Tri-State District Railroads: Connection and Endurance

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The purpose of the railroad is to connect people to places, commodity to consumer, all the while building a network of relationships. In the Tri-State Mining District, the area railroads served the local mining industry by hauling the ore concentrate to the purchasing smelter. Both industries worked to support the Tri-State area, despite governmental intervention and economic downturns. Throughout the early to mid-1900s, Tri-State District railroads connected to the mining industry, endured the government, and steamed into the future.

The Tri-State area included southeast Kansas, southwest Missouri, and northeast Oklahoma, as it does today. Though earlier prospecting did occur, commercial mining operations began in Missouri in 1848. Kansas joined in the venture in 1876, and Oklahoma in 1891. Oklahoma proved the most productive part of the Tri-State Mining District (the District) in the later years of Tri-State mining. In his 1932 book, Samuel Weidman wrote, "The Miami-Picher district is the most important part of a much larger mining area extending north into Kansas and northeast into Missouri.”

The early to mid-1800s saw much preliminary railroad development in the United States. Pre-railroad, flatboating was a major means by which the mining industry shipped product. Northeastern and southern states established small-scale rail operations to connect to river systems to accommodate growing demand. The 1860s brought Transcontinental track west, through Union Pacific (UP) and Central Pacific Railroad construction. In 1870, the Kansas City, Fort Scott and Gulf Railroad connected to Baxter Springs, Kansas, then on to Galena nine years later. The Joplin-Girard Railroad, "incorporated...by local businessmen and miners," linked


Pittsburg area mines to Joplin in 1877. It was a thirty-eight mile track.\(^3\) Two years later, the Missouri and Northwest Railroad extended south from Oronogo to Joplin. The Kansas City, Fort Scott and Gulf and the Missouri Pacific met Joplin in the same year, 1879.\(^4\) The Kansas City Southern (KCS) completed a subsidiary line, the Kansas City, \textit{Pittsburg} (emphasis added) and Gulf Railroad, in 1897. In 1901, the Missouri, Kansas and Texas Railroad, or "Katy," found its way to Joplin, as well. By this time, the St. Louis and San Francisco Railroad, or "Frisco," had obtained both the Joplin-Girard and Missouri and Northwest.\(^5\) After a series of mergers, the Frisco would also eventually acquire the Kansas City, Fort Scott and Gulf in 1928.

Governmental regulation of the privately owned and operated railroads began with the Interstate Commerce Act of 1887. The president appointed a Senate-approved, five member Commission. The main aim of the ICC was to regulate railroad rates towards smaller railroads, businesses, and individual customers. Within the time period covered in this paper, the ICC expanded in membership, power in legal proceedings and oversight of new forms of transportation. In addition to ICC regulation, Congress passed the Sherman Antitrust Act in 1890, allowing governmental inquiry into monopolistic mergers. While the government would later propose consolidation, this Act ensured economic competition between railroads.

However, during World War I, the United States government actually took over management of the railroads. The nationalized rail system, the United States Railroad Administration, was an efficient, unified way of organizing track, in the government's eye. But

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\(^4\) \textit{Ibid.}, 82.

\(^5\) \textit{Ibid.}
war production "pressure" left rail systems "in poor financial condition and crippled physically.\textsuperscript{6}

Postwar, the Transportation Act of 1920 returned private operation to owners while advising the idea of consolidation. In response to the Act, the ICC made preparations for a master consolidation plan of all rail systems in the United States. Credited for drafting for the ICC is Harvard political economy professor, William Z. Ripley. The "Ripley Plan," released in 1921, grouped U.S. railroads into twenty-two regional systems.\textsuperscript{7} Due to numerous requests for amendments and proposals of bills, the full plan was delayed until December 1929, reflecting twenty-one systems.\textsuperscript{8} Had it been carried out, Tri-State District railroads would have been divvied up between systems 14-19 which included: the Burlington, Union Pacific, Santa Fe, Missouri Pacific and Rock-Island Frisco.\textsuperscript{9}

A year later, 1930, "The ABC of Railroad Consolidations" circulated to explain and promote regional consolidation. It first outlined the requirements for railroad affiliation: consolidation, control of stock, and long-term leasing. The document also discussed investment companies in regards to stock ownership of two or more roads, thus becoming a "third company." An example within the District railroads of such affiliation was between the Texas & Pacific Railway and Missouri Pacific. The Allegheny Corporation controlled 47.8% of Missouri


\textsuperscript{7} "Mighty Merger," \textit{Time}, August 1, 1932.

\textsuperscript{8} Harrison, 7.

\textsuperscript{9} \textit{Ibid.}, Appendix G, 53-58.
Pacific's voting stock, thus existing as an investment or "third" company. IO Still, ICC approval was required for any affiliation-type action; it denied KCS acquisition of the Katy and another railroad in 1927, for another local example. 12

In the fall of 1931, a newspaper article reflected statements of and an address by Interstate Commerce Commissioner, Joseph B. Eastman. Remarks of Henry C. Atwill, Chairman of Massachusetts's Department of Public Utilities were included, as well. Eastman discussed the idea of having government ownership of the railroads, as opposed to private ownership and governmental regulation. Private management over public operation would allow railroads a degree of "autonomy." Operation would occur through separate corporations, of which the federal government would hold significant stock. Atwill contended that the ability to set and adjust rates enabled companies to pay towards "capital prudently invested" at startup. 13

In his address, Eastman had said, "Transportation is now in an era of change. Competition is a bigger factor than it has been for many years. It is difficult to visualize even the near future. 14 The competition Eastman talked of was between not only the railroads, but trucks too. Sources conflict upon opinion however, in regards to the effect of increased trucking on railroad business. One article cited the significant difference in volume capacity gave railcars an edge over trucking; 75% of freight required haulage in bulk, over long distances, and at low cost, all of which railroads provided. Specific freight products mentioned were: coal, ore (emphasis

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10 Ibid., Appendix C and 0,24-6; 27.
11 Ibid., 5-6.
12 Ibid., Appendix C, 24-6.
13 "Plan Is Submitted For Public Control of Utility Systems," The United States Daily, November 9, 1931. Picher Collection: Box 77, File 1761, Pittsburg State University Archive, Pittsburg, KS.
14 Ibid.
added), lumber, and agricultural products. The article blamed low freight production and rates for the railroad’s economic struggles. Another newspaper article instead emphasized the jump in truck traffic in recent years, though that claim was based without an official ICC report. It deemed coordination between the two methods of transportation necessary if both wanted progression. 16

Also in 1931, farm economist Rex Willard submitted a document on behalf of the North Dakota Railroad Commission that reflected the 1920s vehicle activity. His exhibit included graphs and data on increasing motor truck and passenger car registrations. Willard also included the quantity comparison of livestock hauled to certain markets by truck or railroad. Willard submitted his data to the ICC in regards to Ex Parte 103, within which Class I railroads implemented a 15% increase in rates. Ex parte action is "done...for the benefit of one party only, and without notice to, or argument by, any person adversely interested...for temporary or emergency relief." The railroads were in a financial situation prohibiting them from updating and maintaining operations.

Ultimately, the government never attained ownership of the railroads, and the Transportation Act of 1940 repealed the consolidation plan. The ICC retained certain powers over railroads, however, especially those involving labor issues. The Act also expanded ICC

15 "Trucks Not Cause of Railroad Difficulties," Newspaper and date unknown. Picher Collection: Box 77, File PMM 1762, Pittsburg State University Archive, Pittsburg, KS.

16 "Truck Traffic Shows Great Inroads on Business of Railroad," Newspaper unknown, April 21, 1932, Picher Collection: Box 77, File PMM 1762, Pittsburg State University Archive, Pittsburg, KS.


regulatory power to motor and water carriers, so policy between all forms would be consistent. Air carriers, though, still remained exempt.\textsuperscript{20}

Another project of the ICC in the early 1900s is worth mentioning, however. The Commission established a class system for railroads based on operating revenue that is still used today. Based on figures turned into the ICC by 1929, seven railroads affiliated with the Tri-State District were considered Class I railroads. These were: the Atchison, Topeka and Santa Fe Railway, KCS, Katy, Frisco, Texas & Pacific Railway, Missouri Pacific, and UP. At this time, the ICC based the classification on annual operating revenue of or over $1 million.\textsuperscript{21} As they are today, Class III railroads were usually short-lines that served local areas and industries. Some Tri-State District railroads fell under this classification, like the Northeast Oklahoma Railroad, incorporated in 1919.

The experiences of the mining industry in years between the World Wars were similar and different to those of the railroad. The increasing prevalence of occupation disease became a focus of governmental concern. Opened in 1927, the Bureau of Mines Cooperative Clinic in Picher, Oklahoma notably conducted and documented employee medical screenings. In addition to the BOM, the Metropolitan Life Insurance Company and Tri-State & Lead Ore Producers Association (OPA), supported the venture.\textsuperscript{22} The OPA "was the first private agency to promote improved conditions in the mines through its safety department."\textsuperscript{23}

\begin{itemize}
  \item \textsuperscript{20}Ibid., 300.
  \item \textsuperscript{21}Harrison, Appendix C, 24-6.
  \item \textsuperscript{23}Gibson, Wilderness Bonanza, 182.
\end{itemize}
Production-wise, Tri-State mining flourished in the 1920s. In fact, the decade was the most productive in district history, peaking in 1926.\textsuperscript{24} In Samuel Weidman's field studies, he found that Tri-State District zinc accounted for 70% of United States production, and 35% of world. Lead accounted for 15% of United States production, and was comparable to zinc quantities extracted. Weidman conducted his research in the summers of 1927, 1929, and 1930, but it reflected the entire decade's production.\textsuperscript{25}

In 1935, the Commerce Mining & Royalty Company's shipment records show nearly 4,900 tons of zinc and over 5,800 tons of lead shipped to buyers.\textsuperscript{26} Still, a year later, the OPA began a six-month "zinc campaign" to promote the product.\textsuperscript{27} The campaign aired over the Joplin radio station, WMBH. Area railroads provided the requested data for the "Transportation" segment of the program, by host and the OPA Secretary, M.D. Harbaugh. The Frisco, NEO, KCS, Missouri Pacific, and Southwest Missouri all responded with information regarding freight volume, employment and payroll.\textsuperscript{28}

Pre-World War I promotion of the District came in a statement to the ICC by Evan Just, discussing the status of Tri-State mining. Just, Secretary of the OPA at that time, gave details on past production, but also discussed the outlook of the mining industry postwar. In regards to the latter, and given his geological background, his choice of the word “jumbled” suggested

\begin{footnotesize}
\begin{enumerate}
\item[26] Commerce Mining & Royalty Company, Zinc ore shipments in 1935, Picher Collection: Box 66, File 1, Pittsburg State University Archive, Pittsburg, KS.
\item[27] WMBH Radio Program: "Transportation," Railroad Company Correspondence, 1936, Picher Collection: Box 70, File PMM 1851, Pittsburg State University Archive, Pittsburg, KS.
\item[28] Ibid.
\end{enumerate}
\end{footnotesize}
Wlcertainty. Just did manage to promote the district in wartime efforts, even the usefulness of leftover chats. He mentioned the national zinc shortage, justifying the district as "a key factor in meeting defense needs." Just concluded with comments regarding the railroads. He said that during World War I, the District had tolerated a railcar shortage, and did again in the mid-twenties. He implied the idea of another main line connection made to the Tri-State area, as not to "embarrass the operations of several smelters which depend on our concentrate.,

Towards railroad utilization, the government took a different approach during World War II. President Roosevelt instead issued Executive Order No. 8989 to establish the Office of Defense Transportation in December of 1941. John B. Eastman, former IC Commissioner, was named Director of the ODT. The agency's jurisdiction included "all domestic transportation facilities whether the service [was] within or across state lines, and whether the operation [was] for hire or wholly for private purposes." The ODT aimed to coordinate all forms of transportation to be as efficient and beneficial to war efforts as possible. To apply its policy, the ODT issued General Orders upon the transportation sector.

Both the railroad and mining industries monitored and contested these Orders. For example, American Short Line Railroad Association President, J.M. Hood, expressed to John L. Rogers of the ODT the inconvenience of Order No. 21 to member short-lines serving the Tri-

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29 Just, Statement.
30 Ibid., 2.
31 Ibid., 4.
State District. This particular Order involved rail-truck coordination within the concentrate transportation process.

During this time, the General Traffic Committee of the American Zinc Institute constantly corresponded on traffic matters relevant to their membership. These included international matters, railroad rate fluctuations, and ODT Orders. They commonly proposed amendments, requested exemptions, and voiced opinions to protect the interests of member’s companies. The AZI was a national organization based out of the New York that represented "the common interests of the miners and smelters of zinc throughout the Country."

Its General Traffic Committee members were Traffic Managers from Midwest and East Coast mining companies. Two were natives of the Tri-State Mining District: Evan Just of the OPA in Miami, Oklahoma and B.A. Gray of the Eagle-Picher Lead Company in Joplin, Missouri.

In winter 1941, the Consolidated Mining & Smelting Company, owned by the Canadian Pacific Railway, proposed noticeably low zinc rates towards commodity shipped between Tadanac, British Columbia and the Chicago area. Though a lead-zinc shortage was apparent in the United States, competitive rates threatened the Tri-State Mining District. Consolidated was one of the "richest mines on the North American Continent."

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35 AZI, General Traffic Committee Correspondence Collection: AZI Secretary Gent to Chairman Moore, October 8, 1941, Picher Collection: Box 98, File PMM 0161, “Traffic 1938-40.” Pittsburg State University Archive, Pittsburg, KS.

opposition to this situation was apparent—AZI Chairman Moore even attached one of Gray’s letters in his own response to an advisory committee representing the AZI’s attitude.\textsuperscript{37} While some Committee members were strong in their opposition, others actually suggested local industries adjust their rates to comply with the Canadian proposal.\textsuperscript{38}

That same December, Class I railroads filed a petition with the ICC for a 10\% increase in rates, which became Ex Parte 148. These increases were an attempt to again improve railroads financial status, so they could sufficiently maintain their yards and equipment therein. However, zinc products were not included in the exemptions, so in early 1942, Evan Just submitted a petition on behalf of the OPA.\textsuperscript{39} He discussed recent cost pressures on the mining industry, and requested exemption from increased freight rates towards "ores and concentrates.\textsuperscript{40} However, ODT Secretary W.P. Bartel immediately responded with guidelines for a signed, notarized, original of the petition and for potential brief submission towards hearings.\textsuperscript{41} Chairman Moore informed the Committee of the petition's denial, due in part to Just’s failure to specify zinc ores and concentrates.\textsuperscript{42}

As AZI tried to sort out a position to take on these transportation matters, and they did so through much correspondence. The majority of members actually opposed exemption from Ex

\textsuperscript{37} \textit{Ibid.}


\textsuperscript{39} Just, \textit{Petition.}

\textsuperscript{40} \textit{Ibid.}, 4: 9-10.

\textsuperscript{41} AZI, Collection: Bartel to Just, January 2, 1942, Picher Collection: Box 98, File PMM 0161, "Traffic 1938-40." Pittsburg State University Archive, Pittsburg, KS.

\textsuperscript{42} AZI, Collection: Moore to Committee, March 24, 1942, Picher Collection: Box 98, File PMM 0161, "Traffic 1938-40." Pittsburg State University Archive, Pittsburg, KS.
Parte 148 increases, understanding the railroad’s need for revenue. In regards to the ODT Orders, members strongly encouraged amendment action, of which George Heikes was a key contact for. Heikes was the presiding officer of a War Production Board committee that select AZI members met with previously, specifically representing the Zinc Branch. In 1943, and after much progress, the Ex Parte 148 increases ceased. Whatever became of other AZI matters is unable to be determined from data in the Picher Collection. Mining’s support of railroad success and personal defense against governmental interference is an apparent conclusion.

In 1944, a report emphasized second quarter, freight traffic volume, anticipating the year to be "the largest in history." Revenues had also reached record height, but due to higher taxes, income was stifled. The document brought to light the fact that freight rates were just below the prewar price, and that labor wages were higher, too. It predicted a situation railroads would need to resolve in the postwar period, when wages would need to be maintained, but rates increased too. The report expected a decrease in freight volume to occur as a result.

The 1950 Industrial Prospectus of Miami, Oklahoma included current railroad connections the town had to offer. The Northeast Oklahoma Railroad connected to five


46 Alexander Hamilton Institute Inc. Documents regarding exports; railroad freight, Picher Collection: Box 77, File PMM 1935, Pittsburg State University Archive, Pittsburg, KS.
additional lines either within Miami or southeast Kansas. It also mentioned Miami’s position on
the Frisco’s main line to both Kansas City and Oklahoma City.47

By this time, the Tri-State Mining District had been in operation for over 100 years. Little did it know that it would shut down within another twenty. As Tri-State mining began running out of steam, so did the short-line railroads that served it. By the end of the 1900s, all of the lines previously mentioned merged with Class I railroads. As for the track between the mines, "Spurs from these railroads connected all the mining camps, and to this day the district is a network of rail lines, many of them abandoned."48 On another note, the ICC did not survive the 20th century either. After years of deregulation legislation, the weakened agency met abolishment in 1995. Under the U.S. Department of Transportation, the Surface Transportation Board acquired certain, leftover ICC powers.

It is apparent that though the mining and railroad industries often complemented each other, they protected their personal interests independently. The railroad has ultimately endured because it continues to connect to the needs of the moment. In a bigger context, a merger is not an end; it is a new connection. As a service industry, railroad business does not rely on a single resource, let alone a nonrenewable one. As time has passed, the railroad has been able to not only defend itself, but adapt to the changing needs of the nation. But, it never wanders far from the track: the railroad remains connected to the history that has built it and to the anticipation of prospective links to come

47 Industrial Prospectus, Miami Oklahoma (1950), p.11, Picher Collection: Box 140, Pittsburg State University Archive, Pittsburg, KS.

48 Gibson, Wilderness Bonanza, 82.
### Table 1.1

<table>
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<td>1870</td>
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<td>SLSF/&quot;Frisco&quot;</td>
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**Other notes:**

- Kansas City, Pittsburg and Gulf: Predecessor to Kansas City Southern
- Missouri Pacific: Made up of several predecessors/mergers

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i Source: *Wilderness Bonanza*, Wikipedia.com

Note: Unless "Railway" follows a name, "Railroad" should be assumed.
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