Business had slacked off dramatically on the railroad following the first year of the great depression. As a result of this, the volume of train traffic was adversely affected and had become just a fraction of what it was in the good old days. Accordingly, the number of serious train wrecks had decreased too, and happily became fairly rare events.

Then at roughly 11:30 A. M. on December 23, 1935, a westbound freight running from Two Harbors to Duluth hit a broken rail on the first curve east of French River. In an instant, engineer E. T. McGowan's locomotive left the rails and headed off into the ditch. Luckily the engine somehow managed to stay upright saving the engine crew from certain injury or death. Behind the locomotive, the next 17 cars piled up in a narrow cut, which totally blocked the railroad. Pulpwood was scattered everywhere and the tracks were torn up for over 300 feet. Two of the freight cars involved were all but completely destroyed by the force of the crash.

In the days following the wreck, two passenger trains met here with each being on opposite sides of the wreck. Passengers, mail, and baggage were "portaged" around the wreck in both directions until the mess was finally cleaned up and the track repaired. It had been an unpleasant reminder of a bad day in the good old days.