

## **John Cleveland Osgood: American Entrepreneur**

John Cleveland Osgood was born in 1851 in Brooklyn New York. With the death of his parents at a young age, Osgood and his three brothers and sisters were passed between relatives, attending public schools in Rhode Island and Connecticut. Osgood dropped out of school at age 14 and took an apprenticeship in a Rhode Island cotton mill. At age 16, he returned to New York and took a job with the William Ladd Produce Commission Firm while enrolled in night classes at the Peter Cooper Institute studying business and industry. While there, Osgood met A.D. Moss, an assistant manager for the Colorado Coal Company. Impressed with the young man's determination to succeed, Moss recommended Osgood for a job at the Union Mining Company in Ottumwa, Iowa. Although still a teenager, Osgood realized the fortunes that could be made in the coal industry. By the time of his twenties, Osgood saved enough money to purchase the financially troubled White Breast Mining Company, turning its stocks around to become profitable. Under Osgood's leadership, the company managed to keep its contract as the major supplier of the Chicago, Burlington and Quincy Railroad.

Shortly after his 31<sup>st</sup> birthday, Osgood was sent to Colorado to prospect and inspect potential new coal mine purchases and under developed fuel deposits for his employer. "He reportedly inspected every coal mine in the state, but it was the rich bituminous coal, uncovered by an avalanche, that commanded his full attention."<sup>1</sup> Seeing the potential for making a lot of money in this new endeavor, Osgood broke ties with the White Breast Coal Company and formed a new enterprise, the Colorado Fuel Company. "To this end, he expertly used his relationship with the Chicago, Burlington and Quincy and other railroads which were not only major consumers of fuel but also vital railroad transportation links between mines and consumers."<sup>2</sup> In addition, he formed an able management team and diligently worked to gain the support of a number of Denver capitalists who had funds to invest in the largely neglected bituminous resources of the state. <sup>3</sup>

Of Osgood's personality, one author described him, "He was ambitious, indomitable, ruthless, and so single-minded that he believed nothing was impossible. With the daring and cunning of a Mississippi gambler, he acquired the art of corporate manipulation and had the ability to convince others that his judgment was infallible. He took little advice and gave fewer explanations."<sup>4</sup>

To become a larger enterprise, Osgood set a goal to buy large tracts of coal land, mine the coal and acquire subsidiary companies designed to nurture each other. One such company Osgood had his eye on was the Crystal River Toll Road Company. The Colorado Coal and Iron Company, owned by Osgood's rival, William Palmer's Colorado Coal and Iron Company, owned several coal resources throughout Colorado and ownership of rail and toll roads to transport such resources. Osgood acquired the Toll Road Company as he knew that Palmer's railroad had no choice but to travel through the Toll Road Company's territory to move minerals from one part of the state to another and, thus, was forced to pay Osgood tolls.

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<sup>1</sup> Ruland, Sylvia, *The Lion of Redstone*, (Boulder, CO: Johnson Books). 1981. 11.

<sup>2</sup> Scamehorn, H. Lee. *Pioneer Steelmaker in the West*, (Boulder, CO: Pruett Publishing Co). 1976. 81

<sup>3</sup> Scamehorn, *Pioneer Steelmaker in the West*, 81.

<sup>4</sup> Ruland, *The Lion of Redstone*, 8

When the company incorporated on January 11, 1884, the Colorado Fuel Company's Board of Directors authorized capital stock of \$50,000 and 700 acres of coal deposits. For four years, the company bought coal from other smaller coal companies and resold it to the railroads.<sup>5</sup>

Palmer was well respected in the industry, but his company was plagued by numerous strike and frequent deficits. Seeing a weakness in his competitor, Osgood purchased more and more land and mineral rights, driving the price of Colorado Coal and Iron's stock down to the point that Palmer had no choice but to sell out to Osgood in October of 1892. Following the merger, the new company, the Colorado Fuel and Iron Company, owned 69,000 acres of land, 14 operating coal mines, and four different plants housing coke ovens capable of coking 800 tons of coal a month. In addition, Osgood's new empire included 38 mining camps and rolling mills in Colorado, Wyoming and New Mexico along with 2,311 acres of iron ore lands. His new enterprise was the only integrated steel works west of the Mississippi River and he became a multi-millionaire.<sup>6</sup>

### **The Great Social Experiment**

Osgood began development of the Redstone Industrial Enterprise in 1899 by building 100 coke ovens on the west bank of the Crystal River near the junction of the Crystal River Railroad and the narrow gauge railroad (the "high-line"). During the next two years, 150 more coke ovens were constructed to complete what Osgood planned to be the "largest coking plant in the state"<sup>7</sup> His decision to establish a coking operation was short lived however, as he found it was not economical to haul coke from the western mountains to Pueblo's Minnequa Works hundreds of miles away.<sup>8</sup> He decided instead, to focus on improving the lives of his miners he had hired.

Influenced by the tradition of English country living, Osgood build Cleveholm Manor in the Tudor Revival Style in conjunction with his interpretation of a proper English manorial layout, the larger managerial house on the top of the hill overlooking worker's cottages.

"The town of Redstone was to be the jewel of the Colorado Fuel & Iron Company and the showcase of the Osgoods....Whereas the prevalent attitude toward the social welfare of the workers in the coal industry was indifference, bordering on neglect, Osgood seemed to view the situation differently... According to Osgood, if his workers were happy and contented, they would stay with him regardless of things such as labor strikes."<sup>9</sup> With the unrest of multiple strikes throughout mining districts of Colorado at the turn of the century, Osgood sought to provide neat, clean, and modern homes for his workers. Osgood named his new community Redstone.

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<sup>5</sup> Ruland, *The Lion of Redstone*, 12.

<sup>6</sup> Ruland, *The Lion of Redstone*, 15.

<sup>7</sup> Denver Times, October 1, 1899.

<sup>8</sup> Scamehorn, *Pioneer Steelmaker in the West*, 125.

<sup>9</sup> Nelson, Jim. *Marble & Redstone: A Quick History*, Glenwood Springs, CO: Blue Chicken Publishing, 2006. 118.

The majority of the worker's cottages in the village lined either side of what is now known as Redstone Boulevard. More than 80 homes were constructed for use by the miners and their families. The square, four room structures with hip roofs and lap siding were complemented by whitewashed board fences that ran along the road in front of all cottages. Fences also divided the yards of individual houses. One cottage was artistically and inexpensively furnished to serve as a standard for other homes. All cottages and houses had electricity, running water and lath and plaster interiors with wall coverings. Some of the larger homes had bathtubs. CF&I's publication, *Camp and Plant*, touted about Redstone's cottage in 1901:

*"These cottages, or a greater number of them, will be occupied by the Italians, who are coke and stone workers. They believe that their health will thus be greatly improved. Beauty has been a guiding principle in the building up of our little town. We do not have monotonous rows of box-car houses with battened walls, painted a dreary mineral red, but tasteful little cottages in different styles, prettily ornamented, comfortably arranged internally and painted in every variety of restful color."<sup>10</sup>*

Following the turn of the century, the rent for the standard type of house was between \$2-\$4 per room per month with water furnished free except in the mining camps of Frederick and Segundo (in Las Animas County) where the company charged \$0.25 per room for water.<sup>11</sup> Little change was made in the cost of the rent over the next decade. The average underground miner's wage in 1902 was \$2.80 for a 10 hour shift.<sup>12</sup> The miner was charge \$0.35 per month in other mining camps for each electrical outlet in the home and between \$1.50 and \$2 per ton for domestic coal for cooking and heating. In 1918, the company boasted that 100% of the receipts from rentals were put back into the employee's homes for repairs and improvements.

Friendly competitions between mining camps and the miners themselves were encouraged to beautify the properties through company sponsored contests. To further this work, from the 1910s to the 1930s, the company graded streets, installed streetlights, constructed sidewalks, planted trees, and assisted with sanitation efforts.

Osgood went a step further than providing clean, comfortable homes to his workers. In the summer of 1901, Osgood created a program for "the social betterment for the workers." Under the direction of CF&I's chief surgeon, Dr. Richard Corwin, the newly developed Sociological Department saw to "bettering of the conditions under which the workers live."<sup>13</sup> The department launched five different programs including education, social and industrial training, housing, and

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<sup>10</sup> Colorado Fuel and Iron Company "Introduction to Camp and Plant" *Camp and Plant* Vol. 1, No. 1 (December 14, 1901): 8.

<sup>11</sup> Colorado Fuel and Iron Company "Houses and Towns" *Camp and Plant*. Vol.1 No. 13. (April 9, 1904).

<sup>12</sup> Colorado Fuel and Iron Corporation "Coal Mine Rate Changes 1902-1952," 1952

<sup>13</sup> Colorado Fuel and Iron Company "Introduction to Camp and Plant" *Camp and Plant*, Vol.1 No. 1 (December 14, 1901): 8.

communications. Kindergartens began in mining camps to help form good citizens, who would in turn, become good company employees. Adult education classes were also conducted to teach employees how to improve themselves and their families. Specific examples of classes for miner's wives were sewing, cooking and how to prepare nutritious and wholesome food. The program's weekly newsletter, *Camp and Plant* was circulated to employees providing cultural and social information about individual and community activities, secular and religious customs of the ethnic groups that made up the CF&I community, short stories and anecdotes. In addition to the social based articles, commentary on various departments was also provided. The publication featured a translation of numerous articles in Italian, German, Slovenian and Spanish for the benefit of its non-English speaking workers. A special edition of the Coal Basin and the Crystal River Railroad were written in 1902 and 1903. *Camp and Plant* also reported weekly news of Redstone in its "News Items" section.

For other entertainment needs, recreational halls and club houses were built in nearly every mining community, including Redstone. These clubhouses frequently housed the Sociological Department's rotating painting and sculpture collections and traveling libraries. Books included classic novels by Dickens, reference manuals such as Encyclopedia Britannica and "technical manuals on engineering, mechanics and kindred subjects."<sup>14</sup>

With the attention to eliminating drinking of alcohol in the mining districts, which Corwin felt was the root of the majority of problems associated with the mining districts, Corwin experimented with eliminating its consumption was to afford a diversion to allow "soft drink" clubs with reading rooms, billiard and pool tables and a bar that served only coffee, chocolate and bullion. In Corwin's belief, the facility was designed to serve the entire family rather than only the male wage earner.<sup>15</sup>

In an era long before digital entertainment, musical entertainment was found within CF&I's mining camps. Formed in 1902 under the direction of Professor Eliseo Jacoe, the Redstone band performed and practiced on the second floor of the fire station. Each member was provided a uniform and an instrument of triple silver plate purchased from Lyon and Company in Chicago. The band often played original compositions written by Professor Jacoe.<sup>16</sup>

Schools were provided in nearly all CF&I mining communities for workers children. The school at Redstone opened in the fall of 1902 and contained three large classrooms, four smaller rooms for domestic science work, manual training and display purposes, principal's office, library, and

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<sup>14</sup> Colorado Fuel and Iron Company "Christmas in the Kindergartens" *Camp and Plant* Vol. 1 No. 2 (December 20, 1901,) pg. 18

<sup>15</sup> Colorado Fuel and Iron Company, *Annual Report of the Sociological Department 1902-1903*, pp. 23-25

<sup>16</sup> Colorado Fuel and Iron Company "Music in the Camps and Plant" *Camp and Plant*, Vol. 5, No. 1 (January 16, 1904): 9.

two playrooms in the basement for sporting and athletic events. In 1904, the Redstone School taught 69 pupils.<sup>17</sup>

For those who became injured or ill, a medical dispensary was available at Redstone. After the creation of the Colorado Fuel & Iron Company's Medical Department in 1880, the Medical Dispensary division was maintained under the supervision of the company's Chief Surgeon, Dr. Richard W. Corwin. The dispensaries treated minor illnesses and injuries. More serious ailments were treated at Pueblo's Minnequa Hospital. With the help of nurses, each camp doctor oversaw the dental, optical, and overall medical health of the employees and their families within the district. Doctors made daily house calls in addition to seeing patients in the dispensaries. Doctors were instructed to treat all illnesses with the exception of sexually-transmitted diseases and those incurred during the commission of a crime.

To meet the material needs of the workers, as in other CF&I company towns, was the Colorado Supply Company store. In addition to selling grocery items, the store also sold dry goods, home goods, clothing, and even alcohol in some of the stores. Some stores in CF&I's most populated company towns offered a mail order business, milliner's services bank and post office within its walls.

According to noted historian and author H. Lee Scamehorn, critics claimed that CF&I and the Colorado Supply Company used their own system of money to compel employees to trade in company stores which deprived local merchants from serving miners and steelworkers. CF&I reiterated that it paid its workers in cash, it was the only between payday when employees asked for cash advances that the company issued scrip to be used in the company store. The use of scrip by the Colorado Supply Company was discontinued in December 1912.<sup>18</sup> However, as printed in CF&I's publication, *Camp and Plant*, CF&I did use script system and wrote of it not being compulsory, but of benefit to the miners. "It is to his advantage to be able to obtain advances on his pay for his needs before payday arrives."<sup>19</sup>

When completed, the village of Redstone boasted amenities that were not found in other competing mines company towns. These included a theater complete with dressing rooms, lights, scenery, and an arc stereopticon. The miner's clubhouse served as a community center for dances, lectures, parties and concerts.

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<sup>17</sup> Colorado Fuel and Iron Company "Excellent Public Schools" *Camp and Plant*, Vol. 4, No. 26 (December 24, 1903): 565.

<sup>18</sup> Scamehorn, H. Lee. *Mill and Mine: The CF&I in the Twentieth Century*. Lincoln, NE: University of Nebraska Press. 1992. 110-112.

<sup>19</sup> Colorado Fuel and Iron Company. "The Colorado Supply Company" *Camp and Plant*, Vol. 5 No. 11 (March 26, 1904): 245.

Within the clubhouse were a billiard room, card room and reading room. Within the town were other amenities such as a post office, train depot, assay office, blacksmith shop, and two hotels: The Redstone Inn and the Big Horn Lodge.

The Redstone Inn was built to house bachelor miners. Modeled after a Dutch Tavern, the full service hotel also housed traveling salesmen. The other hotel, the Big Horn Lodge, was more opulent in design, and catered to members of the CF&I Board of Directors and overflow guests of the Osgoods.<sup>20</sup>

### **Osgood's personal life**

In 1891, the 40 year old Osgood married for the first time Nannie Irene Belote (also known as Nonie Irene de Belote). Born in 1869 in Virginia, Irene, as she was commonly known, claimed to be a native of England. As she neared her 30's however, she claimed to be born in 1875. Shortly after the marriage, Irene took up writing romantic poetry, essays, and novels and Osgood supported her hobby by establishing the Cleveland House Publishing Agency in New York City to publish his wife's work and that of her friends.

No fan of Colorado, Irene moved to Europe and Osgood later divorced her citing desertion. Wanting to avoid scandal, Osgood then circulated the story that Irene had been killed by a runaway horse in New York City's Central Park.<sup>21</sup>

Osgood married again in 1899 to Alma Regina Shelgrem, and built Cleveholm Manor for her. A great favorite of the Redstone residents, she was always known as "Lady Bountiful" for her generosity and kindness.<sup>22</sup>

Irreconcilable differences led Osgood and Alma to divorce and Osgood remarried in 1920 to Lucille Reid. The childless Osgood left everything, including Cleveholm, the town of Redstone and \$4.5 million in cash, to Lucille upon his death in 1926.<sup>23</sup>

### **Osgood builds Cleveholm Manor, the "Ruby of the Rockies"**

Construction of Osgood's primary residence began in 1899. Even before launching his industrial enterprise at Redstone, Osgood had established the Crystal River Ranch and summer home on a vast estate of 4,200 acres that would encompass a planned village and his country mansion. For the site of the actual house, he chose a location on a gentle slope at the widest part of a clearing about a mile south of the village of Redstone. He began construction in 1899. The architect on the project was the prominent Denver based firm of Boal and Harnois. The fashion of the day was to name one's majestic home. The castle came to be known as Cleveholm Manor, "Cleve"

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<sup>20</sup> Nelson, *Marble and Redstone: A Quick History*. 120.

<sup>21</sup> La Rocca, Lynda. "So many wives, so little time." *The Pueblo Chieftain*. November 2, 2014. pp 2E.

<sup>22</sup> La Rocca Lynda. "So many wives, so little time." pp 2E

<sup>23</sup> La Rocca, Lynda "So many wives, so little time." Pp 2E

after John Cleveland Osgood's nickname, "Holm" after the Swedish word meaning "home in the country."

Built at a cost of around \$350,000, the 25,000 square foot, 42 room home was completed in 1903. The entire estate including the town of Redstone cost approximately \$2.5 million. In comparison, Rosemount, the 37 room estate built by John Thatcher of Pueblo just 10 years earlier, cost just \$60,750 to build. The Colorado state capitol building, opened in 1894 cost \$2.5 million to build<sup>24</sup> and Glen Eyrie Castle, built by William Jackson Palmer of Colorado Springs, built his 67 room castle in 1904 at a cost of \$575,000<sup>25</sup>

As with many larger estates of the Victorian Era, Cleveholm Manor was outfitted with servants' quarters including bedrooms, valet's room, watchman's room, kitchen, servant's dining room and butler's pantry. Osgood, a private man who enjoyed the company of smaller groups of guests, arranged for the home to only have five guest bedrooms. The home also contained 8 bathrooms, and 14 fireplaces, Osgood's office, game room, bar, wine cellar, and large vault were also within the home.

Inside the living areas of the home, Osgood and his wife Alma furnished with treasures from their trips around the world. Italian artists hand stenciled various linen walls within the home. The wood paneling throughout the home was all crafted by Gustav Stickley and includes English oak and Honduran mahogany. Louis Comfort Tiffany designed the fixture work including three giant brass globes carved with lion's faces, pineapples and angels that light up the English Great Hall. Persian carpets line the hallways and floors.

The Great Hall featured 18-foot ceilings and a sandstone block fireplace carved with the Osgood Coat of Arms and supporting a trophy elk mount. The Dining Room is a Russian statement from the court of the Czars, with Honduran mahogany paneling hand rubbed to a cherry red finish, topped by ruby red velvet wall cover and a gold leaf ceiling.

After dinner, the ladies would have retired to the femininely-decorated French Music Parlor. The room features green silk damasque wall covering, a frescoed plaster ceiling and diamond dust mirror above a Carraran Italian marbled fireplace. Men would have retired to the Persian style library, which overlooks the front grounds and is a reminder of the deluxe railroad cars that the elite traveled in across the U.S. and Europe. The paneling and bookshelves are Honduran mahogany topped with green leather, gold leaf stamped wall cover. The gold leaf ceiling is hand-stenciled around the borders in a peacock design. Men might have also retired to the Gentlemen's Game Room and Bar for a game of billiards or cards.<sup>26</sup>

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<sup>24</sup> <https://www.colorado.gov/pacific/sites/default/files/ChronologyofColoradohistory.pdf>

<sup>25</sup> Susan Fletcher, Archivist, Glen Eyrie Castle, [phone conversation] (August, 1, 2014).

<sup>26</sup> <http://redstonecastle.us/History.htm>

The upper floors of the Castle include the original bedroom suites used by the Osgoods and their guests, complete with oversized porcelain claw foot tubs and standing sinks. Each of the bedroom fireplaces is made of unique colored tile or Italian marble. In the secluded north tower is a two-room suite featuring a domed ceiling decorated with birds and flowers.

To the right of the mansion was a large patio that overlooked the large meadow. A gamekeeper was kept on staff with his own housing that tended to the needs of Osgood's "pets," namely herds of deer, and elk. A marble water trough fed by a fountain in the shape of a dragon in the courtyard just outside the front door.

In addition to the gamekeeper, there were other support buildings to house estate staff. The main gate was tended by the gatekeeper. Near the gate keeper's house was the carriage house, which housed Osgood's 1904 Pope Winton Electric Automobile. Osgood's horses also lived there, their stalls lined in fir paneling. Other buildings included a summer house, the coachman's house, a hose house, a large green house and a kennel. Down the property was an intricate pagoda style building used for outdoor concerts on the lawn used for the enjoyment of Osgood and his guests during the summer. Guests during Osgood's time at the estate included John Rockefeller, President Theodore Roosevelt, J. Pierpont Morgan, and Prince Leopold of Belgium.<sup>27</sup>

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### **CF&I expands under Osgood**

One of the secrets of Osgood's success of being a ruthless business man in the 1890s, was due to price fixing, a common and acceptable business practice during the era. He and his associates exercised control over distribution of heavy rails throughout the United States and CF&I's geographic convenience gave it the advantage to the burgeoning rail expansion projects of other railroads. With price fixing and lack of competition from 1900 to 1904, Osgood and associates successfully raised the price of steel rail from \$17 to \$28, and issued in a new era of prosperity for the company. Total receipts from rail sales rose from \$343,000 in 1898 to more than \$4,000,000 in 1900.<sup>28</sup>

With available capital, Osgood and other directors saw the opportunity to expand CF&I's manufacturing abilities and the company underwent a massive expansion program, in a calculated effort to make the company the leader in the West for heavy industry.

Under the expansion project, beginning in the fall of 1899, two blast furnaces were rebuilt, the rail mill was expanded and modernized, and a subsidiary railroad system, (the Colorado and Wyoming Railroad) was created to serve mines and mills. The water system was also enlarged at

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<sup>27</sup> Nelson, *Marble and Redstone: A Quick History*. 115

<sup>28</sup> Colorado Fuel and Iron Company. *Annual Report*. 1898-1901.



the Pueblo Steelworks site. Elsewhere, an iron ore mine was opened at Sunrise, Wyoming, additional coal deposits were developed in the southern coal fields, and in the mountain districts, coke ovens were erected at Redstone and Sopris, washeries and an electric power plant was built at Starkville.

The expansion projects did not stop there. By the turn of the century, the company was able to meet and increase its capacity in products, namely spikes bolts and nuts, iron pipe, steel rails, castings, pig iron and iron ore. The “new plant” in 1902 consisted of two new Bessemer converters, with an annual output of 60,000 tons. Two 300 ton hot metal storage tanks which were served by two 50 ton moving cranes, four Aiken pig iron casting machines, two 15 ton vessels, three 10 foot iron cupolas, and two seven foot iron cupolas completed the facility. Other buildings built that year included the Open Hearth Furnace, the Merchant Steel Mill, Rod Mills #1 and #2, the Wire Mill, a Spike Mill, a Nail Mill, a water supply system, and a new Bessemer Converter.<sup>29</sup>

Under the suggestion of his business partner and attorney John Jerome, the Minnequa Town Company was formed as a real estate investment company designed to improve living conditions of steelworkers in Pueblo, with an investment of a mere \$400 per home by CF&I. Between 1901 and 1903, the company built 895 new houses, ranging in size from three to five rooms.

Medical services were also expanded during the era with the building of the Steelworks Dispensary in 1901 just west of the Steel plant, and in 1902, the building of Minnequa Hospital at the corner of Lake and Lakeview consisting of 13 Spanish mission-style buildings erected on 20 acres of land on Pueblo’s south side. Medical services were also made available in each mining camp with camp physician and nursing staff who worked out of the local dispensary.

Water systems were constructed in communities that needed them, and wells and cisterns were cleaned and inspected periodically. A 30,000 square foot building for serving administrative functions was also constructed in 1901 just west of the Bessemer steelworks.

The employee numbers for CF&I also dramatically increased during this period. In 1900, employee payroll listed 8,688 employees including those who worked at the mines, mill, administrative, medical and subsidiary departments. It increased to a payroll of 15,087 in just four years<sup>30</sup>. According to the September 22, 1906 edition of the *Scientific American*, “ten per cent [sic] of Colorado’s population is dependent upon wages earned by employees of the Colorado Fuel and Iron Company...”<sup>31</sup> The article goes on further to state that just 15 years prior, the company consisted of a “small and unimportant steel plant at Pueblo worth about \$3,000,000....The phenomenal growth of the plants is shown by the fact that at present the

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<sup>29</sup> Colorado Fuel and Iron Company *Annual Report*, 1902

<sup>30</sup> Colorado Fuel and Iron Company “The Minnequa Works of the Colorado Fuel and Iron Company.” *Camp and Plant*, February 27, 1904., p. 154.

<sup>31</sup> *Scientific American*, Vol. XCV, No. 12 September 12, 1906. pg. 214.

Minnequa Works of the Colorado Fuel and Iron Company is one of the largest steel plants in America, representing the investment of over \$25 million.”<sup>32</sup>

With all these improvements plus the mounting cost of older facilities, created for Osgood and his associates an ongoing financial crisis. Expenditures soared, a series of labor walkouts and delays in the fall of 1902, and a series of miscalculations and scheduling delays curtailed anticipated revenues.<sup>33</sup>

CF&I eventually became the coal and steel making king of Colorado, however left the company drained of capital. The financial crisis led Osgood to seek assistance of George J. Gould and John D. Rockefeller, Sr. in 1903. Gould and Rockefeller provided the necessary financial assistance to keep the company solvent, but required Osgood to step down from the company. The Rockefeller family emerged as the dominant interest in the company and would remain so until the mid-1940’s.

### **The end of the road for Osgood**

In what would some deem as a hostile takeover, the end of the relationship between CF&I and Osgood came in the spring of 1903. Beginning in 1902, after millions were spent in Osgood’s capital improvement program, company attorney, and fellow majority stakeholder John L. Jerome advised Osgood of an impending financial crisis. Company publications reported that the world-wide demand of necessary machinery needed for steel manufacturing and mining operations caused a delay in the equipment’s timely arrival, thus causing a sharp decline in income for the company.<sup>34</sup> Labor related problems including a coal mining strike in 1903 and several labor disruptions at the Minnequa Works in Pueblo, also added to the delays.<sup>35</sup>

Osgood first became aware of the financial crisis in March of 1902 with the debenture bonds issued during the previous years were not sufficient to pay for the major improvements in progress and to provide adequate working capital. Additional monies, authorized by the Board of Directors but not issued, had been allocated to the purchase of additional water rights, expansion of the Minnequa Steelworks, and additional coal and iron properties. In theory, had these new resources been in operation to make profits for the company, as Jerome pointed out to Osgood, it still would not have made enough money to relinquish the debt incurred by the company.<sup>36</sup>

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<sup>32</sup> Scientific American, Vol. XCV, No. 12. September 12, 1906. pg. 214.

<sup>33</sup> Scamehorn, *Mill and Mine*, pg. 17.

<sup>34</sup> Colorado Fuel and Iron Company “Construction and Improvements at CF&I Co. Plants” *Camp and Plant* Supplemental Issue. November 20, 1902.

<sup>35</sup> Colorado Fuel and Iron Company *Annual Report*, 1902

<sup>36</sup> Jerome, Brief. Colorado Fuel and Iron Company Minute Book of Directors p. 9-10