

The Davis Cartage Story

A History of Davis Cartage Co.

The Early Years - 1941 through 1970

By: William John Hartle

In the 1930's not many jobs were available to a young man graduating from high school. Maurice R. Davis found this to be true when he graduated from Fairgrove High School in 1932. Although he might have found security on his father's farm, Maurice was not particularly fond of farming and wished to strike out on his own. With \$700.00 borrowed from his grandfather he purchased a Chevrolet truck and began hauling sugar beets from Fairgrove, Michigan to the mill in Caro, Michigan. By the end of the summer he was able to repay the loan and have a small surplus.

The next year the young man decided to expand his small trucking business. In 1934, with his brother Lyle, he bought a tractor and semi van and the two became broker operators for Consolidated Freight Lines. This meant that they agreed to lease their rig to Consolidated and as operators haul that company's freight. To meet the requirements of the job, both brothers practiced on their father's farm the various maneuvers necessary to operate a long semi van.

Business was good for Lyle and Maurice so in 1941 they decided to form a partnership. They purchased the Speedway Transfer Company from Charles S. Reese and formed the Davis Cartage Co. This was a limited common carrier company that was authorized to use irregular routes. This limited the type of material they could carry according to their state authorization but did not specify which roads they had to use. From Mr. Reese they received one assembled two-wheeled farm tractor and an authorization to haul general merchandise for Sears Roebuck and Company from the retail store in Bay City, Michigan and retail customers living within a fifty-mile radius of Bay City.

In this first year of its operation the firm grossed \$30,000. Since this was not enough to support two families the brothers continued to work as broker operators for Consolidated Freight Lines until 1942. During this first year Davis Cartage Company moved into a little remodeled house on Holden Street in Saginaw, Michigan. While located in these quarters the firm made its first expansion moves. The brothers realized the need for the company to have more authorizations in order to enlarge the business. It is with the authorizations purchased and those solicited and then authorized by the Michigan Public Service Commission that a trucking company is able to grow. Realizing this in 1943 the brothers purchased from Lora G. Hazelwood and the Co-Operative Service Company a 1936 semi trailer Model 818. Along with this tractor they purchased an authorization for hauling general merchandise in and around Mt. Pleasant, Michigan.

With these two purchases Davis Cartage managed to grow and expand until they were ready in 1944 for more expansion. At this time for the sum of \$30,000.00 Davis Cartage Company purchased five tractors and six semi trailers from the W. A. Muehlenbeck Company. This new equipment was to be used to move heavy equipment and carried the rights to move machinery for General Motors plants in the Saginaw Valley. This was the beginning of a long relationship between General Motors and the Davis Cartage Company.

Another new relationship was started in this transaction with the addition of the authorization to move products of the H. J. Heinz Company between Saginaw and various Michigan points. This authorization was mainly for pickles but as the authorization states other products could be carried. This leeway left to the company has been particularly helpful.

The firm utilized these authorizations and its new equipment to the fullest and found it necessary to move to larger quarters for their business. In 1945 the Davis Cartage Company moved from the little remodeled house at 400 Holden Street to a new brick building at 2532 Hess

in Saginaw, Michigan. Thus at the end of the Second World War Davis Cartage Company was looking ahead to the promised peace and prosperity.

With business good in 1945 the Davis Cartage Company decided to take on a partner, William F. McNally. Together they formed the McNally Davis Company. This was a combination of trucking and construction. This was not a long association, but was quite amiable and profitable for both parties.

Things were going smoothly for the Davis Cartage Company for by 1946 when the company officially incorporated the gross reached \$200,000.00 and the future looked very good. Nineteen hundred and forty-seven was a turning point in the history of Davis Cartage Company. It was during this year that tragedy struck the Davis family and the company when Lyle died in September of that year. With the death of Lyle, his wife Grace, became Vice-President of the company for the next two years.

Just before Lyle's death in 1947 the Davis Cartage Company signed an important agreement with the Huron Portland Cement Company located in Alpena, Michigan to haul cement in Michigan. Along with this the company also acquired four Huron bulk semi trailers.

These cement authorizations covered the transfer of cement from Alpena to the lower peninsula in Michigan. This was a big challenge to a small company. These authorizations alone would greatly increase the amount of equipment needed by the firm. Some of this equipment would be leased from the Huron Portland Cement Company over the next few years. This would bring changes to this firm and now it was up to only one man, Maurice R. Davis, to see that the company lived up to its promise before the death of his brother.

Nineteen forty-nine brought other problems which had not been foreseen by the Davis Cartage Company when it had acquired stock in the McNally Davis Construction Company. This had to do with the cement contracts with Huron Portland Cement Company and the fact that many competitors of McNally Davis complained that McNally Davis was getting its cement cheaper from the Davis Cartage Company than they were. Portland, because of this, put some pressure on the Davis Cartage Company to divest itself of the stock that it held in the McNally Davis Construction Company. Thus on October 5, 1949 it was decided at a Board of Director's meeting of the Davis Cartage Company to split these two companies up. At this time Grace Davis went with the McNally Construction Company and formed the William F. McNally Company and Maurice kept the Davis Cartage Company.

The split of the two companies made it necessary for the Davis Cartage Company to move its offices from 2522 Hess to a new building at 731 Walnut Street, Carrollton, Michigan. The new offices contained a much larger area for the care and repair of the tractors. This move put the company near two of its important suppliers, the Huron Portland Cement Carrollton plant and the Michigan Sugar Company in Carrollton whose authority the company had received in 1948. Along with this authority came those from the Monitor Sugar Company, Northeast Sugar Company and West Bay Sugar Company all of which are located in Bay City, Michigan. These authorities stated that Davis Cartage Company could move sugar from their home plants to various points in Michigan.

Davis Cartage Company had gone through a transition period in the latter part of the 1940's and had acquired some important new authorities namely cement and sugar and was entering the 1950's with a new home and hopes for a brighter future. In accord with this the company's gross had now grown to \$375,000.00 which was a marked increase over the \$30,000.00 grossed in the first year of operation.

Though the major impetus of the company during the 1950's was going to be the development of the cement authorities Davis Cartage Company did not stand still, but pushed ahead in acquiring many other authorities covering a wide range of products. For by 1950 the Davis Cartage Company had grown from seven trucks in 1941 to 45 trucks. Naturally with this many rigs available they had to be utilized to be profitable.

Some of the permits or authorities acquired by Davis Cartage Company in the 1950's were these: the transportation of highway construction materials for Saginaw Asphalt in 1953; the movement of various construction materials to various points in Michigan along certain specified routes in 1951; the movement of fertilizer and fertilizer ingredients in bulk in and around Kalamazoo, Michigan and other various points in Michigan except in the counties of Kent, Ottawa and Allegan in 1959.

Another authority acquired during this period was for carrying fertilizer for Farm Bureau Service from Hanger, Michigan to various Michigan points. This became more important later on when the company built its warehouse where it could store this material and transfer it to other Michigan points.

As can be seen, the Davis Cartage Company as a limited common carrier handled a great variety of products. To handle these products a number of different tractors and semi vans were needed. This included flat racks for heavy equipment, tankers for the handling of liquids and large trailers for handling bulk loads. With this variety of equipment to utilize Davis Cartage Company continued to expand in the 1950's.

The development of the cement permits required that the Davis Cartage Company develop a terminal near the huge Huron Portland Cement Company in Alpena, Michigan. Pursuing this need land was bought in Alpena in March, 1953. With this purchase a small terminal was developed to service the trucks used in the Alpena area to haul cement in the northern part of the lower peninsula.

At this time there was a need to acquire many pieces of equipment and to lease this equipment to other companies put the Davis Cartage Company in great jeopardy in case there was an accident by one of the drivers of the companies leasing the equipment. If this happened the company could possibly lose all its equipment and assets. This being the case, it was felt by Maurice R. Davis and Mr. Kib F. Clardy of the Public Service Commission that the operating end of the business should be separated from the ownership of equipment. Thus a new Michigan company, the Davis Equipment Company, was born which would own the equipment and lease it to the Davis Cartage Company. This would protect the company from a large financial setback in case of a suit involving one of its leased trucks.

Davis Cartage Company was growing and by 1955 it had over 60 trucks and 130 pieces of equipment. In this year the gross was \$600,000.00. This was rather phenomenal growth period when you consider the company had only been in operation for 14 years.

The growth of the business was not spectacular from 1955 to 1960. For although the gross was up to about \$700,000.00 by 1960, the profit margin was down and there was a definite squeeze on the company. What was the reason for this? By 1960 Davis Cartage Company had over 70 trucks and 140 pieces of equipment. This necessitated having a good many men on the job. Besides this the cost of running the terminal at Alpena was much too high.

It was then decided that the cement business with its necessary high need of equipment and correspondingly high maintenance cost was the major problem. It was then decided by the Davis Cartage Company to see if the equipment and the cement authorizations could be sold. This was looked into and negotiations were started with the Huron Portland Cement Company of Alpena, Michigan. These negotiations were completed on September 12, 1961 in Saginaw, Michigan. Davis Equipment Company sold 107 pieces of equipment to Huron Portland Cement Company for \$300,000.00. By selling this equipment the firm was out of the cement business except for the cement permits which it still retained.

Some of these permits would be sold to Etna Cement Company of Bay City, Michigan in 1964 and some to N and K Leasing Company in Carrollton, Michigan in 1964. Then the Davis Cartage Company would be out of the cement business for good. It had been profitable in the beginning but the overhead had been too much to handle and there were other ways to expand and participate in the movement of goods in Michigan.

There being no need for the leasing of equipment it was decided to have the Davis Cartage Company take over the Davis Equipment Company and this merger took place on August 7, 1963 at a meeting of the Board of Directors of both companies.

For two years after the selling of the cement equipment the company remained static. Then Maurice R. Davis decided to build a warehouse on Findley Street in Saginaw, Michigan. He felt the company should continue to grow but in a different area than trucking. Warehousing had low overhead and the labor needed to run them was low. Thus in 1964 Davis Warehousing, a subsidiary of Davis Cartage Company was established with a forty thousand square foot, humidity controlled heated warehouse. The heating and humidity control was felt to be needed for the storage of sugar and sugar products.

Along with the building of a new warehouse in 1964 came the purchase of another warehouse. This was the M and M Warehouse at 1100 S. Water Street in Saginaw, Michigan with complete rail and dock facilities for industrial storage. By 1965 Davis Cartage Company was ready to add another warehouse on Findley Street property near the sugar warehouse. This was a sixteen thousand square foot warehouse for steel. This steel warehouse had a automated crane and rail facilities to help with loading and unloading of steel products and the placing of these products in the warehouse.

In 1965 another warehouse was purchased in Mt. Pleasant, Michigan particularly for the storage of sugar. This purchase was not as productive and advantageous a purchase as it at first seemed and it was sold in 1967. In that same year a new steel warehouse was built with sixteen thousand square feet of storage space.

The monetary growth of the company had slowed down by this time and had leveled off to about \$550,000.00. It must be remembered that with the fantastic reduction of size by 1961 and the addition of warehousing properties it was a much more profitable operation than it had been with a larger volume.

With the building of the warehouses on Findley Street and the greater shift and emphasis on the company in this area it was decided to move the company's trucking facilities and offices to 1957 Findley Street in Saginaw, Michigan. This consolidated the company and made coordination between the trucking and warehousing areas much easier.

By 1970 the Davis Cartage Company had been in trucking for almost 30 years. A great deal of its business is presently done with General Motors Corporation, Michigan Sugar Company, Monitor Sugar Company, Farm Bureau Services, Grace Chemical and Commodity Carriers.

We have now entered a period of business slowdown which when dealing with companies like General Motors Corporation could have a great effect upon the amount of business done by Davis Cartage Company. However having progressed as far as it has in the competitive trucking business under the guidance of Maurice R. Davis one necessarily feels that this business downturn will be weathered by the Davis Cartage Company and in the coming years Davis Cartage Company will still be one of the major trucking companies still in business.