

OUR IRON INDUSTRY.

Something of the History of Its Development.

Long Struggle of Geo. C. Stone to Get the Project Under Way.

An Example of what a Resolute Man Can Accomplish.

The Iron Mines of this County Proven to be the Richest in the World.

One of the most important industries tributary to Duluth, is the Iron Industry near Vermillion lake in the northwesterly part of this county. The development of these mines is important alike to Duluth, to the state and to the country. That Minnesota is one of the very finest agricultural states in the Union, is, of course, well known the country over, but that she is morally certain to take the front rank as an iron producing state, ahead even of Michigan and Pennsylvania, will be a surprise to all who have not watched the development of that industry in this county during the past two years. It will not be without interest in this connection, to give a brief history of the development of our iron industry, as well as the present condition of that development. For many years, people living at the head of the lake had been accustomed to hear from Geo. E. Stuntz, John Mallman, W. H. Bassett and other surveyors and explorers, of the existence of large bodies of iron in the vicinity of Vermillion lake, and many were the specimens of iron ore which from time to time were brought to this city. For a long time, however, these specimens were regarded as mere novelties or curiosities; but as early as 1871 or 1872, there was one man then a resident of this city, who began to regard them with something more than curiosity, and that man was Geo. C. Stone, now the general manager of the Minnesota Iron Co. By the year 1874 he had investigated the matter so thoroughly and become so strongly impressed with the idea that the mines in question were of great value, that he endeavored by correspondence with capitalists and iron manufacturers at the east, to induce some one to advance the money necessary to make a thorough examination of the locality in question, with a view of forming a company to purchase the lands and develop the mines of that kind. None of this correspondence, however, availed anything, and in the spring of 1875, he became satisfied that the proper thing for him to do would be to go east with his specimens and assays and personally see the parties who were at all likely to take an interest in such a project; but how to take an extended trip of that sort, was to him for a time, not very clear. In those days, just when Duluth was feeling the full force of the panic of 1873, when the average Duluthian experienced the greatest difficulty in securing the wherewithal to procure "bread and butter" for his family, Mr. Stone did not have any surplus of "filthy lucre." Finally, however, he succeeded in borrowing enough of money from a friend to take him to New York and Philadelphia, and so, putting his assays in his pocket and his specimens in his satchel, he started on his way. He visited one capitalist after another who listened to his story and thought the specimens "very nice" and the assays fair, but who when they learned that the alleged mines were in an unbroken wilderness seventy-five miles north of Duluth and could only be reached by building a railroad to them, declined to be at the expense of making the desired explorations. Nothing daunted, however, he kept at work and finally he visited Charlemaigne Tower, a Philadelphia millionaire who had made a great deal of money in iron mines in Pennsylvania, and who had been engaged in some very heavy enterprises, and that gentleman listened to his report and his propositions with considerable interest, and after some interview, said he desired to think the matter over and would like to have him call again—and it is needless to say that he called; and the result of this interview was that Mr. Tower and an associate of his in New York, a Mr. Munson, agreed to be at the expense of such an examination and exploration, as Mr. Stone desired. Thereupon, it was agreed that about midsummer of that year, they would send Prof. Chester, an eminent geologist of New York with an assistant in the person of Mr. R. H. Lee, now the superintendent and chief engineer of the Duluth & Iron Range road, but then, a young gentleman but recently out of college, accompanied by some experienced miners, to sink shafts and make a thorough investigation of the lands in question. Mr. Stone then returned to Duluth and began to fit out his memorable "expedition," which when fitted out, consisted of some forty persons, all told. The "expedition" left Duluth on the 3d day of July, most of them going by rail to Thomson, and thence up the St. Louis in canoes.

At this time there were some very wise men in Duluth—some croakers who were "perfectly sure" apparently that there was no iron in the vicinity of Vermillion lake in paying quantities, and who professed to regard the whole expedition as simply a "scheme of Stone's" to expend the money of some confiding capitalists for the benefit of himself and some of his friends, during a period when there was but little demand for labor and but little money about in this community. Prof. Chester and party remained "in the field" two months, and returning, brought with them a great many specimens of ore, which the professor took home with him to assay in his own laboratory. Some considerable time elapsed before he was able to complete his assays and furnish his report, but when his report was submitted, it proved to be a favorable one, both as to the quantity and quality of the ore, and also as to the ease with which the mining operations could be carried on.

By this time, however, the effects of the panic had begun to be so universally felt that there was, as will be remembered, a general stagnation in all branches of business the country over, and no demand for iron, and worse than all, there was nothing to indicate that there would be any considerable demand for that commodity for years to come; and of course, it was unreasonable to think of building a railroad to develop mines when there was no demand for iron, and when nearly all the iron mines that had been already opened in Michigan and Pennsylvania, were at that very time closed up. Hence, Messrs. Tower and Munson abandoned the idea of taking any steps towards developing the mines in question, and all that Mr. Stone could do was to wait wearily, and he spent some four years in very weary waiting. But about this time, however, it is proper to remember that he organized and incorporated the Duluth & Iron Range Railroad Company, and induced the legislature, for the purpose of encouraging and developing the iron interests of the state, to make that road a very valuable grant of swamp lands, on condition that the road should be completed in five years. Fortunately, towards the later part of the year 1877, there began to be some signs of a revival of the iron interests at no distant day, and this prospect gave him renewed hopes, and he took steps to acquaint still other capitalists with what he believed to be the merits of his scheme, and he found one firm who were at last willing to look into his scheme. At this juncture, he thought it might facilitate matters with the parties just referred to, to have Prof. Chester's report to show them, and so he wrote to Messrs. Tower and Munson and said that if they had no farther use for that report, he would be greatly obliged if they would kindly allow him to use it for a short time, and he incidentally mentioned that he

still had hopes of interesting some one in his long cherished project. Mr. Tower replied that he, too, had been thinking of Mr. Stone's old scheme for some time, and that although there was as yet, but little demand for iron, still such a line of depression could not overtake us, and as it would take several years to build a road and develop the mines, anyhow, it was quite probable that by the time the preliminary work could be done, iron would again be in full demand, and if a further and still more thorough examination should satisfy them beyond all question as to the quantity and quality of the iron, they would not hesitate to take hold of the project themselves. This very gratifying intelligence caused Mr. Stone to have more pleasant dreams on the night of his reception than he had had for years; for his faith in the mines was strong and he was confident that the more Messrs. Tower and Munson investigated them, the stronger would their faith become. Soon after this a further examination was made and they resulted just as Mr. Stone had predicted. Thereupon, he was authorized to go ahead and acquire from the government the title to all the desired lands, and this he did, securing the title to many thousand acres, and in the meantime Mr. Tower purchased the entire interest of Mr. Munson in the project.

Of course, however, Mr. Tower, as a careful and shrewd business man, would not take any steps towards building a road or developing the mines until he had actually secured the patents for the lands in question, and this necessarily consumed considerable time, and it was not until about the first of the year 1883, that he felt warranted in ordering the work to proceed. Mr. Stone improved the time, however, by reorganizing the Duluth & Iron Range railroad company, by organizing and incorporating the Minnesota Iron Company, and by securing the passage of an act by the legislature extending the time for the completion of the above named road,—the effect of which legislation was to recover the land grant originally made to it, but which, in the event of a forfeiture, was to be returned to the government, and to go to another corporation—the Duluth & Winship Co. His efforts to procure an extension of time were of course bitterly opposed by the eastern parties who in the meantime had acquired the controlling interest in the Duluth & Winship franchises, but who had not kept faith either with the old incorporators or with Duluth, and it was only carried after one of the hardest fought legislative battles that ever occurred in our state. This bill passed the house by a handsome majority, its opponents being confident of their ability to slaughter it in the senate, but on the very last hour of the session, at 5 o'clock in the morning, after the latter body had been discussing the bill all night, it was finally forced to a vote and carried—thus securing to his company the lands when the legislature originally intended should be used for the development of the state's mineral interests.

This legislation having been secured and the desired patents for the lands having been obtained, Mr. Tower, as above stated, ordered the work commenced and the road built from Two Harbors (a point twenty-seven miles down the north shore) to Tower, the name chosen for the future great city to be built up at the mines; and in August, 1883, this link of road, sixty-eight miles in length, was completed, and it is in all respects, one of the finest built and best equipped roads in America.

The Minnesota Iron Company which technically is a separate corporation from the Duluth & Iron Range railroad company, owns the entire townsite at Tower, and also the one at Two Harbors. At the latter point, the company has the extensive ore docks and the most convenient facilities for transferring their ore during the season of navigation from the cars to lake vessels, but the link between Duluth and Two Harbors, will be built soon, most probably during the present year, after which the company's winter storage of ore will doubtless be made at Duluth and the bulk of its shipments also from the same place, but in the near future, a very large proportion of that ore will be manufactured into iron and steel in this city. Ex-Congressman Breitung of Michigan, one of the members of the Minnesota Iron Company, and a gentleman who already has numerous gray hairs on his head, says that he expects to live to see Duluth as large an iron manufacturing city as Pittsburg is today.

The Minnesota Iron Company, it might be remarked, is composed of the following gentlemen: Charlemaigne Tower of Philadelphia, the chief promoter of the enterprise; Edward Breitung, of Negaunee, Michigan; George H. and Samuel P. Ely, of Cleveland, Ohio, and George C. Stone, of St. Paul. Two corporations above named have expended in the construction and equipment of their road, in the opening up of their mines, erection of buildings, &c. &c. over \$3,000,000, and it will not be without interest to state that, taken together, they constitute the most extensive mining corporation in the United States, and one which now seems morally certain in the future to surpass any other in the country as a miner and shipper of iron ore, and one of a quality that is much in demand, and which commands the very highest price of any in the market. It is an interesting fact that a large quantity of this ore when one year ago to-day was in the mines, has since then been manufactured into iron tubes by Griss, Barnett & Co., of Pittsburg, and is now carrying out and going all over the state of Pennsylvania. The Iron Company now has upon its pay rolls seven hundred men at the mines and the railroad company two hundred more, or nine hundred in all, and the entire pay roll exceeds \$50,000 per month. The company shipped 62,000 tons of ore from the time of the completion of the road (September 1, 1884) to the close of navigation of that year, and in 1885, it shipped 225,484 tons, being surpassed in this respect by only one other mine in the country—the Republic. The record of the shipments of the eight largest mines in the entire Lake Superior district for the year just closed, is as follows:

Mines	Tons
Republic	249,071
Minnesota Iron Company (Vermilion)	225,484
Cleveland	217,191
Lake Superior	112,112
Chippewa	177,294
Champion	167,784
Lawson	124,112
Valcena	124,112
Total	1,497,646

The Minnesota Iron Company, since the beginning of its mining operations, has sold over \$1,000,000 worth of ore, and still its operations can be said to have been but commenced. Some of its mines have only been partially opened, and some have not been opened at all, and preparations are now being made for a largely increased output during the coming year. Thus far the company has simply been introducing its ore in the iron markets of the country, but owing to the peculiarly fortunate location of its mines, its operations can be carried on so cheaply that by increasing its mining and railroad force, it can easily supply the demand for ore, let it be 500,000 tons or 1,000,000 per annum. As the ore of this company is so accessible and of such a superior quality, and as the company owns its own road, it can carry on its operations at a profit, even during dull times when work on most other mines would have to be stopped.

The Republic iron mine of Michigan has heretofore been regarded as the richest and most valuable iron mine in the known world, but the Hon. Edward Breitung, who is a practical iron man, and we believe the largest stockholder in that mine, considers his interests in the Minnesota Iron Company worth far more than his interest in the Republic. [Just here a brief allusion to the very handsome speculation made by this gentleman in Minnesota Iron Company property, will not be without interest in itself, and it will indicate something of the great value of that property. Sometime after Mr. Tower had decided to go ahead with the Duluth & Iron Range road, Mr. Breitung purchased, we believe, a one-tenth interest in the enterprise, as it then stood, for the sum of \$200,000; but before a year had elapsed, he had sold a portion of that tenth interest to some other parties, by which he secured back the \$200,000 that he originally paid and \$200,000

000 besides, and he still retains an interest in the company valued at \$1,000,000.]

In concluding this article, it should be stated that Charlemaigne Tower, Sr., the gentleman, who, though past his "three score and ten," has had the enterprise to undertake and carry forward the great work above described, thereby erecting to himself a monument which will be pointed to by generations yet to come, has been ably seconded in his efforts by his son Charlemaigne Tower, Jr., the very capable president of the Duluth & Iron Range road, and by his son-in-law, Mr. R. H. Lee, the superintendent of that road. Mr. Tower, Jr., has the enterprising and enthusiasm of his father, and although he had been reared and educated, and had spent all his life in the great city where his father still resides, yet he, in addition to giving strict and able attention to the corporation of which he is the head, has readily adapted himself to the ways of the people and the condition of affairs found in the West and is proving himself to be a useful and a public spirited citizen, and it is but just to say that he is held in high esteem by our people. Mr. Lee is also the right man in the right place, and he has built and equipped a railroad of which any civil engineer in the country might well be proud, and he appears to be operating it in a most efficient and successful manner.

It affords us a great deal of pleasure to be able to state that that old pioneer, George C. Stone, to whom Duluth and the state of Minnesota are primarily indebted for the development of the most important industry above mentioned, will reap a rich pecuniary reward for his work, worry, care and anxiety in working up the above scheme with which his name is now, and ever will be, inseparably connected. He has put Messrs. Tower and others in the way of adding millions to their already great wealth, and for this service, he, as agreed upon years ago, has been assured of a position and allotted an interest which in the years to come, will make him one of the wealthy men of the state. We are sure that no one who knows him and appreciates how much Duluth and the state are indebted to him for his bull-dog tenacity in keeping at work at our iron mines until he had secured their development, will begrudge him any fortune that he may thereby acquire, and that they all, on the contrary, will join us in the hope that he may long live to enjoy it and to enjoy the satisfaction of having rendered his old home and state so signal a service.