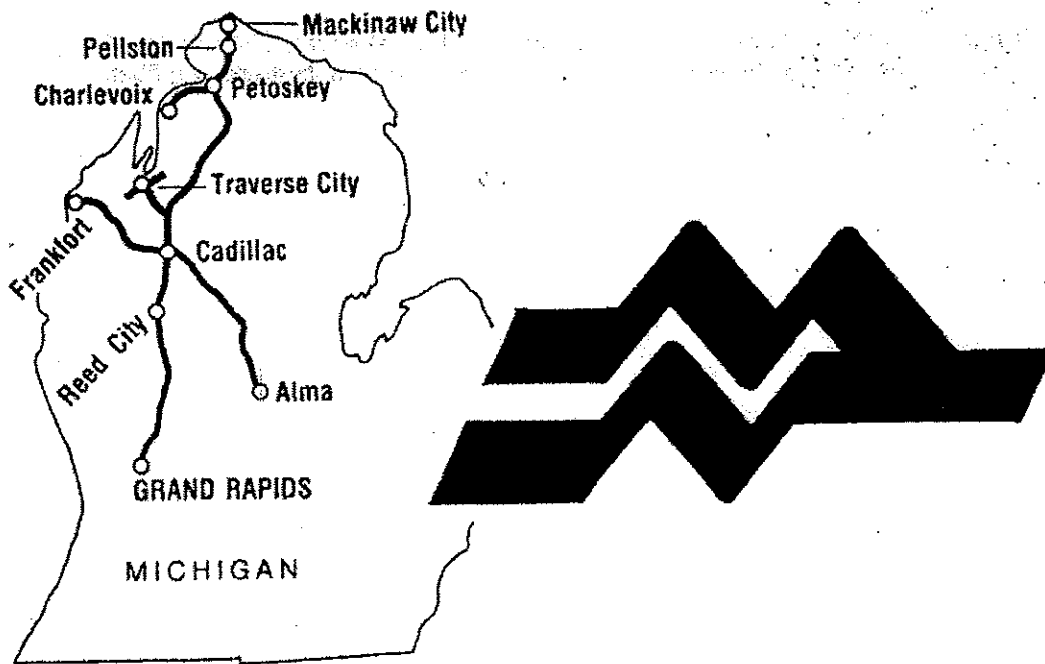


**Michigan Northern Railway
Formed in December 1975**



MICHIGAN NORTHERN RAILWAY

The Michigan Northern was formed in December 1975 to take over operation of the Grand Rapids & Indiana Line of the former Pennsylvania Railroad between Grand Rapids (Comstock Park, north of Grand Rapids) and Mackinaw City, Michigan. The Line was not slated for inclusion in Conrail and it was purchased by the Michigan State Highway Commission to maintain rail service in the area. Michigan Northern began operation on April 1, 1976, which was also start-up day for Conrail.

It was a rocky ride for the Michigan Northern. "Handicapped from the start by its long route (248 miles) and death of originating traffic, the Michigan Northern made up for its shortcomings by making news: exotic locomotives, long-distance passenger trains, a controversial rate "flag-out.""

"Michigan Northern began life with a couple of ex Southern Alco RS3's, later operating the last two existing Baldwin RF-16's Sharknose cab units (ex-Delaware & Hudson, originally NYC), three Baldwin RS-12's, and eventually settled on a collection of GP7's. Initially, the Michigan Northern was subsidized by the state. The railroad hauled only a modest amount of traffic until 1978, when it refused to go along with a 5 per cent rate increase - the infamous flag-out, a maneuver in which Michigan Northern undercut its connections and offered its own rates on bridge traffic. Michigan Northern had maintained that its solvency depended upon bridge traffic which could be ferried across the Straits of Mackinac by the carferry *Chief Wawatam*. The result of the flag-out was a rush of Pacific Northwest lumber moving over the route. Revenue had soared from \$20,000 a month to

\$150,000. In June 1977, Michigan Northern hauled only 10 cars of overhead traffic; in June 1978, the figure was 642 carloads! This high level of overhead traffic continued until the early 1980's when deregulation eliminated Michigan Northern's bridge-route advantage."

In February 1982, C&O abandoned its most northerly reach, the Manistee-Traverse City-Bay View (Petoskey) line, once the route of Pere Marquette's *Resort Special*. Michigan Department of Transportation purchased two segments: 21 miles, Grawn-Traverse City-Williamsburg (connecting in Traverse City with Michigan Northern's Walton Junction branch) and 16 miles, Charlevoix-Bay View. The Michigan Northern was designated operator; C&O scrapped what the state did not pick up.

On October 1, 1982 the Michigan Northern grew even longer, when it assumed responsibility for the 148 mile Alma - Frankfort segment of the Ann Arbor Railroad, formerly operated by Michigan Interstate. When Michigan Interstate had reinstated service the summer of 1982, after a dispute with the Michigan Department of Transportation, it was without any provision to resume the carferries, which had last operated on April 27, 1982. Despite attempts by former carferry employees and concerned citizens to persuade legislators in Lansing to resume a ferry subsidy, the cross-lake service never returned. (The best-known Ann Arbor boat, the Viking, was left tied up in a Sturgeon Bay (Wis.) boatyard awaiting disposition.)

The Penn Central closed rail operations, the *Chief* was conveyed to the Straits Corp. On December 1, 1982, the Boat Company, a subsidiary of Michigan Northern Railway, took over the service

With loss of the overhead traffic and the imminent phase-out of the state's rail subsidy program, Michigan Northern attempted to augment income by expanding into passenger trains. First in 1982 with the *Bay Rail Express*, four round trips on summer weekends over the 16-mile ex-C&O line between Petoskey and Charlevoix. The following year, Michigan Northern revived the *Michigan Arrow* name (Pennsy's Chincinnati-Mackinaw City resort train which ran until 1961) with several lengthy trains of stream-lined equipment between Cadillac and Mackinaw City.

Alas, Michigan Northern couldn't last. Unhappy with the road's accounting procedures and doubtful of its ability to survive, the state of Michigan withdrew its subsidy from Michigan Northern, in May 1984. The Tuscola & Saginaw Bay took over operation of the Alma - Frankfort segment of the old Ann Arbor line. The *Chief* made its last run in late August 1984 after the Soo Line dock in St. Ignace was determined to need repairs. The old boat, serving since 1911, was tied up Mackinaw City and service was never resumed. In 1986, Soo Line was granted approval to abandon of its St. Ignace Trout Lake line, the only Upper Peninsula rail link to the ferry. In the early 1990s the Chief Wawatam was scrapped and turned into a barge.

On October 1, 1984, the Tuscola & Saginaw Bay took over operation responsibility for the remaining state-owned lines from the Michigan Northern. Service was discontinued south of Reed City

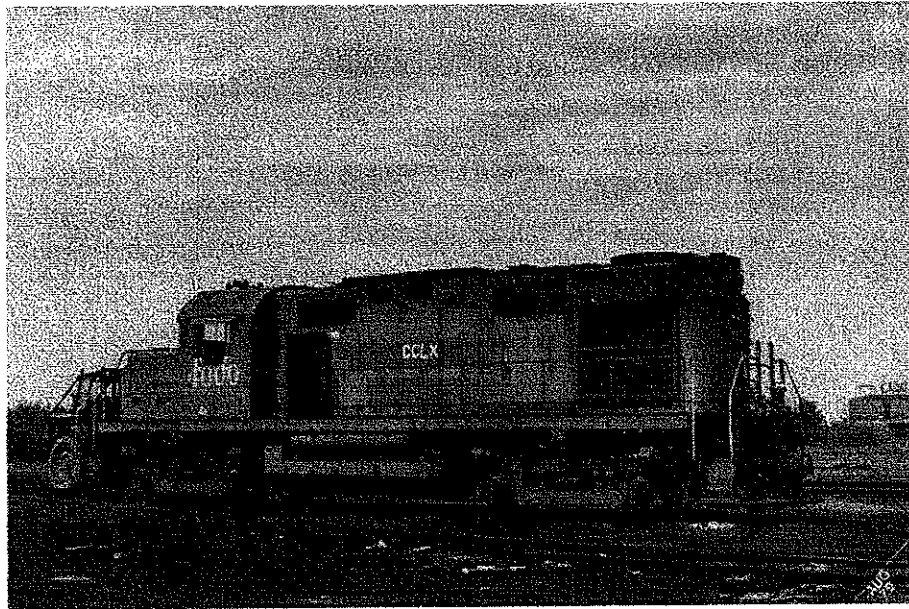
The Michigan Northern refused to die. The embattled company retracted to the northernly Bay View (north of Petoskey) - Mackinaw City segment, which Michigan (The line was not included in Conrail.) had not purchased. The Michigan Northern now extended from a connection with the Tuscola & Saginaw Bay at Petoskey to a connection with the Detroit & Mackinaw at Mackinaw City, Michigan, 33 miles north. Rail is 75-100 pound, and the load limit is 263,000 pounds. The line was opened in 1882 as part of the Grand Rapids & Indiana system, which was leased to the Pennsylvania Railroad in 1919. Regular passenger service ended in 1949. The Michigan Northern worked out a purchase agreement with Penn Central, establishing a headquarters in Pellston. A truck - to - rail transfer

facility was established for steel products from the Algoma Steel Plant in Sault Ste. Marie, Ontario. This freight, carried in leased gondola cars, constituted Michigan Northern's sole traffic except for occasional excursion trains. By January 1986, though, the steel traffic had dried up as the U.S. - Canada exchange rate fluctuated and oil prices fell. The loads were then turned over to T&SB at Petoskey.

In spring 1986, the demise of the Michigan Northern was widely anticipated, but the railroad with nine lives was back again in the summer with excursion trains. Claiming the Michigan Northern had been delinquent on payments, the Penn Central sold the track to the Equipment Co. of Greenville, SC, which planned to scrap the line. In July, a federal district judge granted Michigan Northern a six month grace period to purchase the track back from the Equipment Co. Service was suspended January 11, 1986. But the railroad never raised the necessary \$150,000. On Friday, April 10, Michigan began removing its motley assortment of equipment stored in Pelston. A half dozen battered GP7's, some box cars, a snow plow, two heavy weight passenger cars, and other rolling stock. The last train rolled out on Sunday afternoon, April 12, and the equipment was stored in Petoskey on the Tuscola & Saginaw Bay, where it awaited disposition. The scrappers began dismantling the northernmost remnant of the Pennsy in June 1987.

This short history of the Michigan Northern Railway was put together around 1998 by Fred Paepke from an article in TRAINS magazine, and some local news paper articles from the period.
Photos by Fred Paepke

Note: The some of the above information was copied from an article in Trains, "Michigan Metamorphosis" by Ron Cady, October 1987.



Michigan Northern
mackinac gateway route



Address of general offices: P.O. Box 359, Cadillac, MI 49601

Shops: Cadillac, MI

Miles of road operated: 1976 - 248; 1983 - 432

Reporting marks: MIGN

Number of locomotives: 1976 - 2; 1983 - 8

Number of freight cars: 1983 - 22

Number of Passenger cars: 1986 - 2

Principal commodities carried: Sand, lumber, LP gas, foodstuffs

Junctions with other railroads: Cadillac & Lake City: Missaukee Jct.; Chessie System: Alma, Clare, Reed City; Conrail: Grand Rapids; Detroit & Mackinac; Mackinaw City; Soo Line; Mackinaw City; Tuscola & Saginaw Bay: Alma

Radio frequencies: 160.650

Passenger route: Cadillac-Mackinaw City, Cadillac-Charlevoix, Traverse City-Williamsburg.

Predecessor railroads: Ann Arbor, Pennsylvania Railroad, and Pere Marquette

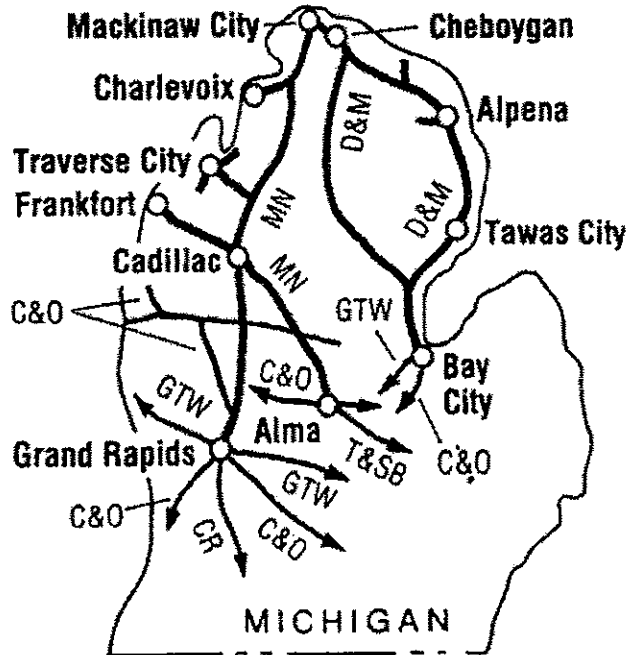
Successors: Tuscola & Saginaw Bay

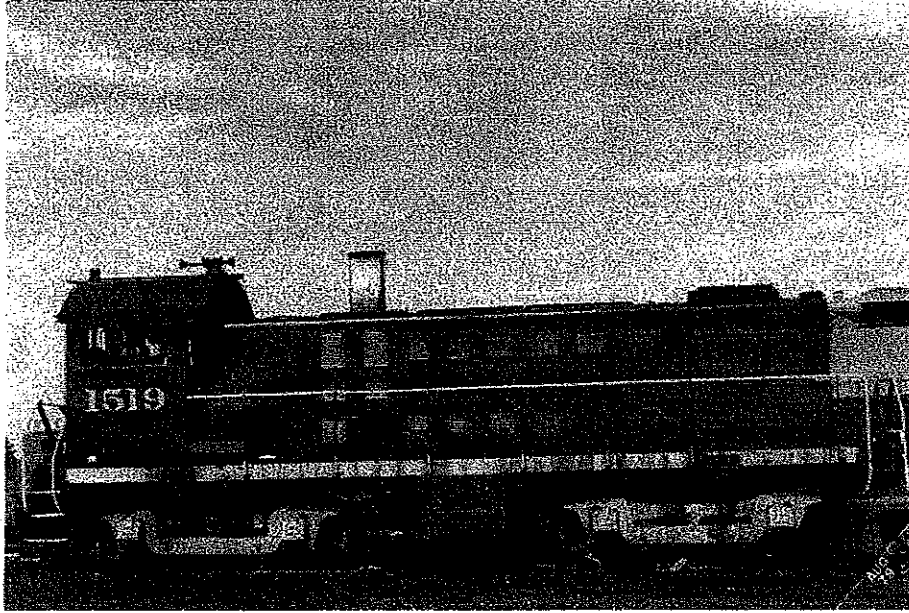
Portions still operated as of March 1986:

Petoskey-Pellston: Michigan Northern Reed City - Petoskey-Charlevoix; Alma-Frankfort; Walton Jct.-Traverse City; Grawn-Williamsburg: Tuscola & Saginaw Bay

Portions still operated as of December 1997-12-17

Petoskey-Cadillac; Alma-Thomasville; Walton Jct.-Traverse City; Grawn-Williamsburg: Tuscola & Saginaw Bay





MIGN Alco S4 1519
ex Santa Fe 1519



MIGN Alco RS32 4000
ex Chrome Crankshaft 4000
exx Southern Pacific 4000
exxx Southern Pacific 7300