Government land grants were intended to offset the burdensome cost of railroad construction. In certain cases land grants were offered as an inducement to attract a railroad and get them to build track into an area of specific interest. In short, some of these grants were for the most part "bait."

In the early days, "robber barons" quickly grabbed these grants while promising to build spectacular and wonderful railroads. In reality what they did build was cheap and rickety while barely functional. Once they got their slimy tentacles onto the government land, they swiftly departed the scene as if on a speeding express. In response to this, the government attached specific requirements to different phases of construction and the completed railroad. If these terms were not met, the railroad could not collect even 1 acre of land.

The Duluth & Iron Range Railroad was to receive the last land grant ever issued in Minnesota and accordingly it had some requirements attached to it that had to be met. Before any land could be transferred, the D&IR had to complete its mainline into Duluth and not just Two Harbors. This turned out to be a huge problem since the railroad was broke by the time the track was finished between Soudan and Two Harbors. It all hinged on quickly selling some ore and accumulating enough capital to build to Duluth.

The sale of this new untested iron ore progressed slowly at first. The steel companies quickly took a liking to this strange blue-gray iron ore unlike anything they had ever seen before. During the shipping season of 1885, the demand had skyrocketed and the railroad bank account began to grow at a rate that made the stockholders smile.

By the spring of 1886 the railroad was financially in good enough shape to tackle building the track between Two Harbors and Duluth. Once the rails of the D&IR were connected to the St. Paul & Duluth Railroad at Endion they could collect more than 606,000 acres of government land and sell it on the market. Surveys were run and contracts were opened for bidding.

It was May 1886 and construction of the Duluth & Iron Range Railroad Lake Division between Two Harbors and Duluth was about to begin. Large crews of men had already been at work clearing trees and brush along the survey line in preparation for the grading. On May 8th Smith Searles and his cook from the Half Way House stage stop at Palmers was at Two Harbors awaiting the start of construction. At that time, he would return to Palmers where one of the three large contractor crews would be based. They would cook and provide services for the men during construction. This was sort of the last hurrah for the stage stop since the coming of the railroad would put the Barney Lynch's Stage Company out of business.

John S. Wolff, the very same contractor that built the line from Two Harbors to Soudan, won the bid for the new contract. Sub-contracting to him were The Wilson Brothers, Halverson & Company, George F. Fagan & Company, E. E. Erickson - Davis & Company, Theraton & Shaw, McArthur Brothers, LeMay & Company, Dombie & Gray, Starr & Company, and finally Paddy McDonald & Company.

Paddy McDonald ran the crew that cleared the trees and brush from along the right of way. He was a well-known pugilist (Boxer) who had fought some very noted heavyweight contenders. He was also the man who was entrusted by the railroad to carry the payroll by dogsled from Duluth to Two Harbors.
and then Soudan before the track was completed to there. Alone and at night, he carried in excess of $16,000 in gold and silver coins contained in a heavy wooden box with lid nailed down. A formidable foe with either deadly weapons or fists, he was a man to be reckoned with. Now he ran the crews engaged in clearing the line.

Two locomotives were loaded onto barges at Two Harbors and towed to Duluth to begin working on that end of the line. The excavation in the area of the Rose Garden in Duluth would prove to be the most difficult and was the last part of the line to be completed in late December 1886. There were other areas that required a considerable amount of blasting as well.

Eight large trestles and twenty-seven smaller ones spanned the thirty-five streams along the north shore. The two at the Sucker River were the highest and the one at French River the longest at 320 feet. All eight of the big ones were combination wood and steel Howe Truss bridges. They were replaced by the present iron bridges in 1896. (to be continued in the next issue)