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Source: *Michigan Historical Review*, Fall, 2005, Vol. 31, No. 2 (Fall, 2005), pp. 117-148

Published by: Central Michigan University

Stable URL: <https://www.jstor.org/stable/20174116>

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The Fruit Belt Line: Southwest Michigan's Failed Railroad

**by
Graydon M. Meints**

The Kalamazoo, Lake Shore & Chicago Railway (KLS&C), affectionately known locally as the Fruit Belt Line, began as one among a blizzard of proposals for a new kind of electric railway, called an "interurban," that hopeful businessmen dreamed up around the beginning of the twentieth century. The interurban was an electric-powered intercity railway that developed as an extension of city streetcar lines.¹ In the early 1890s, some New England city streetcar companies began to extend their tracks through rural areas into nearby communities. These extensions were not much different in character from the city lines that built them. By the late 1890s in the Midwest, independent companies began to build similar intercity lines. These companies sometimes started up a city service or bought existing city lines to facilitate their service. Most often interurbans ran on city car lines from city centers, but outside the city limits they ran at higher speeds on their own right-of-way. Before 1900 interurban lines of this sort were built in Michigan from Detroit to Mt. Clemens and Wyandotte. Another line between Ann Arbor and Ypsilanti was converted to an interurban. The electrics were relatively speedy, ran often, made frequent stops at convenient places, and charged relatively low fares. As they were extended to small communities, the rural countryside, and individual farms, they replaced the horse-pulled wagon and the buggy as the most common way to travel in those areas. For the first time it was possible to go some distance to a nearby town to shop or for entertainment or to visit relatives, and then return home the same day. Such convenience brought the interurban immediate acceptance and popularity. And when an interurban road entered a market, the

¹ The definition of an interurban is elastic, but usually it includes the following: equipment powered by electricity, an emphasis on passenger service, heavier duty cars than used on city streetcar lines, a route between cities, and tracks placed on private right-of-way in rural areas and on streets inside municipalities.

steam railroads were no match for it. Railroads' local trains often lost half or more of their riders to the interurbans, where they were joined by considerable numbers of new riders. Such popularity created a boom in this new industry, an enthusiasm that was reinforced by low construction costs and potentially high rates of return on investment.² The boom attracted investors who were lured by all sorts of promoters proposing lines to everywhere, a few of them reasonable but many of them completely impractical. Kalamazoo businessman Samuel J. Dunkley took all of this in and made plans to share in the bonanza. The Fruit Belt Line would be his contribution to this speculative bubble.

In southwest Michigan the interurban grew out of the city street railways that had begun in Battle Creek in 1883 and in Kalamazoo in 1885. Initially, horses pulled small cars on tracks laid in the center of the street. Now shoppers and businessmen could avoid the mud and the dust, leave the horse and buggy at home, ride the "cars," and step onto the board sidewalks that fronted stores and offices. In 1893 both streetcar lines put up overhead wires to bring newfangled electric power to move the updated cars.³ The horses were retired, and the tracks were extended into more of the city. Two developments allowed the successful growth of the interurban: first, the improved availability of electricity and technological developments in cars and signaling for street railways; and second, the growth in national prosperity due to the increase in population and personal income that accompanied the end of the Panic of 1893.

Colonel Loren N. Downs brought the interurban to Kalamazoo and southwest Michigan. His Michigan Traction Company owned the city lines in both Battle Creek and Kalamazoo. In 1899 he proposed building an electric railway to connect the two cities. In the country he laid his tracks next to county roads, while in the cities he used his own streetcar tracks. Downs faced problems in two places where steam railroads crossed his route, because the state railroad commissioner, supported by the affected railroads, refused to permit grade-level crossings. After a year in court, Downs had to accept that his line on the east side of Kalamazoo would have to climb to a bridge over one railroad, nosedive

² George W. Hilton and John F. Due, *The Electric Interurban Railways in America* (Stanford, Calif.: Stanford University Press, 1960), 3-8; David E. Nye, *Electrifying America: Social Meanings of a New Technology, 1880-1940* (Cambridge: MIT Press, 1990), 117-22.

³ Maximilian A. Zink, ed., *Electric Railways of Michigan* (Chicago: Central Electric Railfans' Association, 1959), III-3-5. See Hilton and Due, *Electric Interurban Railways*, 5-7, 53-65, for a thorough discussion of the development of electric power and its application to street railways and interurbans.

under another railroad, and then come back up to the city streetcar line, all in the distance of two city blocks. At Galesburg, the Michigan Central Railroad (MC) refused every compromise and forced Downs to build a spindly looking bridge over its tracks, delaying the formal opening of his road for months. It was not until October 1901 that he opened the line for through business, although he had had cars running every hour on some sections a year earlier. The public quickly took to the electric cars, and the road was an immediate success.⁴ Downs had learned, however, that an interurban's dealings with the railroads were usually on the railroad's terms, an experience that was repeated often throughout the interurban-construction era. When Samuel Dunkley began to build the Fruit Belt Line, he had to cope with the same railroad-relations problems. Both Downs and Dunkley found the Michigan Central Railroad to be a formidable opponent when it felt its interests were threatened.

An adequate and reliable supply of electricity was crucial for an interurban line. Rather than generate his own power Downs chose to buy it from the Kalamazoo Electric Company, which was owned by William A. Foote. Helped by the mechanical genius of his engineer brother James B. Foote, W. A. had been building and buying small electric-generating operations throughout southern Michigan. He saw electric street railways as potential customers but also realized that they would eventually need more power than his steam-driven generating plants could supply. To meet the increasing demand for electricity, he proposed building a dam and generator on the Kalamazoo River near Allegan and transmitting power over the twenty-five miles to Kalamazoo. Electricity lost much of its power when sent over long distances, but J. B. applied his talents to solving this problem. In 1897 the Trowbridge Dam transmitted its first power successfully; Foote had revolutionized the industry.⁵ His success, accompanied by others' development of the substation to maintain necessary power levels, provided the interurban with reliable electricity. Downs's street railways and his interurban line became important customers of the Foote brothers.

Downs's new line was only one of a series built in response to the interurban boom. In Michigan in 1901 a line was built between Detroit and Jackson, and in 1903 Jackson and Battle Creek were linked. By using these lines plus Downs's, it was then possible to ride an electric

⁴ A. Rodney Lenderink, "The Electric Interurban Railway in Kalamazoo County," *Michigan History* 43 (March 1959): 44-53. It is the late Mr. Lenderink's research and enthusiasm that have encouraged this writer.

⁵ George Bush, *Future Builders: The Story of Michigan's Consumers Power Company* (New York: McGraw-Hill, 1973), 73-78.

interurban car all the way between Detroit and Kalamazoo. The trip took a little more than six hours on the limited cars and longer on the locals. The Michigan Central's through trains made the run in a little more than three hours, but its fares were nearly double those of the electric line. Residents of cities such as Marshall, Chelsea, and Ypsilanti could wait hours for the next MC train, or take an interurban that ran every hour. The fifteen hundred miles of electric lines in the nation at the end of 1899 grew sixfold to nine thousand miles by 1906. Michigan's rate of growth matched the national pattern, and Ohio and Indiana exceeded it.⁶ This early enthusiasm for interurbans created a basic network of lines across southern Michigan. One new road connected Grand Rapids to Holland and Saugatuck and another linked Grand Rapids to Muskegon and Grand Haven. A line was built from Jackson to Lansing, which was eventually extended to Owosso and St. Johns. About half a dozen lines were built out of Detroit in different directions to link up the eastern parts of the state.⁷

Downs's success brought out so many promoters who proposed building lines in all directions out of Kalamazoo that the city fathers dreamed of becoming the major outstate hub for interurbans. More stimulus was provided when the financial press reported how profitable the interurbans were. The Henry Everett-Edward Moore syndicate, which owned nearly all of the lines in the eastern half of Michigan, reported profits as an exceptional 22 percent of gross receipts and more than 10 percent on invested capital. Similar financial successes were trumpeted elsewhere.⁸ Between 1899 and 1906 promoters formed ten companies to link Kalamazoo with Grand Rapids, Benton Harbor, South Bend, and two other more localized destinations.⁹ None of these ventures ever built a mile of railway.

Into this froth of wishful thinking and hoped-for wealth stepped Samuel J. Dunkley with his own interurban proposal. He wanted his Kalamazoo, Lake Shore & Chicago Line to get on the profitmaking interurban bandwagon and to form the final link in a farm-to-market production chain he owned. By the mid-1890s Dunkley already was well established in the celery-shipping and celery-canning business in Kalamazoo, enterprises his father had started nearly two decades earlier. The Dunkley Canning and Preserving Company tapped four thousand

⁶ Hilton and Due, *Electric Interurban Railways*, 186.

⁷ Zink, ed., *Electric Railways*, II-1 to II-4, III-1 to III-3.

⁸ Hilton and Due, *Electric Interurban Railways*, 10-12.

⁹ Graydon M. Meints, *Michigan Railroads and Railroad Companies* (East Lansing: Michigan State University Press, 1992), 94.

acres of celery grown around Kalamazoo to produce canned celery, mustard, celery pepper, celery pickles, and even celery candy. This company operated two canning factories in Kalamazoo as well as a new one in South Haven (built in 1896) that was reported to be the largest in the world.¹⁰

The next step from production to distribution involved moving products to Chicago, the Midwest's largest market; to accomplish this Dunkley formed the South Haven & Chicago Transportation Company, which began sailing early in 1897. His principal competitor in the Chicago-South Haven field was the Williams Transportation Company. Founded in 1885 by Henry W. Williams of South Haven, the firm had passed to Henry's son Charles upon the father's death in May 1901. Apparently the possibility of another competitor on the Chicago-South Haven route prompted Dunkley and Williams to strengthen their position through a merger. In April 1902 they formed the Dunkley-Williams Transportation Company with Dunkley as president and Williams as general manager. The most common sailing schedule was daytime eastbound from Chicago and overnight westbound, although in summer other sailings were added. The principal ships were designed as passenger carriers, and the line heavily promoted tourist excursions throughout the summer.¹¹ Dunkley's line met two important goals: a continuing source of cash profits and a means to transport his own products. Every ship had some cargo space for package freight that moved in both directions between Chicago and South Haven, but Dunkley also used the ships to move his canned goods to Chicago. In season, all westbound ships moved perishable fruit so that it would arrive in Chicago early enough for the opening of the day's markets. In July 1902 Dunkley built the Colonial Hotel at the corner of Williams and Dyckman streets in South Haven, just east of the mammoth building that housed the Dunkley-Williams steamship offices, a warehouse, and a dance pavilion.¹²

Dunkley's mundane farm products provided enough money for him to branch out into the field of patent medicine and introduce a revolutionary new product—Celerytone. One Celerytone advertisement

¹⁰ Larry B. Massie, *Michigan Memories: True Stories from Two Peninsulas' Past* (Allegan Forest, Mich.: Priscilla Press, 1994), 136-39.

¹¹ George W. Hilton, *Lake Michigan Passenger Steamers* (Stanford, Calif.: Stanford University Press, 2002), 219-23.

¹² See the website, www.colonialcondo.com/, accessed February 27, 2004. Of all of the structures related to Dunkley, this building and his home in South Haven are among the few still standing.

showed a field of celery with the sky above filled with storks carrying bundles of joy to hopeful wives—a clear message of its beneficial properties. Dunkley claimed that “the beneficial effect of the peculiar properties of celery upon the nervous and sexual system is wonderful and unequaled. It strengthens exhausted nature, and rejuvenates the entire being, counteracts dissipation, etc.”¹³ Whatever the benefits for its users, Celerytone made money for Dunkley, at least until the Pure Food and Drug Act of 1906 began to restrict the patent-medicine business. Dunkley’s enterprises established him as a successful businessman and gave stature to his newest venture, the Kalamazoo, Lake Shore & Chicago interurban line between Kalamazoo and South Haven.

At the beginning of the twentieth century South Haven had two railroads providing ample competition for Dunkley’s new road. The older was the Michigan Central Railroad (MC) branch line between Kalamazoo and South Haven, which had been built in 1871 across the northern townships of Van Buren County. In 1901 the MC was running three passenger trains a day each way, as well as at least one freight train.¹⁴ The line handled a considerable amount of freight brought by Great Lakes ships. The second road had been developed in the mid-1880s as the narrow-gauge Toledo & South Haven Railroad (T&SH). This venture assembled pieces and scraps of line into a route from South Haven to Lawton that, despite grandiose ambitions, never extended any farther east and sank into receivership in 1890. Chicago businessman Fred M. Steele bought the line in 1894, renamed it the South Haven & Eastern, and converted it to standard-gauge operations in 1898.¹⁵

Like other interurban promoters, Dunkley thought that frequent passenger service on an inexpensively built line through a populous area could not fail to be profitable. He planned not only for his line to pass through the most densely settled areas of Van Buren County, but also

¹³ Massie, *Michigan Memories*, 140.

¹⁴ Michigan Railroad Commission, *Aids, Gifts, Grants, and Donations to Railroads Including Outline of Development and Successions in Titles to Railroads in Michigan* (Lansing: Wynkoop Hallenbeck Crawford, 1919), 92-93; Michigan Central, public timetable, April 29, 1900, private collection.

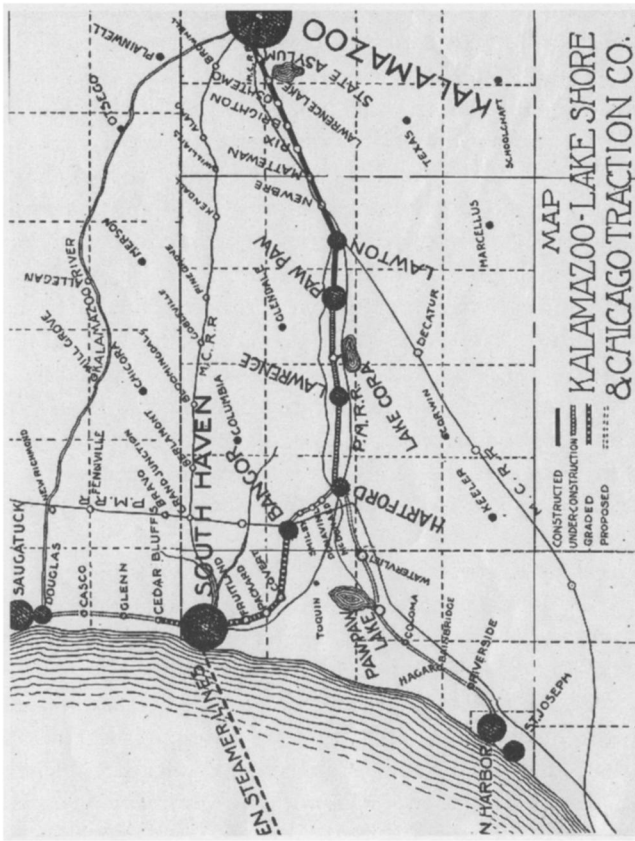
¹⁵ Michigan Railroad Commission, *Aids, Gifts, Grants, and Donations*, 52-53. The troubled and tortuous history of the South Haven & Eastern Railroad, as well as its predecessors, the Paw Paw Railroad and the Toledo & South Haven Railroad, is described in Thomas D. Brock, “Paw Paw Versus the Railroads,” *Michigan History* 39 (June 1955): 129-82; and Willis F. Dunbar, *All Aboard! A History of Railroads in Michigan* (Grand Rapids: W. B. Eerdmans, 1969), 187-94. The narrow-gauge operations of the Toledo & South Haven are described in George W. Hilton, *American Narrow Gauge Railroads* (Stanford, Calif.: Stanford University Press, 1990).

for it to complement his steamship operations. Like other interurban advocates of the day, Dunkley meant to concentrate on passengers and package-freight business and handling profitable fruit traffic that he could move onto his ships, but not to pursue carload freight business. Thus, he had to buy only a few electric-powered passenger cars and a handful of freight cars that would be pulled by the passenger cars. Because their lines would not compete directly with other railroads, interurban promoters were sure that their niche service would be a success. Dunkley agreed with them. But he had to move quickly because a number of other interurban companies were proposing to build in his territory. On his return from a trip to New York City in April 1901, Dunkley announced that he had interested several “capitalists” in developing an electric interurban railway that would run from South Haven to Kalamazoo and be named the Kalamazoo, Lake Shore & Chicago Traction Company (KLSCT). The intermediate route was not described specifically, but it was assumed that at the very least the line would pass through Paw Paw.¹⁶

Charles W. Williams, co-owner of the Dunkley-Williams steamship line, and George E. Bardeen, a paper-mill owner from Otsego, joined Dunkley in promoting the building of the KLSCT. By 1902 Dunkley had advanced the KLSCT plans enough that he could assure residents along the route that the line would be built.¹⁷ Dunkley and his associates met with municipal officers to get franchises through the cities and villages along the route, but they appear to have had only partial success. The year 1902 passed, and then 1903, with no company formed or construction started. Part of this failure to move forward may have been caused by the severe “Rich Man’s Panic” in the fall of 1903, which dried up new construction funds. Closer to home, and probably more influential, was the financial crisis of Henry Everett and Edward Moore of Cleveland. The two had started out owning telephone companies, expanded into interurban building around Cleveland in 1895, and then gained control of the streetcar companies in most major Canadian cities. Finally, they began to expand their influence to interurbans throughout much of the Midwest. By early 1902 Everett and Moore were reported to own fifteen hundred miles of electric railways in service and to be building more. In Michigan the men formed Detroit United Railways in December 1900, and soon the company was operating every electric line out of Detroit as well as the city streetcar lines. However, Everett and

¹⁶ *Kalamazoo Daily Telegraph*, April 18, 1901; Lenderink, “Electric Interurban Railway,” 60.

¹⁷ *Kalamazoo Daily Telegraph*, December 4, 1902.



Source: KLSCT, *Prospectus*, January 16, 1906. See n. 35.

Map: Kalamazoo-Lake Shore & Chicago Traction Co.

Moore could not raise money fast enough to keep up payments for the new line construction. The two men had to drop several proposed lines, sell off stock, and turn over control of some of their properties. In Michigan Everett and Moore were forced to sell their partially completed Toledo-Detroit line in December 1902. All of this upheaval may have caused some investors to question the interurban's rosy future.¹⁸

According to Dunkley, however, any problems constituted no more than a slight pause in the interurban's progress; he continued to insist that his line would be built "as rapidly as possible."¹⁹ But he faced a new and troubling concern in July 1904 when the owners of the powerful Graham & Morton Steamship Company (G&M) announced plans to build their own interurban line from Benton Harbor to Kalamazoo, a road that would feed traffic to G&M ships sailing to Chicago.²⁰ Graham & Morton's proposal duplicated exactly Dunkley's plan to integrate the movement of freight between ships and interurbans and to own both modes of transportation. Ties of this nature with Lake Michigan steamships were already an important asset for other west Michigan interurbans. The Grand Rapids, Grand Haven & Muskegon ran a special train between Grand Rapids and Grand Haven that connected with the Goodrich Line's Lake Michigan steamers for an overnight trip to Chicago and with the Crosby Line to Milwaukee. The Grand Rapids, Holland & Chicago set up a similar service with Graham & Morton between Holland and Chicago as soon as that road was completed in 1902. Between 1906 and 1910, when electric roads were built from Benton Harbor to Eau Claire, Dowagiac, Coloma, and Watervliet, G&M arranged with the new lines to ship its fruit and transport its passengers to Chicago.²¹ In retrospect the G&M proposal to build its own line from Benton Harbor to Kalamazoo in order to reach the electric lines going east seems reasonable, although in the end, for whatever reasons, Graham & Morton stayed at sea, left interurban building to others, and enjoyed its profitable alliances with the electric roads.

Bardeen and Williams reacted to the threat of a Graham & Morton invasion by announcing that KLSCT would build its line from Kalamazoo to South Haven and then extend it to Benton Harbor. Two months later Bardeen and Williams expanded these plans to include lines from South Haven to both Saugatuck and Watervliet. Meanwhile, C. A. Mullens, general manager of the as-yet-not-incorporated

¹⁸ Hilton and Due, *Electric Interurban Railways*, 28.

¹⁹ *Kalamazoo Daily Telegraph*, October 28, 1903.

²⁰ *The True Northerner* (Paw Paw, Mich.), July 29, 1904.

²¹ Hilton, *Passenger Steamers*, 289-90.

Kalamazoo & Lake Shore Traction, came forward insisting that he was going to build his own rival line from Kalamazoo to South Haven and that he had the support of the Michigan Traction Company.²² Nothing came of Mullens's scheme. Ignoring the continuing stream of proposals for new electric roads, Dunkley pressed on with his own plans. In December Bardeen told newsmen that construction of the line would begin between South Haven and Saugatuck in order to connect with a branch of the Grand Rapids, Holland & Chicago interurban that had been built into Saugatuck. After this was finished the line between South Haven and Kalamazoo would be built. At South Haven the road also would connect with another line then being promoted that would run along Lake Michigan from Benton Harbor. Apparently, Bardeen made this announcement to dampen any plans that other roads might have to build along the lake to Saugatuck.²³

Interurban lines had to deal with one problem that the steam railroads could avoid. Inside city and village limits, electric roads usually operated on public streets rather than on privately owned right-of-way as did the railroads. Thus, interurbans needed a franchise from the municipality to lay tracks on the streets. These franchises often ran for only a twenty- or thirty-year period, were subject to cancellation for nonperformance, and had stipulations about fares and speeds or provisions that reflected the whims of the aldermen. At the end of February 1905, KLSCT representatives were in Paw Paw to obtain a franchise. To support their request they promised that the line would be in operation between South Haven and Paw Paw by midsummer and would be completed to Kalamazoo by 1906. They asked for no financial assistance from the residents of Paw Paw, but they did ask for help in securing a right-of-way through the village. James Grant, another of the KLSCT's promoters, reported that surveyors already were working from South Haven toward Bangor.²⁴ The village fathers of Paw Paw granted the needed franchise in April, but it was conditional on the road being in operation by July 1, 1906.²⁵

On April 12, 1905, Dunkley and his associates signed the necessary papers to incorporate their line under Michigan's Street Railway Act.

²² *Kalamazoo Daily Telegraph*, July 26, 1904; Lenderink, "Electric Interurban Railway," 60-61.

²³ *Kalamazoo Daily Telegraph*, December 22, 1904.

²⁴ *The True Northerner*, March 10, 1905. Kalamazoo businessman James Grant became the road's first secretary and general superintendent as well as a director; he became its president in early 1909.

²⁵ *Ibid.*, April 21, 1905.

The Kalamazoo, Lake Shore & Chicago Traction Company would own a line from Kalamazoo to South Haven, Benton Harbor, and Saugatuck.²⁶ Its promoters announced that the new line would run from South Haven through Bangor and Lawrence to Paw Paw, and then continue to Kalamazoo over an as-yet-undetermined route. The franchise obtained in Kalamazoo would determine the route to that city.²⁷ In April 1905 KLSCT promoters had appeared before Kalamazoo's Common Council to request the needed franchise, and they soon learned that negotiations with small communities were much easier. Kalamazoo already had granted franchises for the existing city streetcar lines, and people proposing several new roads were maneuvering to be granted lines on specific streets. It is possible some of the promoters were friends of the city fathers. Dunkley asked for a route that began on West Michigan Avenue and looped around the south side of downtown to a station his line would build at the intersection of Water and Rose streets.²⁸ This was a rather roundabout route, but it avoided any streets used by the existing city streetcar line. The aldermen suggested an alternate route that came into the city from the northwest. When KLSCT promoters said that this even more indirect route would add \$25,000 to their costs, the city dropped the idea. Next the city offered to allow the road to come into the downtown using the existing tracks of the West Main Street car line. However, the promoters stood firm for their original route, which they would own. Next the city proposed that the KLSCT build as far as West Michigan Avenue and use the city streetcar line from that point to the Rose Street station. The city persuaded the Michigan Traction Company to agree to this arrangement by threatening to cancel its franchise and drew up the documents in late May.²⁹ As a show of good faith, Dunkley shipped scoop shovels and gravel wagons to South Haven to begin grading the new railroad.³⁰ Director James Grant announced that grading would be

²⁶ Meints, *Michigan Railroads*, 94. Samuel Dunkley and his associates spent four years preparing for the incorporation of the Kalamazoo, Lake Shore and Chicago Traction Company, which finally occurred in April 1905. During that time (partly due to legal requirements and partly for practical reasons), Dunkley and his associates had found and contracted for capital to finance the startup and also obtained franchises that would allow the road to operate on municipal streets, activities that were commonly done before new interurban companies were incorporated.

²⁷ *The True Northerner*, May 26, 1905.

²⁸ *Kalamazoo Daily Telegraph*, April 17, 1905.

²⁹ *The True Northerner*, June 2, 1905; Lenderink, "Electric Interurban Railway," 61-62.

³⁰ *Kalamazoo Daily Telegraph*, June 26, 1905.

completed during 1905 and allowed to settle over the winter. Track would be laid early in the spring of 1906.³¹

By the summer of 1905 Dunkley had completed most of the arrangements to build his interurban line. He had the required municipal franchises and, apparently, the financing he needed for construction. Dunkley had surveyed and selected a route between Paw Paw and South Haven that wound its way through Lawrence, Hartford, and Bangor, in an attempt to gather up as much local traffic as possible. As was typical of most interurbans, about half of this planned route was along the sides of county roads, while the other half was on private right-of-way going cross-country. The Pere Marquette (PM) at Bangor was the only railroad Dunkley's line would have to cross, and he planned to use a viaduct for that. The sole matter left to decide was the route between Kalamazoo and Paw Paw. In August 1905 the Michigan Central Railroad completed a new two-track main line between Kalamazoo and Mattawan, which was located north of its original main line through Oshtemo, and also elevated several miles of its line west of Mattawan. The new line provided an easier grade up the hill westbound from Kalamazoo and also reduced the eastbound grade for several miles east of Mattawan, both of which had hampered operations on the original MC main line. Dunkley bought 11.3 miles of discontinued MC line between the Kalamazoo State Hospital and Mattawan. As part of the deal he also persuaded the MC to allow the KLSCT to lay tracks on the MC right-of-way in two places at either end of his new purchase: 1.6 miles from Eleanor Street in Kalamazoo to the Kalamazoo State Hospital and 2.4 miles from Mattawan west toward Lawton. The MC charged Dunkley a modest \$800 a year to lease these two short sections.³² Dunkley then announced he would lay tracks from the state hospital to Eleanor Street and from there turn east to pass his canning factory at 315 Eleanor Street, ending at a downtown station on Rose Street. This new route into downtown brought protests from the merchants along Main Street who believed the city's original franchise required KLSCT cars to be routed past their storefronts.³³

Fortune smiled on Dunkley again when he found more right-of-way that he could use for his Kalamazoo-Paw Paw line. Surveyors discovered an old grade running southeast from Paw Paw toward the Michigan Central main line east of Lawton. The route was graded in

³¹ *The True Northerner*, July 21, 1905.

³² Michigan Railroad Commission, *Annual Report of the Michigan Railroad Commission, 1909* (Lansing: Wynkoop Hallenbeck Crawford, 1910).

³³ Brock, "Paw Paw," 174; *Kalamazoo Daily Telegraph*, August 21, 26, 1905.

1857 to be the original line of the Paw Paw Railroad but was never used. It became known as the “calico grade” because of the merchants’ store orders that were used to pay construction workers. Dunkley bought the calico grade in late 1905. He then laid tracks on the south side of the MC right-of-way from Mattawan to Drape Road. At Drape Road, two miles west of Mattawan, the MC had built a bridge over the road as part of its relocation project. The two railroads and the township struck a deal for the KLSCT to use the Drape Road underpass to cross the MC tracks. West of Drape Road Dunkley built 1.5 miles of track along the north side of the MC to reach the calico grade and then put rails on the 4.25 miles of the calico grade. This solution required a very sharp curve on each side of the Drape Road underpass. Visibility was so limited that each KLSCT train had to stop as it neared the bridge, send a trainman ahead to flag vehicle traffic on the road, and then signal the train that it was safe to proceed under the bridge. This impediment to efficient operations lasted as long as the railroad was operational, and the narrow underpass is still used by automobiles today.³⁴ In a push to start operations KLSCT built a small depot and freight house at the end of the track on the east side of the Michigan Central line just north of West Michigan Avenue and apparently deferred its plans to operate on Kalamazoo’s city streets.

In January 1906 Dunkley issued a glowing prospectus regarding the prospects of the interurban company. From Paw Paw the line was to run through Lawrence to Hartford, turn north to Bangor, pass through Covert to South Haven, and then run along the lake shore to Douglas and Saugatuck. A map showed the line as “graded” between Bangor and Cedar Bluff, five miles north of South Haven, and under construction between Paw Paw and Hartford. Also shown was a proposed “Southern Extension,” which would extend from Hartford through Watervliet, Coloma, and Riverside to Benton Harbor. Electric interurban passenger trains would run every hour, and in the summer every thirty minutes. The report contained optimistic details about the numbers of passengers and amounts of freight the road would handle. In conclusion, the prospectus stated that “this project is pronounced by experts to be without a parallel in the United States as a most attractive earning proposition”—although Dunkley did not say who these experts were. The financial details of the prospectus are curious at best; the document treats the interurban and the combined Dunkley-Williams and Michigan Steamship operation as one unit even though there was no corporate tie

³⁴ Brock, “Paw Paw,” 174-75.

between the two. Dunkley estimated the electric line would have annual revenues of \$350,000, a little more than \$5,300 per mile of road, which was an average amount for the industry. Deducting operating expenses of \$210,000 from these revenues would leave a net operating income of \$140,000. This amount, plus the \$150,000 net earnings from steamships, would provide an amount that was more than double the estimated \$125,000 fixed charges, most of which was probably interest on debt. The estimated cost of constructing and equipping the interurban line was \$2,060,000, or a little more than \$31,000 per mile of road of the sixty-five-mile system. This was somewhat higher than the average cost of a new single-track interurban, which averaged about \$25,000 per mile. If all of this \$2,060,000 was borrowed money, which was the common practice, the annual bond interest cost at 5 percent would be \$103,000. Adding taxes and car rentals to the interest would raise total fixed charges to equal Dunkley's estimated \$125,000. However, if the steamship operation is removed from these calculations, the interurban's net operating earnings of \$140,000, less \$125,000 in fixed charges, leave a slim net profit of \$15,000. This is just a little more than 4 percent of annual revenues and less than 1 percent of invested capital. Small wonder that the steamship profits had to be included to "dress up" the interurban.³⁵

On May 5, 1906, the Kalamazoo, Lake Shore & Chicago Traction began regular train service.³⁶ In order to get started, Dunkley bought a small steam locomotive and two passenger cars, since he had not installed the third rail needed for electric operations nor bought interurban cars. The 1906 prospectus has a photograph of this train standing in Mattawan. It shuttled back and forth between Kalamazoo and Paw Paw on a one-hour schedule. The first timetable had trains leaving Paw Paw at 7:00 a.m., 11:00 a.m., and 3:45 p.m., and Kalamazoo at 9:15 a.m., 2:25 p.m., and 6:05 p.m. The midday train also handled freight cars, making the run in ninety minutes. Trains made stops at Asylum, Colony Farm, Oshtemo, Brighton, Rix, Mattawan, and Lawton. The round-trip fare between Kalamazoo and Paw Paw was fifty cents. The road's nickname, the Fruit Belt Line, was commonly used because

³⁵ Hilton and Due, *Electric Interurban Railways*, 29-30, 184-85; Edgar VanDeusen, "Electric Interurban Railway Bonds as Investments," *Annals of the American Academy of Political and Social Science* 30 (September 1907): 336-49; Kalamazoo, Lake Shore & Chicago Traction Company, *Prospectus*, January 16, 1906 (Kalamazoo, Mich.: Ihling Bros. & Everard, 1906).

³⁶ *Kalamazoo Daily Telegraph*, May 4, 1906; Brock, "Paw Paw," 176-77.

of the fruit-growing territory through which it operated.³⁷ Dunkley asked the Michigan Central to establish a freight-car interchange at Kalamazoo, which the bigger road refused.³⁸ The mighty MC's spirit of cooperation, which had been evident when it sold the line to Dunkley, apparently did not extend to accepting the potential loss of even a few dollars of revenue.

It is not possible to determine how much work the KLSCT did in 1906 to build the extension to South Haven. Apparently the company had very little money to work with, so it issued bonds that raised about \$380,000, most of which was used to buy the Michigan Central tracks between the Kalamazoo State Hospital and Mattawan. The remainder was used to buy the calico grade, put down a mile of track in Kalamazoo, lay another eight miles of track between Mattawan and Paw Paw, construct a couple of depots, and buy the used locomotive and two passenger cars.³⁹ This twenty-mile line thus cost about \$19,000 per mile, which was normal for a railroad built on a privately owned right-of-way. If the line had been built to the more exacting railroad standards for high-speed operations, it could easily have cost three times as much. To convert the KLSCT to electric operations would cost an additional \$3,500 to \$5,000 per mile and also require purchasing new, more expensive passenger equipment.⁴⁰

On June 4, 1906, Dunkley drew up new articles of incorporation for his railroad, slightly altering its name to the Kalamazoo, Lake Shore and Chicago Railway (KLS&C).⁴¹ Dunkley remained as president, but Charles Williams left the board, possibly to concentrate on the steamship company. Dunkley's motives are uncertain, but perhaps he felt that it would be easier for the company to raise additional money if it were perceived to be a railroad rather than a traction company. The name change appears to have had the additional benefit of allowing him to postpone using electricity until the route was completed. Possibly Dunkley felt that he should get his entire railroad operating first and then allow profits to provide the funds for electrification. Also Dunkley may have realized that freight traffic would have to play a more important role in his business than he originally planned and that

³⁷ Lenderink, "Electric Interurban Railway," 64; Brock, "Paw Paw," 176.

³⁸ Brock, "Paw Paw," 179; Dunbar, *All Aboard!*, 194.

³⁹ This amount is an estimate. No financial statements for the fiscal year ending June 1907 could be found either in the reports of the Michigan Railroad Commission or *Poor's Manual of the Railroads of the United States* (see n. 45).

⁴⁰ Hilton and Due, *Electric Interurban Railways*, 57, 185.

⁴¹ Meints, *Michigan Railroads*, 94.

“Railway” in the company name would encourage freight traffic in a way the word “Traction” could not. Dunkley put the director, James Grant, in charge of operations as superintendent and hired Hiram D. Swayze as general freight and passenger agent to drum up new business.

With his railroad running between Kalamazoo and Paw Paw, good fortune now provided Dunkley with an easy way to get to South Haven. On April 9, 1907, he removed a potential competitor, the Pere Marquette line between Lawton and South Haven, by leasing it himself.⁴² In April 1903 the Pere Marquette Railroad had bought the South Haven & Eastern Railroad (SH&E) from Fred M. Steele, who had bought it in 1894 at the Toledo & South Haven bankruptcy sale. The Pere Marquette was controlled by a syndicate headed by Frederick H. Prince, a New York stock speculator who had a grandiose plan to turn his new investment into a major Chicago-Buffalo line that would serve as a bridge to carry freight traffic between western carriers and east coast roads. By combining new construction, running rights, and leases, Prince assembled the route he wanted. His line, however, was the longest of all the roads between Chicago and Buffalo, so he tried to shorten it with a cutoff to bypass Grand Rapids. Prince apparently was not interested in using Dunkley’s proposed interurban line. But with the South Haven & Eastern in hand Prince began negotiations to buy the Chicago, Kalamazoo & Saginaw (CK&S), a small road that extended northeast from Kalamazoo and connected with the Pere Marquette at Woodbury. If he could obtain the CK&S Prince would have to build less than twenty miles of track from Lawton to Kalamazoo to connect the two pieces of his line. If he could accomplish this, PM trains from Chicago would turn east onto the SH&E at Hartford, run to Kalamazoo, turn northeast onto the CK&S, and rejoin the PM tracks at Woodbury to head east. This would reduce the length of Prince’s Chicago-Buffalo line by twenty-five miles and give the Pere Marquette the bonus of access to Kalamazoo and its industries. Prince’s plan fell through when the Vanderbilt family, which owned the New York Central and the Michigan Central, made the CK&S owners an offer they could not turn down. The CK&S joined the Vanderbilt family, and Prince was left holding a rundown, profitless railroad (the old SH&E) for which he had no use.⁴³ Dunkley’s lease fee for the Lawton-South Haven line was \$18,000 for each of the first five years,

⁴² Michigan Railroad Commission, *Aids, Gifts, Grants, and Donations*, 116-17. See also n. 14.

⁴³ Dunbar, *All Aboard!*, 193.

KALAMAZOO, LAKE SHORE & CHICAGO RAILWAY CO.

"THE FRUIT BELT LINE."

Table with columns for stations (Kalamazoo, Michigan, etc.), times, and directions. Includes names of presidents and vice-presidents at the top.

Trains marked 1 run daily, except Sunday. 6 Telegraph stations. CONNECTIONS.—With Chicago, Kalamazoo & Saginaw R.R., Grand Rapids & Indiana R.R., New York Central R.R., Michigan Central R.R., with Michigan Central R.R., with Pere Marquette R.R., with Chicago & South Haven S.S. Co.

LANSING AND SOUTHEAST RAILROAD. G. V. Jones, President; T. H. Mosser, Manager; Lansing, N. C. Train leaves Johns, N.C., 7:46 a.m., arriving Lansingburg 7:16 (mile) 10:00 a.m., Wagram (14 mile) 10:52 a.m., Levese Wagram 11:55 a.m., arriving Lansingburg 12:30 p.m. Leaves Lansingburg 7:00 a.m., arriving Johns, N.C., 7:46 a.m. Leaves Lansingburg 7:00 a.m., arriving Johns, N.C., 7:46 a.m. Leaves Lansingburg 7:00 a.m., arriving Johns, N.C., 7:46 a.m. Leaves Lansingburg 7:00 a.m., arriving Johns, N.C., 7:46 a.m.

Source: E. S. Allen and A. J. Burns, comps., The Official Guide of the Railways (New York: National Railway Publication Co., July 1919), 1042.

A schedule from the Fruit Belt Line

increasing to \$23,000 thereafter.⁴⁴ To meet his immediate need for equipment, Dunkley bought the steam engines and passenger cars used on the SH&E. His dream was now complete: the Fruit Belt had a continuous line from Kalamazoo to Lake Michigan. The lease of the PM line gave the KLS&C two lines southeast of Paw Paw, the calico grade and the PM line (the old SH&E) that ran from Lawton to Paw Paw to South Haven. Dunkley decided to remove the tracks from the calico grade and build a short section of line to enter Lawton (which the KLS&C had previously bypassed) and thereby reach the newly leased road.

During the summer of 1907 Dunkley extended KLS&C tracks in Kalamazoo three city blocks to a new passenger and freight station he built on the south side of West Main Street. This new depot was conveniently located next to the city streetcar line. In South Haven the Fruit Belt's rails came into the city down the center of Maple Street, then curved to the east along the south bank of Black River to reach the Dunkley-Williams warehouse and pavilion. There passengers could step from the train and onto a boat. Dunkley spent \$10,000 for a new depot in South Haven adjoining the warehouse and built a 4.4-mile branch from Toquin to a popular summer resort area on the north shore of Paw Paw Lake. In May 1907 the Fruit Belt announced a new schedule of five passenger trains each way between Kalamazoo and South Haven, several of which connected with Dunkley-Williams ships. The one-way fare from Kalamazoo to Chicago by rail and steamship was \$1.50. Dunkley still held out electrification of the line as a possibility.⁴⁵ His road also brought vacationers to Lake Cora, a resort area west of Paw Paw that had been popular since the 1880s during the days of the Toledo & South Haven Railroad. Chicagoans could alight at the posh Peninsular Hotel on the north shore or take a boat to more rustic resorts on the south shore.⁴⁶

The Fruit Belt line that Dunkley assembled was not quite what he had hoped for. It took a less-than-direct route between Kalamazoo and Paw Paw, and while it served Lawrence and Hartford, it completely bypassed the larger city of Bangor. In Kalamazoo the Michigan Central

⁴⁴ Paul Wesley Ivey, *The Pere Marquette Railroad Company: An Historical Study* (Lansing: Michigan Historical Commission, 1919), 281-82; Henry V. Poor, *Poor's Manual of the Railroads of the United States* (New York: Poor's Railroad Manual Co., 1911), 44: 2689. Ivey reports the lease charge incorrectly.

⁴⁵ Brock, "Paw Paw," 178-79; *Kalamazoo Daily Telegraph*, April 10, 1907.

⁴⁶ See the website: http://www.oakcove.com/html/body_90th_year_press_release.html, accessed January 5, 2004. Oak Cove Resort, a successor to Engelhard's Resort that opened in 1910, is the sole remaining summer resort on Lake Cora. The Peninsular Hotel was destroyed in a fire.

remained adamant in its refusal to establish a freight interchange with the Fruit Belt; it also refused the line running rights that would allow it to reach any other railroad on the east side of the city. The lack of freight connections in Kalamazoo severely cut the Fruit Belt's potential freight business. Thus, the increase in freight traffic promised by Dunkley and Williams, as well as by the Kalamazoo newspapers, did not develop. A rumor surfaced that the Chicago & Kalamazoo Terminal Railroad might extend from the east side of town to the Fruit Belt, but nothing came of this.⁴⁷ The Fruit Belt received carloads of freight from the Michigan Central at Lawton and South Haven and from the Pere Marquette at Hartford, but out of Kalamazoo the KLS&C handled little but package freight. In season the line moved a large amount of fresh fruit on the western half of the road, much of which was loaded onto Dunkley-Williams ships, and it was this seasonal surge in revenue that sustained the company.

Michigan's railroad commission, in its annual report for the year 1907 (really 1907-1908), had little praise for the new railroad. It wrote that "the stations are small but seem to be satisfactory" and "seem to meet the requirements of the public," whatever that might mean. The report rated KLS&C tracks as "satisfactory" and declared its train service to be "satisfactory and to meet the requirements of the public." The commission wrote that weeds needed to be cut and that it had received numerous public complaints about the lack of right-of-way fencing. On the whole the commission gave the company a barely passing grade.⁴⁸ This account also includes the earliest KLS&C financial report available. For the twelve months ending June 30, 1908, the road carried 195,670 passengers, which generated \$60,137 in revenue. The average rider traveled a little more than sixteen miles and paid about thirty cents for the trip, a little less than two cents per mile. The road also hauled 56,193 tons of freight, which brought in \$37,285. The relative importance of these two sources of revenue is unusual for either a railroad or an interurban. Interurbans often derived 90 percent of their revenues from passengers, but the Fruit Belt's portion was only 55 percent. Freight traffic usually provided from one-half to two-thirds of a steam railroad's income, but for the Fruit Belt it was just over one-third. With total revenues of \$108,596 and operating

⁴⁷ *Kalamazoo Daily Telegraph*, May 10, 1907.

⁴⁸ Michigan Railroad Commission, *Annual Report of the Michigan Railroad Commission for the Year Ending Dec. 31, 1908* (Lansing: Wynkoop Hallenbeck Crawford, 1909), 31.

expenses of \$88,060, the result was a net operating income of \$20,536, a minuscule \$348 per mile of road operated.⁴⁹

Some familiarity with railroad accounting practices helps one understand the Fruit Belt's financial performance. These procedures were established by the Interstate Commerce Commission and were somewhat different from those of most businesses. First all the revenues from operating trains were totaled, then all the expenses of running those trains, maintaining tracks and equipment, staffing, and managing the business were subtracted from that number. The remainder was the "net operating income" or "net operating loss." This amount was important for two reasons: it was used as a standard measure of the efficiency of a company's railroad operations; and it determined whether railroad operations made enough money to pay for the rest of the company's expenses. These other expenses were called "non-operating expenses," the most important of which were taxes, lease charges, interest on debt, and rentals of equipment and facilities. Deducting these charges from net operating income resulted in a final "net income" or "net loss" amount. After taking everything into account, net income or net loss showed whether the company was profitable. Accounting standards required that all expenses be recorded as they were incurred, even when they were not paid in cash but instead added to accounts payable. By the same standard, all nonoperating expenses had to be booked, even if they were added to some liability account and not yet paid in cash.

For the 1907-1908 year the Fruit Belt's nonoperating expenses totaled \$55,144, and when this amount was subtracted from net operating income showed the company had a net loss of \$34,608.⁵⁰ Notwithstanding this disappointing performance, it is probable that the Fruit Belt's owners were willing to accept this loss as a part of starting a new company, at least initially. Even with this loss, the Fruit Belt was more successful than its predecessor, the South Haven & Eastern. It had nearly double the freight tonnage and revenues of the SH&E and more than three times the number of passengers and revenue.⁵¹

⁴⁹ Ibid., 182-221. In addition to the passenger and freight revenues shown, the company received other income from handling mail, express, and baggage, as well as for switching freight cars between tracks, storing freight in its depots, detaining freight cars, and other miscellaneous freight services. For the year ending in June 1908, this extra income totaled \$11,174.

⁵⁰ Ibid.

⁵¹ *Twenty-Eighth Annual Report of the Commissioner of Railroads of the State of Michigan for the Year 1900* (Lansing: Wynkoop Hallenbeck Crawford, 1901), 228-45.

Far more serious financial difficulties overtook both Dunkley and Williams between 1906 and 1909. In October 1906 the fruit crop was severely damaged, which resulted in considerable losses for Dunkley's fruit-processing operations and freight revenues to his steamship and railroad.⁵² After Congress passed the Pure Food and Drug Act of 1906, Dunkley's very profitable patent-medicine business declined precipitously. His canning company was eventually forced into receivership in 1909, and he also lost the Colonial Hotel. In late 1908 a creditor started a legal action against the Dunkley-Williams steamship operation, and in January 1909 that company went into receivership as well. Dunkley was removed as its president and his and Williams's representatives left the board of directors. In May 1909 new owners formed the Chicago & South Haven Steamship Company to reorganize the Dunkley-Williams Lake Michigan operations.⁵³ The record is murky, but it appears that some of Dunkley's associates in the steamship company saw the opportunity to take control of the business. This appears to have been true for the railroad as well. The same group of men owned most of the railroad's stock and held most of its bonds. It cannot be determined now whether they moved to protect their investment or wanted to remove Dunkley for some other reason. In any event, in 1909 Dunkley left the Fruit Belt, which managed to avoid reorganization. Stephen B. Monroe, president of the Kalamazoo Savings Bank, temporarily became president of the railroad.⁵⁴ Monroe had been vice president of the Yonkerman Chemical Company, one of Dunkley's patent-medicine competitors.

In 1908 Superintendent Grant cut passenger service from five trains a day to three trains a day to save money. It was an ongoing struggle to keep the road running, much less accumulate enough cash to meet the \$18,800 in lease payments due each year. Grant cut back on maintenance of both track and equipment, which affected the reliability of the line's locomotives and caused its depots to become an embarrassment.⁵⁵ In 1909 the newspapers reported a rumor that the Fruit Belt was considering buying gasoline-engine cars to replace its passenger trains, but nothing came of this attempt to economize.⁵⁶ Several months later another newspaper reported that the Michigan Central was interested in buying the Fruit Belt, a rumor that Grant

⁵² *South Haven Daily Tribune* (South Haven, Mich.), January 20, 1923.

⁵³ Hilton, *Passenger Steamers*, 219-23.

⁵⁴ Poor, *Poor's Manual*, 43: 828.

⁵⁵ Brock, "Paw Paw," 179.

⁵⁶ *Kalamazoo Daily Telegraph*, February 10, 1909.

denied.⁵⁷ In January 1909 the KLS&C directors promoted Superintendent James Grant to replace Monroe as president of the railroad and named Hiram D. Swayze to replace Grant as the superintendent.⁵⁸

The October 1909 inspection of the line by the Michigan Railroad Commission showed no improvement over the previous two years. Tracks between Kalamazoo and Lawton needed repairs. Stations were not well kept. Right-of-way fences and road crossings were considered to be in only fair condition. The commission leveled harsh criticism about locomotives that were “not properly taken care of” and urged the road to buy new ones. Once again it considered the road “in fair condition for the traffic presented.” Apparently the commission considered the road adequate for the small amount of traffic it handled. The company’s financial picture, however, grew worse. Once the \$49,301 of nonoperating expenses was subtracted from the net operating income of \$26,164, the road suffered a net loss of \$23,137. In the three years ending June 30, 1909, the line’s accumulated net loss was \$57,745. The road still paid no interest on its bonds, but simply added the sums to the liabilities on the company’s balance sheet.⁵⁹

Early in 1910 Michigan United Railways (MUR), the company that had bought Michigan Traction’s Kalamazoo streetcar lines and the Kalamazoo-Battle Creek interurban line in May 1906, announced it would build a loop off its West Main Street line to connect directly to the Fruit Belt Line. Soon after this the press revealed that the MUR had offered to buy the KLS&C. The Michigan Central agreed to the sale, but the Pere Marquette, which held the lease on the Lawton-South Haven section, opposed it.⁶⁰ By this time Michigan United Railways, which was owned by Myron W. Mills of Port Huron, had grown into the largest outstate owner of electric railways. Mills and his partners apparently had enough money to continue expanding, and they began to build a line that would compete directly with the powerful Detroit United Railways and considered building another between Kalamazoo and Grand Rapids.⁶¹ Mills also watched the proposals that continued to bubble up for lines that would enter Kalamazoo from the west and southwest, but he saw

⁵⁷ *Kalamazoo Daily Telegraph*, May 6, 1909.

⁵⁸ Poor, *Poor’s Manual*, 44: 2689.

⁵⁹ Michigan Railroad Commission, *Annual Report, 1909*, 44; Poor, *Poor’s Manual*, 43: 838.

⁶⁰ *Kalamazoo Daily Telegraph*, January 25; February 19, 1910.

⁶¹ Jack E. Schramm, William H. Henning, and Richard R. Andrews, *When Eastern Michigan Rode the Rails* (Glendale, Calif.: Interurban Press, 1988), 3: 109-32; Zink, ed., *Electric Railways*, III-1, III-2.

no need for others to build there when his MUR could fill this need. The Fruit Belt was Mills's first step in defending his line against these threats.

In April 1910 Mills announced that on June 1, 1911, MUR would lease the Fruit Belt for five years, and would also make arrangements with the Chicago & South Haven Steamship Company to provide a Lake Michigan ship connection to Chicago. In addition Mills stated that a third rail would be installed to provide for electric operations on the Kalamazoo-South Haven line, that steam-engine operations would end, and that he would arrange to connect the Fruit Belt's Paw Paw Lake branch with the Benton Harbor-St. Joe Railway & Light Company to create a new through service between Kalamazoo and Lake Michigan at Benton Harbor.⁶² But as he made these plans, Mills came face to face with a new and far more aggressive opponent.

William A. Foote, the pioneer in electricity generation and transmission, decided to reenter the interurban field. He had sold all his electric rail properties to Mills in 1905, apparently deciding to concentrate on the electric-utility business. In 1910 Foote and some associates founded Consumers Power Company as a holding company to own utility companies. Next Foote joined with Anton G. Hodenpyl and Henry D. Walbridge of New York City and Edward W. Clark of Philadelphia to form Commonwealth Railway Power and Light Company, a holding company to own holding companies.⁶³ Streetcar and interurban lines were now large and consistent users of electricity, and Foote decided they would be profitable investments for Commonwealth. By early 1911 Foote and his partners began buying up stock in Mills's company. Before the end of that year Foote gained control of Mills's MUR and leased it to his newly formed company, Michigan United Traction (MUT), effective January 1, 1912.⁶⁴

Commonwealth apparently also made some small investments in the Grand Rapids, Holland & Chicago and the Grand Rapids, Grand Haven & Muskegon interurban lines, leasing the Holland line in January 1912. Hodenpyl and Clark were also partners in the street railway in Grand Rapids, although they kept that road out of Commonwealth's

⁶² *Kalamazoo Daily Telegraph*, April 20, 28; May 19; June 27, 1911; Michigan Railroad Commission, *Aids, Gifts, Grants, and Donations*, 116-17; Hilton, *Passenger Steamers*, 227.

⁶³ See Bush, *Future Builders*, 63-193, for coverage of the intricate ownerships and histories of the various Foote electric and railway ventures, as well as those of Consumers Power Company and Commonwealth Railway Power and Light. The endnotes are particularly valuable.

⁶⁴ *Kalamazoo Daily Telegraph*, November 15, 1911; Michigan Railroad Commission, *Aids, Gifts, Grants, and Donations*, 118-19.

holdings.⁶⁵ Foote then decided he would build a Grand Rapids-Kalamazoo interurban line that would connect the Grand Rapids properties with the lines newly acquired from Mills that ran east from Kalamazoo. In the summer of 1912 MUT purchased a building on the northwest corner of Rose and Water streets in Kalamazoo for a new terminal to replace the cramped one on Portage Street, the same site that Dunkley had proposed in 1905 for the Fruit Belt. The Fruit Belt's trains continued to end at the West Main Street depot, awaiting the electrification that would allow them to operate on the city streets and arrive at the new station.⁶⁶ In August MUT signed contracts to construct the Grand Rapids-Kalamazoo interurban line.⁶⁷

When Foote bought Mills's lines, he also benefited from MUR's lease of the Fruit Belt. Foote, as Mills had earlier, promised to electrify the KLS&C.⁶⁸ Although work went ahead on the Grand Rapids-Kalamazoo line, however, nothing was done to upgrade or improve the Fruit Belt. Traffic on the branch to Paw Paw Lake continued to be a disappointment, and Foote ended operations there by the summer of 1914, taking up the tracks not long after.⁶⁹ Rumors and speeches from MUT officials continued to raise the possibility of an extension or a connection to Benton Harbor, but these speculations remained just that. Track work on the Grand Rapids line was completed in November 1914, and trial runs began. Work on the Kalamazoo station had not yet started, and there were delays in finishing the station in Grand Rapids as well as the Grand River Bridge.⁷⁰ MUT finally chose to remodel the building in Kalamazoo for its station rather than build a new one, and it opened the line for public service on May 17, 1915.⁷¹

In the summer of 1915 Foote's Michigan United Traction was at its zenith, operating more than three hundred miles of lines. But the guiding genius and driving impulse behind the company was gone; William A. Foote had died in April. Despite having the financial wherewithal to do so, MUT and its successors built no more lines in the remaining fourteen years of their existence. This may have been prudent, as important factors were at work that limited the business prospects of interurbans. The high-water mark of interurban mileage in

⁶⁵ Lenderink, "Electric Interurban Railway," 81.

⁶⁶ *Kalamazoo Daily Telegraph*, April 23; November 24, 1912.

⁶⁷ *Ibid.*, August 26, 31; September 20, 1912.

⁶⁸ *Ibid.*, January 18; February 19, 1912; Zink, ed., *Electric Railways*, III-1.

⁶⁹ Michigan Railroad Commission, *Aids, Gifts, Grants, and Donations*, 118-19.

⁷⁰ Lenderink, "Electric Interurban Railway," 88; *Kalamazoo Daily Telegraph*, July 20, 1913; November 4, 7, 1914.

⁷¹ Lenderink, "Electric Interurban Railway," 89-91.

Michigan came in 1915 at just over 920 miles. Mileage held steady for the rest of the decade, but began to drop in the 1920s. Nationally the peak in mileage came in 1916.⁷² In 1916 Michigan electric lines employed 11,327 persons, nearly double the number nine years earlier, but after 1916 employment dropped steadily. These statistics hinted at a more fundamental financial problem. By 1910 six of the seventeen interurban companies reporting to the Michigan Railroad Commission were operating at a net loss. Four years later that number increased to nine.⁷³ The interurbans' financial woes were exacerbated by a 1907 Michigan law setting a maximum passenger fare of two cents a mile. This reduction did not change interurban fares, which generally were lower than that, but it brought railroad fares closer to those charged by interurbans. This change was accompanied by an increase in railroad train speeds that gave the slower interurbans new competition for intercity riders.⁷⁴ On a national level the interurban industry as a whole barely earned 3 percent on invested capital in any year after 1901. Even in the best years, from 1910 to 1913, the return to owners did not exceed 3.2 percent. This meager gain made it difficult to raise capital after the initial enthusiasm of the first decade of the twentieth century declined. Another problem facing interurbans was caused by their developers' heavy use of borrowed money rather than invested capital to finance construction. For many roads, interest costs simply were too high to allow a net profit. In addition, by the mid-1910s many roads had been operating for fifteen to twenty years and had track that needed upgrading and equipment that needed to be replaced. Most roads had made no allowances for depreciation, so there was no money available for either upgrades or repairs and no way to borrow it. The temporary surge in revenues that came during World War I did not increase profits proportionately and did not reverse the long-term financial decline of the interurban industry.⁷⁵

When MUT's five-year lease of the Fruit Belt expired at the end of May 1916, the company handed the little road back to its owners.⁷⁶ The years between June 1911 and June 1916—the era of MUT control—were some of the best the Fruit Belt ever experienced. For the year ending June 1912 it reached a new high in both numbers of passengers

⁷² Graydon M. Meints, *Michigan Railroad Lines* (East Lansing: Michigan State University Press, 2005), 36-47; Hilton and Due, *Electric Interurban Railways*, 186.

⁷³ Dunbar, *All Aboard!*, 242.

⁷⁴ *Ibid.*, 262.

⁷⁵ Hilton and Due, *Electric Interurban Railways*, 186-87, 208-12.

⁷⁶ Michigan Railroad Commission, *Aids, Gifts, Grants, and Donations*, 118-19.

carried and passenger revenues. The next year was even better with 222,217 riders and \$65,100 in revenues. Freight tonnage and revenues reached a new high in 1912, declined for the next two years, then jumped to an all-time high in 1915 with 168,714 tons hauled, generating \$82,933 in revenues. For 1916 the Fruit Belt's freight revenues dropped 26 percent on a tonnage loss of 44 percent. Passenger ridership and revenues also declined, but not as sharply. Foote was able to control operating costs enough for the Fruit Belt to show a net profit, even after all nonoperating charges were accounted for, of \$12,011 for the June 1912 year, but 1913 showed a much smaller net profit of only \$3,986. Those two were the only years the Fruit Belt ever had net profits. Losses returned in 1914 and 1915. The year 1916 was the second worst in the company's history, with a net loss of \$30,375, stemming in part from the line's inability to cut expenses as quickly as its revenues fell.⁷⁷ By 1916 the line's financial decline was undeniable.

The Fruit Belt's finances reflected those of the interurban business generally, but not those of railroads. MUT's decision to end the Fruit Belt lease was relatively easy. William A. Foote, the inspiration behind the interurban investment, had died. The cost of building the Grand Rapids-Kalamazoo line had been higher than expected. To boost that line's prospects, MUT had bought a line between Battle Creek and Allegan from the Michigan Central, and then paid to convert the low-traffic railroad line to interurban operations. This conversion produced little increase either in traffic or in support for the Grand Rapids-Kalamazoo route. MUT officials probably thought that the disappointing performance of the Battle Creek-Allegan line would be repeated on the Fruit Belt. Under these conditions, it is not surprising that MUT put the Fruit Belt back on its own.

After 1916 the Fruit Belt's hope of becoming an interurban seemed to be dead. Its future life would be as a steam railroad. The Fruit Belt continued to run morning and midafternoon trains each way between Kalamazoo and South Haven, runs that were scheduled to take two hours and twenty-five minutes for the fifty-five-mile trip. These two trains were supplemented by an early morning run from Paw Paw into Kalamazoo and a 6:00 p.m. run from Kalamazoo to Paw Paw, a trip that took about an hour. The calendar year 1918 showed a net operating loss that resulted in the road's worst net loss ever: \$60,887. The year 1919 saw a 28 percent increase in passenger revenues and an 85 percent increase from freight, which resulted in a net operating profit of

⁷⁷ Poor, *Poor's Manual*, 46: 753; 47: 1077; 48: 395; 49: 2251; 50: 1890; 51: 642.

\$37,815, but the fixed charges offset all of this and more, producing a net loss of \$32,224. Both kinds of revenue increased again in 1920 (to \$78,821 from passengers and \$194,034 from freight), but even these gains only reduced the year's net loss to \$20,235. The road stopped reporting ridership and tonnage amounts in 1917, so how much higher rates and the rapid price inflation of the war years and especially the immediate postwar period contributed to this apparent improvement and how much came from increased traffic cannot be determined. The larger revenues of those two busy years reduced but could not stop the red ink. At the end of 1920 the accumulated net loss of fourteen years had built up to \$326,277.⁷⁸

The Fruit Belt Line faced a new world in the 1920s. Roughly twenty years earlier both the interurban and the automobile had emerged as new forms of transportation. Smart money had bet on the interurbans based on their growing popularity with American travelers. Now the automobile began to replace the interurban. The car quickly gained wide acceptance because it was reasonably priced and relatively inexpensive to operate. In addition, autos had benefited from various mechanical improvements and could provide instant transportation at the whims of their owners. The automobile's increasing popularity was assured by the "good roads" movement and the tangible support of Michigan's first bond issue for new highway construction in 1919. As the highway network grew better each year, more and more Michigan residents deserted the interurbans and railroads and took to their cars for personal travel. These same improved roads brought increased use of trucks to move freight. By 1922 a paved highway extended from the Indiana state line along the Lake Michigan shore as far north as Pentwater. Trucks had easier and faster access to the vital Chicago market. Among the first commodities the railroads and interurbans lost to trucks was the seasonal and time-sensitive fresh-fruit traffic from western Michigan. This loss severely hurt the electric lines out of Benton Harbor and St. Joseph that depended on this traffic, and it removed the last hope of profitability for the Fruit Belt.⁷⁹ If one cause has to be named, however, it was the automobile that killed the interurban.⁸⁰

The year 1921 was a disaster for the Fruit Belt. Both passenger and freight revenues showed a 39 percent drop that year, while Swayze could cut operating expenses by only 16 percent. The resulting net loss of

⁷⁸ Ibid., 51: 1849-50; 52: 1977.

⁷⁹ Hilton, *Passenger Steamers*, 140-48.

⁸⁰ John F. Due, "The Rise and Decline of the Midwest Interurban," *Railroad Magazine* 61 (September 1953): 84.

\$83,876 was one-third higher than that of 1918. Until 1918 the road had managed to stay afloat by not paying the \$19,500 interest due each year on its bonds; it simply added that amount to its balance-sheet liabilities, which left enough net operating income to pay for taxes and leases. Now the net losses were far greater than this maneuver could cover. In late 1921 President James Grant passed away and Superintendent Swayze took his place.⁸¹ He had no luck in improving the road's financial situation either. For the year 1922 the company had a \$52,391 net loss, which was \$31,485 smaller than the year before, but still too much for the road to afford. Passenger revenues dropped nearly \$33,000 in 1922, but Swayze offset this with drastic cuts in operating expenses. Despite all of his attempts to cut the net operating loss, Swayze could not change most of the nonoperating expenses. The Fruit Belt's taxes were stuck at about \$12,000 a year, based on the value of its property, and there was the \$19,500 that was due each year for interest on its debt.⁸² These two expenses totaled more than \$31,000 in charges each year before the company turned a wheel, and they made the \$23,000 annual lease payment for the Lawton-South Haven section an outlay the Fruit Belt could not afford. The dilemma was a stark one. If KLS&C kept the Lawton-South Haven section, the lease charge would continue to ensure net losses, and given recent trends in traffic these probably would become larger. But if it gave it up the Lawton-South Haven section, the road was almost surely doomed as it simply would not have sufficient traffic to stay in business. When the KLS&C did not, or possibly could not, make the June 1923 lease payment, the Pere Marquette canceled the lease for nonpayment and on July 1, 1923, took over operations between Lawton and South Haven. This left the Fruit Belt with just the seventeen-mile section between Kalamazoo and Lawton. Without its service west of Lawton revenues plummeted. Most of its freight traffic went back to the Pere Marquette while still more riders turned to their automobiles or used the faster Michigan Central. Tracks and equipment continued to deteriorate. Traffic levels fell so low that the Fruit Belt's owners had no choice but to acknowledge that the road was bankrupt and petition for receivership, which they did on August 7, 1923.⁸³

⁸¹ Poor, *Poor's Manual*, 53: 612.

⁸² *Ibid.*, 54: 1598.

⁸³ United States Interstate Commerce Commission, *Interstate Commerce Commission Reports* (Washington, D.C.: Government Printing Office, 1924), 90: 186, finance docket 3367, June 5, 1924.

The Fruit Belt's president, Hiram D. Swayze, was named receiver and continued operations while he attempted to rescue the little road. For the last four months of 1923 the Fruit Belt had only \$180 in passenger revenues and \$7,351 from freight.⁸⁴ But no rescue came. No other railroad or interurban was interested in buying it. Swayze was forced to petition the Interstate Commerce Commission for abandonment, which it approved on June 5, 1924. The Fruit Belt ran no more trains. It took five more years for Swayze to wrap up the road's affairs. The equipment was sold, the rails taken up and sold, and much of the right-of-way between Kalamazoo and Mattawan eventually disposed of to American Telephone and Telegraph for a cable line. Swayze finished up his receivership work on July 3, 1929.⁸⁵

Starting a new railroad or interurban was a difficult undertaking, and if it had to compete in a territory that had established rail lines, it was considerably more so. This was particularly true if the line was built in the latter half of the interurban boom—after 1905. Fifty miles to the south, in northern Indiana, the St. Joseph Valley (SJV) experienced similar difficulties that were just as grave as the Fruit Belt's. The SJV was conceived as an interurban that would connect one line extending from Chicago to Elkhart, Indiana, with another line that extended west from Toledo, Ohio. The road's sole owner, Herbert E. Bucklen, another wealthy patent-medicine manufacturer, began building his line in 1903. It was not until 1910 that he built the electric interurban segment between Elkhart and Bristol; by 1915 he had constructed the railroad part as far east as Columbia, Ohio, only thirteen miles short of a connection with the line from Toledo. Bucklen never closed this gap. With the profits from his patent medicines, particularly Bucklen's Arnica Salve, he provided cash infusions that kept the road afloat but did not make it profitable. Bucklen died in 1916, and his son held off abandoning the road for only one more year.⁸⁶

Both the St. Joseph Valley and the Fruit Belt were started in the early years of the interurban boom, and, ironically, both owners used their patent-medicine fortunes to build their lines. Bucklen's line never became the connecting bridge between the Chicago and Toledo lines. The Fruit Belt acquired all of its proposed route, but the Chicago steamship connection was owned by others during most of its life.

⁸⁴ Poor, *Poor's Manual*, 55: 1894-95.

⁸⁵ Brock, "Paw Paw," 180-81; Interstate Commerce Commission, *Reports*, 90: 186.

⁸⁶ Richard S. Simons, "St. Joseph Valley Railway," *National Railway Bulletin* 52, no. 1 (1987): 28-36; Joseph A. Galloway and James J. Buckley, *St. Joseph Valley Railway* (Chicago: Electric Railway Historical Society, 1955).

Bucklen used steam locomotives for nearly all of his traffic and had only eight miles of electric passenger operations, while the Fruit Belt used only steam engines and never could afford to install electric operations. Dunkley left the KLS&C early in its life, although his departure did not noticeably affect the company, but Bucklen remained the sole financial backer throughout the SJV's existence. Whatever their similarities and differences, however, in the end both roads failed because the market each served did not generate enough traffic. The Fruit Belt competed against the financially powerful Michigan Central whose lines paralleled it, and, with the exception of three communities, the Fruit Belt had rail competition at every point on its line. The SJV was built through a territory that no other railroad wanted, but all of its important cities were served by other railroads that it crossed. Both roads were conceived when the midwestern interurban network was just starting to grow, and by the time they were built the network was already substantially complete. Operators of both roads eventually had to give up the idea of turning their lines into interurbans, and the roads lived out their lives as conventional railroads. Had either road, as an interurban, served an area with a larger population it might have had more success, although this is far from certain. The Midwest's conventional railroad network, in contrast, was largely complete by 1900 and there were few unserved profitable markets left. In Michigan only a handful remained, and those markets were in lumbering areas in the northern Lower Peninsula and mining areas in the Upper Peninsula. Northern Indiana probably had none. Railroads with insufficient traffic could not earn adequate revenues on a consistent basis, and the result could only be net losses that led to failure. In short, as interurban lines both roads were late coming into the field and thus had poor prospects; as conventional railroads, they came much too late into a saturated market and had even less chance of success.

The Kalamazoo, Lake Shore & Chicago, a little railroad with an ambitious name, was conceived in the midst of the interurban fever. It was only one of scores of proposals dreamed up during the first decade of the twentieth century to build lines on all sorts of routes that crisscrossed Michigan. Fortunately only a few of these were ever built. By 1910, after the Fruit Belt was completed, the interurban fever had cooled. There was more construction, but in Michigan the network of electric lines was essentially complete by 1915. Each year of the 1920s brought reduced traffic and smaller profits. Between 1927 and 1929 the interurban network collapsed, in both Michigan and the nation. Michigan's two largest systems, the Michigan Railways (the successor to

Michigan United Traction) and the Detroit United Railways, were almost completely abandoned during those three years. Both companies sold off their city lines, which kept them going for a while, but the last intercity interurban ran in Michigan in 1934.⁸⁷

The Pere Marquette continued operating the section between Lawton and South Haven. Passenger train service ended in the 1930s. In 1941 it removed the track between Paw Paw and Lawton. The PM and its successor, the Chesapeake & Ohio (C&O), continued to serve the South Haven-Paw Paw section of the line. A local freight made a round trip from Benton Harbor to Paw Paw three days a week and on the other three days to South Haven. In 1971 the C&O snipped off a mile from Cableton into downtown South Haven, and in 1986 it abandoned the Hartford-Cableton leg. That year it sold the Paw Paw-Hartford section to Southwestern Michigan Railroad, which revived the Kalamazoo, Lake Shore & Chicago name, ran passenger excursions, and hosted a dinner train. This remaining part was sold in 1995 to West Michigan Railroad, a subsidiary of Pioneer Railcorp. The Hartford-Cableton grade is now a hiking trail. It is easy to see much of the Fruit Belt grade between Oshtemo and Paw Paw, and some parts of the calico grade can be found. None of the company's buildings or equipment remains.

The Kalamazoo, Lake Shore & Chicago, which was conceived as an electric interurban line but never became one, spent its entire life as a steam-operated railroad. The company took on \$390,000 in debt to buy and start up its line between Kalamazoo and Paw Paw, and then leased a line to complete its route to South Haven. In its first years the line had more success than its predecessor, the South Haven & Eastern, but the large volume of traffic initially hoped for never developed. The company incurred an annual interest charge of \$19,500 on its debt, and that coupled with the lease charge and state taxes soaked up more than \$50,000 of net operating income every year. In all the years of its existence but two, 1912 and 1913, the Fruit Belt's net operating income did not cover these three expenses. When these charges could not be paid in cash, they were added to liabilities, which is a dangerous practice over the long term. In addition, the line needed an investment of at least another \$100,000 to install a third rail or overhead wiring for electric operations and to buy new passenger cars. During the five years the Fruit Belt was under lease, neither of the two interurban companies that leased it was willing to make such an investment. In 1916, again independent, the KLS&C had neither the money to make these

⁸⁷ Dunbar, *All Aboard!*, 244-45; Hilton and Due, *Electric Interurban Railways*, 277.

improvements nor any way to raise funds, and so the dream died. The Fruit Belt was one of the smallest independent lines in the southern half of the Lower Peninsula, an indication that it was such a weak railroad that no other company wanted it. It kept going only by juggling its cash to pay current operating expenses, delaying payments for car rentals, taxes, and accounts payable, and never paying its debt interest. In less than twenty years of existence, the Fruit Belt built up a net loss, including all expenses and charges, of a bit more than half a million dollars. At the end of 1922, in the last balance sheet that was published, the company had total liabilities of more than \$900,000, which was more than double the \$442,000 value of the tracks and equipment, its only assets. The largest part of its liabilities was the \$390,000 in bonds it issued to finance the road and the more than \$320,000 interest that it owed on these bonds but never paid.⁸⁸ The road lasted as long as it did only because its creditors saw no advantage in forcing it into bankruptcy. In the end, riders deserted its trains for the convenience of their personal automobiles. In addition, its seasonal fruit traffic disappeared, as many of its freight customers began shipping by truck, and its relationship with Lake Michigan steamships proved to be of little value. Thus, there was no way to stop the death of the Fruit Belt Line.

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⁸⁸ Poor, *Poor's Manual*, 54: 1598. The figures shown in Michigan Public Utilities Commission, *Fifth Annual Report of the Michigan Public Utilities Commission for the Year Ending Dec. 31, 1923, with Railroad Returns for the Year Ending Dec. 31, 1922* (Fort Wayne, Ind.: Fort Wayne Printing Co, n.d.), 28-137, differ somewhat but not substantially from those given in *Poor's Manual*.