For many years there had been countless rumors about copper, silver, gold, and other valuable minerals waiting to be found along the north shore of Lake Superior. Now, after the second treaty of La Pointe in 1854, the Ojibwa people finally ceded the land north of the lake to the U.S. Government. Work began immediately to survey the new land and also plat new town sites for the people that the government was sure would flood into the region. They guessed wrong and the flood turned out to be only a trickle. Most of these towns such as Waterville, Marmota, Burlington, and Saxton never developed any farther than lines on paper. Oddly, the future site of Two Harbors was not platted for any community at all.

Buchanan was one of only three towns that actually became reality. W. G. Cowell laid out Buchanan in October of 1856 and construction in earnest began immediately afterward. During the following year the U.S. Land Office moved from Portland (Duluth) to Buchanan giving the new community an impression of permanence. Sam Clark and John Whipple became the officials for the government. Before long there was a boarding house, hotel, and several inevitable saloons added. A dock with rock cribbing allowed boats, including the small steamer Seneca, to land.

When winter arrived the only way to get to Duluth was by dogsled, snowshoes, skiing, or walking on the frozen lake ice. A year later in 1857 the first newspaper printed on the north shore appeared. It was named the North Shore Advocate with Steven Walsh as its publisher. The paper ran for about a year and then ceased publication during 1858. About the same time that the newspaper began, a severe financial crisis hit the U.S. Investment or any interest in business quickly evaporated. North shore mineral exploration up to this point had produced insignificant and discouraging results. Worse yet, the "Mt. Everest of insults" came when it was discovered that the Government Land Office had mistakenly been built on somebody else's land.

As a result of these things, the Land Office moved back to Portland in the early summer of 1859. The remainder of the residents soon followed. Buchanan, the town with such a bright future, had become the first ghost town on the north shore. Today a stone monument marks the location of what was supposed to be the original town site of Buchanan. The monument however is a half-mile off from the correct location. It seems that after almost a hundred years, the government still couldn't get it right. Some things never change I guess!

Note: Buchanan was located on the eastern edge of Duluth Township at the west edge of Knife River at about the place that the railroad bridge crosses North Shore Scenic Highway. The Seneca delivered mail to an old dock on Lake Superior during Buchanan's 2 years existence. Residents in the area reported some old foundations and evidence of Indian trading.