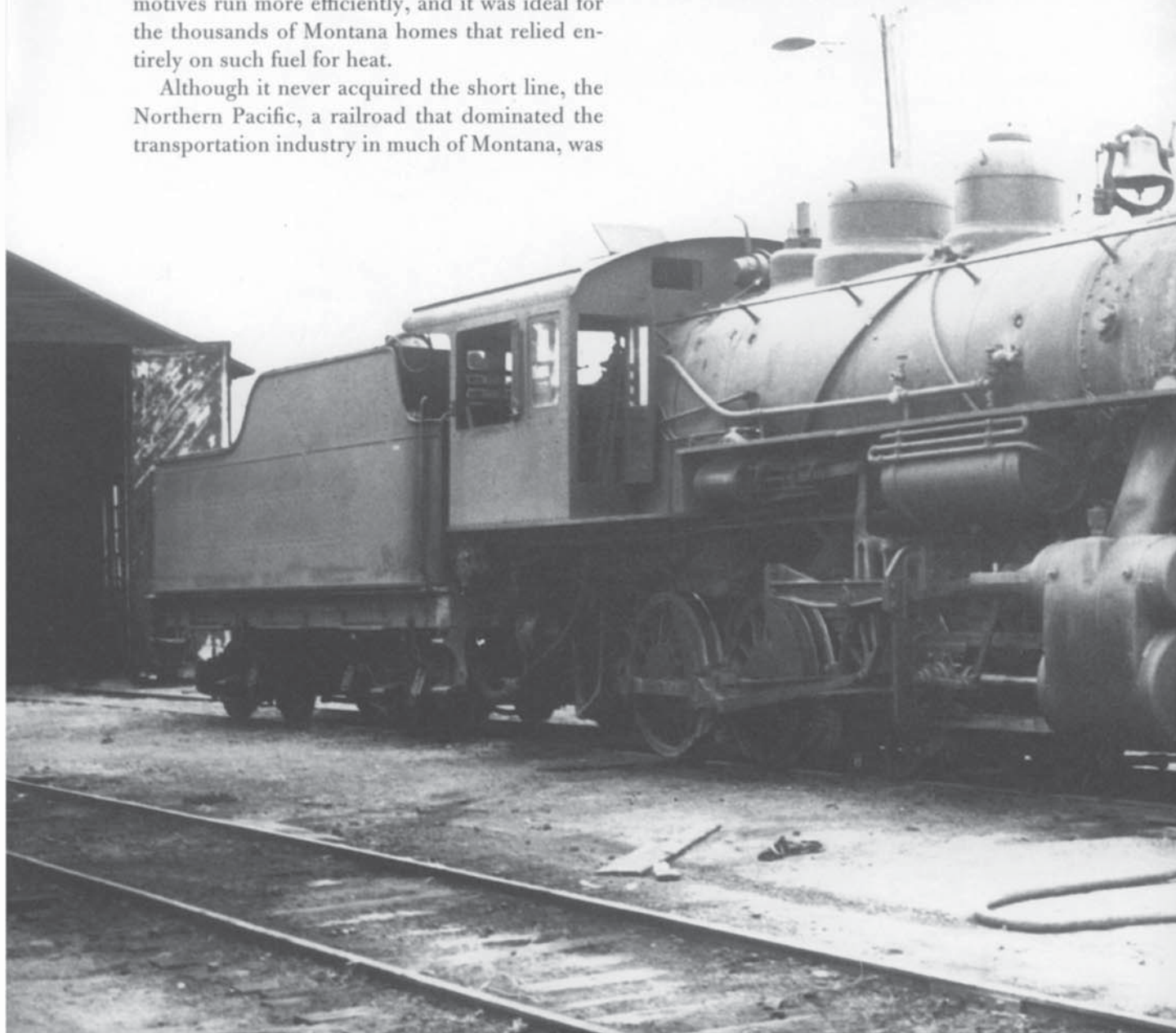


The Montana, Wyoming & Southern Railroad (MW&S), a privately owned south central Montana short line, was built in the early 1900s and operated for nearly fifty years. Ironically, it was never intended to do so. Envisioned as one more speculative western railroad venture, the MW&S, initially known as the Yellowstone Park Railroad (YPRR) had one purpose: buy out. Completed in 1906, the MW&S's buyer was supposed to have been the Northern Pacific Railroad (NP), and the short line's primary objective was to make quick profits for its promoters and stockholders. The MW&S's owners hoped south central Montana's vast quantities of high-grade coal, concentrated in the Clark's Fork valley in Carbon County and especially along a small stream called Bear Creek, would entice the NP to buy. Bear Creek's high-grade coal made NP locomotives run more efficiently, and it was ideal for the thousands of Montana homes that relied entirely on such fuel for heat.

Although it never acquired the short line, the Northern Pacific, a railroad that dominated the transportation industry in much of Montana, was

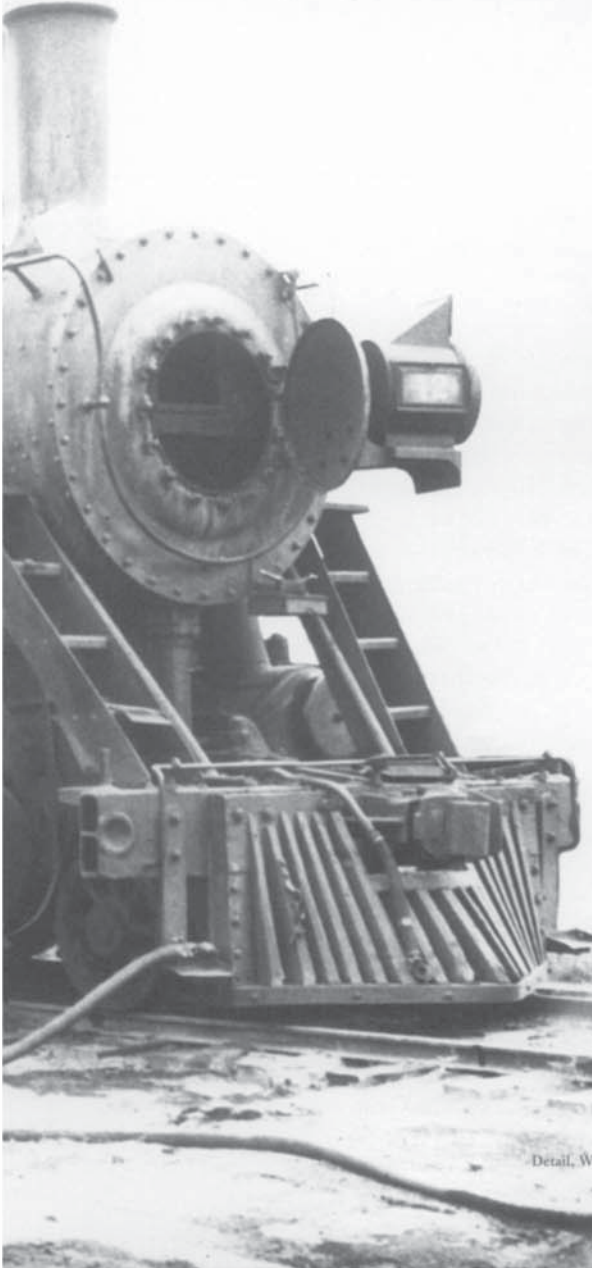
interested in the MW&S and the mines it would serve. Construction on the MW&S began in late 1905 and was completed in autumn the following year, but the NP refused to buy it. In part, the involvement of a small-time railroad promoter named Frank Hall cooled the NP's interest. A few years earlier, Hall had built a similar competing line that ran between the coal mines on Trail Creek and Brisin, located south of Livingston.¹ On the day of its completion, December 5, 1898, the Northern Pacific, which operated a parallel line, acquired the railway from Hall. Burned once, the NP guarded against recurrence, and though it showed periodic interest in the MW&S, the NP would never buy Hall's second rail line venture. Instead, because the MW&S's single outlet to the wider world was through the NP, the larger corporation attempted to control the short line without actually acquiring it.



The MW&S's own weaknesses invited such a policy from the NP. In anticipation of an NP buy out, MW&S construction costs had been kept to a minimum. Engineering for the railroad had been almost nonexistent, grading had been poorly done, and construction materials were of low quality. Moreover, the short line's inferior rolling stock was largely inadequate for transporting the tremendous amounts of coal extracted from the Bear Creek mines. For its part, the NP refused to cooperate with the smaller railroad, ultimately sealing the fate of not only the MW&S but also the mines it served. Bear Creek mine owners needed the MW&S to haul coal to the Northern Pacific's terminus at Bridger, where it could then be transshipped and distributed throughout Montana. Without the Montana, Wyoming & Southern Railroad, Bear Creek's mines were completely isolated, and for its part,

the short line was almost wholly dependent on the coal mines for its revenue. More importantly, if the MW&S failed, so did the coal mines, which constituted an important part of the regional economy.

Thus, the Montana, Wyoming & Southern Railroad was a weak but integral link in the prosperity of the Clark's Fork valley. Forced to operate on its own, the short line did just that for nearly fifty years, and in the process produced a colorful, checkered history of financial woes, operational difficulties, and frustration for almost everyone connected to the operation. Yet the short line also contributed to the region's history. Because of the MW&S, development of the Bear Creek coal mines went forward, several towns were founded along the railroad's twenty-one mile route, and thousands of people, many of them European immigrants, made homes in what was one of Montana's more isolated regions.

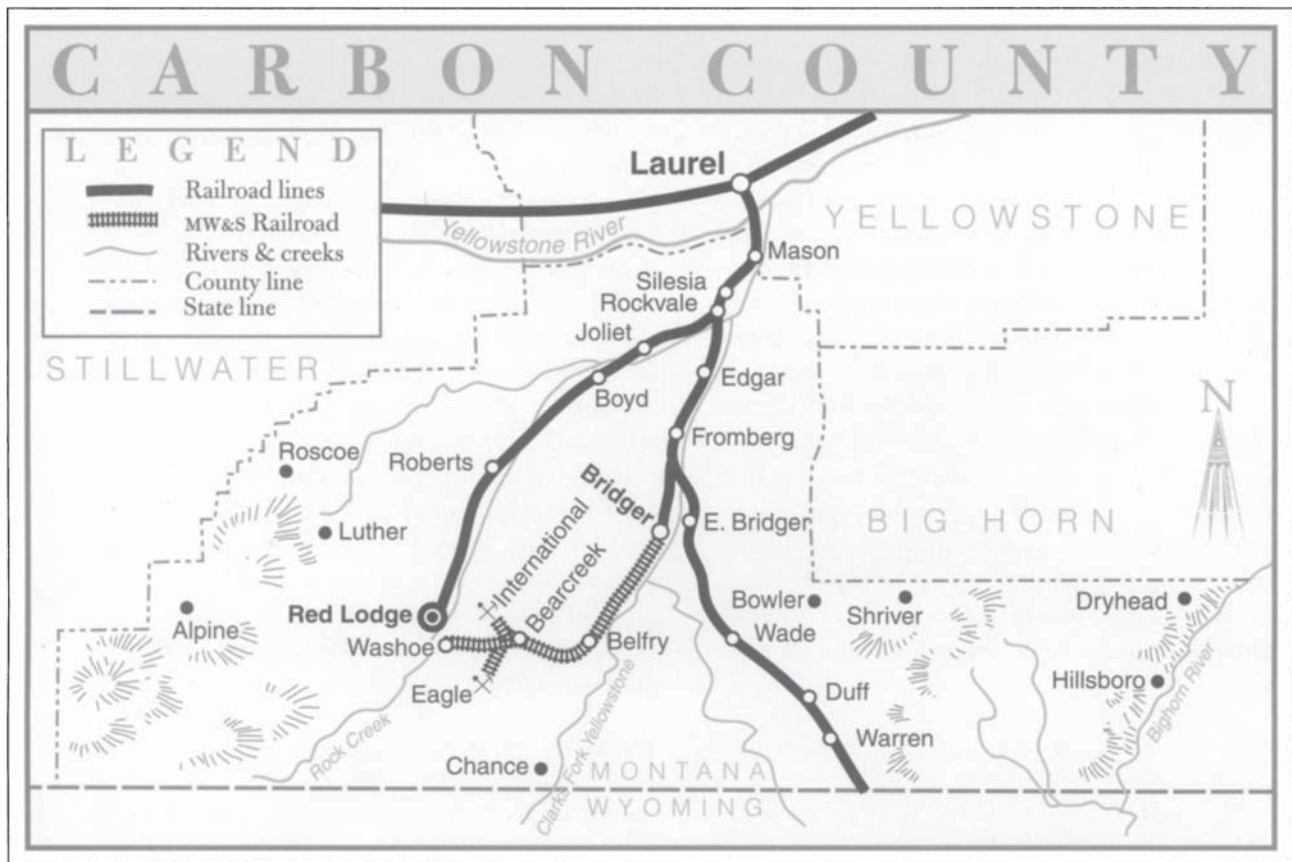


Something of a Nuisance Value

The Montana, Wyoming & Southern Railroad, 1905–1953

by Jon Axline

When small-time railroad promoter Frank Hall completed the Montana, Wyoming & Southern Railroad in 1906, his intentions were not to operate the south central Montana short line but rather to sell it to the Northern Pacific for a quick profit. Burned once by Hall, however, the NP held off—leaving Hall and subsequent owners to operate the MW&S on their own, which they did for almost half a century. In April 1939, the Baldwin locomotive pictured at left was in the shop for repairs to its boiler at Belfry, one of several towns the MW&S served.



As the MW&S Railroad tapped rich coal deposits in the Clark's Fork Valley of south central Montana it created jobs and local economies in what had otherwise been an isolated area just north of the Montana-Wyoming line. In addition to the three towns it created—Belfry, Bearcreek, and Washoe—the railroad generated spur lines to connect the Eagle and International mines to the MW&S main line, as indicated on the map above.

Railroads were not only the wonders of their age, they were the era's great economic stimuli. Arrival of the Northern Pacific in Montana in 1883 initiated an almost delirious period of economic investment and speculation. Railroads made it possible to exploit rich mineral deposits in western Montana and caused an intensive boom in the cattle industry in the eastern part of the territory.

A number of late-nineteenth-century entrepreneurs, among them former Montana territorial governor and railroad speculator Samuel Hauser, saw the NP as an opportunity to increase their wealth by promoting and sometimes even constructing speculative railroad ventures. While acting as an agent for the Northern Pacific, Hauser incorporated six short line mining railroads in western Montana, all of which the NP had

purchased from him by 1889. Such promotional schemes diminished during the economic depression of the 1890s, but they resurfaced in the first decade of the twentieth century as the nation's financial health improved. Mining depended heavily on the railroads, and most short line ventures involved mining centers. Indeed, of the sixteen independent short lines acquired by the Northern Pacific in Montana by 1921, promoters created all but two to serve mining districts.²

Although not associated with Hauser, the Montana, Wyoming & Southern Railroad was similar to the speculative ventures he and other capitalists concocted as promotional schemes. But while Hauser built railroads to established mining camps, the MW&S made commercial development at Bear Creek possible and actually created communities as it passed through the

1. This short line, called the Yellowstone Park Railway, should not be confused with the Yellowstone Park Railroad that became the MW&S. Probably neither had intentions of building to the park, but instead used the name to entice investors.

2. In all the NP had acquired thirteen short line railroads before 1921. See Michael P. Malone, Richard B. Roeder, and William L. Lang, *Montana: A History of Two Centuries*, rev. ed. (Seattle, 1991), 172; Louis Tuck Renz, *The History of the Northern Pacific Railroad* (Fairfield, Wash., 1980), 153-58; Donald B. Robertson, *Encyclopedia of Western Railroad History*, 3 vols. (Dallas, Tex., 1991), 2:278-346.

3. Paul Anderson, *Definition and Evaluation of the Bear Creek Mining District, Carbon County, Montana*, (Butte, Mont., 1993), 10; Jon Axline, *Bearcreek—East and West*, Montana Department of Transportation, Cultural Resource Inventory and Evaluation (Helena, Mont., 1991), 4; Shirley Zupan and Harry J. Owens, *Red Lodge: Saga of a Western Area* (Red Lodge, Mont., 1979), 3, 129.

4. Anderson, *Bear Creek Mining District*, 10; Zupan and Owens, *Red Lodge*, 129-30; Renz, *History of the Northern Pacific*, 157-58; Robert A. Chadwick, "Coal: Montana's Prosaic Treasure," *Montana The Magazine of Western History*, 23 (Autumn 1973), 25.

Clark's Fork valley. As a result, the mw&s had a profound impact on how south central Montana developed.

Coal was known to exist in the Bear Creek/Red Lodge area long before Hauser and Frank Hall began thinking of railroad ventures. Initial discovery of the black fuel occurred there in 1866 when pioneer prospector "Yankee Jim" George discovered outcrops on Rock Creek near Red Lodge. There was no market for the coal and the area was part of the Crow Indian Reservation, so the deposits remained undeveloped.³

The coming of the Northern Pacific Railroad changed all that. When the NP crossed the Yellowstone valley in 1882, it obtained coal from mines on Bozeman Pass. That coal was of poor quality, however, and by the late 1880s the company was looking elsewhere for fuel. With the Anaconda Copper Mining Company's construction of a coal-powered smelter in Anaconda in 1883 and increasing use of coal for domestic home-heating, demand for good-quality coal grew dramatically. Meanwhile, the Crow Indians ceded the Red Lodge area in 1882, making it possible to exploit Bear Creek's coal.

In 1887, a syndicate of five capitalists, including Hauser and Northern Pacific president Henry Villard, formed the Rocky Fork Coal Company and opened mines along Rock Creek at Red Lodge. That same year, Billings railroad promoter Thomas Oakes incorporated the Rocky Fork & Cooke City Railroad to haul coal extracted from the Red Lodge mines. By 1888, however, Hauser and his associates had gained control of the Rocky Fork/Cooke City short line, and they sold it to the NP in 1890. Over the next four decades, the NP utilized the coal to fuel its locomotives in Montana and North Dakota. But even higher grade coal could be obtained only a few miles east of Red Lodge at Bear Creek.⁴

As early as 1888 local ranchers had mined small amounts of coal—illegally as it was located on reservation land—in the Bear Creek drainage, but the steep divide between Red Lodge and Bear Creek prevented large-scale exploitation. By the early 1890s, however, Red Lodge entrepreneurs established several small mines, called wagon mines, in the Bear Creek drainage to provide coal for home-heating in Red Lodge. Sensing Bear Creek's potential, a group of Billings businessmen headed by Philip Gallaher and Peter and Christian Yegen formed to develop the area's resources.

Gallaher came to Montana in 1882 and did surveying work with J. O. Hudnut in central Montana and, in 1893, one of the first boundary surveys for Yellowstone National Park. An engineer, ranchman, and "railroad constructionist," Gallaher became involved in a plan to build a railroad from Billings to Cooke City. When that deal fell through, he opened the first commercial coal mine in the Bear Creek district with George T. Lamport and brothers Peter and Christian Yegen. The Yegens arrived in Billings in 1882 and established a prosperous grocery business before expanding into other enterprises, including banking, ranching, and mining.

By the mid-1890s, Gallaher and the Yegens had interests in Bear Creek coal and consequently tried to stimulate Northern Pacific interest in building to the district. In a letter to NP General Manager J. W. Kendrick in August 1896, Gallaher observed that while mining in the district was well underway the mines could not achieve their full potential without a railroad. Steep grades and unstable soil made building a line from Red Lodge over the divide technically unfeasible, so promoters sought access to the mines through the Clark's Fork River valley and the promising new mining community of Bridger.⁵

Hoping to fuel his smelter and mining operations at Butte, Copper King and financier William A. Clark perceived the potential of the Bridger area's high-grade coal and successfully lobbied the NP to construct a branch line to the community in 1898. In his agreement with the railroad, Clark paid for the right-of-way and constructed the grade, bridges, and trackside coal bins. In return, the NP laid the track and operated and maintained the line. As an added incentive, the railroad also reduced the fee it charged the coal company to weigh their railcars at Bridger and to prepare bills of lading.⁶

Gallaher, who in 1897 had opened a sizeable commercial coal mine on Bear Creek with Boston railroad and mining entrepreneur Elijah Smith and Lamport, then county surveyor, sought similar consideration from the Northern Pacific. Named for Elijah Smith, the mine produced about six thousand tons of high-grade coal annually, which caught the attention of Northern Pacific field personnel, who vigorously urged company

5. Anderson, *Bear Creek Mining District*, 10-11; Philip Gallaher to J. W. Kendrick, NP general manager, August 22, 1896, file 247, General Correspondence (hereafter NP Corresp.), Northern Pacific Railway Company Archives (hereafter NP Archives), Minnesota State Historical Society, St. Paul. On Philip Gallaher and Christian and Peter Yegen, see *Progressive Men of the State of Montana* (Chicago, 1902), 1,253-54, 1,879.

6. Walter Cooper to Kendrick, October 16, 1897, file 248, NP Corresp.; C. S. Mellen, NP president, to William A. Clark, December 23, 1897, file 261, President Subject File, NP Archives (hereafter PF 261); Clark to Mellen, July 24, 1898, *ibid*; [unknown] to George G. Hough, Bridger Coal Company, November 10, 1904, *ibid*; Zupan and Owens, *Red Lodge*, 267-68; *Red Lodge Picket*, February 1907.

executives to approve building a line to the mine. Smith and the NP, however, had had a stormy relationship over the years, and NP president Charles Mellen, a career railroad man, steadfastly refused to consider the proposition. Instead, he placated both his associates and the mine owners by ordering a preliminary survey for a line to the Smith Mine in early 1898.⁷

In February 1898, Smith offered to acquire right-of-way and begin construction of a branch line railroad from Bridger to Bear Creek. Citing the NP's deal with William Clark, Smith proposed a rebate that would allow him to recoup construction expenses and, eventually, transfer ownership of the road to the Northern Pacific. To counter Smith, Mellen instructed the NP's real estate subsidiary, the Northwestern Improvement Company, to begin acquiring land in the vicinity of the Smith Mine. By mid-1899, the railroad owned nearly 460 acres of coal land—acquired for them by Philip Gallaher—with an option on an additional 1,569 acres in the district. Mellen then offered to buy the Smith Mine, but Smith refused, believing the property would be worth more when the railroad arrived.⁸

While interested in the coalfields, the Northern Pacific was unwilling to acquire the right-of-way and necessary mine patents. Instead, the railroad approached Anaconda mining tycoon Marcus Daly, who used coal to fuel his smelter operations in Anaconda. The NP wanted Daly to acquire coal land in Bear Creek on its behalf. Perhaps sensing the future of the mining district, Northern Pacific vice president J. W. Kendrick reflected that the Bear Creek coal mines were doomed without the railroad's support. Just months prior to his death, Daly asked Kendrick to acquire land in the district with the promise that he would “take hold” of it when secured. Daly's death in November 1899, however, and Great Northern Railway founder James J. Hill's impending purchase of the NP, delayed the

railroad's plans to monopolize the Bear Creek coalfields until after the turn of the century. Indeed, not until October 1902 did Mellen again order a survey for the route to the Bear Creek mines. Within a few months of that decision, however, the NP's plans for Bear Creek fell victim to national politics, specifically to President Theodore Roosevelt's trust-busting. As the Northern Securities Company, the NP's parent corporation, and the federal government became embroiled in antitrust litigation, NP ambitions were blunted, and Mellen canceled all plans for construction of a branch line to Bear Creek.⁹

When it became obvious to Smith and his partners that the Northern Pacific was not going to build into the mining district in the foreseeable future, they looked elsewhere and seemed to find what they were looking for in Frank Hall. Hall, a professional although not always ethical promoter with considerable experience in building railroads, was outgoing and somewhat of a publicity hound. Nonetheless, his background remains obscure. Prior to his involvement with the Bear Creek mine owners, Hall, as noted, had promoted the Trail Creek-to-Bozeman Pass short line, which the NP had leased from Hall just days after the first locomotive negotiated the road. Hall then turned to constructing a telephone line in Park and Gallatin counties, but opposition from the Bell Telephone Company forced him to abandon the project. When Smith, Gallaher, and Lamport approached him, Hall was residing in Livingston.¹⁰

As envisioned by Hall and others, the proposed railroad would consist of a line from the Northern Pacific terminus at Bridger through the Clark's Fork River valley to the gold mines near Cooke City. Discovered in the 1860s by Horn Miller and Bart Henderson, the Cooke City-area mines, under the guidance of mining promoter Professor Gottwerth “Doc” Tanzer, began

The Smith Mine, established by Elijah Smith in 1897, supplied much-needed revenues for the mw&s. With the mine capable of producing some six thousand tons of high-grade coal per year, Smith turned first to the Northern Pacific for rail service and then to Frank Hall and the mw&s, whose coal cars sit on the Smith Mine tipples in the photograph below taken in the early 1940s.



experiencing a revival in 1904. The syndicate's plans included building a smelter complex at the mouth of Bear Creek to process ore mined near Cooke City. Fuel for the smelters—coal from Bear Creek eight miles to the west—would be delivered to the complex by a railroad branch line.¹¹

Despite the elaborate plans, Hall and the others struggled to finance the project. Besides the coal mine owners, they could interest only the Yegen brothers of Billings, who controlled the Bear Creek Coal Company mine, owned several ranches in the Clark's Fork and Yellowstone valleys, and maintained an interest in the Amalgamated Copper Company.¹² Hall's questionable reputation dampened interest among other prominent Montana capitalists, although he did manage to stimulate interest among a small number of Pennsylvania tobacco farmers and minor entrepreneurs in that state, including a group headed by Dr. O. M. Belfry and George Heisey of Lancaster, Pennsylvania. After touring the Red Lodge area in January 1905 with Hall and Gallaher, Belfry and Heisey deposited enough money in the Carbon County Bank to conduct a survey and pay for right-of-way acquisition.¹³

With their plans on hold, Northern Pacific officials could only monitor Hall's efforts in the Clark's Fork valley, but they sent an agent to Lancaster, Pennsylvania, to investigate Hall's principle investors there. Unable to discover much about Belfry, an NP agent reported of Heisey:

Mr. George R. Heisey . . . doesn't seem to cut very much ice. He is an attorney in Lancaster . . . and appears to have been in a number of commercial

enterprises, some of which have been successful and others have not. He is reported to have a fair amount of ability and has made some money, but doesn't command any very great amount of capital.

If the NP was not impressed, other Bear Creek mining companies were. They knew railroad connection meant expansion of their operations into economically profitable ventures, and they offered financial incentives to investors in Hall's enterprise including free use of the mine yards for trackage and lower prices on coal for locomotives. By early 1905, the project was ready to proceed.¹⁴

Working through the Lancaster-based Farmer's Trust Company, Hall, Bear Creek Coal Company treasurer Bert Vaill, and James F. Rich, a real estate speculator, acquired necessary right-of-way between Bridger and the Bear Creek mines. Avoiding the more valuable croplands adjacent to the river, the syndicate purchased land from twenty-eight property owners on a bench west of the Clark's Fork River. The company paid \$3,227 for the right-of-way at an average cost of \$65 per parcel. As added inducement, the Yegen brothers donated land within the Bear Creek Coal Company mine yard and promised to help finance construction of the line to the property. In exchange, Hall guaranteed the Yegens reduced freight rates. Bear Creek ranchers George Lamport and Robert Leavens granted access across their properties, and in return received the right to construct spur lines.¹⁵

7. Kendrick to Mellen, October 16, 1897, PF 261. On Elijah Smith's relationship with the NP, see Renz, *History of the Northern Pacific*, 118, 135-36, 138, 164.

8. Elijah Smith, Montana Coal & Iron Company, to Mellen, February 7, 1898, folder 5, file 269-A, President's File, NP Archives (hereafter PF 269-A); E. H. Harry to Mellen, February 15, 1898, PF 261; Mellen to B. F. Bush, July 5, 1899, file 248, NP Corresp.; C. A. Sharkey to Howard Elliott, NP president, March 25, 1905, folder 5, PF 269-A; Renz, *History of the Northern Pacific*, 202.

9. Kendrick to Marcus Daly, August 14, 1899, file 248, NP Corresp.; Daly to Kendrick, August 22, 1899, *ibid.*; E. J. Pearson, NP acting chief engineer, to Elliott, January 19, 1904, folder 5, PF 269-A; Malone, Roeder, and Lang, *Montana*, 182-83.

10. It is not clear if Frank Hall sold out to the telephone company—he does not appear in the 1900 census records. Robertson, *Encyclopedia of Western Railroad History*, 2:346; William Romek Reminiscence, SC 1453 (hereafter Romek Reminiscence), Montana Historical Society Archives, Helena (hereafter MHS).

11. Articles of Incorporation (amended), Yellowstone Park Railroad Company (hereafter YPRR Articles), August 28, 1905, file 113, Clerk and Recorder's Office, Carbon County Courthouse, Red Lodge, Montana (hereafter Clerk and Recorder's Office); Thomas T. Taber, "Shortlines of the Treasure State: The Histories of the Independently Operated Shortlines of Montana," unpublished manuscript, p. 2, 1960, MHS; Lynn Fredlund, et al., *Cultural Resource Inventory and Assessment: The New World Mining Project. Park County, Montana*,

(Butte, Mont., 1990), 29-30; Romek Reminiscence; Paul Anderson, "There Is Something Wrong Down Here": The Smith Mine Disaster, Bearcreek, Montana, 1943," *Montana The Magazine of Western History*, 38 (Spring 1988), 4.

12. J. F. Menzies, Northwestern Improvement Company, to C. R. Claghorn, NP general manager, May 5, 1905, folder 3, PF 269-A; Elliott to J. M. Hannaford, NP second vice president, July 10, 1905, folder 4, *ibid.*; *Progressive Men*, 1, 879.

13. Kay Ewing, "History of Belfry, Montana: As Written in 1938," unpublished manuscript, Carbon County Historical Society, Red Lodge, Montana; Menzies to Claghorn, May 5, 1905, folder 5, PF 269-A; Sharkey to Hannaford, 2 August 22, 1905, folder 4, *ibid.*

14. [Unknown] to Elliott, August 28, 1905, folder 4, PF 269-A; Anderson, *Bear Creek Mining District*, 13.

15. After every right-of-way transaction, Hall promptly turned ownership over to YPRR. YPRR's rival, NP-owned Bear Creek & Western Railway, paid \$50 to \$200 an acre for right-of-way between Bridger and Bearcreek. Menzies to Claghorn, May 5, 1905, folder 5, PF 269-A; Taber, "Shortlines of the Treasure State," 3-4; [unknown], general manager, to Elliott, March 6, 1907, folder 3, PF 269-A; [unknown] to Elliott, May 28, 1909, folder 4, *ibid.*; W. H. Gemmill to Elliott, July 22, 1907, folder 3, *ibid.*; Miscellaneous Book 2, pp. 177-226, 265-67, Clerk and Recorder's Office; Deed Books 11, 23, *ibid.*; Certification of Agent, YPRR Articles, August 28, 1905, file 115, *ibid.*; R. L. Polk and Co.'s *Billings and Red Lodge City Directory and Yellowstone and Carbon County Directory* (Helena, Mont., 1907).

With the necessary right-of-way in hand, the railroad, known as the Yellowstone Park Railroad (YPRR), incorporated in Augusta, Maine, on May 17, 1905. Although corporate headquarters were located in Lancaster, Pennsylvania, local operations centered at Bridger, Montana. The YPRR issued \$3 million in bonds for construction and acquisition of locomotives and rolling stock. Lancaster-area tobacco farmers purchased most of the company's stock and bonds but held no voting rights, a privilege reserved for a seven-member board of directors. Hall and Heisey headed the development company and used only a fraction of the money for construction, issuing most of the stock free to the bondholders. It all looked good on paper, but the directors expected the NP to acquire the short line soon after completion. In reality, finances were far from solid, and within two years the railroad was forced into receivership.¹⁶

Even before construction was completed, Hall tried to sell the railroad to the Northern Pacific. Believing Hall would not see the project through, the NP ignored his offers and pushed its own plans to build a railroad to Bear Creek. NP president Howard Elliott, who replaced Mellen in 1903, believed Hall's railroad was "simply a plan to build something that will have a nuisance value." Still, he directed several of his employees to report quietly on Hall's progress, cautioning his spies, however, that overt interest in the short line "might indicate too great anxiety on our part."¹⁷ One spy, Northwestern Improvement Company agent J. F. Menzies, confirmed Elliott's suspicions: "One interested party made the remark that he thought they [Hall, Belfry, and Heisey] were getting the right-of-way and doing the work with a view of forcing the Northern Pacific to buy them out."¹⁸

Kept abreast by his agents, Elliott often wrote about acquiring the YPRR, but officially the NP kept its distance. Throughout his years as president, from 1903 to 1913, Elliott refused to consider any kind of rate

agreement or provide Hall's railroad with sufficient coal cars to keep the mines operating at full capacity. He even proved uncooperative in transferring passengers from the YPRR depot in Bridger to the Northern Pacific's station two hundred feet away. But privately, Elliott brooded, especially about Hall. Indeed, his letters to the NP's New York offices frequently grew vehement in their condemnation of the promoter. "Hall is being sued for debt in Montana," Elliott wrote of Hall's problems with Christian Yegen at one point,

and it is inconceivable that any reputable businessman would go into his enterprise without finding the real facts. He is telling around that Colonel [Daniel S.] Lamont has promised friendly relations with the [Northern Pacific], but this is not true. He was told by me that we would have no relations with him that we were not obliged to have; and when in New York, I believe that he did not even see Colonel Lamont as I was there at the time.¹⁹

With its connections to eastern banking firms, the NP thwarted Hall's attempts to draw support from major financial institutions. Forced to rely on individuals and small syndicates for capital, Hall and his associates promoted the YPRR to potential investors in Colorado, Missouri, and New York. They assembled minimal monetary resources, but the YPRR's board of directors initiated construction in mid-1905 anyway.²⁰ Grading of the roadbed was completed in early autumn 1905, and a Japanese construction crew under contract to E. W. Logan and Joe Hunt of Gebo, Montana, began laying rails in late October. The line reached Belfry in January 1906, where the YPRR established its headquarters, then was extended to the Yegen brothers' Bear Creek Coal Company mine. (YPRR promoters had originally planned to locate their headquarters in Bridger, but land for a shop, depot, and roundhouse could not be had economically.) Completed in August, the twenty-one mile road included two spur lines, twenty-five timber bridges, depots at Belfry and Bridger, two warehouses, and two roundhouse stalls. Construction costs exceeded \$400,000, plus another

16. Robertson, *Encyclopedia of Western Railroad History*, 2:329; YPRR Articles, August 28, 1905, file 112, Clerk & Recorder's Office; Taber, "Shortlines of the Treasure State," 2; J. G. Woodworth, "Yellowstone Park Railroad," July 29, 1907, memorandum, folder 4, PF 269-A.

17. Frank Hall, YPRR president, to Elliott, October 16, 1906, folder 3, PF 269-A; [unknown] to Elliott, March 6, 1907, *ibid*; Elliott to Hannaford, July 10, 1905, folder 4, *ibid*.

18. Howard Elliott began his career with the Chicago, Burlington & Quincy Railroad in 1881 and succeeded Charles Mellen as NP president in 1903. Renz, *History of the Northern Pacific*, 213; Elliott to C. W. Bunn, NP general counsel, July 10, 1905, folder 4, PF 269-A; Elliott to D. S. LaMont, NP vice president, July 10, 1905, *ibid*; Menzies to Claghorn, May 5, 1905, folder 5, *ibid*.

19. Elliott to Bunn, July 10, 1905, folder 4, President File 269-A.

20. Sharkey to Hannaford, August 22, 1905, *ibid*.

21. The YPRR cost \$401,305 to build, or \$15,925 per mile. Considering the route crossed no rivers and encountered only a nine-hundred-foot elevation gain, the cost appears high until it is compared with the twenty-mile-long White Sulphur Springs & Yellowstone Park Railroad in Meagher County, constructed in 1910 over similar terrain for \$249,448, or about \$12,930 per mile. *Carbon County Gazette*, June 29, December 29, 1905; *Bridger Times*, November 12, 1925; L. M. Perkins, NP assistant engineer, to W. L. Darling, NP chief engineer, March 1, 1907, file 537, Chief Engineer Subject File, NP Corresp.; Gemmel to Elliott, July 22, 1907, folder 3, PF 269-A; Robertson, *Encyclopedia of Western Railroad History*, 2:328-29, 346; *Carbon County Republican*, May 25, 1906; Robertson, *Encyclopedia of Western Railroad History*, 2:346.

Belfry, the first town established as a result of Frank Hall's venture, was located at the mouth of Bear Creek. Named after Dr. O. M. Belfry, a founder of the Yellowstone Park Railroad (YPRR), which became the Montana, Wyoming & Southern in 1909, Belfry was founded in summer 1905. To service the MW&S, the short line built such facilities as the depot (right, circa 1930s), which included living quarters for the president and some employees, a shop, and a rail yard.



William Stearns, photographer, Cart Case Collection

\$150,000 to equip. The YPRR owned two locomotives and one hundred coal cars painted yellow to distinguish them from the NP's dark brown rolling stock.²¹

Cost-cutting in preparing the grade and purchasing rails handicapped the branch line in ensuing years. For much of the route, rails were laid directly on a grade with little or no ballast, and in areas that required ballast the builders used coal slack to level the tracks. In wet weather, the slack afforded poor drainage, causing the tracks, as one observer put it, to "squish out under the weight of the coal trains." As for the rails, instead of using the standard ninety-pound steel rail common to most industrial gauge railroads, YPRR management chose a lighter, sixty-pound rail. Moreover, nearly a quarter of the track consisted of used rails. Subject to kinking when exposed to direct sun, the lighter rails contributed to numerous derailments. As one Belfry resident commented cynically: "The excitement of an occasional wreck brought diversity to the lives of the pioneer railroaders." Despite the poor grade and inferior tracks, there were surprisingly few accidents or injuries. In 1922, after nearly twenty years of operation, the railroad had had only three fatalities among its employees. Two of the deaths, however, were attributable to the railroad's deficiencies.²²

Despite its failings, construction of the YPRR led to the founding of three new communities. One was Belfry. In July 1905 Hall, Vaill, and Rich purchased forty acres of irrigated farmland at the mouth of Bear Creek for the purpose. In addition, they formed the Belfry Townsite Company to sell lots to railroad employees. In early 1906, the directors authorized a platted com-

munity and named it for YPRR founder Dr. O. M. Belfry. By 1910, only 17 of Belfry's 179 residents worked for the railroad; the remainder consisted of families and those employed in service industries. Belfry drew its population primarily from the Midwest, but four of the railroad's section hands were Japanese immigrants formerly employed by the NP in Park County.²³

The town of Bearcreek also owed its origins to the short line. In 1905, George Lampion, a General Land Office surveyor and Bearcreek rancher, his wife Lodenia, and their daughter and son-in-law, Robert and Ella Leavens, formed the Bearcreek Town and Improvement Company and platted the city of Bearcreek. Because of its proximity to the coal mines, Bearcreek quickly became an important economic and social center in Carbon County. Like many mining camps, the labor force consisted largely of unmarried immigrants who worked together in the mines but associated outside work in groups based on ethnic origins. Within two years of its founding, Bearcreek had 1,200 residents, including 290 miners.²⁴

Because a number of corporations and small-time operators owned mines there, Bearcreek never became a company town like its neighbor, Washoe. Established and managed by the Anaconda Copper Mining Company (ACM), Washoe was nonetheless sustained over the years by the YPRR.²⁵ The Washoe Coal Company, a subsidiary of ACM, established the community of Washoe in 1907 to house miners who worked in the nearby mines and their families. After the railroad arrived in 1909, the Washoe mines shipped 1,200 tons of

22. Two men, H. McKinsey and Ed Kose, were killed in derailments. The circumstances of Pat Dolan's death are unknown. *Bridger Times*, November 12, 1925; Taber, "Shortlines of the Treasure State," 3-4; [unknown], general manager, to Elliott, March 6, 1907, folder 3, PF 269-A; Perkins to Darling, March 1, 1907, file 537, Chief Engineer Subject File, NP Corresp.; Gemmel to Elliott, July 22, 1907, folder 3, PF 269-A.

23. The farmland, known as Silvertip Flat, was purchased from John Woodcock on July 10, 1905 for \$1,600. Montana Land Tract

Books, microfilm, p. 209, vol. 72, MHS; *Bridger Times*, November 12, 1925; Deed Book 11, Clerk and Recorder's Office; Certification of Incorporation of Belfry Townsite Company, Articles of Incorporation, July 17, 1905, file 111, Clerk and Recorder's Office; Bureau of the Census, *Thirteenth Census of the United States, 1910* (Washington, D.C., 1912-1913); Red Lodge *Picket*, February 1907; *Bridger Times*, December 20, 1912.

24. Axline, *Bearcreek*, 4-6.

25. *Ibid.*, 4-9; Faye Kuhlman, *Bearcreek, Montana* (Bearcreek, Mont., 1972), 1, 3.



Like Belfry, Bearcreek owed its existence to the MW&S. Photographed from the upper-middle-class neighborhood called High Bug, Bearcreek (left, 1918) quickly became an important economic and social center with a population of some 1,200 people by 1907, many unmarried immigrants who worked in the nearby mines.

coal per day over the YPRR, indicating that the company coal mine never lacked for railcars. Demand for Washoe coal declined dramatically, however, when the ACM formed the Montana Power Company in 1912 and began developing hydroelectric power. One of ACM's mines was forced to close and production in another was sharply curtailed. Washoe's proximity to the Smith and Smokeless & Sootless mines helped sustain the community's population for awhile, but by the late 1920s Washoe's population was in moderate decline. By 1930, the town and surrounding area claimed 672 residents. Its post office held on until 1959, then closed. Today, little remains of the ACM's only company town in south central Montana.²⁶

All began well enough for the YPRR, meanwhile. Its first coal shipment passed through Belfry from the Bear Creek Coal Company mine on August 22, 1906. With financial incentives from the coal companies, the railroad soon extended its line to the Montana Coal & Iron Company's Smith Mine, the Smokeless & Sootless Company works, the International Company mine, and the Anaconda Company's mines at Washoe. But all did not stay well. Although the short line provided state-wide access to Bear Creek coal, the district's mine owners were unconvinced that the YPRR could meet the demands they placed on it, and the policies of NP president Elliott further undermined the short line's credibility.²⁷

Unwilling to cooperate with the short line, the NP frequently shorted the number of coal cars available to Bear Creek. Consequently, the district's five active coal companies never operated at full capacity and could employ miners only as needed. The YPRR's first locomotives, moreover, could handle no more than twelve cars at a time. They had to make numerous runs to the

mines, which caused higher fuel and maintenance costs. These in turn were passed on to the mine owners in the form of higher rates. Having cheered the YPRR's arrival initially, the mine owners, with the exception of the Yegens, had been careful not to deed ownership of mine yard tracks to the short line. The fact that Elijah Smith and other mine owners were urging the NP to build a line into the Bear Creek District as early as mid-1907 is even more telling. As incentive, Smith and his fellow mine owners offered to lease the mine yards to the NP if the NP would build to them.²⁸ The Northern Pacific, which was experiencing financial problems, spurned the offer.

Meanwhile, the short line's financial structure began to crumble. Hall financed a portion of the YPRR by issuing bonds to five Bear Creek coal companies. Christian and Peter Yegen, owners of the Yegen Brothers Savings Bank in Billings, funded construction of the railroad to its mining property in 1906, but when the Yegens demanded payment of \$36,056 for the track in March 1907 the YPRR had no money to pay them. Represented by congressional candidate Thomas J. Walsh, the Yegens sued the railroad for nonpayment. The YPRR alleged that the Yegens had defaulted on the contract by not providing rails at the time specified, but a judge ruled in the Yegens' favor and the bank advertised the railroad for sale in July 1907. At the last moment, however, the Yegens granted Hall a six-month extension.²⁹

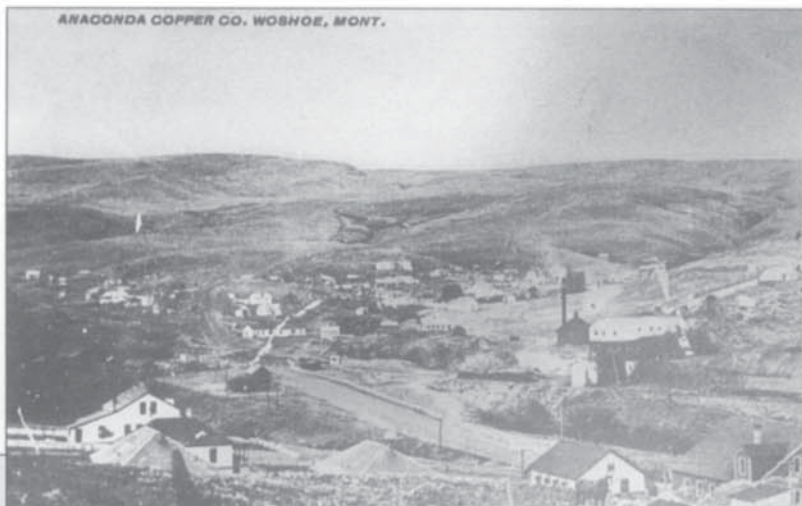
Even with the reprieve, Hall was unable to secure financing from his Pennsylvania backers. Indeed, Hall was in trouble with his other investors as well. Henry Tudor, Rufus Sewall, and Allen Fay of Massachusetts sued Hall and the Lancaster Trust Company for nonpayment of interest and principal due on the bonds issued in July 1906. The Lancaster Company refused to

26. Anderson, *Bear Creek Mining District*, 66-67; Claghorn to Elliott, March 6, 1907, folder 3, PF 269-A; Zupan and Owens, *Red Lodge*, 269.

27. *Red Lodge Picket*, February 1907; [unknown] to Elliott, March 6, 1907, folder 3, PF 269-A; [unknown] to Elliott, May 28, 1909, folder 4, *ibid*; Taber, "Shortlines of the Treasure State," 1, 4.

28. James J. Hill to Elliott, March 6, 1907, file 326, NP Corresp.; Elliott to Hill, October 28, 1907, *ibid.*; Montana Railroad Commission, *Coal Situation Report*, 1912; Elliott to G. A. Goodell, NP general superintendent, May 5, 1909, folder 2, PF 269-A; [unknown] to Elliott, March 6, 1907, file 326, NP Corresp.; Taber, "Shortlines of the Treasure State," 9.

Washoe, shown at right, circa 1910, was the third community the mw&s helped create. The Anaconda Copper Mining Company's only company town in south central Montana, Washoe flourished in the early 1900s but was in clear decline by the 1920s, a victim of ACM's development of hydroelectric power. Its post office closed in 1959, and virtually all vestiges of the town were gone well before its site was photographed again in 1993 (below).



Carbon County Historical Society, Red Lodge, Montana

From Paul Anderson, *Definition and Evaluation of the Bear Creek Mining District, Carbon County, Montana* (Butte, 1993), p. 70



possible" and added "say nothing to anybody about it or the reasons for it." Because the coal being mined south of the Yellowstone River near Forsyth in the Rosebud Creek drainage was relatively simple to extract and was easily accessible to the NP through its affiliated company, the Chicago, Burlington & Quincy Railroad, the NP diverted its coal hoppers to the coalfields there and delivered a minimum of cars to the YPRR.³¹

foreclose on the YPRR, however, and the Yegens' bank and the Massachusetts interests eventually reached an accommodation, which included appointment of Christian Yegen to the railroad's board of directors. The deal restored solvency and resolved the crisis temporarily, but by this time Christian Yegen mistrusted Hall and lobbied the board for his removal. Yegen failed to oust Hall, but Hall's precarious position invited another crisis, and one was soon instigated, this time by the NP.³⁰

Perhaps sensing an opportunity to acquire the railroad based on its shaky finances and unstable management, the Northern Pacific attacked the YPRR at its most vulnerable spot—its precarious relationship with the five Bear Creek coal companies. James N. Hill, James J. Hill's firstborn son and NP vice president, wrote to NP's Elliott in October 1907 that Hill's Great Northern Railway was in the "market for Mr. Hall's road at panic prices." Hill suggested that Elliott withhold coal cars from the beleaguered YPRR to force Hall to sell out. Though he later denied it to the Montana Railroad Commission, Elliott instructed the Montana division superintendent at Livingston to "keep down the supply of cars for Mr. Hall's road to the very lowest point

Undaunted, Hall leased one hundred railcars from the ACM-owned Butte, Anaconda & Pacific Railroad. The ACM was not particularly supportive of Hall, but its Washoe properties gave it a vested interest in the Bear Creek mines, and the company sought to protect them. Bear Creek's high-grade coal fueled the smelters in Anaconda and Great Falls and provided home heating along the High Line. For his part, Hall was well aware of the ACM's political and economic domination in Montana and thus cultivated what could be a powerful ally. Although its support was half-hearted, ACM occasionally petitioned the Montana Railroad Commission on behalf of the mw&s, and the problems were almost always resolved in favor of the short line.³²

Whatever minimal impact the NP's policy had on ACM and domestic coal supplies that year, it precipitated another crisis for Frank Hall. Hall's fortunes were tied directly to the Northern Pacific's willingness to provide cars. A lack of railcars dismayed the Bear Creek mine owners and underscored Hall's continuing poor relationship with the NP, which did not auger well for a workable solution. Adding to the pressure on Hall,

29. Clarke Fork *Herald*, June 27, July 4, 1907; William Wallace, division counsel, to Elliott, June 7, 1907, folder 3, PF 269-A; Taber, "Shortlines of the Treasure State," 4.

30. Clarke Fork *Herald*, April 18, July 4, 11, 1907; Wallace to Elliott, June 7, 1907, folder 3, PF 269-A.

31. Hill to Elliott, October 26, 1907, folder 3, PF 269-A; Elliott to Hill, October 28, 1907, *ibid.*; Michael P. Malone, *James J. Hill: Empire Builder of the Northwest* (Norman, Okla., 1996), 277.

32. Clarke Fork *Herald*, November 2, 21, 1907; *Bridger Banner*, November 28, 1907; George T. Slade to C. M. Levy, telegram, November 16, 1907, box 11, NP Corresp.

the *Bridger Times* announced in October 1908 that Northern Pacific right-of-way agents were acquiring land for construction of a branch line to Bearcreek. The new line would parallel the YPRR, the newspaper said, and the railroad was paying landowners \$50 to \$100 an acre.³³

In November 1908, Hall visited John D. Ryan, ACM executive and Milwaukee Road railroad chairman, at Ryan's office in New York. Complaining bitterly of the YPRR's indebtedness, which he blamed on the bond- and stockholders, Hall offered to sell the short line. If Ryan, the ACM, or the Milwaukee would form a new company, Hall would sell the railroad, free of all indebtedness, for \$775,000, retaining 49 percent of the new company's stock for himself. Unsure of Hall's intentions, Ryan contacted NP president Howard Elliott immediately, saying he thought it best for everyone if the Northern Pacific would acquire Hall's railroad.³⁴

In time, the YPRR's board of directors became aware that Hall was not acting in their best interests and, realizing that a shake-up was necessary if the railroad was to remain attractive to the NP, called a special stockholders meeting in Augusta, Maine. At the meeting, held in early May 1909, they deeded YPRR ownership to the bondholders for one dollar, in effect selling the railroad to themselves. They then voted unanimously to terminate Hall's position as agent for the railroad effective May 26.³⁵ In June, Hall sued the YPRR stockholders for back wages and claimed ownership of all company common stock. In retaliation, the bondholders removed Hall from "any participation in the management of the road" and accused him of misappropriating company funds. They offered to buy Hall's interest in YPRR, but Hall held

out for more money. Hall then made one more attempt to sell the railroad to the Northern Pacific, but the NP again tried to force his hand by diverting cars. Hall needed to buy out the bondholders and unsuccessfully lobbied New York financial institutions for cash. Inexorably he was drawn to Elliott and Northern Pacific corporate headquarters in New York City. Elliott later reported to Chicago, Burlington & Quincy Railroad Vice President Darius Miller: "Mr. Hall is in sore distress and . . . physically . . . is a broken down man." Elliott's pity did not motivate him sufficiently, how-

ever, to purchase the YPRR. Instead, he warned his "banker friends" not to loan Hall any money.³⁶

Earlier that same year Yellowstone Park Railroad trustee and ACM legal counsel William Scallon had contacted James J. Hill with an offer to sell the YPRR to Great Northern Railway. Hill denied any knowledge of the railroad Scallon was trying to sell him and passed the letter to Elliott. The NP president then initiated negotiations for the purchase of

the YPRR with Scallon. The negotiations between the YPRR and the Northern Pacific continued through much of winter and early spring 1909 with the YPRR's board of directors demanding \$1.5 million for the property. The Northern Pacific believed the price too high and proceeded with plans to construct its Bear Creek & Western Railway.³⁷

With hopes of a buyout fading, the YPRR's board of directors, under the leadership of Scallon, Frank S. Gannon, and YPRR employees H. R. French and M. W. Maguire, placed the railroad into receivership in June 1909. Hall made one last attempt to reacquire the road but dropped his bid when it appeared the Milwaukee Road might purchase the line. On July 31, 1909, the

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Original Bear Creek Coal

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We would like every reader of
The Montana Woman to try our
splendid fuel. If your dealer
doesn't handle it please write us.

BEAR CREEK COAL CO.
Bear Creek, Montana

As late as 1925, in spite or perhaps because of increased competition from natural gas and eastern Montana coal, the Bear Creek Coal Company urged use of its coal in a *Montana Woman* advertisement (above ad, vol. 2, October 1925, p. 29).

33. *Bridger Times*, July 2, October 8, 1909, December 14, 1913.

34. John D. Ryan to Elliott, November 20, 1908, folder 2, PF 269-A.

35. Revocation of Appointment of Agent, Yellowstone Park Railroad Company, June 14, 1909, Miscellaneous File 529, Clerk & Recorder's Office; Taber, "Shortlines of the Treasure State," 5; Elliott to Darius Miller, vice president, Chicago, Burlington & Quincy Railroad, July 7, 1909, folder 2, PF 269-A.

36. *Bridger Times*, July 2, 1907; Miller to Woodworth, December 17, 1908, folder 2, PF 269-A; Elliott to Miller, December 19, 1908, *ibid.*; Elliott to Miller, July 7, 1909, *ibid.*; Taber, "Shortlines of the Treasure State," 4-5.

37. The NP did little more than purchase the right-of-way for the proposed Bear Creek & Western Railway. World War I caused NP to abandon plans to construct the railroad and in January 1924 it began selling right-of-way for \$35 an acre, offering lax terms to buyers and adjacent landowners who were in trespass. In December 1926, Northwestern Improvement Company, a NP subsidiary, assumed its real estate responsibilities and stopped selling right-of-way, and in 1928, NP's tax department instructed the Northwest Improvement Company to pay no taxes on unsold sections of right-of-way. The Bear Creek & Western's charter was allowed to expire on December 31, 1929, and the last right-of-way parcel was sold in July 1935. William Scallon, YPRR chief legal counsel, to Hill, January 2, 1909,

bondholders incorporated a new company—the Montana, Wyoming & Southern Railroad (MW&S)—under the laws of New Jersey, with Frank S. Gannon as president and M. W. Maguire as general manager in Belfry. The new company’s board was reduced from seven to five members, and ownership of common stock was consolidated to increase operating capital and make things more efficient. The reorganization was formalized on September 1, 1909, and incorporated in Montana that October.³⁸

That same year, Hall and his wife Belle, claiming financial interests in Mexico, left Montana for California. Hall was said to have made enough money in his settlement with the YPRR to live comfortably for the rest of his life. In any event, four years later, Hall sent several crates of oranges, apparently grown in his orchards, to patrons of the Bank of Belfry as a gift.³⁹

Reorganization did not end efforts to obtain an NP buy out, nor did changing the railroad’s name improve its operation. Shortly after incorporating the MW&S in Montana, Gannon wrote to the NP’s Elliott that the short line was still for sale. Offering to supply any information on the railroad the NP wished, Gannon wanted the MW&S’s policies to be in “harmony” with the Northern Pacific’s to avoid any “misunderstanding.” Ten days later, Gannon met with Elliott and NP Second Vice President William Clough in New York to discuss the relationship between the two railroads. Not entirely convinced by Gannon’s offer of a truce, or perhaps hoping to force Gannon to sell out to them, NP executives continued acquiring options on land for their proposed branch line. Within two weeks, Bearcreek developer George Lampport and the Wright Realty Company secured options on the deeds possessed by the MW&S thereby preventing Lampport’s former partner, Robert Leavens, from acquiring the best land available for the Northern Pacific’s proposed Bear Creek & Western Railway.⁴⁰

folder 2, PF 269-A; Hill to Scallon, January 21, 1909, *ibid.*; Elliott to Goodell, May 5, 1909, *ibid.*; miscellaneous correspondence between NP and Bear Creek and Western Railway representatives, June 4, 1913 to October 10, 1923, Bear Creek & Western Railway Company, folder 1, PF 269-A.

38. Elliott to Miller, July 7, 1909, folder 2, PF 269-A; Certificate of Incorporation, Montana, Wyoming & Southern Railroad Company (MW&S), Articles of Incorporation, July 31, 1909, file 210, Clerk & Recorder’s Office; Appointment of Agent, MW&S, August 19, 1909, Miscellaneous File 529, *ibid.*; Montana, Wyoming, & Southern Railroad, *Annual Report*, Reports of Corporations, August 19, 1909, file 33, *ibid.*; Albert L. Brownell, et al., to MW&S, September 1, 1909, p. 456, Miscellaneous Record Book 2, *ibid.*; Taber, “Shortlines of the Treasure State,” 4-5.

NP executives, meanwhile, characterized MW&S operations as “wretched.” Its poor freight service was common knowledge and it did not initiate formal passenger service until November 1909. Once begun, however, the service added a colorful chapter to the short line’s history. Almost 11,000 passengers rode the MW&S between June 1912 and June 1913 alone. They came mostly from Belfry, Bearcreek, and Washoe to ride between the mines and the Bridger terminus, traversing MW&S’s entire length. The MW&S used an uncomfortable old NP surplus passenger car until 1917, then purchased a plush McKeen railcar to transport passengers and mail. Shaped something like a submarine with large portholes as passenger windows, the car was affectionately known by locals as the “Sub” and the “Gallop’in’ Goose.” It was a familiar sight in the Clark’s Fork River valley until 1933, when it was abandoned in favor of more economical bus service.⁴¹

Despite the color, the short line had its woes. The coal companies, the NP, and the Montana Railroad Commission all criticized the Montana, Wyoming & Southern’s bad service, the poor condition of its line, and its abysmal maintenance program. In 1912, Bear Creek coal companies filed a formal complaint with the Montana Railroad Commission. In their grievance, the coal companies contended that because the short line could not provide sufficient railcars to the mines, the mines could not operate at full capacity when seasonal demand for coal increased. They added:

The track bed is in fierce condition. There is hardly a week passes but what there is a wreck of some kind, and consequently the mines have to remain idle. The yards in various mines are nearly always congested with loads and this does not help the present car situation. They have only two engines in operation and [at] the present time we understand only one in use, the other being under repairs. The ties are out of shape and broken.

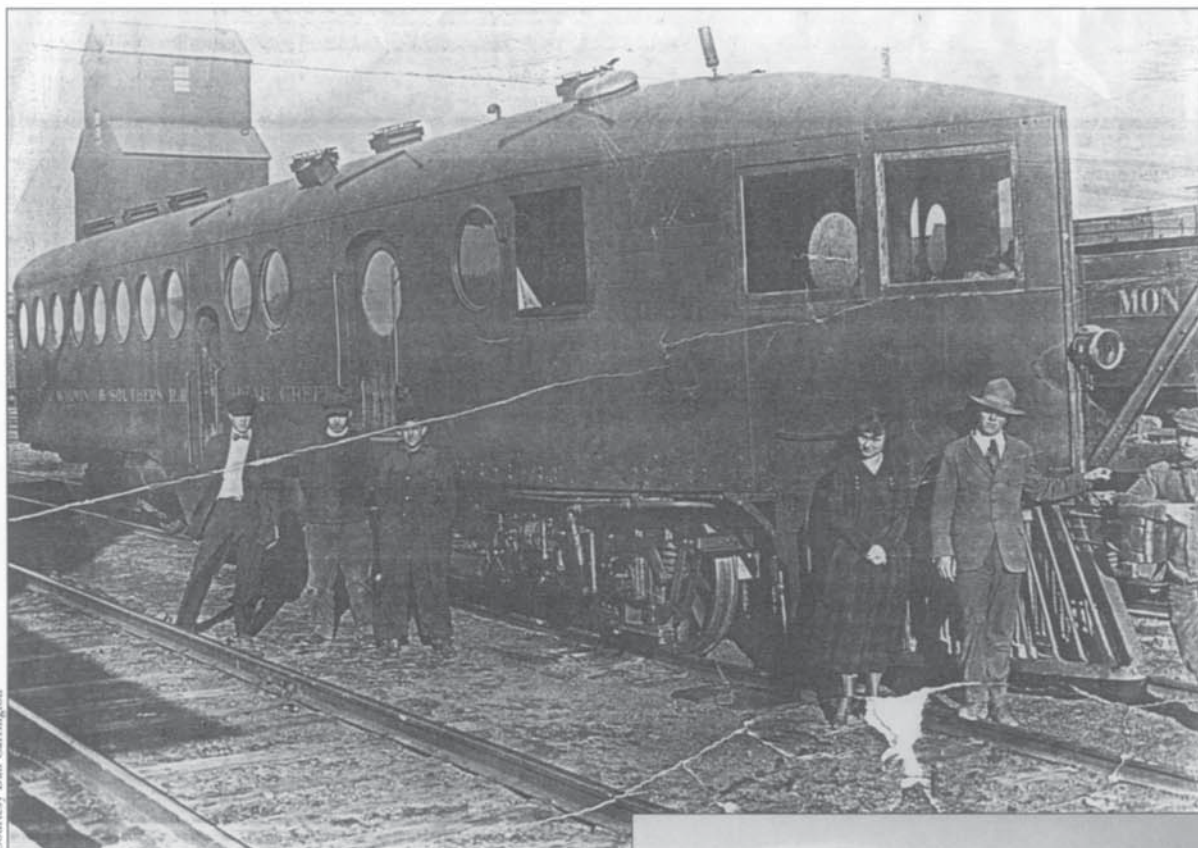
The commission’s investigation revealed that only one of three locomotives was actually operating and that the track was, in fact, in deplorable condition. Indeed, by 1912 only 1,000 ties had been replaced, and all those

39. Romek Reminiscence; Bridger *Times*, June 27, 1913.

40. Gannon to Elliott, October 2, 1909, folder 2, PF 269-A; Howard Elliott, Northern Pacific Railroad, internal memorandum, October 12, 1909, *ibid.*; Taber, “Shortlines of the Treasure State,” 6; Red Lodge *Republican Picket*, October 28, 1909.

41. [Unknown] to Elliott, September 11, 1909, folder 2, PF 269-A; Bridger *Times*, July 26, 1912, July 13, August 24, 1917; Taber, “Shortlines of the Treasure State,” 8; Bridger *Times*, April 24, 1919.

42. Montana Railroad Commission Report, Coal Situation, 1912, folder 2, PF 269-A; Bridger *Times*, July 25, 1913; Wallace, NP division counsel, to Charles Donnelly, NP assistant general counsel, November 17, 1910, folder 2, PF 269-A; Taber, “Shortlines of the Treasure State,” 9.



Courtesy Dan Carrington

Officially known as the “Bear Creek” and colloquially as the “Sub” or “Gallop-in’ Goose,” the distinctive, submarine-shaped McKeen railcar transported passengers and mail between the mines and the Bridger terminus for the MW&S between 1917 and 1933. Shown above at Belfry (circa 1920) with five unidentified people, the portholed car met its demise (right, 1930s) when bus service, which was more economical, superseded it.



William Stearns, photographer, Cari Coe Collection

in the month the coal companies lodged their complaint. Believing the problem rested solely with the MW&S, the commission concluded:

in our opinion, the [Bear Creek] field will never be developed to the point where [the] people of Montana will get the benefit of its natural resources, until the problem of railroad service is solved, and we do not hesitate to say that a small independent line . . . cannot take care of the situation.⁴²

The MW&S simply lacked the resources to operate effectively. In a tough situation, the short line’s direc-

tors tried to upgrade the deteriorating line in April 1909 by raising an already high shipping rate on coal hauled from Bear Creek from thirty-five cents per ton to forty-five cents per ton, more than twice the NP’s average rate per ton of about twenty-two cents. Bear Creek’s mine owners protested the new rate and eventually appealed to the Montana Railroad Commission, which at first obliged them by ordering the MW&S to accept the old rate. The commission’s decision was overturned, however, when the MW&S appealed the decision to circuit court. For its part, the NP, still unprepared to attempt a takeover, perceived the situation as yet another op-

43. NP memorandum, April 24, 1919, file 9-37, President’s Subject File, NP Archives (hereafter PF 9-37); J. E. Spurling, NP general agent, to Hannaford, April 15, 1911, folder 2, PF 269-A; NP memorandum, April 24, 1919, PF 9-37; *Bridger Times*, January 12, 1912; Wallace to Donnelly, November 17, 1910, folder 2, PF 269-A; NP memorandum, April 24, 1919, PF 9-37; *Bridger Times*, March 29, 1912; Taber, “Shortlines of the Treasure State,” 9. It was not until late March 1912 that the circuit court judge decided the case in favor of the MW&S and the forty-five-cent rate was made permanent.

44. *Carbon County Journal*, December 19, 1917.

45. John F. Stover, *The Life and Decline of the American Railroad* (New York, 1970), 164-75.

46. Swindlehurst to Senator Thomas J. Walsh, February 22, 1918, file 9-14, PF 261; William Wagner, State Fuel Administration, to A. V. Brown, February 6, 1918, folder 2, PF 269-A; Brown to Hannaford, March 4, 1918, *ibid*; *Red Lodge Picket*, April 25, 1918.

portunity to pressure the short line and lowered the rates on coal shipped on its line from Bridger.⁴³

World War I brought increased prosperity to the region and to the Bear Creek mines, but the war also taxed the short line's capacities and fostered further contention with the NP. For one thing, the demands of war production prompted Bear Creek's mine owners to urge anew that the MW&S be acquired. Directing their appeal to the Montana Railroad Commission, the mine owners suggested that the Northern Pacific or Great Northern buy the short line to ensure that the mines could operate at full capacity. The owners also criticized the MW&S for the poor condition of its track, its inadequate equipment, and a derailment that forced the suspension of mining at the Smokeless & Sootless operation.⁴⁴

Because the railroad industry could not meet the demands placed upon it by the war, the federal government nationalized the system on December 28, 1917, and placed it under control of the United States Railroad Administration. As a privately owned short line, the MW&S was exempted from the railroad administration's control, but the short line might use the agency to leverage the NP.⁴⁵ Indeed, less than two months after the railroad administration assumed control of the nation's railroads, the MW&S accused the Northern Pacific of not allocating sufficient cars for the short line to meet its orders for coal. The NP vehemently denied the MW&S's charges, claiming it did not have enough cars for itself. In February 1918, State Fuel Administrator William J. Swindlehurst contacted the railroad administration demanding that the Bear Creek mines be furnished with sufficient cars to supply markets. When the railroad administration ordered the NP to provide sufficient railcars to the Bear Creek mines, the Red Lodge *Picket* reported that "all the salesmen for Bearcreek mines in Great Northern Territory were immediately notified to sell coal and guarantee delivery." The railroad administration's support allowed the mines and the MW&S to prosper well into the 1920s.⁴⁶

Actually, production from the Bear Creek mines expanded throughout the 1910s, as reflected in Belfry's steady population growth. By 1914, the MW&S employed sixty-two people with an average monthly wage of \$111, about par for Montana railroad workers at the time. By 1920, the number of MW&S employees hovered around sixty individuals.⁴⁷

With prosperity came improved operating procedures, which could be credited directly to William

Harry Bunney, who became the Montana, Wyoming & Southern Railroad's general manager in 1918. A former Northern Pacific employee and professional railroad man, Bunney was well aware of the NP's contentious relationship with the MW&S. Born in Cleveland in January 1880, Bunney arrived in Butte with his family in 1884. With his father employed by the Northern Pacific Railway, the family relocated about every four years. William attended school in Montana and graduated from college in Tacoma, Washington, in 1898. The following year, he began work as an engine wiper with the NP in Washington before obtaining a stenographer's position in 1903 at the NP's corporate offices in St. Paul, Minnesota. He served as chief clerk to the NP superintendent in Livingston from 1912 to 1918.⁴⁸

Bunney replaced M. W. Maguire as MW&S general manager and held the position until the late 1930s. He was described as a "man thoroughly experienced in every detail of his calling," by one observer. "Having worked his way up [he] understands the possibilities of each position and is able to judge accurately as to the capabilities of each man to determine if he is rendering faithful and efficient service." Bunney struggled to keep the railroad running in the face of declining revenues in the late 1920s, a decline caused by the growing substitution of natural gas for coal for home heating and by the Northern Pacific's development of coal properties in eastern Montana. By the early 1930s, the railroad was no longer able to operate without outside help. The resourceful Bunney found it in the form of the short line's old adversary, the Northern Pacific Railway.⁴⁹

Bunney found salvation from the NP in two forms, first in the coal slack produced in the Bear Creek mines that NP locomotives could burn, and second in an agreement with the MW&S's old nemesis. For more than twenty years, the NP had tried to control the short line by restricting the number of railcars available to Bear Creek and by threatening to construct its own line to the mines. In 1913, however, the NP began investigating the aforementioned vast coal deposits in Rosebud County in southeastern Montana, specifically at Colstrip just north of the Northern Cheyenne Indian Reservation. In 1923, the railroad completed a branch line into Colstrip and began strip-mining the surround-

48. *Bridger Times*, July 26, 1918; Tom Stout, *Montana: Its Story and Biography*, 3 vols. (Chicago, 1921), 2:376.

49. *Bridger Times*, July 26, 1918; Stout, *Montana: Its Story and Biography*, 2:376; Louis Yager, NP assistant chief engineer, to Frederic McCarthy, January 3, 1933, file 83111, Assistant Engineer Subject File, NP Archives (hereafter Asst. Engineer File).

47. *Thirteenth Census 1910*; Bureau of the Census, *Fourteenth Census of the United States, 1920* (Washington, D.C., 1921); W. J. Swindlehurst, *First Biennial Report of the Department of Labor and Industry, 1913-1914* (Helena, Mont., 1914), 183-91.

ing countryside. Coal thus acquired provided fuel for NP locomotives in Montana and North Dakota for the next thirty years. Competition from Colstrip brought an end to coal mining in Red Lodge, where mines had to shut down, and finally put to rest the NP's plans to build a branch line into Bear Creek.⁵⁰

The Great Depression further complicated matters for Bear Creek and the MW&S. By 1931, the coal industry was in steep decline. Between 1927 and 1933, the Bear Creek mines suffered a 35 percent decrease in the amount of coal produced and sold on the open market. Luckily for the mines and the beleaguered short line, however, NP locomotives could operate on coal slack, a residue of the mines that provided a market for Bear Creek coal throughout the 1930s.⁵¹

Coal slack sales were not enough, however, to salvage the railroad. To keep the company out of bankruptcy, Bunney negotiated an agreement whereby the NP received trackage rights to the MW&S line between Bridger and Belfry in return for a reduction in what the NP charged the short line to carry Bear Creek coal on its main lines. The MW&S retained the segment of the route from Belfry to Bear Creek because of the steeper grades and different operating procedures. In return, the NP decreased its one-dollar-per-car switching charge on MW&S railcars.⁵² In addition, after nearly thirty years of minimal maintenance, the MW&S line sorely needed an upgrade. The NP agreed to strengthen bridges, flatten curves, and construct two sidings at Belfry at a cost of \$21,329. The agreement, approved by the Interstate Commerce Commission in late 1932, went into effect on January 1, 1933.

The agreement gave the MW&S greater wherewithal but, even with new operating procedures, it continued to lose ground.⁵³ World War II gave the Bear Creek

mines and the short line one last burst of prosperity, however. Production in the Montana Coal and Iron Company's Smith and Foster Gulch mines expanded significantly during the war, but the boom was marred by the Smith Mine disaster on February 27, 1943, an underground explosion and fire that killed seventy-four miners. The tragedy profoundly affected the communities of Bearcreek and Washoe, as victims' families left the area, and it hastened the end to underground coal mining in Montana. Strip mining would prove a safer, more economical method to extract coal. When the Smith Mine temporarily shut down after the disaster, the Montana Coal & Iron Company increased production in its Foster Gulch mine to a high of 576,000 tons per year; but the boom collapsed when the war ended in 1945. As war industries scaled down, coal companies turned to the domestic coal market, but new technologies called for other fuels.⁵⁴

The Bear Creek mines persevered into the 1950s, but the conclusion of World War II effectively ended coal mining in the Bear Creek fields. The Northern Pacific replaced its old coal-fired locomotives with diesel engines, thus ending its need for coal slack from the mines. Domestic use of coal continued, but demand, limited to rural areas of the state, was feeble. For the Montana Coal & Iron Company's Smith Mine, the most successful mine in the district, the final blow came in 1953 when the Great Western sugar beet factory in Billings did not renew its contract. One by one, the larger operations closed, leaving only the small wagon mines that first occupied the coalfields in the 1890s and early 1900s.⁵⁵

With its fortunes tied directly to the coal mines, the end was near for the Montana, Wyoming & Southern. Always barely solvent and never in control of its destiny, the railroad lost \$30,000 to \$40,000 a year between 1945 and 1952. MW&S directors optimistically

50. Renz, *History of the Northern Pacific*, 240-41; J. L. Watson, NP right-of-way commissioner, to R. W. Clark, January 3, 1922, folder 1, PF 269-A; J. H. Poore to Donnelly, January 4, 1922, *ibid.*; Watson to Clark, October 10, 1923, *ibid.*; Donnelly to Watson, July 18, 1935, *ibid.* The end of coal mining in Red Lodge brought immediate economic depression to the area, a condition not alleviated until the Bureau of Public Roads began construction of the Beartooth Highway in 1931 and employed area locals.

51. Taber, "Shortlines of the Treasure State," 9-11.

52. William H. Bunney, MW&S president, to Yager, June 24, 1932, file 83111, Asst. Engineer File; [unknown] to Oliver E. Sweet, Interstate Commerce Commission, November 18, 1932, *ibid.*; Yager to H. H. Stevens, May 22, 1933, *ibid.*

53. See Yager, memorandum, November 25, 1942, Asst. Engineer File; Bunney to Yager, June 24, 1932, *ibid.*; Yager to Stevens, May 22, 1932, *ibid.*; Certificate of Amendment of Certificate of Incorporation of Montana, Wyoming & Southern Railroad Company, Articles of Incorporation, October 16, 1941, file 210, Clerk & Recorder's Office; Taber, "Shortlines of the Treasure State," 11.

54. Anderson, "There Is Something Wrong Down Here," 5-8, 13; Axline, *Bearcreek*, 8-9.

55. Taber, "Shortlines of the Treasure State," 10; Anderson, *Bear Creek Mining District*, 36-37; Axline, *Bearcreek*, 8-9; Romek Reminiscence.

56. Taber, "Shortlines of the Treasure State," 12-14; Certificate of Renewal of Corporate Existence of Montana, Wyoming & Southern Railroad Company, pp. 632-33, Miscellaneous Record Book 33, Clerk & Recorder's Office; Bridger *Times*, September 10, 1953.

57. Taber, "Shortlines of the Treasure State," 14; H. R. Peterson to W. K. Smallridge, January 18, 1955, file 83111, Asst. Engineer File; Bridger *Times*, September 10, 1953; Mitzi Rossillon, "Cultural Resources Inventory of the Belfry—North Improvement Project," project no. F 72-1 (1) 10, Montana Department of Highways, February 1989, pp. 20-30; Romek Reminiscence.

58. The other independent short lines included the Missoula & Bitter Root Valley Railroad (1883), Helena & Northern Railroad (1886), Helena, Boulder Valley & Butte Railroad (1886), and the Drummond & Phillipsburg Railroad (1887). Renz, *History of the Northern Pacific*, 153-57.

applied to the State of Montana to reincorporate the company for another forty years in October 1949. Their application was approved, but by then the market value of the railroad's stock had sunk to \$50,000. By 1952, the railroad employed only eleven men, and most of them worked in more than one position. The MW&S's single train ran only twice a week. Track maintenance was minimal. Even with severe cost-cutting, the railroad continued to lose money.⁵⁶

Lapse of the Smith Mine's contract with the Great Western factory proved to be the last straw for the beleaguered railroad. The short line petitioned the Interstate Commerce Commission for abandonment in September 1953, and the petition was granted in May 1954. In 1955 the Hyman Michaels Company tore up the track, leaving only a few timber bridges, concrete culverts, and the railroad grade. When the MW&S folded, all records associated with its financing and day-to-day operation were destroyed, perhaps dumped outside the building. What few records remain consist primarily of correspondence received by the Eagle Coal Company, Northern Pacific Railway interoffice memoranda, letters, and oral histories. Today, the MW&S grade is fast disappearing and retains little of its original integrity. Only three buildings associated with the short line remain: the Bridger depot and the Belfry depot/headquarters and shop building.⁵⁷

The Montana, Wyoming & Southern Railroad was

only one of many short lines that once operated in Montana during the early years of this century. Founded on dreams and a shoestring, the railroad was never able to fully capitalize on the natural resources it sought to exploit. Its contentious relationship with the Northern Pacific, however, was not typical of many of Montana's short lines. In the late nineteenth century, the NP purchased at least six independent short line railroads that provided access to Montana mining properties. Like the other short lines, the MW&S extracted a resource that did not provide a direct benefit, other than freight charges, to the Northern Pacific. But by the early twentieth century, NP executives had found other ways to control an independent short line railroad than buying it outright.⁵⁸ Created to be sold to the NP because of its access to high-grade coal deposits, the MW&S was forced to survive on its own. In the process, the short line played a notable role in the development of south central Montana, one of the state's most isolated areas. *M*

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Today, physical evidence of the MW&S Railroad is difficult to find. Only a few buildings and other traces remain, including the Bridger depot and the Belfry depot/headquarters and shop. Pictured below in May 1954, the Belfry shop (also called the roundhouse) is flanked on the left by the barely visible McKean passenger car and on the right by a coal dock and cinder pit.

