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## Boom to Bankruptcy the Story of the Manistee and Northeastern Railroad

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BOOM TO BANKRUPTCY  
THE STORY OF THE MANISTEE AND NORTHEASTERN RAILROAD

by  
Donald Stroup

A thesis presented to the  
Faculty of the School of Graduate Studies in partial fulfillment  
of the  
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## INTRODUCTION

The events considered in this paper are all basically related to one common element ---lunibering .

Northern Michigan was the scene of a vast logging operation in the latter half of the 19th Century, and Manistee was one of the centers of it.

In 1841, when Manistee's first permanent white settler, John Stronach, arrived, at the mouths of the Big and Little Manistee Rivers, the region drained by those streams was covered with extensive forests of pine and hardwood timber. Before a year had passed, Stronach had a sawmill built and in operation on the Little Manistee River, and within a few years there were many mills sawing lumber around Manistee Lake.

During the summer of 1871 Manistee was almost entirely destroyed by the disastrous fire which swept over that area of Michigan. From the ruins emerged the dynamic, vigorous community which became briefly one of the lumber and salt capitals of the country. By 1873 the rebuilding was largely completed, with 20 sawmills in operation in and adjacent to the tow-n. These mills had a combined output of 162,000,000 feet of lumber per year..<sup>1</sup> The production of lumber increased rapidly, reaching 21,000,000 feet in 1880.<sup>2</sup>

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<sup>1</sup>The Manistee Times, Wednesday, October 21, 1874.

<sup>2</sup>The Manistee Advocate, Saturday, December 25, 1880.

While the white pine was the undisputed king of Michigan's timber, the Manistee area had also an excellent stand of exceptional hardwood. This raw material led to furniture manufacturing in Manistee in the early 1890's.

Another forest product abundant in this area was hemlock bark, used in the tanneries. There was a large supply of hemlock timber, and the bark from it brought considerable revenue to Manistee lumbermen. The economy of the area received an additional boost in 1881 with the opening of the first salt well by Charles Rietz. In 1891 Manistee produced 1,191,377 barrels of salt, and the income from this commodity was second only to that from lumber. The salt industry provided a source of wealth much more stable and enduring than lumber. By 1919, when nearly all the sawmills had ceased to run, the lumber companies then remaining were almost entirely dependent upon the sale of salt.

The city of Manistee was well situated to become the hub of the logging operations which cut over the forests of that part of Michigan. It had two fine streams--the Big and Little Manistee Rivers--for easy transportation of logs to the mills; it had a small inland lake into which both rivers emptied, making a natural dumping basin for logs; and it had excellent harbor facilities, with a fine channel connecting the small lake with Lake Michigan.<sup>3</sup>

As the timber was cut off in the region which had access to the rivers, and as the number and capacity of Manistee's sawmills increased, other means of transportation had to be found to transport the logs that could not be hauled to the river. Even if the rivers had been able to

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<sup>3</sup> For a map, see Appendix, p.62.

float sufficient numbers of logs, the fact that streams frequently froze up in the winter made them unsuitable, for the larger mills were in operation around the clock and throughout the year, and needed a continuous supply. The railroad provided the answer, and the Manistee and Northeastern Railroad was one of the roads constructed, to tap the forests away from the streams.

Over the tracks of the M. & N. E. enormous quantities of logs and other forest products traveled to Manistee, and along its route numerous communities sprang into existence. It carried many new settlers into the cut-over regions and shipped out the products of their farms and businesses. It was a significant influence in the populating and civilizing of this wilderness.

## BUCKLEY AND DOUGLAS

Into the dynamic and expanding economy of the lumbering town of Manistee came two immigrants-- Edward. Buckley in 1867 and William Douglas in 1869. Edward Buckley had been born in Biddleford, Devonshire, England, on August 4, 18+2. The family moved to Montreal, Canada in 1847, where the father died. after a short time. Following his death, they moved to Toronto, remaining there until 1855. From there they went to Sheboygan, Wisconsin, for three years, and in 1858 the family settled in Milwaukee, Wisconsin. After completing a course in a commercial college there, Edward. began working as a tinsmith. On August 5, 1862, Buckley enlisted as a private in the 24th Wisconsin Volunteer Infantry. He participated in the battles of Perryville, Stone River, Chickamauga, Missionary Ridge, Atlanta, and Nashville. Returning to Milwaukee in August, 1865, he resumed his tinsmith trade as an employee of the Chicago, Milwaukee & St. Paul Railroad.

In 1867 Edward Buckley moved to Manistee and began working in a tinsmith and hardware business. After six months he opened a similar business for himself under the name of Edward Buckley & Co., with H. V. Marchant of Milwaukee as his associate. In 1873 Buckley's hardware and tinsmith business was closed out in bankruptcy, and turned over in trust to Mr. G. E. Dayton, who was appointed assignee by the U. S. District Court in Grand Rapids, IL<sup>4</sup>

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<sup>4</sup>The Manistee Times, Wednesday, November 11, 1874

In 1869 Buckley married Miss Mary D. &ggles, sister of Charles F. Ruggles, who was soon to become Buckley's business associate. In September, 1874, Buckley entered into a partnership with Charles F. Ruggles for the purpose of carrying on an abstract business, and investing in timbered lands. Buckley and Ruggles continued their partnership until 1881 when Buckley and William Douglas became partners in the lumbering and railroad industries.

William Douglas was born in Chatham, Quebec, on April 28, 1848. In 1869 he moved, first to Joliet, Illinois, and then to Manistique, Michigan. In the latter city he worked at lumbering until the winter, when he moved to Manistee. There he worked as a teamster for the lumbering firm of Smith & McGinnis throughout the winter of 1869-70, and until 1872. In 1872 he contracted to provide two million feet of logs for the firm of Cushman & Calkins. This venture proved to be so successful that he continued operating in the same line for the next six years. In 1879 he married Miss Annie M. Halter, daughter of one of Manistee's pioneer residents.

At this point the basic difference in the experiences of Buckley and Douglas gives an indication of their respective roles of their partnership. Buckley had received a business college education, had worked only briefly as a laborer, and had spent most of his adult years in the administrative aspects of business. Douglas, on the other hand., had worked as a laborer in the woods and had worked up to the point of handling contracts on his own. Buckley had been largely apart from the laborers, while Douglas had been one of them. In their partnership, Buckley was always the chairman, the executive, while Douglas supervised the actual work of the company.

On November 19, 1880, Edward Buckley entered into a nominal partnership with Annie M. Douglas, with lumbering as their business.<sup>5</sup> The exact nature of this partnership is uncertain, for it was William Douglas not his wife, who with Buckley, held the offices and conducted the business. On December 31, 1888, William Douglas legally succeeded his wife in the partnership. During the years between 1880 and 1886, the partners operated as many as five sawmills under lease, with a combined output of as much as 70,000,000 feet of lumber in a single year.

In 1881 Buckley and Douglas built their first logging railroad. It had a gauge of three feet between the rails, which were iron, 30 pounds to the yard, and a main line eight miles in length. It was called the Buckley & Douglas Railroad, and extended from their rollway on the Big Manistee River northward into the timber<sup>6</sup>. Built expressly and exclusively for the transportation of logs, it was officially opened for use on June 30, 1881, and chartered on September 6, 1881.

This was a small-scale railroad in all respects. It owned only two locomotives of 10-20 tons weight, two hand cars, and thirty flat cars to transport logs. It employed thirty men. Only small profits came from the operation of the Buckley & Douglas Railroad, and frequently expenses exceeded total income. For example, in 1886 the company showed a total income of \$16,107.49 and total expenses of \$17,569.07<sup>7</sup> This company

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5 Case File No. 1380, United States Circuit Court for the Western District of Michigan, in Equity: Charles F. Ruggles vs. Edward Buckley October 10, 1900

6 See map, Appendix, p. 64.

7 Fifteenth Annual of the Commissioner of Railroads for the State of Michigan For the Year 1886 (Lansing & Godfrey, State Printers and Binders), p. 574.

continued In existence until 1889, when it was absorbed by the Manistee and Northeastern Railroad.

Its income had declined to only \$13,615.53<sup>8</sup> by that time, while expenses had risen to \$2415.10. It was inevitable that the lifetime of the Buckley & Douglas Railroad would be short, for as soon as the timber had been cut along its line there was no business for it to handle.

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8 Seventeenth Report of the Commissioner of Railroads for the Year State of Michigan for the year 1889, 1890, p. 606

## WHY WAS THE MANISTEE AND NORTHEASTERN RAILROAD BUILT?

On November 23, 1886) occurred a business transaction which was to have a considerable effect upon Manistee. On that date Buckley and Douglas consummated the purchase of the sawmill plant, lands, and logging railroad of the firm of Ruddock, Nuttall & Company for a reported \$550,000 cash.<sup>9</sup> The deal included 23,000 acres of cut and uncut land containing an estimated 275,000,000 feet of standing pine. Approximately 50,000,000 feet of this pine was situated a short distance northeast of Manistee, and at the time of the purchase, it was expected that the narrow-gauge logging railroad included in the deal would be run into this timber to drain it. But events soon indicated that the logging road would not be used.

Immediately after they became the owners of the Ruddock & Nuttall mill, the partners engaged Evan T. Davies, one of the best mill men in northern Michigan, to overhaul, enlarge, and streamline the operation of the mill plant. The alterations were extensive, requiring a cash investment of approximately \$115,000, and they made the mill one of the finest in the state. It specialized in long timbers) could accommodate logs up to at least 70 feet in length, and had a capacity of 50,000,000 feet of lumber per year.

The potential of this mill could be utilized only if logs could be

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<sup>9</sup> Voice of the People, Thursday, November 25, 1886.

supplied at a considerably more rapid rate than was available at the time of the purchase. Buckley and Douglas planned around-the-clock operations for at least eleven months of the year, and the transportation of sufficient timber was a serious problem. The Manistee Rivers were not adequate because of the large number of firms using them to float logs, and because they froze up in the winter. Neither did the narrow-gauge railroad have the necessary capacity.

It was not surprising then, that late in 1886 and early in 1887 Buckley and Douglas began laying the groundwork for a new railroad to the northeast of Manistee--a railroad capable of hauling enough logs to supply their mill and others. Several of Manistee's lumbermen owned timber to the northeast, and some thought that they should have been included as a part of the new company. A newspaper item in December, 1886 briefly discussed the project:

Railroad matters are now causing quite a ripple in our usually quiet town, and it has been definitely decided to run a broad gauge road north from here in the spring. Buckley and Douglas are the prime movers, but most of our other mill men, who own stumpage in that region are subscribers.<sup>10</sup>

Buckley and Douglas, however, proceeded on their own, arousing fears that they had, some underhanded scheme in mind. To allay these apprehensions, Buckley stated:

We have invested, or will have invested, \$100,000 in a mill plant in this city. We want to keep this running the whole year round, and I don't see how that will hurt the city in any way; but we can't run winters without facilities to bring logs to the mill . . . and unless we can get to the mill with our road, we will be compelled to build another mill somewhere else<sup>11</sup>

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<sup>10</sup> Manistee Times-Sentinel, Friday, December 24, 1886.

<sup>11</sup> Ibid., Friday, April 29, 1887

Douglas project, was some opposition. Statement by several influential citizens were published in a Manistee newspaper. The first three men quoted below were lumbermen; the fourth was Judge of Probate for Manistee Court.

Simeon Babcock--"I am in favor of giving every encouragement to parties who are willing to invest their money in an enterprise that will benefit the city. Should Messrs. Buckley and Ruggles<sup>12</sup> desire to corner' the timber along their proposed line, we must look for timber on the F. & P. M. route."

E. Golden Filer--"I don't wish to say anything about the subject at all, and certainly have no desire to place a straw in Mt. Ruggles' or Mr. Buckley's way to securing the privilege.; from the city they ask for . . . . Our timber along the route of the proposed road gives us no uneasiness. When we want the timber we can easily devise means to 'bring it here . . .

Michael Engelman I am in favor of the road, but 'believe it would be better for all should the stock of the company be distributed among the business people here. It would place them all on an equal footing and remove any risk of a monopoly. We want a road up north, and I am satisfied it will be a good investment for the owners and the city, but all the business people and manufacturers should have an interest in it."

Adolphus Hagnan--"I think it is simply a blind in the interest of some other road. Mr. Rams deli was up here and. Inquired whether a location could be had here for a depot, but he made no further move. I, for one, think it is a scheme <sup>13</sup>

These statements by leading citizens of the community, covered the major objections or suspicions felt by many people. Buckley had apparently not Won general respect nor trust in Manistee. To this his association with Charles F. Ruggles may have contributed, as Ruggles was not generally considered a constructive member of the community; he was, in fact, widely regarded as a skinflint. Buckley-'s, personality, which one of his foremen

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12 Buckley and Ruggles had 'been partners since 1874, and Ruggle was :Loaning money- to Buckley to help finance his enterprises.

13 The Manistee Advocate, Saturday, February 3, 1887

described as rather aristocratic and aloof may also have been a factor.<sup>14</sup>

But in spite of fears and opposition, the Manistee and Northeastern Railroad Company came into legal existence on January 12, 1887, when its Articles of Association were filed. The terms of the Articles were:

#### ARTICLE I

The name of this corporation is the Manistee and Northeastern Rail Road Company.

#### ARTICLE II

This organization shall continue nine-nine (99) years.

#### ARTICLE, III

The road shall be constructed with “T” rails with guage /sic/ exceeding three and one-half feet in width, and shall be of the length of seventy-five (75) miles, as near as may be, and shall extend from a point in the City of Manistee, Manistee County, Michigan, to a point in the City of Traverse City, Grand Traverse County and State of Michigan and shall extend through the following named counties. Manistee, Benzie, and Grand Traverse.

#### ARTICLE IV

The capital stock of said Company shall be six hundred thousand dollars (\$600,000.00) in six thousand (6,000) shares of one hundred dollars (\$100.00) each.

#### ARTICLE V

The affairs of this company shall be managed by a Board of five (5) Directors, who shall hold their offices for one year and until their successors are elected.

#### ARTICLE VI

The first Board of Directors shall be as follows, Edward Buckley, William Douglas, Chas. G. Wilson, William J. Law, and B. C. McClure, all of the City of Manistee and State of Michigan.

In Witness Whereof, We have hereto set our names and the amount of stock by each one respectively subscribed.

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<sup>14</sup> Interview with Joe Linder, shop foreman in the Buckley & Douglas car shop

Name	Residence	Number of Shares
Edward Buckley	Manistee, Mich.	4496-shares
William Douglas	Manistee, Mich.	1499 shares
Chas. G. Wilson	Manistee, Mich.	1 share
Wm. J. Law	Manistee, Mich.	1 share
B. C. McClure	Manistee, Mich.	1 share
Max Koegel	Manistee, Mich.	1 share
T. J. Elton	Manistee, Mich.	<u>1 share</u> <sup>15</sup>
Total		6000 shares

Since the Board of Directors was elected by the stockholders, each share entitling its holder to one vote, it is obvious that the M. & N. E. was Mr. Buckley's railroad. Buckley and Douglas now began moving to secure right of way and began construction. That there were still those who distrusted the new company is clearly shown by this item from a labor newspaper:

The City Council should guard well the conditions contained in the franchise they grant to the Manistee and Northeastern Railroad. Other railroads will be knocking at the door of Manistee one of these days, and they should not be left to the mercy of any other corporation. A word to the wise!<sup>16</sup>

On February 1, 1887, Thomas J. Ramsdell, representing the Manistee and Northeastern Railroad Company, appeared before the Common Council of Manistee and petitioned for right of way to construct a railroad through a portion of the city. Included in the petition was a request for permission to construct a drawbridge across the Manistee River at Jones Street within the city.<sup>17</sup> The Council referred the petition to a committee for study.

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<sup>15</sup> Articles of Association, Manistee and Northeastern Railroad Company, January 7, 1887, from the files of the Michigan Corporate Securities Commission.

<sup>16</sup> Voice of the People, Thursday, January 6, 1887

<sup>17</sup> Records, City of Manistee, Vol. 2, p. 293.

On May 17, 1887, the committee reported out the petition, with the recommendation that the prayer of the petitioner be granted, subject to the following restrictions: that the right of way was not exclusive; that any other railroad could use the track upon payment of a share of the cost of construction; that a single track be laid within the city; that the bridge across the Manistee River be built and maintained at no cost to the city; and that the company and the privileges given to it were subject to the railroad laws of the State of Michigan.<sup>18</sup> The Council adopted the committee recommendation by unanimous vote. A move against the railroad appeared on June 27, in the form of a petition submitted to the Common Council by property owners on Jones Street, along which the track was to be laid. The petitioners asked that the Council reconsider granting the right of way to the M. & N. E., on the grounds that the railroad would damage the value of their property. The Council refused to grant the prayer of this petition. With the right of way within the city thus secured, the railroad now applied to the County Board of Supervisors for permission to construct a bridge across the Manistee River at Jones Street in the city. This application was announced in the press on June 10, 1887, and the hearing was held on July 12, before a special session of the Board. Again there were attempts to prevent the M. & N. E. from securing the desired authority. One attempt was a petition by the property owners along Jones Street who had previously expressed their opposition, and the other was made by persons who had large shipping interests. The former group claimed the railroad would decrease the value of their property if allowed

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<sup>18</sup> Ibid

to operate over the proposed route, and the latter claimed that the projected bridge would seriously interfere with the passage of ships through the channel.

But these attempts were unavailing, and permission to construct the bridge was granted by the Board of Supervisors, with these restrictions:

1. The bridge was to be at least twelve feet above water.
2. It was to be kept open at all times except when trains were passing.
3. Fourteen feet of water were to be maintained under the bridge
4. A bridge tender was to be employed and on duty continually.
5. The bridge was to be used by any railroad upon payment of a fair compensation, and it was to be used as a public railroad bridge for general railroad purposes.
6. The railroad was to be completed to the northeast county line within two years.
7. The bridge was to be built by September, 1888.
8. The company was required to post a bond of \$50,000 with the county clerk.<sup>19</sup>

In the last week of February, 1888, the railroad company opened bids for the contract to construct the bridge. The contract was awarded to A. Gottlieb & Company of Chicago,<sup>20</sup> who was allowed ten days to file working plans and commence work. It was essential that the work proceed with all possible speed, in order that the channel be obstructed as little as possible when the ice went out and the shipping season began.

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<sup>19</sup> The Manistee Times-Sentinel, Friday, July 15, 1887

<sup>20</sup> The Manistee Advocate, March 15, 1888

The work was pushed through the summer, and on September 3, 1888, the contractor accepted the completed bridge from the sub-contractor. Almost immediately after it was completed, the bridge presented a slight hazard to ship traffic through the channel. An amusing description of what was happening appeared in one of the city's newspapers:

Unless the masters of sailing and steam crafts take a tumble to themselves some of them will rip open their craft on the M. & N. E. R. B. bridge approach. Tuesday one of the F. & P. M. steamers run up against it and ripped up some of her plates. The Schr./schooner/ Three Brother /sic/ came to grief this morning. Mr. Buckley is going to armor-plate the whole thing and give them all a chance to whack at it

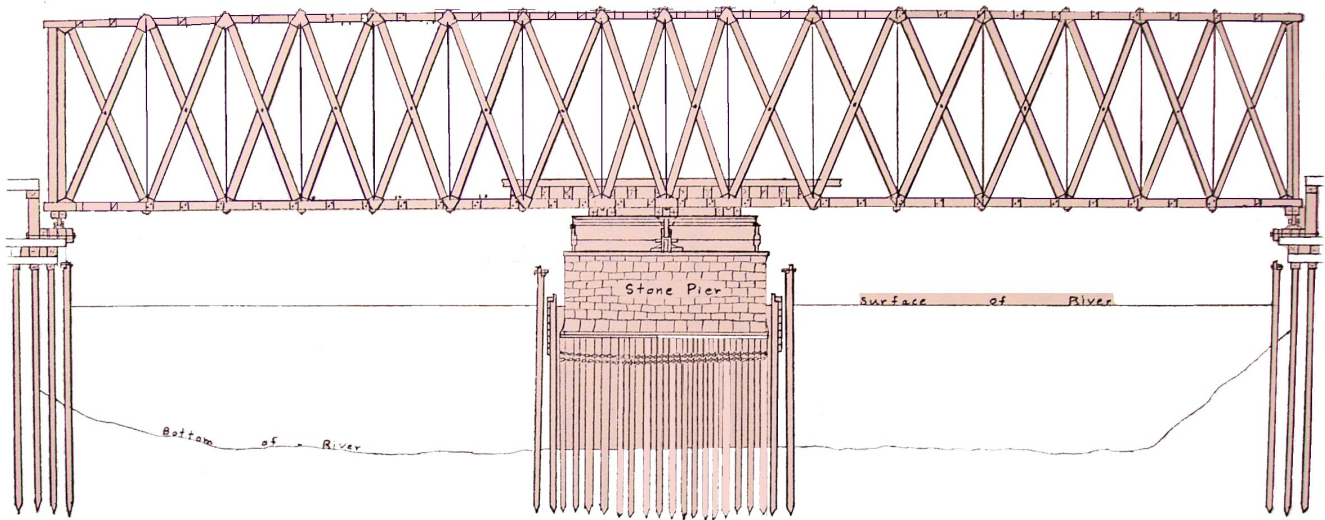
.<sup>21</sup>

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<sup>21</sup> Manistee Advocate, September 7, 1888

## N. & N. E. P. P. BRIDGE ACROSS THE NANISTEE RIVER, MANISTEE, MICHIGAN-1888

Scale: 1 inch=16 feet.



The proposed bridge (a Howe truss)...shall have a centre span of one hundred and sixty (160) feet in length, being the entire width of the river, between dock lines. This centre span shall swing by a turntable on a centre pier. The pier and its protections shall not occupy more than thirty-six feet in width in the middle of the river, and shall be constructed of wooden piles and stone, and protected by timber extending up and down the river one hundred (100) feet each side of the centre of the bridge. The approaches to the central span of the bridge shall rest on piles of masonry which shall not encroach to exceed two feet on each side of the river within the established dock lines, and shall leave a clear channel for the passage of boats and vessels on each side of the centre pier when the swing is open, of sixty (60) feet. The bridge shall be well and substantially constructed of iron, timbers, and planks, twenty (20) feet in width, and shall stand not less than twelve (12) feet clear above high water mark. A channel shall be kept dredged on both sides of the draw to the depth of fourteen (14) feet, and kept clear below the bridge of any bar formed-by reason of the centre pier."

(From the Manistee Times-Sentinel, Friday, July 12, 1887.)

## PROBLEMS OF CONSTRUCTION AND RIGHT OF WAY

The actual work of grading for the ties and track began on May 20, a few miles northeast of Manistee, on lands that belonged to Buckley and Douglas. Throughout that summer a crew of about fifty men worked at grading the road bed between Manistee and Onekama. Unencumbered right of way within Manistee city limits, and just to the north, had not yet been secured; consequently the track was prepared for several miles to the northeast before it was begun within the city.

By October 28, 1887, ten miles of the road had been graded and made ready for ties and rails<sup>22</sup>. This grading commenced at a point three miles from the Buckley & Douglas mill, and extended to a point near Onekama.

The work on the grade was pushed on through the winter, and by early summer, 1888, sixteen miles were ready for the rails. The first shipment of rails--12,000 tons--arrived in July, and laying them commenced on July 20. The rails were steel, 56 pounds to the yard. The ties were principally cedar and tamarack, with some hemlock and beech hearts.

A positive action calculated to assure the integrity of the M. & N. E. Railroad was taken by John Canfield, one of Manistee's most influential lumbermen, during the winter of 1887-88. He wished to guarantee that the new company would not give its creators a monopolistic control of rail transportation coming into the city from the north and

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22 The Manistee Times-Sentinel, Friday, October 28, 1887

east, and to this end he induced another lumberman, Michael Engelman, to build some docks, and make some other costly improvements on a piece of property he owned immediately to the north of the Manistee River, and over which the railroad would need to acquire right of way. In 1887, Canfield-purchased the property from Engelman, and then forced Buckley to agree to certain conditions before granting right of way. The conditions were (1) that any railroad, other than Peter's Luther road, the Grand Rapids & Indiana, or the Flint & Pere Marquette, coming in from the south should be permitted to cross the M. & N. E. railroad bridge, and (2) that if the railroad, in its corporate capacity, should refuse to accede to this condition, Buckley should forfeit \$25,000 which should be given to some charitable enterprise<sup>23</sup>. The railroad company agreed to these terms, and Canfield accordingly relinquished any right to claim damages due to the railroad crossing the property. Had the M. & N. E. refused to meet Canfield's demands, the expensive improvements on the land would have caused the condemnation proceedings to assign a considerably higher price upon the right of way than without them.

The major objections to the Manistee and Northeastern at this stage, in addition to the fear of lower property values along its tracks, were these: first, that the railroad was virtually a private enterprise projected for the benefit of a single individual--Edward Buckley; second, that the bridge constituted a menace to navigation on the river; and third, that the M. & N. E. was not able to provide the best railroad outlet for Manistee, since it had no tracks south of the city, and consequently some larger company would be faced with the necessity of paying

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23 Manistee Broadaxe, Saturday, April 28, 1888.

an inordinately high price for the right of way which the M. & N. E. had received for a minimal cost.

Late in the summer of 1888 an incident occurred which seemed to confirm suspicions that the Manistee & Northeastern was not really organized as a general railroad corporation, but was instead a front for an outside, larger company using it to facilitate the obtaining of right of way. The incident was an item in the Cadillac Democrat on August 20, 1888, stating that the Toledo, Ann Arbor & West Michigan Railroad was pushing its road to the intersection with the Manistee & Northeastern, over whose tracks its trains would then run into Manistee. A Manistee newspaper reporter concluded from this that the M. & N. E. had taken that name, which omitted Traverse City, because it had never really intended to run to Traverse City.

During the winter of 1888-89, speculation continued in Manistee as to the true intentions of Buckley and Douglas. The visit to Manistee of James Ashley, General Manager of the Toledo & Ann Arbor road, in February of 1889 seemed further indication of a conspiracy. Ashley did, in fact, state that his mission was to purchase the M. & N. E., or at least to make arrangements by which his company could run trains into Manistee over Manistee and Northeastern tracks. If neither of these objectives could be realized, he indicated that the Toledo & Ann Arbor road would build a separate line into Manistee if right of way and depot grounds could be acquired. The uncertainty concerning the fate of these negotiations continued until summer, when the project of running Toledo & Ann Arbor trains into Manistee seems to have been abandoned<sup>24</sup>.

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24 The Manistee Broadaxe, Saturday, July 15, 1889

By the end of June, 1888, there were sixteen miles of grade, extending from the edge of Manistee to a point near Chief Lake, ready for rails. At the same time twenty-four miles were graded and ready for ties. This brought the grade to a point near the Betsie River. It was expected that a total of 45 miles would be ready for operation by the end of 1888, bringing the track as far as the town of Interlochen.

When the M. & N. E. sought to obtain right of way for its grade within and immediately to the north of Manistee city, it encountered stiff opposition. On July 10, 1888, the company commenced condemnation suits to acquire right of way across several lots in Sweet's Village, an undeveloped plat just north of the city limits. Most of the land in question was owned by Colonel Smith W. Fowler, an influential attorney in Manistee. The case was tried in Probate Court in the city, and lasted until 3:00 p.m. on July 11. The jury determined that it was necessary for the railroad to have the property to complete its grade, and that the compensation owed Col. Fowler was \$375<sup>25</sup>.

The amount of property taken from Fowler was about an acre and a quarter--not a large amount of land--except for the fact that it was a strip 50 feet wide and 1,066 feet long, cutting across JJ- lots in the platted area<sup>26</sup>.

Fowler was completely dissatisfied with the disposition of the case, and promptly appealed the decision of the Probate Court to the Michigan Supreme Court. Meanwhile, to prevent the railroad from proceeding with

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25 Records and Briefs--Supreme Court of Michigan, October Term, 1888 (Docket No. 58, The Manistee & North-Eastern /sic/ Railroad Company vs. Smith W. Fowler.)

26The Manistee Times-Sentinel, Friday, July 20, 1888 (Statement of Fowler).

its grading and track laying, he secured an injunction from Judge Judkins of the Circuit Court of Manistee, against the Manistee and Northeastern Railroad Company to stop their construction across his land. Col. Fowler personally rode out to the property in his buggy to serve the injunction, but the workmen paid no attention to him, and kept on working. In retaliation Fowler secured warrants for the arrest of Buckley, Douglas, and two of their employees, Sam Achley and William Sutton. These men were arrested on July 21 for trespass and the case was heard in Circuit Court, August 1. The railroad men were acquitted. Fowler claimed that the decision by which the railroad had obtained right of way was set aside when the Supreme Court took the case and issued a -writ of certiorari. The judge decided that the railroad was not guilty of contempt in disregarding the injunction, since it had entered into possession of the property before the injunction had been issued.<sup>27</sup>

The railroad then proceeded to complete laying track across Fowler's property and on into the city, but the dispute was not resolved until March 30, 1889, when the Supreme Court quashed the condemnation proceedings which had given the M. & N. E. right of way, in January, 1889. The case then went before an arbitration board which allowed Fowler damages of \$734.76; he had demanded \$3,485. While the dispute with Fowler was still pending, there occurred an even more colorful incident involving right of way. By October 10, 1888, the railroad had completed laying track in the city, except for a portion between the Buckley & Douglas mill and the bridge across the Manistee River. On that day the railroad work crews were completing the laying

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<sup>27</sup> The\_Manistee Broadaxe, Saturday, September 4, 1888.

of rails when they encountered an obstacle in the persons of John and Cecelia Sorenson, proprietors of the Sorenson House saloon and hotel at the corner of River and Jones Streets. This couple had taken up positions on the ties and refused to move, claiming that the N. & N. E. had not secured right of way nor paid them damages. The route of the railroad was parallel to Jones Street and immediately adjacent to their building; they claimed the company should pay them a just compensation before it had the right to complete its track.

The contention lasted all the day of October 10, throughout the night, and until 4:00 p.m. on October 11, when the N. & N. E. had Mrs. Sorenson removed. John Sorenson had gone on some errand on the afternoon of the 10th, leaving Mrs. Sorenson alone. When night came the work crews remained-, hoping to find, an opportunity to lay the rails. Mrs. Sorenson had a rocking chair and blankets brought out and with these she held her position throughout the night. On the next day Sheriff Bauman arrested her, on a warrant sworn out by Edward Buckley, charging her with maliciously and willfully obstructing the progress and operation of a public railroad, and acting against the peace and dignity of the people of Michigan<sup>28</sup>. The case was completed on October 15, when Mrs. Sorenson was acquitted.

On October 9 the railroad company had offered the Sorensens \$100 as compensation for the tracks running so close to their establishment. This the Sorensens had refused, unless the \$100 be a part of \$8,000 damages. The company resorted to condemnation proceedings, and on

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28 Circuit Court for the County of Manistee, Office File No. 454  
(a copy of the petition sworn out by Edward Buckley for the arrest of Cecelia Sorenson).

November 23, the court awarded the Sorensons \$1,500. But this was still unsatisfactory, and on December 24, the Sorensons filed suit in Circuit Court in Manistee against the Manistee and Northeastern Railroad, demanding \$10,000 for false arrest and imprisonment plus damage to honor and reputation. This case was concluded on March 15, 1889, when \$200 damages was awarded Mrs. Sorenson.

The Sorensons had been legally justified in demanding damages before the tracks were laid, for the law provided that no railroad should be constructed along or upon any public or private thoroughfare until damages and compensation be made by the railroad company, therefore, to the owner or owners of property adjoining such street, lane, alley, highway, or private way, and opposite where such railroad is to be constructed.<sup>29</sup>

The railroad had assumed that, since Jones Street was a public thoroughfare, the Common Council had authority to grant right of way. Nevertheless, the law required that the company should have compensated adjacent property owners before building their road. The M. & N. E. had failed to fulfill this requirement, and had further exceeded its authority by laying track before the condemnation proceedings were completed.

In spite of these obstructive incidents, the railroad reached the Buckley & Douglas mill in Manistee on October 12, 1888, completing that end of the line. Locomotive No. 1, an 8-wheel, 31-ton engine purchased from the Brooks Locomotive Works of Dunkirk, New York, had been used on the work trains since 1888; now it was put into freight service transporting logs as soon as the tracks were laid to the mill. By November 9, the company was hauling logs at the rate of two train loads a day.

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<sup>29</sup> Public Acts of the Michigan State Legislature (1887), Act No. 230, p. 7.

As yet there was no general freight or passenger business, for the one locomotive was kept occupied with log trains, and there were no facilities to accommodate the public. The track was completed, at the end of 1888, to a point about three miles beyond Lemon Lake, or about 28 miles from the Buckley & Douglas mill in Manistee.

## FULL SERVICE BEGINS

On January 6, 1889, No. 2 locomotive<sup>30</sup> having been purchased from the Pennsylvania Railroad, the first passenger train was run from Manistee to Bear Creek, a distance of 20 miles. The train consisted of the engine and tender, a combination smoking and baggage car, and one coach. The cars had been used for a few months by the Pennsylvania R. R., but they had been thoroughly overhauled and refurbished. Painted a dark wine color, they were upholstered in red and green plush, and their aisles were covered with matting.<sup>31</sup>

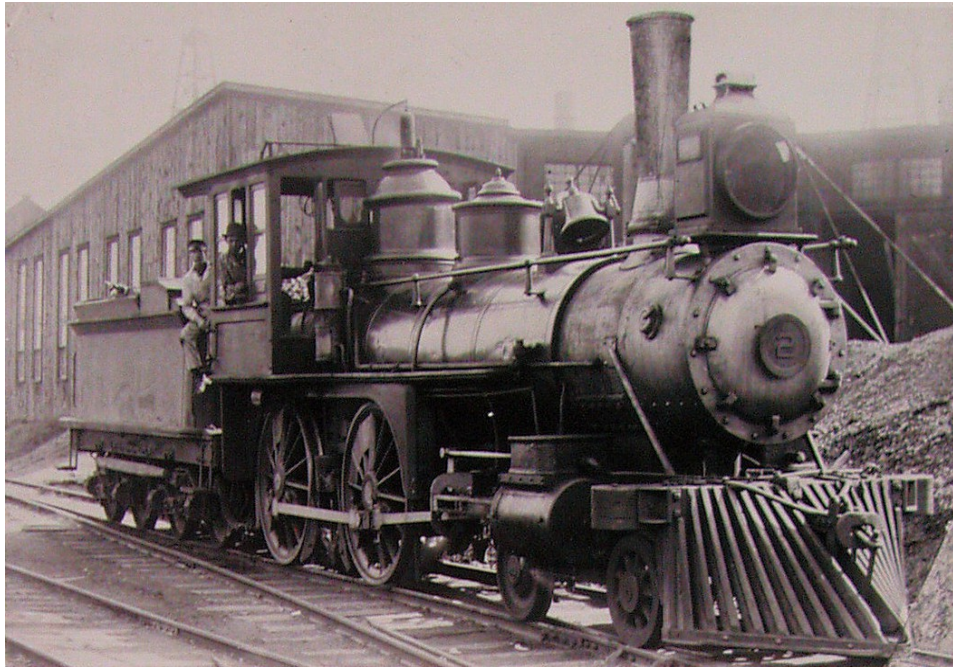
About 70 people were on board on this first trial passenger run. Most of them were dignitaries from Manistee, and Buckley and Douglas themselves looked after their comfort. The train backed into Onkama to provide the residents with a look at the new train, and then ran on to Bear Creek, where it turned around for the return trip. It took 148 minutes to run the 20 miles straight into Manistee over a road bed smooth enough to give a comfortable ride.

At the time of this first passenger run, depots were being built at Onkama and Bear Creek. The station house at Bear Creek was a 30 x foot building, two stories high. The upper floor served as a hotel, and the first floor as a passenger station, store, and stable. any of these

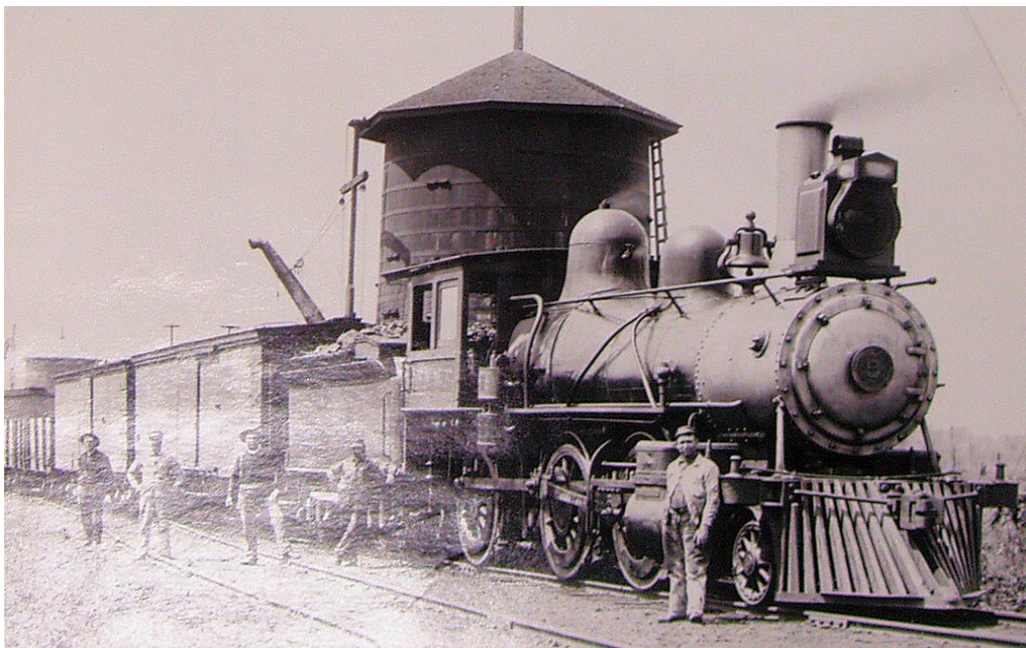
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<sup>30</sup> For a picture of No. 2 locomotive see p 26.

<sup>31</sup>"The Manistee Times-Sentinel, Friday, January 11, 1889



M. & N. E. locomotive No. 2, purchased from the Pennsylvania Railroad in 1888. This was the first passenger engine on the M. & N. E.



Locomotive No. 9. This was a 55-ton Rhode Island engine built in 1890, and purchased by the M. & N. E. in 1892. It was used in freight service until scrapped in 1935-

early depots had to accommodate the public in several ways, since travel was difficult and the stations far apart.

Regular passenger and general freight operations commenced on Monday, January 1)4, 1889, with two passenger trains running daily. The first regular passenger train coming into Manistee carried 18 customers from the north. The fare to Onekama was 35 cents for one way, 50 cents 32 for the round trip<sup>32</sup>. In the city passengers boarded the train near the Buckley & Douglas mill, at the east end of Third Street. There was no depot there, and customers were unhappy in inclement weather. This prompted the company to provide a depot at River Street, the city's major thoroughfare. In December, 1889, they leased for this purpose a vacant building owned by Mrs. Peter Jones, at the northwest corner of Jones and River Streets. Ironically, the depot leased from Mrs. Jones was diagonally across the intersection from the Sorenson House.

After two months of regular operation, passenger business had increased to the degree that two coaches were no longer adequate. During the second year of operation the company added two coaches to the passenger service. There were often stops for repairs during these early days. Locomotives frequently ran out of water some distance from a station. To solve this problem the company provided siphons so that water could be taken up wherever it was found along the line.

When the M. & N. E. issued its schedule of freight rates, the reaction from the people out in the county fell far short of jubilation. An item in the Bear Lake Breeze on November 30, 1888, expressed open bitterness, stating that . . . a protest has gone in from would-be

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32 The Manistee Times-Sentinel, Friday, May 10, 1889.

shippers from every quarter against the outrageous and unreasonable prices demanded by the railroad company.<sup>33</sup>" Some of the rates which created such a stir were: \$2.50 per cord for green wood, and \$1.25 per cord for bark;<sup>34</sup> 43 \$1.75 per thousand feet for hardwood logs, and \$2.25 for pine; peeled hemlock logs, \$1.75 per thousand feet; and \$15.00 per carload for hardwood lumber.<sup>35</sup> One correspondent put into words the Populist feelings of animosity and suspicion towards railroads in general.

It is claimed that the rates are so high that there can be no profit to any private party in shipping such products to Manistee or Onkama. If this be true (and it is very likely) it only goes to show that railroads are a species of monopoly which ought to be broken up by having the government take charge of them and run them for the benefit of the people who are compelled to give up their lands to aid them in construction.<sup>36</sup>

Nevertheless, freight traffic, especially in forest products, enjoyed a rapid increase during the first few years of operation. By 1891 the shipments of forest products alone included "125,000,000 feet of lumber, 75,000 shingles, 2,000,000 cedar posts, 30,000 cords of bark, and 10,000 cords of wood<sup>37</sup>. Although many shippers might voice objections to the railroad's rates, to most of them no other means of transportation were available.

At the end of the first years operation the Manistee and North-eastern was operating a main line of 18.25 miles, a branch to Onkama

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33 Bear Lake Breeze, November 30, 1888

34 Hemlock bark used in the tanneries.

35 The Manistee Times-Sentinel, Friday, November 30, 1888.

36 Manistee Broadaxe, Saturday, December 1, 1888.

37 George W. Hotchkiss, History Of the Lumber and Forest Industry of the Northwest (Chicago: George W. Hotchkiss & Co., 1898), p. 265.

of 2.79 miles, and sidings and spurs of 2.51 miles, making the aggregate total owned and operated. 23.55 miles. The average cost of construction, exclusive of sidings; came to \$13,967.13 per mile.

## CIVILIZING AND SETTLING EFFECTS

The railroad soon developed the country between Manistee and Traverse City. Typical communities that sprang into existence along the line were Nessen City, Copemish, and Interlochen. There were many others, but these three are quite representative.

Nessen City was located on the Manistee and Northeastern Railroad about 34 miles northeast from Manistee. It was started by Manistee lumberman, John O. Nessen, who had purchased 160 acres in the summer of 1889 and platted 40 of them as a village. Nessen himself constructed a store and a hotel, and had received \$7,000 to build a first-class grist mill<sup>38</sup>. A short distance from the town he built a sawmill to convert into lumber the excellent hardwood in the area. Nessen City prospered while the timber lasted and the railroad was in operation, but when these were gone the town gradually declined into a ghost town without commercial enterprise of any sort.

Copemish came into existence directly because of the railroads. It was situated 30 miles northeast of Manistee on lands purchased and platted by the Manistee and Northeastern and the Toledo, Ann Arbor & West Michigan railroads, at the point of their crossing. The Arcadia & Betsie River Railroad also ran into this village from the west, thus giving it rail service to all directions. The story is that Indians had used this

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38 The Manistee Times-Sentinel, Friday, August 16, 1889. (For picture of Nessen City depot, see p. 31



Engine No. 2 at a Buckley & Douglas logging camp about 1890.



M. & N. E. depot at Nessen City, 1890. Of this building, no trace remains today.

spot as a meeting place, calling it Copemish, supposed to have meant "Big Beech Tree," after a large tree at the site. The M. & N. E. and T., A. A. & N. M. companies owned 160 acres at the crossing and laid out their town, selling lots to individuals who wished to settle there. The community grew rapidly, for it was in the midst of excellent hardwood timber and had excellent transportation facilities. Two years after building had commenced in August, 1889, Copemish had a population of 312, and in the next year 300 more were added. The village then contained, over thirty business establishments, including 2 drug, 2 hardware, grocery, 1 furniture, and 2 clothing stores, 4 hotels, 3 saloons, and an opera house<sup>39</sup>. Copemish has not suffered the fate of Nessen City for two reasons. The Toledo & Ann Arbor Railroad continues to operate, and the town is situated on an excellent state highway--M115--which provides ready communication with more densely populated areas. But it has decreased in population until today it has only about 250 people.

The third community representative of the towns along the M. & N. E. R. R. is Interlochen, situated between Waubukanesse and Waubukanetta Lakes (now Green and Duck Lakes), 45 miles northeast of Manistee. Interlochen was begun in the fall and early winter of 1889 at the junction of the Manistee and Northeastern and Chicago & West Michigan railroads by the Benedict Manufacturing Company of Manistee, which owned 1500 acres of land in the vicinity of the town site. In September of that year a water-powered sawmill was built on the river connecting the two lakes, a mile apart at that point, and the town developed north of the mill. It was predicted that this village would become a popular summer resort; and

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<sup>39</sup> The Manistee Times-Sentinel, Friday, January 22, 1892

so it has, though the year 'round town has almost disappeared.

On November 20, 1888, the main line of the M. & N. E. had been opened from Manistee to Nessen City, a distance of 32.94 miles. On January 14, 1889, the Onekama Branch of 2.71 miles was put into service, and a branch had been run from the Bear Creek station to Peter's Camp, 4.25 miles to the southeast. The latter branch was strictly a logging spur with forest products its only traffic. With 4.50 miles of sidings and spurs, the total track owned and operated was 44.40 miles<sup>40</sup>. The siding to Williamson's mill near Bear Creek had been railed with 30-pound iron rails from the old Buckley & Douglas narrow-gauge railroad.

By the end. of 1889 the M. & N. E. line was divided into five sections, each approximately seven miles long. Each section gang included five men. There were then 15 stations and flag stops, and the telegraph connected Manistee with Onekama and Nessen City. The rolling stock during this first year of operation consisted of two locomotives of more than 30 tons weight, and one of 20-30 tons; one 12-wheel passenger car; one express and baggage car; five box freight cars; 100 platform or flat cars; one conductor's way car; two construction cars; and five hand cars.

The preponderance of flat cars, used for hauling timber products, clearly indicated, the nature of much of the M. & N. E. traffic. This indication is supported by statistics for 1889. Freight tonnage for that year totaled 117,040 tons, of which 116,329 tons were timber products. But passenger traffic was also substantial with 39,782 local passengers and only 34 through passengers. Each passenger averaged 16.57 miles to

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<sup>40</sup> Eighteenth Annual Report of the Commissioner of Railroads of the State of Michigan For the Year 1889 (By Authority, Lansing: Thorpe & Godfrey, State Printers and Binders, 1890), P. 530.

the trip. During 1889, passenger trains traveled a distance of 24,545 miles, and freight trains 18,80 miles. The income from passenger service was \$18,074.55, and from freight service, \$18,325.25.

An incident in September, 1889, suggested the sort of man William Douglas was. When the regular engineer, John Halter, became so ill that he could not operate the engines, Douglas stepped into his job and served as engineer for one week.

In 1890 the company pushed its main line northward, until by October 13, the tracks had reached Lake Ann, 53 miles from Manistee. The Bear Creek branch had been extended beyond Peter's Camp, 5 miles from the main line, on May 1, 1890. This brought the total miles of track owned and operated to 69.71 miles. New construction had used 66,000 ties in 1890 and 8,800--25 miles--of new steel rails had been laid. There were 8 regular and 9 flag stations at the end of 1890. The Manistee and North-eastern then employed 106 men: 2 baggage-men, 8 brakemen, 5 conductors, 5 engineers, 5 firemen, 36 section hands, 4 shop-men, and 41 unclassified employees<sup>41</sup>. The rolling stock consisted of 5 locomotives, 3 12-wheel passenger cars, 2 express and baggage cars, 5 box freight cars, 125 platform cars, 1 conductor's way car, 1 snow plow, 2 construction cars, and 7 hand cars<sup>42</sup>. The company had 57.42 miles of telegraph in operation.

Construction slowed considerably after Lake Ann was reached. The company now had tracks reaching into abundant quantities of timber, and had thus achieved the purpose for which it was created--to provide the Buckley & Douglas mill with enough logs for continuous operation.

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<sup>41</sup>Nineteenth Annual Report of Michigan Railroad Commissioner (1891),

<sup>42</sup>Ibid., p. 222

The Railroad Commissioner of Michigan inspected the Manistee and Northeastern Railroad in 1891. His report painted an encouraging picture:

This road is in good shape. It is well ballasted, except the last few miles going to Traverse City which part was to be finished in September. The station houses are in good condition and the service is first class . . . . The passenger cars and engines are in fine condition.<sup>43</sup>

But a Manistee reporter in discussing the effects of the railroad stated that The people in the northern part of the county claim that the railroad has proved a great curse to Onekana, for, say they, 'Onekama is almost dead now--not a saw-mill running in the village for want of logs--the business she has heretofore had from this section is going to Manistee because of our easy access to the county seat by rail." The extension of this iron arm to the northeast of Onekmna may have a depressing effect upon her business for a while, but in the long run it will undoubtedly benefit her materially<sup>44</sup>.

The Manistee and Northeastern Railroad enabled the huge Buckley & Douglas mill to operate all winter long, while the rest of the mills were idle. Thus, a large number of laborers were given year-around employment in the timber, on the railroad itself, and in the mill plant. In the spring of 1892, the payroll to the mill crews for the winter's sawing amounted to \$48,000.00--a substantial contribution to Manistee's economy--<sup>45</sup>.

By October 1, 1891, construction had resumed at Lake Ann on the 17.86 miles remaining between that point and Traverse City. On June 10, 1892 the tracks reached Traverse City, completing the main line as projected

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43 Twentieth Annual Report of Michigan Railroad Commissioner (1892), p. 7

44 The Manistee Times-Sentinel, Friday, June 14., 1889.

45 Ibid., Friday, May 6, 1892.

a length of 69.76 miles. Service between Manistee and Traverse City began on July 1, 1892. Besides the main line, several branches were opened during 1892. They were the branch from Bear Creek, which was extended to Canfield's Camp; the Twin Mountain Branch to Twin Lake; and the Lake Shore Branch to Manistee Harbor. The Bear Creek branch was an extension of the tracks from Peter's Camp to Canfield's Camp one mile to the east. The Twin Mountain Branch left the main line 4 miles north of Nessen City and ran 2 miles into the timber, as far as Twin Lake.

More significant than either of the others was the Lake Shore Branch to Manistee Harbor. During the early winter of 1891-92, there was competition between Frankfort and Manistee to secure the contract as the transfer point on the western shore of Michigan for the Delaware, Lackawanna & Western Railroad. Buckley told a newspaper man in Manistee that it would ultimately be made the transfer point for the Lackawanna system's northwest freight<sup>46</sup> and this probably motivated him, in the fall and early winter of 1891, to set a large crew to running an extension of the M. & N. E. from a point on the north edge of the city, out along the Lake Michigan shore, to the channel of the Manistee River. In addition to running M. & N. E. tracks to the harbor, Buckley built large warehouses, an elevator, and docks, thereby greatly improving his shipping facilities. If anticipation of the Lackawanna contract was behind all this construction, Buckley was doomed to disappointment, for Manistee never secured it.

In addition to the main line of 69.76 miles, and the branches of 12.22 miles, the M. & N. E. also had spurs and sidings totaling 13.77

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46 Ibid., Friday, January 15, 1892.

miles, making the aggregate total of grade by the company, 95.75 miles.

One of the characteristics of the operations of Buckley and Douglas that they did nearly all their business on a cash basis. One advantage of this kind of dealing was demonstrated in their purchase of two locomotives in May, 1892. These were 55-ton freight engines purchased new by the Kansas City, Wyandotte & North Western Railroad, but not used since that company had been unable to make payments. Buckley bought them for \$13,500 cash, although they were reported to have cost \$20,000 at the shops. These locomotives, now called Number 8 and Number 9, provided a substantial addition to the freight capacity of the M. & N. E. for each could handle fifty loaded cars.<sup>47</sup>

On January 7, 1892, the stockholders in their annual meeting in the company's offices in Manistee, unanimously adopted a resolution to increase the capital stock of the corporation from \$600,000 to \$2,000,000. This resolution, which amended Article IV of the original Articles of Association, was filed with the Michigan Railroad Commission on August 29, 1892.

The rolling stock had been considerably increased by the end of 1892 to meet the demands of expanded passenger and general freight service, and to increase the railroad's log-hauling capacity. The company was now operating 8 locomotives of more than 30 tons, 1 of 20-30 tons, 5 8-wheel passenger cars, 2 express and baggage cars, 4 box cars, 225 platform cars, 4 conductor's way cars, and 1 other car.<sup>48</sup>

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47 *Did.*, Friday, May 6, 1892 (for a picture of Number 9 engine, see p. 26).

48 Twenty-first Annual Report of Michigan Railroad Commissioner (1893), p. 253.

For the record, here is a list of ail the stations and flag stops on the N. & N. E. by 1893, and the distance from the depot- at River Street in Manistee.<sup>49</sup>

Manistee	0	Nessen City	33
F. & P. M. Depot	1	Grant Center	41
Arendal	8	Interlochen	45
<u>Onkama Junction</u>	<u>10</u>	Sherrnan's Mill	49
<u>Onkama</u>	<u>13</u>	Lake Ann	52
Onkama Junction	10	Cedar Run	55
Chief Lake	15	Solon	59
Bear Creek	18	Carp Lake	62
Manistee Crossing	20	Hatch's Crossing	64
Maple Grove	23	Traverse Resort	66
Lemon Lake	25	Greilicksville	67
Copernish	30	Traverse City	70

The line was divided into 10 sections, each averaging 7 miles in length, with 5 men in each section gang. Other employees were 3 baggagemen, 15 brakemen, 8 conductors, 8 engineers and firemen, 15 laborers, 15 shop-men, 3 yard. men, and 48 others.<sup>50</sup> 50

During 1893 the Manistee and Northeastern Railroad enjoyed a sizable increase of business in all areas. This was the company's first full year with the main line completed. The increase in income from freight transportation was greater than during any other perod of similar length in the history of the railroad. It jumped from \$91,901.99 in 1892 to \$124.060.33 in 1893.<sup>51</sup>

The only extension of the line during 1893 involved the Twin Mountain Branch. This track was extended from Twin Lake to the town of Bendon, a distance of 4.50 miles. Since this was a short-term logging branch, the

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49 Official Directory and Legislative Manual of the State of Michigan for the Year 1894 (Secretary of State. Lansing: Robert Smith & Co., State Printers and Binders, 1894), p. 235.

50 Op. cit.

51 For complete details, see chart, Appendix, p. 65.

grade was made only adequate, with no more work than was necessary. The lightness of the grading is apparent today in that this branch is extremely grown on over and difficult to trace, while the main line and the more important branches show still easily-discernible grades. The Twin Mountain Branch ended approximately one-fourth mile west of the village of Bendon, at the grade of the Chicago and West Michigan Railroad.

The national depression was reflected in the business activities of the M. & N. E. in 189+, in the decrease of passenger and freight traffic and transportation revenue. There was no marked rise in business on the line until 1891, when all phases of operation showed a significant increase. Again there was only one extension of the line, although an important one. It was called, at first, the Glen Arbor Branch, and it ran from Solon, on the main line, to Glen Arbor, a distance of 11.61 miles. After the Board of Railroad Crossings had approved the proposed extension, the branch was put into operation on December 1, 1891, as far as Cedar City, 3 miles from Solon. This line was of more than passing significance because it reached into an area which later produced profitable potato shipments for the company. This traffic caused the M. & N. E. to build a fine brick depot with large warehouse capacity at Cedar City. This building stands in good condition today, although no railroad serves it any more.

When the Glen Arbor Branch was completed. on December 17, 1902, its terminus had been changed from Glen Arbor to Provemont (now Lake Leelanau), and it was thereafter referred to as the Provemont Branch. Its total length was 14.50 miles instead of the proposed 17.61 miles. It remained in operation for several years after most of the main line had been discontinued, the trains running out on the main line as far as Solon, and

then northward to Provemont.

As the year 1895 began the Manistee and Northeastern was doing an enormous business carrying logs into Manistee. In the middle of January it was hauling over 500,000 feet of logs per day, and keeping crews busy at all points both day and night<sup>52</sup>. Roads like the M. & N. E. permitted the mills of Manistee to operate throughout the year, thus providing more stable employment. But they also hastened the exhaustion of the timber, and this ultimately brought depression to the area.

In 1895, the Twin Mountain Branch of the railroad was pulled up and abandoned, since the timber adjacent to it had been depleted and there was little arable land in the area to provide agricultural shipments. But a much more important extension was begun at the same time. From a point one and one-half miles north of Kaleva, the Manistee River Branch was extended 4 miles into the timber to the eastward, near the present site of Marilla. This branch later extended the life of the Buckley & Douglas Lumber Company for several additional years after nearly all the other mills had shut down. Another reason for the longevity of the Buckley & Douglas Lumber Co. was their salt plant, started in 1895. This plant, ultimately one of Manistee's largest and finest, soon produced approximately 2500 barrels of salt per day. The salt block, completed in 1896, provided a commodity considerably more stable and enduring than products of the forest.

By 1896 the branches were supplying sufficient quantities of logs to meet the immediate needs of the mills, and there was no major

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52 The Manistee Daily News , Wednesday, January 16, 1895.

extension in that year. But the mills soon exhausted the available timber in any area, thus creating a need for new extensions of the rails. Consequently, in 1897 and '98 tracks were built into new tracts of timber. In 1897 Filer's Branch was run into the Buckley & Douglas Camps between Interlochen and Lake Ann. This short 3-mile branch opened up a valuable new stand of timber. In 1898 a purely logging spur was extended from a point one and one-half miles north of Kaleva to a Buckley & Douglas lumber camp 3 miles away. A longer branch was begun in the same year. Later known as the Platte River Branch, it reached from the Sherman State Road., south of Lake Ann, to Honor 13.44 miles to the west. This branch, then the longest owned by the M. & N. E., opened for service as far as Honor on December 21, 1898.

During 1899 only two extensions were made, neither of much importance. Two miles of spur were added to Filerts Branch north of Interlochen, and .35 of a mile was added to the Glen Arbor Branch. The former was purely a logging extension, and it was taken up in 1900, when the timber had been cut off.

In 1900 3 miles were added to the Platte River Branch, the Betsie River Branch of 5 miles was started. The Betsie River Branch extended from a point one and one-half miles south of Copemish, on the main line, to a point on the Betsie River to the northwest. This was completed with the addition of 3 miles of track in 1901, carrying it to a point just beyond the Benzie County line. It was abandoned in 1904.

## RTJGGLES VS. BUCKLEY

In the summer of 1900, Edward Buckley's old partner, Charles F. Buggies began to take on the role of nemesis in his life. Mr. Buggies was a peculiar person. He carried on extensive business dealings, especially in real estate, conducting virtually all his business personally. He was extremely watchful that no one received more than his due, from him at least. One story illustrating his strange character is as follows: A workman in his employ was nearby one day when Mr. Ruggles fell into the water and was unable to get out. The man jumped in and rescued him, after which Ruggles thanked him, then fired him for not paying strict attention to his job. Another incident showing his eccentricity concerned an acquaintance of his who smoked. Buggies made a formal contract with the man agreeing that he (Buggies) would give the man a silver-mounted pistol if he would stop smoking. If the other man violated his part of the deal and smoked, he was to pay Buggies \$35 and return the revolver.

Buckley had married Mary, Charles F. Buggies sister in 1869, before any business arrangement between them. Mary had died in 1885, and Charles seemed to feel that Buckley was responsible in some way for her death. From 1885 on there was a strained relationship between the two men.

On August 13, 1900, Buggies filed a bill of complaint against Ed-Ward. Buckley in Circuit Court of the United States for the Western District

of Michigan in Grand Rapids<sup>53</sup>. Ruggles claimed that a partnership relationship had existed between himself and Buckley since 1874; that since that time he had furnished capital to finance Buckley's enterprises in the amount of \$881,525.05; that Buckley was about to mortgage the railroad company and misappropriate the money; and that because of his financial help to Buckley, he--Buggies--was entitled to a half share in the stock Buckley owned in the M. & N. E. R. R. and the Buckley & Douglas Lumber Company. Edward- Buckley admitted that Ruggles had loaned him the stated amount of capital, but maintained that a loan did not entitle Buggies to a share in the corporations. He claimed, furthermore, that the partnership arrangement between them had terminated on December 31, 1881.

The court appointed John Patton of Grand Rapids as receiver of both corporations to operate them until a final solution could be found to the contention. Patton became through this appointment, the majority stockholder in the two companies, with controlling voice in all decisions. All the officers of the companies were permitted to remain in their positions, the only essential change being the absolute veto power held by Patton.

The railroad continued to expand its tracks even during the period of receivership. In 1901 the Lake Shore Branch was extended .67 of a mile, to the Novelty Works (now Century Boat Company), and the Platte River Branch was extended .40 of a mile to reach Empire Junction. At that point it connected with the Empire & Southeastern Railroad, a logging road carrying logs to the mills at Empire. The Empire & South-eastern had a total length of 11 miles, and owned one station--at Empire.

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53 Case No. 1380, U. S. District Court, 1900.

it also used the M. & N. E. station at Empire Junction.

In 1902 the extension of the railroad continued with the completion of the branch originally known as the Glen Arbor & Omena Branch, but later called the Provemont Branch. The construction in 1902 extended this branch from Cedar City to Provemont, a distance of 10.65 miles. It reached Provemont on December 17, 1902. At one time the railroad built a bridge across the channel there, to facilitate the loading of lumber at the mill on the east side, but later this bridge was removed, and the lumber had to be floated across the channel and loaded into railroad cars in the town.<sup>54</sup> A former resident of Provemont recalls that boys would go out along the M. & N. E. tracks in the winter, and wait for the snowplow train to arrive. Standing as close as they could to the tracks, they would let the snow from the plow almost bury them. Sometimes they would be entirely covered. If the engineer saw them, he would hit the drifts a little faster to make their game more exciting.

The year 1903 saw the extension of the Manistee River Branch as far as Glengarry, 9.94 miles. In the following year by November 21 this branch was extended to the village of Wexford (now Buckley), 6.64 miles from Glengarry. Reaching into excellent hardwood and hemlock timber, this new road provided enough raw material to keep the Buckley & Douglas Mill in full production. There was, by this time, a decline in lumbering in and around Manistee as the vast reserve of timber was approaching exhaustion. During 1905 the tonnage of forest products shipped on the Manistee and Northeastern decreased by 10 per cent, while

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<sup>54</sup>This information was obtained from Mr. Arthur Popp, a former resident of Lake Leelanau.

agricultural and manufactured products increased 31 and 37 per cent respectful<sup>55</sup>. Because of the enormous preponderance of forest products in the freight tonnage there was, nevertheless, a slight decrease in the total revenue for the year.

The U. S. District Court had been considering the Ruggles vs. Buckley suit since Ruggles filed the bill of complaint in 1900. On December 114, 1903, the court dissolved the Buckley and Ruggles partnership by interlocutory decree, terminating a most peculiar business arrangement. There never was any contract formally designating the exact nature of the partnership or the respective role of each man in it. This confusion was one of the causes of the lengthy litigation between them.

On March 15, 1906, the court decreed that enough bonds should be sold by the M. & N. E. to pay off the remaining debts that Buckley owed Ruggles. Three years intervened before this transaction materialized. During those years a change had taken place in the management of the company. On May 24., 1907, John Patton, died, and the Michigan Trust Company was designated to replace him as the court-appointed receiver.

At a meeting of the stockholders of the M. & N. E. on February 25, 1909, in Manistee, arrangements were made for the sale of \$1,500.,000 of bonds. The bonds were dated January 1, 1909, and were purchased by A. B. Leach & Co., and Dewitt, Tremble & Co., both of Chicago<sup>56</sup>. Approximately \$1,015,000 of the proceeds were used to pay off the balance owed to fr. Ruggles, and the remainder was used to extend the Manistee River Branch into Kalkaska County, 36 miles eastward of its existing terminus

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55 Nineteenth Annual Report of the Manistee & Northeastern Railroad (1905), p. 9.

56 Case No. 1380, U. S. District Court, March 15, 1906.

This extension was completed in 1909 to Sigma, 37.79 miles from Wexford. It opened up a vast new stand of timber for the Buckley & Douglas and Louis Sands Lumber companies, who together owned between 300,000,000 and 400,000,000 feet of timber in that region. One of the tracts purchased by Buckley & Douglas was 6,000 acres of hardwood and hemlock, which they obtained from Richard G. Peters for \$300,000<sup>57</sup>. The number of mills in operation in Manistee was steadily decreasing by this time, and this new stand of timber prolonged the life of the Buckley & Douglas and Sands mills for several more years.

Also in 1909 came the final disposition of the suit of Ruggles vs. Buckley. The court decreed that Buckley's six-eighths of the stock in both the Buckley & Douglas Lumber Company and the Manistee and Northeastern Railroad, should be split between himself and Ruggles, each man having a three-eighths share in each company. William Douglas retained his one-fourth share, since he had never had any connection with Ruggles. This settlement terminated Buckley's domination of the affairs of the M. & N. E. for a while, although he continued as Chairman of the Board of Directors. There were some new stockholders after the suit: T. J. Elton, P. R. L. Carl, William H. Nuttall, Oscar Larsen, F. A. Mitchell, and J. M. Peterson, who had purchased stock from Buckley. Also new was John Rademaker, to whom Ruggles had transferred one share of stock in 1910, either by sale or grant. Buckley reestablished his control over company affairs in 1910, when Douglas was forced to retire because of failing health. Buckley purchased nearly all of his former partner's Stock, giving him sufficient votes among the stockholders to dictate

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<sup>57</sup> The Manistee Advocate, May 21, 1909

policy. Douglas died in the same year, leaving Buckley alone of the partnership which had created such extensive and ambitious enterprises.

By the end of 1910 the Manistee River Branch had been completed into Grayling, marking the final stage of construction. The Manistee and Northeastern had at Grayling reached its farthest extension. While the railroad enjoyed vigorous activity for a few more years, it was too dependent upon forest products for continued prosperity, and the extension to Grayling marked the limit of its timber reserves. Decline was inevitable when these reserves were depleted.

The Manistee and Northeastern had extensive and complete facilities for nearly all aspects of railroad operation. It had a round house in Manistee fitted with eight locomotive stalls, one in Traverse City with three, one in Grayling with three, and one at Honor with one stall<sup>58</sup> In conjunction with the round house in Manistee, the M. & N. E. had a car shop in which it could overhaul locomotives as well as cars. In this shop the M. & N. E. also constructed its own platform cars for log transportation. Wheels and other steel parts were purchased from the Manistee Iron Works, and the assembling was done in its on shop, which had a capacity of two cars a week. This machine shop had been added in September, 1889. Another activity of a different nature engaged in briefly by the M. & N. E. was the operation of the steamer Manistee, in 1909 and 1910. This ship was a propeller steamer launched as the Lora in Benton Harbor ill 1882 for the Graham and Morton line as a passenger vessel. Her length was then 161 feet, with a beam of 32 feet, and a depth of 17.7

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58 Case No. 1895, U. S. District Court, 1918.

feet She was later cut down as a lumber steamer and renamed the Alice Stafford. In 1906 the Nessen Lumber Company bought the vessel and named it the Manistee, running it between Manistee and Milwaukee until 1909, then the M. & N. E. acquired it to ply between Manistee and Chicago and intermediate ports in Michigan. In 1910 the Manistee was sold to the Northern Transportation Company of Chicago, and in 1911 this company sold her to the Chicago-Racine & Milwaukee line, also of Chicago. She served this line until June 28, 1914, when she was destroyed by fire at Ferrysburg, Michigan. There were 22 persons aboard when she burned, but there was no loss of life.

The Manistee and Northeastern did a great deal to speed the settling and civilizing of the wilderness through which its tracks ran. The transportation it provided solved one of the major problems of settlers in the region. Abundant lands were available after the timber had been cut, and many lumbermen became real estate dealers, in order to get some return on their lands after the timber was gone. The soil in the hardwood areas reached by the M. & N. E. naturally had a rich layer of humus, but the fires which swept through the dry branches left by the timber cutters Consumed most of this fine topsoil. Consequently, much of the cut-over land was not suited to general farming, although in time it was found suitable for fruit and potatoes.

While most of the companies engaged In the sale of former timber lands were relatively honest, some had no scruples against representing the lands as potentially excellent farms. One such company was the Michigan Land Association. About 1901 this outfit sold large amounts of property adjacent to the Manistee and Northeastern Railroad to settlers Chicago and other southern cities. Their price for cut-over lands

near Buckley was from \$8.00 to \$12.00 an acre<sup>59</sup>. By 1904 the Michigan Land Association had sold 10,300 acres to prospective farmers, virtually all of it along the M. & N. E. In 1905 this company sold 3,200 more acres.

One swindle perpetrated by the Michigan Land Association resulted in the settlement of Kaleva. About 1901 the Association contacted some Finnish immigrant families then residing in Illinois, Indiana, and Ohio. It showed them the plat of a Finnish community in northern lower Michigan. The community was named Kaleva, a name taken from the national epic poem of Finland, the Kalevala. These immigrants were persuaded to purchase lots in the town and farm lands around it; the M. & N. E. R. R. must have seemed a convincing argument to them.

The first to arrive at Kaleva was the Rengo family, who came by railroad from Illinois. They had only enough money to buy land in Kaleva, and to rent a box car for their household effects. Lacking money for their own fares, the whole family sneaked into the rented box car and hid themselves among their belongings. They traveled in this fashion until the car was left on the siding at Manistee Crossing. When they were left alone, they made their way out of the car, expecting to find friendly fellow-countrymen to help them. What shock and despair they must have felt when they found little more than stump-covered waste-land and no friendly neighbors! Without means to do else, they grimly set about to survive and make the best of what they had. Ultimately, as other disillusioned immigrants arrived, they determined to build the town Kaleva as it appeared on the fake map, and to create a prospering

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59 Eighteenth Annual Report of the Manistee & Northeastern Railroad, 1904, p. 9.

Bitterness against those who had wronged them caused them to remain aloof and isolated from other Americans,, and to help each other when in need rather than accept assistance from others. This attitude of separation remained until recent times. As late as 1950, the old settlers from Finland still were given immediate Service in the stores and barber shops of Kaleva, no matter how many other people were waiting. The spirit of cooperation has replaced this separation only within the past 20 years for most of the people of Kaleva.

It does not appear that Edward Buckley or the Manistee and Northeastern Railroad Company were directly involved in these unscrupulous dealings. The proximity of the railroad to the land was in itself an important selling point.

A rather rapid increase in farming can be traced in the amounts of agricultural products shipped by the railroad, whose transportation was a significant factor in the growth of farming in the area reached by the M. & N. E. This table below provides a brief picture of the agricultural activity along the railroad, in terms of tons of farm produce shipped during each of the given years:

1889	506 tons	1906	28,261 tons
1895	6,923 tons	1912	42,955 tons
1899	17,556 tons	1916	42,849 tons
1903	17,156 tons	1919	27,560 tons

One reason for the large increase between 1903 and 1912 must be that the Manistee River Branch had added 79 miles to the length of the line. The rapid decline after 1916 is explained by at least three factors: first, the soil which had produced a few good became depleted; second, the number of people in the area had decreased with the exhaustion of the timber leaving fewer to produce and consume farm goods; and third, trucks

carried increasing amounts of farm products. The agricultural decline, of course, was part of the general economic deterioration in the Manistee area that followed the end of the lumbering era.

## THE LAST YEARS

In his annual report for 1911, the Michigan Railroad Commissioner stated the M. & N. E. was in satisfactory condition. The condition of the freight and passenger stations was described as good, as were the alignment and surface of the track. The ties had been renewed regularly and the rails, which were now 65-pound steel, were sound. Traffic was heavy, with forest products still the major item, especially on the recently-opened River Branch. General freight and passenger traffic were increasing. The rolling stock had grown considerably, with an inventory of 6 passenger and 10 freight locomotives; 9 passenger, 4 combination, 2 baggage and postal ex-press cars in the passenger department; and 104 box freight, 384 platform, 10 coal, and 45 refrigerator cars in the freight division. The preponderance of platform cars shows the persistence 'till that year of the shipping of logs.

In 1913 the number of box cars increased to 218, while platform Cars decreased to 378. These numbers are not large, but they reflect gradual decrease in the importance of forest products and the rapid growth in general freight.

In 1912 the company's gross annual income reached \$585,349.98, the highest company ever had, except for two of the years under receivership by the Michigan Trust Company. From 1912 until the end of the company's existence there was a gradual but steady decline in revenues, since there was nothing to

Indicative what of happen to the lumbering industry of the region. In 1893 25 mills had been operating in Manistee; by 1919 the number had declined to 3. And for these mill owners, salt was earning more than lumber.

A significant statement by the Railroad Commissioners in his inspection report. for 1914-15 said: "tie renewals have been fair. Very little ballasting done during the season. Surface and alignment of track satisfactory for the traffic presented. Traffic very light"<sup>60</sup>.<sup>1</sup> Traffic was sufficient to require many tie and rail renewals--a drastic change from a few years before. The increasing proportion of freight cars continued. in 1914. with a total of 313 box cars and 375 platform cars. One first-class passenger coach was added in 1914. The tone of the report of 1916 indicates further decline of the fortunes of the M. & N. E.: "The general condition of the property was found to be satisfactory, however, the surface and alignment of the track is not up to the standard of this company."<sup>61</sup>

The war year 1917 showed a continuing decrease in revenues. Total income in 1916 had. Been \$517,309.00: in 1917 it was \$483,162.00. A serious problem had developed: operating expenses were rising, and the was forced to invest less in new equipment and right-of-way maintenance each year. This caused deterioration in property, which in turn required additional expense for rejuvenation, placing further strain on the weakening financial condition of the company.

Perhaps because of this deterioration, an accident occurred on of the place timber products. This decline in revenue was

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<sup>60</sup> Eighteenth Annual Report of the Manistee & Northeastern Railroad, 1904, p. 9.

<sup>61</sup> Tenth Annual Report of the Michigan Railroad commission (1917)

July 4, 1917. An excursion train of the Parkdale and East Lake Street-Company was carrying a capacity load of holiday Passengers when it collided with an M. & N. E. train in Parkdale. The heavily-loaded cars of the street railway became a pandemonium. Two streetcar passengers were killed and several more injured. The streetcar coaches were demolished. The accident is remembered as one of the spectacular disasters in Manistee's history.

In the fall of 1917 the railroads of the entire United States were in a deplorable condition. Rolling stock was deteriorated and unsafe, tracks and stations were poorly maintained, and employees were seriously underpaid, causing a high rate of turnover. This perfectly describes the conditions on the M. & N. E. In October of 1917 employees of the M. & N. E. began a serious agitation for higher wages. The company could not pay more because of drastically reduced profits. Because of the war, there was a strong probability that the federal government would take over the railroads in the country; the M. & N. E. officers and men alike were extremely desirous that this should happen, for the govern, was expected to fix and subsidize a higher rate. Edward Buckley, as president of the company, called a meeting of all the railroad personal to discuss the matter of federal control and wages, but dislike for him is said to have caused all but one employee to boycott the Meeting<sup>62</sup>. <sup>62</sup>This dislike was apparently engendered by his aloof and superior manner with his employees.

The hope of government control was very likely the only thing that kept the M. & N. E. employees on the job between October and December,

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62 Interview with Joe Linder.

On December 26, the President issued a proclamation placing all railroad under the control of the federal government. The company then passed along the following statement to its employees. "We admit, you are entitled to more wages you are going to get more wages, and the government is going to fix the rate, and that you are going to get."<sup>63</sup>

The employees of the M. & N. E. seemed, reassured that they were going to receive a more equitable income when the government assumed control, and they performed their services accordingly. On May 25, 1918, wages of railroad employees were raised by a federal order which was retroactive to January 1. What consternation and frustration the N. & N. E. personnel must have felt when, on June 29, 1918, the following communication was received from the Director-General of Railroads, William G. McAdoo: "Pursuant to the recommendation of the Regional Director the Manistee & North Eastern /sic/ Railroad is relinquished from federal control. "<sup>64</sup>

The M. & N. E. was now faced with the necessity of paying the higher wage rate without the federal subsidy to supplement its own revenue. The the railroad was unable to pay the required incomes because of diminishing revenues, a suit was brought against it in December, 1918. Two employees of the M. & N. E., Alfred j Hansen and Edward McFall brought the suit in the U. S. District Court in Grand Rapids in an attempt to obtain, at least a portion of back wages due them. The suit was entitled Ayres Coal Co. vs. the Manistee and Northeastern Rail Road Co.

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63 Case No. 1895, U. S. Circuit Court for the Western District of Michigan, Ayres Coal Co. vs. the Manistee & Northeastern Railroad Co.,

64 Ibid

The court again appointed the Michigan Trust Company of Grand Rapids as the receiver and the company came into possession of the railroad properties at midnight, December 24, 1918. This marked the end of the existence of the Manistee & Northeastern Railroad Company as the public corporation chartered in 1887. Business on the line was suspended until January 1, 1919.

During the year 1919 the income of the company, under the operation of the receiver, showed a marked increase over the previous several years. One certain cause was the operation, under lease beginning on June 9, 1919, of the Leelanau Transit Company's line from Traverse City to Northport. This company had suspended its operations on August 16, 1918 because of operating deficits, but had restored service on August 29 at the order of the State Railroad Commission. On June 24, 1919, the Manistee and Northeastern Railroad Company was given permission to operate this line, for one year, under a lease drawn up on June 9<sup>65</sup>. The lease was renewed for several years.

On July 22, 1920 disaster struck Manistee and the railroad. The second most destructive fire ever to strike Manistee (the first being the fire of 1871) completely destroyed the mill property, salt block, machine shop, and lumber stockpiles of the Buckley & Douglas Lumber Company. It burned for 8 hours, leveling 40 acres of plant and yard. The fire was visible for long distances, the glow in the sky being seen by people for miles away. The fire is distinctly remembered because of strange color the burning salt gave to the flames. This fire was a catastrophe to the M. & N. E. as well as to the Buckley & Douglas Lumber

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65 First Annual Report, Michigan Public Utilities Commission (1921)

Co. the transportation of logs and coal to this plant had supplied the railroad chief traffic into Manistee, as lumber and salt had been its major export items, and all of these had been completely cut off at one disastrous stroke.

The story of the Buckley & Douglas salt plant does not end with the fire, for Charles F. Ruggles and John H. Raderriaker purchased the burned-out property following the fire, and rebuilt the plant. This plant is today the Morton Salt Company's Manistee plant.

In the summer and early fall of 1921 business on the M. & N. E. received yet another serious setback. That year the potato market was depressed, and large quantities of them were dumped onto the fields and allowed to rot. Potatoes had been one of the principal commodities carried by the M. & N. E., and the loss of this traffic cut sharply into revenues. The lumber market was also unusually low in 1921, depriving the railroad of further shipments in and out of Manistee.<sup>66</sup>

The Michigan Trust Company, when it assumed control of the operations of the M. & N. E. R. R., had settled the unsecured claims against the company which had accrued prior to the receivership, for \$.50 on the dollar, excepting about \$5,000. These claims amounted to about \$200,000.<sup>67</sup> In 1919 the railroad earned a net operating income of \$107,826, but every succeeding year thereafter showed a net operating deficit. The expenses of operation were reduced through deferred main-curtailment of train service, and a reduction of the number of

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66 Thirty-fifth Annual Report of the Manistee & Northeastern Railroad, Michigan Trust Co., Receiver (1921), p. 8.

67 Finance Docket No. 4305, Abandonment of line by Manistee & Northeastern Rail Road /sic/ (Interstate Commerce Commission, Submitted January 6, 1925), p. 347

employees. The wage rate was lower than the standard rate, and raises impossible because of the operating deficit.

Freight tonnage declined from 667,030 tons in 1919 to 439,954 tons in 1923 and for the same period passengers declined from 91,160 to 49,434. The primary reason for the great decrease in freight shipment the virtual end to the shipping of forest products. The freight available for shipping after the timber was gone consisted of less than carload lots, and trucks handled most of such traffic. Motor vehicle transportation also cut drastically into passenger service. The physical properties of the Manistee & Northeastern were in a sadly deteriorated condition by 1925. The bridge across the Manistee River in the city had been condemned by the s chief engineer in 1918, but it was kept in use because the cost of replacing it was estimated at \$75,000 to \$100,000. The Manistee River Branch was in a serious state of disrepair, with ties, rails, and bridges all needing replacing or repairing. The 500 box, platform, and gondola cars owned by the company were all out of commission except for a few used on short hauls. The receiver estimated that it would cost from \$300 to \$1,000 per car for repairs to make them safe to use. Locomotives needed repairs amounting to about \$21,683, and passenger cars about \$3,420.<sup>68</sup>

On January 6, 1925, the Michigan Trust Company petitioned the Interstate Commerce Commission for permission to abandon the Manistee & Northeastern Railroad. Besides citing the preceding figures on the declining fortunes of the road, the receiver claimed that the area served by the M. & N. E. was served adequately by the Pere Marquette, the Pennsylvania

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<sup>68</sup> *Ibid.*, p. 346.

the Ann Arbor, and the Michigan Central Railroad and also pointed out the population along the line was decreasing.

Because of the deterioration of the Manistee River Branch and the lack of forest product shipments there by 1921, and because there were people living in the area, the ICC determined in July, 1925 that the River Branch should be abandoned. It ruled that the remainder of the River line and the Provemont Branch should continue in operation. It believed that discontinuing the River Branch would restore a net operating income. Experience soon showed that the line was too run down to be helped by this minor saving. The Leelanau Transit Company line to Northport) which had been operated by the M. & N. E. under lease, continued to show an encouraging profit, and service was continued there. From the Northport branch and the Provemont branch originated most of the potato shipments. In 1923 there had been 1488 carloads of potatoes shipped, most of them from those two branches. Other than potatoes there were almost no stable items to be shipped.

The final chapter in the history of the Manistee and Northeastern Railroad occurred in the fall and early winter of 1925. The railroad then operated the main line from Manistee to Traverse City--70.76 miles, the Provemont Branch from Solon to Provemont--14.50 miles, the Onkama Branch Onkama Junction to Onkama--2.67 miles, a 2.50 branch in Manistee, and the Northport branch under lease. On October 21, 1925 the States District Court directed Kirk E. Wicks, Master in Chancery for the court, to offer for sale the railway and properties of the Manistee & Northeastern Railroad Co. This he did on December 16, 1925, and on January 4, 1926, a report of sale was filed. The only bid, a report of sale was filed. The only bid for the property was made by J. H. Daggett, who offered \$300,000. On

January 4, petitions were filed by Daggett and the Michigan Trust Company asking that the court approve the sale. The court confirmed the sale and authorized him to assume ownership of the property<sup>69</sup>. 69

The sale marks the end of the Manistee and Northeastern Railroad On September 7, 1926, Daggett and six associates reorganized the corporation as the Manistee and Northeastern Railway Company. This company was sold to Pere Marquette Railroad Company in 1930, and that company merged- with the Chesapeake and. Ohio Railroad 1947. The name Manjstee and Northeastern was retained only on the run between Manistee and Kaleva. Even that took the Chesapeake and Ohio name in 1955 and the name Manistee & Northeastern then disappeared from the map of Michigan.

The Manistee and Northeastern Railroad had been created by the lumbering boom in Manistee. and its temporary high prosperity had been largely dependent upon that industry. It was characteristic of the time and place--a large enterprise financed- by private capital, which brought considerable wealth to its creators.

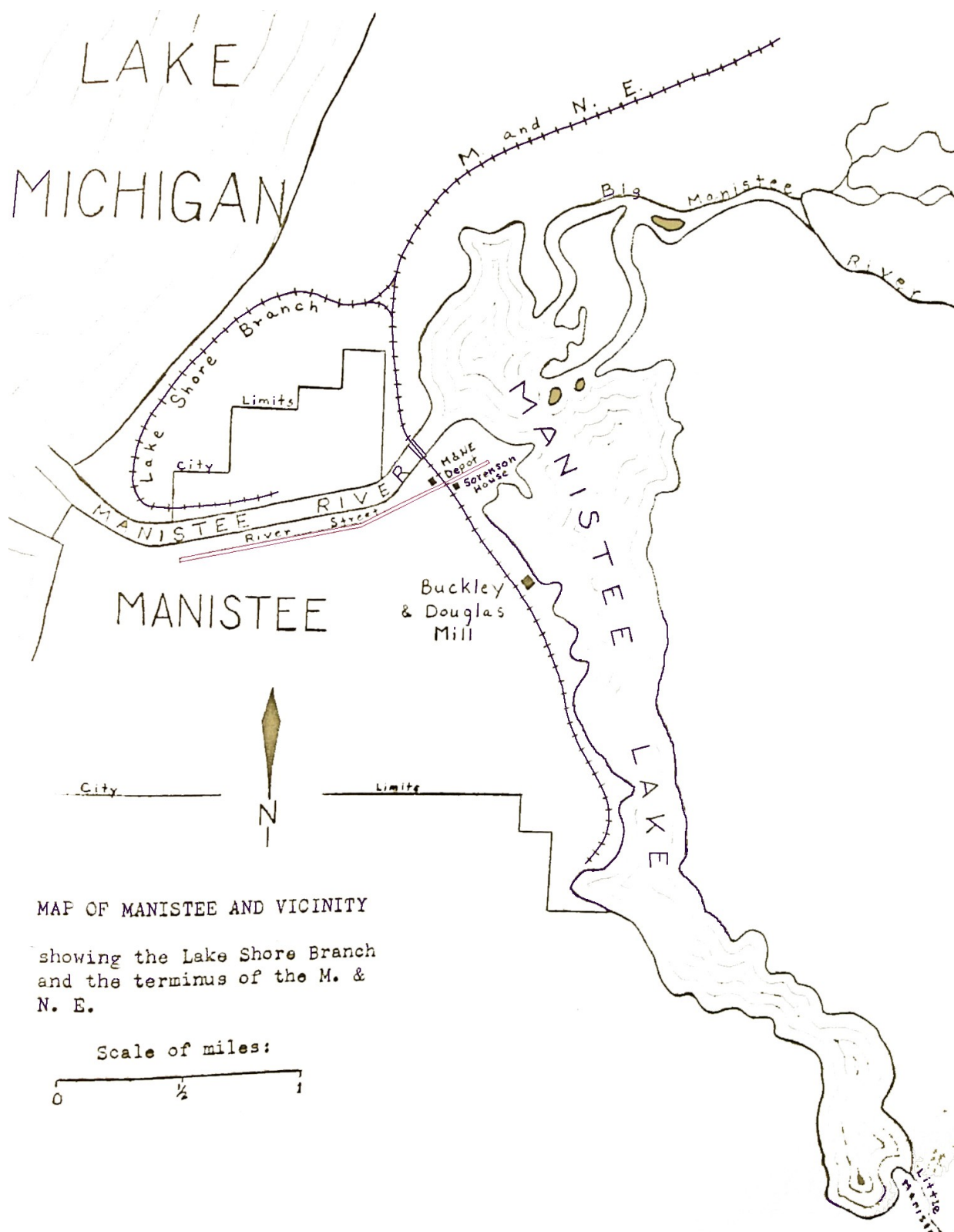
Edward Buckley and William Douglas were also characteristic of their era. Both were immigrants who came to Manistee without capital to begin with, and both furthered their own welfare through shrewdness and initiative. Together they rose to prominence through their lumbering activities, their railroad enterprise, and their salt production. Buckley seems to have provided the administrate leadership; Douglas was more directly concerned with the field work required by their

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69 Certificate for the Incorporation of Manistee and Northeastern Railway Company (1926), p. 2 (from the files of the Michigan Corporate Securities Commission).

projects. Buckley seemed to have been the more ruthless of the partners, Douglas the more considerate. Their careers reflected the events of the time and the place. Like other lumber barons, they enjoyed great prosperity while the timber lasted; their fortunes declined with the exhaustion of the timber.

The Manistee and Northeastern Railroad, of course, has disappeared though the name is still occasionally heard, and some of its depots are still standing. But its impact upon the Manistee region will not be forgotten for many years. The original M. & N. E. rails from the Lake Shore Branch which can still be seen among the dunes along the Lake Michigan shore are a tangible reminder of the company that laid them.



# MAP OF MANISTEE AND VICINITY

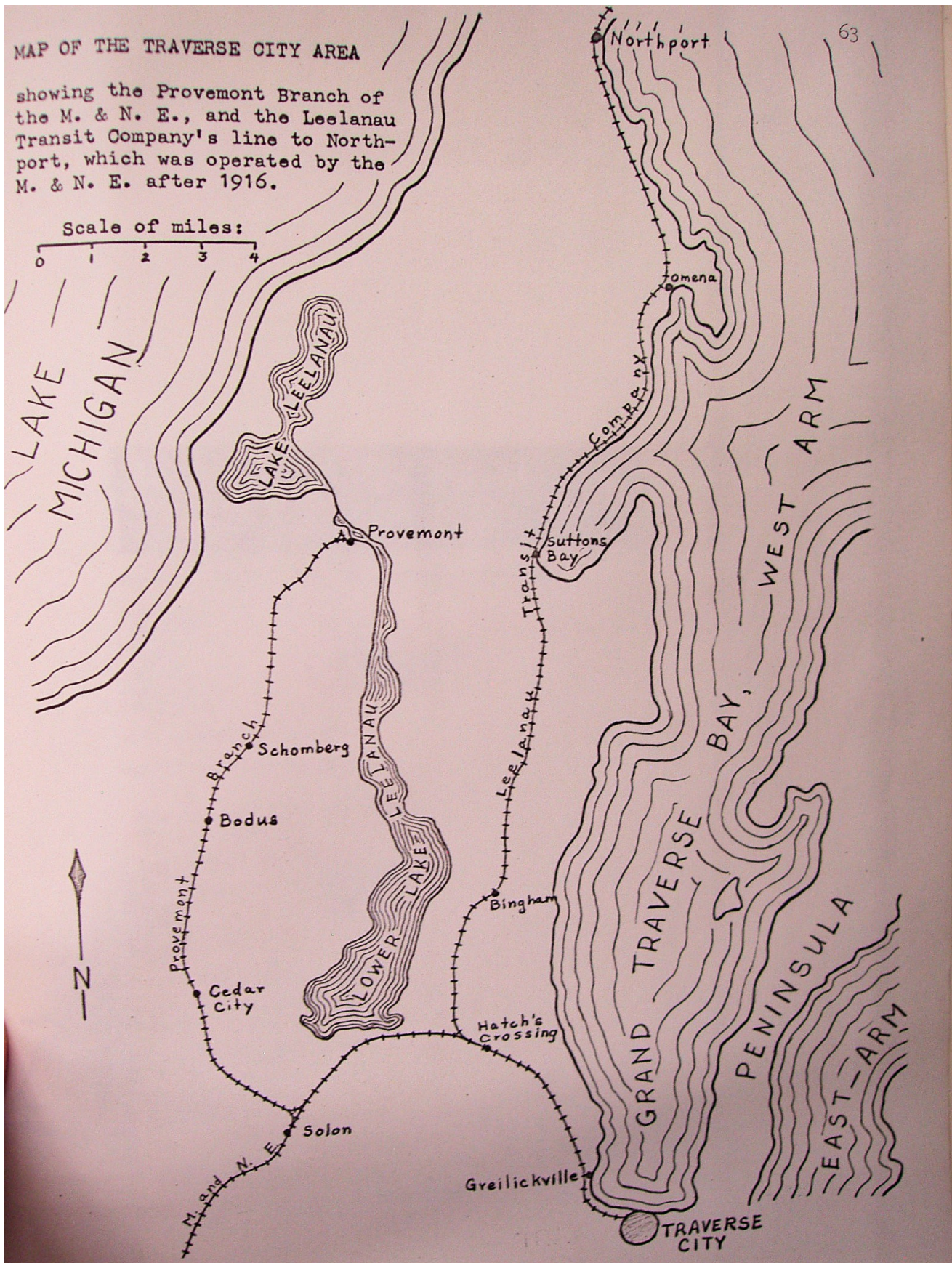
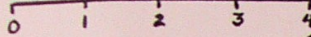
showing the Lake Shore Branch  
and the terminus of the M. &  
N. E.

Scale of miles:  
0 1/2 1

# MAP OF THE TRAVERSE CITY AREA

showing the Provemont Branch of the M. & N. E., and the Leelanau Transit Company's line to Northport, which was operated by the M. & N. E. after 1916.

Scale of miles:



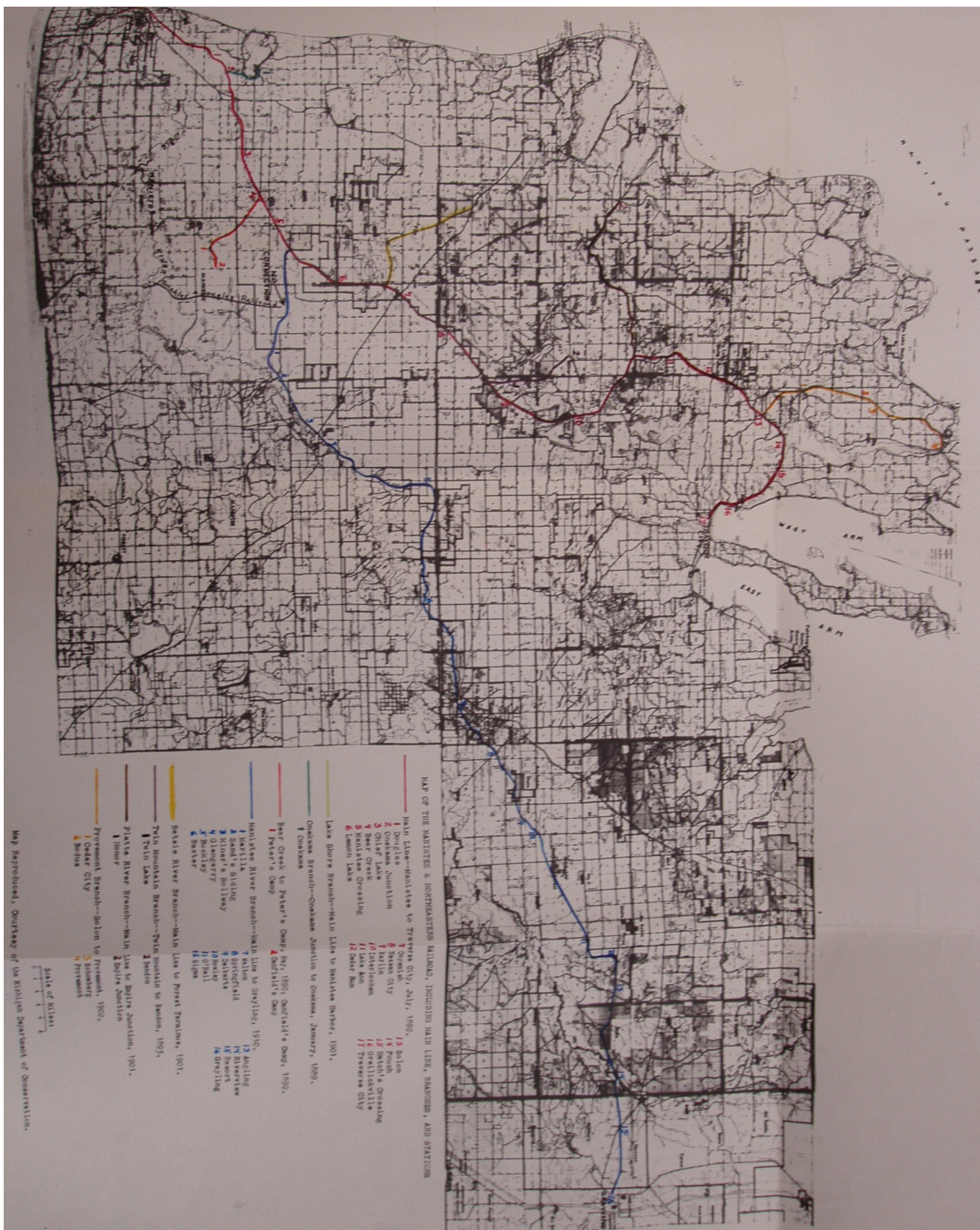


CHART OF TRANSPORTATION ACTIVITIES, M. &amp; N. E.

Year	Freight Tonnage	Forest Products	Passenger;	Passenger Train Miles	Freight Train Miles
1889	117,040	116,329	39,816	24,545	18,780
1890	187,555	173,262	a	63,054	79,998
1891	253,878	237,765	a	87,793	81,840
1892	285,342	237,765	87,712	72,372	76,483
1893*	298,996	264,922	107,455	100,900	76,830
1894*	251,609	282,285	90,671	99,160	70,740
1895	342,807	212,768	85,753	99,552	86,214
1896*	259,264	a	74,650	104,806	87,111
1897	332,066	253,987	75,202	94,560	88,267
1898	370,530	288,155	92,591	95,972	91,019
1899	398,646	314,615	114,050	100,170	99,151
1900	422,457	556,905	122,893	96,606	121,762
1901	468,811	418,656	116,820	98,944	99,886
1902	486,576	441,888	125,089	106,018	110,758**
1903	582,462	508,171	146,564	120,712	110,651
1904	641,563	539,528	148,650	118,599	117,964
1905	586,995	487,115	151,079	120,469	154,524**
1906	602,789	485,174	151,079	120,771	106,946
1907	612,123	435,746	174,619	a	a
1908	656,691	500,201	171,377	121,643	113,196
1909	616,666	422,532	178,637	a	a
1910	675,476	476,804	195,394	a	a
1911	720,804	528,275	204,495	a	a
1912	751,930	552,615	195,867	164,947	239,982
1913	684,421	468,803	205,236	162,273	254,742
1914	500,001	359,593	190,895	162,545	174,726
1915	606,145	380,797	167,529	172,845	203,443
1916	555,813	382,154	158,707	171,548	210,018
1917	598,436	344,510	153,052	154,211	186,765
1918	544,813	359,441	78,047	110,890	142,702
1919	a	a	91,460	a	a
1923	a	a	49,434	a	a

a - Figures not available.

\*Does not include traffic north of the 44th parallel, which was tax-exempt, and for which figures were not available.

\*\*Includes both-freight and mixed train miles.

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