MINNESOTA'S "MR. BUS":
Edgar F. Zelle and the Jefferson Highway Transportation Company

In March 1944 Edgar F. Zelle, president of the Jefferson Transportation Company, Minneapolis, resigned as associate director of the Office of Defense Transportation's division of local transport, where he directed the administration of regulations and policies affecting intercity and school buses. This onerous and responsible wartime appointment recognized Zelle as both a major intercity bus operator and one of the industry's most respected leaders. On returning to Minneapolis, he continued for several years to manage the independent regional company to which he had devoted almost a quarter of a century.

Edgar Frederick Zelle was born in 1890 in Havana, Illinois, to Lydia and Charles Zelle. Five years later the family moved to New Ulm. There young Zelle pro-


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gressed through grade and high school, helping in his parents’ shoe store and thereby gaining some knowledge of small-scale business. While in high school he learned shorthand from a neighbor who was court reporter for Brown County. With this skill the 16-year-old obtained a position as a stenographer at the Eagle Roller Mills Company. Within two years he became personal secretary to its president. Yet Zelle wanted more than a routine job in New Ulm and decided to see what possibilities lay in the Twin Cities. On reading a University of Minnesota bulletin, he realized that higher education could open doors to success, and he calculated that if he used his savings of two years and found a part-time job, he could finance a degree course. Going early to inquire about registration, he talked himself into a job on the payroll of the busy university registrar’s office. He was, in the early fall of 1909, set on new directions.

Four years later he received his B.A. degree, attaining the scholastic honor of Phi Beta Kappa. A degree, however, was not the only achievement of his undergraduate career. He supported himself by his afternoon secretarial work for the registrar and for private firms; occasionally, as a court reporter; and by selling his class notes, which he had typed and copied. Indeed, he was so well known for his entrepreneurial skills that he became business manager of the 1913 Gopher, the annual yearbook published by the junior class. He also found new activities in the university environment. Debating became his forte, an interest that would serve him well as a public figure. He joined the debating squad as a sophomore and in his junior year became a member of the intercollegiate team. He also belonged to the Forum Literary Society, the social fraternity Alpha Delta Phi, and the legal organization Phi Delta Phi. He was developing the versatility that gained him the presidency of the senior class and later carried him into civic and cultural activities.

On graduation Edgar Zelle turned not to the law, as he might have done, but to the business world. He was immediately offered a position as secretary of Wilcox Motor Truck Company, a manufacturing firm in Minneapolis. There he gained considerable experience in an emerging part of the motor-vehicle industry. In 1913 few trucks were being used, partly because they were innovative and partly because servicing them was a difficult task, usually done at the factory. Such a situation was often not convenient for owners. Recognizing a business opportunity, Zelle decided to organize a company that would lease trucks to the contractors who were constructing Minnesota highways and to other local wholesale and manufacturing firms. But where and how would he raise the capital to begin? He persuaded his home-town banker in New Ulm to loan part of the money. His friend Cavour L. Truesdale, who was similarly impressed by the growth in road transport, also invested in the venture. In 1915, the year he married, Zelle formed the Motor Truck Service Company, located in Minneapolis’s St. Anthony Main neighborhood. Shortly thereafter he decided to build and run a gasoline station to provide for the new company’s needs. Buying in bulk from the Sinclair Oil Company, he then supplied nearby industrial plants.

Once the truck company was doing well, Zelle decided to enter another motor-vehicle business: buses. This was not a difficult feat. In these pioneering years the construction of the two vehicles was similar. A bus could be built on a truck chassis, and Wilcox could manufacture both. Several entrepreneurs were operating bus services both within the Twin Cities and to towns in southern and central Minnesota; in addition, there was a flourishing business in the Iron Range country of northern Minnesota. Watching the growing popularity of the automobile, made all the more enticing by the expansion of the road network, Zelle and Truesdale decided to capitalize on Minnesotans’ desire to increase their mobility. In 1918 they started the Red Bus Line running north to St. Cloud.
THE RED BUS LINE was one of several services out of the Twin Cities, but Zelle was more ambitious and a better manager than most of his counterparts. Gradually he pushed his line north through Little Falls to Brainerd and west through Sauk Centre to Wadena, gaining passengers and a good reputation through reliable service and reasonable fares. In 1923, for example, travelers bound for Minneapolis paid $1.00 from St. Cloud, $1.50 from Little Falls, and $2.00 from Brainerd. Competition in these unregulated years was stiff, not least from the Jefferson Highway Transportation Company, itself a merger of several small, owner-operator concerns. Rate warfare, both among the rival bus lines and between the buses and the trains, provided local residents with cheap travel but brought financial headaches to the operators. Railroad managers complained vociferously about their loss of passengers and petitioned the Minnesota Railroad and Warehouse Commission, a regulatory agency founded in the 19th century, to discontinue some services. Recently formed bus companies with little or no financial reserves faced bankruptcy or reorganization. The Red Bus Line weathered the storms, however, posting a net profit of $20,000 in 1924.

The Jefferson Highway Transportation Company, on the other hand, was in poor shape by that time. Copartners Emery L. Bryant and Ivan D. Ansell had founded the firm in September 1919, operating their

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first bus between Minneapolis and nearby Osseo. Char­
tered by the Minnesota State Securities Commission on
March 23, 1920, the company gradually built up its
equipment and routes so that by mid-1922 it had nine
buses and lines extending to St. Cloud, Aitkin, and
Mora. That same year it absorbed Rodney S. Dim­
mick’s Touring Car Bus Company, running between
Minneapolis and Rochester, and incorporated under
the laws of Delaware. Ambitious plans were circulating
early in 1923. If sufficient capital was forthcoming
from the sale of stock, Jefferson would purchase new
equipment and extend its lines to Sauk Centre,
Brainerd, Bemidji, Grand Rapids, and Fargo, North
Dakota. Clifford C. Schultz, a Minneapolis attorney,
worked with that city’s Phoenix Corporation on the
stock flotation issue.7

Like many other operators and would-be operators
on both proved and untried routes in these heady, un­
regulated years, the directors of the Jefferson company
were hoping to make a profit quickly. In 1923 they
more than doubled their vehicles, going from 17 to 48.
Yet despite having some of the best routes in the most
heavily populated southern parts of the state, these
men were losing money. Management was poor. In the
financial year ending August 1924, competition and
rate slashing meant lower revenue, yet expenses re­
maind high. The need to purchase extra snow-fighting
equipment as well as buses and the requirement to set
aside a fund to replace obsolete vehicles brought the
embarrassing result of no stock dividends. By 1925 the
company could not hide its mounting difficulties.
Debts were estimated at $300,000 by midyear, at which
time postdated checks were written to take care of lia­
bilities. The officers were looking to a rescue package
from the Phoenix Corporation, but another option soon
proved more effective.8

THE YEAR 1925 might be regarded as a turning point
for Minnesota's bus industry. The state ranked second
in the nation in bus mileage. In its northern parts, the
Northland Transportation Company, a merger of sev­
eral smaller firms, was becoming a dominant force. It
was aided and partly financed by the Great Northern
Railway, one of the few such lines to work with, rather
than against, bus companies at that time. In the south­
een and central regions of Minnesota, the Jefferson
Highway Transportation Company, despite its finan­
cial problems, was the major operator. Smaller con­
cerns like the Red Bus, Boulevard Transportation, and
Interstate Transportation companies offered alterna­
tive and parallel routes. Lawmakers were well aware of
activity in other states and felt considerable pressure
from the railroads to enact regulation. In April 1925
the state legislature passed “an act providing for super­
vision and regulation of transportation of persons and
property for hire as common carriers on any public
highway in this state, by motor vehicles . . . subjecting
such transportation to the jurisdiction and control of
the Railroad and Warehouse Commission.” Bus com­
panies would have to prove the convenience and neces­
sity of their service in order to receive a license and
continue operating. They would have to conform to

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certain standards, such as having adequate public liability and indemnity insurance, providing all-year continuous service, and keeping financial records that could be scrutinized. The commission would determine schedules and rates, which could not be changed without permission. Some bus companies could not meet such standards. Those that could also wanted to purchase the routes of weaker competitors.¹¹

Edgar Zelle and the officers of the Jefferson Highway Transportation Company were able to help each other in 1925. The latter, with a gross earning capacity of some $700,000 annually, sorely needed a good manager. The former, running the Red Bus Line at a net profit, clearly had business acumen. Zelle, however, wanted a free hand, and he had neither the capital nor the desire to organize a large firm or become part of a national network. He did, however, have the credibility to obtain partial financing. Borrowing money from the First National Bank of Minneapolis, he purchased the Jefferson’s common voting stock. He was thus able to obtain a 90-day option during which time he ran the company. Zelle then proceeded to negotiate with the Northland Transportation Company and the Great Northern Railway to sell all the lines north of Minneapolis, leaving himself with the southern routes between the Twin Cities and Rochester and between the Twin Cities, Owatonna, and Albert Lea. The money from this deal and the sale of the Red Bus Line to the Northland financed his purchase of the Jefferson Highway Transportation Company.¹²

The two leading bus companies in Minnesota thereby reached a satisfactory agreement, apparently dividing their territory. Northland then consolidated its position by purchasing other, smaller lines in the northern and north-central parts of the state, paralleling the routes of the Great Northern Railway. Within a few years it would become part of the national Greyhound network. Zelle, at the head of a much slimmed-down but financially sounder Jefferson Highway Transportation Company, could concentrate on developing the more profitable southern lines. He removed most of the previous directors and took on a capable staff, most notably Lester P. Wakefield, who began as a bookkeeper and became Zelle’s right-hand man.¹³

During late 1925 and early 1926 Zelle concentrated his attention on defending his newly acquired bus business. Four major railroads opposed his routes from Minneapolis to Rochester and to Albert Lea. In response, he organized his patrons to petition and testify as to the public convenience and necessity of his buses at the Minnesota Railroad and Warehouse Commission’s hearings in Rochester. This approach succeeded, and once his charter rights were secured in March 1926, the Twin Cities entrepreneur began developing routes through the prosperous southern Minnesota farmlands into neighboring Iowa. By June 1927 he had extended the Albert Lea run to Mason City, rather than relying on interline connections. The Jefferson also began a direct route from Owatonna to Austin and to Charles City, Iowa. Later that year Zelle pushed across the Iowa border yet again when he extended the Rochester route to Decorah and then to Independence. In 1928 this service reached Cedar Rapids, while the Charles


City line went on to Waterloo. In the same year Zelle also bought some of the operating rights of a rival company, the Van Tassel Bus Line, between Rochester and Lanesboro and Rochester and Austin. He was building a sound rural bus network that had the possibility of becoming a mainline regional route.13

He was also building up a sound grass-roots bus service. Most of the Jefferson company's passengers were intrastate and local rather than interstate and regional. These travelers were concerned about day-to-day issues like reasonable costs and reliable services. Thanks to state regulation, customers would no longer benefit from the cheap fares produced by the rate wars of the early 1920s. Zelle was eager in the mid-1920s to gain a reputation for giving value for money. He wanted his rates to be competitive with those of the railroads, and he favored round-trip saver fares, which encouraged regular patronage.13

Zelle was also concerned with reliability, particularly in the winter when snow and ice were major hazards. The railroads often talked derisively about fair-weather lines, and Zelle wished to avoid such slurs, both against his company and the industry. Like many other bus operators, he aided the state highway department in snow removal. The Jefferson company kept a fleet of snow plows, both the large, heavy caterpillars and the small Fordsons used for clearing road shoulders. Indeed, southern Minnesota residents reputedly remembered this wintertime service as a sign of Jefferson dependability.


Jefferson Airways passengers, mostly businessmen, traveled to the runway by Jefferson bus, 1928.

Attention to equipment was another, albeit less visible, contribution to dependability. In the late 1920s the company often retained older buses in working condition to replace ones that got stuck when flooding followed a quick spring thaw or when heavy rains caused mud slicks. In addition, drivers were expected to use their standard tool and spare-parts kits to make roadside repairs, especially on flat tires. Jefferson buses were known to be customer friendly.

LIKE SEVERAL other bus entrepreneurs in the United States, Zelle also experimented with supplementing his service with an airline. On May 5, 1928, he and his board of directors established Jefferson Airways Incorporated as a division of the Jefferson Transportation System. A 45-minute, twice-daily flight between the Twin Cities and Rochester began on July 13, and the 12-seater Ford Tri-motor offered local sightseeing trips to raise extra money. During the summer and fall of 1928, some 50 to 60 passengers flew in and out of the St. Paul Municipal Airport weekly, along with about 400 local sightseers.10

Such trade, however, was insufficient to form the basis of a sound business, and in December Zelle discontinued his air service. Sightseeing continued intermittently during the winter when the weather was favorable, with the pilot even using frozen Lake Superior as a landing strip after aerial tours of Duluth. But there were no more regular runs. The plane was sold in April 1929, and Jefferson Airways Incorporated was liquidated in July. The air venture was perhaps more romantic than practical. With scheduled fares significantly higher than those for bus or rail, and given the extra time needed to travel to and from the airports, local flights were prestigious rather than economical.

Thereafter Zelle concentrated on consolidating his bus operations and making them part of a viable long-distance network. By early 1929 his company was making southward connections to Kansas City using a route through Garner, Ames, and Des Moines, Iowa, and...
Bethany and St. Joseph, Missouri. The acquisition of routes and rolling stock, together with the expenditure on the short-lived airline, however, stretched his financial resources. New injections of capital were needed. Zelle responded by reorganizing, releasing some of the common stock, and issuing preferred stock, which he himself carefully monitored. He wanted the Jefferson Highway Transportation Company to remain a family-type operation, and so he offered small investments to a group of conservative bankers and businessmen whom he knew personally or by reputation. He wanted his company to be locally owned and financed, and he rejected any involvement with the speculative activity then rampant on the major stock markets.

With the finance at hand, Zelle secured the Kansas City destination, which he regarded as an important gateway at the terminus of a well-patronized route. He had experimented with St. Louis as a gateway, but abandoned the Des Moines-to-St. Louis route in the fall of 1929 in favor of obtaining local operations in Iowa and on to Kansas City. The most important of these was the Red Ball Transportation Company. Zelle wanted to purchase this independent Iowa firm for some time. Its owner, Helen Schultz Brewer, the “Iowa Bus Queen,” was a pioneer in transportation, like Zelle himself. She had fought hard to establish her routes. In June 1930, perhaps realizing that her company could not compete successfully with larger and interstate operators, perhaps for personal reasons, she sold her routes, buses, and other equipment to Zelle for $200,000. The Jefferson Highway Transportation Company then had three Iowa routes as well as good east-west connections with Interstate Transit Lines at Ames and Cedar Rapids. At Kansas City, Jefferson passengers could make connections with Pickwick Greyhound Lines for St. Louis, Dallas, Phoenix, and even Los Angeles. The company was now in a much stronger position for both local and long-distance business.

THOUGH BUSY with the operation and growth of the Jefferson company, Edgar Zelle was also active on other fronts. From 1924 to 1930 he served as president of the Minnesota Motor Bus Association, among other tasks lobbying against restrictive motor-vehicle legislation; struggling to place the bus industry in a positive light by establishing rules of efficiency, courtesy, and safety for the association’s code of principles; and publicizing the development and value of bus transport. For such propaganda, he needed both a public presence and a good data base. His undergraduate debating experiences had provided sound training for public speaking, and his education, common sense, and eye for economic affairs enabled him to make coherent arguments. For example, he presented a lucid case for buses when applying to the Minnesota Railroad and Warehouse Commission for the rights to the Jefferson company’s routes. And he was equally persuasive at the Interstate Commerce Commission’s motor bus and truck investigation hearings, when discussing the competition between Minnesota buses and trains. Zelle collected and retained information on bus activities in Minnesota and the nation. He was also able to acquire

extra data from Lawrence A. Rossman, editor of the Grand Rapids Herald Review, another eloquent bus spokesperson.17

Perhaps Zelle’s most important public-relations task of the decade had come in 1925, when he appeared before the Minnesota State House Committee on Railroads and Motor Buses, hoping to counteract the rail lobby’s demands for restrictive legislation. Though disappointed by the outcome that gave the railroads, in the shape of the Minnesota Railroad and Warehouse Commission, control over commercial road transport, Zelle had scored some important points. He notified legislators and Minnesotans alike that bus operators did not oppose fair regulation and that railroads were shortsighted in failing to consider the business that motor traffic could bring their way.18

Zelle regularly spoke at gatherings ranging from local chambers of commerce and Kiwanis clubs to the Minnesota Surveyors and Engineering Society and the Transportation Club of St. Paul. Furthermore, he presented annual statements to the press about the growth of bus lines in Minnesota. On request, he even wrote special features on such topics as how bus companies kept the roads open in winter. Such publicity was important in developing Minnesotans’ awareness and appreciation of bus services.19

By 1930 the state’s bus companies were well established, having carried more than 14 million passengers in the previous year. The majority rode local and intra-state lines, indicating that bus travel was essentially short distance. But two firms were looking to an interstate market in these still-early years of commercial road traffic: the Jefferson Highway Transportation Company and the Northland Transportation Company. The Jefferson was by far the smaller organization with 33 buses, 363,127 fare-paying passengers, and a total investment of $582,676. The Northland, with its 196 vehicles, 3,330,320 fare payers, and investment of $4,993,061, was already recognized as the leading bus line in the Upper Midwest; it was now part of the nationwide Greyhound empire, consisting of some 41,000 miles of highway. The paths of the two leading Minnesota bus companies had divided in 1925, but there would soon be an attempt to join them again.20

The Northland directors had not abandoned hope of obtaining the prosperous routes in southern Minnesota. The stumbling block to buying them in 1925 had been the financial involvement of the Great Northern Railroad and the prospect that, through its bus subsidiary, it would be competing with the Chicago Great Western Railroad. Now Northland was part of Greyhound, and the Great Northern had become only a 30-percent
stockholder in an operating subsidiary of the national bus organization. Greyhound’s president, Eric Wickman, and his backers were interested in acquiring the Jefferson company to control the through-franchises of the important routes in and out of the Twin Cities. Negotiations came to a head in March 1931 with a merger plan on the basis of a stock exchange and partial cash purchase. After consulting his stockholders and examining the proposal, Zelle rejected the offer. Questions of whether some investors would have to pay income tax if they took cash rather than Northland preferred stock may have raised some technical problems in closing the deal. But more than that, Zelle wanted to protect his employees and investors. He insisted that the workers be taken care of properly in the proposed larger Northland organization, and he was worried about his friends and colleagues who had invested in the Jefferson company primarily because they knew him. When he could get no definite assurances about his employees, he opted to retain his company rather than become part of a more impersonal unit.21

AS AN INDEPENDENT OPERATOR, Edgar Zelle needed to consolidate his position in order to withstand competition from major interstate carriers like Northland Greyhound Lines, Pickwick Greyhound Lines, and Interstate Transit Lines: from the large, Iowa-based Grandi Stages, Incorporated; and from small, intrastate companies. By December 1930 the Jefferson’s lines extended to Dubuque in eastern Iowa, and in May 1931 Zelle purchased the routes of the La Crosse and Southeastern Transportation Company to connect points in southeastern Minnesota to that Wisconsin city. New depots, opened in the summer of 1931, demonstrated a commitment to developing the bus industry in Iowa. In Mason City, the Jefferson company’s own bus depot included a restaurant and barbershop in addition to a ticket office, waiting rooms, and two rest-rooms. All were decorated, heated, and lit to high standards. Nearby, a well-equipped garage and shop enabled Mason City to become the main southern servicing center for Jefferson buses, complementing the Minneapolis maintenance facility. At Des Moines, an important bus junction, the Jefferson company joined with other major operators in the new Union Station.22

Subsequent plans for additions to terminals and equipment, however, had to be put on the back burner; in the second half of 1931, the economic depression was making a marked impact on the company’s financial position. In October Zelle asked all his employees to take a 25-percent pay cut in the hope of avoiding dismissals and schedule reductions. The company’s operating revenue, which had risen by $113,001 or 16 percent in the financial year ending July 1931, fell by $137,634 or 16 percent the following year. It would fall again for the year ending July 1933—by $172,944, or 25 percent. By 1932 it was time to retrench in order to stay in business.

Poor economic conditions were not the only element contributing to the deteriorating balance sheet. Iowa tonnage taxes were another problem. Though the Jefferson’s headquarters remained in Minneapolis, much of the business had become concentrated in Iowa. In 1932 the company served one point in Wisconsin, 18 in Missouri, 43 in Minnesota, and 83 in Iowa. This meant 421,200 bus miles or 13 percent of the total in Missouri, 1,280,232 or 38 percent in Minnesota, and 1,654,239 or 49 percent in Iowa. That state’s ton-mile

21Louis W. Hill to Ralph Budd, Mar. 16, 1931, and Zelle to Eric Wickman, Mar. 19, 1931, both President’s Subject File 11532, GN Records; Zelle to H. R. Wiesner, to S. G. Palmer, to F. A. Chamberlain, and to C. L. Truesdale, all Mar. 12, 1931; Zelle to A. F. Wagner, Mar. 13, 17, 1931; Zelle to G. N. Dayton, Mar. 14, 1931; Wagner to Zelle, Mar. 14, 1931; Palmer to Zelle, Mar. 18, 1931; Zelle to Palmer, Mar. 25, 1931; Minneapolis Star, Mar. 13, Minneapolis Journal, Mar. 13, Mason City Globe Gazette, Mar. 10—all 1931, clippings file; L. Zelle interview; Bus Transportation 10 (April 1931): 209.

22Here and below, see Minneapolis Tribune, July 12, 1930, p. 1, 2: Elkader Register (Iowa), Oct. 2, 1930, Guttenberg Press (Iowa), Nov. 27, 1930, Nevada Journal (Iowa), Jan. 7, 1931, St. Paul Dispatch, May 19, 1931, clippings file; Mason City Globe Gazette, June 30, 1931, p. 11, 12, 13; Des Moines Register, July 12, 1931, Bus Depot sec. 8A, advertisement; Zelle to All Employees, Oct. 23, 1931, in Minute Book, 1925–Dec. 1934, p. 159; JTC, manuscript and published annual reports, 1930–33.
The tax of two and one-half mills (0.025 cents) on passenger buses was a burden in addition to a license fee and gasoline tax. Jefferson paid $41,478 in tonnage taxes in 1932 representing 17 percent of its gross Iowa revenue, or more than half of its Iowa loss of $78,824 in that year. Nearby Minnesota and Illinois had no such tonnage tax, while Wisconsin's was approximately one mill. Yet even if Iowa had not levied the tax, the Jefferson's operations there would have lost money, partly because of the prevalence of private automobiles and partly because of the economic depression. Zelle was disappointed but not totally dismayed. Unlike some of his Iowa counterparts who were also losing money, he did not abandon his business.23

Zelle decided to campaign for a change in legislation. Drawing on his Minnesota experiences in public relations, he appealed to both the Iowa state government and the public. During a seven-week stay in Des Moines in the spring of 1933, he lobbied senators and congressmen with correspondence and personal visits, and he got other interested parties—bus operators, retailers, bankers, and passengers—to follow suit. Such efforts paid dividends. In 1933 Iowa reduced the tonnage tax by one-half mill. That, coupled with a 21-percent overall decline in bus revenue, lowered the company's tax bill to $27,671—a 33.3 percent drop.

Lower taxes offered hope of staying in business, and Zelle planned to work for an additional reduction.24 This constructive approach to problem-solving was also visible in the internal management of the bus company. Business was at its lowest in the early 1930s, picking up slightly in 1936 and becoming more acceptable at decade's end. During the difficult years, Zelle shared much of the daily, routine work with his trusted lieutenant, Lester Wakefield, who had progressed through virtually all aspects of the bus business to become company treasurer. When Zelle was in Minneapolis, he came to the office every day; when out of town, he stayed in regular contact by mail and phone.25

Zelle and his staff devoted time and meticulous care to the maintenance and replacement of equipment. Recognizing the link between efficiency and economy, for example, they devised a new system to maintain brake material. Since buying new motor coaches was a major financial outlay, the company also saved by rebuilding older ones and acquiring secondhand vehicles. These were spruced up and advertised as large, modern, luxurious buses. In 1939 the trade journal, Bus Transportation, recognized this dedication to service with its maintenance award for intercity bus operators having between 25 and 50 vehicles.26

Labor relations also claimed much of Zelle's attention. It was a time for "making do," and Jefferson employees were anxious to pull their weight. Despite wage cuts, they were still employed. Many had worked for Zelle for several years and knew that he was a man of integrity. Zelle treated his workers with courtesy and believed in keeping them well informed. Jefferson employees cooperated with a management that treated...
them well—for instance, giving them a bonus in 1937
when business picked up. When employees raised the
question of a union that same year, Zelle publicly sup­
ported them, believing that unionism was not a threat,
either to him personally or to the company's welfare.
The Jefferson benefited from such an open-minded
stance. Unlike some larger bus lines, it did not face
worker antagonism and strike action.

DURING THE 1930s Edgar Zelle was also committed
to improving conditions in the bus industry as a whole.
He early became involved in the affairs of the Ameri­
can Automobile Association's bus division, which in
1928 was reorganized as the National Association of
Motor Bus Operators (NAMBO). As Zelle well knew,
the young industry needed to promote itself as an eco­
nomical and comfortable means of traveling nation­
wide, and it needed protection from the railroads and
restrictive federal legislation. Like many pioneer bus
operators, Zelle had considerable experience with these
issues at a state level; unlike many others, he was pre­
pared to give considerable time to NAMBO. As a mem­
ber of the board of directors during this crucial decade,
he was involved in discussions of important issues like
the National Recovery Administration's Motor Bus
Code, adopted in October 1933; federal regulation be­
fore and after the Motor Carrier Act of 1935; rate com­
petition between railroads and buses; national public­
ity; the size and weight of motor vehicles; and troop
transportation by bus. He served on committees, com­
piled reports, and gave papers. Though the board of
directors might meet only three or four times a year,
the committees convened more often and could gener­
ate large amounts of paperwork. As a board director,
Zelle was also a spokesperson; for example, he testified
at the United States Senate's Interstate Commerce
Committee hearings on the regulation of motor carriers
in March 1932 and at the Interstate Commerce Com­
misions's hearings on motor-carrier safety regulations
in February 1939. He also appeared as a witness in
individual cases of national interest, as when he spoke
before California's railroad commission on behalf of
Pacific Greyhound Lines, which was applying for per­
mission to charge lower fares for long-distance points.
Edgar Zelle was a true servant of the bus industry.  

The busman continued his public service to the na­
ation as well as to the industry during World War II. In
June 1941 Zelle was appointed a consultant of the trans­portation division of the Office for Emergency
Management. After the Office of Defense Transpor­
tation was established in December, he worked for six
months as a member of the advisory committee of the
local field office of the division of motor transport.
Then in February 1943 he took up his most important
government position: associate director of the Office of
Defense Transportation's division of local transport.  

During the wartime crisis, when the demand for in­tercity bus service outstripped the supply, it was critical
that the industry be represented on official bodies.
With the scarcity of cars, intercity buses carried more
than twice their 1940 numbers of passengers through­
out the war. Yet the industry faced severe shortages of
equipment, parts, gasoline, and, finally, manpower.
Speed restrictions also impaired efficiency. The perma­
ent members of the NAMBO staff, located in Wash­
ington, D.C., met frequently with government offi­
cials, but they were not always able to argue for
intercity service. Thus the job fell to Edgar Zelle, who
fought effectively to establish the importance of inter­
city buses—as distinct from local transit—in the motor­
transportation network. Such service required some
changes at the Jefferson company. While a consultant
or a member of the local field committee, Zelle did not
need to leave his own business, but when he worked in
Washington, Lester Wakefield ran the company, which
was headed by Lillian Zelle.  

The war certainly brought additional business to
the Jefferson company. The number of intercity passen­
gers more than doubled between 1941 and 1943, rising
from 651,091 to 1,370,130 and reaching a peak of
1,609,336 in the next two years. In 1943 the load factor
(ratio of seats to occupancy) was 75 percent, compared
to the 44-percent level of the years 1936 to 1940. Total
revenue also more than doubled and then rose more

\[\text{E. A. Bagby to Zelle, Aug. 4, 1938; Zelle to J. F. Selb,
Aug. 29, 1938; "Biographical Fact Sheet, F. & M. Trustees";
NAMBO, Proceedings 1–15 (1927–41), ABA Records;
NAMBO Board of Directors, Minutes, 1927–41, NAMBO
Collection, American Heritage Center, Laramie; Hearings
before the Senate Committee on Interstate Commerce, on S.
2793, 72d Cong., 1st Sess., 1932, part 3, p. 480–85.}

\[\text{Office for Emergency Management, "Statement of Ac­
ceptance," June 23, 1941; Advisory Commission to the Coun­
cil of National Defense, Memorandum to Members of Cen­
tral and Regional Committees, Dec. 26, 1941; Zelle to H. H.
25, 1942; Zelle to J. L. Rogers, Aug. 24, 1942; Office of
Defense Transportation, press release, Feb. 15, Dec. 21, 1943.}

\[\text{R. C. Hoffman, Jr., to Zelle, Mar. 13, 1944; Guy A.
Richardson to Zelle, April 13, 1944; Zelle to L. P. Wakefield,
Mar. 11, 14, 18, 24, 1944; Zelle to Our Stockholders, May
1944; Zelle to Lt. Commander T. E. Pearson, Nov. 14, 1944;
L. Zelle interview; NAMBO Board of Directors, Minutes,
April 8, 1941, p. 1–3, Feb. 5, p. 2–3, April 2, p. 1–3, July
23–24, p. 1–3, Nov. 23–24, p. 2–3—all 1942, May 13, 1943,
p. 3–7, Feb. 24–25, 1944, p. 2–5, Oct. 26–27, 1944, p. 4–6,
NAMBO Collection, Laramie; Zelle, "Highway Passenger
Transportation by Bus in Wartime;" NAMBO report to the
49th meeting of the American Automobile Association, Nov.
20–21, 1944, NAMBO Collection; NAMBO, Proceedings
16 (1942): 10–14, 44, 45–46, 59–70, and 17 (1946): 11, ABA Rec­
ords; Bus Facts (Washington, D.C.): NAMBO, 1949), 7.}
gradually over the next three years to reach the highest ever experienced in 1946. But gross figures were somewhat misleading. Expenses were also increasing, leaving the company with a relatively smaller net income. All running costs had risen, most notable among them employee wages and pension provisions. Income-tax payments were also considerably higher.\footnote{USICC, Bureau of Transport Economics and Statistics, “Revenue, Expenses, Other Income and Statistics of Class I Motor Carriers of Passengers, Statement Q750” (Annual and Quarterly), 1940–1946; ICC departmental library, Washington, D.C.; JTC, \textit{Annual Report}, 1940–46; USICC, “Investigation of Bus Fares,” vol. 13, p. 3199–3201, NARG BMC-C-550. Revenues reached $1,855,030.76 in 1946, a figure that was not attained again until 1958, by which time inflation had affected the value of the dollar.}

The most difficult problem for Jefferson managers in these years was to run schedules according to government guidelines, in the face of equipment and parts shortages. Only 12 additional buses were acquired from 1942 to 1945. Fortunately, Jefferson employees, who in 1941 had won \textit{Bus Transportation}’s annual maintenance award for the third consecutive year, were experienced in repair work. Even so, bus accidents and old age necessitated the purchase of spare parts, and long delays in obtaining them were frustrating. Manpower shortages became more crucial in the later stages of the war. Twenty-one experienced drivers and maintenance workers served in the military in 1943, some 14 percent of a work force of 154. More were called up in the next year. Old employees helped to train new ones, but the shortage of drivers, men likely to be under the age of 38, made for severe problems. Overwork strained labor relations in the wartime years. Here Lillian Zelle played an important role, both because of her friendly temperament and because a Zelle presence helped maintain morale. The Jefferson company emerged from the war as a viable and profitable operation, but one that would have to plan carefully to survive the changing peacetime economy of the late 1940s.\footnote{“Statement of E. F. Zelle,” April 1, 1942; Zelle to Arch [A. F. Wagner?], June 17, 1942; Wakefield to Zelle, Mar. 8, 1944; Zelle to Wakefield, Mar. 11, 14, 16, 24, 1944; Zelle to Our Stockholders, May 1944; Zelle to T. E. Pearson, Nov. 14, 1944; JTC, \textit{Annual Report}, 1940–46; L. Zelle interview; USICC, “Investigation of Bus Fares,” vol. 13, p. 3199–3201, NARG BMC-C-550; \textit{Bus Transportation} 21 (Dec. 1942): 562.}
larger and more comfortable buses running on modern highways, using well-equipped terminals, and catering to a variety of regular and leisure travelers. Such improvements, however, demanded both entrepreneurial initiatives and the ability to obtain the necessary equipment and materials.

As early as 1944, Zelle was negotiating for new coaches. He was well aware that his buses were old, some having done 1.5 million miles apiece. Purchases, however, were slow. Significant numbers of new vehicles were delivered in 1947, including limousine cars for the reservation service between the Twin Cities and Rochester. Yet it was not until 1949 that the fleet acquired enough buses, including some powered by diesel, to retire veteran coaches. By this time a modern passenger terminal at Rochester was also open. This, however, was not purpose-built, as originally planned. It was a conversion of the Chicago Great Western station, which the Jefferson shared with that railway company and other bus lines. Given the need to add to the Minneapolis garage, to modernize the interior of the Mason City terminal, and to assist commission agents at small, intermediate points in upgrading their facilities—especially their restrooms—Jefferson directors could not finance a modern, independent terminal at Rochester. Building costs had risen dramatically.

Postwar inflation also meant higher labor costs. Bus operators generally thought that wage and pension provisions had increased disproportionately, threatening their livelihood. Jefferson managers, though well-disposed to their workers, were certainly concerned about the rise. In 1946 labor costs accounted for 48 percent of total operating costs and consumed 38 cents of every dollar of gross operating revenue; they continued to rise throughout the decade. There was no clear way to reduce labor costs or, indeed, any other part of operating expenses. Neither was there any sign of an increase in income to offset them.

In 1946 and 1947 passengers rode the Jefferson buses because they wanted short-distance mobility and because they did not have access to autos. By 1949, however, they were drifting away in significant numbers. Those who remained expected high standards and better schedules at no added expense. In fact, fares were slow to rise and very nearly declined. Bus operators in 1947 and 1948 spent considerable time and money justifying their existing interstate rates to government authorities. As for intrastate fare increases, the Jefferson company did not file application for these in Missouri, Iowa, and Minnesota until 1949. Additional revenue was certainly required to pay for rising operating costs, but managers sought a delicate balance between enticing and deterring passengers. A better image might justify higher prices. Yet despite advertising and greater publicity, the company still retained the negative wartime profile of standing-room only, long ticket lines, and old, overworked buses. Neither modernization nor reasonable fares were sufficient to stop the decline in passengers in the early 1950s.
The Jefferson company was not alone in its struggle for a viable existence in postwar America. As a NAMBO director, Zelle saw that the entire bus industry needed to readjust. Like fellow Minnesotan Lawrence Rossman in Grand Rapids, he thought that better public relations would both inform Americans about regular activities and market bus travel as an exciting commodity. There were legislative issues as well. Government authorities would have to be more flexible about the maximum size of buses and differential scales of charges if business were to grow. Another goal was state apportionment of motor-vehicle taxation, allowing bus companies to pay one tax, to be divided among the states through which their lines traveled, rather than being taxed in each state.

While Zelle continued to contribute to the national bus debates in the late 1940s, he increasingly preferred to involve himself in Minnesota or midwestern affairs. He had always been active in the local business community and before the end of the war had become a director of the First National Bank of Minneapolis, the Russell Miller Milling Company, and the Northwestern Fire and Marine Insurance Company. In the late 1940s and early 1950s he accepted more directorships, including those of the First Bank Stock Corporation and the Federal Reserve Bank of Minneapolis. His most time-consuming appointment, however, came in 1944, when he was named a trustee of the bankrupt Wisconsin
Central Railway Company. It was ironic that a man who had spent most of his working life developing a bus company should spend part of his mature years running a railroad. Yet it was also satisfying that he should be deemed suitable for the task. Edgar Zelle enjoyed this local diversification because he had more than contributed his share to the bus business. In 1950 he retired from the presidency of the Jefferson Transportation Company to become chairman of the board, a position he retained until 1964. Here he acted primarily as an advisor, while Lester Wakefield assumed the presidency. In this position Wakefield was assisted by Edgar's son, Louis, much as he had assisted Edgar Zelle.36

EDGAR ZELLE had been in the driver's seat for more than 35 years and at the head of the Jefferson company for more than a quarter of a century. He had seen the bus industry emerge from its boisterous pioneering days to become a responsible and essential link in the country's transportation network. With national giants like Greyhound and Trailways at one end of the spectrum and hundreds of small, independent companies linking thousands of communities at the other, the industry had adapted to the needs of a mobile population in the early 20th century. Zelle's own route as an independent regional operator had traveled the middle ground. He emerged from the early days as a well-respected man who developed his business through careful planning and attention to detail. He chose not to become part of a large organization, preferring to run a compact, family-style company, over which he had control. He made a remarkable national contribution in the councils of the National Association of Motor Bus Operators, through government service in wartime, and as a public spokesperson for the industry at large. He always remained a gentleman who commanded widespread respect, both in the Minnesota community and throughout the bus industry.37


The photos on p. 307, 316, 319 bottom, 309 (by Hibbard), and 311, 312, 313, 315, 320, and 321 (all Norton & Peel) are used courtesy Jefferson Lines; p. 310 and 319 top (Norton & Peel), are in MHS collections; p. 317 is courtesy the Rotary Club of Minneapolis. The map on p. 314 is by Alan Ominsky.