of an Iowa Shortline Railroad of the 1880s

H. ROGER GRANT

THE RAILROAD MAP of Iowa changed dramatically in the 1880s. As the decade opened, the state's mileage stood at 5,400 but within ten years it soared to 8,355; Iowa was well on its way to having one of the nation's most extensive rail networks. This building phenomenon knew few geographical bounds. The eighties witnessed the heyday of railroad construction throughout the United States. In fact, more new miles of lines opened than at any other time.<sup>1</sup>

Several factors contributed to the great railroad building boom. Except for the recession of 1884, the economy showed considerable strength throughout the decade. Investor confidence, which had collapsed following the disastrous Panic of 1873, rebounded; there seemed an irresistible demand for bonds and shares. And foreign capital, especially from Great Britain and Holland, came pouring into the American railroad enterprise. Not only could security holders expect to earn good returns on their investments but railroad expansion meant a more prosperous society. Steamcars rather than steamboats had emerged as the only effective means of intercity transportation, and thus allowed increased agricultural, industrial, and commercial activities. Citizens rightfully clamored for railroads, knowing that they would deliver an enormous injection of economic strength. While the railroad signalled progress, its popularity had another explanation. Since the days of Granger agitation during the 1870s, residents of the Upper Midwest, in particular, had desired more competition among carriers. With

1. *Statistical Abstract of the United States, 1916* (Washington, D.C., 1917), 292-93.

an arrogance characteristic of the Gilded Age, the entrenched companies at times abused consumers. Anti-industry feelings, therefore, developed over a variety of perceived evils. While service-related problems annoyed and even angered patrons, other grievances troubled them much more deeply. "Watered" stock, tax-dodging, and rampant bribery worried many. But the foremost concern centered on discriminatory freight charges. The conventional wisdom of the day held that carriers existed to plunder rather than to serve. Even the most casual observer realized that rates for the short haul were usually greater than for the long haul. While government regulation, even national ownership, might solve the problems associated with post-Civil War railroad enterprise, the public firmly embraced the long-standing notion that more lines would surely do much to remedy their transportation difficulties. And sometimes they were right.<sup>2</sup>

As the 1880s began, Des Moines, the Iowa capital, seemed destined to emerge as one of the leading cities of the heartlands. Its population had mushroomed since it won the grandest of all political plums in 1857, designation as the seat of state government. The capitol itself, taking shape since 1873, tangibly symbolized the bright future of this Polk County metropolis of 22,408. The massive Romanesque structure with its magnificent central dome soon dominated the skyline and became an object of general pride and wonderment.<sup>3</sup>

Des Moines attracted more than visitors. It naturally captured the attention of railroad builders. Although the capital enjoyed its location on the Chicago-Omaha line of the Chicago, Rock Island & Pacific (CRI&P) and claimed several other carriers as well, the community lacked direct access to either the northeastern or the southwestern section of the state. Recognizing the potential profit in such construction, a group of central Iowa

2. See Solon Justus Buck, *The Granger Movement: A Study of Agricultural Organization and Its Political, Economic and Social Manifestations, 1870-1880* (Cambridge, 1913) and Hallie Farmer, "The Railroads and Frontier Populism," *Mississippi Valley Historical Review* 13 (December 1926), 387-97.

3. *Statistics of the Population of the United States at the Tenth Census* (Washington, D.C., 1883), 169; *Iowa Official Register* (Des Moines, 1960), 7-9. Des Moines would continue to grow rapidly. In 1890 its population stood at 50,093, a 44.7% increase over the previous decade. See *Report on the Population of the United States at the Eleventh Census* (Washington, D.C., 1895), 138.

businessmen organized the Des Moines, Marshalltown & Northeastern Railroad in 1880 to link Des Moines with the thriving county seat towns of Marshalltown and Waterloo, and to terminate at a connection with the Chicago, Milwaukee & St. Paul, probably the Mississippi River village of McGregor in Clayton County.<sup>4</sup>

The driving force behind the Des Moines, Marshalltown & Northeastern scheme was Marshalltown resident Dr. George Glick (1827–1906). In many ways he was the quintessential small-time railroad promoter of the late nineteenth century: he lacked prior ties with railroad projects but had a wide range of business activities. After selecting the Marshall County seat as his permanent home, this German immigrant worked first as a dry-goods merchant and grocer, later as a druggist, and then as a banker. (Even though he lacked a medical degree, Dr. Glick always used the title of doctor, a common practice for pharmacists during the nineteenth century.) In addition to his position as head of the First National Bank of Marshalltown, Dr. Glick had other interests. For one, he served as an organizer and longtime board member of the Des Moines-based insurance firm, the Bankers Life Association.<sup>5</sup>

Dr. Glick's railroad plans seemed sensible. Times were good and a line from Des Moines to the northeast had promise. Yet even though the Des Moines, Marshalltown & Northeastern conducted a route survey and discussed raising local subsidies, it quickly folded. An alternative plan probably offered a greater chance for success; the Wisconsin, Iowa & Nebraska Railroad (WI&N) became the new hope. Not surprisingly, Dr. Glick and his associates joined this venture.

OFFICIALLY INCORPORATED on December 1, 1881, the Wisconsin, Iowa & Nebraska would replicate the Des Moines, Marshalltown & Northeastern. The company sought to build diagonally across the Hawkeye state from McGregor (or possibly Dubuque) through Waterloo and Marshalltown to Des Moines. Then it would continue its diagonal path to Nebraska City, Ne-

4. *Dubuque Daily Times*, 14 November 1880; *Iowa State Register* (Des Moines), 29 April 1883; *Railroad Gazette*, 19 September 1884.

5. See Joseph Frazier Wall, *Policies and People: The First Hundred Years of The Bankers Life* (Englewood Cliffs, N.J., 1979), 16, 23.

## The Diagonal

braska, where a connection would be made with the Burlington Route (Burlington & Missouri River Railroad in Nebraska), a system that was about to reach Denver, Colorado. The WI&N expected to generate business from several sources: the bustling and often inadequately served communities along its intended line; bridge traffic, especially Wisconsin lumber; and, probably as important, coal from the extensive fields of Marshall, Jasper, and Polk counties.<sup>6</sup>

Dreams started to be fulfilled in autumn 1882. "By the first of October the fifty miles of grading between [Marshalltown] and Waterloo will be finished," happily announced the *Marshalltown Times-Republican*. "The surveys are complete south [to Des Moines] and a number of subsidies voted, and the grading contract will be let immediately." Added the paper: "From Waterloo to Brush Creek, in Fayette County, a distance of only thirty miles, remains to be settled, and agents . . . are now working there."<sup>7</sup>

The WI&N—popularly called the Diagonal because of its catercornered route—was succeeding while the Des Moines, Marshalltown & Northeastern did not because the latter attracted solely local investors, such as Dr. Glick, who possessed limited expertise and had access to only small pools of capital. The Diagonal gained support from experienced outside capitalists, most notably Robert T. Wilson, head of the New York investment house of R. T. Wilson & Company. This financier won British investor approval, a task made easier since the Iowa operations could generate substantial revenues *immediately*. The railroad was not being built in a frontier region, but in a highly developed one.<sup>8</sup>

The Wilson syndicate created a construction arm, the Iowa Improvement Company (IICo), to complete and operate the materializing railroad. Throughout 1883 crews shaped additional miles of grade. Initial track-laying commenced at Marshalltown and extended northeastward. By early March the company's "substan-

6. *Poor's Manual of Railroads* (New York, 1885), 745; *Railroad Gazette*, 26 October 1883.

7. *Dubuque Daily Times*, 22 September 1882.

8. *Iowa State Register*, 27 May, 10 July 1883; *Dubuque Daily Times*, 11 April 1882; *Railway World*, 22 April 1882; William Batten and F. A. Moscrip, *Past and Present of Marshall County, Iowa* (Indianapolis, 1912), 206.

tial" sixty-pound per yard steel rails spanned the sixteen miles from Marshalltown to the Tama County town of Gladbrook and a vital connection with the Tama & Northwestern Railway, a Chicago & North Western affiliate. On April 23, residents of Hudson in Black Hawk County, thirty-eight miles from Marshalltown, welcomed the arrival of the IICo's work train. Regular freight and passenger service began to this point in August. By October 1883 the Diagonal operated nearly fifty miles of line and remained only five miles from Waterloo. Laborers had finished another dozen miles southeast from Marshalltown toward Des Moines, and the remaining forty-five miles awaited steel. Then gangs pushed both ways from the capital and the earlier railhead, closing the gap on November 28, 1883. Shortly thereafter the Diagonal dispatched a daily passenger train over the ninety-four miles between Des Moines and Hudson along with freight runs. Although the road was completed four miles further to the northeast, to a point called Wilson's (honoring Robert T. Wilson), that section lacked service. There the IICo stopped, due to winter weather and wrangling with Waterloo property owners about how the company might enter their community.<sup>9</sup>

Final construction occurred in 1884. Workers first extended the line eight miles north from Wilson's to Cedar Falls where it interchanged with both the Illinois Central and the Burlington, Cedar Falls & Northern (later part of the CRI&P). This segment formally opened on June 22. After considerable negotiation, the company completed the four strategic miles from Wilson's (soon known as Wilson Junction) into Waterloo by late summer. In addition to the Des Moines to Waterloo stem and the Cedar Falls branch, the road ran about three miles of spur track from the main-line at Valeria in Jasper County into adjoining coalfields along the Skunk River.<sup>10</sup>

Even though the Wisconsin, Iowa & Nebraska never completed further mileage, it conducted extensive projections. There was, of course, that Waterloo to McGregor survey. And the *Iowa*

9. *Dubuque Daily Times*, 18 January 1883; *Railroad Gazette*, 2 February, 7, 23 December 1883; *Iowa State Register*, 10 March, 8, 13, 29 November 1883; *Waterloo Courier*, 23 April 1883; C. E. Rambo, "Early Days on the C.G.W.," *The Maize* 5 (April 1916), 8.

10. *Railroad Gazette*, 2 May, 27 June 1884; *Poor's Manual of Railroads* (New York, 1884), 783.

WISCONSIN, IOWA & NEBRASKA RAILWAY and DES MOINES, OSCEOLA & SOUTHERN RAILROAD

(Miles Completed 299.)

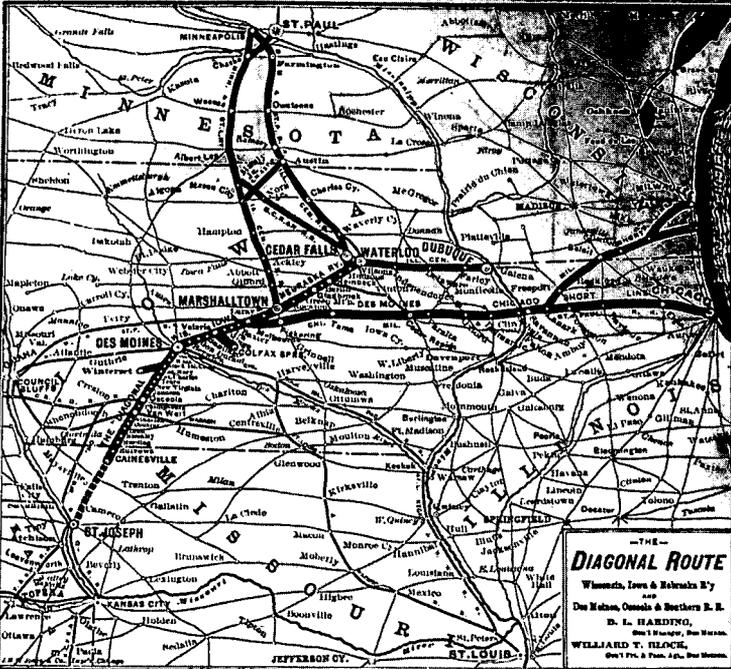
The New "SHORT LINE" from NORTHEAST to SOUTHWEST

# "THE DIAGONAL"

THE SCENIC LINE, passing through the beautiful and fertile Black Hawk Valley, the veritable Park of the Northwest, northeast, and over the Pastoral Pigeon, down through the Osceola Valley, from Des Moines to Chicago.

POSITIVELY THE SHORTEST LINE BETWEEN

DES MOINES and CHICAGO and POINTS EAST, ST. PAUL, MINNEAPOLIS and POINTS WEST, FREEPORT, DUBUQUE, CEDAR RAPIDS, WATERLOO, CEDAR FALLS, MARSHALLTOWN.



—THE—  
**DIAGONAL ROUTE**  
 Wisconsin, Iowa & Nebraska Ry  
 and  
 Des Moines, Osceola & Southern R. R.  
 E. L. HARDING,  
 Gen'l Manager, Des Moines.  
 WILLIARD T. FLOCH,  
 Gen'l Pkg. & Pass. Agt., Des Moines.

The ONLY PULLMAN PALACE CAR ROUTE between DES MOINES and ST. PAUL. The ONLY ALL-DAY RUN between DES MOINES and CEDAR RAPIDS.

This is the "OSCEOLA LINE,"

Positively the SHORTEST and ONLY DAYLIGHT RUN between DES MOINES and

ST. JOSEPH, ATCHISON, TOPEKA, LEAVENWORTH, KANSAS CITY, and all points Southwest.

Close connections made at Van Wert for all points on the Huntington & Richmond Railroad.

*State Register* of Des Moines, as early as April 1883, reported that a route had been located west from Des Moines to Council Bluffs, closely paralleling the Rock Island. "While a reasonably good line . . ., much of the country to be traversed is pretty rough." And surveying continued. That spring scouting parties fixed a line to the road's originally announced objective, Nebraska City, passing through Winterset, Greenfield, Red Oak, and Sidney—in all probability an equally rough line but one with less direct rail competition. Perhaps more work would follow. The *Red Oak Express* noted that a Salina, Kansas, promoter planned to seek a connection from Nebraska City through southwestern Kansas to Old Mexico. His road, presumably affiliated with the WI&N, would undoubtedly win immense shipper support since it would be "independent of the railroad pools."<sup>11</sup>

While the Nebraska-Kansas-Mexico road bordered on the lunatic fringe of proposals, the Des Moines to Missouri River plan made more sense. Communities on the Nebraska City survey eagerly courted the Diagonal; some voted the customary 5 percent tax assistance or offered various inducements (cash bonuses, land for rights-of-way, urban real estate). This proposed 135-mile segment was viable: the area lacked direct access to Des Moines and the other points along the WI&N; furthermore, most southwest Iowa communities faced a transportation monopoly and many languished on isolated branchlines. Similar reasons, too, made the McGregor to Brush Creek to Waterloo route seem feasible.<sup>12</sup>

Yet the Wilson group failed to complete its intended path from McGregor to Nebraska City. The reason is open to speculation. The national business slump of 1884, which disrupted numerous construction plans, in all likelihood caused the backers to postpone notions of new projects. Moreover, the Diagonal's expansionist impulse had a different and less costly option. Both

11. *Iowa State Register*, 12 April, 18, 26, 27 May 1883. Promoters of the WI&N apparently had their eyes set on another objective. "We learn from sources in New York," reported the *Iowa State Register* of March 24, 1883, "that this company is now seeking a line from the Mississippi east to Janesville, Wisconsin or some other point in that region, with lines beyond that both to Chicago and Milwaukee, and that the money has been raised and is now ready for call to build the road from Chicago and Milwaukee to and through Iowa to Nebraska City."

12. *Ibid.*, 24 March 1883.

### *The Diagonal*

the Iowa and trade press published rumors that the IICo would devour a woebegone narrow-gauge pike, the 111-mile Des Moines, Osceola & Southern (DMO&S), which connected the Iowa capital with the north Missouri coal camp of Cainsville. If acquired, the DMO&S would be widened, rehabilitated, and extended to St. Joseph or Kansas City, Missouri. Apparently Wilson and his associates bought a substantial interest in the property. Soon the WI&N fashioned a close, working relationship with the narrow-gauge road: the Diagonal and the "Osceola Line" (its popular nickname) shared the same general manager and publicized their operations jointly. The difference in track width, of course, prevented the interchange of rolling stock.<sup>13</sup>

BEFORE THE DIAGONAL could conveniently return to its extension plans, brighter possibilities arose. Indeed, once the WI&N became a functioning carrier, stories circulated about its impending sale. The 1880s not only saw extensive railroad construction, they were also years of "system" building. Nationally, hundreds of shortlines, such as the WI&N and DMO&S, entered the orbits of growing regional carriers. Leading men of finance were determined to replace competitive inefficiencies with large rational units. The Chicago & North Western, the Milwaukee, and the Illinois Central seemed the most interested in the Diagonal (see map). Each knew that the WI&N would flesh out its own growing Iowa networks at the expense of rivals, and each certainly read the shortline's balance sheet with interest. In the report for the fiscal year ending June 30, 1885, the WI&N generated \$214,695, with a net income after operating expenses and taxes of \$35,896. Even during this difficult economic time the firm's eleven locomotives moved considerable volumes of coal, lumber, wheat, and general merchandise, and hauled a sizable number of passengers. More important, the traffic potential, especially for freight between Des Moines and Waterloo, looked strong.<sup>14</sup>

13. *Railroad Gazette*, 11 April, 11 July 1884; Memorandum, 17 May 1884, Chicago, Burlington & Quincy Railroad Papers, Newberry Library, Chicago, Illinois (hereafter cited as Memorandum).

14. *Iowa State Register*, 23 September, 21 November 1883; *Report of the Iowa Improvement Company Operating the WI&N Railway Company to the Board of Railroad Commissioners of Iowa, for the Year Ending June 30, 1885*, 8, 12.

What specific offers, if any, the owners of the Diagonal received are unknown. Certainly the Chicago & North Western, the Milwaukee, the Illinois Central, or the Rock Island should have gobbled up this well-positioned and profitable property. If one of these powerful "Granger" roads had done so, the character of Iowa railroading would have been significantly altered.

Instead, the Wisconsin, Iowa & Nebraska came under the control of an amazingly resourceful Minnesota entrepreneur, A. B. Stickney. The founder-builder of the future 1,500-mile Chicago Great Western Railway had just pushed his Minnesota & Northwestern (M&NW) from St. Paul to Chicago and had added a valuable twenty-mile branch from Lyle, Minnesota to Manly Junction, Iowa, near Mason City. He went on to absorb the ailing and poorly built Dubuque & Dakota, an independent road that operated the sixty-three miles between Hampton and a Sumner, Iowa connection with the Minnesota & Northwestern. Stickney was determined to enter other midwestern railroad centers, and Kansas City ranked high on that list. The Diagonal would provide a vital link in any effort to reach that railroad mecca.<sup>15</sup>

Even though his own railroad was still in the gestation stage, A. B. Stickney inspected the Diagonal during the summer of 1885. The Minnesota & Northwestern head surely must have liked what he saw, and Wilson and his colleagues similarly must have found Stickney's plans attractive, for as the *Railroad Gazette* revealed, "negotiations are in progress for a sale or lease of this road to the M&NW." Shortly after the Stickney visit, the Iowa shortline prepared for a sale, which occurred in spring 1886. While the terms of this agreement are unknown, the price probably averaged about \$20,000 per mile. And that same year saw the Diagonal being connected physically with the M&NW at Oelwein, a distance of twenty-six miles from Waterloo. By 1888 the Stickney road, now appropriately called the Chicago, St. Paul & Kansas City (after 1892 the Chicago Great Western), had used the Diagonal to reach St. Joseph and three years later, Kansas City. The Osceola Line, though, fell into the hands of the

15. See H. Roger Grant, "A. B. Stickney and James J. Hill: The Railroad Relationship," *Railroad History* 146 (Spring 1982), 9-22, and "Courting the Great Western: An Episode of Town Rivalry," *Missouri Historical Review*, 76 (July 1982), 405-20.

## *The Diagonal*

CB&Q. Soon that road rehabilitated it and the former narrow gauge became a profitable branch.<sup>16</sup>

A century has passed since the Wisconsin, Iowa & Nebraska functioned as an independent railroad. Unquestionably, the Diagonal was one of the important building blocks that led to the dominance of railroad "systems" by 1900. While this road did not join a premier carrier, it nevertheless relinquished its nonaligned status. This process was neither unique to Iowa nor to the time period. Initially scores of smaller firms joined regional carriers, and recently many of these companies themselves have become components of gigantic inter-regional systems. The original WI&N trackage is part of today's Chicago & North Western Transportation Company, which acquired Stickney's Chicago Great Western in 1968.

Construction of the Diagonal was a sound idea; the company was both needed and profitable. Its principal communities, namely Waterloo, Marshalltown, and Des Moines, were exceedingly important stations on the later CGW, ones that generated large volumes of traffic. In fact, that partially explains why the C&NW has operated much of this trackage since the takeover, even though it has abandoned most of the remainder of the former Stickney property.<sup>17</sup> If the Diagonal had remained a "paper" proposition, like its predecessor, the Des Moines, Marshalltown & Northeastern, all indications point to some other firm building along most if not all of its eventual path. This was rich country whose populace demanded better railroad service. Perhaps Stickney himself might have followed the Diagonal's survey from Oelwein to Des Moines and hence to the Missouri rail centers. The Wisconsin, Iowa & Nebraska can be seen then as part of the ongoing saga of railroad system building and as a business success.

16. *Railroad Gazette*, 28 August, 25 September 1885; H. Roger Grant, *The Corn Belt Route: A History of the Chicago Great Western Railroad Company* (DeKalb, 1984), 22-34; Richard C. Overton, *The Burlington Route: A History of the Burlington Lines* (New York, 1956), 232. According to the CB&Q Memorandum, "It probably has not cost [Robert T. Wilson] a [sic] actual outlay of money, over \$15,000 [per mile] . . ."

17. The future of the old Diagonal looks bleak. The C&NW has abandoned the Cedar Falls branch, as well as the stretch between Marshalltown and Bondurant.

Copyright of Annals of Iowa is the property of State of Iowa, by & through the State Historical Society of Iowa and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.