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Quick, Timely Reads  
On the Waterfront

**Andrew Carnegie's Gift:  
*Erie Won by Losing***

**By David Frew  
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*Andrew Carnegie at his desk*

In 1895, local leaders eager to increase local employment and grow the economy offered to give Presque Isle to wealthy steelmaker Andrew Carnegie if he would agree to build a steel mill there. After being assured by the federal government that the only portion of the peninsula critical to them was the eastern end, where the United States Life-Saving Service and Revenue Cutter Service (joined in 1915

to create the Coast Guard), Presque Isle Bay Channel, lighthouse operations, and steam warning-whistle were located, the rest of Presque Isle seemed like “fair game.” At the time the gift of land seemed to be well worth the jobs and commerce that a new steel mill would create.

Andrew Carnegie was experiencing two problems with his steel mill near Pittsburgh: (1) inadequate production capacity and (2) supply chain delivery delays. The demand for his steel was far in excess of his ability to produce and he was having a very difficult time supplying his mill with iron ore. The iron ranges near Lake Superior had just begun to produce enormous quantities of high-quality iron ore, which had to be delivered by ship to Lake Erie’s steelmakers. Coal, another essential ingredient in steel making, was abundant in Pennsylvania, West Virginia, and Ohio (all close to Carnegie’s operation) but he could not supply his mills with the iron ore that was needed to keep up with demand.

City fathers hosted Carnegie, giving him a grand tour of Presque Isle Bay on a tug. They introduced him to the docks that were already handling both iron ore and coal, but somehow the Pittsburgh steelmaker became more interested in the huge piles of coal that lined the docks than his stated purpose of considering Erie as a potential iron ore delivery site. He toured Presque Isle, mapped out places where he would be able to build America’s largest steel mill and plotted the various access points where he might build bridges and run railroad tracks to the huge greenspace that was being offered (Presque Isle). But when he returned to Pittsburgh to consider his options he could not stop thinking about the obvious opportunities to move his excess coal to Lake Erie and sell it.

A few weeks after touring Erie, Carnegie made a second trip north to Lake Erie. He traveled to the undeveloped waterfront at Conneaut, Ohio, where his strategy began to shift. At the Ohio port, which was closer to the supply of iron ore that would be coming from Lake Superior via the west-end of Lake Erie, he began to consider the profits that could be forthcoming if he were to market his excess coal.

“If Erie’s docks could successfully handle coal, why not Conneaut?” Carnegie wrote in notes to his colleagues.

Beginning with the assumption that it would be faster and less expensive to expand his Pittsburgh steel mill and or to add a second nearby location on the rivers near Pittsburgh, Carnegie developed an alternative plan. The first step was to create a new, dedicated railroad. Carnegie purchased and then cobbled together several existing lines and connected rights-of-way that linked his existing mill at Braddock, east of Pittsburgh, with Bessemer, Pennsylvania and Lake Erie. Borrowing from the engineering controversy that had emerged during the building of the final stage of the Erie to Beaver Canal (Erie Extension of the Pennsylvania Canal) in the 1840s, he agreed with critics who had proposed that the waterway be terminated at Conneaut, Ohio instead of Erie. He essentially

followed the path of the old canal, which was long out-of-business, except for turning toward Conneaut instead of bringing his new railroad into Erie. The original railroad was named the Pittsburgh, Bessemer and Lake Erie, but later was shortened to the Bessemer and Lake Erie.



*Andrew Carnegie's original Pittsburgh, Bessemer and Lake Erie Railroad continued south to Braddock and connected his steel mills with the Lake Erie port of Conneaut, Ohio.*

There was an even more important advantage to setting up a dock operation at Conneaut. Unlike Erie, which was highly developed and already owned and operated by local businessmen, the port of Conneaut was relatively undeveloped, giving Carnegie the opportunity to add to his income stream by creating his own lake port. The business model that Carnegie created at his own docks in Conneaut involved him hauling iron ore that was being delivered to his docks south to his steel mills, and then returning coal to his docks, where he could sell it a system that was inspired by his observations in Erie. Instead of building a new steel mill on the shores of Lake Erie, he expanded his existing mill at Braddock and purchased an existing steel mill at Homestead, Pennsylvania.



*A stylized postcard depicting Conneaut Harbor*

A third ingredient in steelmaking was limestone, which was being mined at Bessemer, a town that was right on the old Erie to Beaver Canal way near New Castle. In addition to limestone, both Bessemer and New Castle were famous for being sources of hydraulic cement, a critical ingredient in the construction of canals (hydraulic cement was used to line the bottoms of canals so that the water would not leak out). Carnegie further enhanced the profits of his new railroad by hauling limestone south to his steel mills near Pittsburgh for steelmaking and selling hydraulic cement from the Conneaut Docks after carrying it north on his railroad.



*The Carnegie Library at Conneaut, Ohio*

In 1901, Carnegie sold his steel operations, railroad and Conneaut docks so that he could concentrate on the charitable works that he had long imagined carrying out for the last third of his life. He had long advocated for breaking life into three stages: (1) preparing for a career, (2) earning money, and then (3) giving back to society. One of his charitable missions involved the gift of libraries (he built more than 2,500, including 1,689 in the United States) to communities where he had done business. Conneaut received one of the best and most modern of those gifts. Conneaut's Carnegie Library still stands today.

But what of the gifts that he did not give to Erie? Which community was the ultimate winner in the late 19th century Carnegie sweepstakes? Erie eventually was gifted with Presque Isle State Park while Conneaut, Ohio received a library as well as a huge toxic dumpsite at the location of the Carnegie (later US Steel) Docks.

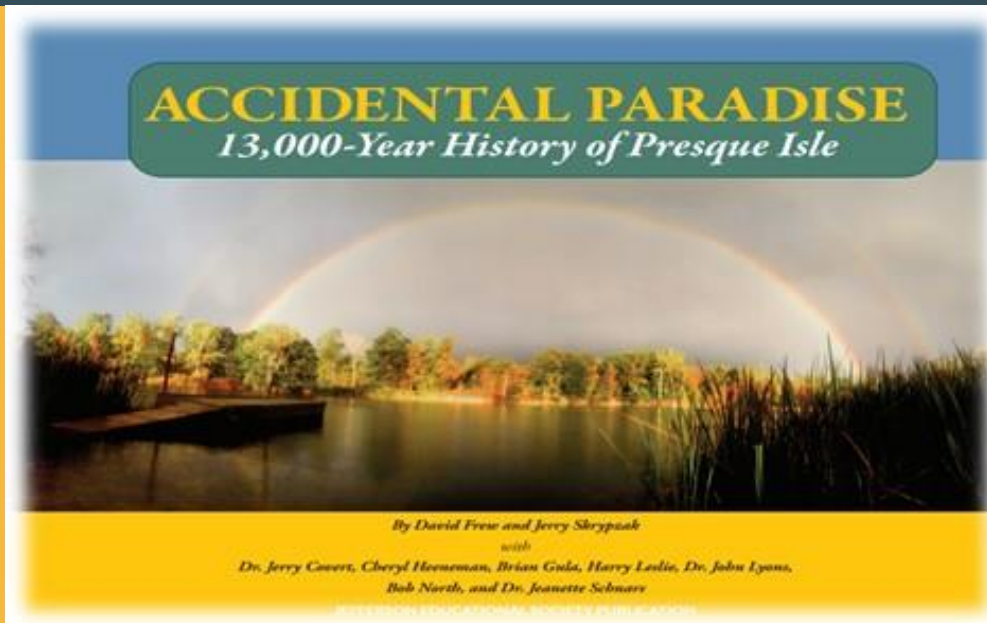
On lovely summer evenings I sometimes gaze across Presque Isle Bay and wonder what a huge, fire-belching steel mill, railroad bridges and nasty gray cloud of effluent from burning coal might have looked like. Erie won!

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***Accidental Paradise***  
*by Dr. David Frew and Jerry Skrypzak*



The beautiful book on Presque Isle published by authors David Frew and Jerry Skrypzak – “**Accidental Paradise: 13,000-Year History of Presque Isle**” – is on sale at the Tom Ridge Environmental Center’s gift shop and through a special website, [AccidentalParadise.com](http://AccidentalParadise.com).

The book, priced at **\$35 plus tax and shipping**, can be ordered now through the website sponsored by the TREC Foundation, [AccidentalParadise.com](http://AccidentalParadise.com).

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For more information, send an email to [aperino@TREC.org](mailto:aperino@TREC.org).

To watch "Accidental Paradise: Stories Behind The Stories" click [here](#).

## ABOUT THE AUTHOR

*Historian and author David Frew, Ph.D., is a Scholar-in-Residence at the JES. An emeritus professor at Gannon University, he held a variety of administrative positions during a 33-year career. He is also emeritus director of the Erie County Historical Society/Hagen History Center and is president of his own management consulting business. Frew has written or co-written 35 books and more than 100 articles, cases, and papers.*



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