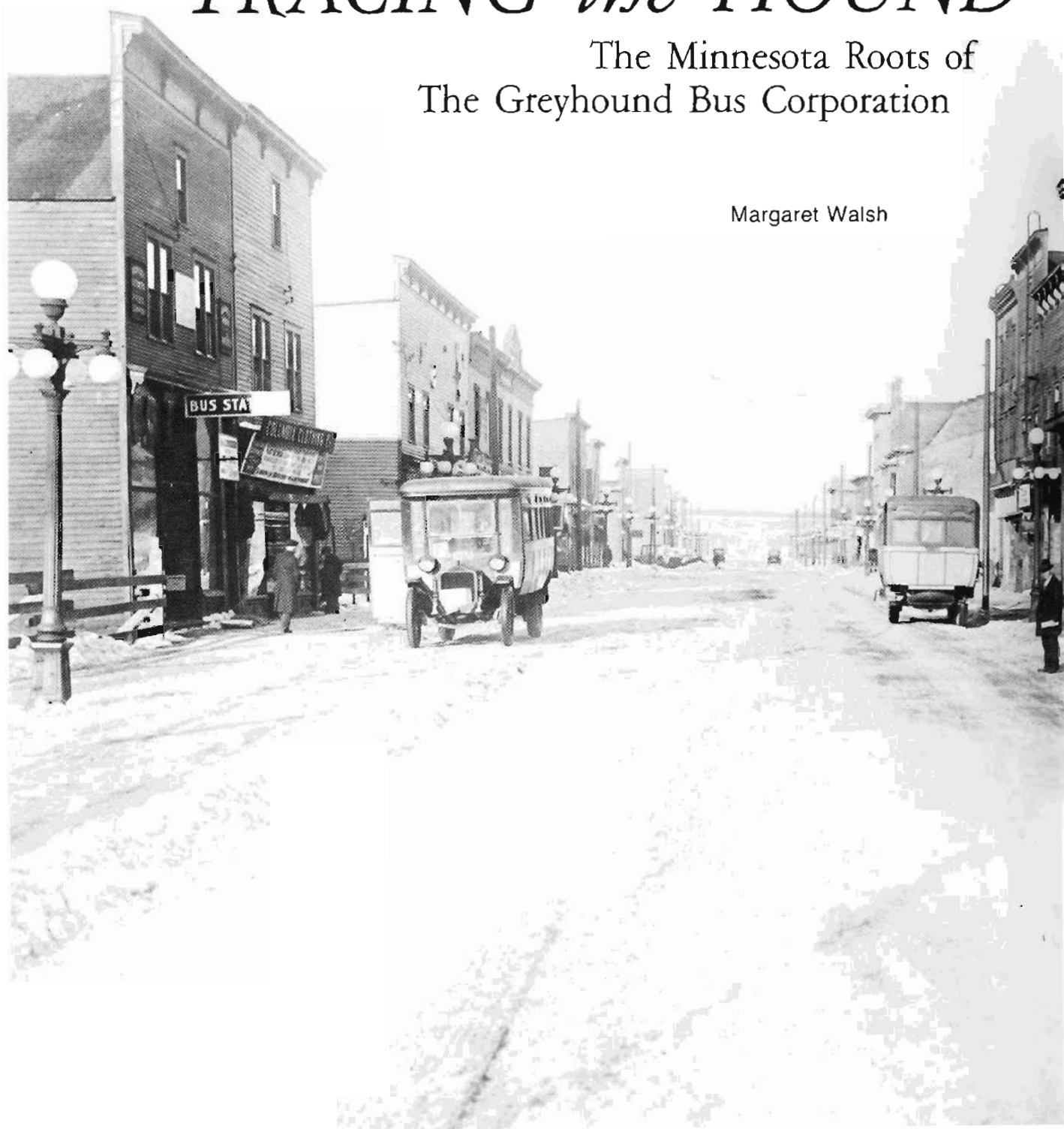


TRACING the HOUND

The Minnesota Roots of
The Greyhound Bus Corporation

Margaret Walsh





ON Tuesday, July 31, 1984, the city of Hibbing in the iron range region of northern Minnesota's St. Louis County celebrated Greyhound Bus Day. Commemorating the 70th anniversary of the founding of the world's largest intercity passenger carrier, the Hibbing city council voted unanimously to rename that section of 3rd Avenue East from 17th Street to the Hull Rust Mine as "Greyhound Boulevard." Company officials from Phoenix, Dallas, and Minneapolis, along with 184 retired bus drivers traveled to Hibbing for a luncheon and the unveiling of a street sign complete with the blue greyhound, which has become the corporate symbol of the bus line. For not only did local officials claim that the Greyhound Bus Corporation could trace its roots back to Hibbing, but Frederick Dunikoski, president of Greyhound Bus Lines Inc., went on record as saying that Hibbing "is our birthplace, it's like Plymouth Rock."

Many Americans and historians may be surprised to learn that the Greyhound corporation has recognized this relatively small city — population 21,193 — known chiefly as the site of the world's largest open-pit iron mine, as its birthplace. Most people, whether bus travelers or not, associate Greyhound either with its current base in Phoenix or with its earlier and more longstanding head office in Chicago. Most historians who are interested in modern transportation developments would hesitate to focus on any specific location, suggesting instead that the nation's leading bus operation had diverse and multiple origins. To attribute the founding of a major corporation involved in the movement of passengers throughout the country to particular individuals in one place would give too much emphasis to specific entrepreneurs at a time when managerial capitalism called on a broad range of talents to ensure success.

The early years of long-distance bus transportation

¹ *Hibbing Daily Tribune*, July 29, p. 1, 10, August 1, p. 1, 1984; *Go Greyhound* (inhouse journal of the Greyhound Corporation), vol. 19, no. 2, p. 20, 1984.

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DOWNTOWN HIBBING, photographed on a wintry day in 1921; note the buses on either side of 3rd Avenue and the bus stop on the left. The Oliver Hotel is at the right.

in the United States offer some support for such a ubiquitous and almost anonymous approach to entrepreneurship. Intercity passenger travel originated in the second decade of the present century when countless venturers throughout the country started up local "jitney" services using auto sedans between nearby towns.² Newspaper reports from states as different and widespread as California, Minnesota, Georgia, and Maine reveal a "grass-roots" activity in which a variety of entrepreneurs, who owned or could acquire vehicles, were willing to chance their hand in a risk-taking business with a low initial investment. By capitalizing on the surge of mobility resulting from the mass production of automobiles, they hoped to create a new passenger transport boom.

What was the nature of these pioneer ventures? Many bus or jitney owners ran competitive local services, frequently on a customer-demand basis with cash fares paid to the driver. There were no fixed timetables or definite routes, though some operators who transported men to work started and ended their journeys at either hotels or stores. Others, however, loaded anywhere along the street, often picking up passengers waiting for scheduled electric trains. Word-of-mouth or newspaper advertisements quickly announced the existence of the new service, but there was no guarantee of a regular commitment. If bus men did not get a pay load, they might not operate. And those who traveled "on rubber" rather than rail had to be satisfied merely with arriving, instead of anticipating a safe and fast journey in comfort. As might be expected, many of these improvised — often one-man — ventures collapsed within a few months, even weeks, if begun in the winter. Competition from likeminded operators or lack of managerial skills usually meant either bankruptcy or sellout.³

IN THE IRON RANGE country of northern Minnesota bus operators were both numerous and vigorous in the chaotic years prior to 1920. When Carl Eric Wickman, a former diamond driller, was unable to sell the first car shipped to his Hupmobile agency, he decided to run it as a jitney. Acquiring two partners, Andrew G. Anderson and C. A. A. (Arvid) Heed, both of whom were also previously employed in diamond drilling, he built up a regular service to the nearby mining community of Alice. As business grew, profits were invested in more vehicles. When the partners ran into competition with another bus operator, Ralph Bogan, they decided to merge to form the Hibbing Transportation Company. Business continued to increase and a new corporation, the Mesaba Transportation Company, was formed on December 17, 1915. Acquiring more buses to accommodate a growing number of patrons, the company, now with six members, transported passengers and freight between Hibbing and nearby Alice and Hibbing



CARL ERIC
WICKMAN, as he
looked in 1906

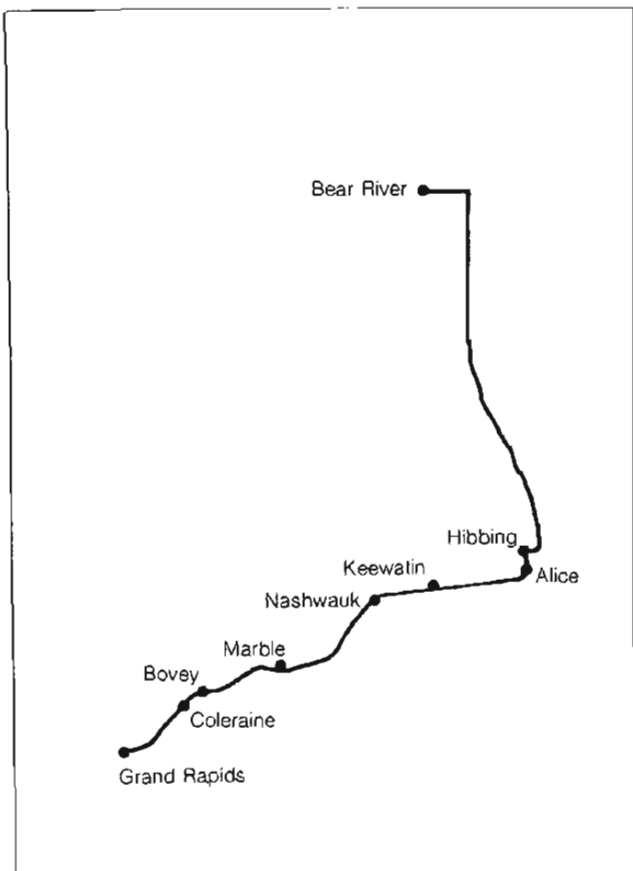
and Grand Rapids, taking in the intermediate points of Nashwauk, Marble, Coleraine, and Bovey. Trade was prospering.⁴

By December, 1917, the Mesaba Transportation Company was the largest bus concern on the range. With its fleet of 14 large buses, the company was able to maintain a half-hourly service to and from Alice, to make hourly trips to Nashwauk and all intermediate points, and to run two round trips daily between Hibbing and Grand Rapids. When roads were passable, the company made two trips a day to Bear River. To ensure

² In California auto owners pulled up at streetcar stops and offered rides for a "jitney" or nickel. The name jitney was frequently ascribed to the early passenger vehicles used before buses were designed; in 1915 the newly incorporated Mesaba Transportation Company was described as a jitney company. *Hibbing Daily Tribune*, December 17, 1915, p. 4.

³ Albert E. Meier and John P. Hoschek, *Over the Road: A History of Intercity Bus Transportation in the United States*, 1-9 (Upper Montclair, N.J., 1975); Burton B. Crandall, *The Growth of the Intercity Bus Industry*, 6-13 (Syracuse, N.Y., 1954); Ford K. Edwards, *Principles of Motor Transportation*, 5-9 (New York and London, 1933).

⁴ "Statement of Mr. Wickman in connection with his operation of the Northland Bus Company and predecessors of the Northland Bus Company," [May 15, 1925]. Northland Greyhound Lines, Inc. (Delaware). in Great Northern Railway Company Records, Minnesota Historical Society (MHS), hereafter cited as GN Records; Frederick H. Schultz, "Greyhound, The Greatest Name on the Highway," 5-7, unpublished manuscript, circa 1954, and C. G. Schultz, "Notes on Son's Thesis," both in Greyhound Corporation Collection, American Heritage Center Archives, University of Wyoming, Laramie, hereafter cited as GCC; "Jitney into Giant," in *Fortune*, August, 1934, p. 42, 110; Mrs. Andrew G. (Hilda V.) Anderson, "A History of the Beginnings of the Bus Industry with Grass Roots in St. Louis County," 5-14, unpublished manuscript, circa 1954, copy in MHS; *Hibbing Daily Tribune*, December 18, 1915, p. 4; Minnesota, Articles of Incorporation, Book B-4, p. 22, in Secretary of State's office, St. Paul; Walter Van Brunt, *Duluth and St. Louis County, Minnesota*, 2:567, 3:1059, 1120 (Chicago and New York, 1921).



MESABA Transportation Company routes, 1917

that these services could be maintained, the concern had its own garage and repair shop, employing four mechanics to look after the rolling stock. By 1918 the company had expanded to a fleet of 18 buses in northern Minnesota. Wickman and his associates were notable entrepreneurs and were attracting regional attention, but they needed to make several business adjustments if they were to expand in the postwar years, for the bus

industry was progressing out of its unorganized early stages.⁵

Throughout the nation, in the early and middle 1920s bus owners were bringing system and order to their expanding business. They were also responding to changing external conditions in the shape of regulations imposed by state governments. Within the industry itself practical mechanical experience and competition among small bus operators and, increasingly, among buses and steam and electric railroads brought significant improvements in motor-coach equipment and in business practices. On the design and technical side, the early sedan auto and its successor, the elongated passenger car with one or more additional rows of seats, capable of carrying up to 17 persons, were gradually replaced by specially designed buses with better mechanical features and larger and more comfortable carrying capacity. Bus owners had experimented with building their own vehicles but soon found that they could purchase superior buses either from truck or automobile manufacturers.

As early as 1921 the Fageol concern of Oakland, California, introduced the first vehicle specifically designed and built as a motor bus — the Fageol Safety Coach — a low-slung four-wheeler with sedan doors along the side, equipped with a powerful Hall-Scott airplane-type motor. The following year, the White Manufacturing Company of Cleveland began producing chassis designed for buses. Soon other motor vehicle manufacturers like the Pierce Arrow Motor Car Company of Buffalo, New York, or Wilcox Trux of Minneapolis started to specialize in manufacturing buses. Still other companies like Eckland Brothers of Minneapolis, Hoover Body Company of York, Pennsylvania, and Champion Auto Equipment Company of Hammond, Indiana, developed an expertise in manufacturing bus bodies. By the mid-1920s new types of buses with more powerful engines, larger seating capacity, improved safety features such as air brakes, and amenities such as heating systems and inside baggage racks were readily available.⁶

Improved vehicles demanded higher investment, and this capital was likely to be available only if bus companies were well organized and were managed efficiently with systematic procedures. As early as the 1860s railroads had found that survival in a larger market required co-ordination and control of traffic flows, accurate cost accounting, and divisional lines of command. Sixty years later bus firms faced a similar situation. Routes had to be selected carefully and traffic flow analyzed; simple and fast connections had to be available; well-trained drivers had to be at the right places at the correct times; and adequate numbers of mechanics were essential to maintain equipment in good running order. Garages were required for storing buses, and depots were needed to provide waiting areas and ticket sales in the cities, while a network of agencies, frequently located in hotels,

⁵ "Statement of Mr. Wickman," [May 15, 1925], GN Records; Anderson, "Beginnings of the Bus Industry," 5-13; *Mesaba Ore and Hibbing News*, December 21, 1917, sec. 2, p. 8.

⁶ The trade journal, *Bus Transportation* (New York), vols. 1-4 (1922-1925), contains practical articles on various facets of bus construction as well as advertisements by manufacturers. Meier and Hoschek, *Over the Road*, 17-25, provide general insights. Minnesota viewpoints can be found in a publication of the Minnesota Motor Bus Association, *Travel by Bus*, vols. 1-3 (1924-1926), and in taped oral history interviews of retired bus drivers and old residents of the iron range region: Arthur B. Lennartson, December 16, 1974; Paul D. Silliman, June 18, 1975; Allen Tamadge, October 24, 1975; Merle Hemphill, June 7, 1976 — all in Iron Range Research Center, Chisholm.

drugstores, or other establishments, were necessary to build up business in rural sections. Furthermore, updated schedules and widespread advertising were indispensable if entrepreneurs were to retain trade, let alone expand it.⁷

Institutional pressures in the form of state regulations also stimulated changes in the early long-distance bus industry. The need for improved roads and public demand for safety prompted several states, in the years up to 1919, to pass laws licensing vehicles and requiring driver insurance and competency. But, faced by the rapid growth of motor vehicle transportation after World War I, more states undertook specific and stringent motor carrier legislation and authorities increasingly became concerned with economic issues like competition and fares. Would-be bus operators now had to obtain certificates of public convenience and necessity and had to conform to specified financial and business practices and procedures. By 1925 three-quarters of the states, including Minnesota, required that bus companies meet some standards.⁸

MINNESOTA bus managers were well aware of the nationwide developments in both business organization and government regulations. In the northern iron range region, the Mesaba Transportation Company quickly moved into a more mature stage of operations. With the establishment of routes between Hibbing and Duluth and Virginia and Duluth, the company acquired new buses from leading manufacturers. A 45-horsepower White capable of a speed of 50 miles per hour, equipped with steel wheels, ventilators, and other improvements was placed on the Duluth run. Soon the latest Fageol model 20-passenger sedan with reclining seats was added. As service increased not only on the longer routes but also to Grand Rapids and on the shorter routes between the mining "locations," the Mesaba Transportation Company also built buses. Using its experience of running vehicles over poor roads in a harsh climate, managers hired local blacksmiths and mechanics to construct vehicles incorporating such special features as a unified heating system.⁹

The firm also formed a subsidiary manufacturing company—the Mesaba Motor Company—to build, repair, and sell buses. Most contemporary and subsequent sources have failed to distinguish the Mesaba Transportation Company from the Mesaba Motor Company. The Mesaba Transportation Company was incorporated on December 17, 1915, by C. E. Wickman, R. A. L. Bogan, C. A. A. Heed, and Andrew G. Anderson. Its first board of directors also included Dominick Bretto and Fred Lindberg. The Mesaba Motor Company, incorporated on October 23, 1919, by Wickman, Anderson, and Edwin C. Eckstrom, was formed to build, repair, and make bus and automobile bodies;

from 1920 onward it also operated buses. In 1922 the interests and personnel of the two companies diverged. Anderson and Bogan purchased the interests of Wickman and Heed in the Mesaba Transportation Company and ceded their interest in the Mesaba Motor Company. Wickman and Heed then moved to Duluth and expanded from there.¹⁰

The establishment of new, longer routes and better service and the acquisition of new buses were by themselves insufficient to constitute significant changes in operating practices. Hibbing bus operators realized the

⁷ Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass., 1977) is the standard authority on the modernization of business practices. For the bus industry, see numerous articles in *Bus Transportation*, vols. 1–4; by 1932 this periodical had compiled a specialized study, *Making Bus Operations Pay* (New York). Some technical manuals like Percival White's *Motor Transportation of Merchandise and Passengers*, 278–362 (New York, 1923) also offer guidance.

⁸ General discussions of the state regulation of motor carriers can be found in Crandall, *Intercity Bus Industry*, 38–97; Shan Szto, *Federal and State Regulation of Motor Carrier Rates and Services*, 9–189 (Philadelphia, 1934); John J. George, *Motor Carrier Regulation in the United States*, 1–213 (Spartanburg, S.C., 1929). More detailed information is available in *Bus Transportation*, vols. 1–4 and *Railway Age* (Chicago), vols. 70–79 (1921–1925); Minnesota, *Laws*, 1925, p. 178–185.

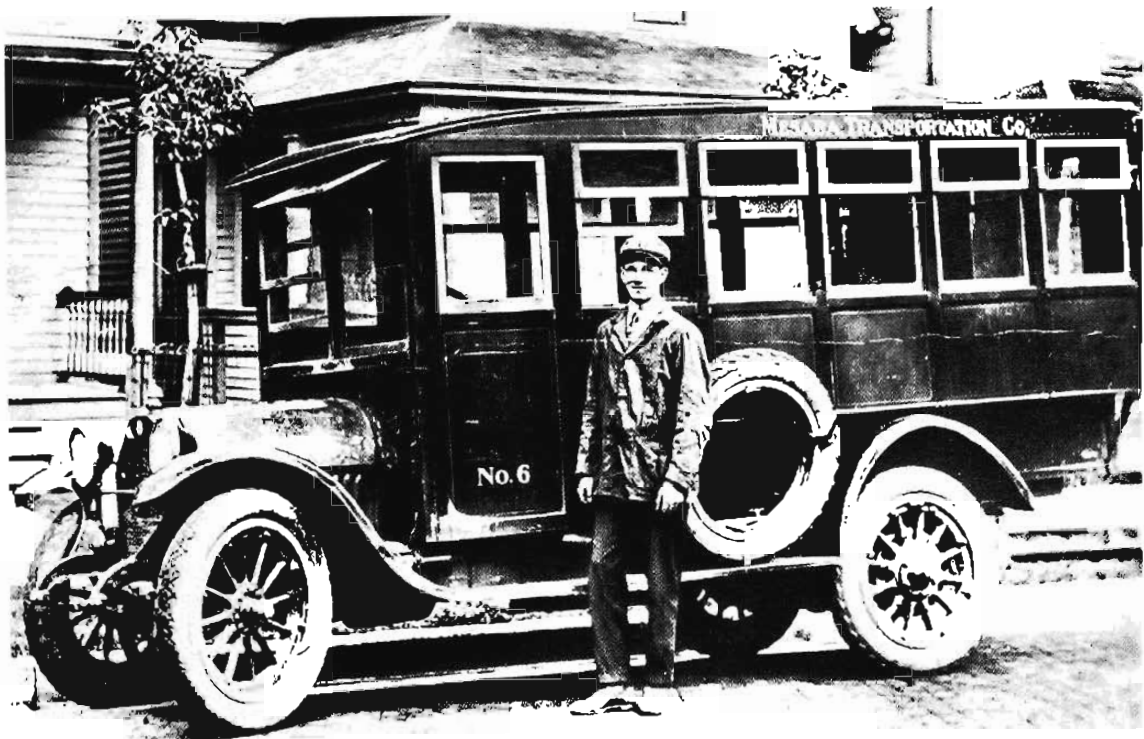
⁹ *Hibbing Daily Tribune*, May 21, p. 5, June 3, p. 1, 8, p. 8, September 23, p. 3, 1921, January 21, p. 8, February 15, p. 1, March 14, p. 8, April 29, p. 2, June 13, p. 2, August 9, p. 4, September 21, p. 1, December 29, p. 7, 1922; *The Truck And Bus Owner* (St. Paul), June, 1923, p. 7, August, 1923, p. 9.

¹⁰ Articles of incorporation, Book B-4, p. 22 and Book H-4, p. 584; "History," circa 1927, Northland Transportation Company (Minneapolis), in GN Records; *Hibbing Daily Tribune*, September 21, 1922, p. 1; *Truck And Bus Owner*, February, 1923, p. 8.

ANDREW G.
ANDERSON



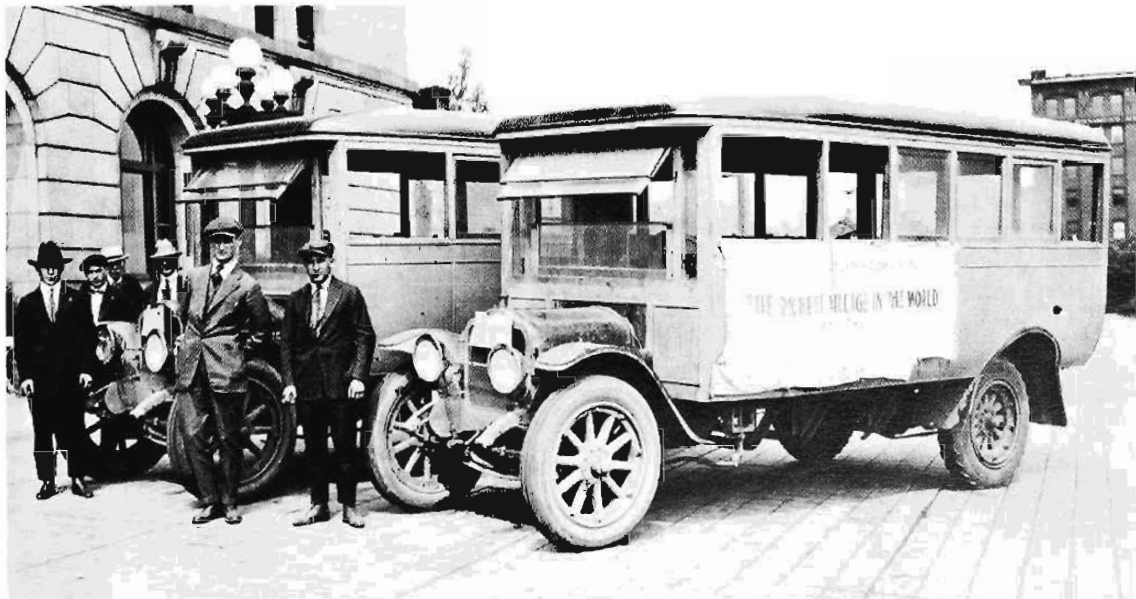
*BUS DRIVER
C.E. Graves and
his 16-passenger
Studebaker
motor bus*



*A PACKARD
Twin Six,
lengthened out,
served the new
route to Duluth
in 1919.*



*TWO WHITE
buses, en route to
Hibbing, pictured
in front of the
Duluth courthouse
in the early 1920s*



importance of a well-developed bus infrastructure and took care to establish good mechanical services and passenger amenities. The Mesaba Motor Company's garage building in South Hibbing provided modern facilities, consisting of a repair shop capable of accommodating 15 vehicles, a paint and main storage garage (reputed to be the best equipped in northern Minnesota), and two suites of offices. Then, in 1923, to service the long-distance route the Mesaba Transportation Company built a complex in Duluth, incorporating a garage with storage for 40 buses, a repair shop, and a body-building shop. They also had plans for waiting rooms and general offices. Along with these facilities came widely advertised regular schedules. While the novelty of riding on rubber was still adequate to attract many passengers, Hibbing entrepreneurs realized that to build up and maintain a steady trade in the face of competition from automobiles and steam and electric trains, they had to run both an economical and attractive service.¹¹

Though Hibbing was soon recognized for the stability and efficiency of its bus transportation it was not alone. As yet there was nothing unique about either its character or its personnel. Other Minnesota communities also had successful track records. At Eveleth in the north-eastern part of the state, the Range Rapid Transit operated by brothers John and Kent Fitzgerald served the eastern Mesabi Range and had good connections to Duluth, while the White Bus Lines (not to be confused with the Cleveland manufacturer) served the territory north of Lake Superior. In the southeastern part of the state the Jefferson Highway Transportation Company, under the leadership of E. L. Bryant and Rodney S. Dimmock, was steadily extending important routes toward points in Iowa and North Dakota. The Gopher Coach Lines operated between the Twin Cities and both Duluth and Mankato, while the Twin Cities & Southern pioneered bus operations from Minneapolis and St. Paul to various points in Wisconsin. There were indeed several ambitious bus managers running sound business lines, each contributing to the carrying of 10 million passengers in the state in 1922. Even further afield, California and Ohio operators, carrying 14 million and nearly 12 million passengers respectively, also offered examples of industrious intercity bus managing.¹²

WHY then should the major United States bus corporation — Greyhound — choose to find its roots in northern Minnesota and in Hibbing in particular? The answer lies in the merging of strong and thriving local companies into statewide enterprises, the involvement of the railroads primarily as allies of bus operators rather than competitors, further company amalgamations stimulated in part by state regulations, and finally entrepreneurial drive, by both bus managers and investment financiers in the late 1920s.

Mergers, rather than neighborly co-operation between small companies to carry passengers long distances, were essential as bus men broadened their horizons. Entrepreneurs could profitably extend and expand their business only through more unified operating systems, with cost-effective route planning, timetables, and centralized management of vehicle and driver availability. Competition could and did stimulate better services for both local and longer distance travelers. But with the growing popularity of bus transportation and the increasing consumer demands for quality service, companies had to sink additional capital into both vehicles and permanent structures such as garages and terminals. Such financial outlays demanded larger-scale ventures.¹³

Early mergers in Minnesota took place between 1923 and 1925. Late in 1922 Eric Wickman, still heading the Mesaba Motor Company, moved to Duluth. He bought the White Bus Lines, which maintained routes from Duluth to Grand Marais on the north shore, to Virginia on the eastern range, and to Minneapolis. As northern Minnesota's most substantial bus concern, the firm soon turned its ambitions southward. Wickman and others incorporated a new company, Northland Transportation, on December 20, 1924; with this transfusion of new capital, the young corporation shortly purchased the Mesaba Motor Company. The Northland, under the presidency of Wickman, expanded rapidly. In 1925 the most significant acquisition of routes took place when the Jefferson Highway Transportation Company, recently acquired by Edgar Zelle, sold its northern lines to the Northland. Zelle retained and expanded the Jefferson's lines in central and southeastern Minnesota. The most important acquisition of personnel took place when the Northland acquired the Superior-White Company

¹¹ *Hibbing Daily Tribune*, April 20, p. 23, September 23, p. 3, 1921, April 29, p. 2, September 21, p. 1, 1922, April 7, p. 1, 12, p. 3, July 13, p. 1, August 30, p. 2, 1923.

¹² *Hibbing Daily Tribune*, August 9, p. 4, September 21, p. 1, 1922, February 13, p. 3, October 23, p. 2, 1923; *Minneapolis Journal*, February 3, sec. 3, p. 10, 1924; "Statement of Issue of Stock for The Jefferson Highway Transportation Company, 1923," and *Jefferson Highway Transportation Company* (Minneapolis, [circa 1921]), both in Jefferson Company Records, Minneapolis; *Truck and Bus Owner*, December, 1922, p. 23, January, p. 8, February, p. 8, 9, June, p. 6, 7, 8, September, p. 5 — all 1923, April, 1924, p. 7; *Bus Transportation*, 2:58, 163 (January, March, 1923), 3:435, 439 (September, 1924); *The Northland Greyhound Lines*, 5 (Minneapolis, [1929?]), copy in Northland Greyhound Lines Inc. (Delaware), GN Records; L. A. Rossman, *A Romance of Transportation*, 4-7 (Grand Rapids, Minn., 1940).

¹³ *Bus Transportation*, 4:25, 47, 48, 64, 147, 261 (January, February, March, June, 1925); Crandall, *Intercity Bus Industry*, 88-94. Bus routes for motor carriers increased from 179,415 miles in 1924, the first year statistics are available, to 250,391 in 1925; National Association of Motor Bus Operators, *Bus Facts for 1927*, 3 (Washington, D.C., 1927).

See Minnesota by NORTHLAND BUS

See Minnesota by NORTHLAND BUS

ADVERTISEMENTS such as this were common after the formation of the Northland Transportation Company.



MINNESOTA HISTORICAL
SOCIETY
Pamphlet Collection

and its major entrepreneur, Orville S. Caesar. Caesar's mechanical skills, business acumen, and ambition would eventually lead him to the presidency of the Greyhound Corporation. Minnesota bus operators were pre-

¹⁴ A. L. Janes, assistant general council, to Ralph Budd, president, June 9, 20, 1925, President's Subject File 11532 and "History," circa 1927, Northland Transportation Company (Minnesota), both in GN Records; Articles of incorporation, Book Q-4, p. 795; *Hibbing Daily Tribune*, February 13, 1923, p. 3, February 1, p. 1, May 31, p. 12, November 18, p. 2, 1924; *Minneapolis Journal*, Travel and Resort sec., June 1, p. 1, General News sec., December 7, p. 1, 1924, May 13, p. 1, 7, 1925; *Truck and Bus Owner*, vols. 1-2 (1922-1924); *Travel by Bus*, vols. 1-2 (1924-1925). See also Rossman, *Romance of Transportation*, 11, and Arthur S. Genet, "Profile of Greyhound!" *The Greyhound Corporation*, 13, 14 (New York, 1958).

¹⁵ *Railway Age*, vols. 72-85 (1921-1927) contains lengthy discussions of the attitudes of particular railroads to bus transport. There was also considerable private discussion among railroad officials; see, for example, a circular letter from the General Superintendent of the Illinois Central Railroad to 12 railroads, January 18, 1926, together with a memorandum, "Suggestions for the Committee on how To Meet Motor Truck and Motor Bus Competition," President's Subject File 11532, GN Records.

pared to launch into big business with the Northland.¹⁴

But in 1925 the impact of railroad activity and of state regulations had a marked effect on the conduct and decisions of independent bus companies. Already in the early 1920s steam and electric railroads generally were voicing concern that bus services contributed to the decline in the number of their passengers. In an attempt to curb motor-coach competition, several major railroads cut their fares and agitated for more stringent regulations and higher taxation of road vehicles. Other companies, taking a more positive and constructive position, accepted the economic facts that motor coaches offered advantages of greater flexibility and cheaper running costs, especially for short- and intermediate-haul traffic, and decided to use buses as auxiliaries to or even in lieu of some trains. Their view was that co-operation was a more fruitful path to pursue than uneconomic competition or an attempt to curb transportation technology by regulation.¹⁵

IN MINNESOTA, the Great Northern, under its forward-looking president, Ralph Budd, was one of these railroads. In May, 1925, after much discussion and analysis of the problems and possibilities of a rate war



RALPH BUDD,
about 1930

with competing bus lines, Budd organized two subsidiary companies, capitalized at \$2,000,000, to carry passengers and freight. While the Minnesota Railroad and Warehouse Commission was still considering whether to grant these companies certificates of convenience and necessity, the Great Northern management abandoned its plans to establish new motor companies in favor of buying into the major existing independent firm, the Northland. Now Budd, Wickman, and Caesar used railroad capital and tapped new outside sources of finance to weld together a \$2,500,000 merger of eight independent lines, creating a huge operation dominating the region north and west of the Twin Cities of St. Paul and Minneapolis. By the end of 1925 the Northland Transportation Company ran some 150 buses operating over 2,625 miles of rural route, and it dominated motor transport in those parts of Minnesota served by the Great Northern.¹⁶

Meanwhile other railroad companies with routes in Minnesota were cutting rates in an attempt to retain passenger traffic. And in 1925, when the state government started to regulate motor carriers by licensing them, many railroads either petitioned the Railroad and Warehouse Commission for monopoly rights on their routes (on the grounds that there was insufficient public necessity and convenience for proposed competing bus services) or they abandoned uneconomic lines. Other railroads accepted the presence of bus lines but argued that these be taxed in the same way as the railroad passenger services, which were losing money. When the regulatory commission had examined all the arguments, its decision to grant 35 bus licenses while denying only four indicated that bus, as well as railroad transportation was an essential part of the economy and was here to stay. New state rules about safety, facilities, accounts, rates, and schedules were to create difficulties for undercapitalized and

poorly managed firms that wished to stay in business, but motor-coach operation was no longer an adventure. It was an organized and systematic business enterprise.¹⁷

Consolidation of independent bus companies, intervention by railroads in bus operations, and state regulation of motor carriers were common in many states. Even though Minnesota was one of the national leaders in long-distance bus activity, the genealogical linkage to the modern Greyhound Corporation still had to be forged more firmly during the next few years. The connections would be made through the Northland Transportation Company — indirectly through the entrepreneurial activity of the company's leading bus managers and then directly through a corporate reorganization — with the formation of Northland Greyhound Lines, Incorporated, which became part of the emerging Greyhound system.

In Minnesota the Northland strengthened its position as the dominant operator of passenger buses in the late 1920s. Great Northern ownership brought capital for investment in new routes and new equipment. In 1926, its first year of operation, Northland acquired six more bus companies with a route mileage of 1,848 and expended \$500,000 for new equipment. In the following year the purchase of the Mesaba Railway Coach Company gave the Northland the bus line paralleling the electric line, soon to be abandoned, between Hibbing and Gilbert on the iron range. Route extensions provided better service from the Twin Cities to points in central and northern Minnesota and more buses were added to the existing large fleet.¹⁸

¹⁶ Memorandum from George H. Hess, Jr., comptroller, concerning the Great Northern's involvement with the Northland Transportation Company. December 29, 1925; Samuel O. Dunn, editor of *Railway Age*, to Budd. November 27, December 8, 1925; Budd to Dunn, December 2, 1925; S. M. Felton, president of Chicago Great Western Railroad Company, to Budd, September 26, 1925; *Canadian Railway and Marine World*, September, 1926, p. 493 — all in President's Subject File 11532, GN Records: Van Brunt, *Duluth*, 1:460; *Minneapolis Journal*, May 21, p. 1, June 11, p. 26, 15, p. 1, 19, p. 1 and 33, July 14, p. 1, August 2, p. 1 and 4, August 4, p. 1, November 1, p. 1 and 4, 1925, February 7, 1926, *Auto sec.*, p. 7; *Railway Age*, 80: 1401 (May 22, 1926); *Bus Transportation*, 5:313 (June, 1926).

¹⁷ Budd to Merle Thorpe, editor of *The Nation's Business*, December 8, 1925. President's Subject File 11532, CN Records; *Minneapolis Journal*, May 19, p. 17, July 14, p. 1, 15, p. 15, 16, p. 13, 31, p. 1 and 8, August 16, p. 1, September 5, p. 1, 20, p. 1 and 6, October 4, p. 1 and 8, 19, p. 2, 22, p. 1 and 4, 26, p. 21, November 3, p. 4, December 6, sec. 2, p. 2, 1925, February 7, *Auto sec.*, p. 7, June 13, p. 3, 1926; Minnesota, Railroad and Warehouse Commission, *Auto Transportation Company Division, Biennial Report*, 1926, p. 167.

¹⁸ Here and below, see Northland Greyhound Lines Inc., "Acquisition of Routes by Purchase," and "Issue of Stock Notice," August, 1929, both in Northland Greyhound Lines Inc. (Delaware), GN Records: "The Motor Bus And Commer-

The year 1928 brought further activity; the Northland bought a large share of the routes belonging to the Mesaba Transportation Company, the last major independent operator in the range country. For six years after 1922 this firm had been a partnership between Anderson and Bogan. When that partnership dissolved in 1928, Anderson bought Bogan's share but sold Bogan his share in an Indiana bus company. Northland thus acquired most of the Mesaba company's routes from Anderson, who continued to operate the North and South Hibbing bus line. Another \$500,000 was spent on new equipment. Northland was going from strength to strength: when duplicate routes had been eliminated, the system's lines extended over 3,000 miles from Minneapolis and St. Paul to most major cities in Minnesota (except those in the southeastern section) and to cities in neighboring Wisconsin, Canada, and the Dakotas. During 1928 the fleet of 127 buses traveled 8,285,138 miles and carried 3,147,230 people. Other bus companies were active in Minnesota, but the Northland took pride of place.

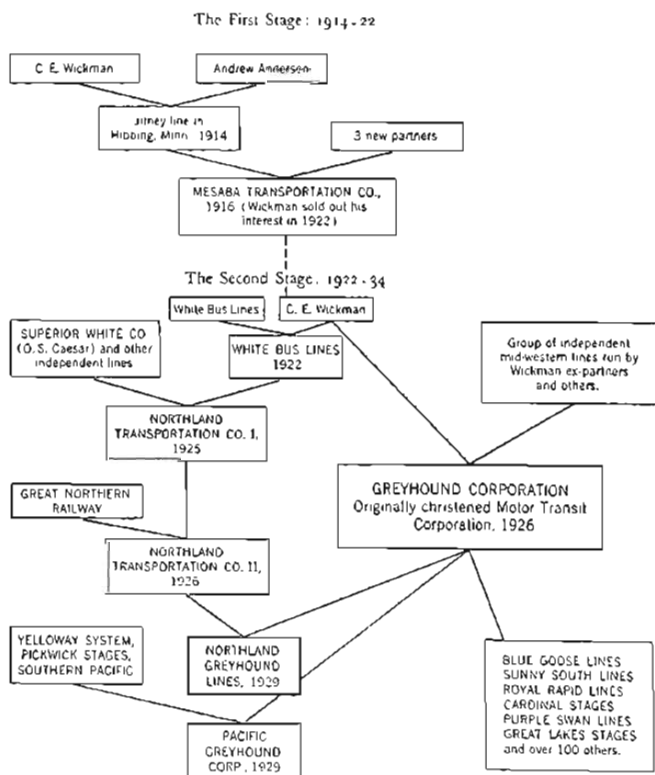
BUT the Northland was yet to become part of the Motor Transit Corporation, a consolidation that would form the basis of the Greyhound Corporation — and this bus giant still had to take on a strong Minnesotan leadership. Eric Wickman, president of the Northland, and Glenn W. Traer, of the Minneapolis investment securities firm of Lane, Piper & Jaffray would provide the main managerial and financial links from Minnesota to the Motor Transit Corporation in Chicago. Two other successful bus operators, Edwin C. Eckstrom, one of Wickman's former Hibbing partners who had moved to Michigan and then to Chicago, and Orville Caesar who moved from the Northland headquarters in Minneapolis to Chicago in 1927, would provide the linkage back to Minnesota. The shared experiences of these men, together with the assistance of other Minnesotans — bus operator

cial Transportation," abstract of an address by L. A. Rossman to the Iowa Electric Railway Association, Cedar Rapids, November 8, 1928, and "Northland Transportation Company," a memorandum by C. E. Wickman, April, 1927. President's Subject File 11532; *Bus Transportation*, 6:176, 291 (March, May, 1927), 7:174 (March, 1928); Minnesota, Railroad and Warehouse Commission, Auto Transportation Company Division, *Biennial Report*, 1928, p. 160, 307, 308, [319]; *Hibbing Daily Tribune*, February 1, p. 8, 3, p. 13, 1928. ¹⁹ "Statement of Mr. Wickman," [May 15, 1925]; W. R. Fowler, Jr., advertising department of Motor Transit Corporation, to C. E. Doherty, September 10, 1925, includes a proposed newspaper article, in correspondence file, 1927-1928, GCC; *Minneapolis Journal*, City Life sec., July 1, 1928, p. 3; *Mesabi Daily News*, February 15, 1962, in "Bus Lines," clippings file, Northeast Minnesota Historical Center, Duluth; *The Greyhound Traveler*, June, 1929, p. 10, 11, 28, February, 1930, p. 16, 17, 29 and *Motor Bus Traveler*, April, 1930, p. 22, 23, 40, both forerunners of *Highway Traveler*; *Bus Transportation*, 6:465 (August, 1927).

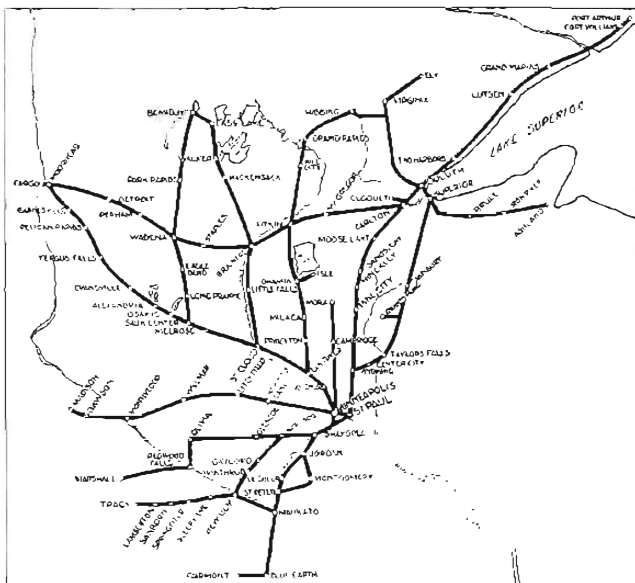
Ralph Bogan, banker Richard L. Griggs, Ivan Bowen, formerly of the Minnesota Railroad and Warehouse Commission, Christian Steen, formerly of Lane, Piper & Jaffray, and Minneapolis accountants E. M. Rumpf and R. B. Phillips, of Touche, Nevan and Company — gave the emerging Greyhound Corporation its firm connections to the state.¹⁹

Wickman's experience in managing bus companies was not limited to Minnesota. As early as 1924 he had been involved in running lines in Michigan, Wisconsin, Illinois, and Indiana. Clearly he envisaged a strong future for bus transportation, but his expansionary plans required more capital than could be generated by his early business profits. Initially he had looked for and found financial support from local banks. Richard Griggs, vice president of the Northern National Bank of Duluth and treasurer of the Northern Trust Company, was particularly helpful during the mid-1920s, but by that time the financing of bus operations on a statewide or regional scale required the services of specialized investment bankers. Here Wickman was fortunate in attracting the services of Glenn Traer. Impressed by the performance of bus firms in Minnesota and by their relatively harmonious relationship with the railroads, Traer took a decisive role in forming and in marketing the stock

THE CORPORATE HISTORY OF GREYHOUND



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THIS 1926 route map shows the dramatic growth of bus service in Minnesota since 1914.

of existing companies like the Northland and in amalgamating lines.²⁰

Following successful sales of Northland Transportation stock, Traer ambitiously turned to the regional scene with the capitalization of the Motor Transit Corporation. This concern had been organized in September, 1926, as a \$10,000,000 holding company in the field of bus transportation, primarily in the Middle West. Motor Transit had been formed by acquiring Eckstrom's Safety Motor Coach Lines of Michigan and two other companies, the Interstate Stages Inc., operating from Chicago to Detroit, and the Transportation Securities Company, an equipment finance concern. Eckstrom had successfully built up a bus company in western Michigan, which he ran under the name of Greyhound Lines. When he moved to Chicago, he sought to acquire new routes by attracting both Chicago and Minneapolis money and skills. He relied partially on men in Minnesota because he had long-standing contacts there and he knew that bus transportation in that northern state was in the forefront of technological and managerial developments. Wickman was to provide the business experience; Lane, Piper & Jaffray furnished investment services; and the Northern Trust Company of Duluth contributed some financial underwriting.²¹

Traer had marketed the early issue of Motor Transit Corporation stock in the spring of 1927. Expansion was rapid, and during the year the corporation extended the routes of its original bus subsidiaries. It purchased three lines running out of Chicago: the Royal Rapid Transit Company to Janesville, Wisconsin, the Mohawk Stage Lines to northern Illinois, and the Purple Swan Safety

Coach Lines to St. Louis and Kansas City. When Ed Eckstrom withdrew from Motor Transit in July to run the Southland Greyhound lines in Texas, Orville Caesar, superintendent of the Northland Transportation Company in Minneapolis, moved to Chicago to become president of Motor Transit. More capital was needed in 1928 to acquire further routes, to buy new equipment, and to improve services and facilities.²²

Once again Motor Transit, which was now using the name Greyhound throughout the system, drew on the services of the Minneapolis investment firm. In the summer of 1928, at a meeting held to familiarize salesmen and investors with the new financing, Harry C. Piper, vice president of Lane, Piper & Jaffray, stated that expansion had been faster than anticipated; Motor Transit had moved rapidly in order to hold its position and get into new territory before it was tied up by competing systems. He expected to build up revenues once the corporation had established its network.

THE ACQUISITIONS of the Motor Transit Corporation, or the Greyhound Corporation as it more frequently became known, were almost breath-taking. From a total coach mileage of 5 million in 1927, the figures increased to 20 million in 1929. In 1928 the corporation acquired nine operating subsidiaries, most of which were east of Chicago. By the end of the year it controlled, through these acquisitions, a strong system of lines between Chicago and Pittsburgh.²³

In 1929, stimulated by the prospect of a national bus

²⁰ Lane, Piper & Jaffray, Inc., *Business Survey*, October 20, 1927, copy in President's Subject File 11532; "Greyhound Bus - Motor Transit," "Banking," in Richard L. Griggs Papers, Northeast Minnesota Historical Center; interviews with Harry Piper, Jr., and Ruth Cranston, 1983, oral history transcripts in offices of Pine and Mundale Inc., authors of *Ticker Tape Tales: Piper, Jaffray & Hopwood, 1895-1985* (Minneapolis, 1986); *Hibbing Daily Tribune*, May 31, p. 12, November 18, p. 2, 1924; *Greyhound Traveler*, June, 1929, p. 10, 11, 28; *Encyclopedia of American Biography*, 31:7, 8 (New series, New York, 1961); *Duluth City Directory*, 291 (1925).

²¹ "Corporate History of the Greyhound Corporation and Affiliated Companies," September 26, 1930, and Report of Sales Meeting, April 30, 1927, Miscellaneous File, both in GCC: Schultz, "Greyhound, The Greatest Name," 8-10; *Bus Transportation*, 5:707 (December, 1926), 6:465 (August, 1927); "Jitney into Giant," *Fortune*, August, 1934, p. 110, 113.

²² Here and below, see Motor Transit Corporation, "Issue of Stock Notice," April 20, 1927, President's Subject File 11532; "Corporate History of Greyhound," and "Sales Meeting, Motor Transit Corporation," being procedures of a meeting to discuss motor transit financing, Summer, 1928, both in Miscellaneous File, GCC: *Bus Transportation*, 6:465 (August, 1927), 7:81 (February, 1928); *Minneapolis City Directory*, 1942 (1928).

²³ Here and two paragraphs below, see "Corporate History of Greyhound"; Greyhound Corporation, "New Issue of Stock Notification" and "Accompanying Letter," March, 1930, and "Supplementary Information for Salesmen: The Greyhound

service, Greyhound started to buy substantial minority interests in bus companies and their subsidiaries in other parts of the United States. First purchasing the companies of the Pioneer Yellowway System (a large regional network whose owner, Wesley E. Travis, had inaugurated the first transcontinental bus service), Greyhound then set up a new company, Pacific Greyhound, on the west coast. In the South, Greyhound acquired an interest in the Southland Transportation Company and in the East purchased the Gray Line and part of the Colonial Motor Coach Company to form Eastern Greyhound Lines.

In the north, Greyhound bought into the Northland Transportation Company, which was then reorganized as Northland Greyhound Lines. The Great Northern Railway took, as part payment of its stock, a 30 percent interest in the common stock of Northland Greyhound. The leading bus company in the Upper Midwest was

now an integral part of a sprawling empire. Because Northland's managers had been influential in stimulating the nationwide merger and were to take an active role in national decisions in years to come, Greyhound thus looked north to its foundations.

Minnesota contributions to the birth of this big inter-city bus business were strong. Within 15 years entrepreneurs in the iron range country had built up a steady and reliable transportation network. Similar developments took place elsewhere in the second decade of this century, but by the early 1920s northern Minnesota bus executives exuded an air of confidence and stability which was evident in only a few other parts of the United States. They extended their dynamic entrepreneurial skills to forming a national consolidation. The new Greyhound Boulevard in Hibbing now offers concrete testimony to the iron range origins of big bus transportation.

Corporation," February 27, 1930 — all in GCC: Stock Issue, certificate of incorporation, 1929. Northland Greyhound Lines, Inc. (Delaware), GN Records; *The Greyhound Limited*, September, 1929, p. 1, inhouse company newsletter, copy in President's Subject File 11532; *Bus Transportation*, 8:168, 350-352, 509 (March, June, September, 1929); John B. Walker, "Selling More Rides," in *Railway Age*, 88:725-728 (March 22, 1930); Schultz, "Greyhound, The Greatest Name," 10-15.

THE ILLUSTRATIONS on p. 310, 312, and 314 are from the Northeast Minnesota Historical Center in the University of Minnesota-Duluth; those on p. 315 (top and center) are from the American Heritage Center, University of Wyoming Archives, and (bottom) from the L.A. Rossman files in the Northprint Company, Grand Rapids; the chart on p. 319 is adapted from *Fortune*, August, 1934, p. 42; that on p. 321 is used with permission of Greyhound Lines, Inc., Phoenix, Arizona. All others are in MHS audio-visual library.





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