



## *Deephaven Historical Society Newsletter* *Fall Report 2007*



### INSIDE THIS ISSUE:

History of St. Louis Bay, Part 3	2
Deephaven History Books for Sale	3
Meeting Schedule	3

### Deephaven Days #3 Another Success!

Our Third Annual Deephaven Days event was once again very successful! Our Historical Society booth a favorite again this year! We enjoyed seeing friends and neighbors and exchanging memories of past days in Deephaven.

Thanks again to all the volunteers for setting up and manning the booth! We look forward to next years event!

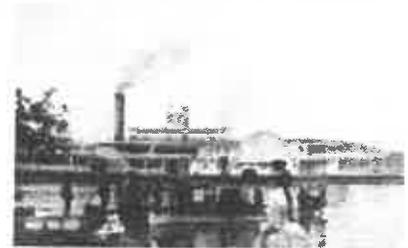
### Wayzata Historical Society hosts Joint History Program! — Thursday, October 4th

*You're Invited! , Thursday, October 4th , 7PM*

*Location: Wayzata City Hall Meeting Room, There is no charge to attend.*

The Wayzata Historical Society has invited Deephaven and Excelsior Historical Societies to a joint history program on Lake Minnetonka history focusing on the East Shore communities from 1850 to 1900.

This *Part 1 of a 2 Part program* will focus on family and settlement through the Glory years (large boats and hotels). Each of the three Historical Societies will speak on the motivation of settlement and business industry in their own area.



Bob Williams will review Excelsior & Tonka Bay history. Maxine Dickson will talk about Minnetonka/Deephaven history and Irene Stemmer will discuss Wayzata history.



*Part 2 of this program* will be held at a yet to be determined time in 2008, covering the years from 1900 to the present time.

Transportation improvements: streetcar/boat system with Big Island Park and Later Excelsior Amusement park attraction, the automobile effect on improved roadways, permanent homes and businesses will be discussed for this portion of the program.

*If you have any questions please contact Maxine Dickson at 952-938-0901*

## History of St. Louis Bay—by Barb Sykora Part Three

This was a boom period, which the towns especially along the rivers grew. Land speculation was rampant and interest rates on real estate loans and money borrowed from banks were high. The draw on credit was extreme and the banks were pushed to their limits. Because of over lending and the banks having national relationships with other banks, Minnesota banks failed in the Panic of 1857. The boom of the land development market quickly went bust! Companies and merchandisers who had borrowed at high rates could not sell their goods and pay their salaries and bills. The panic effected Minnesota severely, yet even with this major financial crisis, the state continued to grow in population. In 1860, the population increased by almost 22,000 people to 172,023.



As Minnesota celebrated statehood in 1857, it found itself broke. Minnesota had incorporated railroad companies but they had yet to build any railroads. From 1854 to 1857, 27 railroad companies all received charters from the territory to build railroads. Minnesota sought federal aid for these railroads but land grants could not go to companies that were not already “constituted and organized”. No tracks were laid. In 1857, Congress passed another land grant and these grants went to four railroad companies but the Panic of 1857 created financial difficulties for all and once again no railroads were built. In another attempt to stimulate railroad building and economy, the state in 1858 passed the Five Million Dollar Loan with hopes that if the railroads came, land sales and revenues would come in the state to pay for the bonds. The loan was to lay 240 miles of track in the state but the bonds that were offered to cover the loan depreciated so badly that they were nearly worthless.

Railroad building proceeded slowly in Minnesota but by 1865 Minnesota had 210 miles of track laid down. It was a start that would unite the growing cities and towns of the state and create more economic opportunities for all.

After the Panic of 1857, the 1860's saw improved banking in the state, which financially helped contribute to the increase of manufacturing, especially in the flour and lumbering industries. By 1865, the state of Minnesota produced and exported 7 million bushels of wheat from the state. This was the decade where Minneapolis became the producer of the finest flour in the world. Millions of tons of spring wheat from Minnesota and Dakota farms were milled with a new milling process that revolutionized the industry.

*Continued on page 3.....*

### St. Louis Bay History—continued from page 2

The jobs these two water powered industries of lumber and flour producing created were far reaching in the Minneapolis economy. The United States Census of 1870 and of 1880 relates the facts that the importance of manufacturing at the Falls was far greater than the percentages figures indicate.

Examples of this would be the bankers, lawyers and merchants who were drawn here to this area because of the growing population.

The decade of the 1870's were rather volatile for Minneapolis and the country. It was a decade a mixture of progress and setbacks. The Panic of 1873 crippled businesses locally and nationally. W.D. Washburn wrote his brother, Sidney, on October, 5th, 1873 and said "Financially, there seems to be a calm after the gale. Minnesota has made it through nobly. No bank in the State closed its doors. The truth is no state in the Union is in really good shape." This guarded optimism by the visionaries of the day would move the state economy forward. This improvement in the economy of the state brought better roads and a demand for more railroads. The population in Minneapolis during the 1870's tripled.

*To be continued in our next newsletter ....*

**Please note—**  
Our next DHS Meeting will be held on **Saturday, September 29th at 8:30 at City Hall Council Chambers.**

#### DHS Meeting Schedule

Deephaven Historical Society meetings are held the last Saturday of each month at 8:30 AM at City Hall Council Chambers. All members are welcome!

These meetings involve planning and reporting by the committee chairs, the board, and the President.

Plans for the upcoming year are discussed as well as decisions regarding the gathering and distribution of funds.

#### MEMBERS!

*Please let us know your e-mail addresses and we can promptly notify you of any upcoming meetings and/or special events for the Deephaven Historical Society!*

*Please contact Bob Gerlicher at [BookBob@aol.com](mailto:BookBob@aol.com)*

### History Books for Sale!

Please feel free to browse among the many interesting historical Deephaven and Lake Minnetonka area books for sale at our own Deephaven city hall! They make great "coffee table" books or Holiday gifts!

One example is a wonderful book titled "Minnesota Vacation Days: An Illustrated History" This book offers an incredible one-of-a-kind venture into the best of good times with an astonishing variety of vintage photographs, artifacts, recipes and family fun. Come take a look!



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