

proposal was also dropped by members of the K-12 financing conference committee.

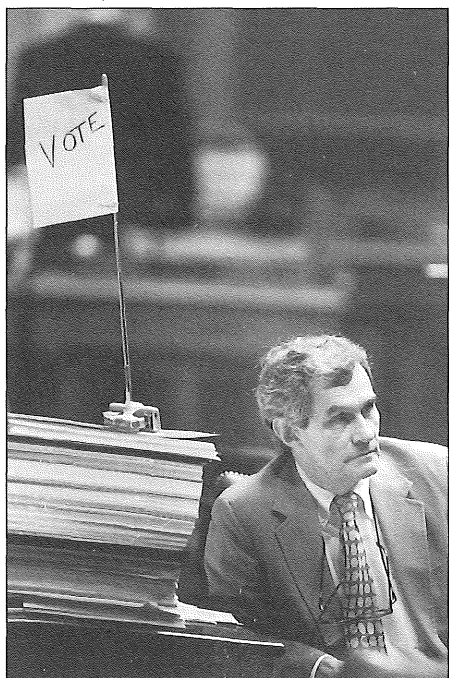
In his veto message to House Speaker Dee Long (DFL-Mpls), the governor said the plan to put the income tax increase into the K-12 finance bill is a departure from traditionally packaging major tax policy into the omnibus tax bill.

Setting such a policy, Carlson said "will lead to political chicanery of the most devious sort and will establish a very poor precedent for the future."

The governor cited three specific objections to the bill.

First, he opposed the setting of \$360 million in the state's cash-flow account, sometimes called the "rainy day fund." He wanted the fund set at \$500 million, which he argued is high enough so the state wouldn't have to resort to short-term borrowing.

Second, he said the bill would have further



In an attempt to move a lengthy debate along, Rep. Brian Erhardt placed a flag expressing his wishes atop the bill binders on his chamber desk.

It's a fact!

It was over 100 years ago that the Merritt brothers—Alfred, Leonidas and Cassius—sunk the first shaft to mine iron ore from the Mesabi Range at Mountain Iron, Minnesota.

And had Andrew Carnegie helped finance their operation, the Merritts may not have lost their multi-million dollar business to J.D. Rockefeller in February 1894.

Shortly after the ore's discovery in 1890, the Merritts tried to interest Carnegie in their business venture. But Carnegie's "leading expert" visited the range, examined the discovery and "swore it was not iron ore."

Minnesota's Assistant State Geologist Horace Winchell disagreed.

"The ore... beats anything known in the world at the present time," he said.

But Carnegie didn't want in, and when the Merritts decided to build an ore dock in Duluth in the fall of 1892, they found themselves in need of financial assistance.

"The decision [to build the dock] was a fatal one to the Merritts personally, wrote Grant Merritt in a 1991 presentation to the St. Louis County Historical Society.

Fatal because it tied them to J.D. Rockefeller.

Sometime in June of 1893, Leonidas Merritt

met with Rockefeller in New York City to discuss consolidating the Merritt's financial interests with three iron ore properties owned by Rockefeller. In the weeks leading up to the consolidation, "the Merritts were having great difficulty paying creditors," wrote Grant Merritt. In August, the merger

took place.

Then, in January 1894, the Merritts were forced to sell all of their Consolidated mine stock to Rockefeller at 10 percent of its worth. Alfred Merritt later sued Rockefeller for fraud, claiming that Rockefeller knew at the time of the consolidation that his companies were insolvent. The jury awarded Alfred Merritt \$940,000. Rockefeller appealed, and "facing an adverse ruling... on the measure of damages, and having run out of money," the Merritts settled out of court for \$525,000.

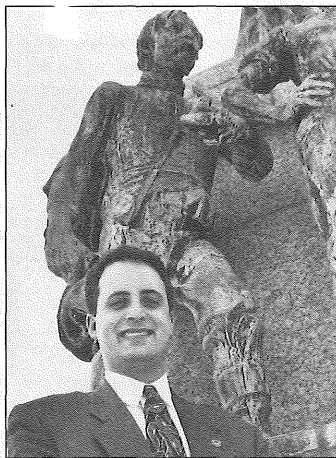
Before they were paid, Rockefeller forced the Merritts to sign a statement saying that no fraud had been committed. After months of refusal the Merritts agreed to sign.

Rockefeller then published the notice in newspapers nationwide as proof "he had not robbed the Merritts of their Mesabi Range holdings." When Rockefeller turned the Merritt properties into the Steel Trust in 1901, he was paid a tidy \$80 million.

Forty years after the discovery of Minnesota iron ore, on June 13, 1931, a statue of Leonidas Merritt was dedicated in front of the Carnegie Library on Second Street in Mountain Iron, where it remains

standing today.

Elected in 1892, Leonidas Merritt also served a term in the Minnesota House of Representatives. First-term Rep. Brian Bergson (DFL-Osseo), whose great-uncle was Leonidas Merritt, won election to the House exactly 100 years later.



Rep. Brian Bergson and his great uncle Leonidas Merritt, whose statue is on the Capitol grounds.