

Pikes Peak Country

Panoramic photo by David Martinek

COLDWELL BANKER

1st CHOICE REALTY

18401 E. Highway 24, Ste. 100
Woodland Park, CO 80863

Each Office is Independently
Owned and Operated

Vol. 7, Issue 8 - September 2012



David Martinek

Your Colorado Realtor

Equal Housing Opportunity



Contact information:

Direct Phone: 719.687.1516
Toll Free: 800.905.3811
Fax: 719.687.0488
Cell: 719.213.9335

Web: www.davidmartinekc.com

davidmartinek@1stchoicerealtycb.com

or

dmartinekhomes@gmail.com

Copyright 2006 - 2012 by David Martinek. All rights reserved

James J. Hagerman - a profile: Part II - from steamboats to iron ore

James J. Hagerman graduated from the University of Michigan at Ann Arbor on June 24, 1861, ranking twelve out of a class of sixty-five. Only 73 days before, on Friday, April 12, at 4:30 in the morning, confederate batteries had opened fired on the Union Army post at Fort Sumter, South Carolina, to begin the Civil War.

Hagerman writes that when "the Governor issued a proclamation asking for volunteers for the quota of Michigan, the first company offered in the state was made up by University of Michigan boys." However, about ten times as many adult men volunteered to join the Union army so the governor refused the university company, of which Hagerman was a member and officer. That was the closest he came to being a soldier. In spite of the rejection, about 25 men from Hagerman's class volunteered and many were killed.

In the late summer of 1861 after graduation, Hagerman continued to work for Captain Ward's shipping and steamer business. In his memoirs, Hagerman mentions his first ship was the Planet, a big new side-wheeler that ran from Cleveland to ports in Lake Superior as far west as Bayfield, Wisconsin. He was clerk and had a freight clerk reporting to him. The ship carried passengers, supplies, and often barrel copper and pig iron.

During his last trip on the Planet he relates that she got caught in a hellacious storm which prompted the captain to discard their cargo to save the ship and its passengers. "We threw overboard one hundred and eight head of fat cattle," he wrote, "and hundreds of tons of groceries, dry good, pressed hay, feed, flour, mining machinery and everything that could be got a hold of." Once safely in port, Hagerman spent the entire winter of 1861-62 traveling around with an insurance agent to various lake locations to settle with freight owners on their property and supplies that were lost. "It taught me much about a branch of business of which I was entirely ignorant," wrote Hagerman.

Percy Hagerman wrote that his father "made good with Captain Ward" with his work on the steamboat line. Ward was a man of vision and the largest ship owner on the Great Lakes. His business grew and prospered with a



The side-wheel steamboat like the U.S.C.G.C. Willow shown here was one of the mainstay vessels of Captain Ward's steamship line on the Great Lakes.

collection of eight steamers that ran all over the lakes under an agreement with the Grand Truck Railway – providing the water link to the west for both passengers and freight. Because of Hagerman's success at settling the claims from the Planet, Ward entrusted him with similar business outside his regular clerking work. At one point, Hagerman was sent to Montreal and Boston to settle some particularly nasty damage claims with the railroad and to negotiate a new traffic agreement. This he did to Captain Ward's extreme satisfaction.

In 1864-65, Hagerman was serving on the largest and finest ship in the Ward fleet, a boat called the Wade. It was on the Wade in 1865 that Hagerman met his future wife, Ms. Anne Osborne. The two were married two years later, and the marriage produced two sons, Percy and Herbert (Herbert would later become Governor of New Mexico).

Also, in late 1865, Ward told Hagerman of his plans to build a rolling mill in Milwaukee to produce iron for the railroads. He could see that the railroads would eclipse his shipping business and was preparing to shift his

James J. Hagerman - continued on page 2

"James J. Hagerman" - continued from page 1

emphasis to embrace and profit from the competition. Ward had purchased thousands of acres of fine timber and other lands with iron ore resources. As early as 1857, he had built a modest iron rail mill in Chicago. Ward asked Hagerman to be secretary and manager of the new Milwaukee mill company, a position that ushered Hagerman into a career in iron manufacturing.

The Milwaukee works were completed in 1867 and by 1869 was extremely profitable – doing an immense business manufacturing iron rails out of worn out rails and general scrap. Much of their rails were purchased by the Chicago and Northwestern, the St. Paul and other railroads who were pushing farther west. In fact, by the time the railroads reached Chicago, Ward's vision of the demise of his steamer shipping empire was becoming a reality.

At that time, all railroad rails were made of iron. Steel rails had to be imported from England at a very high cost per ton. Hagerman kept his eye on the development and refinement of steel manufacturing, even joining the British Iron and Steel Institute. He urged Captain Ward to build a Bessemer steel plant in Milwaukee, convinced that steel rails would soon replace the inferior iron ones. But iron rails were easy to produce, and by 1872 were selling for \$90 per ton. So the steel plant was put on hold.

A year later, everything changed. Wild inflation in 1873 caused an economic panic in the country. Hagerman wrote: "Scores of banks, railroads, companies, individuals, manufacturers, all classes of men were thrown out of employment. You could not sell a rail at any price. The panic came in September and hurt the iron business worse than any other." The depression halted business activities all across the land, including railroad construction. Rail manufacturers could not collect what was owed them from the railroads and soon, one by one, they began to go out of business.

The Milwaukee Iron Company lasted a couple more years but Captain Ward died suddenly in January 1875, which cut the heart out of any enthusiasm held by the Milwaukee iron works group to try to weather the economic storm. The company failed in September 1876 and went into receivership. Hagerman and some friends rented the mills from the Receiver and began making bar iron at considerable profit. But that adventure lasted only a year or two.

Hagerman spent about a decade as an iron manufacturer. His dream of a Bessemer steel plant was finally realized in 1873-74 when Ward built a sizeable plant in Chicago. But Ward's death and the economic downturn at the time put a damper on the activity for quite awhile. In the end, his benefactor, friend and employer for over 16 years, since he was a teenager, was dead. Hagerman's life changed considerably after that.

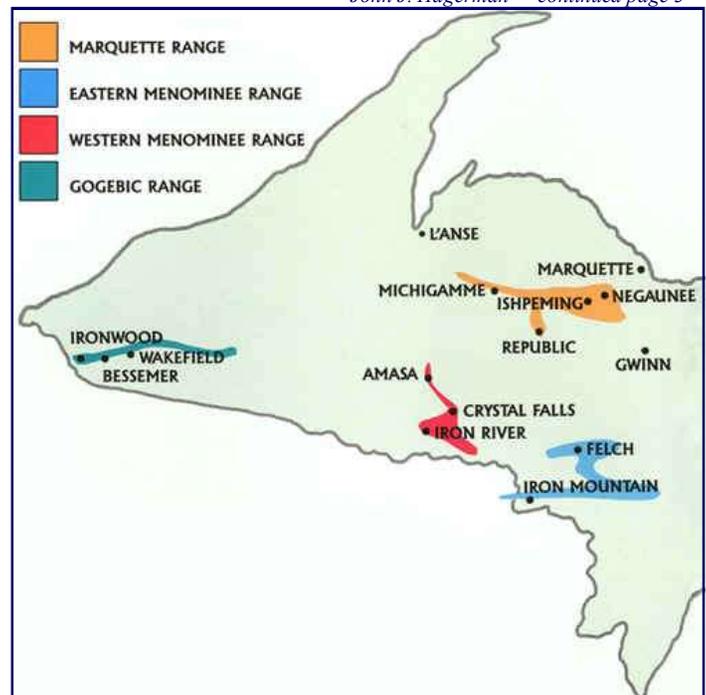
Prior to Captain Ward's demise, he had been exploring for several years the possibility of iron ore deposits on the Menominee Range in northern Michigan. Hagerman had been Ward's charge in that exploration. After Ward's death, Hagerman and a few close friends wanted to continue the exploration as a possible new mining business. But the stockholders of Ward's business holdings would have none of it. As Percy wrote: "...they told my father that if he and his friends wanted to waste their own money chasing rainbows they were welcome

to do it, but that they themselves were through." So Hagerman and his friends, using the monies they'd made from renting the Milwaukee iron works, plunged ahead into the venture and in less than two years had made significant discoveries of iron ore.

The Menominee Mining Company was formed with Hagerman as president. The company acquired some valuable long-term leases and began a very successful period of ore production. In 1876 the Chicago and Northwestern Railway constructed a branch line to connect the Menominee area with the lakes, facilitating increased transportation possibilities. By the end of 1879, 450,000 tons of ore were shipped to mills around the Great Lakes netting the company over a million dollars in profit. A number of high producing mines were developed in the early 1880s which the company either operated or sold. The friends that stayed with Hagerman realized a "tidy fortune." They were men who "pulled together well," and they succeeded. "My father always said that no experience of his business career ever gave him the satisfaction that he got from the Menominee Mining Company," wrote Percy.

On the heels of such success came consequences. Hagerman's health was gradually failing him. The long strain of overwork and not realizing his limits caused him to suffer a complete collapse in January 1882 when he was only 44 years old. He was on a business trip to the east when he was beset with severe hemorrhaging and incapacitation. Doctors advised a long rest or he would die soon, suggesting at least two years for recuperation. Being financially comfortable and with the iron ore business running smoothly, Hagerman sailed off to Europe in July 1882, not returning to the U.S until September 1884. Per Percy's biography, "He knew before he came back that he was going to make a radical change of some sort."

"John J. Hagerman" - continued page 3



The Menominee Iron Range is located in the Western Upper Peninsula of Michigan and is one of the greatest iron districts in the region - named for the Menominee River which runs through it. Today, ruins are all that exist of the once booming Menominee mines.

Dave's Buyers' Guide

Cabins, second-homes and land specials from Coldwell Banker 1st Choice Realty



Prices and status effective as of August 31, 2012



18544 S. Hwy 67, Divide Borders National Forest! Here are 238+ acres of paradise with a stream, ponds, a water fall, aspen groves, meadows, timber and rock formations. Look for turkey, elk, deer, ducks and other wildlife on the property. A huge modern metal shop building and a caretaker's lodge compliment the main house. The main house is 3114 S.F. on three levels w/ 4BR/4BA/2GAR. Stucco construction and recent updating set this home and property as a destination unto itself. Close to hospital in Woodland Park. Horse property. All corners marked. #786675

"James J. Hagerman" continued from page 2

In twenty years, James J. Hagerman had advanced from a newly graduated shipping clerk, still wet behind the ears as to the true operations of business, to president of a successful iron ore production company, with a period of iron manufacturing in between.

But excessive hard work and dedication were not compatible with his health. And so, after a long period of recuperation and extended stays on the French Riviera, Austria, Italy and France, he returned to America in 1884 but decided to venture west because his doctors told he could not live safely in the northern climate.

In the next installment, we will begin to explore his western adventures.

To be continued.

To inquire, email or call 719.687.1516

(Martinek Team listings are BOXED)



\$699,900

4013 County Rd. 102, Guffey Custom Home! 40 pristine acres w/ a view of Pikes Peak. 4524 S.F. w/ 4BR/4BA/3GAR. Built w/ British Columbian hewn logs. Chef's delight kitchen. Main level master. 26x19' family room. #756295



\$549,000

1192 County Rd. 112, Florissant Sculptured Excellence! Open valley views on 37.7 acres, plus a functioning artist workshop. 3853 S.F. w/ 3BR/3BA/2GAR. Cherry cabinets, main level MBR, 3 walk outs. Back deck. #738857



991 County Rd 791, Woodland Pk Cowboy Heaven! Borders Nat'l Forest, 10 acres, 4BR/3BA/2GAR, 2534 S.F. Hand hewn log home w/ dramatic great room, hdw floors, vaulted ceiling, wood stove. Rock formations, orchard. #776368



\$369,900

4575 Doe Valley Rd, Florissant Ultimate Colorado Property! Set on 65.54 acres, this is off-the-grid heaven. Streams, meadows, Pikes Peak view. A complete home make-over with covered porch. 1458 S.F. w/ 3BR/2BA/2GAR. Find your "quiet" in this place. #767676



\$364,850

1260 Ponderosa, Woodland Pk Great views! 3BR/3BA/2GAR w/ 2750 S.F. on 0.77 acres on a ridge-line overlooking WP. Great room, 2-story wall of windows, Jennaire range in kitchen, walk-out deck, family/theatre room. Central vac, paved driveway. #723837



\$35,000

740 County Rd 45, Florissant Two level lots! Here are two level lots at the intersection of CR 45 (Crystal Peak Road) and U.S. Highway 24 just north of Florissant. The main lot is 2.59 acres and the adjacent lot is 0.67 acres, both sold together. #795650



\$33,900

127 Carlton Cir, Florissant Building Plans! This 2.04 acre lot is ready to go. Perc test done, fire mitigation trees cut, building plans available. A well permit is waiting. This is a beautiful parcel overlooking the CME valley. A dream lot for a dream home.



\$19,900

2847 N. Mountain Est. Florissant Two Lots! Two adjacent lots on a corner that total 1.18 acres. Several building sites are among the many Ponderosa and Fir trees. A selective build produces a great view of Pikes Peak.



\$13,000

317 Blue Spruce Dr, Florissant Scenic! 1.61 acres lot with the building sites is on the ridge line. Then the lot slopes severely down to Four Mile Road. View of the Dome Rock area. Secluded and very private. #756145



\$16,000

1001 S. Mtn Est. Rd, Florissant Meadow! Two acres of meadow and trees and some nice building sites in beautiful Colorado Mountain Estates, south of Florissant. Easy access to nearby Fossil Beds and Cripple Creek. #530773



\$16,000

2856 Blue Mesa Dr., Divide Fronts Water! This heavily treed lot in Highland Lakes (1.67 acres) slopes down to Beaver Lake No. 2. Strategic tree cuts will make room for a driveway and a building site. See this beautiful lot. #457747

Copyright Notice:

All text, photos and opinions in this newsletter are copyrighted by David Martinek or the original sources. No information may be reproduced, copied or used in any way without expressed, written permission. For permission, see below:

David Martinek, P.O. Box 1088, Divide, CO 80814

davidmartinek@1stchoicerealtycb.com