



The Curtailment of Railroad Service in Nebraska, 1920-1941

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Article Summary: Between the two world wars the people of Nebraska lived through a transportation revolution. Railroad service rapidly diminished in importance as people began to drive cars.

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Photographs / Images: one of the first cars, Callaway, Nebraska, 1907

THE CURTAILMENT OF RAILROAD SERVICE IN NEBRASKA, 1920-1941

BY ROBERT E. BADER

THE people of the United States witnessed many changes in the transportation systems of the country in the period between the two world wars. At the beginning of World War I, American railroads enjoyed a near monopoly upon inland transportation, a condition which had existed for several generations. The rail operators had many problems in 1917, but nearly all of them were problems of expansion and not curtailment. Wartime traffic expanded more rapidly than the railroads could expand to handle it. It is little wonder that the operators paid scant attention to the rapid growth of a potential competitor, the motor vehicle.¹ However, within twenty-five years nonrail competition, principally the motor vehicle, had risen to such proportions as to cause a series of unprecedented crises for the railroads. Great changes in the transportation network had appeared, changes which affected the lives of millions of Americans.

The railroads that operated through Nebraska and the other Plains states had problems which were peculiar to that area. Early construction rivalry had laid the foundation for some of those problems. Railroad construction on

¹Sidney L. Miller, *Inland Transportation* (New York, 1933), p. 129.

Dr. Robert E. Bader is associate professor of history at Mount Union College, Alliance, Ohio. This paper is based upon his doctoral dissertation, prepared under the supervision of Professor James L. Sellers, Department of History, University of Nebraska.

the Plains began with the Union Pacific Railroad near the end of the Civil War. From that time until the end of the nineteenth century, construction was rapid. Rivalry between major rail companies reached its height when the builders created extensive branch line systems in order to secure the trade of the area nearest their main lines. Frequently, there was construction rivalry for the same area. Consequently, several unprofitable branch lines were built, a condition that did not become serious until the time for curtailment had arrived.²

Railroad construction directly affected the lives of many people in Nebraska. Each of the major western companies had immigration and agricultural departments. These organizations existed to encourage people to settle near the railroads so that the companies might have their transportation business. Glowing accounts of the country and the promise of adequate transportation service brought many people to the semiarid land of the state.³

In other places, where population preceded rail construction, settlers were exceedingly anxious to secure a railroad for their town. Rivalry between towns was keen. Towns and counties bonded themselves in an effort to induce rail builders to pass through their areas. Some towns were so anxious, that leading citizens organized companies to connect their areas with larger railroads. The railroad builders soon discovered the popular anxiety for rail connections, and they took advantage of the situation. They played one town against another, with the railroad promised to the one which furnished the most money. Occasionally, bonds were issued for which no railroads were built. Even more frequently, poor railroads were constructed in return for bond issues.⁴

²For details of construction in the Plains states see: W. W. Baldwin, comp., *Chicago, Burlington, & Quincy Railroad Company: Documentary History* (Chicago, 1929) 3 vols.; Nelson Trottmann, *History of the Union Pacific* (New York, 1923); Lewis Henry Haney, "A Congressional History of Railways in the United States," in *Bulletin of the University of Wisconsin, Economics and Political Science Series* (Madison, 1910), VI.

³R. C. Overton, *Milepost 100: The Story of the Development of the Burlington Lines* (Chicago, 1949), pp. 45-48.

⁴See: Richard Carl Krebs, "Local Aid to Railroads in Southeast Nebraska to 1875," M.A. Thesis, University of Nebraska (Lincoln, 1937).



Trouble on the Horizon—Callaway, Nebraska, 1907

Extreme rivalry which caused excessive branch line construction, extravagant advertising of semiarid land, and the occasional practice of fraudulently taking municipal and county bond issues eventually caused dissatisfaction among the settlers of Nebraska. People in a new and desolate land resented the fact that conditions and service frequently were not as advertised. This resentment turned to anger when the railroads adopted rate practices that discriminated against rural shippers. The reaction came in 1885 when the state turned to regulation. The legislature of that year created the Board of Railroad Commissioners whose duty it was to investigate complaints of unfair practices. Two years later the agency was revised into the Board of Transportation.⁵ The political power of the railroads, however, and especially of the Union Pacific, reduced the effectiveness of the state agency for many years.⁶

State regulation of railroads became more effective after 1906. During the first reform decade of the twentieth century, the people of Nebraska adopted a constitutional amendment that applied to railroads:

There shall be a State Railway Commission, consisting of three members . . . whose terms of office . . . shall be six years, and whose compensation shall be fixed by the Legislature. . . . The powers and duties of such commission shall include the regulation of rates, service and general control of common carriers as the legislature may provide by law. But in the absence of specific legislation, the commission shall exercise the powers and perform the duties enumerated in this provision.⁷

The legislature enacted the laws under which the new commission was to operate, and regulation became more effective.

Frequently, the railroads resisted the orders of the State Railway Commission. Especially was that true after the Commission assumed control over changes in train service:

It is therefore ordered by the Nebraska State Railway Commission that no carrier operating local freight or passenger trains between stations in Nebraska shall discon-

⁵*First Annual Report of the Nebraska Board of Transportation* (Lincoln, 1887), p. 3.

⁶Haney, *op. cit.*, p. 107.

⁷Amendment to Article V, Section 19a, *Constitution of the State of Nebraska* (1875).

tinue any train service until application has been made to this Commission and its permission had for that purpose. This order shall become effective April 20, 1908.⁸

A case in opposition to the above order was carried to the Supreme Court of Nebraska. In the case of *Herpolsheimer Company v. Lincoln Traction Company*, decided in 1914, the Court upheld the Commission order:

The power to regulate rates of common carriers would be incomplete and comparatively useless without the corresponding power to regulate the service, and control the common carrier in performing such service, and these powers are expressly given to the State railway commission by the terms of the constitution and the statute enacted thereunder. It seems clear that these provisions prevent the defendant from making such changes in the service without first obtaining the authority of the state railway commission to do so.⁹

And so it was that by the time the United States entered World War I the basic features of the regulatory policy of Nebraska had been established and tested by the courts.

The World War I period marked a definite change in the problems of the railroads of the United States. The rail companies were unable to cope with the heavy demand for transportation service caused by the national emergency. It was for that reason that the federal government seized control of the railroads of the nation in 1917. It is no part of the purpose of this paper to examine the efficiency of government operation of the railroads. The point to be emphasized is that government control came, not because the railroads were near the point of financial collapse due to lack of business, but because they could not seem to handle the problem of too much business. Yet, the major postwar problems were ones caused by competition and the consequent lack of business. It is not strange that the railroads were unprepared to meet those completely unprecedented problems.

The end of the World War I period gave the government an excellent opportunity to re-examine completely the transportation policy of the United States. Earlier regulatory legislation had been based largely upon the philosophy of

⁸*Ninth Annual Report of the Nebraska State Railway Commission* (1916), p. 147; hereafter all annual reports will be cited in the following manner: 9 NSRC 1916, 147.

⁹6 *Nebr.* 154, 159.

preventing abuses and enforcing competition. Attempts to combine major railroads into one system had met with government opposition and occasional anti-trust suits.

Transportation experts gradually had come to the conclusion that such a policy was not conducive to the economic health of the railroads and of the nation. During 1919 the House Committee on Interstate and Foreign Commerce and the Senate Committee on Interstate Commerce held extensive hearings on several proposed bills to change the Interstate Commerce Act. The report on these hearings fills three volumes, but only a small part of that is of direct interest to this study. Included in the original bill sponsored by Congressman John J. Esch (Wisconsin) was a proposal to grant to the Interstate Commerce Commission exclusive control over construction and abandonment of railroad lines. Some opposition to this provision was furnished by persons who feared that such a change would reduce to impotence the state regulatory agencies, and would constitute an unwarranted intrusion of the federal government into the province of state affairs. An examination of the hearings before the committees and of the debate in Congress causes one to reach the conclusion that the construction and abandonment provision was one of the minor parts of the bill. Most attention was devoted to other parts of the measure.¹⁰ It is evident that few experts expected this provision to become as important as it did.

The completed Esch-Cummins Bill became the Transportation Act of 1920, which revealed a partial change in the regulatory policy of the United States. The Act reflected the idea that the government had as great a responsibility to preserve a healthy transportation system as it had to preserve the rights of shippers and of the public. The Interstate Commerce Commission received new powers in keeping with this attitude. The control over construction and abandonment was one of those new powers:

After ninety days after this paragraph takes effect, no carrier by railroad subject to this Act shall undertake the extension of its line of railroad, or the construction of a new line of railroad, or shall acquire or operate any line of

¹⁰See: *Return of the Railroads to Private Ownership*, hearings before the Committee on Interstate and Foreign Commerce on H.R. 4378, House of Representatives, 66 Cong., 1 sess., Washington, 1919; *Congressional Record*, 66 Cong., 1 sess., Nov. 1919-Feb. 1920.

railroad, or extension thereof, or shall engage in transportation under this Act over or by means of such additional or extended line of railroad, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, or operation, or construction and operation of such additional or extended line of railroad, and no carrier by railroad subject to this Act shall abandon all or any portion of a line of railroad, or the operation thereof, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity shall permit of such abandonment.¹¹

Although there was railroad opposition to the exercise of the abandonment power by the Interstate Commerce Commission, the Supreme Court of the United States upheld the constitutionality of that power.¹²

And so it was that the railroads which operated through Nebraska were regulated by state and federal agencies whose policies had been established and upheld by the courts. As it pertained to the problem of curtailment, there was little confusion of jurisdiction between state and federal agencies. As an examination of the records will show, the Nebraska State Railway Commission had jurisdiction over every change in railroad service within the state, short of actual abandonment of a line of railroad. The Interstate Commerce Commission entered the curtailment cases only when a railroad sought to abandon a line completely.

The primary cause of the curtailment of railroad service in the Plains states was the development of motor transportation. There is evidence to the fact that residents of the Plains states acquired automobiles earlier than did the residents of other states. Such a condition required the operators of railroads through that area to grapple with the problems of motor competition earlier than other railroads. Nebraska required the registration of motor vehicles in 1905. In that year 571 vehicles registered with the Secretary of State.¹³ By 1920 the responsibility for registering motor vehicles had passed to the Department of Public

¹¹*United States Statutes at Large*, 66 Cong., 2 sess., XLI, Part I, 477-478.

¹²*Colorado v. United States et al.*, 271 U.S. Reports (1926), p. 153.

¹³*Biennial Report of the Secretary of State of Nebraska* (1905-1906), p. 5.

Works, the ancestor of the Department of Roads and Irrigation. Between 1910 and 1920 the number of registered vehicles in the state increased from 11,339 to 223,000, an increase of 1,966.7 per cent.¹⁴ In 1920 there was a motor vehicle for every seven residents of the state. Only Iowa had a larger ratio of cars to population, one vehicle for every six residents of that state.¹⁵

Although its citizens were early in adopting the automobile, Nebraska was relatively slow in constructing all-weather roads. The state examined its roads after the passage of the Federal Aid Road Act in 1916 to determine how it could participate in the dollar-matching provisions of the federal law. Early Nebraska roads were constructed of earth. In 1923 the graveled road came to the state. Fortunately, several deposits of high-grade gravel were available. The addition of gravel to the roads made them usable all of the year and made motor vehicles more of a menace to railroad revenues. Beginning in 1928, Nebraska adopted the bituminous oil mat, a surface that was less hazardous than gravel and was easier to keep open in the winter.

The railroads that operated through Nebraska recognized the threat to their revenues caused by the use of motor vehicles. As early as 1922 the following statement appeared in the annual report of the president of the Union Pacific Railroad:

There was a further diversion of local short-haul business to motor vehicles.¹⁶

The president of the Chicago, Burlington, and Quincy Railroad Company said in his 1923 report:

Passenger revenue shows a small increase. We carried 232,932 less revenue passengers than in 1922. . . . The automobile is steadily cutting into our local or short haul passenger business, but the decrease in this class of traffic is being offset by a gradual increase in our long haul and tourist business.¹⁷

¹⁴*Biennial Report of the Department of Roads and Irrigation*, State of Nebraska (1947-1948), I, 204.

¹⁵*The Statistical Abstract of the United States* (1920), Bureau of the Census, Department of Commerce (Washington, 1921), pp. 314-315.

¹⁶*Twenty-sixth Annual Report of the Union Pacific Railroad Company* (1922), 9; hereafter all annual reports of railroad companies will be cited in the following manner: 26 U. P. 1922, 9.

¹⁷70 CB&Q 1923, 18.

By 1926 he was less optimistic:

The decrease in passenger revenue was due almost entirely to hard road development and the increased use of automobiles.¹⁸

Similar statements are found in the reports of other railroad companies that operated through the state.

When motor competition became serious, the first action taken by the railroads was to try to curtail unprofitable service. The problem was complicated by the fact that no move in that direction could be taken without the approval of a public regulatory body, and this approval was not always easy to obtain. As the period after World War I developed, a regular pattern in curtailment applications became evident. The first rail service to suffer from motor competition was the branch-line passenger train. Service on Sunday was curtailed first, followed shortly by attempts to remove passenger trains from lines that had two or three. At the same time railroads sought to close the smaller stations which were doing little or no business. Further curtailment usually involved the substitution of a gasoline motor train for the more expensive steam passenger trains. Eventually, the railroad would seek to combine freight and passenger trains on the more unprofitable branches. The last curtailment short of abandonment was to remove all service except a mixed train which ran three days a week. If the branch could not support itself under these conditions, the railroad sought permission from the Interstate Commerce Commission to abandon the line.

Early attempts to curtail branch line service in Nebraska met with opposition from the residents of the area concerned and from the State Railway Commission. For example, a complaint was filed in 1921 against the CB&Q asking that the railroad be required to install Sunday passenger service on its Aurora-Sargent and Aurora-Burwell branches. The commission ordered a three months trial. In 1922 the railroads presented statistical exhibits to show that no net income was received from the operation of these trains. The commission rejected the railroad petition and ordered the service to be made permanent. It pointed out that the addi-

¹⁸73 CB&Q 1926, 18.

tional cost was small and that the overall financial condition of the CB&Q was good.¹⁹

The position of the State Railway Commission at that time was an unenviable one. Each of its three members had been chosen by the voters at a general election. The term of office was six years, and one commissioner stood for election every two years. Thus, the body was sensitive to public opinion. It had to proceed cautiously in railroad curtailment cases because almost all of them met with vigorous protest. On the other hand, the Commission was aware of the growing financial difficulties of the railroads of Nebraska. It had a duty both to the public and to the railroads. It proceeded cautiously, frequently preparing the public for the inevitable curtailment to come. In 1922, Mr. H. G. Taylor, Commission chairman, said:

At this point it is well to observe . . . that the encroachment of the automobile upon the passenger train traffic, if continued at the present rate of progress, will result, in the not too distant future, in a condition of affairs that will make necessary a curtailment of railroad service. This will apply particularly to branch line service, since the short-haul travel is that most largely affected. The advent of the automobile has provided a substitute in a large measure for local train service. The public should understand that if it elects to use some other method of transportation it can not always expect to have a passenger train available when, for weather conditions or other reasons, its substitute cannot be used.²⁰

During 1922 and 1923 petitions for curtailment of railroad service came to the State Railway Commission in increasing numbers. Typical of the gradual change in the Commission's attitude was its handling of a Missouri Pacific case. In 1922 the railroad applied for permission to remove a passenger train that ran between Auburn and Omaha along the Talmage-Weeping Water branch. The residents of the area were bitter in their protests at the hearing conducted by the Commission. They were quick to point out that settlement in their area had been stimulated by the promise of adequate railroad service. The railroad said the train lost about \$40,000 annually. The Commission rejected the railroad plea and ordered a slight schedule change which

¹⁹15 NSRC 1922, 122-130.

²⁰*Ibid.*, pp. 365-370.

it hoped would improve revenues.²¹ The railroad renewed its petition in 1924. This time the Commission allowed a partial curtailment of service on the Talmage branch and blamed the railroad's plight on the number of railroads in the area and on the fact that there was an automobile for each family in the district.²²

The Commission allowed the curtailment of station service for the first time in 1924. The Chicago and North Western wanted to substitute caretakers for agents at Martland and Carlisle on the Superior branch. The saving at each station was estimated to be more than \$1,000 annually. The change in service would mean that no freight could be billed or passenger tickets sold. Each was a type of service that required an agent.²³

Occasionally, a railroad sought curtailment of service on a branch that crossed state lines. It is interesting to note that the Interstate Commerce Commission did not enter such cases unless total abandonment were sought. One such example occurred in 1925. The Chicago, Rock Island & Pacific Railway applied for permission to substitute daily mixed service for a passenger train that ran between Nelson, Nebraska, and Horton, Kansas. The proposal was presented to a joint meeting of the Nebraska State Railway Commission and the Kansas Public Service Commission. An agreement was reached and the change in service was allowed.²⁴

The first abandonment application to affect Nebraska came in 1926. The CB&Q sought to abandon eight miles of track between Chalco Junction and Yutan in Sarpy and Douglas counties. The railroad had built the line just before World War I to cut by nearly twelve miles the distance from points on the Ashland-Sioux City branch to Omaha. No profit had been earned on the cutoff. Hearings were held for the Interstate Commerce Commission by the Nebraska State Railway Commission. The Omaha Chamber of Commerce and some gravel companies protested the action, but the NSRC recommended the issuance of the certificate of

²¹*Ibid.*, pp. 390-392.

²²17 NSRC 1924, 252-254.

²³*Ibid.*, pp. 333-338.

²⁴18 NSRC 1925, 296-300; see also *Biennial Report of the Kansas Public Service Corporation* (1924-1925), 642.

convenience and necessity. The federal commission approved the abandonment early in 1927.²⁵

Railroad problems were more serious during the 1930's than they had been in the previous decade. The depression affected the railroads as it did all business. One of the worst drouths in the history of the Plains further complicated the problems of the railroads that operated through Nebraska and the other Plains states. These things occurred at a time when motor competition was becoming more serious each month. Depression and drouth added confusion to the attempts to curtail railroad service in Nebraska. The public became bitter at the rail companies in most curtailment hearings. It appeared that the railroad was pulling out at the first sign of hard times. The people had to stick it out, and they could see no reason why the railroad should not do likewise.

It is difficult to assess one cause for service curtailment when there are three major factors to consider. However, in nearly all cases the railroads presented an impressive array of statistics to show that lost traffic was now being hauled by cars and trucks. It would be foolish to deny that the depression and drouth had no effect upon service curtailments, but the evidence seems to indicate that most of the curtailment applications would have been filed anyway. The depression and drouth hastened them but they probably did not serve as primary causes of curtailment.

In the years that followed 1929, railroads sought more drastic curtailments. Many of them tried to remove the last passenger trains from branches. Trains were removed from the longer and more important branch lines, and some of the longer and once important lines were abandoned. As the more drastic curtailments were made public, the residents of the state opposed railroad petitions more bitterly. A few of the applications were approved by the Interstate Commerce Commission or by the courts over the vigorous opposition of the State Railway Commission.

Perhaps the best example of how the curtailment pattern developed in Nebraska occurred in the case of the Wynot branch of the Chicago, St. Paul, Minneapolis & Omaha Railway, a C&NW subsidiary. It presents a clear

²⁵117 ICC 637, 637-642.

picture of the events which caused a prosperous branch to decline to the point of abandonment. The Wynot branch extended from Coburn Junction in Dakota County on the railroad's Sioux City-Norfolk line to Wynot in northern Cedar County, a distance of forty-five miles. Both the Omaha and its parent company, the North Western, were largely dependent upon short-haul traffic, and they were immediately susceptible to the effects of motor competition.

The plight of the Wynot branch became serious in 1926. At that time the branch was served by two daily mixed trains each way. In that year and again in 1928, the railroads asked permission to change the schedule of these trains so that they would spend the night in Sioux City where the Omaha had better facilities. The Commission rejected the petition in 1926. In 1928 the request was approved, but complaints of poor service by the residents of the area caused the Commission to order that the old schedule be restored before the year was out.²⁶ Thus it was that when the depression arrived, service on the Wynot branch was approximately the same as it had been in the early 1920's.

In 1929 the CStPM&O applied for permission to discontinue one of the trains on the Wynot branch. The train had carried about one-fourth as many carloads of livestock, the principal revenue-producing freight of the branch, during 1929 as it had during 1925. The revenue did not pay the operating expenses of the train, let alone the station and maintenance expenses of the branch. In approving the request, the Commission said:

There has been a gravel road constructed from Sioux City to Ponca, which is about 26 miles from Sioux City. . . . There is considerable trucking of livestock to Sioux City and merchandise from Sioux City to all stations on the line. . . . With increase of highway building, this class of service will be increased and the railroads will continue to lose business.²⁷

As business on the branch decreased and as the depression became worse, the railroad sought further curtailment. In 1930 the company wanted to run the train every other day. In 1931 it sought permission to serve the branch with a tri-weekly mixed train. The Commission denied both requests.²⁸

²⁶19 NSRC 1926, 360-369; 21 NSRC 1928, 179-184, 388-392.

²⁷22 NSRC 1929, 425-431.

²⁸23 NSRC 1930, 265-292; 24 NSRC 1931, 141.

In 1933 the Interstate Commerce Commission handled the petition of the railroad to abandon the branch between Coburn Junction and Wynot. Hearings were held in Washington and Ponca. Vigorous protests were entered by the Nebraska State Railway Commission, by residents of the area, and by the Sioux City Traffic Bureau. All of the protests centered around the contention that the loss of traffic was mainly caused by the economic depression and the drouth. The railroad showed that revenues had declined to the point that a deficit had been recorded as early as 1927.²⁹

When the examiner recommended to the Interstate Commerce Commission that the application be approved, the residents of the area became even more alarmed. Newspapers painted a dark picture of the future of the territory. A Ponca editor said:

The recent recommendation of the referee to the interstate commerce commission asking that the railroad be permitted to abandon this road has shocked many into action and quick action is imperative if we are to have a railroad. . . . The problem can be settled in only one way. If we want the railroad we must patronize it. . . . Its withdrawal will be a death blow to much of the business of the small towns.³⁰

The editor of the *Wynot Tribune* sounded the same type of warning to his readers on January 19, 1933:

It is passing strange that any farmer or stock raiser . . . should contribute his share to bring railroad abandonment about by taking advantage of a doubtful small saving in taking his stock and produce to market by truck. It is indeed surprising that he cannot realize that he is injuring himself, his neighbor and his community by persisting in a practice that will be as fatal as death. . . . Our very life is at stake and it remains to be demonstrated whether we will persist in bringing down upon our heads the inevitable results of railroad and community abandonment.³¹

All of the protests were of no avail. The Interstate Commerce Commission approved the abandonment of the Wynot branch on February 18, 1933. In reviewing the testimony, the Commission concluded that most of the transportation business was conducted by motor vehicle. The Commission admitted that abandonment would hurt the ter-

²⁹189 ICC 501, 501-511.

³⁰*Nebraska Journal-Leader*, Ponca, Nebraska, December 8, 1932, p. 4.

³¹Editorial on page 1.

ritory, but it pointed out that the general public interest did not warrant the retention of an unprofitable railroad.³² Once the railroad was gone, the local press tried to rebuild the morale of the people:

Abandonment of the railroad line will probably rank as the outstanding local development of 1933. . . . Wynot . . . grudgingly admitted that the blow was largely to its pride. The term "inland town" didn't mean what it did 25 years ago. And the whole argument settled down to this: If the railroad had been worth using, we would have used it and it wouldn't have gone.³³

However, many changes already had been made in Wynot. The editor who wrote the above quotation was a new one. Mr. H. A. McCormick, editor for twenty-five years, sold the paper within two months after the rails had been removed.³⁴ The grain elevator business of the town had moved to Hartington, located on the Crofton branch of the Omaha railroad. The two lumber yards had consolidated into one. The Standard Oil Company gasoline station and the St. James Parochial School had closed their doors.³⁵ And the issue of the *Wynot Tribune* that reported these changes was that newspaper's last one. With the coming of 1934, it ceased publication and merged with the *Cedar County News*.³⁶

One is more impressed with the need of curtailment when an examination of the financial condition of the railroads is made. Like other businesses, the railroads suffered heavy financial losses in the period following the stock market crash of 1929. However, unlike most other industries the railroads had not been entirely free from serious financial problems since the end of World War I. Only a few of the companies had reorganized their financial structures by elimination of watered stock, the instituting of better accounting systems, and the careful elimination of unnecessary costs. Expanding motor transportation caught most railroads ill-prepared financially to withstand the inroads upon their revenues. When the depression came, many railroads

³²189 ICC 501, 512.

³³*Wynot Tribune*, December 28, 1933, p. 1.

³⁴*Ibid.*, June 29, 1933, p. 1.

³⁵*Ibid.*, December 28, 1933, p. 1.

³⁶*Cedar County News*, Hartington, Nebraska, January 4, 1934, p. 1.

were forced to operate close to bankruptcy. The agricultural carriers faced the added drain on revenues caused by drouth. Therefore, it should not seem strange that several of them were unable to weather the depression.

Only two of the major railroads operating in Nebraska came through the depression unscathed. The two were the Union Pacific and the CB&Q, two of the strongest western railroads. The Missouri Pacific filed a petition of bankruptcy on March 31, 1933; and it was followed by the Chicago, Rock Island, and Pacific on June 7, 1933.³⁷ The railroad that probably suffered the most from its Nebraska operations was the Chicago and North Western and its subsidiary, the Chicago, St. Paul, Minneapolis and Omaha. The North Western filed a petition of bankruptcy on June 28, 1935, and operated in receivership until 1944.³⁸ It should be remembered, then, that during the heaviest period of curtailment and abandonment applications, the railroads of the state were in dire need of reducing expense.

In addition to curtailment of unprofitable activities, the railroads made an active effort to improve service in order to compete with motor transportation. Lack of finances hampered this effort to improve service, but there is early evidence that improvements were made. One of the first departures from the traditional type of rail service was found in the development of the gasoline-electric motor train. This development had been made by the Union Pacific before the American entry into World War I.³⁹ By the time of the depression, most Nebraska railroads had substituted motor trains for unprofitable branch line steam passenger trains, and they were a familiar sight on the railroads of the state. Other improvements appeared also. Many railroads entered the motorbus and motor truck field. Passenger coaches were air-conditioned. High-speed rail trucks were installed on freight cars, and the installation of steel undergirders on freight cars was hastened.

The Nebraska railroads pioneered in the most spectacular improvements made during the depression period. When

³⁷17 *Missouri Pacific* 1933, 5; 54 *CRI&P* 1933, 9.

³⁸76 *C&NW* 1935, 5; 85 *C&NW* 1944, 3.

³⁹24 *U.P.* 1920, 5; see also *Union Pacific Annual Reports* for the years 1914-1919.

the Reconstruction Finance Corporation made improvement loans available to railroads, new trains soon appeared.⁴⁰ The CB&Q and the Union Pacific produced new Diesel-powered streamlined passenger trains at nearly the same time. The first such train to appear was the Pioneer Zephyr, operated by the Burlington. Many Nebraska residents can remember the record-breaking run this train made between Denver and Chicago on April 9, 1934.⁴¹ Before the end of the same year, a nine-car Union Pacific streamlined train made a record run between Los Angeles and New York. This train became one of the "City" streamliners operated by the Union Pacific between Chicago and various western cities.⁴² By the end of 1934, these trains had proved to be so popular with the traveling public that several more were ordered by each of the pioneer railroads, and in a few years the other Nebraska railroads acquired Diesel trains.⁴³ The new trains improved long-distance rail travel in many ways. Long-distance passenger trains became cleaner and more comfortable. Service en route generally was better than before, and a speedier, smoother ride was provided. After their initial cost Diesel trains were cheaper to operate than the old steam trains. Each engine could make several trips before being withdrawn for examination and maintenance. These factors caused many American railroads before World War II to install not only streamline passenger trains but also Diesel freight engines.

The people of Nebraska lived through a transportation revolution in the period between the two World Wars. The end of this transportation revolution, with its resulting effects upon nearly all people, has not yet been reached. Further changes have been made, and still more changes will be made; but the period between 1920 and 1941 was the period during which the first shock of the transportation revolution was felt and during which the basic pattern of the change revealed itself.

⁴⁰John D. Hicks, *The American Nation*, Second Edition (Cambridge, 1949), pp. 660-661.

⁴¹81 CB&Q 1934, 10.

⁴²38 U.P. 1934, 8.

⁴³39 U.P. 1935, 11; 82 CB&Q 1935, 9; 23 M.P. 1939, 11; see *Annual Reports of CRI&P*, 1937-1941.