

A COMPANION PAPER TO THE UPPER MIDWEST SERIES

The Families That Shaped Duluth

NINE FAMILIES FROM AWAY · FIVE FROM HOME · ONE CITY BETWEEN THEM

COOKE HILL WASHBURN ROCKEFELLER HANNA CARNEGIE MORGAN WEYERHAEUSER CARGILL
MERRITT PEYTON McDUGALL WOLVIN BARNES CONGDON

Outside Capital and Local Fortunes at the Head of the Lakes

THE OUTSIDERS

Cooke & Tower · Hill · Washburn & Pillsbury
Rockefeller · Mather & Hanna · Carnegie
Morgan · Weyerhaeuser · Cargill

THE DULUTHIANS

Merritt · Peyton · McDougall & Wolvin
Barnes · Congdon

Who bet on Duluth from afar, who built it from within,
and who kept what its ore, grain, and timber made.

THE FAMILIES

Cooke and Tower launched the city and its first range; Hill built his port across the bay; the Minneapolis millers set the prices; Rockefeller took the Mesabi from the Merritts, Cleveland ran the ore trade, and Carnegie and Morgan folded it into U.S. Steel; Weyerhaeuser cut the pine and left; Cargill stayed. At home, the Peytons kept a bank, McDougall and Wolvin built and ran the ships, Barnes carried Duluth grain to Washington, and Congdon carried Mesabi money west.

EDWARD J. FOX, PhD

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Edward J. Fox, PhD · Working draft · Sep 30, 2026

Introduction: Two Kinds of Families

Duluth's economic history has usually been told through its resources: grain, iron, timber, and the harbor that moved them. The earlier papers in this series follow that approach. *The Golden River* traces the grain, *The Iron Shore* the ore, *Common Wealth* the people who worked both, and *The Capital of the Northwest* the money behind them. *The Economic Sister Cities of Duluth* asks where that money came from. This paper asks who it belonged to.

The answer is a small number of families. Most of them never lived in Duluth. Jay Cooke financed the town's first boom from Philadelphia, and Charlemagne Tower opened the first iron range from the same city. James J. Hill ran the region's railroads from St. Paul. The Washburns and Pillsburys milled the Northwest's wheat in Minneapolis and built their own railroad east. The Rockefellers took the Mesabi from New York and ran it through Cleveland families, the Mathers and the Hannas, whom John D. Rockefeller had known since high school. Andrew Carnegie's partners made the steel in Pittsburgh, and J. P. Morgan's corporation bought nearly all of them out. The Weyerhaeusers cut the pine from St. Paul, and the Cargills stored the grain from La Crosse and Minneapolis.

A few families did live in Duluth. The Merritts found the Mesabi and lost it. The Peytons stayed in banking through three panics. Alexander McDougall designed the whaleback, and Augustus Wolvin ran U.S. Steel's fleet from a Duluth office. Julius Barnes built a grain fortune at the harbor and took it to Washington. The Congdons' Mesabi fortune built Glensheen and orchards in Washington's Yakima Valley.

The two groups are the paper's two parts, but the line between them is less fixed than it looks. The outsiders did not all play the same role. Cooke was a financier whose failure took the town down with him. Hill was a neighbor who built his port across the bay. The millers held the prices and the routes. Rockefeller owned the transportation and Carnegie the market; Morgan owned the ore, the transportation, and the market together. The Cleveland families ran the ore trade for owners elsewhere. The Weyerhaeusers came, cut,

and left. The Cargills came and stayed for more than a century, then sold. Even the local families shifted position: Duluth money could become outside money somewhere else, as Congdon's did in Washington.

A second thread runs through the paper: the road to Puget Sound. Cooke's Northern Pacific was built to run from Lake Superior to Tacoma. Rockefeller's money founded Everett, Washington, with a whaleback yard staffed from West Superior, and then abandoned it. Hill took over what Cooke and Rockefeller left. Weyerhaeuser bought Northern Pacific timberland from Hill and opened his first western sawmill in Everett. Congdon planted orchards in the Yakima Valley, and a Cargill son built a town in Montana. Capital that shaped the head of the lakes kept moving west, and much of it went to the same corner of the country.

The argument follows from *The Capital of the Northwest*. Duluth's geography was real, but geography alone did not build a city. Its rise and its setbacks were decided, again and again, by families whose interest in Duluth was as an asset rather than as a place. The Duluth families show what the city could do with its own capital, and what it could not.

None of these families arrived first. The Ojibwe of Fond du Lac lived at the head of the lakes long before Cooke's surveyors, and in the 1860s it was Ojibwe people who first showed iron-bearing rock to a government blacksmith, as *The Iron Shore* recounts. Every family in this paper built on land, and on knowledge, that was already here.

Source note. The framing follows *The Capital of the Northwest* and *The Economic Sister Cities of Duluth*. Every fact is drawn from the family sections below, whose source notes separate the author's papers from new sources.

Part I: The Outsiders

1. Jay Cooke and Charlemagne Tower: Philadelphia Builds and Leaves

Duluth's first great outsider was not a single man but a family house. Jay Cooke & Company was built around Jay Cooke and his brothers. Jay ran the Philadelphia office, and Henry D. Cooke ran the Washington office, close to the Treasury and to Congress. The firm made its name selling Union war bonds to ordinary citizens, and by the late 1860s Jay Cooke was the most famous banker in America.

Cooke invested in the Lake Superior & Mississippi Railroad, which would connect St. Paul to the lake, and in 1870 he became financial agent for the Northern Pacific, the transcontinental line meant to run from Lake Superior to Puget Sound. Duluth was to be the eastern terminus of both. In 1868 Duluth was home to about fourteen families. By 1870 it had more than 3,000 residents and a city charter. The first train from St. Paul arrived on August 1, 1870. Cooke also financed grain elevators at both ends of the line, including Duluth's Elevator A, the first in the Twin Ports.

Cooke's town soon had a national reputation, though not the one he wanted. On January 27, 1871, the Kentucky congressman J. Proctor Knott rose in the House to oppose a land grant for the St. Croix and Lake Superior Railroad, a line meant to run from Hudson, Wisconsin, to Superior and a rival to Cooke's road. Knott, who is said to have studied a map of the region prepared by Cooke's agents, treated Duluth as the rival line's terminus and made the town the target of a half hour of ridicule. He professed delight that the map placed Duluth halfway between the latitudes of Paris and Venice, since he had always believed that around Lake Superior it was "cold enough for at least nine months in the year to freeze the smoke-stack off a locomotive." The speech killed the grant, was reprinted across the country, and put Duluth on the national map. Duluth took the joke in stride. Its promoters had already called it the "Zenith City of the Unsalted Seas," a phrase first used by the Duluth editor Thomas Foster in 1868. By the late 1880s the Chamber of Commerce was reprinting Knott's speech to show that his ridicule had come true. In 1891 Knott accepted an invitation to visit, and in 1894 a railroad town just west of Duluth was incorporated as Proctorknott by Beriah Magoffin III, a friend of Knott's, and renamed Proctor in 1904.

Everything rested on one source of capital. The Northern Pacific needed enormous construction spending long before it could earn revenue, and Cooke's firm financed it by selling the railroad's bonds, at 7.3 percent interest, to investors who were growing skeptical. On September 18, 1873, Jay Cooke & Company closed its doors. Its collapse set off the Panic of 1873. The New York Stock Exchange closed for ten days, and the country entered one of the longest depressions in its history.

Duluth lost roughly half its population. The Northern Pacific went bankrupt in 1875. In 1877 both the Lake Superior & Mississippi and the city itself were reorganized, the railroad as the St. Paul & Duluth and the city as a village whose bondholders recovered 25 cents on the dollar. Duluth did not regain city status until 1887, after it had repaid its debt.

The Cooke failure opened the way for Philadelphia's second venture. The coal financier Charlemagne Tower had spent twenty-five years in Pottsville, Pennsylvania, developing anthracite lands and the railroads that served them. He came out of the Northern Pacific

collapse with large tracts of Jay Cooke & Company's western land. In 1875 a Duluth promoter, George C. Stone, brought him samples of Vermilion ore. Tower sent his own experts and then became principal partner and chief financier of the Minnesota Iron Company. His money opened the Soudan Mine, which made Minnesota's first ore shipment in 1884, and built the Duluth & Iron Range Railroad to docks at Two Harbors. The town beside the mine took his name, and his son, Charlemagne Tower Jr., managed the family's Minnesota interests. Philadelphia's hold on the Vermilion lasted only three years past the first shipment. A Chicago syndicate wanted Tower's railroad and threatened to build a competing line, and in 1887 Tower sold the mines and railroad together.

The Northern Pacific survived its bankruptcy. In 1896 James J. Hill and his associates took control of it, in alliance with J. P. Morgan's firm, so the transcontinental Cooke meant to begin at Duluth ended up run from St. Paul. At the western end, the railroad had chosen Tacoma as its Puget Sound terminus in 1873, the same Washington country where, a generation later, Chester Congdon would invest part of his Mesabi fortune. Cooke himself rebuilt his fortune through a Utah silver mine but never returned to Duluth as an investor. The city kept his name instead. Jay Cooke State Park, on the St. Louis River just above the city, was established in 1915 on land donated by a power company.

The Philadelphia story sets the pattern for Part I. Duluth's geography was real, but geography alone did not build a city. Twice, Duluth's future was decided by a Philadelphia fortune: once when Cooke's firm failed, and again when Tower chose to sell. In neither case did Duluth have a voice.

Source note. From the author's papers: *The Capital of the Northwest* (Section 2) and the Philadelphia chapter of *The Economic Sister Cities of Duluth* supply Cooke's war bonds, the two railroads, the population figures, the first train, Elevator A, the 7.3 percent bonds, the 1873 failure, the 1875 and 1877 reorganizations, the 1887 return to city status, Tower's career, the Soudan and Duluth & Iron Range, and the 1887 sale; the Twin Cities chapter supplies Hill's 1896 takeover. New sources: Philip D. Jordan, ed., "Proctor Knott's Speech on Duluth," *Minnesota History* 34 (Summer 1954): 67–78, for the speech, the St. Croix bill, Cooke's agents' map, the quotation from the *Congressional Globe*, Foster's 1868 origin of "Zenith City," and the Chamber of Commerce reprints; Wikipedia, "J. Proctor Knott," for the 1891 visit and Proctorknott; New-York Historical Society, "The Untold Delights of Duluth," confirming the 1891 visit; Proctor Area Historical Society, "Our People," for Magoffin.

2. The Hills: The Neighbor Who Went Around Duluth

James J. Hill shaped Duluth more than any other outsider except Morgan, and he did much of it by going around the city. Hill was a St. Paul railroad man, not a distant financier. His railroads carried the prairie's wheat to the lake, his ships carried it east, and his family owned the one great block of Mesabi ore that Morgan never controlled. Yet at almost every turn Hill chose the Wisconsin side of the harbor.

Hill's connection to the head of the lakes began before his railroad reached it. When twelve Manitoba farmers shipped the first Red Fife wheat from the Canadian West to Ontario in 1876, it went south on a Red River steamer belonging to a company dominated by Hill, then by rail to Duluth and by lake vessel east. In 1878 Hill and Norman Kittson of St. Paul joined George Stephen and Donald Smith of Montreal to buy the bankrupt St. Paul & Pacific, which became the St. Paul, Minneapolis & Manitoba and, in 1890, the Great Northern. The same partners then built the Canadian Pacific. Hill wanted it to dip into Minnesota and feed his road. The Montreal side insisted on an all-Canadian line across the north shore of Lake Superior, and on May 3, 1883, Hill resigned from the CPR board. Because Montreal won, the Canadian West would ship its wheat from Port Arthur and Fort William rather than through Minnesota.

Hill answered on his own side of the border. He pushed his road west across the northern plains and extended it to Superior, where he built a grain terminal. In 1888 he organized the Northern Steamship Company, with six package freighters built in Cleveland, to carry wheat east to his elevator at Buffalo and bring eastern goods west. His bridge engineer, Max Toltz, built matching elevators at both ends of the route, at Buffalo in 1897 and at West Superior in 1901. Hill's Eastern Railway of Minnesota built from Hinckley to the Superior side of the harbor, and when the Great Northern carried ore, it went to the railway's own docks at Allouez, in Superior. Duluth had been Cooke's town. The Twin Ports' largest railroad chose its sister city across the bay.

Hill also inherited what other outsiders left behind. In 1896 he took control of the bankrupt Northern Pacific. At Everett, Washington, in 1899 his Everett Improvement Company took over the townsite Rockefeller was abandoning. In 1900 he sold 900,000 acres of Northern Pacific timberland in Washington to Frederick Weyerhaeuser and his associates, the subject of Section 8. By the turn of the century, the western ventures of three other outside families had passed through Hill's hands.

Iron made the Hills a family enterprise. Urged on by his son Louis, the family bought western Mesabi land in the late 1890s. By 1906 the Great Northern held what was reckoned the second-largest ore reserve on the range, behind only U.S. Steel's. The

Hepburn Act of 1906 barred railroads from hauling minerals they owned, so in December the lands were placed in a trust, Great Northern Iron Ore Properties, whose certificates went to the railway's shareholders. The trust held 67,000 acres of Mesabi land from its St. Paul office. In 1907 it leased the best of that land to U.S. Steel at 85 cents a ton, rising every year, when the average Mesabi royalty had been 26 cents, and the lease required the ore to travel over the Great Northern. When Congress investigated U.S. Steel in 1911, the Bureau of Corporations found that the corporation's power rested chiefly on its ore holdings and on the Hill lease in particular. Hill testified in February 1912. U.S. Steel gave the lease up at the end of 1914, and the ore went back to St. Paul. The trust never mined its own ore. It collected royalties from the companies that did for a century, until it was dissolved in 2015.

Hill's last institution was a bank. In 1912 he merged the First and Second National Banks of St. Paul and owned the combined bank until his death in 1916. In 1929 it joined the First National Bank of Minneapolis to form the First Bank Stock Corporation, one of the two Twin Cities holding companies that organized banking across the Upper Midwest.

The Hills show a different kind of outside influence. Cooke financed Duluth, Rockefeller owned its transportation, and Morgan owned its iron. Hill was a neighbor with his own port across the bay. St. Paul owned a share of the Mesabi as a landlord, not as an operator, and the ore it owned went to Superior, not Duluth.

Source note. From the author's papers: the Canadian, Buffalo, New York, and Twin Cities chapters of *The Economic Sister Cities of Duluth* supply the Red Fife shipment, the 1878 purchase, the CPR break, the push to Superior, the Northern Steamship Company, the Toltz elevators, the Eastern Railway, Allouez, the 1896 takeover, the Louis Hill purchases, the Hepburn Act trust, the lease terms, the Bureau of Corporations finding, the 1912 testimony, the 1914 cancellation, the 67,000 acres, the 2015 dissolution, and "landlord, not operator"; *The Capital of the Northwest* supplies the 1912 bank merger and the 1900 Weyerhaeuser sale. New sources: HistoryLink essay 21225 for Hill's 1899 Everett purchase.

3. The Washburns and Pillsburys: The Millers at the Falls

The Washburns and Pillsburys never owned much at the head of the lakes, but they decided a great deal of what passed through it. They were the milling families of Minneapolis, and Duluth's grain trade grew up as the other half of their business: Minneapolis milled the flour, and Duluth-Superior shipped the wheat. The millers could also route around Duluth when it suited them, and they built a railroad to do it.

The Washburns were brothers from Maine who went west to several states. Cadwallader C. Washburn built mills at the Falls of St. Anthony and later formed Washburn-Crosby. His younger brother, William D. Washburn, was a miller, congressman, and senator from Minnesota. The Pillsburys came from New Hampshire. Charles A. Pillsbury built the flour house that bore the family name, and George A. Pillsbury was president of the Minneapolis Chamber of Commerce when it moved into larger quarters, predicting that business transacted there would affect the breadstuffs of the world. On May 2, 1878, a flour-dust explosion destroyed the Washburn A Mill, killed eighteen workers, and wiped out a third of the city's milling capacity. Within a year the mills were rebuilt, and by 1880 Minneapolis led the country in flour production. After 1889 the Pillsbury-Washburn Company controlled the water power at the falls.

Cadwallader Washburn has an unexpected place in Duluth's story. When Proctor Knott ridiculed the St. Croix land grant in 1871, he read aloud from an earlier debate in which Washburn, then a congressman from Wisconsin, had declared that the pine lands along the proposed route were sandy, barren, and not fit for settlement. Knott used Washburn's words to mock the whole region, and Duluth with it.

By the 1880s Minneapolis had passed St. Louis as the nation's leading flour city, and its mills, led by Pillsbury and Washburn-Crosby, bought the hard spring wheat of the Northwest before it went anywhere else. By 1900 Minnesota was the largest primary wheat market on earth. But the millers did not want to depend on any single route east. Before the Soo Line, they had two routes east: by rail to Duluth and then by boat across the lakes, or through Chicago, where Chicago-owned railroads charged rates that favored the mills of Milwaukee and Chicago.

The millers answered by building their own railroad, one that bypassed Chicago. On September 29, 1883, a consortium of Minneapolis mill owners formed the Minneapolis, Sault Ste. Marie & Atlantic Railway, with William D. Washburn as its first president. The flour companies owned three-quarters of its stock. It ran about 500 miles through the Wisconsin and Michigan northwoods to a Canadian Pacific connection at Sault Ste. Marie, which it reached in December 1887. On January 5, 1888, its first train left Minneapolis with 102 cars of flour bound for Boston, New York, Philadelphia, London, and Glasgow. That June the millers' lines were joined as the Minneapolis, St. Paul & Sault Ste. Marie, the "Soo Line." It did not reach Superior until 1908.

The Soo Line was the millers' version of what Hill did at Superior: a route that gave them choices and left Duluth with less leverage. They extended the same logic east. Washburn-Crosby built its first Buffalo mill in 1903 or 1904, and Pillsbury followed. By 1927 the two firms held 52 and 26 percent of Buffalo's flour capacity. Wheat increasingly went through

Duluth to be milled in Buffalo by the same Minneapolis companies. Washburn-Crosby became General Mills in 1928, and General Mills in time operated grain-handling facilities in the Twin Ports themselves.

The milling families show the Twin Cities' version of outside control. Rockefeller and Morgan owned Duluth's iron from a thousand miles away. The Washburns and Pillsburys owned little at the head of the lakes, but they held the prices, the mills, and the routes. Duluth handled the tonnage. The decisions about what the grain was worth and where it went were made at the Falls.

Source note. From the author's papers: *The Golden River* supplies George A. Pillsbury and the Chamber of Commerce, Minneapolis passing St. Louis, the 1900 market, the division of labor, and General Mills in the Twin Ports; the Buffalo chapter of *The Economic Sister Cities of Duluth* supplies the Buffalo mills and the 1927 shares; the Twin Cities chapter supplies "Duluth handled the tonnage." New sources: Jordan, "Proctor Knott's Speech on Duluth" (1954), for Washburn's remarks; Historical Marker Database, "Giants in the Land," for the 1878 explosion, the 1880 lead, Chicago rates, and water power after 1889; Wikipedia and the Soo Line Historical and Technical Society for the 1883 incorporation, Washburn's presidency, and the 1888 train and merger; *Trains* magazine for the route, the 1887 arrival, and Superior in 1908; kohlin.com Soo Line chronology for the 75 percent miller ownership and the pre-1883 lake route via Duluth; MNopedia, "Minneapolis, St. Paul and Sault Ste. Marie Railroad (Soo Line)," for Chicago and Milwaukee control of the eastern routes.

4. The Rockefellers: An Oil Fortune on the Iron Range

John D. Rockefeller never set foot on the Mesabi, and he came to own it almost by accident. What made him formidable in Duluth was not his presence but his organization: a circle of Cleveland men he had known since boyhood, and an adviser who managed his outside investments. Together they could take over a Minnesota iron range in the middle of a depression and run it from a thousand miles away.

The circle began at Cleveland's Central High School, founded in 1846 as the first free public high school west of the Alleghenies. Its early students included Rockefeller, Marcus A. Hanna, and Samuel Mather. Rockefeller and Hanna were classmates and lifelong friends, and Rockefeller married another Central student, Laura Spelman. Section 5 follows the Cleveland families themselves.

The second piece of the organization was Frederick T. Gates, a Baptist minister who had come to Rockefeller's attention through the founding of the University of Chicago. Gates was brought in to clean up after two other men from Rockefeller's church, Charles Colby

and Colgate Hoyt, whom Rockefeller had allowed to invest on his behalf. Their ventures ran from the Great Lakes to Puget Sound. On the lakes, they organized the American Steel Barge Company in 1889 to build Alexander McDougall's whalebacks at Duluth and West Superior, with Rockefeller among the investors and Hoyt as president. On Puget Sound, they poured Rockefeller's money into a new industrial city, Everett, named for Colby's son, with a land company, mines, a paper mill, and a whaleback yard staffed by men sent from West Superior. The Panic of 1893 broke both ventures. In Washington, Gates spent the rest of the decade getting Rockefeller out, and James J. Hill's Everett Improvement Company took over the townsite. In Minnesota, the same panic ran the other way. The American Steel Barge connection had drawn Rockefeller into the Merritts' railroad and docks, and Gates arranged the loans that carried the Merritts into the crash. By 1894 Rockefeller controlled their railroad and their ore. How that happened, and whether it was fair, is the Merritts' story, told in Section 10.

Once he owned the range, Rockefeller treated iron the way he had treated oil: overproduction and ruinous competition would break most producers, and whoever controlled transportation could control the trade. He organized the properties as the Lake Superior Consolidated Iron Mines and gave the sales to a Cleveland house, Oglebay, Norton and Company. In early 1895 he asked Samuel Mather to contract for twelve ore freighters, telling him he could help build the fleet and earn a large commission or Rockefeller would find someone else. Rockefeller spent \$3 million on the ships and in March 1896 announced the Bessemer Steamship Company. One of them, the *Sir William Siemens*, launched at Cleveland's Globe Iron Works, was among the largest vessels on the lakes. Her port of registry was Duluth.

In Duluth, Rockefeller's interests had their own lawyer. Joseph B. Cotton, a former state legislator, became general counsel for the Lake Superior Consolidated Iron Mines in 1894 and was among the defense counsel in the Merritts' suit against Rockefeller. He also served as vice president and managing owner of the Bessemer Steamship Company. After 1901 Cotton became general solicitor for the Duluth & Iron Range, the Duluth, Missabe & Northern, the Oliver Iron Mining Company, and the Minnesota Iron Company, all by then U.S. Steel subsidiaries, with his office in the Wolvin Building. The lawyers followed the ore. Congdon had represented Oliver, Cotton had represented Rockefeller, and after the merger the legal work of both ran through the same corporation.

Control of transportation gave Rockefeller the bargaining position he wanted. In 1896 Henry Frick and Henry Oliver, acting for Carnegie, leased Rockefeller's Mesabi mines at 25 cents a ton and agreed to ship their ore, and ore from Oliver's own mines, over Rockefeller's railroad and ships. Oliver would mine, Rockefeller would transport, and

Carnegie would make the steel. Duluth's place was fixed as the point where Rockefeller's railroad met his ships. In 1900 he added the American Steel Barge Company's fleet of about thirty whalebacks.

Rockefeller held the Mesabi for about seven years. In 1901 he sold his mines, railroad, and fleet to J. P. Morgan's new United States Steel Corporation. Gates put the profit at about \$55 million, roughly a quarter of Rockefeller's fortune that year. His ships joined others in a fleet of 112 vessels under the Pittsburgh Steamship Company. After that the Rockefellers had no significant stake in Duluth. Cooke's capital was a bet that failed, and Duluth failed with it. Rockefeller's was a bet that succeeded, and Duluth gained docks, jobs, and tonnage but not ownership.

Source note. From the author's papers: *The Capital of the Northwest* supplies the Merritt railroad, American Steel Barge, control by 1894, and the 1901 sale; *The Iron Shore*, citing Chernow's *Titan*, supplies the \$55 million; the Cleveland, Pittsburgh, and New York chapters of *The Economic Sister Cities of Duluth* supply Central High, Oglebay Norton, Mather's fleet contracts, the Bessemer Steamship Company, the *Sir William Siemens*, the 1896 lease, Gates's role in the loan, the whalebacks, and the 112-vessel fleet. New sources: HistoryLink essays 21163 and 21164 on the Pacific Steel Barge Company; Allan Nevins, "Frederick T. Gates and John D. Rockefeller," *American Heritage* (April 1955); Historic Everett walking-tour pages; *The Book of Minnesotans* (1907), *Little Sketches of Big Folks in Minnesota* (1907), and Flandrau, *Encyclopedia of Biography of Minnesota* (1900), for Cotton.

5. The Mathers and Hannas: The Families Who Ran the Ore Trade

If New York and Pittsburgh owned Minnesota's iron, Cleveland ran it. The ships that carried ore from Duluth and Two Harbors, the agencies that sold it, and the machines that unloaded it at Lake Erie were, to a remarkable degree, the work of a few Cleveland families. Rockefeller could run a Minnesota range from a thousand miles away because these families had been in the ore business for forty years and he had known them since boyhood.

The Mathers came first. On November 9, 1847, fifteen Cleveland men formed the Cleveland Iron Mining Company to explore the ore of Michigan's Upper Peninsula. Samuel Livingston Mather, a lawyer who had moved to Cleveland in 1843, led it until his death in 1890. The company sent the first cargo of ore through the Sault Ste. Marie canal in 1855 and started its own fleet in 1869. In 1891 it merged with the Iron Cliffs Company to form Cleveland-Cliffs. By then Mather's eldest son, Samuel, had joined James Pickands and Jay

Morse in 1883 to found Pickands Mather & Co., which became a sales agent on the ranges of Wisconsin and Minnesota and began buying docks and steamship companies. A third house belonged to the Hanna family, through M. A. Hanna & Co. Together these firms were said to control 80 percent of the ore vessels on the lakes. When the Mesabi opened in 1890, Duluth's new range entered a trade whose operating center was at the other end of the lakes.

The families were bound together by school as well as business. Hanna graduated from Central High in 1857, married Charlotte Rhodes, and joined her father's coal and iron firm, which became M. A. Hanna & Co. He went on to manage William McKinley's presidential campaigns of 1896 and 1900 and to serve as a U.S. senator from Ohio from 1897 until his death in 1904. Rockefeller was reported to have given \$250,000 to the 1896 campaign, the same year the Rockefeller, Carnegie, and Oliver interests divided the Mesabi among themselves.

After 1901 Cleveland ran Morgan's fleet as well. When U.S. Steel's 112-vessel Pittsburgh Steamship fleet proved too complex to manage, the corporation turned in 1904 to Harry Coulby, a Pickands Mather partner, who agreed on condition that he keep running Pickands Mather's fleets too. He stayed as the Pittsburgh fleet's president until 1924. Pickands Mather's own vessels became the Interlake Steamship Company in 1913. A Clevelander, George H. Hulett, patented the automatic ore unloader in 1898, and lake freighters were redesigned around it, so Cleveland's unloaders at one end of the lakes set the size of the boats that called at Duluth at the other.

The Cleveland houses also mined in Minnesota, alongside U.S. Steel's Oliver company. Pickands Mather opened the Albany Mine near Hibbing in 1903 and the Scranton Mine in 1904. In the taconite era, Cleveland families were partners in both of the first commercial plants in 1957: Cleveland-Cliffs in Reserve Mining at Silver Bay, and Pickands Mather in Erie Mining at Hoyt Lakes. In 2020 Cleveland-Cliffs bought ArcelorMittal's American business, and with it the managing role at Hibbing Taconite, on the site of the old Hull-Rust-Mahoning pit.

The Hanna company followed a different path and became the Cleveland house that most resembled an owner. Its turnaround came from a Michigan lawyer, George M. Humphrey, who joined M. A. Hanna & Co. as general counsel in 1917 and became a partner in 1920 in charge of iron-ore properties. After the company lost \$2 million in 1924, Humphrey and Howard Hanna cut unprofitable mines, plants, and staff, and the company never lost money again. In 1929 Humphrey became president and organized the National Steel Corporation, combining Weirton Steel, Great Lakes Steel, and Hanna's ore mines, lake vessels, and blast furnaces. Hanna received more than a quarter of National Steel's stock,

becoming its largest shareholder, and Hanna Mining became the operating agent for National Steel's mines and ships. In 1950 Humphrey organized the Iron Ore Company of Canada to develop the Labrador-Quebec deposits, the first large foreign source to compete with the Mesabi for American mills. From 1953 to 1957 he was Eisenhower's secretary of the Treasury. On the Mesabi, Hanna opened the Butler Taconite plant at Nashwauk in 1967 and managed the National Steel Pellet plant at Keewatin. In May 1985 it announced Butler's permanent closing, costing about 450 jobs. Like Congdon in Duluth and Gary at U.S. Steel, Humphrey was a lawyer who became an ore executive.

The Cleveland families were usually operators rather than owners. Rockefeller used Cleveland men to run the Mesabi, but the profit went to Rockefeller; U.S. Steel hired a Cleveland manager for its fleet, but the fleet belonged to U.S. Steel. Only the Hannas, through National Steel, became part owners of a steel company. Yet the Cleveland houses lasted longest of all the outsiders. A company born on the Marquette Range in 1847 still operates the largest open pit on the Mesabi.

Source note. From the author's papers: the Cleveland chapter of *The Economic Sister Cities of Duluth* supplies Cleveland Iron Mining, Samuel L. Mather, Cleveland-Cliffs, Pickands Mather, M. A. Hanna & Co., the 80 percent figure, Central High, Hanna's politics, the \$250,000, Coulby, Interlake, the Hulett, the Albany and Scranton mines, Reserve and Erie, and the 2020 purchase; the author's Laura Spelman play covers the Central High setting. New sources: Eisenhower Library finding aid, George M. Humphrey papers; Encyclopedia of Cleveland History, "Humphrey, George Magoffin"; Humphrey's 1953 Senate confirmation testimony (for the 1917 start date); Encyclopedia.com, "M. A. Hanna Company"; AIME, Iron Ore Company of Canada; *Mesabi Tribune*, "Recalling the closure of Butler Taconite"; Mesabi Metallica company history.

6. Carnegie: The Reluctant Partner

Andrew Carnegie's family in business was his partners. Carnegie Steel was a partnership, and the men who brought it to the Mesabi were Henry Clay Frick, who ran the company, and Henry W. Oliver, a Pittsburgh businessman who moved faster than Carnegie himself. The Mesabi became a Pittsburgh enterprise largely over Carnegie's objections.

Oliver reached the range within two years of its discovery. After the Merritts began shipping ore from Mountain Iron in 1892, he traveled to the range and leased the Mountain Iron mine on the spot. The lease, signed August 1, 1892, required a royalty of 65 cents a ton, at least 200,000 tons a year from 1893, and an advance of \$75,000. On September 30, 1892, Oliver incorporated the Oliver Mining Company with \$1.2 million in capital.

Carnegie did not want in. From a retreat in England he predicted that the ore venture would bring more trouble and less profit than almost any other branch of his business. Frick disagreed, and Rockefeller's move into the Mesabi changed the calculation. In April 1894 Carnegie's interests put \$500,000 into Oliver's company for half its stock, so that Pittsburgh would have its own ore. By 1896 Carnegie held five-sixths of it. That year Frick and Oliver leased Rockefeller's mines at 25 cents a ton, when other owners were getting 65. News of the agreement broke the ore market from \$4 a ton to \$2.50, and independent owners without mills behind them tried to sell out at almost any price.

Carnegie's steel reached the head of the lakes even before his ore interests did. In 1890 the Carnegie company won the contract to supply steel plates for the American Steel Barge Company's whalebacks. When the Homestead strike began on July 1, 1892, the same day a West Superior crew left to start the whaleback yard at Everett, the plates for that ship were made by replacement workers and shipped west on the Northern Pacific. The defining labor battle of Carnegie's career reached Puget Sound through a Duluth-Superior ship design.

In 1901 Carnegie sold his company to J. P. Morgan, and Carnegie Steel became the core of United States Steel. The Oliver company became the new corporation's mining division, took over the former Rockefeller mines, and ran the Mesabi for more than half a century. At its peak it operated 128 mines, and by 1940 it had produced upward of 40 percent of the nation's iron ore, selling from offices in the Wolvin Building in Duluth. Its counsel in Duluth from the 1890s was Chester Congdon, whose fortune is the subject of Section 14. Oliver was also the company Mesabi miners organized against, in the strikes of 1907 and 1916. It kept unions out of its mines until 1943.

Carnegie left one kind of direct mark on Duluth, the kind he preferred: libraries. A \$75,000 grant, made on October 7, 1899, paid for a public library that opened on April 19, 1902, and Carnegie branch libraries followed in West Duluth in 1912 and in Lincoln Park in 1917. The Carnegie section shows another form of outside control. Rockefeller owned the Mesabi's transportation. Carnegie owned the market. The Mesabi had the ore and Duluth had the docks, but the steel mills decided what the ore was worth.

Source note. From the author's papers: the Pittsburgh chapter of *The Economic Sister Cities of Duluth* supplies the 1892 lease and incorporation, Carnegie's reluctance, the 1894 investment, five-sixths control, the 1896 lease, the price break, the 128 mines, the 40 percent figure, and the Wolvin Building; *The Iron Shore* supplies the 1901 consolidation; *Common Wealth* supplies the 1907 and 1916 strikes and 1943. New sources: HistoryLink essay 21164 for the whaleback steel contract and the Homestead plates; Wikipedia, "List

of Carnegie libraries in Minnesota," for the \$75,000 grant of October 7, 1899; Forgotten Minnesota, "Duluth's Main Carnegie Library," for the April 19, 1902 opening; Clio, "Duluth Public Library (Carnegie Building)," for the 1912 and 1917 branches.

7. The Morgans: The Owner Who Never Came

The Morgans were the last and largest of Duluth's outside owners. Unlike Cooke, Rockefeller, and Carnegie, they had no single venture at the head of the lakes. They owned the corporation that owned nearly everything. J. Pierpont Morgan never built anything in Duluth, and his name went on a company town that opened after his death.

Morgan's reach began with the railroad Cooke had failed to finish. When the Northern Pacific came out of bankruptcy in 1896, its reorganization was managed by J. P. Morgan & Co. in alliance with James J. Hill. Iron came next. In September 1898 Morgan organized the Federal Steel Company and made Elbert H. Gary, Illinois Steel's general counsel, its president. Federal Steel took in Chicago's Illinois Steel and the Minnesota Iron Company, which brought Tower's Vermilion mines, about 40,000 acres of Minnesota mineral land, the Duluth & Iron Range Railroad, and a fleet of ore boats. In 1900, when Carnegie threatened to build a rival mill, Morgan negotiated to buy him out. United States Steel was incorporated on February 25, 1901, merging Carnegie Steel, Federal Steel, and National Tube. Capitalized at \$1.4 billion, it was the largest corporation the world had yet seen. Morgan also bought out Rockefeller, reportedly fearing that his Mesabi ore could become the base of a rival steel company.

In a single year, the mines of both Minnesota ranges then in production, the railroads that carried their ore to Lake Superior, and most of the ships that carried it down the lakes passed to one corporation. U.S. Steel started with about two-thirds of the Mesabi's known reserves. The ore fleets of Rockefeller, Carnegie, and Federal Steel were combined into the Pittsburgh Steamship Company, 112 vessels in all, managed at first from Duluth by Augustus Wolvin (Section 12).

Duluth got its steel plant through politics rather than markets. Minnesota legislators, many from the southern part of the state, pressed for a tonnage tax on ore leaving Minnesota. On April 1, 1907, word reached Duluth that U.S. Steel would build an iron and steel plant there. The Minnesota Steel Company took eight years to build the works and the company town beside it, and the first steel was tapped on December 11, 1915. By then Pierpont Morgan had died, in 1913, and his son J. P. Morgan Jr. led the firm. The town was named Morgan Park. U.S. Steel owned its concrete-block houses, rented them only to its

employees, and ran the town until deeding it to the city in 1933. It brought to Duluth the same company control over housing that had helped employers break strikes on the Range.

The plant faced a pricing system that erased the value of its location. Under "Pittsburgh Plus," steel was sold at the Pittsburgh price plus freight from Pittsburgh, wherever it was actually made, so a Duluth buyer of Duluth steel paid for freight that never moved. Minnesota joined Illinois, Iowa, Wisconsin, and other states in fighting the system, and in 1924 the Federal Trade Commission ordered U.S. Steel to stop. The steel plant delayed the ore tax but did not prevent it. Governor John A. Johnson vetoed a tonnage tax in 1909, but in 1921 the legislature passed an occupation tax on mining.

The decisions that mattered most to Duluth after 1901 were made in New York or argued in Washington. In 1911 a House committee investigated U.S. Steel, and Alfred Merritt testified about the loss of his family's mines. The Justice Department sued to dissolve the corporation that October. The courts ruled for U.S. Steel in 1915, and the Supreme Court affirmed in 1920. In each case Duluth was the subject rather than a party.

The works survived as a marginal operation for half a century. In 1971 U.S. Steel closed the plant's hot side, and about 2,500 skilled jobs disappeared. The coke plant, the last major operation, closed in 1979. The ore stayed in northern Minnesota, but steelmaking did not have to stay in Duluth. The site was added to the Superfund list in 1983, and signs on the fence still mark it as U.S. Steel property. New York's interest in Duluth was as an asset, not as a place, and the company town that bore Morgan's name is its most lasting mark.

Source note. From the author's papers: the New York and Chicago chapters of *The Economic Sister Cities of Duluth* supply Federal Steel, Gary, Minnesota Iron's holdings, U.S. Steel's incorporation and capitalization, the Rockefeller buyout, two-thirds of reserves, the 112-vessel fleet, the 1911 hearings, the antitrust suit, and "an asset, not a place"; *The Capital of the Northwest* supplies the 1907 concession, the first steel on December 11, 1915, Pittsburgh Plus, the 1924 order, the 1909 veto and 1921 tax, the 1971 and 1979 closures, the Superfund listing, and the property signs; the Pittsburgh chapter supplies the other states; *Common Wealth* supplies Morgan Park's company housing and the 1933 deed.

8. The Weyerhaeusers: The Capital That Followed the Timber

The Weyerhaeusers were lumber's counterpart to the iron families, and they came from much closer. Iron was owned from New York and Pittsburgh. Pine was owned from within Minnesota, about 130 miles away. Either way, Duluth handled the resource without

controlling the capital behind it.

Lumber was an industry organized to move. Companies bought or leased stands of timber, cut them over, and moved on, and the frontier of cutting shifted west from Michigan's Saginaw Valley to Wisconsin and then to northern Minnesota. Near Duluth it centered on Cloquet, on the St. Louis River just upstream. Frederick Weyerhaeuser, already the country's leading lumberman, came to Cloquet in 1883 and eventually held interests in all three of its major lumber companies. In 1891 he moved his household to St. Paul. In 1896 his son Rudolph moved to Cloquet to manage the Northern Lumber Company. The Weyerhaeuser companies ran their mills cooperatively and owned many of Cloquet's stores, houses, and hotels. In 1898 they added the Northwest Paper Company, which in time took control of the lumber companies themselves. Cloquet was, in effect, a family town directed from St. Paul, from the same Summit Avenue neighborhood where Hill ran his railroads.

The work was seasonal and dispersed. Men spent winters in logging camps, drove logs downriver in spring, and worked in sawmills in summer. Many were recent immigrants, especially Scandinavians and Finns, and many moved between the woods, the mines, and the docks. That made lumber hard to organize, as the timber strikes of 1916-17 and 1937 showed. An industry that could leave had the strongest hand of all.

The Weyerhaeusers decided to leave while the Minnesota pine was still standing. On January 3, 1900, Frederick Weyerhaeuser and a group of investors bought 900,000 acres of Washington timberland from Hill's Northern Pacific for \$5.4 million, land from the grant Cooke's railroad was meant to earn on its way to Puget Sound. Weyerhaeuser organized the Weyerhaeuser Timber Company, with himself as president and its offices in Tacoma, the Northern Pacific's western terminus.

The company's first sawmill in the Pacific Northwest was in Everett. Hill had bought the remaining holdings of the failed Everett Land Company in 1899, the Rockefeller venture Gates had spent the decade unwinding, and offered industrial sites at bargain prices. Weyerhaeuser bought the run-down Bell-Nelson mill on Port Gardner Bay in 1902 and rebuilt it as Mill A, which opened on April 8, 1903. Mill B followed in 1915, then among the largest all-electric sawmills in the world, and the company stayed in Everett until 1992. The city that Rockefeller money had founded and abandoned became, through Hill and Weyerhaeuser, a mill town run by capital that had come from Cloquet.

Minnesota was left with what the pine could not replace. Northern Lumber's mills stopped in 1919 and Cloquet Lumber's in 1927. By then most Weyerhaeuser capital was in the Pacific Northwest. The paper mill stayed, and Cloquet remained a paper town long after it

stopped being a lumber town. Grain capital built permanent institutions. Iron capital remained under absentee ownership. Lumber capital came, took what it could, and left.

Source note. From the author's papers: *The Capital of the Northwest* (Sections 2 and 7, citing Healey, *Frederick Weyerhaeuser and the American West*) supplies the distances, Cloquet's companies, the 1891 move, Rudolph in 1896, the company town, Northwest Paper, Summit Avenue, the 1919 and 1927 closures, and the three patterns of capital; the Twin Cities chapter of *The Economic Sister Cities of Duluth* supplies 1883; *Common Wealth* supplies the migrating industry, the workforce, the strikes, and the 1900 purchase (citing HistoryLink essay 5241). New sources: HistoryLink essays 21225 (including Mill A's 1902 purchase and April 8, 1903 opening) and 11265; Forest History Society, "Forest History on the Move."

9. The Cargills: The Family That Stayed a Century

The Cargills differ from the other outside families in two ways. They came from the grain trade, not from finance, iron, or steel. And they stayed at the harbor for more than a century. Cooke failed, Rockefeller and Carnegie sold, and Morgan's corporation closed its Duluth works. Cargill was still building at the head of the lakes in the 1970s, remained a family company throughout, and kept its Duluth terminal until 2008.

William Wallace Cargill built his business by following the railroads west. In 1875 he moved his family and headquarters to La Crosse, Wisconsin, where two railroads met. With his brothers Sam and James, he built the company's first terminal elevator at La Crosse and bought properties across Wisconsin, Minnesota, Iowa, and the Dakotas; by 1885 they had 102 structures. The same logic brought them to Lake Superior. In 1892 Sam Cargill opened an office in Duluth, and in 1893 W. W. and Sam Cargill and Fred Lindahl established the Superior Terminal Elevator Company, which built a 2.3-million-bushel elevator at Superior. From the beginning, Cargill's harbor operations sat mostly on the Wisconsin side.

The family and the company were the same thing. Across the street from the Cargill mansion in La Crosse lived Duncan McMillan, a director of the State Bank of La Crosse. His son John, who later spelled the name MacMillan, married W. W. Cargill's daughter Edna in 1895, joining the two families. The marriage saved the company. W. W. Cargill had timber holdings in Arkansas, British Columbia, and Mexico, and his eldest son, Will, went to Montana to organize a development effort that grew to include ranching, land sales, the Montana Western Railway, a dam, and a new town, Valier. In October 1909 W. W. Cargill fell ill on a trip to Montana and died of pneumonia at La Crosse at 64. His death set off a fiscal crisis. John MacMillan, now president, reassured creditors, consolidated operations

under the Cargill Elevator Company in Minneapolis, and returned it to prosperity. He led Cargill until 1936, when his son John H. MacMillan Jr. succeeded him. Where the Merritts lost their enterprise to an outside creditor, the Cargills kept theirs by bringing in a son-in-law.

Through the first half of the twentieth century, Cargill was one grain house among several at the head of the lakes. Frank H. Peavey of Minneapolis bought the Duluth Elevator Company in 1894, and in 1900 his Duluth terminal on Rice's Point held the first reinforced concrete grain storage built in the United States. Wheat reaching Duluth's harbor had often been bought by Minneapolis country elevators, priced on the Minneapolis exchange, and stored in elevators owned by Minneapolis companies.

Cargill's great Duluth expansion came in the 1970s. The Soviet grain purchases of 1972, negotiated through six multinational grain companies with Cargill the largest, brought the Twin Ports a final revival, and grain tonnage climbed toward a peak of roughly 13.9 million metric tons in 1978. Competing on a crowded waterfront with Continental Grain, Peavey, General Mills, and others, Cargill acquired the Peavey and Occident elevators in Duluth, renaming them Cargill Elevators C and D, and built the much larger Elevator B complex beside them. B1 rose in the mid-1970s, Cargill moved its Duluth export operation into it in 1978, and more silos followed in 1979. The finished complex held roughly 12 million bushels and was served by a horseshoe rail loop for about 220 hopper cars. It was designed for unit trains before the Staggers Rail Act of 1980 changed the rules for the railroads that carried them.

Cooke, Rockefeller, Carnegie, and Morgan saw the head of the lakes as a place to invest in, extract from, or own. Cargill saw it as one link in a chain of elevators from the prairie to the sea, and kept that link for more than a century. The last ship loaded at the Duluth terminal under the Cargill name in the fall of 2007. Cargill had already sold two of its Rice's Point docks, C and D, to the Duluth Seaway Port Authority in 1989 for a dollar. In January 2008 it agreed to sell the Elevator B terminal to Whitebox Advisors, a Minneapolis hedge fund, and by 2009 Cargill no longer operated in the Twin Ports at all. Since about 2010 the terminal has operated as Riverland Ag for Ceres Global Ag of Toronto.

Source note. From the author's papers: *The Golden River* (Chapters 4 and 6) supplies the division of labor, the 1972 purchases, the six firms, the 1978 peak, the waterfront competitors, Elevators C and D, Elevator B's construction, capacity, rail loop, and the Staggers point; the Twin Cities chapter of *The Economic Sister Cities of Duluth* supplies Peavey and Minneapolis ownership. New sources: Cargill company history timeline (2019), for the 1892 Duluth office and the 1893 Superior Terminal Elevator Company; Wikimapia, "Ceres Global Ag / Riverland Ag - 'Duluth Storage' Facility," and Towns and Nature,

"Duluth, MN: (Ceres Global+Riverland B1)/Cargill," for the 2007 last loading and the Ceres purchase; Duluth News Tribune, "Peavey Elevator to be sold" (2008), for the January 2008 sale agreement; GEAPS, In-Grain (October 2009), for Cargill's exit from the Twin Ports; Duluth News Tribune, "Duluth Port Authority has plans for old Cargill dock," for the 1989 dock sale; Wisconsin Historical Society, "Cargill, William Wallace"; Wikipedia entries for W. W. Cargill and John H. MacMillan Sr.

Part II: The Duluth Families

10. The Merritts: The Family That Found the Mesabi

The Merritts come first among the Duluth families because their story joins the two halves of this paper. They were the one Duluth family that held, for a few years, the kind of wealth the outsiders held. They lost it to one of those outsiders and spent the rest of their lives arguing about how.

The Merritts had been at the head of the lakes since the 1850s. They were among the first settlers of Oneota, now West Duluth, where the father, Lewis, worked as a millwright. His sons and grandsons spent years exploring the country north of the lake as timber cruisers and prospectors, and became known as the "Seven Iron Men," the title Paul de Kruif later gave his 1929 book about them. They were not financiers. Alfred Merritt would later describe himself to Congress as a lumberjack unfamiliar with the ways of the "money trust."

In 1890 they found merchantable ore at Mountain Iron and opened the Mesabi Range. When the existing railroads would not serve the range, the Merritts organized their own line, the Duluth, Missabe & Northern. The capital behind it was local and regional. Early backing came from K. D. Chase, a southern Minnesota banker. His brother Albert S. Chase, a Duluth railroad agent who had built most of the city's street railway, was one of five men who contracted to build the line in a single year, taking his pay in its stock and bonds. A boom followed along the line; at Merritt, the first town started west of Mesaba, lots sold for as much as a thousand dollars in 1892. The first ore reached Superior in October 1892.

Then Leonidas Merritt insisted on building all the way into Duluth, with the family's own ore docks. It was a Duluth family's decision to make Duluth, not Superior, the Mesabi's port. It also required money the family did not have, and it brought in the American Steel Barge Company, the Colby-Hoyt firm tied to Rockefeller. The line and docks were finished in 1893, just as the country entered the worst depression it had yet experienced.

The Merritts had built with borrowed money. By their account, they had pledged their holdings as collateral for a call loan of \$420,000, arranged through Rockefeller's adviser Frederick T. Gates, and the loan was called in the panic with twenty-four hours to pay. They conceded that Rockefeller offered them a year to buy the properties back, but said no financier would lend to them. By 1894 Rockefeller controlled their railroad and their ore, and Albert Chase's stock and bonds went with the rest.

The family sued for fraud and won a \$940,000 verdict in federal court in Duluth. Among Rockefeller's defense counsel was a Duluth lawyer, Joseph B. Cotton. The verdict was reversed on appeal, and in 1897 the Merritts settled for \$525,000 and signed a statement retracting their accusations. Both sides kept arguing in print. Gates published *The Truth About Mr. Rockefeller and the Merritts*, and Leonidas Merritt answered with a pamphlet of his own, now held by the Minnesota Historical Society.

The dispute returned to Washington in 1911. In November, Alfred and Leonidas Merritt testified before the House committee investigating U.S. Steel, chaired by Kentucky's Augustus Owsley Stanley. Alfred said he had lost the family's mines and railroad through loans totaling less than \$1 million, and that the properties were now worth as much as \$700 million. The committee invited Rockefeller and Gates to respond but did not subpoena them. The 1897 settlement stood. Historians have generally concluded that Rockefeller acted within the business practices of his era, though whether he intended to defraud the Merritts is still disputed.

For this paper, the point is where the capital came from and where the profits went. The Merritts had local knowledge, local labor, and local money from Duluth and southern Minnesota. What they lacked was the depth of capital to survive a panic. Cooke's Duluth failed because its outside backer failed. The Merritts failed because their outside creditor did not. Duluth received the docks, the railroad jobs, and the tonnage. It did not receive the ownership.

Source note. From the author's papers: *The Capital of the Northwest* (Section 2) supplies nearly all of this section, from Oneota and the Seven Iron Men through the 1911 hearings and the historians' verdict; the New York chapter of *The Economic Sister Cities of Duluth* repeats it. New sources: *Commemorative Biographical Record of the Upper Lake Region* (1905) for Albert S. Chase; *Compendium of History and Biography of Central and Northern Minnesota* (Colvin & Robb entry) for the Merritt boom; Flandrau, *Encyclopedia of Biography of Minnesota* (1900), for Cotton; all as transcribed by Genealogy Trails. The Merritt story is also told in Paul de Kruif, *Seven Iron Men* (1929).

11. The Peytons: The Family That Kept a Bank

Most of the families in this paper owned a resource. The Peytons owned banks. Over three generations they ran or led at least half a dozen banks in Duluth, Superior, and Proctor, and one of them rose to lead the Federal Reserve Bank that made Minneapolis the region's financial capital.

Hamilton M. Peyton arrived at the head of the lakes in a panic and stayed through two more. Born in Geneva, New York, in 1835, he graduated from Rutgers in 1855 and came to Superior in 1858, after the Panic of 1857, to open a bank. The next year he built a small sawmill on Connor's Point, which did little business until it began supplying lumber for the building boom Jay Cooke financed. When the Panic of 1873 ended that boom, Peyton did not leave. He moved his large family across the bay to Duluth in 1875, while the city was still mired in debt. In 1879 he reorganized John Hunter's failing Duluth Savings Bank as the American Exchange Bank. In 1881 he formed Peyton, Kimball & Barber, which built a larger mill that ran until 1905.

The American Exchange Bank became one of Duluth's principal banks, and Peyton led it for the rest of his life. When it became a national bank in 1909, he stayed on as president into the early 1920s and as a director into the late 1920s. Its vice president for part of that time was Chester Congdon. In 1893, in the middle of another panic, Peyton built a large Shingle-style house on East Superior Street, designed by Oliver Traphagen. He died in 1928 in Pasadena and was buried in Duluth. The year after his death, the American Exchange National Bank merged with the First National Bank of Duluth; over two days in July 1929, fifteen armed guards escorted \$20 million in cash across Superior Street between the two banks. Three months later the market crashed.

His sons carried the family into Duluth's neighborhoods and nearby towns. Bronson M. Peyton led Central State Bank and later the Minnesota National Bank. Hamilton H. Peyton led Central State, Citizens State, and the First National Bank of Proctor. The youngest, John N. Peyton, went to Yale, spent three years keeping books for a Montana gold mining company, returned to Duluth, and at 27 founded Citizens State Bank in West Duluth in 1912. It later became Pioneer National Bank of Duluth. A grandson, John L. Peyton, was president of the First National Bank of Proctor from 1957 to 1989 and also known as a wilderness artist and author.

John N. Peyton's career carried the family far beyond Duluth. After serving as Minnesota's commissioner of banks, he became Federal Reserve agent and chairman of the Minneapolis Fed in 1933. When the Banking Act of 1935 replaced the Fed's divided

leadership with a single president, he became the Minneapolis Fed's first, serving from 1936 until 1952. A banker who had begun by financing businesses in West Duluth ended up responsible for the regional bank that had made Minneapolis Duluth's financial capital.

Pioneer National stayed rooted in West Duluth but was never isolated. By the late 1920s its correspondent relationships connected it with banks in Minneapolis, St. Paul, Chicago, and New York, and it was affiliated with Northwest Bancorporation. Local banking did not disappear as regional finance expanded; it became connected to it. Pioneer National stayed in the Peyton family for more than a century. In 2018 it was absorbed by Park State Bank, organized in Morgan Park in 1916 by Douglas H. Lewis to serve the steelworkers of U.S. Steel's company town, and owned by the Lewis family for nearly a century. By then Park State belonged to the Minneapolis-based Park Financial Group. The Pioneer name disappeared, and its ownership, like so much of Duluth's capital before it, now sat in Minneapolis.

The Peytons are the paper's clearest answer to the question of what Duluth kept. They stayed, lent to their neighbors, and stayed in banking through the panics of 1873, 1893, and 1929. But even the Peytons ended inside a system run from Minneapolis, and one of them ran it.

Source note. From the author's papers: *The Capital of the Northwest* (Section 2) supplies Hamilton as an early banker, John N. Peyton's background, Citizens State Bank, Pioneer National, the commissioner and Federal Reserve roles, the correspondent banks, Northwest Bancorporation, and the 2018 absorption; the Twin Cities chapter of *The Economic Sister Cities of Duluth* repeats it. New sources: Zenith City Press ("March 17, 1835: Birth of Hamilton M. Peyton"; "Peyton House"; "July 27, 1929: \$20 million crosses Superior Street"); Society of Paper Money Collectors, National Bank Lookup, entries for H. M., B. M., H. H., J. N., and J. L. Peyton; Duluth News Tribune, "Park State Bank buying Pioneer National Bank," and FDIC institution records for the April 28, 2018 merger; Business North, "Park Financial concludes consolidation," and Duluth News Tribune, "Park State Bank to leave Morgan Park home," for Douglas H. Lewis's founding of Park State and the Lewis family's ownership.

12. The Shipping Families: McDougall and Wolvin

Duluth's harbor made the city, but the ships that used it were mostly built, owned, and run from elsewhere. Two Duluth families were the exception. Alexander McDougall designed and built ships at the head of the lakes for thirty years, and Augustus B. Wolvin ran the

largest fleet on the lakes from a Duluth office. Both were lake captains who settled at Duluth, both worked with the outside capital of Rockefeller and Morgan, and both carried Duluth's shipping knowledge far beyond Lake Superior.

Alexander McDougall. McDougall was born in 1845 on Islay, off the west coast of Scotland. His family emigrated in 1854 and settled near Collingwood, Ontario, on Georgian Bay. He became a lake captain before settling at the head of Lake Superior, where he designed a new kind of vessel, the "whaleback." Beginning in 1887 he built seven whaleback barges of his own at Duluth. What he lacked was capital. He later wrote that he took his model to Colgate Hoyt of New York, an associate of John D. Rockefeller, who had much lake ore to move. In January 1889 Hoyt and the Colbys incorporated the American Steel Barge Company, with Rockefeller among the investors. McDougall received stock and cash for his patents and became superintendent of construction. From 1889 to 1898 the company built more than forty whalebacks at Duluth and West Superior. The first whaleback steamer, launched in 1890, was named for Colgate Hoyt.

This is the firm that carried the Merritts into Rockefeller's hands, and it carried McDougall's design to Puget Sound. In July 1892 a crew left the West Superior yard for Everett to build the only whaleback ever launched in the Pacific Northwest, the *City of Everett*. After the Panic of 1893, McDougall's company passed into Rockefeller's lake operations; its fleet of about thirty whalebacks joined the Rockefeller fleet in 1900 and passed to U.S. Steel in 1901.

McDougall built again for the First World War. In 1917 he founded the McDougall-Duluth Shipbuilding Company at the end of Spring Street in West Duluth, and a shipbuilding community grew up around it, the neighborhood still called Riverside. In 1922 Julius Barnes bought the yard and renamed it Barnes-Duluth Shipbuilding. McDougall died the next year. He is the one Duluth figure in this paper whose fortune came from invention: a design built with outside money that outlasted the companies that financed it.

Augustus B. Wolvin. Wolvin was born in Cleveland in 1857, the son of a lake captain, and became a captain himself at 21. In 1888 he moved to Duluth and founded a shipping agency, and he soon began assembling and managing fleets to carry ore, including the Zenith Transit Company and the Empire Transportation Company.

His moment came with the formation of U.S. Steel. In early 1901 the new corporation needed someone to manage the fleets it had inherited from Rockefeller, Carnegie, and Federal Steel. Wolvin told its executives that if they wanted him to run the fleet, he would do it only from his adopted hometown, and they agreed. On May 1, 1901, U.S. Steel unveiled the Pittsburgh Steamship Company, managed by Wolvin and his team in Duluth. For three years he worked to make a fleet out of what had been a fleet on paper alone, building a

dispatching system, consolidating payrolls, and taking stock of vessels more numerous than the U.S. Navy's. In 1904 the corporation turned the fleet over to Harry Coulby of Pickands Mather, and its management moved to Cleveland.

Wolvin kept building his own fleets. His Provident Steamship Company commissioned four large vessels, and in 1904 his Acme Steamship Company launched the 560-foot *Augustus B. Wolvin*, for a time the largest ship on the lakes. In 1913 he sold his fleet to Pickands Mather's new Interlake Steamship Company. By then the ore trade's Duluth offices were in the Wolvin Building on West First Street. Built in 1901-02 and enlarged in 1909, it housed U.S. Steel, Oliver Iron Mining, the Duluth, Missabe & Northern, the Duluth & Iron Range, the Pittsburgh Steamship Company, and some fifty smaller mining companies. Wolvin's fortune also reached south: he joined the Duluth brothers Jacob and Henry Myers and other Great Lakes investors in chartering the Texas City Improvement Company on Galveston Bay on April 1, 1893, and served as its first president. The company failed and was sold at foreclosure in December 1897. Two months later a syndicate Wolvin organized bought it and split it in two: the Texas City Company for the townsite, and the Texas City Terminal Company, chartered February 4, 1898, for the port and railway. He also founded steamship lines there for coastal and Mexican trade. He died in Duluth in 1932.

McDougall and Wolvin show that Duluth produced a ship design and a fleet manager that the largest corporation in the world depended on. But the pattern held. McDougall's whalebacks were financed by Rockefeller's circle and ended in U.S. Steel's fleet. Wolvin kept the Pittsburgh fleet in Duluth for three years before it went to Cleveland. The skill was Duluth's. The ownership was not.

Source note. From the author's papers: the Wolvin Building sidebar in *The Iron Shore* supplies the building's dates and occupants; the Cleveland chapter of *The Economic Sister Cities of Duluth* supplies Coulby in 1904 and Interlake in 1913. New sources: HistoryLink essay 21163, quoting McDougall's autobiography; Wikipedia, "McDougall Duluth Shipbuilding Company"; UMD Archives, McDougall-Duluth Shipbuilding Company records; Wikipedia, "Augustus B. Wolvin" and "SS D. M. Clemson"; *Lake Superior Magazine*, citing Al Miller, *Tin Stackers*; Great Lakes Vessel History and Perfect Duluth Day for the *Augustus B. Wolvin*; City of Texas City, "Captain Augustus B. Wolvin"; Handbook of Texas Online, "Texas City Terminal Railway Company," for the 1893 charter, the 1897 foreclosure, and the 1898 reorganization.

13. Julius Barnes: The Duluth Man Who Went National

Julius Barnes made his fortune in Duluth and carried it onto the national stage. He came closer than any other Duluthian in this paper to dealing with the outsiders on equal terms, in Washington and New York as well as at home, and he spent much of his money on Duluth itself.

Barnes was born in Little Rock, Arkansas, in 1873 and grew up in Duluth. After his father died in 1890, he went to work as an office boy for the grain firm headed by Ward Ames. He made his money on the trading floor of the Duluth Board of Trade and rose to partner in Barnes-Ames, with Ward Ames Jr. The firm operated elevators and ships, kept offices in Duluth, New York, and Winnipeg, and was at one time among the largest grain exporters in the world. Barnes built his firm at the harbor rather than in Minneapolis.

War made him a national figure. In 1917 Herbert Hoover put him in charge of the grain division of the U.S. Food Administration, as president of its Grain Corporation. In 1919 he became U.S. Wheat Director, and after the war he worked with Hoover on European relief. In the early 1920s he served as president of the U.S. Chamber of Commerce. In 1929, after the crash, President Hoover appointed him to head the National Business Survey Conference, an effort to rally business confidence. *Time* put him on its cover on May 5, 1930, and Duluth named him its "First Citizen" that same year.

Barnes invested at home. In 1909 he founded the Western Linen Company, later Klearflax Linen Looms, which made rugs from flax in a large West Duluth plant. In 1922 he bought Alexander McDougall's wartime shipyard at the end of Spring Street and renamed it Barnes-Duluth Shipbuilding. It built ships for the Maritime Commission in the Second World War until Barnes sold it in 1943 to Walter Butler Shipbuilders; the yard closed in 1945, and the site is now a marina. Barnes also owned the first private airplane in Duluth, in 1913, and was the main patron of the Duluth Boat Club.

His longest campaign was the one that would have ended Duluth's dependence on other people's ports. For more than three decades he pressed for a deep-draft channel from the Great Lakes to the Atlantic, one that would let Lake Superior wheat reach Liverpool or Rotterdam without touching a transfer dock at Buffalo. He led the effort through the Great Lakes-St. Lawrence Tidewater Association and, after it collapsed, founded the National St. Lawrence Association in 1944. As chairman of the Erie and St. Lawrence Corporation in New York, he also ran freighters along the Great Lakes, the Erie Canal, and the Atlantic coast.

Barnes died in Duluth on April 17, 1959, at 86, eight days before the St. Lawrence Seaway opened to shipping. The Seaway made Duluth an ocean port, as he had wanted, but it came late. Within two decades, unit trains and rail deregulation were moving grain around the Great Lakes altogether. Barnes stands for what Duluth might have been: a Duluth fortune, built in a single generation, that came closest to matching the outsiders'.

Source note. From the author's papers: *The Golden River* (Chapter 5) supplies Ward Ames, Barnes-Ames, the Food Administration, the Chamber of Commerce, "First Citizen," the Seaway campaign, and his death; the Canadian and Buffalo chapters of *The Economic Sister Cities of Duluth* supply the Seaway's effect; *The Golden River* (Chapter 6) supplies unit trains. New sources: UMD Archives finding aids for the Julius H. Barnes papers and the McDougall-Duluth Shipbuilding Company records; Wikipedia, "Julius H. Barnes" and "McDougall Duluth Shipbuilding Company"; Mike Zlonis, notes on Julius Barnes, Pilgrim Congregational Church, Duluth. The Seaway opened to shipping on April 25, 1959, eight days after his death.

14. The Congdons: Duluth Capital Goes West

Of the Duluth families, the Congdons show most clearly that "outsider" and "local" were positions in a flow of capital rather than fixed identities. Chester Adgate Congdon (1853–1916) made his fortune on the Mesabi as a Duluth lawyer. He spent it in two places: on the shore of Lake Superior, where he built Glensheen, and in Washington's Yakima Valley, where Duluth money became the outside capital that shaped a new agricultural region.

Congdon was born in Rochester, New York, the son of a Methodist minister. He graduated from Syracuse University in 1875 and was admitted to the New York bar in 1877. After teaching for a time in Chippewa Falls, Wisconsin, he moved to St. Paul in 1879 and served as an assistant United States attorney for Minnesota from 1881 to 1886.

The turning point came in 1892, when Congdon moved to Duluth and entered partnership with William W. Billson. Glensheen's historians tell how the firm's connection to iron began: Henry W. Oliver came to the office looking for Billson and met Congdon instead, and from that chance encounter Congdon became legal counsel to Oliver and the Oliver Mining Company. That placed him at the center of the contest over the Mesabi, the same contest in which the Merritts lost their holdings and Rockefeller and Carnegie divided the ore. Congdon was not a mine operator. He was the lawyer who stood where mineral ownership, corporate organization, railroad transportation, and the consolidating steel industry met. When the Oliver interests went into U.S. Steel in 1901, his position was secure, and his investments in the Chemung Iron Company and the Canisteo district built

on it. By 1904 he and Billson had retired from practice, and Congdon turned to mining, banking, land, and corporate investment, including the vice presidency of Hamilton Peyton's American Exchange Bank. By 1907 he kept his office in the Lonsdale Building on Superior Street.

Congdon's Washington interests predated his move to Duluth. He first visited the Yakima Valley in 1887 and began investing there in 1889. With associates and the Ontario Land Company, he joined in developing land around North Yakima and in financing the Yakima Valley Canal, built in 1894 to irrigate Nob Hill above the town. Urged to take on the struggling Sunnyside Canal, he declined, partly because he doubted the sufficiency and validity of its water right. His brother Albert settled in Yakima and held a large share of the land on which the city grew. Chester eventually owned more than 900 acres, more than 375 of them in fruit trees, along with an Aberdeen-Angus cattle herd. He also invested heavily in the timber country of western Washington at Tacoma, Grays Harbor, South Bend, and Raymond. Congdon Orchards remains in the hands of his descendants and is one of the oldest continuously operating fruit ranches in the state.

The fortune took visible form in two houses. Glensheen, built on the Lake Superior shore between 1905 and 1908, became one of the great private residences of Minnesota. In Yakima, Congdon built Westhome, commonly called Congdon's Castle, designed by the Minneapolis architects Kenyon and Maine, built of native Yakima stone, and completed in 1916, the year Congdon died. The name tells the story: Westhome was the western house, and Glensheen, "back East" in Duluth, remained the principal home.

Congdon was also a public man in Duluth. He served on the city's Charter Commission from 1903 and in the Minnesota House of Representatives from 1909 to 1913. He championed a lakeshore highway north from Duluth, which opened in 1923 as the North Shore Scenic Drive.

The Yakima holdings carried the conflicts that came with absentee ownership. In August 1933, farmers attacked union picketers at Congdon Orchards in what became known as the Battle at Congdon Orchards. The pattern Duluth knew from the other side, capital arriving from elsewhere and labor organizing against it, repeated itself where Duluth capital was the owner.

Congdon's importance lies less in the size of his fortune than in the direction it traveled. Wealth drawn from the Mesabi through Oliver and U.S. Steel stayed partly in Duluth, in Glensheen, the Charter Commission, and the North Shore road. It also flowed west into irrigation, orchards, and timber. The outsiders in Part I made Duluth a place where other people's capital did its work. Congdon shows that Duluth, in turn, could do the same to someone else.

Source note. From the author's account "Chester Adgate Congdon: Lawyer, Mining Investor, and Builder of a Northwest Fortune": biography, the law firms, Oliver and U.S. Steel, Chemung and Canisteo, the Yakima Valley Canal and Ontario Land Company, acreage and cattle, Glensheen, the Charter Commission, the legislature, and the North Shore Drive, drawing on the 1919 *History of the Yakima Valley*, MNopedia, the Minnesota election archive, and Roy O. Hoover, *A Lake Superior Lawyer* (1997). New sources: Historic Seattle and *Good Fruit Grower* for Westhome and Congdon Orchards; the 1919 *History of the Yakima Valley* (Washington Biographies Project) for Albert Congdon and the timber investments; *Yakima Herald-Republic* for the 1933 battle; *Mesabi Tribune* (2023) for the Glensheen account of the Oliver meeting; *The Book of Minnesotans* (1907) for the Lonsdale Building office. The 1919 history also supplies the 1894 canal, Nob Hill, and the Sunnyside decision. No direct link between the Yakima Valley Canal and Yakama Nation water rights turned up; the basin-wide adjudication, *State v. Acquavella* (1977–2019), recognized the Yakama treaty right of 1855 as the oldest in the basin.

Conclusion: What the Families Left

Each family left something at the head of the lakes, and what it left says a good deal about what kind of family it was.

The outsiders left names more often than institutions. Jay Cooke State Park sits on the St. Louis River his railroad first reached. The town of Tower stands beside the Soudan Mine. Morgan Park was named for a banker who died before the works beside it poured their first steel. The Carnegie library brought a steel fortune back to Duluth as a public building. The Rockefeller mines, fleet, and railroad passed intact to U.S. Steel, whose signs still stand on the fence at the former Duluth Works. Hill's family left the Allouez docks in Superior and a trust that collected Mesabi royalties from St. Paul for a century. The millers left a railroad that reached Superior only in 1908. The Weyerhaeusers left Cloquet a paper town after the pine was gone. Of the Cleveland houses, Cleveland-Cliffs still manages the largest open pit on the Mesabi. Of all the outsiders, only the Cargills were still building at the harbor in the 1970s, and the concrete of Elevator B is their most visible mark, though since 2008 it has belonged to others.

The Duluth families left more at home, because home was where they spent it. The Merritts left their name on a railroad they lost, a town that did not last, and an argument that reached Congress. The Peytons left a bank that came through the Depression and a century of family ownership. McDougall left Riverside and a ship design the lakes remember; Wolvin left the building where the ore trade was run. Barnes left a linen mill, a

rowing tradition, and a Seaway he did not live to see. The Congdons left Glensheen, Congdon Park, and the North Shore road, and an orchard company in Yakima still owned by the family.

Set side by side, the two groups show the pattern this series has traced from the start. Duluth handled the grain, the ore, and the timber, but the decisions about them were made elsewhere. When the outsiders' interests changed, Duluth's fortunes changed with them: Cooke's failure in 1873, Rockefeller's sale in 1901, the Weyerhaeusers' move to Tacoma, U.S. Steel's closing of the Duluth Works in 1971. The Duluth families could not change that pattern on their own. The Merritts could not hold what they found. Congdon invested much of his fortune in the West. The Peytons kept their bank but ended inside a Minneapolis system. Barnes campaigned for a channel to the sea, but by the time it opened the grain was beginning to find other routes.

What the families left, finally, is a city built by other people's decisions that made something of its own anyway. Duluth kept the parks, the houses, the neighborhoods, and the names. It rarely kept the ownership.

Source note. Synthesis of the sections above. The argument follows *The Capital of the Northwest*; the phrasing is kept distinct from "What Duluth Kept" in *The Economic Sister Cities of Duluth*.