

THE SIGNIFICANCE OF THE TWIN CITIES FOR MINNESOTA HISTORY¹

History cannot be written without a philosophy of occurrence or an interpretation of change. So-called scientific or objective history is an unattainable ideal. And it is so from the very start, for the historian's choice of a topic, of a district, or of an age displays a personal interest. The arrangement of data is consciously or unconsciously actually based upon a conception of influence.

Since there is no escape from a philosophy of history, it behooves us to know the possibilities open to us. Of the score or more of alleged interpretations, three have been outstanding in the writing of American history.

It was George Bancroft who made most striking use of the theistic interpretation, and the note so early struck goes ringing on through the years. There is a divinity that steers our course, especially the path of a chosen people. It is conveniently possible for any nation to elect itself to a special place by the side of the deity. Charles Francis Adams thought it was the gods that intervened on behalf of the North in the Civil War. The strength of the northern navy, the size of the wheat crops, the superior economic system of the northern states were little or nothing to him in the face of this unseen influence exerted particularly to secure the neutrality of England.

Such an interpretation can be made to justify America's ruthless treatment of the Indians, for the responsibility is put upon the divine guide. It can justify the whole course of exploitation from Atlantic to Pacific and can even carry out to sea as far as the Philippines, for all this has been but the "manifest destiny" of a divinely chosen people. Business men have demanded that America "clean up" Mexico. Already the

¹This paper was read on January 11 as the annual address of the seventy-seventh annual meeting of the Minnesota Historical Society. *Ed.*

same group looks anxiously to distant parts for supplies of rubber, tin, pulp wood, and petroleum. Any high-handed action taken abroad could be palliated by the old lotion for conscience, our "manifest destiny." As we gain a more international point of view, however, we shall see that such a stand is not only the simple philosophy of an immature people, but the crude theology of a primitive stage in human history. It is a religious idealistic gloss on the page of a selfish story.

The diffusionist interpretation somewhat follows the theistic in point of time. It has the virtue of at least being honest, putting no blame upon the deity. This school believes that culture arises in one part of the world and diffuses or spreads to other parts, for instance, from Egypt or Babylonia to Asia Minor, to Greece, to Rome, to medieval Italian cities, to France and Spain, to the Netherlands and England, and finally to America. It is well illustrated by Herbert B. Adams' theory of the Teutonic origin of New England town meetings. Anglophiles regard American institutions as Anglo-Saxon offshoots growing in a congenial soil. Socialists see at least a spiritual inheritance in the development of class differences similar to those in the Old World. "American history begins in Europe," the diffusionists contend. And indeed they find no difficulty in illustrating their view, whether in politics or law, economics or education, art or religion, elements of liberalism or of intolerance.

Migration from Europe to America took away from the homeland a little capital and a good deal of economic enterprise. But it also rid Europe of much intolerance, from which America has suffered greatly. It has been said that the two European contributions to American life meet in our evangelical capitalism, as intolerant on the side of social reconstruction as on the side of personal conduct and belief; in other words, that our inheritance of prohibition, Klanism, fundamentalism, and socialist baiting has been Europe's purge. And to make it worse for us, the same nonconformist class drove out and dispossessed the loyalist landowning aristocracy, a group

sorely needed in a balanced state. Then it fought a Civil War, robbing another group of its property. One of the worst aspects of that war was the deception that the war was fought to maintain the Union rather than to free the slaves. But perhaps a deeper prying into the psychological founts of the time would show that the war was waged neither for the Union nor for the slave, but to dispossess the landed proprietor of the South. What the Puritans objected to was possibly not so much the pain of the slaves as the pleasure of the owners. It seems, then, that European diffusionism has played us tricks — its gift of a golden apple has borne a canker worm that lives on as a secret crusader against the serenity of an otherwise fortunate people.

The spread or diffusion of civilization westward within the widening confines of America itself also abundantly illustrates the contention of the diffusionists. Boston fires burn brightly in the Twin Cities; Virginian recipes are followed in Kentucky and Missouri. Indeed the diffusion of culture on the American mainland is comparable to the spread of Greek civilization in the days of the Macedonian and to the extension of the Anglo-Celtic culture to all parts of the British Empire.

Another school, equally mundane and equally sure of itself, has been called, by way of contrast, confusionism. The idea is that civilization does not spread but arises afresh, without any orderly flow. Civilization is really exsurgent: it springs from the soil of each peculiar situation. American civilization, according to this view, pours forth, geyser-like, from the conditions in America itself.

There have been various declarations of independence. The first was political, during the Revolutionary War. The second was commercial, after the War of 1812. The third has been cultural — American civilization arises out of American life. American civilization is not parasitic; it is wholly American. The Turner school, with its emphasis on one aspect, is an illustration of the exsurgent interpretation. The economic interpretation is much broader but of the same general type.

According to the economic interpretation civilization was submerged in pioneer days and rises again as towns and cities come into being and grow strong. The getting of a living is the primary situation; all else in the long run is derivative.

As I see it, there is no real conflict between the diffusionists and the confusionists. Whenever there is colonization, there is obviously diffusion. After that has taken place, the confusionist force is increasingly potent. Then, as civilization develops, unevenly of course, the accumulated wisdom and experience of the older parts are diffused in the newer ambitious districts. Thus Minnesota history is the equilibrium between what comes in and what grows up. Its own culture is fundamentally material. On that base, its higher culture may rest securely. Its clergy, its judges, its bankers, its professors, cannot go much beyond the soil's yield. Where an effort is made to do so, there is failure.

In the writing of Minnesota's history Indian wars and politics have been put first, then economic considerations have found a place, and as a rather poor third stands higher culture. The outstanding fact is that the economic history of Minnesota has not been neglected. But it is in part the thesis of this paper that the study and writing of it have been scrappy, amateurish, and undirected. There has apparently been a feeling that economic history is important, though there has been little analysis of the whole field. We have had useful studies of lumbering, transportation, mining, agriculture, and banking, but no synthetic study of the whole has apparently been published.² In real life the business of banking and that of farming are closely connected, as also are transportation and industry, mining and manufacture, storage and commerce, production and credit. After all, farming is an abstraction in

² Since this paper was written the doctoral dissertation of Miss Mildred L. Hartsough, entitled *The Twin Cities as a Metropolitan Market: A Regional Study of the Economic Development of Minneapolis and St. Paul*, has been published (University of Minnesota, *Studies in the Social Sciences*, no. 18—Minneapolis, 1925). It is the pioneer book in the field of the synthetic presentation of the economic history of the Northwest.

these days of close connection with railways, warehouses, and banks.

In the development of Minnesota's economic history there are three aspects which have never been separately visualized, to say nothing of being integrated into one larger story. They are the opening of the rural parts for lumbering, farming, and mining; the growth of towns; and the development of the Twin Cities as the towering magnetic influence in the whole state. It is to the grand totality of economic effort, as centered in the Twin Cities, that I wish to call special attention. Production is a great coöperative enterprise into which we are born as a matter of course, with which we are so familiar that we can have no ready appreciation of its nature. The economic life of the state, radiating out from and concentrated in this single metropolitan community, is carried on according to precedents and practice. It has no code and no constitution. Like the waves, it undulates irregularly, obeying the law of its own nature. It is an unplanned consummation of social or group endeavor, in which the individual plays the part of cog or wheel, belt or shaft. Periodically the great machine breaks down as the business cycle comes to that part of its existence known as the crisis or hard times. Such are indeed the great landmarks in the informal coöperation of which I speak. In Minnesota history the years 1857, 1873, 1893, and 1920 attract the attention even of the historian who is otherwise immersed in wars and elections, individual biographies, and party changes. But this is a journalistic interest that singles out the unusual and catastrophic as the important and vital. It is comparable to the attitude of American newspapers which recently carried big headlines about the exclusion of one English representative to the meeting of the interparliamentary union at Washington, while they left almost unnoted the proceedings of the scores of statesmen who actually arrived and seriously discussed the world's affairs. The hard times of the years mentioned were the periods of economic illness. It is not the doings of the sick bed, but of the well and vigorous actor in

the business of getting a living that are worthy of most attention.

We can best understand the metropolitan position of the Twin Cities by following at least in outline the growth of communities in Minnesota and the Northwest. The most remote beginning is to be found in the rise of trading posts, such as Mendota, Fond du Lac, and Pembina, with their distant connections north and south. Such outposts are small in population and narrow in the scope of their activities. They are the tentacles of a distant and often very powerful group of traders who care nothing for the upbuilding of the country but much about the profits to be realized in trade. No commonwealth could have built upon such establishments. They were like the tents of the Indians which could be folded up and moved away.

The towns were more permanent. On the Mississippi, the Minnesota, and the St. Croix small groups of settlers arose to serve their own interests. The inhabitants of these settlements came to engage in trade, to manufacture, to push back the Indians, to build up a closely knitted group of citizens for a common purpose. Here the needs of all classes were catered to, not only the trappers but also the farmers, not only the Indians but the whites as well. Here arose that easy optimism that promised long life, great happiness, and splendid fortune to those wise persons who remained in the community to share the great things to come. Where the prospects are actually dark, or at least gray, human nature seems to demand such strong medicaments as tonic to a wavering frame. Hope springs eternal from the necessity of self preservation. But then there really was the possibility that Winona, St. Peter, Stillwater, and the others, would grow like the inland towns of the East — like Albany and Pittsburgh and Cincinnati.

The period from about 1835 to the fifties saw the rise of St. Paul and Minneapolis (St. Anthony) as towns. As is well known, St. Paul's advantage lay in the fact that it was virtually the head of navigation on the Mississippi. It was also

near to Fort Snelling, to Mendota, and to Stillwater. Its first retail store is said to have been set up in 1842. Others soon followed. And in 1849 the American Fur Company removed its headquarters from Mendota to St. Paul. Its progress as a town was continuous. The settlements at the Falls of St. Anthony obviously arose to take advantage of the water power, which was quite adequate for local needs until about 1865. The first commercial lumber mill was started in 1848 and the first commercial grist mill in 1854. The products were used locally or sent down the river.

If we believe in the theistic interpretation of history, we may ascribe the success of St. Paul and St. Anthony to the patronage of higher powers. If we are diffusionists, we will believe that their prosperity was due to the good things that the inhabitants brought with them from the East and the South, that is, their courage, self-confidence, religion, habits of thrift, and capacity for progress. If we are confusionists, we will not be so complimentary either to the deity or to early settlers, for we will see the inhabitants of these towns largely as the creatures of local advantage. To their favorable position arising out of easy navigation and cheap water power must be added a fact of general significance: they were located at a suitable and respectful distance from both St. Louis and Chicago, so that they had room to grow not only as towns but as a great metropolitan community.

Ordinarily we think of the metropolis as the capital of a state, but no such meaning is here intended. The economic metropolis is a large central city in which is concentrated the management of business. In such a city are the big organizations with their ramifications in all the parts of a wide hinterland. In its midst are concentrated not only a large part of the products of the district but also products from other areas, at home or abroad. The metropolitan unit, made up of the Twin Cities as center and the Northwest as hinterland, is really a group of consumers and producers, persons getting a living and solving their own several problems according to the possi-

bilities of the times and the resources of the area. The center and the district are working partners, at times in conflict but in the long run sinking or swimming together.

Unplanned and in answer to no man's bidding, the Twin Cities rose to their position of economic and cultural eminence with little or no help from politics or government. The new organization was in response to the vague and joyous hopes and expectations of some people, but in accordance with the specific plans of no one of them. Certain individuals occupying positions of economic advantage profited more than others from the united efforts of all. In other words there was an unequal distribution of the products of social effort. It is the realization of this fact, stimulated by the knowledge of thefts of timber rights and railroad manipulation, that makes the many, who have not received a large share of the total advantage, think that a grave injustice has been done. If so, then people are just suffering from their lack of foresight. And more of this suffering probably lies right ahead of us, as population presses on subsistence and as real income decreases. We are now learning that the resources of Minnesota and the Northwest are not unlimited. One day our children shall doubtless learn from their elementary school texts that society ultimately has to pay a heavy price for the rapid material advance we have made. So far, America has appeared a great material success, but this is a one-sided judgment and a short-time point of view. With forests gone, best mines exhausted, soil fouled, streams polluted, and rivers reduced to brooks, our descendants will say, what a price to pay for progress!

But we have got something — a great metropolitan community, a number of growing towns existing in dependence on the metropolis, and a great area of countryside producing and enjoying this world's goods. This is the material basis of our northwestern culture.

Into the growth of this economic organization went many separate and individual developments of which the railroads were the most spectacular and not least in importance. Nature

had given man three avenues of transportation and communication, the Red River with the North, the Mississippi with the South, and the Great Lakes with the East. Railroads came in to give victory, absolute and unquestioned, to the eastern avenues and routes. In 1854 an agent was appointed in St. Paul to sell tickets through to Boston and New York. The route was by steamboat to Galena, from there by stage coach for twenty-five miles to the railroad that went to Chicago, and thence through southern Canada and Albany to the coast.³ In 1867 there was an all-rail route to the East through Milwaukee, and by 1870 a railroad had been built between St. Paul and Duluth. At last there was an ample outlet for local products and a dependable source of supplies. Visitors could come and go. The mail was faster and more regular. At last the feeling of isolation was wearing away. Doubtless many a longing soul found relief in the possible return to home and people. We can never know the psychological effect of such changes.

Just as the period from 1854 to 1870 established an eastern connection, the years from 1879 to 1893 completed the network, not in detail but in outline. Railroads extended north to Winnipeg in 1878, south to St. Louis in 1879, northeast to the Sault in 1888, and west to the Pacific in 1883 and 1893. Here were the possible lines of economic interest. Here were the paths of enterprise. Development and consolidation remained as the slow workaday jobs of succeeding years.

No one would think of the Northwest as a manufacturing district. And yet the Twin Cities have not been idle. Up to 1899 Minneapolis made steady progress in the manufacture of lumber products, and up to yesterday in flour milling. In the manufacture of agricultural machinery and other metal wares the two cities have done not a little. Said an agricultural expert in an English village in August, 1925: "We have five Fordson tractors and three from Minneapolis. The latter are infinitely superior."

³ *Minnesotian* (St. Paul), May 6, 1854.

Wholesaling has made progress in St. Paul since about 1858 and in Minneapolis since about 1865. While St. Paul has been prominent in the handling of boots and shoes, Minneapolis has been outstanding in grain, hardware, and lumber. Storing wares on a large scale has been necessary for wholesaling, transporting, manufacturing, and uninterrupted consumption. Large amounts of capital are locked up in it and great skill is required for its management. The elevators and flaxseed tanks of Minneapolis and the lumber yards of both cities are notable examples.

The crowning glory of a metropolitan community is finance. The first commercial bank in St. Paul seems to have been started in 1853. From time to time others arose to finance purely local business. It was not until the eighties that Minnesota towns began to turn from New York and Chicago to the Twin Cities for financial aid. In 1889 both Minneapolis and St. Paul became reserve cities. In the last decade of the century chain banks were begun. Since about 1900 the banks of the Northwest have kept their reserves in Twin City banks, withdrawing gradually all but working balances from New York or Chicago institutions. And in 1914 came the setting of the chief jewel in the whole crown, the establishment of a federal reserve bank in Minneapolis.

The direct financing of the business of farming has had a somewhat different story. In Minneapolis one farm-mortgage house was set up in 1874, another two years later. Until about 1900, however, little progress was made. At about that time there arose additional firms, and more assets were kept in Minnesota. In 1916 the federal farm loan system was set up in St. Paul. On the side of financing the current business of the farmer, as distinct from his long-time needs, great progress was made when the Federal Intermediate Credit Bank was established in St. Paul in 1923.

Distinctions between St. Paul and Minneapolis continue to be made as between any twins. St. Paul is said to be French, Irish, and German, while Minneapolis is Yankee and Scandi-

navian. St. Paul is said to be Catholic, while Minneapolis is Protestant. But there are other distinctions which have brought about a certain division of labor of importance. St. Paul was in early times largely commercial, Minneapolis largely manufacturing. St. Paul has dealt more in animal products, from the early pelts of wild beasts to recent dairy and meat products. Minneapolis, on the other hand, has been interested more in grain and grain products. While St. Paul has attained a victory in farm finance, Minneapolis is supreme in general finance. Though they overlap a good deal in the territory with which they trade, we can say that St. Paul is more prominent in the north, east, and southeast, while Minneapolis is more influential in the west.

It was in the seventies that the influence of the Twin Cities began to be felt beyond the Minnesota borders. Within the next two decades the cities had made headway in the Dakotas and Montana as well as in northern Wisconsin. Grain and live stock at present come from the whole area, and to it in varying degrees are sent manufactured goods, fruits, and miscellaneous wares. Living in North Dakota or elsewhere in the area, people find it more convenient and cheaper to buy not only Minnesota products but distant wares through the Twin Cities. Apart from the Canadian boundary, there is no formal limit to the hinterland. In the outer reaches, the Twin Cities compete with Winnipeg, Seattle and Spokane, and Kansas City. With the last-named, the competition for the hard winter wheat of Kansas has become a notable feature of recent flour milling.

In this vast area there are towns and cities which, without derogation either to terrestrial or celestial interests, we may call satellites. Some of them, such as Mankato, Albert Lea, Rochester, Grand Forks, and Fargo, are commercial satellites; some, such as Cloquet, Stillwater, Faribault, St. Cloud, Fergus Falls, and, to some extent, Eau Claire and Winona, are industrial satellites. Helena may be dignified with the position of financial lunary.

Up in the north is Duluth with its principality of iron mines and forests and its mining and lumbering villages. In many things it is subordinate to the Twin Cities, but it has a measure of proud independence. In the eighties it had promise of greatness, which may yet be realized if Canada joins the United States and fresh water refuses to freeze. In Montana the mining of copper has as much independence of the Twin Cities as the mining of iron on the Minnesota ranges. Both look to eastern cities, whence capital and enterprise have long come to them. But, if they are not too soon played out, they may yet come to pay allegiance to the metropolis of the Northwest.

The Twin Cities are the heart of a considerable empire of great wealth and of a population of over four million people. Their position is one of distinction, but the future is not without its dangers. Duluth may rise to cut off the northern part, or the prize may go to some other city, which will bring Minnesota iron and North Dakota lignite into effective combination. Spokane, Seattle, and Denver are ambitious, and Kansas City is rapidly progressing. It is somewhat ominous for any great community that New Orleans has gone down from its early rosy promise and Boston trembles with a threatening palsy. Boston's area lacks cheap food, raw material such as cotton, wool, and iron, and most of all cheap fuel. The national resources of the Northwest are going too, and the price of coal is rising faster than the winters are getting warmer. Capital is leaving the Twin Cities for the furthering of flour milling in Kansas, in Chicago, and in Buffalo. Transportation rates are no longer so favorable to the Twin Cities. And intelligent citizens are clamoring, apparently in desperation, for the restoration of transportation on a river that has almost all the requisites except water.

Minnesota is one of forty-eight states. In one certain respect it is twentieth in rank, in another fifteenth, in another tenth. But in position in the Northwest, it stands first. It holds this rank both in business and in culture.

We all suffer from a political prepossession and an economic antagonism. This situation partly explains why we have emphasised states and their organization rather than the metropolitan regional system of the Northwest. In some respects the Twin Cities are greater than Minnesota, for all the Northwest pays tribute to the metropolitan center and, of course, receives benefits from it. If we are as big as the situation, we shall realize what is the fact, that the Northwest is a great economic and cultural unit, not of equally strong parts, but of parts held together by mutual interests. These rise from the soil and seem to give the argument to the confusionists.

To some slight extent we may further the development of a situation which has meant so much. Our Minnesota Historical Society, which occupies a place of distinction, might collect even more historical and descriptive material for the Dakotas and for Montana, material which up to date the other states in the group have not appreciated. The chambers of commerce and civic associations of the whole area might get together for common action helpful to all. And a permanent chamber of state officials might be set up, consisting of governors, secretaries of state, and others. Joint action is needed in railroad regulation, highway construction, tax laws, and measures for agricultural relief and improvement.

Many of us are not content to study economic history without noting the social and cultural results. After all, what counts even more than work is the higher satisfactions in non-material things. Here the case is strong. The metropolitan community of the Northwest is the only cultural oasis in an otherwise rather barren district. I am not forgetting many worthy institutions in the urban satellites of the Northwest. On the whole, they are higher in promise than in fulfillment. It is an interesting fact that thousands of Englishmen and other Europeans who know nothing of Minnesota have respect for Minneapolis because of its symphony orchestra, supported, be it noted incidentally, by business men partly for the sake

of advertising the city. Our libraries are in swaddling clothes, but hopefully struggling. Our institutions of art are, generally speaking, more attractive to residents than known to outsiders. But our hospitals and clinics are in the vanguard of progress. Our university has its standing not simply from the financial support given by the state but also from its location in the Twin Cities and its supply of students from the whole Northwest. Only one state university in America has an equal status without being in a metropolitan center.

It is only by contrast with the rest of the Northwest, however, that we can find much cultural satisfaction. When we think of eastern metropolitan centers we cannot be so happy. We have no opera of our own, no zoölogical gardens or museum of natural history. We have no commercial or technical museums. And we are without newspapers of a high order. Ugliness meets us on every side in the metropolitan center as in the district. And yet it is a little consoling that there is more of human art within the center than beyond.

It is a recognition of the importance of the economic organization with its cultural results that bids us call for more attention to economic history. It behooves us to know on what basis our civilization really rests. We need studies of the economic activity and position of Duluth, the old river towns, and the commercial and industrial satellites generally. The history of the little market towns with their prosaic Main Streets is quite worthy of attention. Town rivalry, early and late, is a fact of great significance, rising as it does with local opportunities and falling with general development which makes playthings of local aspirations. Studies on particular topics are still needed — on lumbering, banking (especially chain banking), warehousing, retailing, wholesaling, farm mortgages, insurance, the telephone and telegraph, and crises in our district. There have been many heroes who have gone into the building up of our parts. There have been explorers, Indian fighters, leaders of troops in wars (both useful and useless), and political stars of great local magnitude. We are

a youthful people and must have our heroes. It is perhaps asking nothing unreasonable, therefore, to call for biographies of the heroes of northwestern business. I do not mean those common perverted stories of great men who have built up farms or railroads, warehouses, and banks, and who are praised for being mayors or governors. In all respect and with due regard to the whole situation, I affirm that the unrecorded part of their labors is commonly the more important. For better or for worse, the greatest hero of the metropolitan region of the Twin Cities is James J. Hill. But there are many others with similar qualifications, and limitations, who deserve recognition from the citizens of the Northwest.

NORMAN S. B. GRAS

UNIVERSITY OF MINNESOTA
MINNEAPOLIS



Copyright of **Minnesota History** is the property of the Minnesota Historical Society and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. Users may print, download, or email articles, however, for individual use.

To request permission for educational or commercial use, [contact us](#).