

# Iron-ore reports from Penokees lured Ellis, Beaser, others to the area

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The reports of exploitable deposits of iron ore on the Penokee Range was one of the factors that encouraged Edwin Ellis, Martin Beaser and other speculators to settle along the bay's south shore in 1854.

They believed that there soon would be a flourishing "iron trade," which would create a city. Their belief was supported by the purchase of several thousand acres of land on the range by the Wisconsin and Lake Superior Mining and Smelting Company. The company headquarters was located at Ironton, about three-fourths of a mile west of the Montreal River (now the Saxon Harbor Park).

The town was laid out in the spring of 1856 with the expectation that it would become the shipping port for iron-ore mining on the Penokee Range and copper mining on the Montreal.

The company built a pier and erected a hotel and other buildings on the site, which was intended to be the lake terminus of projected railroads from the south.

The range surveys began in the fall of 1856, continuing until November 1857. In the meantime, representatives of the company squatted on numerous promising locations on the ridge of the range. The company established three stations — actually platted them as town sites — one at the gap where the Bad River cuts through the Penokee Range, another on the Gorge of Tyler's Forks, and a third midway between these two points.

The station at Bad River gap was the most important, where a small settlement called "Penoka" grew up but did not survive.

However, in May Ironton was abandoned and the company office moved to Ashland. Upon the completion of the range surveys in November 1857, the squatters became legal preemptors, proved their claims and obtained titles at the Superior land office, then turned the titles over to the company.



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Unfortunately, during the panic in the fall of 1857, the company was unable to finance further operations, and supplies and equipment were put in storage and the range stations abandoned. These measures were intended to be temporary but proved to be permanent. The company persisted in its efforts to reinvigorate the Penokee project, however, sponsoring an exploration of the range in 1858 by Increase A. Lapham.

Lapham's evaluation of the iron-ore deposits was mixed, although he noted that the agricultural resources, climate and transportation possibilities of the region were favorable. In March 1859 the company received a charter for the Ashland and Iron Mountain Railroad. The road was to be built from "any point" on Lake Superior or Chequamegon Bay to the Iron Range, in township 44, which included the company's Penoka station at the Bad River gap.

The charter also provided that the company could extend the road southward to connect with the Milwaukee and Horicon Road. Despite Lapham's favorable report, the proposal for a railroad (which was never built), and strenuous efforts to refinance the company, the Penokee undertaking could not be revived.

The history of the Lake Superior Mining and Smelting Company illustrates the ignorance, greed and self-delusion that characterized get-rich-quick schemes to exploit the resources of the North Country. For example, the stockholders confidently anticipated profitable operations to begin within three months, the company agent expecting to mine and transport to Ironton 5,000 tons of iron ore over 16 miles of primitive wagon road during the first season of work.

In August 1856 an editor of a Superior newspaper visited Ashland and Bay City (two settlements later joined as one) and noted that "Like Bayfield, they are young and can scarcely be called hamlets, yet in the event of the development of the rich mineral and agricultural lands in that vicinity, they will enjoy important positions. Each has its dock, store and half-dozen or more of houses. They possess a commodious harbor, being situated at the head of the Sagwamigan or Long Island Bay."

A year later the two settlements published a joint advertisement in the Bayfield Mercury, stating, "These thriving towns are situated at the head of Chequamegon Bay," and "Being almost adjoining, their interests are identical, and they can be referred to as one town."

It noted that "two stores and 30 dwellings" had been built, and that Beaser was constructing "a large two-story store and warehouse" and Ellis "a hotel and steam sawmill."

"Situated upon one of the best natural harbors that can be found on any of the Great Lakes, in the midst of an excellent agricultural country, and being the nearest point on the navigable waters of Lake Superior to the rich iron and copper regions of northern Wisconsin, it appears inevitable that a large and prosperous town must spring up at that place."

And so it did.