











NEW TOWN, NEW POST OFFICE

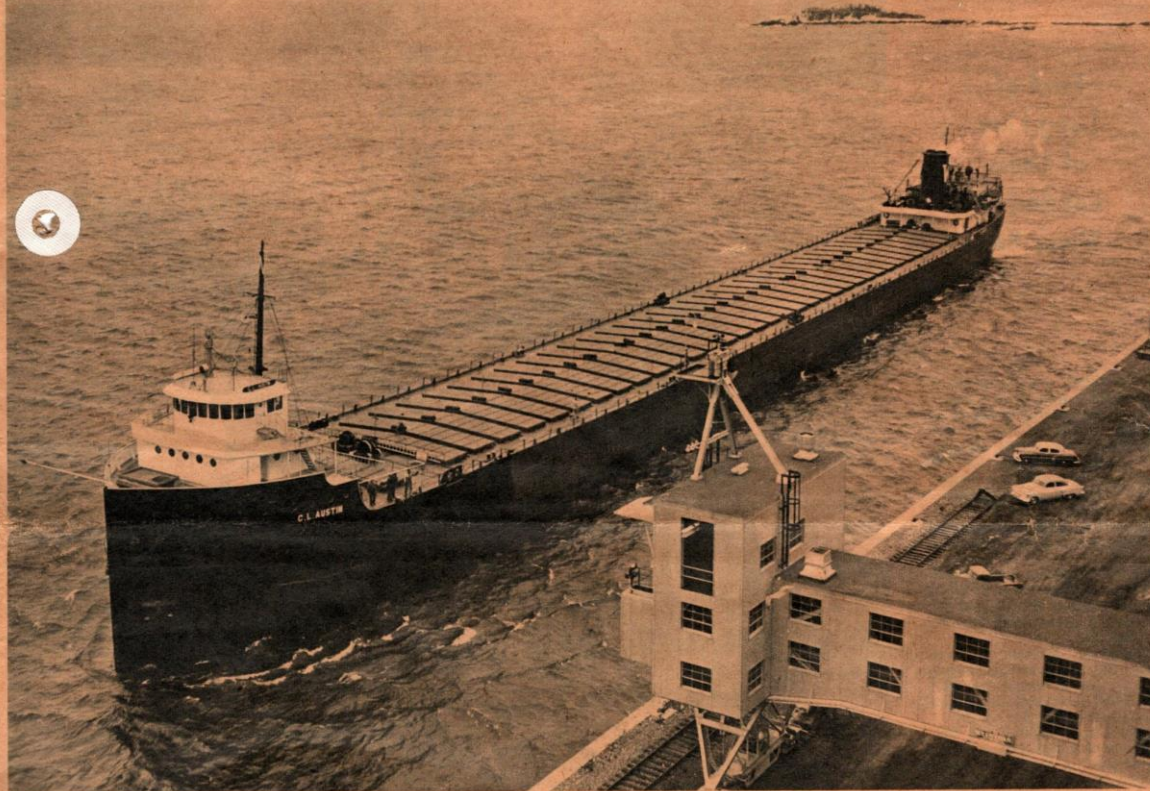
NORTH of Duluth, on the North Shore of Lake Superior, a new town is being built. Name of the new town is Silver Bay, Minnesota. Here low-grade iron ore will be made into taconite pellets by Reserve Mining Company. Armco owns a 50% interest in Reserve and will receive half of all taconite pellets produced.

Faith Erickson *Fred*
May 1 - 1954 *Frome*









Steamer C. L. Austin nears Silver Bay loading dock to open harbor for first time to shipping of iron ore pellets.

Historic Day at Silver Bay

**Taconite Dream Realized
as New Harbor Opens on
Minnesota's North Shore**

Photos by Russell Bull, Jean F. Basgen



Airview of Silver Bay's man-made harbor.

PICTURE, APRIL 29, 1956

THE STEAMER C. L. Austin made history April 6 when it became the first boat to enter Lake Superior's newest harbor at Silver Bay, Minn., for a load of iron ore pellets. The Austin officially opened the harbor, built by Reserve Mining Co. as part of its \$190,000,000 taconite processing project designed to produce 3,750,000 gross tons of pellets a year.

At 10:20 a.m. pellets began pouring into the Austin at Reserve's E. W. Davis works in Silver Bay. A severe storm stopped loading operations, however, and it was not until April 8 that the Austin could leave the harbor with a cargo of 10,800 tons for East Chicago, Ind., blast furnaces.

Continued on next page





Dedication Ceremony, Sept. 1956







Wm. M. KELLEY
SILVER BAY HIGH SCHOOL

Village of **SILVER BAY AREA**

- SPLIT ROCK Lighthouse . . . SPLIT ROCK River
- Village of BEAVER BAY . . . BEAVER River
- King's Landing BOAT MARINA
- ILLGEN CITY . . . ILLGEN FALLS BAPTISM RIVER
- Baptism River STATE PARK
- RESERVE MINING Co. TACONITE PROCESSING PLANT
- HOUSE TRAILER Sanitary Service
- Mr. Rockwood SKI AREA
- SILVER BAY AIRPORT
- PALISADE HEAD
- Village of FINLAND
- LAX LAKE
- Eckbeck STATE PARK CAMPGROUND
- U.S. AIR FORCE Radar Station
- *Gateway to* WANLESS STONE RESORT AREA
- HEFFLEFINGER TRAIL
- LITTLE MARAIS

FUNDED BY THE U.S. LEGISLATURE
FROM THE NATIONAL RECOVERY ACCOUNT
ON THE RECOMMENDATION OF THE MINN-
SOTA NATURAL RESOURCES COMMISSION



STEELWORKERS
CENTER
LOCAL 5296

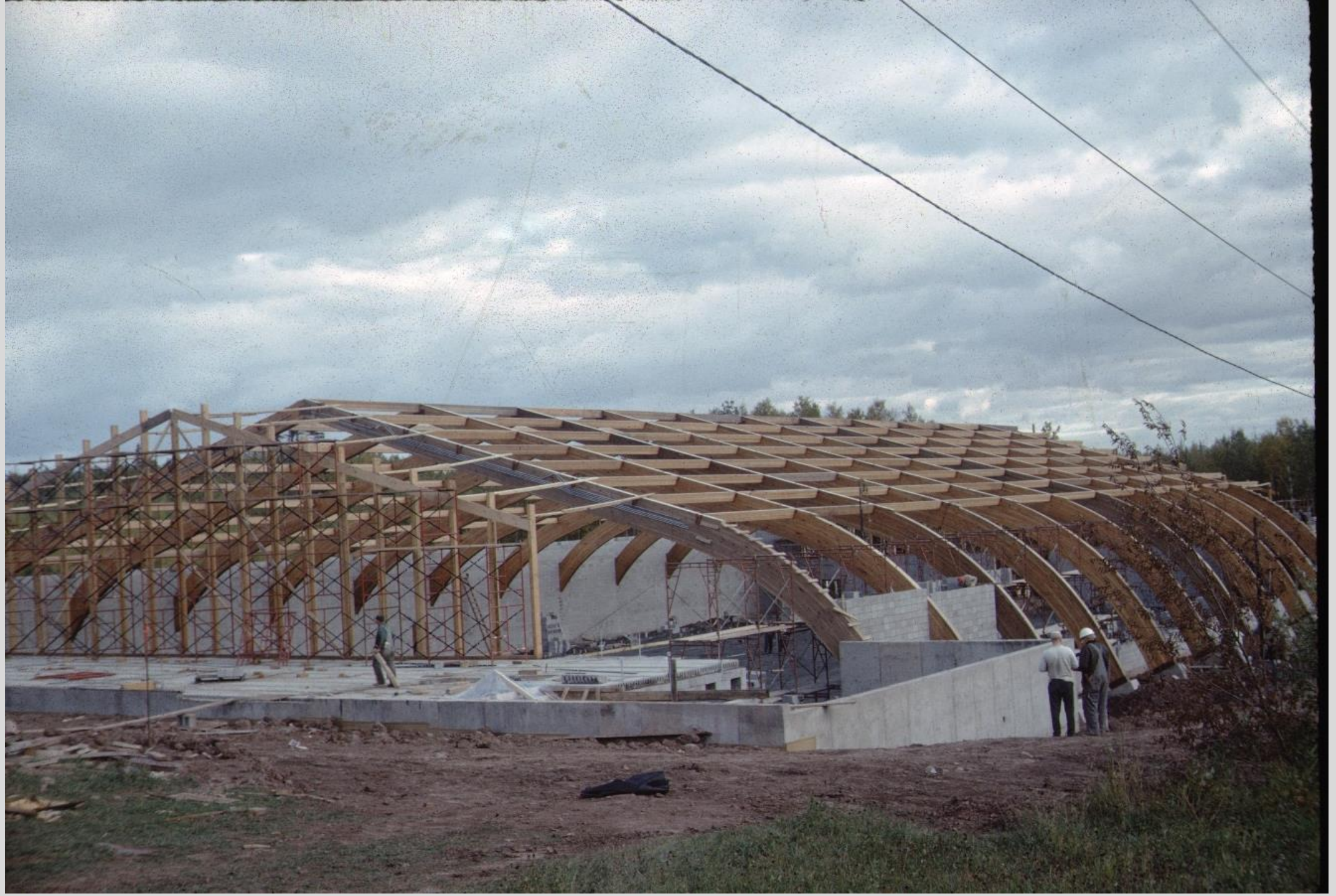


















SUNDAY

Duluth News-Tribune

Two Harbors, Esko win

East 'A' king

Loth bowling leader

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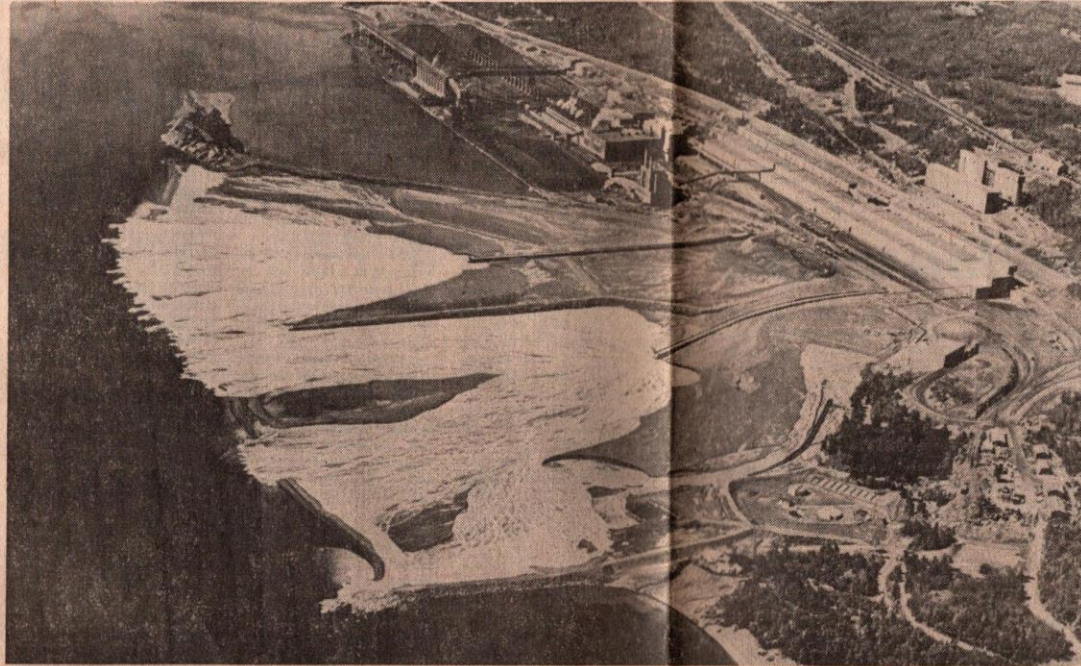
Reserve ordered closed

Appeal seen by upset officials

Official reaction in the area to Judge Miles Lord's decision to close the Silver Bay taconite plant was largely one of shock and dismay. Most officials also hinted at legal appeals.

Edward M. Furness, president of Reserve Mining Co., said the Silver Bay operation and the Peter Mitchell Mine in Babbitt would be closed in compliance with the judge's order but vowed the company's attorneys will explore the possibility of an appeal.

"In the interests of the company's 3,000 employees, all of whom depend on the company's continued operation; in the interests of the hundreds of thousands of Northeastern Minnesota residents who will feel the economic impact of this decision, and in the interest of the nation's urgent need for continuing steel production, we have instructed our counsel to immediately ex-



1972 photograph shows Reserve Mining Co.'s Silver Bay plant closed Saturday by federal Judge Miles Lord. White areas in center of picture are deltas built up by discharged taconite tailings. The judge ruled the tailings disposed into Lake Superior endanger the health of area residents.

3,200 idled by shutdown

BY JILL SCHROPP
Of The News-Tribune Staff

MINNEAPOLIS — Reserve Mining Co.'s Silver Bay operations were ordered closed at midnight last night by U. S. District Court Judge Miles Lord.

The judge issued his ruling Saturday afternoon after rejecting a Reserve proposal for land disposal of taconite tailings that would have required significant concessions from the court.

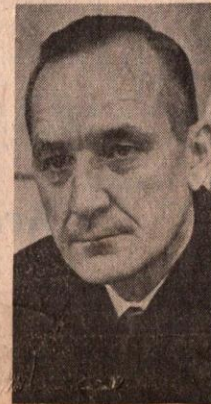
A Reserve spokesman said production at the Silver Bay plant and at the Peter Mitchell Mine in Babbitt would be halted by the midnight

Related story on Page 10

deadline. The afternoon shift normally quits at 11 p.m. and the plants could close shortly after that, the spokesman said.

Reserve attorney Edward Fride declined to comment on whether the company will appeal the decision which threatens the jobs of about 3,200 employees at Silver Bay and Babbitt.

The judge enjoined Reserve from discharging the tailings into Lake Superior as of 12:01 a.m. today. He also ordered air emissions at the plant halted until the defendants



Judge Miles Lord

Suspect

Bearing the fruits of love

LOCAL 5296

**M-7
SILVER
BAY**

WILL THE
STATE
Support RESERVE
EMPLOYEES

19 • 10000 LAKES • 74
EK 1933
MINNESOTA • 76

Hornet

State Supreme Court rules Reserve may use Milepost 7

BY PAUL S. BRISSETT
Of the News-Tribune staff

ST. PAUL—Reserve Mining Co. must be given the state permit it wants to build a tailings basin at Milepost 7, the Minnesota Supreme Court said Friday.

The court issued a simple four-page order saying a formal opinion will come later.

It came less than 24 hours after oral arguments in the case were made.

The court's quick action no doubt was prompted by the fact a federal judge has ordered Reserve to shut down its Silver Bay plant by July 7.

Reserve must now return to federal court to

try and have that deadline lifted.

It will take about two years to construct a tailings basin at Milepost 7, near Silver Bay, Reserve officials have said.

The order was unanimous and was written by Justice James C. Otis, acting chairperson of the court. Chief Justice Robert Sheran took no part in the case because his law firm once represented Reserve.

The court affirmed the decision of a three-judge panel of the Sixth District Court, which in February said two state agencies lacked legal justification for denying Reserve the Milepost 7 permit—and ordered the agencies to issue them.

The Supreme Court order said the permits to be issued by the Minnesota Pollution Control Agency (PCA) and the Department of Natural Resources (DNR) will carry all the conditions previously agreed upon by Reserve and the agencies.

These include the requirements that the permits be renewed every five years for the 40 years the basin is expected to be in use. All tailings would have to be covered with water except the coarse material used to build the dams forming the basin. The dams themselves would have to be covered with vegetation as quickly as possible.

Reserve will be required to apply "the best-

available technology" to prevent tailings dust from escaping the basin into either the air or water.

The dust contains asbestiform fibers, which are believed to cause cancer.

The major reason the PCA and DNR denied Reserve the permits was their concern over the number of fibers they say will escape from the basin and come into contact with humans.

They fear the fibers will be carried by the wind from Milepost 7 to Silver Bay and other population centers. And, if a dam should break, they believe the basin's contents would spill back into Lake Superior, three miles away.

The agencies argued that both dangers would be less if the basin were built at Milepost 20, further inland.

But Reserve officials said Milepost 20 would cost about \$140 million more than Milepost 7, a difference the company claims it can not afford. If not permitted to build at Milepost 7, they said, they would have to close down their Minnesota operations—putting about 3,200 persons out of work.

The state agencies disputed Reserve's cost figures but former Gov. Wendell Anderson once proposed a plan to have the state help make up the difference between costs of the two sites.



Duluth News-Tribune

Duluth
edition

OUR 107th YEAR — NO. 355

DULUTH, MINN., SATURDAY, APRIL 9, 1977

15 Cents Lower by carrier



Silver Bay celebrates

By SUE WILLOUGHBY
Of the News-Tribune staff

SILVER BAY—There was sheer relief, absolute insanity and a lot of rounds bought for the boys in the back room—it was a good Friday in Silver Bay.

After four years of sitting on pins and needles, waiting for the court decision that could have closed the town's number one employer, Reserve Mining Co., the people of Silver Bay crammed the town's only tavern to celebrate the return of their security.

"I haven't had a drink in one year, but I'm going to have one today—even if the old ticker goes out," one former Reserve employee said, pointing to his pace-maker. He was one of the first to drop in to toast the Minnesota Supreme Court decision announced about 3 p.m.

The Reserve taconite processing plant was closed for a four-day Easter week-end, but that didn't stop many of the town's 3,500 residents from getting together to celebrate.

"You just don't realize what this

means to the people of Silver Bay," Ted Banks, a Reserve worker for 22 years, said. "We really have something to celebrate."

"When you've waited for so many years for a decision that means so much to the people in the community, it's time for nothing but jubilation," Don Kent, another employee said. "I'm 61, and it wouldn't matter for me, but I'm concerned about the younger people who really need these jobs."

The scene at the Silver Bay Bar and

Lounge was more like a locker room following a Super Bowl victory than a Good Friday as people streamed into the crowded bar. Television crews jostled the crowd recording the rejoicing, and in the back room people chanted "Milepost 7! Milepost 7!" and "The hell with the PCA (Pollution Control Agency) and DNR (Department of Natural Resources)."

The insecurity of not knowing whether Reserve would be allowed to use Mile-

Continued on Page 3A, Column 4



Friday, Aug. 8, 1986

35¢



Staff photo by Steve Stearns

Gov. Rudy Perpich briefs workers on the latest developments in the Reserve Mining Co. crisis at a meeting in the Steelworkers Hall in Silver Bay Thursday.

Bankruptcy petition filed for Reserve

BY AL MILLER
Staff writer

Armco Inc. placed Reserve Mining Co. under the protection of federal bankruptcy laws Thursday, saying it cannot afford to run the taconite company alone.

Industry analysts said Armco's action is another indication that Reserve will not reopen its taconite mine in Babbitt and its processing plant in Silver Bay.

But Gov. Rudy Perpich and other state officials said Reserve can still be saved if operating costs are slashed and new customers are found for its iron ore pellets.

Reserve closed indefinitely on July 21 after one of its half-owners, LTV Steel, was included in the Chapter 11 financial reorganization by giant LTV Corp. LTV Steel later said it was walking away from its share of Reserve.

After pondering the dilemma for nearly three weeks, Armco announced Thursday that its wholly owned subsidiary, First Taconite Co., was filing a Chapter 11 petition in federal bankruptcy court in New York. First Taconite is the company created to own Armco's half of Reserve.

Armco decided to file the petition after learning Wednesday night that LTV was canceling contracts to buy iron ore pellets from Reserve, Perpich told reporters in St. Paul on Thursday.

The Chapter 11 filing means that Reserve is now protected from its creditors and has 120 days to devise a plan to restructure its debts.

Inside

- LTV shuts down plants in 3 cities. Page 4A.
- LTV officials defend decision to halt benefits. Page 4A.
- Contract talks to resume at Hibbing Taconite. Page 4A.

Company officials and the bankruptcy court could work out a plan to save the firm or opt to close it and sell its assets.

Armco said in a news release that, "while the Reserve Mining Co. filing was regrettable, LTV's decision to seek protection under Chapter 11 made this action unavoidable."

After LTV dropped out of Reserve, Armco was faced with operating the plant alone and paying the entire \$36 million in annual costs. Armco said those costs were too high for it to keep running Reserve.

"Without the benefit of two partners sharing fixed costs ... Reserve cannot economically continue to produce iron ore pellets and would not be able to meet its financial obligations," the company said.

After LTV filed for Chapter 11, the steelmaker briefly canceled health benefits for 72,000 of its retirees, including those at Reserve. Armco spokesman Ted Taylor said he did not know how this latest filing would affect pension-

See Reserve Page 4A



NORTHSHORE MINING

Silver Bay
POP 1,887



Black Beach
Park



