



## Wall Street Looks

### *at the AGRICULTURAL NORTHWEST*

OPTIMISM was the keyword aboard the Pullman cars that left Chicago over the Milwaukee Road on August 1, 1882. It was the optimism of the boom days that preceded the financial panic of 1883—the optimism of Rufus Hatch, a Wall Street financier who branded 1882 as “a year to sell tonnage and to buy stocks.”

Hatch himself had invested heavily in railroad stocks, especially those of the Northern Pacific. He used that road to carry westward a select group of friends from

New York and Chicago—his guests on an extensive “summer jaunt.” Before reaching the main line of the Northern Pacific at Duluth, the tourists went to Lake Minnetonka, where they enjoyed a few days of resort life.

The chief objects of the tour were to view the harvest and to observe its relation to the railroads, especially the Northern Pacific. For, declared Hatch, “these Western lands . . . are not worth one cent per acre unless a railroad runs near them, or unless emigrants are brought in to develop the land.” As settlers on these agricultural acres he preferred “the industrious classes

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A CHICAGO TRIBUNE correspondent who signed his articles “Rap.” wrote this report for his paper in 1882.

of Norway, Sweden, and Germany—the classes which settle down and become Americanized.” Hatch predicted that “when this country tributary to the lakes is settled up it can feed the world.”

Among those who traveled with “Uncle Rufus,” as Hatch was affectionately known, was a correspondent of the Chicago Tribune. His letters to his paper, describing the journey from Lake Minnetonka to Duluth and thence westward into Dakota and Montana, later were reprinted in a little book which served as a souvenir of the trip. It was published under the title “Uncle Rufus” and “Ma.” The Story of a Summer Jaunt with Their Friends, in the New Northwest (67 p.). To introduce the newspaper reports, one member of the party provided verse characterizations of its members, as well as an account of how

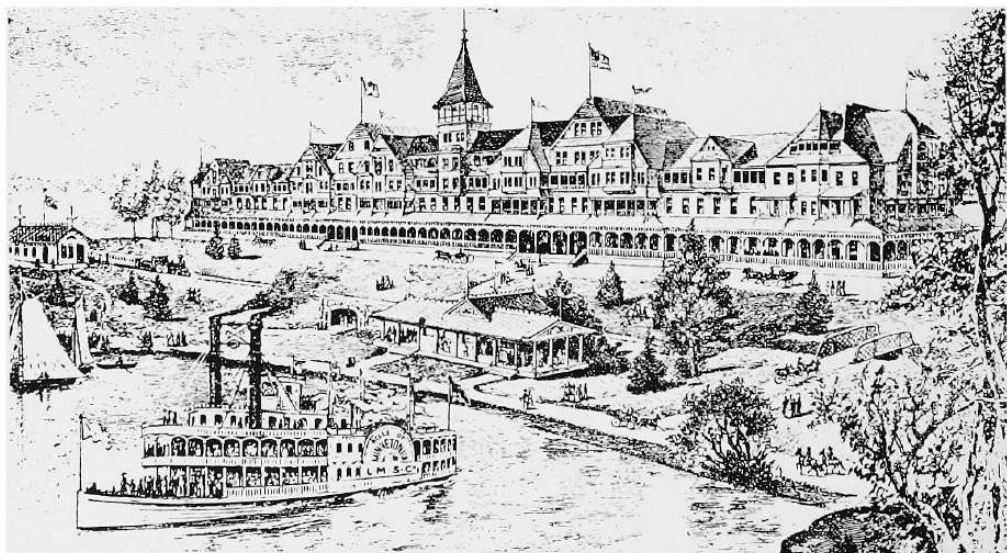
“‘Uncle Rufus’ and ‘Ma,’  
Took a new Pullman car,  
And traveled away out West.”

Copies of this slight volume are now difficult to find. One, however, is in the library of the Minnesota Historical Society. From it are drawn the following passages, the first of which the Tribune correspondent dated Lake Minnetonka, August 3, 1882.

HAD I BEEN the veriest magician of olden times, with seven league boots and Argus eyes, I could never have enjoyed the opportunities for investigation which the thoughtful generosity of “Uncle” Rufus Hatch has placed at my disposal.

We left [Chicago] . . . in a special train over the Chicago, Milwaukee & St. Paul Railroad, and that train was filled with as merry a party as ever a man traveled with. First and foremost comes “Uncle” Rufus Hatch, the sage and wit of Wall Street, with his kindly face beaming out with radiant smiles from a tarpaulin hat of a peculiar color and shape. The rest of the party [of twenty-five people] are his guests; and the principal occupation of himself and Mrs. Hatch is inventing new delights for their already delighted guests. Mr. Hatch is “Uncle” to everybody, and he deserves the title.

We shall make an extended trip—to the end of the Northern Pacific Railroad [near Billings, Montana,] and back; thence up to Lake Winnipeg, Manitoba; and return through Wisconsin again to Chicago. We had a delightful trip through Wisconsin to St. Paul, and thence, stopping for an afternoon at Minneapolis, came directly to



THE Hotel Lafayette on Lake Minnetonka, 1883

this delightful place [*Lake Minnetonka*], where we shall remain until to-morrow. We have two private sleepers, a dining-room car, and a baggage-car. The cars are side-tracked, and we shall live in them for the next three weeks.

The gentlemen of the party are interested in stocks, and, as a necessary consequence, take a lively interest in the character of the country, while "Uncle" Rufus is well known as an accurate observer of wide experience. When we get to the Northern Pacific [at Duluth], we will stop whenever the country affords any peculiar characteristics worth especial notice. . . .

So much has been written about Lake Minnetonka that it would be useless for me to write more. . . . The lake is a beautiful sheet of water, cut up into sections by jutting points of land. The land is not high, but the scenery is sufficiently varied to be worthy of enthusiastic admiration. The Eastern people in our party were astonished to find such a magnificent hotel [*the Lafayette*] here, on what they seem to consider the borders of civilization. The steamers and the boats on the lake have been brought into requisition to amuse the party previous to the long ride across the country. . . .

Our stay here has been delightful, and will never be forgotten by any of the party. The fishing has been fair, and every attention has been shown to the party. The young ladies have been sleeping at the hotel, while the gentlemen have found the car more comfortable, especially as there were only three rooms at the hotel for our entire party. There have been one or two mosquitoes here—something we have sadly regretted. . . .

While we were on the train [coming from Chicago] one of the young ladies asked, "Where does all this wheat go to?" When we got to Minneapolis all of the party were able to answer this question in part. On the invitation of Mr. George A. Pillsbury we visited the Pillsbury "A" Mill—one of the

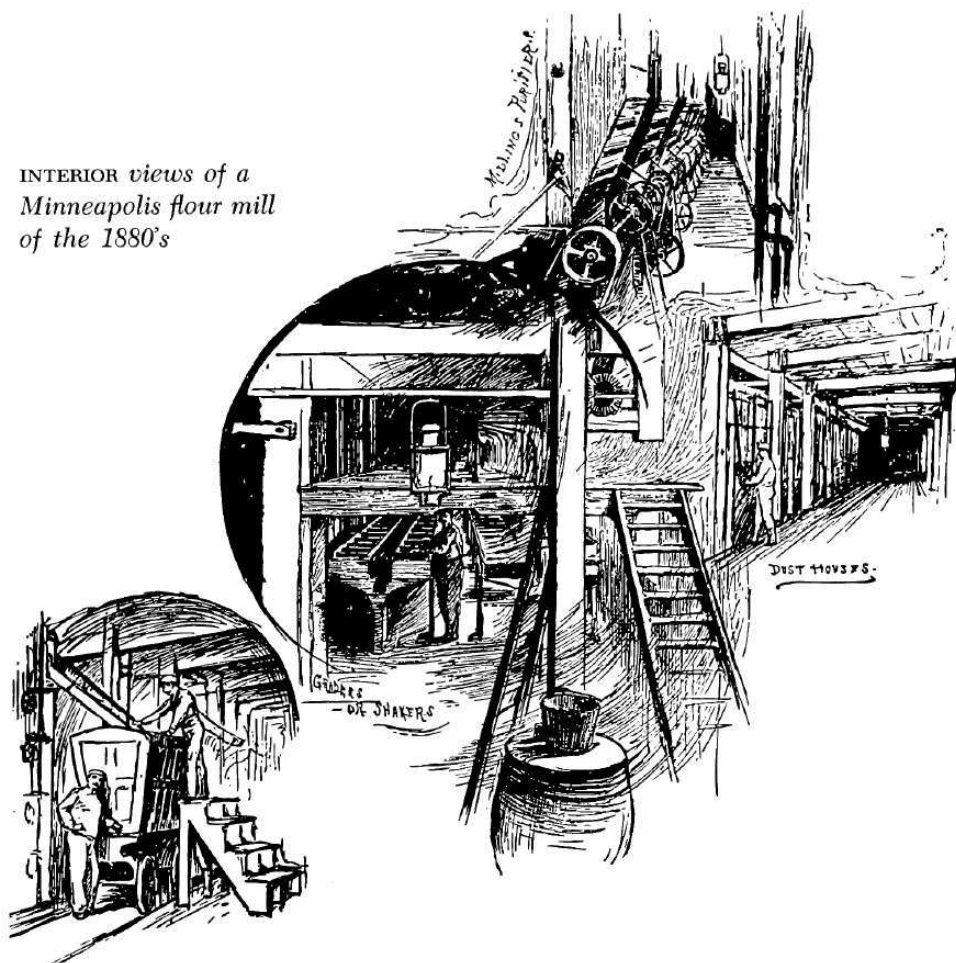


DINING car  
of the 1880's

largest in the world. There the ladies became interested in the process of converting wheat into pure white flour, and they tasted of every grade with the confidence of connoisseurs, utterly regardless of the fact that their skirts were in imminent danger of becoming entangled in the remorseless cogs of the flying machinery. From the top of the mill they had a beautiful view of Minneapolis, while immediately below danced the bright ripples of the Falls of St. Anthony, whose merry tumblers supplied the great mill with its enormous power.

The mill we visited had a capacity of about 5,000 barrels of flour daily. I got some idea of where a great deal of the wheat goes, when I learned that the Minneapolis mills produce daily about 25,000 barrels of flour. It takes about four and one-half bushels of wheat to make a barrel of finished flour. Thus it will be seen that Minneapolis can use up about 112,000 bushels of wheat daily. On an average of twenty bushels to the acre this pretty little town would clear out 5,600 acres of wheat every day. Such figures as these seem enor-

INTERIOR views of a  
Minneapolis flour mill  
of the 1880's



mous, but they are vouched for by the best of authorities — the mill-owners themselves. That the Northwest should have any wheat for export after such a drain gives one an idea of the magnificent resources of this country of ours.

Going up on the elevator, I asked Mr. Pillsbury where he went for his supplies of wheat.

"Oh, it comes from all this section of country about here. We have agents constantly buying for us through Wisconsin, Minnesota, Dakota, and Manitoba."

"Do you find any difference in grade as between the wheat from various sections?"

"Yes; most assuredly. The Southern grain is soft, and hard to mill. It takes more wheat from Southern Illinois to make a barrel of flour than it does from this section. We have found it to be a general rule that the further north, and the longer the

grain has to ripen, the better it is for milling purposes. It is much harder, contains more nutriment, makes better flour, has the largest proportion of gluten and phosphates, and is easier to work."

"What do you learn from your agents as to the general crop-prospects in this section?"

"Everything is secured except the actual harvest. The tonnage is already here. If we should have too much rain the grain might turn out badly; but at present everything is promising. Every other crop is going to be large. Just think of potatoes at 40 cents per bushel. Corn is better here than in Indiana and Ohio."

Mr. Hatch still repeats the sage remark he first made to me in Chicago: "This is a year to sell tonnage and buy stocks;" and I guess he is about right, as he usually is on such subjects.

The country we are to visit is that district of magnificent possibilities whose friends claim it as the future, and to some extent the present, great wheatbelt of the country. I shall, as opportunity offers, endeavor to give as faithful a description as possible of its present prospects, its capabilities, and its advantages, for settlers. We will stop whenever we feel like it; and the whole party expect to come home thoroughly posted on the country, its people, its present, and its future.

*The next letter in the collection, dated August 6, was forwarded from Duluth. Of Chicago's rival as a fresh-water port, the Tribune reporter wrote as follows:*

SINCE PROCTOR KNOTT in 1871 took his own method of immortalizing Duluth, the sandy little town at the head of Lake Superior, whose people have earned the reputation of boasting more than those of Chicago, and in which place I find myself, has been but little heard of outside of its own limits.<sup>1</sup> Our trip with Mr. Hatch, from

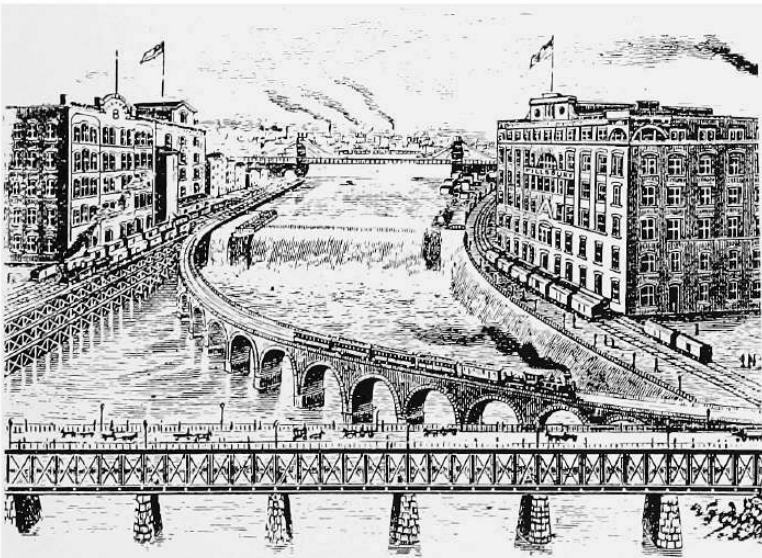
Lake Minnetonka to Duluth, has been a delightful one. We left Minnetonka at 10:30 yesterday, and arrived here at 8 o'clock last evening, after a long ride, which was pleasant in spite of the clouds of dust with which the St. Paul & Duluth Railroad delights to regale its passengers. . . .

It is a question of considerable interest whether Chicago can hold her present command over the fields of Wisconsin, Minnesota, and especially Dakota; and therefore I took some pains to ascertain just what the people of Duluth claim, and what there is to base their claims upon.

Duluth, as every one knows, is at the head of Lake Superior. It is a straggling little town, chiefly built of wood, and it lies at the base of a range of rather lofty hills. It has but little space to grow in; and, if it ever does attain the dimensions of a great city—which I very much doubt—there will be a great demand for twelve-story buildings. There is a principal street lined with cheap wooden buildings; and the town of the present is anything but a cheerful place.

The inhabitants of the "future great" have an abiding faith in their city. They believe that what Chicago was Duluth is, and what Chicago is Duluth will be. A

<sup>1</sup>Congressman James Proctor Knott of Kentucky intended to point ridicule at Duluth when he made a satirical speech in Congress on January 27, 1871. His talk, however, did much to advertise and promote the infant city. *Ed.*



*THE falls and the  
Pillsbury mills*



visitor who suddenly drops into the place is sure to be impressed with the idea that Duluth is emphatically a city of the future, and not of the present. It has no past. In spite of this impression, any investigator who is supplied with the figures which I have obtained will certainly be astonished. The figures certainly furnish something on which Chicago merchants can profitably ponder.

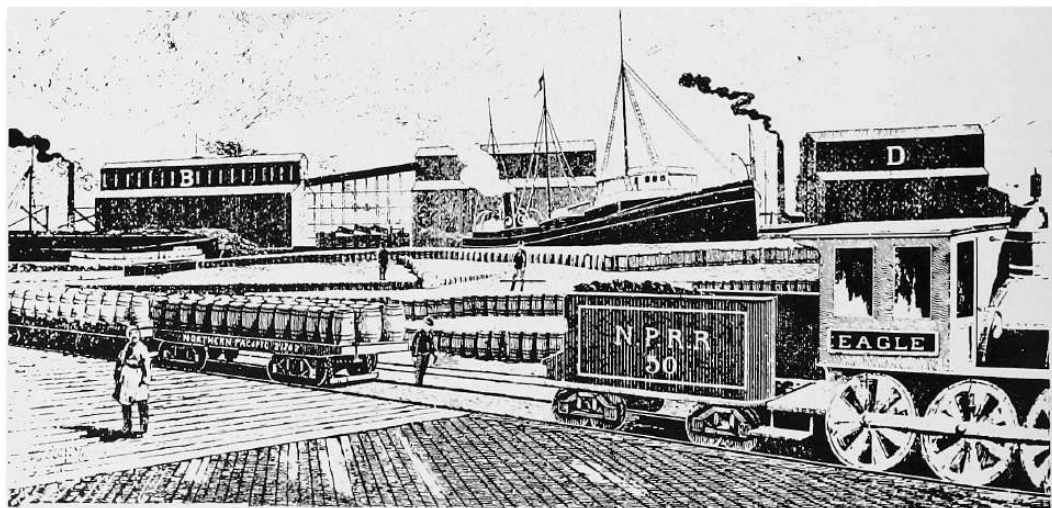
The improvements made last year aggregate \$600,000, which is a large figure for a town of this size, containing not over 8,000 inhabitants. The log cut of 1879-'80 was 153,500,000 feet. The manufacture of lumber has assumed gigantic proportions, and will of itself inevitably make of Duluth an important centre for years to come. The country in the immediate vicinity is heavily timbered with the best pine, with occasional oak, hemlock, and birch—the latter being available for woodenware. The receipts of coal were 163,000 tons, and the shipments 133,566 tons. Two fish companies caught 2,646,384 pounds of fish, valued at \$132,319. There are a brick-yard, lime-kiln, blast-furnace, and other manufactories.

I have given these figures simply to show the extent of the general business. The

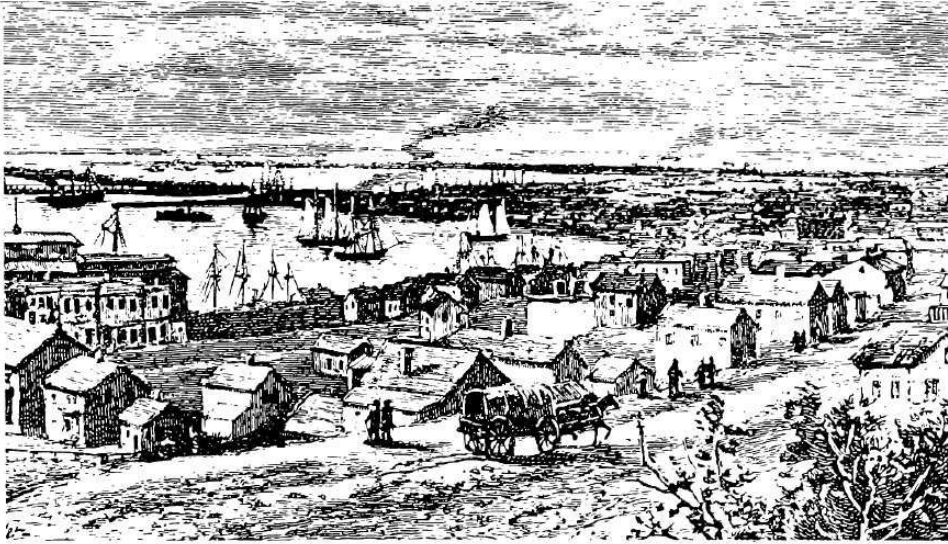
grain-fields of Dakota are the hope of Duluth. To them she looks with longing eyes; and the statistics which I have obtained go to show that Duluth has not looked in vain. Two elevators are now in successful operation, and a third is being built. One was in operation for only three months in 1880. From their returns some figures can be collected which accurately represent the grain-status of Duluth. . . . The shipments of wheat rose from 2,000,000 bushels in 1880 to 3,500,000 bushels in 1881, in the face of a bad harvest. . . . The wheat-figures of shipments from Duluth at the present time show a state of affairs which should be carefully thought over by Chicago men.

Dakota, and especially that part lying in the wheat-territory tributary to the Northern Pacific Railroad, must always be the chief feeder to Duluth, if anything is to be. The grain will take the shortest, quickest, and cheapest route to the seaboard; and therefore it becomes interesting to figure out the comparative cost and availability of shipments by various routes. The Northern Pacific Railroad has practical control of the grain until it reaches Brainerd, Minn., where the routes may divide to St. Paul or to Duluth. The dis-

*DOCKS and grain elevators at Duluth in 1890*



DULUTH in 1882



tance is so nearly the same—varying less than fifty miles—that it may be assumed that wheat can be laid down in St. Paul or in Duluth, as the owner may decide, for the same figures. On inquiry at Duluth I found that freight rates were based on Chicago rates, and were only one-half cent higher per bushel. . . .

The slight difference in rates seems to be due chiefly to the fact that hitherto the Sault Ste. Marie Canal has had only thirteen feet of water, which of course allows only lighter boats. The works now nearly finished will give an ample depth of water, leaving Duluth in a fair way to compete with Chicago. . . . This is to be balanced by the fact that Chicago is 400 miles from St. Paul by rail.

I am sorry to be obliged to acknowledge that grain from Dakota can be shipped via Duluth at rates which should alarm Chicago business men. A prospective harvest of wheat in Minnesota and Dakota is not to be sneezed at or made light of. It seems ridiculous to talk of this little sandhole competing with Chicago, but Duluth is doing it to-day. Chicago elevators and grain-handlers must take warning, and take such measures as will prevent the great grain products of the Northwest from slipping from their fingers.

I have given you one side of the picture, so I am in duty bound to present another phase, which is somewhat different. Duluth is essentially a maritime town, and so far

as I can discover can never have a tithe of the railroad facilities which Chicago enjoys. It must always depend chiefly on the Dakota country. From Duluth south to St. Paul and west to Brainerd there is little but pine forest. This forest is profitable, and will inure to the profit of Duluth so long as it lasts; but when it is gone the barren pine lands will make but poor country for either crops or grazing.

There is considerable iron to the north of this place, which may develop into a large interest;<sup>2</sup> but Duluth can never become a Chicago, as it has no such tributary territory as Iowa, Illinois, Wisconsin, and the Southwest. The people, nevertheless, are imbued with magnificent ideas. Lots on Superior Street, which is the main thoroughfare, are bringing today \$200 per front foot, whereas the same lots brought three years ago only \$20 per foot. The town cannot stand any such increase, in my poor judgment; and I should say there was every prospect of a financial crash.

The people have [not?] been in too much of a hurry to plant gardens, and as a consequence, provisions are very high. The buildings on the main street are cheap frame shanties, as a whole, and a good fire

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<sup>2</sup> The first trainload of ore was shipped from the Mesabi Range on October 17, 1892. It came from the Merritt brothers' famous Mountain Iron mine. The Mesabi since has become the world's largest single producer of iron ore. *Ed.*

would wipe out the whole town in a night. The people are enterprising, but they are over-confident, and seem to believe that a permanent town can spring into existence, like Jonah's gourd, in a single night. My impressions of Duluth can be summed up in the statement that it very possibly may become a Cleveland, but never can be a Chicago.

There is one thing in the vicinity of Duluth which I can never do justice to. That is, the scenery as the road winds along above the St. Louis River. The "dalles" of the St. Louis present a picturesque variety of beautiful scenery which would stand favorably with the most pronounced lover of the Adirondacks. As we were seated at dinner the conductor sent in word of the prospective treat before us, and the party rapidly gathered on the rear platform of the observation car. Away below us ran the rapid torrent of the St. Louis. The railroad follows its course among the passes of the hills, intersecting beautiful ravines, with tumbling brooks scurrying along to the greater torrent beneath.

In the valley one sees the river bounding between narrow gorges, and then broadening out into deeper waters, with miniature whirlpools dancing in the sunlight. Without an instant's preparation the noisy little river contracts its banks again, and goes leaping from ledge to ledge, foaming and boiling in its anxiety to reach the calm, cold waters of Superior. As we rode slowly along we could occasionally see beautiful vistas of laughing rapids, shaded by lofty hills with even curves, wooded with murmuring green pines. It was a succession of picturesque turns, romantic gorges, and innumerable pretty ravines, with here and there a stretch of comparatively smooth water, which showed its real nature by swirling ripples and dancing waves.

As we wound along the slopes of the hills we were treated to a succession of surprises. First, to a gently-rising cadence of verdure, slope upon slope, impressive in



A BONANZA farm on the Northern

their solemn gradations of choral music; while below ran the turbulent, noisy river, shaded by the lofty tops of the pines on the surrounding hills; and all around we heard the falsetto chirp of the cricket and the basso-profundo of the melancholy bull-frog. Then we saw the rapids in the gloaming, and the soft light of the after-glow touched every rock and ripple. Finally we reached the level stretches of the river, as it found itself on the plane of the lake after its anxious, eager course, just as darkness was setting in and the Evening Star peeped its yellow light over the olive-green hills.

The sight is one which Chicago people





*Railroad during the harvest*

do not hear of, and tourists in search of picturesque spots cannot do better than to come to the St. Louis—a beautiful river “far from the maddening [*sic*] crowd,” where the woods are still fresh with their primeval green, where an occasional bear is found, and the lumberman builds his cabin on the banks of freshly running streams.

The exigencies of travel have delayed this letter, and I find myself writing several hundred miles from where I took my notes and dated this letter. My next will be from the wheat-lands of Dakota. The party were hospitably treated in Duluth, paid a visit

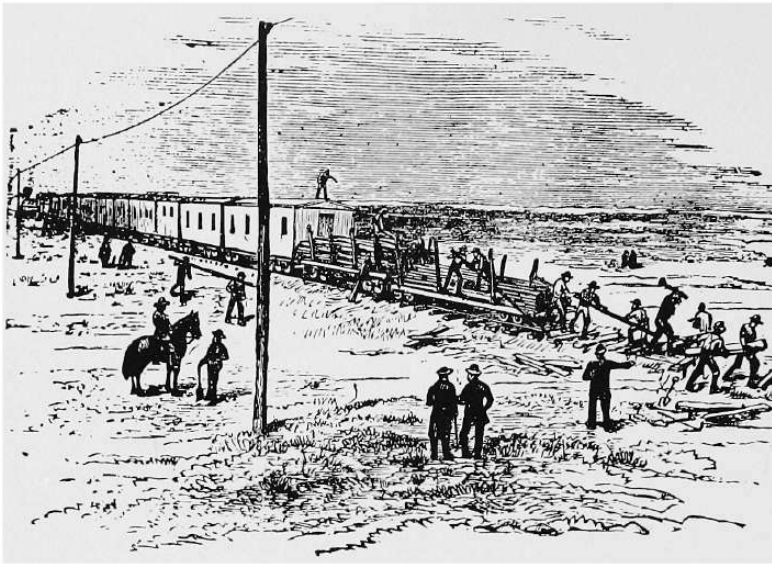
to Superior—Duluth’s ancient but decaying rival—and left for the West . . . over the Northern Pacific Railroad.

*From Bismarck in Dakota Territory, in a letter written on August 9, the Tribune correspondent continued his travelogue.*

WE LEFT DULUTH Sunday evening, August 6th, and woke up the next morning in the fertile valley of the Red River at Fargo, D. T. Here the male members of the party underwent a grand transformation. “Biled” shirts were discarded, and we “tenderfeet” strutted about in all the proud consciousness of picturesque woolen shirts, broad belts, and a general looseness of attire which was far more comfortable than elegant. The ladies, with the aptness of their sex, had previously discovered the dormant beauties of a soft felt hat, and had adopted it with startling unanimity and artistic effect. The citizens of Fargo do not live up to their opportunities, and in a country where woolen shirts are to be had for the asking it is a positive pain to see a man with immaculate linen. We had at last struck the chief object of our trip—the great wheat-belt of Dakota. . . .

As the train pulled out of Fargo we were at once in the very middle of the wheat lands of the valley. On either side of us were waving fields of wheat and oats, with occasional patches of ripened barley. . . . The train moved swiftly along until we reached Casselton. There we diverged to a branch line running nearly due north, and here we had an opportunity of seeing how railroads are built on the prairie.

As I sat on the pilot of the engine it seemed as if we were running loose over the prairie. The ties were laid down on the prairie grass without the slightest necessity for a grade, and in many places not the slightest suspicion of ballasting could be seen. Yet the track was very smooth and stretched over the prairie as straight as the bird flies. We flew along past mile after mile of wheat and oats. Not a fence was



LAYING tracks  
on the prairie

visible, and one field melted into another without the slightest distinction of ownership. . . .

On this branch road we enjoyed the first great privileges of our special train. Whenever the hunters of the party saw any indications of game the train was promptly stopped while those who had guns sallied forth, formed company front, fired two volleys, picked up the dead and wounded, and returned to the train. . . . The prairie-chickens were plenty enough, and flew up right in front of the cars. The sportsmen were successful enough to provide birds enough for a hearty meal for the whole party, and that means a good deal; for in this bracing air one does very little but eat and sleep.

*After pausing to visit the famed bonanza farm of Oliver Dalrymple near Casselton, which the Tribune correspondent described in some detail, the train carrying Uncle Rufus and his guests pushed westward to Billings in Montana Territory. There they reached what the reporter called the "jumping-off place"—the end of the line on the Northern Pacific. Turning eastward, they paused for a glimpse of the Bad Lands*

*before returning to Fargo, where they spent a Sunday "on a side track." Writing on August 17, the correspondent continued his account:*

THE DAY was a beautiful one, and the whole party enjoyed the needed rest. . . . Monday was spent on the [bonanza] farms again, and in the evening we were off for Manitoba. When we woke up Tuesday morning we were just crossing the Red River again, but it had undergone a wonderful change since we had first crossed it at Fargo. Now it rolled beneath us a magnificent stream, having been just swelled by the waters of the Assiniboine to the width of 1,000 feet. A few minutes more and the brakes slowed up the train in front of the depot at Winnipeg.

We were within a few rods of one of the oldest posts of the Hudson[s] Bay Company, where, but a short time ago, the only inhabitants were the wearied clerks, the hardy trappers, and the tawny Indians toiling over swamps with their packs of furs. We saw nothing of all this. We did see the old block houses, but around about them were palatial business blocks, banks, and beautiful residences. We saw a city of

about 20,000 people, of whom over 2,000 are living in tents. . . . We saw people thronging the streets, carts rumbling along filled with merchandise, and all the hum and bustle of a great city. The life and the movement were marvellous. The whirl of excitement was catching. We had at last been introduced to a "town" before which the petty attempts of the frontier towns on our side of the line pale into disgraceful insignificance.

. . . The people in Winnipeg are living on their capital and living fast. . . . There is a good deal of false pretense about Winnipeg. I was shown a lot which sold last Fall for \$700 per front foot, but it was only by accident that I learned the fact that the owner paddled his own canoe over his own land in the Spring. . . . Just think of an advance of 100 per cent in business property within four months. Think of \$2,600 a front foot in a city without a water-works. Think of such prices in a town where the mercury goes down 52 degrees below zero in Winter and the mud goes down fifty-two feet in Spring. . . .

In Winnipeg, the Chicago reporter interviewed the "Federal Consul," James Wickes Taylor of St. Paul; and he accompanied the Hatch party on side trips to Portage la Prairie and to Rat Portage, now Kenora, on the Lake of the Woods. The visitors "took a ride on the lake and dodged the islets, in a little steamer," which was solemnly christened the "Mary Hatch" to "preserve the memory of our visit." After returning to Winnipeg, the special train carrying Uncle Rufus and his friends left for Chicago at four o'clock on the morning of August 17. Thus was completed a journey of four thousand miles in the new Northwest served by the Northern Pacific.

A few days later, Uncle Rufus told a Tribune reporter, in an interview published on August 22, that "Even with all my experience and knowledge of the West, this trip has opened my eyes wider than ever before. It was what I may call an 'eye-

opener.' It is an Arabian night's dream realized."

But, alas, that dream was to be of short duration. Uncle Rufus was destined for a rude awakening. True, the very next year, 1883, saw the completion of the Northern Pacific road, but it saw also the financial crash in which Rufus Hatch "met his Waterloo." By 1884 he had retired from Wall Street, and his colorful figure was seen no more on the stock exchange.

THE PICTURES reproduced with the foregoing article are drawn from the following publications: St. Paul, Minneapolis and Manitoba Railway Company, *Minnetonka and Alexandria* (1883); West Hotel, *Tourists' Guide to Minneapolis* (1885); E. V. Smalley, *Flour-mills of Minneapolis*; Grand Army of the Republic, *Official Guide and Souvenir of the 18th Annual Encampment* (1884); Duluth Daily News, *Historical and Statistical Review of Duluth* (1890); *Northwest Magazine*, September, 1884, and March, 1887; and *Independent Farmer and Fireside Companion*, November 1, 1879. The photograph below is reproduced by courtesy of the Northern Pacific Railroad Company.



PULLMAN car on the Northern Pacific, 1896



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