The Pillsbury Family Connection to Iron Ore Mining in Northern Minnesota from 1888 to the Present

By
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and John S. Pillsbury III

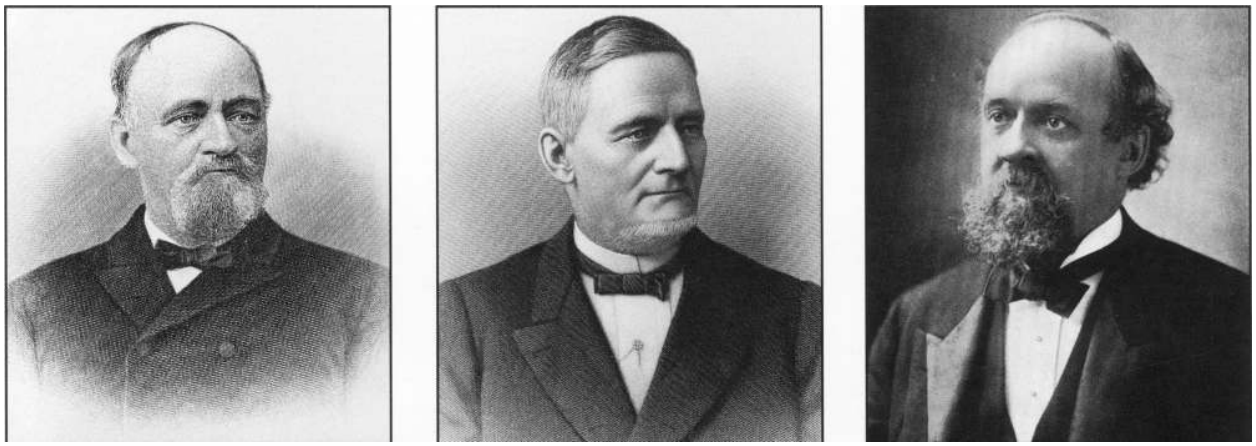
The Pillsbury family of Minnesota, founder of companies famous worldwide for their food products, has also spent more than a century involved in the state's iron mining industry. In 1892, some of the first iron ore mined from the Mesabi Range of northeastern Minnesota came from Pillsbury-owned land adjoining a granite ridge known as the Giant's Range. Along the southern slope of the Giant's Range lies the Biwabik Iron Formation, iron-rich sedimentary rock up to six hundred feet thick extending over one hundred miles in length. Through the years, rich, direct-shipping ore; lower-grade, natural ore concentrates; and, most recently, taconite pellets have been produced here.[1]

The Pillsburys arrived in Minnesota in 1853, when a young John Sargent Pillsbury left his family home in Sutton, New Hampshire, to settle in St. Anthony, Minnesota, now a part of Minneapolis. There, he became a successful businessman, one of the founding fathers of the University of Minnesota, and the eighth governor of Minnesota.

In 1869, John's nephew, Charles A. Pillsbury, moved to St. Anthony, where, with the backing of his father George A. Pillsbury, he became involved in flour milling. In 1872, Charles, George, and John founded C. A. Pillsbury Company, which would grow into one of the biggest food-processing firms in the United States.

In the early 1870s the Pillsburys also got interested in the lumber business, acquiring 10,187 acres of timberland in undeveloped northern Minnesota. During the 1880s, when the region experienced a lumbering boom, prospectors began inspecting the rock exposed by the deforestation.

Many of these men knew that, beginning in 1844, sizeable iron de-



John Sargent Pillsbury, George A. Pillsbury, and Charles A. Pillsbury. (Courtesy of the Minnesota Historical Society.)

posits had been discovered on Michigan's Upper Peninsula around Marquette and farther west in the Menominee and Gogebic mountain ranges close to the Wisconsin border. They wished to discover if this trend continued into northern Minnesota.

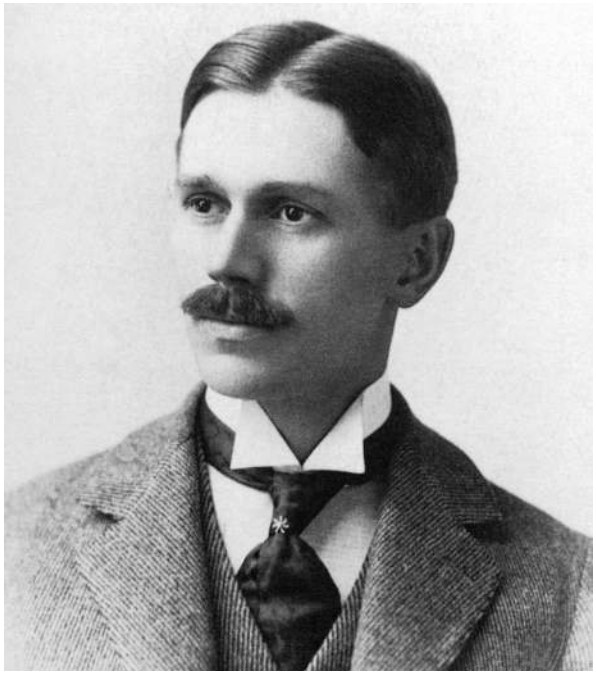
Although the Pillsburys were more concerned with their timber venture, they did not ignore a proposition presented to them around 1889 by a young "timber cruiser" named Russell M. Bennett and his partner John M. Longyear. Longyear was fifteen years older than Bennett, and he was well acquainted with iron properties because he had made a fortune as a "land looker" for timber and iron interests in Michigan. Now, he and Bennett wanted to explore for iron ore on the Pillsburys' property.[2]

History has not recorded exactly how young Mr. Bennett was able to gain the Pillsburys' trust, but it is likely he was introduced to them through mutual membership in the same Minneapolis tennis and yacht clubs. Through perseverance, sincerity, and the financial backing of Longyear, Bennett secured a memorandum of agreement that the Pillsburys signed in March 1890.

This contract granted Bennett and Longyear three very beneficial provisions. First, they received the exclusive right to examine and determine which lands they would retain to prospect, explore, and develop. Second, they had a five year exploration period to find ore. Third, and most importantly, they received a one-half interest

Northern Minnesota experienced a lumber boom during the 1880s. (Courtesy of the Minnesota Historical Society.)

John M. Longyear. (Courtesy John P. Case.)



Russell M. Bennett. (Courtesy of The Bennett Office, Inc.)

E. J. Longyear. (From J. M. LeClear Photography, Jackson, MI, courtesy of the Minnesota Historical Society.)

upon discovery of at least ten thousand tons of ore.

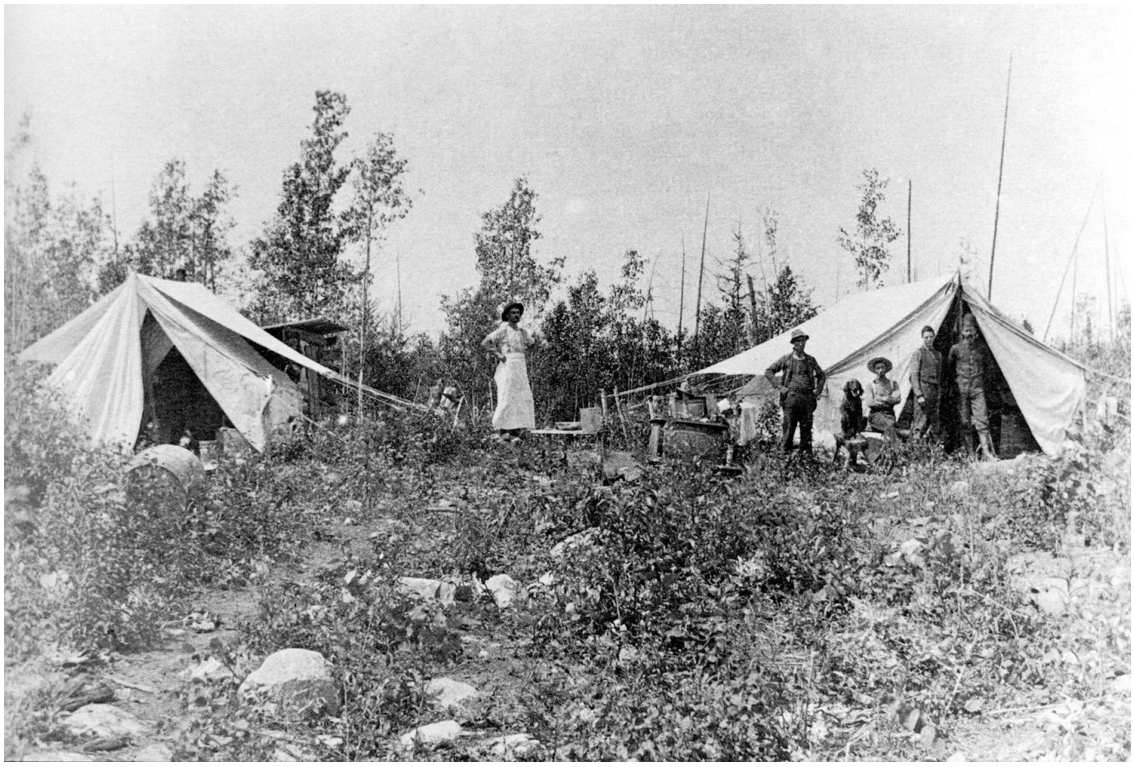
Exploration and Development

When the two men began prospecting in May 1890, the leader of their search was Edmund J. Longyear. Known as E. J., he was John Longyear's cousin and a recent mining engineer graduate from the Michigan mining school. Hiring E. J. proved to be a wise choice. He made mining history by becoming the first prospector in the Mesabi Range to use diamond core drilling, thus eliminating the traditional and much more labor-intensive digging of a test pit with picks and shovels.

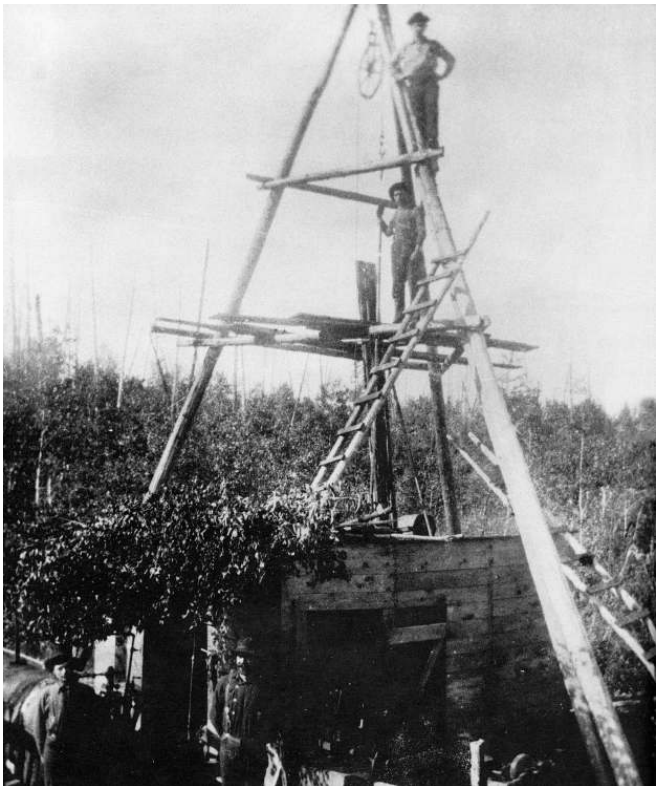
At John Longyear's insistence, the first prospecting began on land he owned. This proved barren, however, and the drill was removed to Pillsbury property in early 1891. The first prospects on Pillsbury ground also produced no results, so the drill was relocated farther east, to the edge of what would become the Iron Range community of Chisholm. Suddenly, results improved.

The drill struck low-grade iron ore twenty-five feet below the surface that continued down another eighteen feet, where the drill penetrated twenty feet of high-grade iron ore considered suitable for direct shipment to a Bessemer steel furnace. As drilling progressed, a conservative estimate determined that at least fifty thousand tons of commercial-grade ore lay just below the surface. By November 1892, the estimate of this reserve had risen to more than 3 million tons. The time had come for Longyear and Bennett to remind the Pillsburys about their memorandum of agreement.

As the story goes, when John Sargent Pillsbury was reminded about the agreement he insisted that "I never signed such an idiotic contract as



E. J. Longyear's exploration camp near Measaba, Minnesota. (Courtesy of the Minnesota Historical Society.)



E. J. Longyear made mining history by being the first prospector in the Mesabi Range to use a diamond drill. (Courtesy of the Grace Lee Nute Papers, University of Duluth Archives.)

Iron mining circa 1892. (Courtesy of the Minnesota Historical Society.)

that." However, when the contract was verified by his brother George and his nephew Charles, John relented and stated: "If I was damn fool enough to sign the option, I will live up to it."[3]

In hindsight, this was a fortunate decision because it formed a bond between the Pillsbury, Longyear, and Bennett families that created an iron-ore partnership that has lasted to the present day. Another benefit of this affiliation was that John Longyear had already pioneered a successful business strategy that used brokered deals to control royalties from iron properties while letting established mining companies undertake the mining.

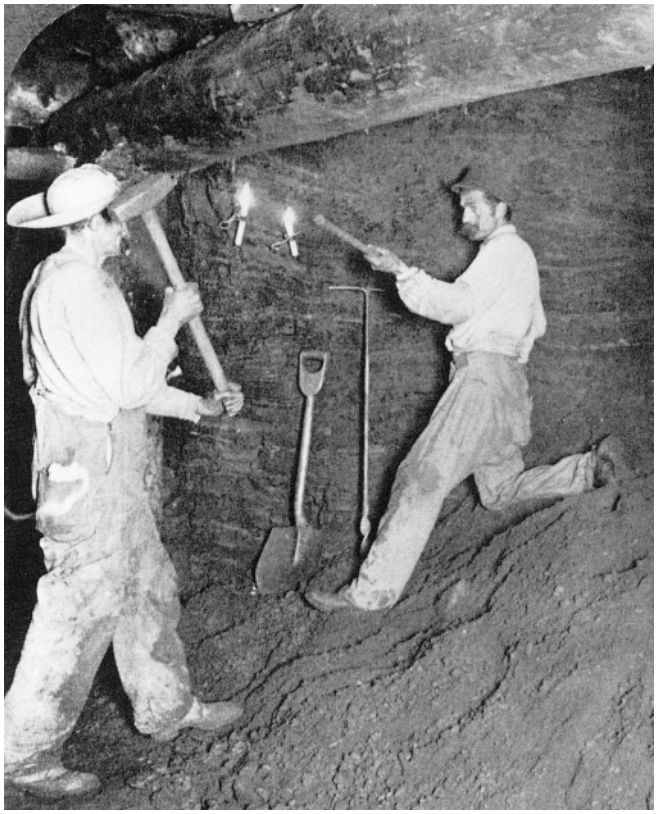
During the early 1890s the Pillsbury–Longyear–Bennett partnership did exceedingly well, leasing land that produced over six hundred thousand tons of iron ore. However, because Mesabi iron ore was softer than the "Old Range" ores found in the Gogebic and Marquette ranges in Michigan and in Minnesota's Vermillion Range, it presented problems when introduced to a blast furnace.[4]

If too much soft ore was added it blew out of the blast furnace chimneys, inundating the nearby landscape with copious amounts of irritating dust. Or, if this ore was packed too tightly, it could explode the furnace itself. It would take years for blast furnace operators to solve these problems by refining the Bessemer steel-making process into an open-hearth method that readily accepted Mesabi ores.[5] Once that was accomplished, however, demand for Mesabi ores dramatically increased.

The Pillsbury Partnership in the Era of Consolidation

The financial Panic of 1893 and the four-year national depression that followed curtailed demand for iron ore. Although the iron trade was especially hard hit during those years, the Pillsbury–Longyear–Bennett partnership survived because Longyear's business model continued to work. Other organizations such as that of the

Big business entered into Mesabi iron mining during the mid-1890s. (Courtesy Minnesota Historical Society.)



Underground iron mining in 1906. (Courtesy of the Library of Congress.)

Merritt family, discoverers of the first iron ore in the Mesabi Range, failed by becoming too burdened with debt accrued trying to control too many aspects of the iron business.

The Merritts, typical of small time entrepreneurs who helped establish iron mining in northern Minnesota, were soon displaced after the Panic of 1893 by emerging corporations.[6] By 1895 the Merritts' operations and most other overextended iron businesses were acquired by capitalists like oil mogul John D. Rockefeller, steel magnate Andrew Carnegie, or Minnesota railroad tycoon James J. Hill.[7]

By 1896, the Pillsbury–Longyear–Bennett partnership needed cash to continue exploration. This revenue was expected to come from a lessee that would expand the partnership's original discovery site, but when no lessee could be found, the partnership sold this prime ground to a Rockefeller subsidiary that developed the property under the name Pillsbury Mine. In turn, the Pillsbury–Longyear–Bennett partnership used the proceeds of that sale to continue with explorations that led to development of the Glen and Monroe mines.

The iron industry languished until the beginning of the twentieth century due to a spiraling inflation caused by competition between Rockefeller and Carnegie. Historian Gabriel Kolko describes this contest by saying that the "working informal détente between the major steel empires collapsed amid [threats of] diversification and price competition that promised to drive the overcapitalized steel mergers to bankruptcy and ruin."[8] That duel ended in 1896, when Carnegie leased Rock-

Underground iron mining in 1909. (Courtesy of Meriden Engineering.)

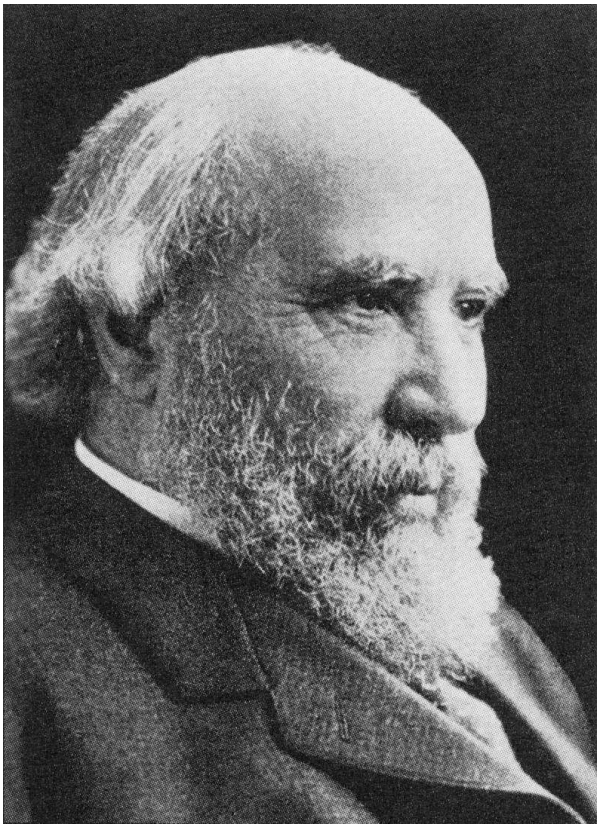
efeller's holdings, but the big iron industry players also demoralized smaller independent producers with competitive advantages. These gave larger companies better transportation rates, allowed them to control the iron-ore market, and enabled them to drive down royalty payments.

Thus, by 1898, it was incredibly difficult for an independent producer that leased land from the Pillsbury–Longyear–Bennett partnership to sell iron ore because the bulk of this resource was owned by Rockefeller's Lake Superior Consolidated Corporation, the Oliver Mining Company, and the Minnesota Iron Company. Furthermore, all three of these operations were linked to the country's leading steel manufacturers: Carnegie Steel and Federal Steel.[9]

Fortunately, the cutthroat competition between Rockefeller and Carnegie ended in 1901, when financial potentate J. P. Morgan created America's largest steel producer, United States Steel, by consolidating Carnegie and Rockefeller's iron-mining, shipping, and steel-making businesses. This integration stabilized the steel industry and it created a strong demand for iron by U.S. Steel that revitalized mining on previously lethargic Pillsbury–Longyear–Bennett lease properties. By 1905, the partnership received hefty royalties from the Alexander, Dunwoody, Glen, Kerr, Longyear, Monroe, Pearce, and St. Paul mines.

The increased activity also made it necessary to police the lessees' mining activities to make sure that they were not wasting any iron ore. In 1903 the lease holder at the Pearce Mine was caught wastefully stripping out low-grade ore in order to reach high-grade ore underneath. Since this clearly violated the "good mining" clause in the lease contract, the partnership terminated the lease and, for the first time, entered the mining business, creating a separate mining corporation called Meriden Iron Company.

In 1906 the partnership incorporated all of its land holdings to simplify their management. However, because Minnesota law prevented corporations from owning more than five thousand acres of land, three separate corporations were formed: Sargent Land Company, Sutton Land Company, and Kearsage Land Company.[10]



James J. Hill. (Courtesy of the Minnesota Historical Society.)

By the beginning of the 1900s mining operations had substantially expanded on the partnership's properties. Things got even better in 1907, when the Great Northern Railroad's founder, James J. Hill, finally began to develop the iron property he had acquired years earlier.

James J. Hill and United States Steel

That story began in 1878, when Russell Bennett's father died and his uncle, Charles H. Davis, a principal owner in the Saginaw, Michigan, lumber and logging firm of Wright, Davis, and Company, took young Bennett and family under his wing. By the late 1880s, Bennett was grown and working as a timber cruiser for Wright, Davis on

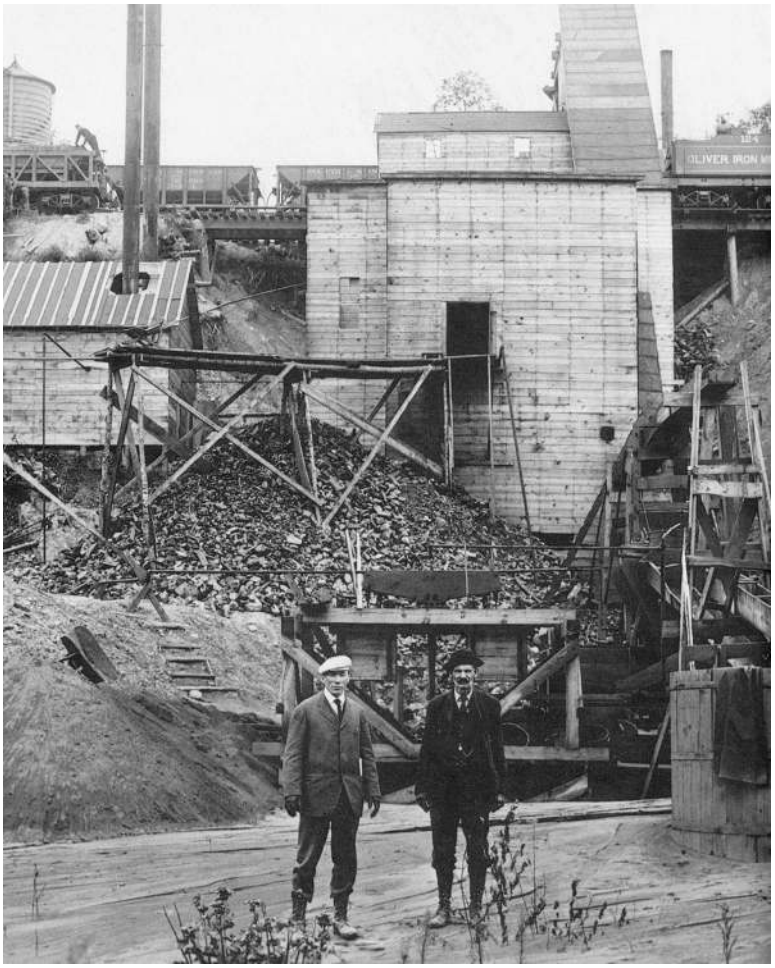
their newly acquired forest land in northern Minnesota. Bennett's shift of interest from timbering to iron mining and his affiliation with Longyear resulted in a May 1890 memorandum of agreement to explore for iron on twenty-four thousand acres of Wright, Davis, and Company's property.

Unlike the Pillsburys, Wright, Davis and Company challenged its memorandum's legitimacy once Longyear and Bennett discovered iron ore. Simply put, bigger profits would accrue to the company if Longyear and Bennett were out of the picture. Longyear wanted to sue, but agreed to compromise rather than instigate a family feud between Bennett and Davis.

Reciprocating Longyear's gesture, for $7,500, Wright, Davis and Company allowed Longyear and Bennett to purchase a half interest in their choice of 3,110 acres of any of the company's potential iron land. The lands Longyear and Bennett selected were thereafter known as the "Share Properties."[11] In 1899, railroad tycoon Hill bought Wright, Davis and Company, and thus acquired Longyear and Bennett as partners. For the time being, Hill was content to let the mostly low-grade iron deposits on this property remain undeveloped.

However that changed after 1904, when metallurgical testing on low-grade iron ores found in the western part of the Mesabi Range led to the development of experimental "washing" plants. The washing process was quite simple, using water to separate the heavier iron particles from the lighter silica rock in which they were trapped.[12]

By the end of the decade the washing process had advanced enough for United States Steel to erect a new town called Coleraine with a sizeable



An experimental iron-ore washing plant circa 1905. (Courtesy of the Minnesota Historical Society.)

washing plant on the shore of Trout Lake in the western Measbi Range.[13] Since this new facility would require more ore than United States Steel's properties could supply, the steel giant looked east to Hill, Pillsbury, and other independent properties.

The time had come for Hill to use his considerable business acumen to get the best possible return from leasing his lands to United States Steel. In order to accomplish this, Hill pressed Longyear and Bennett into organizing all neighboring independent land owners into a bloc to enhance their negotiating status. Once that was accomplished, the resulting Van Buren Iron Mining Company began lease rate negotiations with the steel giant.

This process lasted for eighteen months before United States Steel's organizer, J. P. Morgan, finally stepped in to conclude a price settlement. For the Hill and the Pillsbury properties this amounted to an astounding 70 percent increase over previous land lease rates, guaranteed an annual payment to the Sargent Land Company, and provided Hill's Great Northern Railway with very favorable haulage rates. The agreement also introduced the potential for the entire Mesabi Range to supply the Great Lakes steel industry with most of its iron ore needs.[14]

The companies of the Pillsbury–Longyear–Bennett partnership prospered under their new lease arrangements until 1912, when United States Steel severed its lease with the Van Buren Iron Mining Company and demanded reimbursement of $3.75 million paid in advance for iron ore from the Sargent Land Company.

The huge Bennett open pit mine. (Courtesy of Aubin Photography, and the Hibbing Historical Society.)

After a brief period of legal haggling, the parties reached a settlement in which the partnership reversed its usual role of lessor to become the lessee of a new underground property called the Bennett Mine. Iron ore production from the Bennett Mine was used to repay United States Steel. The partnership created the Keewatin Mining Company to operate the mine.

Taxes and Other Troubles

Once the Bennett Mine started producing, the Keewatin Mining Company and the Pillsbury–Longyear–Bennett land companies generally prospered until the end of the 1920s. One exception occurred in 1913, when the federal income tax became law and the partnership challenged its new tax liability. After they lost their case in court, the partners were forced to sell the St. Paul Mine to pay the tax burden.

Another legal dispute occurred in 1924 when the State of Minnesota passed a tax on royalty payments to land companies, which the partnership challenged as unconstitutional. That case went all the way to the United States Supreme Court, where the justices upheld Minnesota's position. In response to this setback, the partnership returned to court and finally won a judgment stipulating that the lessees, not the land companies, were responsible for paying the royalty tax.

Miners needed heavy equipment to mine natural iron ore in the open pit mines. (Courtesy of the Minnesota Historical Society.)

But it was clear that the partnership would have to deal with federal and state tax law with increasing frequency.

The future also became more complex because economic conditions soon worsened, dictating just how much of a royalty tax burden the lessees could bear. This circumstance began in the mid-1920s, when the Bennett Mine began losing money. By then the partnership's debt to United States Steel had been paid and the Keewatin Mining Company had relinquished operations and leased the mine to a joint venture group of steel manufacturers in return for royalty payments.

When the Bennett Mine began losing money during the mid 1920s, however, the operators asked Keewatin for royalty reductions in order to keep the mine producing. At first, Keewatin refused to help, but as economic conditions worsened by the spring of 1929, the company finally agreed to waive minimum royalties for three years and pay the royalty taxes due to Minnesota. This decision occurred just a few months before Black Friday on 29 October ushered in the Great Depression.

The economic collapse evaporated the demand for iron ore, forcing the Bennett Mine to shut down in 1933. To prevent cancellation of the mine's lease, Keewatin agreed to further reduce the royalty payment due on each ton of ore and to postpone minimum royalties for another six years. These drastic concessions permitted the Bennett Mine to reopen in 1935.

Not all of the partnership's leases faired as well. In 1934, the Orwell Iron Company, which leased the Dunwoody Mine from the partnership's Sutton Land Company, shut down mining operations and terminated its lease. The partnership thereupon transferred Sutton's remaining land to the Sargent Land Company, leaving Sutton a shell with no assets.

That, however, left the partnership's Sargent and Kearsage land companies responsible for paying all remaining annual property taxes even though their royalty incomes were insufficient to do so. Furthermore, these property taxes had increased because Iron Range municipalities had steadily expanded their corporate limits to include mined and un-mined lands they could tax.[15] The partners raised the additional money needed to pay the taxes out of their own pockets and by selling the Dunwoody Mine. They simply let the partnership's less valuable lands go into foreclosure.

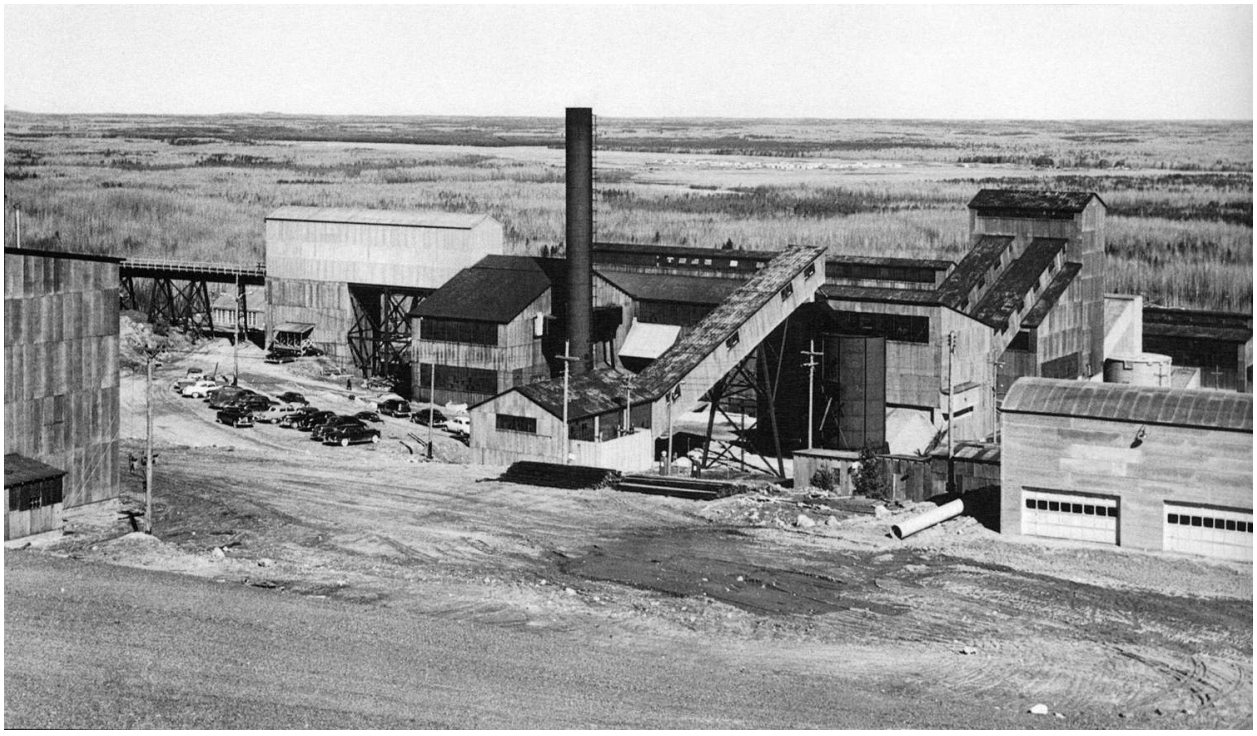
By 1938 the worst years of the Great Depression were over and demand for iron ore was increasing. Also the late 1930s marked a new era, with a new generation of family members replacing the original partners and two significant technological breakthroughs changing iron mining.

The first of the technological innovations, improved washing techniques, encouraged the Sutton's directors to approve a lease with Argonne Ore Company to erect a washing plant on Sutton property that had large stockpiles of lean ores previously separated from high-grade deposits. This experiment proved a huge success. The beneficiated low-grade ores produced ensured the future of lease operations on Pillsbury–Longyear–Bennett properties. The second innovation, a viable method for processing taconite into iron-ore pellets, caught the interest of steel manufacturers in the early 1940s.

The Taconite Business

Taconite rock is hard schist that contains minute iron particles. It was first discovered in the Mesabi Range around 1870 and was found to exist in huge quantities as iron exploration progressed. Attempts to recover marketable iron ore from taconite had begun as early as 1888, when Thomas Edison built a plant in Humboldt, Michigan, that recovered the iron particles using a magnetic separator. But Carnegie rejected Edison's taconite process as too costly.

In 1908 two railcar loads of eastern Mesabi taconite went to an experimental plant at Moose Mountain near Sellwood, Ontario.[16] Again, the



An experimental taconite plant in 1948. (From Durant Barclay, Jr. Photography, Virginia, Minnesota, courtesy of the Minnesota Historical Society.)

process proved too expensive, but this setback led to the formation of an investment group called the Mesabi Syndicate. The syndicate tested eastern Mesabi taconite at its experimental plant in Duluth, Minnesota, in 1916.[17] In 1919, the syndicate reorganized as the Mesabi Iron Company and relocated its taconite operation to the newly created Babbitt, Minnesota.

Within three years the Babbitt plant developed a sintering process that created pellets that contained at least 61 percent iron, as required by steelmakers. This success led to the first commercial shipment of 5,076 tons of pellets by railroad and lake steamer to the Ford Motor Company on 1 October 1922. However, the Babbitt plant shut down in 1924 after plunging iron prices once again made taconite processing too expensive.[18]

Fortunately, a young engineering student named E. W. Davis was assigned to study taconite at the University of Minnesota's Mines Experiment Station in Minneapolis in 1913. Over the next forty years Professor Davis helped develop taconite into a tremendous commercial asset and earn the title "Father of Taconite."[19] By 1936, the steel industry was finally beginning to recognize Davis' taconite processes as a way to ensure a long-time supply of iron ore.

However, it was not until three years later that a consortium of four mining and steel companies, led by Oglebay, Norton and Company of Cleveland, Ohio, united to revive the old Mesabi Iron Company, under the name Reserve Mining Company, to develop taconite mining.[20] The name "Reserve" came from the belief that taconite would not be needed as a resource for at least twenty years, but when the United States entered World War II in 1941 the demand for iron ore soared. It quickly became obvious that direct-shipping and natural ores would be depleted much sooner than anticipated.[21]

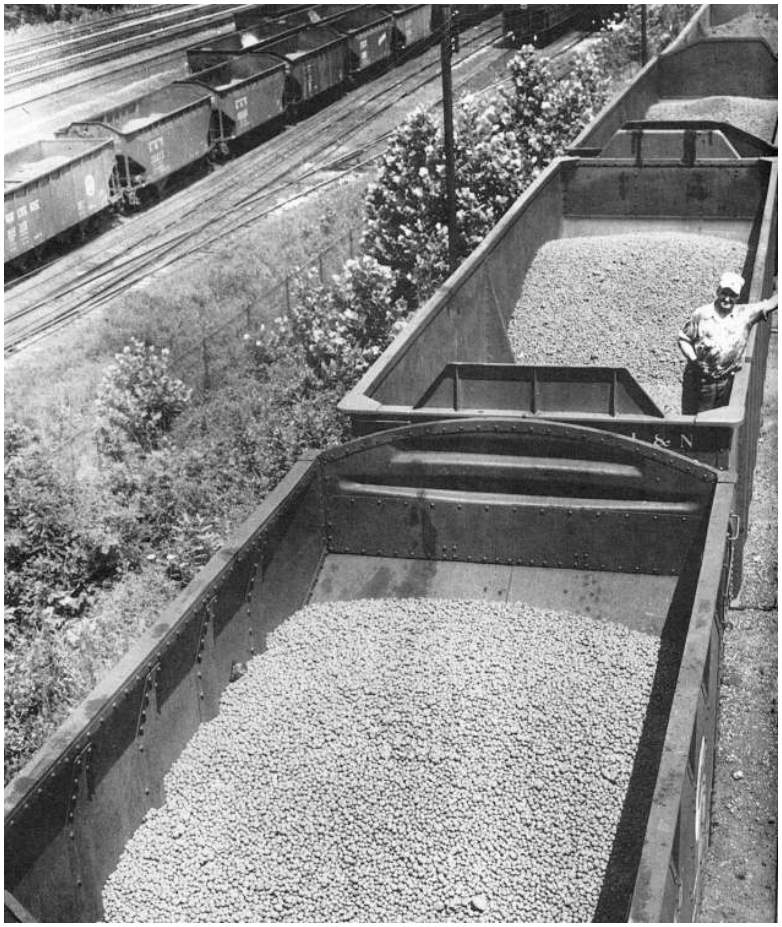
To address this sobering situation, Minnesota had to change its tax laws to make taconite mining practical. The existing combination of taxes imposed by the state and the Iron Range commu-

nities—an ad valorem tax on property, an occupation tax on all persons employed in iron mining based on the value of ore produced, and a royalty tax—made mining low-grade taconite unprofitable. The ad valorem tax was especially oppressive because the resulting high valuation on the entire ore body encouraged mining out high-grade ore as fast as possible without blending in low-grade ores to extend the life of the ore body.[22]

To the great relief of mining companies, in 1941 Minnesota citizens voted in favor of a taconite production law that exempted taconite ores from the ad valorem tax. Instead, the new law taxed each ton of iron-ore concentrate produced rather than each ton of rock mined.[23] This adjusted taxation produced a resurgence in mining. It also stimulated steel companies to invest in taconite plants, especially since the steel industry was becoming convinced that using domestic taconite was more cost effective than importing iron from foreign sources. The Pillsbury–Longyear–Bennett partnership's Meriden Iron Company and Sargent Land Company fully participated in this boom, leasing taconite properties as the number of taconite plants grew steadily in the eastern part of the Mesabi Range over the next sixteen years.

Although the future belonged to taconite, its viability continued to be threatened in the early 1960s by tax increases during periods of profitability. Steel producers balked at further investment in taconite until satisfied that a more stable tax environment would prevail. This assurance arrived in 1964 with the passage of the Taconite Tax Amendment that remained in place for the next twenty-five years.

This amendment to the Minnesota Constitution continued taconite's exemption from the ad valorem tax and guaranteed that iron mining



Taconite pellets traveling by rail to ships on Lake Superior in 1953. (From Frank B. Elam Photography, Ashland, Kentucky, courtesy of the Minnesota Historical Society.)

The Meriden Engineering Company's offices in Hibbing, Minnesota. (Courtesy of Meriden Engineering.)

companies would not pay an occupation tax rate greater than the income tax rate paid by any other type of company operating within Minnesota. Satisfied with this amendment, steel manufacturers developed a second generation of taconite plants.

Two of these facilities, completed in the mid-1960s—the National Taconite plant at Keewatin and the Hibbing Taconite plant in Hibbing—proved extremely beneficial to the partnership. Keewatin and Sargent ores supplied to these two plants produced thirty million tons of taconite pellets from 1967 through 1990.

The Modern Partnership

Between 1964 and 1980, the transition to taconite from natural iron ore required the Pillsbury–Longyear–Bennett partnership to reorganize yet again. As usual, this involved finding a solution to a tax problem, one created when the partnership closed its last natural ore mine, the Sargent, in the summer of 1965.

Once the Sargent was exhausted, the royalty tax deduction generated by subtracting a portion of the fair market value of natural ore in the ground would stop. This expense could not be offset by the revenue recovered from mining taconite. Adding to the problem, the federal government imposed a capital gains tax on the royalty income generated by taconite leases.

Thus it benefited the partnership to discard its heavy corporate structure in favor of a less taxable limited partnership. Over a ten-year period, from 1964 to 1974, the partnership liquidated the Sargent and Kearsage land companies and the Meriden Iron Company and consolidated them under the Sargent Land Company Limited Partnership. Meriden Iron Company was reorganized as Meriden Engineering Company to better identify its new role as the partnership's operating division, performing mineral consulting, lease negotiations, and lease administration.

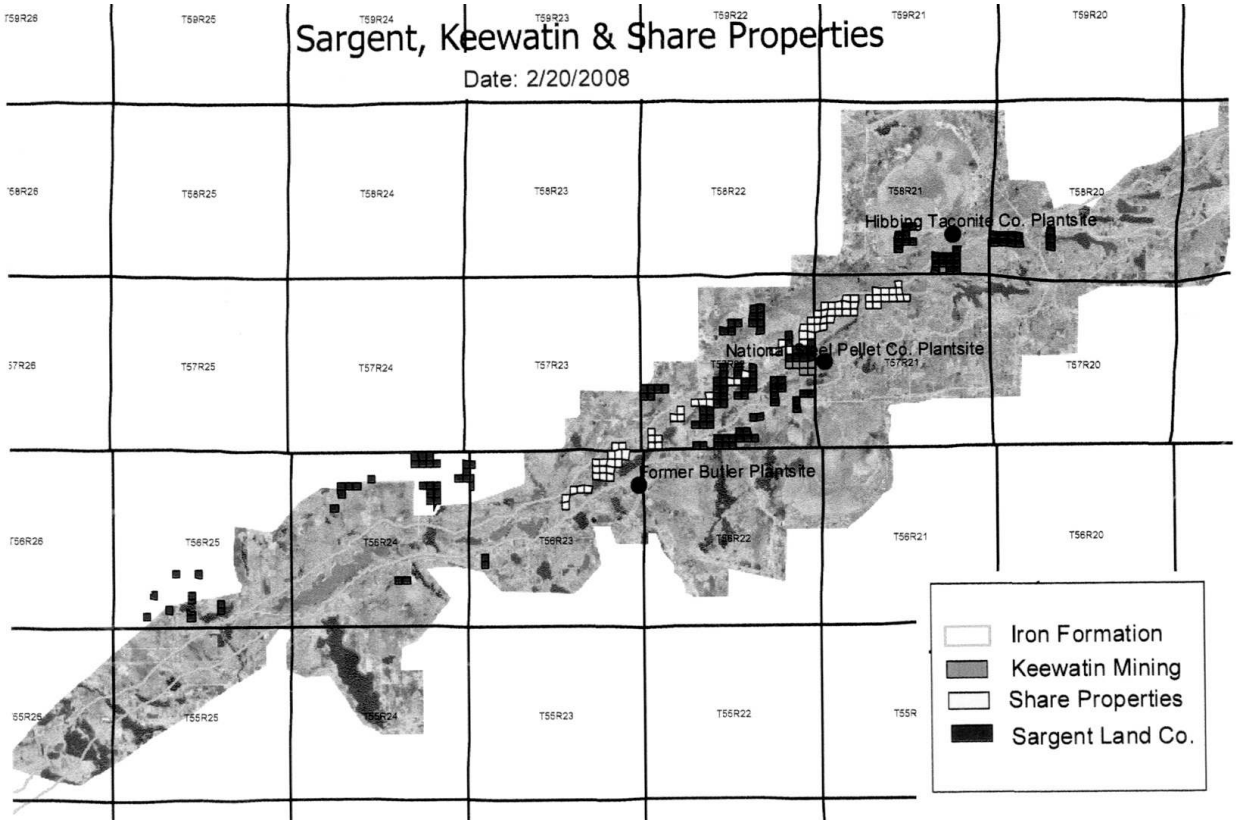
In 1980 the Keewatin Mining Company

also became a limited partnership, its name changed to Keewatin Company. That same year the Pillsbury–Longyear–Bennett partnership reorganized its properties due to Minnesota's introduction of a severed mineral tax on any property where mineral rights were held, regardless of whether any proven minerals existed. The partnership reviewed its holdings, sold properties of little value, and eventually abandoned four thousand acres of its least desirable land.

Although in the early 1980s the national economy went into its deepest downturn since the Great Depression, taconite plants continued to lease the partnership's lands because their ores, though leaner than before, were easily mined and conveniently located. However the partnership also negotiated a royalty reduction with National Taconite during the recession that allowed the taconite producer to mine a set percentage of land annually and base its royalty payments on a formula that more accurately reflected taconite prices.

By 1990 the iron-ore market had improved, the Pillsbury–Longyear–Bennett partnership reached the milestone of a century in the iron-ore business, and prospects looked good for the partnership into the twenty-first century. The first eight years of the new century seemed especially bright, as mergers and acquisitions in the steel business stabilized an industry bankrupted in the late twentieth century by fragmentation and cutthroat pricing that mimicked the circumstances of a century before.

United States Steel led this reorganization in 2003, when it acquired the assets of the bankrupt National Steel Corporation, including the Na-



Pillsbury-Longyear-Bennett land properties controlled by Keewatin Mining, Share Properties, and Sargent Land Company. (Courtesy of John S. Pillsbury III.)

tional Steel Pellet Company, renamed Keewatin Taconite. In 2006, Europe's Arcelor and India's Mittal companies merged to create ArcelorMittal, the world's largest steel company and majority owner of Hibbing Taconite. Through 2008, other mergers created Mesabi Nugget Delaware, LLC; Minnesota Steel Industries, LLC; and Cliffs Natural Resources, Inc. These organizations are all involved in taconite mining and processing for use in facilities that are either leasing or have the potential to lease the partnership's properties.

In August 2008 this progress stopped as the global economy entered into its most recent recession, but the Pillsbury–Longyear–Bennett partnership continues to reinvent itself and prepare for the future. Like the Van Buren Iron Mining Company of a century ago, the partnership has once again consolidated with others to manage potential mine lands in three states: Minnesota, Wisconsin, and Michigan.

To do so, Sargent Land Company Limited Partnership, Keewatin Limited Partnership, and Share Properties Limited Partnership reorganized on 31 December 2008 as Superior Mineral Resources, LLC, with Meriden Engineering as a wholly owned subsidiary.[24] Joseph C. Bennett, chairman of Superior Mineral Resources and grandson of original partner Russell M. Bennett, stated shortly after the merger: "As we continue into our second century in the mineral business, it is time to consolidate the substantial mineral holdings we control to streamline operations and maximize the potential of our resources."[25]

The most fitting testament to the endurance of the Pillsbury–Longyear–Bennett partnership in mineral resources is to note that these families are looking to a future beyond iron ore. Mineral exploration in northern Minnesota has revealed significant deposits of non-ferrous minerals like platinum, palladium, gold, copper, nickel, and cobalt, with indications of substantial copper reserves in the region.

Non-ferrous minerals mining at the PolyMet project near Babbitt is entering its final permitting phase, meaning that active mining could begin around 2013. Anticipating that mining will happen, further exploration continues on land owned by Superior Mineral Resources, as well as on land independently owned by the partnership's families.[26]

Rudy Davison is a board member of the Telluride Historical Museum in Telluride, Colorado, and sits on the Visiting Committee for the Arthur Lakes Library at the Colorado School of Mines in Golden, Colorado. He is a frequent presenter at the Mining History Association, the author of "Rudy's View: A Driving Guide from Telluride to the Top of Imogene Pass," and spends his summers guiding four-wheel drive tours and hiking trips from Telluride. He resides in Durango, Colorado, the rest of the year.

John S. Pillsbury III is a native of Minneapolis and a graduate of Yale University. He was a commercial banker for over thirty years with First Bank Minneapolis (now US Bank), and a startup bank in Phoenix, Arizona. He was a general partner of Sargent Land Company, Keewatin Mining Company, and Meriden Engineering for over twenty years and is currently on the board of Superior Mineral Resources, LLC. He has been a board member of two mineral core drilling companies, Northwest Drilling Company and Idea Drilling Company, and chairman of the board of Sargent Management Company, a registered investment advisor. He resides part time in Santa Barbara, California, and Telluride, Colorado, where he is an emeritus member of the board of the Telluride Historical Museum.

Notes

1. Peter F. Torreano, *Mesabi Miracle: The 100-year History of the Pillsbury-Bennett-Longyear Association* (Hibbing, MN: Sargent Land Company, 1991), ix.
2. Torreano, *Mesabi Miracle*, 9-13.
3. Torreano, *Mesabi Miracle*, 1.
4. E. W. Davis, *Pioneering with Taconite* (St. Paul: Minnesota Historical Society, 1964), 54.
5. David A. Walker, *Iron Frontier: The Discovery and Early Development of Minnesota's Three Ranges* (St. Paul: Minnesota Historical Society Press, 1979), 108.
6. Walker, *Iron Frontier*, 127.
7. Russell H. Bennett, *Quest for Ore* (Minneapolis: T.S. Denison & Company, 1963), 70-1. Financial panics reoccurred somewhat regularly in the iron mining business until December 1913, when Congress adopted the Federal Reserve Act. This legislation provided commercial banks with a place to discount their paper instead of falling into a credit crunch.
8. Walker, *Iron Frontier*, 226.
9. Walker, *Iron Frontier*, 211-18.
10. Torreano, *Mesabi Miracle*, 44-6.
11. The name "Share Properties" was used by John S. Pillsbury III, Santa Barbara, CA, in a telephone call of 26 Mar. 2010.
12. Torreano, *Measbi Miracle*, 49.
13. Walker, *Iron Frontier*, 232-3.
14. Torreano, *Measbi Miracle*, 49-53.
15. Davis, *Pioneering with Taconite*, 92-3.
16. Davis, *Pioneering with Taconite*, 24-6.
17. Davis, *Pioneering with Taconite*, 30-3.
18. Davis, *Pioneering with Taconite*, 41-59.
19. Davis, *Pioneering with Taconite*, 18-9.
20. Davis, *Pioneering with Taconite*, 68-9.
21. Davis, *Pioneering with Taconite*, 109-10.
22. Davis, *Pioneering with Taconite*, 92-3.
23. Davis, *Pioneering with Taconite*, 106.
24. Pillsbury, telephone call, 26 Mar. 2010.
25. Superior Mineral Resources, LLC, News Release, Hibbing, MN, 9 Mar. 2009.
26. David G. Meineke, Global Minerals Engineering, LLC, Hibbing, MN, telephone call, 26 Mar. 2010.