

Texas City: Port of Opportunity

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In the late 1880s and early 1890s, the linkup between major national railroad systems and ocean shipping at the port of Galveston seemed to promise great prosperity for the Galveston County area. Ambitious to capitalize on the trade they foresaw flowing from the entire Trans-Mississippi West, two brothers from Duluth, Minnesota, began to buy land on the western shore of Galveston Bay. In 1893 they established Texas City, a town built from nothing which they expected would successfully compete with Galveston as a deep-water port.

The early history of Texas City is of interest because its development was an exception to the typical Texas Gulf Coast patterns. Most new towns in the area were developed by Galveston businessmen, who certainly did not intend to create a challenge to their home city. The Minnesota capitalists' scheme initially failed, primarily because they lacked the capital to mix industry with commerce and because they neglected regional products for the illusory flow of shipping they expected from states further north. However, in the long run their relative isolation from the regional agricultural markets facilitated the city's specialization in the regional product of the twentieth century—oil. And it was finally in the integration of petrochemical shipping and industry that Texas City rose to real importance.

Beginnings

Texas City was first known as Shoal Point, a small settlement located on the western shore of Galveston Bay. The area had been part of Stephen F. Austin's third grant from the Spanish government. During the Texas Republic, Shoal Point became a part of Galveston County. Residents made their living from self-contained farms and ranching on the coastal prairie. A few large planters, with twenty or more slaves, tried to raise cotton, but the area was generally unsuited to large-scale agricultural enterprise. The terrain was flat prairie which sloped gradually to marshlands, with a heavy clay soil known locally as "gumbo," which hardened and cracked into brick-like clods when dry and

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became a sticky mud when wet.¹

Most trade simply passed through the county on the Galveston, Houston and Henderson Railroad, or by oxcart, to Galveston. None came through Shoal Point. The community had not become a market center for county agriculture because there were no bayous to connect it with inland trade. Nor could it trade through Galveston Bay; Half Moon Shoal, from which the Shoal Point area took its name, was an oyster reef hazardous to the extensive steamboat and barge traffic plying the seventy-five miles of Galveston Bay between Houston and Galveston. After the Civil War and Reconstruction, the federal government constructed a lighthouse at the shoal in the interest of maritime safety. A few families joined the lighthouse keeper, J. A. Muse, and a village and school appeared. In 1878, the United States government established a post office. Transportation was still a problem. The G.H.&H. would make a flag stop at La Marque, four and a half miles to the west of Shoal Point, but for the most part, the inhabitants of the tiny community found sailboats the most convenient way of reaching Galveston to shop or to attend church.²

What, then, attracted capitalists from faraway Duluth, Minnesota, to Shoal Point? Why did they decide that it was the place to build a new town and an industrial port? In the late nineteenth century, three major changes occurred in the county: the explosion of commercial agriculture in the 1890s, the merger of the shortlines servicing Galveston with transcontinental railroads, and the decision by the federal government to make Galveston a first-class, deep-water harbor. Together these factors instituted a new period of economic activity on the upper Texas Gulf Coast. Their interaction made possible the transformation of Shoal Point into Texas City, a deep-water port which would eventually become a center for petrochemical refining and shipping and the third largest port in Texas.

The Agricultural Boom

During the 1880s and 1890s all but the shoreline of Galveston County developed from a frontier subsistence economy to a commercial production farm boom. Local horticulturalists, such as H. M. Stringfellow, discovered and advertised which fruits and vegetables would grow in the soil and climate conditions of southeast Texas. The commercial farmer in Galveston County who followed his advice found he could market pears, figs, oranges, peaches, and strawberries three months in advance of California crops and net between

¹Texas City Sun, November 5, 1925; August Osterholm, interview by Susie Moncl, September 29, 1980, Texas City Oral History Project, Moore Memorial Public Library, Texas City, Texas; Galveston Daily News, August 15, 1939.

²Harriet Smith and Darthula Walker, *The Geography of Texas* (New York, 1923), 12, 22, 24, 92-94; Texas City Sun, November 5, 1925; Galveston Daily News, August 15, 1939; Galveston Tribune, October 17, 1921.

\$200 and \$800 per acre. Many growers used machinery to make large-scale farming more feasible. From 1892 to 1896, commercial farmers planted 3,000 acres of pear trees in Galveston County, representing half the production in the Gulf Coast area.³ The value of farm machinery owned in the county grew from \$7,380 in 1870 to \$69,570 in 1900, an 842 percent increase. In 1880, garden and fruit crops were valued at \$18,315; by 1900 their value had risen to \$136,913.⁴

When the county railroads became a part of the national network and refrigerator railroad cars were introduced in the late 1870s, markets beyond local trade opened up. Vegetables including cucumbers, sweet peppers, tomatoes, eggplants, cabbage, onions, and okra could be shipped to all the larger Texas cities overnight, and it took only two days to reach Kansas City or Denver. The possibility of long haul of fresh produce to expanding cities in the East and isolated towns of the far West encouraged commercial operations in fruit raising and vegetable gardening, which yielded the highest return per acre. In the 1890s Galveston businessmen laid out new communities such as Alta Loma, Arcadia, Algoa, Hitchcock, and Santa Fe in the county, emphasizing in their advertisements the fruit and vegetable garden industry "for which the land was highly suited." Existing towns sited along the two railroads in the county (the Galveston, Houston and Henderson and the Gulf, Colorado and Santa Fe) also boomed.⁵

By Rail and Water

Since the late 1870s, there had been general interest in the Midwest for a first-class harbor on the Texas coast. Midwesterners wanted relief from high railroad freight costs and quicker access to world markets. Businessmen in Colorado Territory and Kansas City began their push southward with construction of a railroad in 1876, while Galveston businessmen also began a serious attempt to reach northwest without passing through Houston by constructing the Gulf, Colorado and Santa Fe Railroad. From Galveston, the

³Samuel Wood Geiser, *Horticulture and Horticulturalists in Early Texas* (Dallas, 1945), 21-85; *Texas Almanac and State Industrial Guide, 1904* (Dallas), 64, 97-98, 270; Galveston Daily News, August 15, 1939; Galveston Tribune, October 17, 1921; *ibid.*, September 22, 1924.

⁴United States Department of the Interior, Census Office, *Report of the Productions of Agriculture at the Tenth Census*, Vol. 3 (Washington, 1883), 315; United States Department of the Interior, Census Office, *Agriculture, Part II, Crops and Irrigation*, Vol. 6 (Washington, 1902), 126.

⁵*Annual Report of the Galveston, Houston and Henderson Railroad to the Railroad Commissioners of the State of Texas for the Year Ending June 30, 1891*, Texas State Archives; Ira G. Clark, *Then Came the Railroads: The Century from Steam to Diesel in the Southwest* (Norman, 1958), 104-105; Dickinson Business League, *Dickinson, the Center of the Orange Belt, the Fig Orchard and Strawberry Bed of the Coast County of Texas* (Galveston, 1909), 2-13; Santa Fe Area Historical Foundation, "The History of Alta Loma, Arcadia, Algoa, and Hitchcock," (pamphlet, n.d.), 1-12; S. F. Reed, *A History of the Texas Railroads* (Houston, 1941), 252.

G.C.&S.F. built through to Belton and on to Fort Worth by 1881, where it met the Missouri, Kansas and Texas Railroad owned by Jay Gould. Gould added the Galveston, Houston and Henderson to his holdings in 1882, and by 1884 most Galveston county merchants and farmers had come to regard their connection with the Southwestern magnate as a positive advantage since it gave them direct trade with East Texas and St. Louis, Missouri. Rate wars with the G.H.&H. and M.K.T. lines forced the G.C.&S.F. to merge with the financially strong Atchison, Topeka and Santa Fe in 1886. Meanwhile, the Denver, Texas and Fort Worth Railroad finally made connections with the G.C.&S.F. in 1888. At last the faraway Colorado Territory had direct access to a Gulf port and the markets of the world.⁶

Collis P. Huntington, owner of the third transcontinental railroad system in the country, the Southern Pacific, also recognized the importance of linking rail and water transportation. In 1882 the Southern Pacific Railroad entered Texas by the purchase of an interest in the Galveston, Harrisburg and San Antonio Railroad, owned by Thomas W. Peirce of Boston. The following year, the Huntington syndicate purchased Charles Morgan's Louisiana & Texas Railroad and Steamship Company as well as the Morgan Line of steamers between New York and Texas. Together with the Texas & New Orleans Railroad, purchased by Southern Pacific in November 1881, this assemblage fulfilled Huntington's dream of a transcontinental railroad to New Orleans. The Morgan Line was a valuable adjunct to the Huntington system for it had a lucrative near-monopoly in steamship service between New York, New Orleans, Havana, Houston, and Galveston for forty years. Combining rail and water transportation, the railroad titan successfully provided through service between New York and San Francisco via New Orleans and Galveston. Huntington's only major competitor for Galveston Bay steamship traffic was the wealthy Mallory Line operating out of Galveston and New Orleans.⁷

The establishment of three national railroad systems with southern terminals in Galveston during the 1880s was a significant development, not only for the county but also for the entire Trans-Mississippi West. Galveston now had access to Kansas City over the Gould lines, to Denver and Chicago over the Santa Fe lines, and to the southwest over the Southern Pacific lines. Through the use of refrigerated railroad cars, Galveston County could expand

⁶Reed, 282-288; Charles S. Potts, *Railroad Transportation in Texas*, Bulletin of the University of Texas No. 119 (Austin, 1909), 48; "Construction of the Original Gulf, Colorado and Santa Fe Railway," *Houston Port Book* (November 1946), 39-40; *Galveston City Directory, 1881-1882*, (Galveston, 1880), 21-22; Bernard Axelrod, "Galveston: Denver's Deep-Water Port," *Southwestern Historical Quarterly* 70 (October 1966): 217-221.

⁷Reed, 195-197, 205; Potts, 45-46; David Lavender, *The Great Persuader* (New York, 1970), 316-317, 327, 334-337; Corinda W. Evans, *Collis Potter Huntington* (Newport News, Virginia, 1954), I: 252-269.

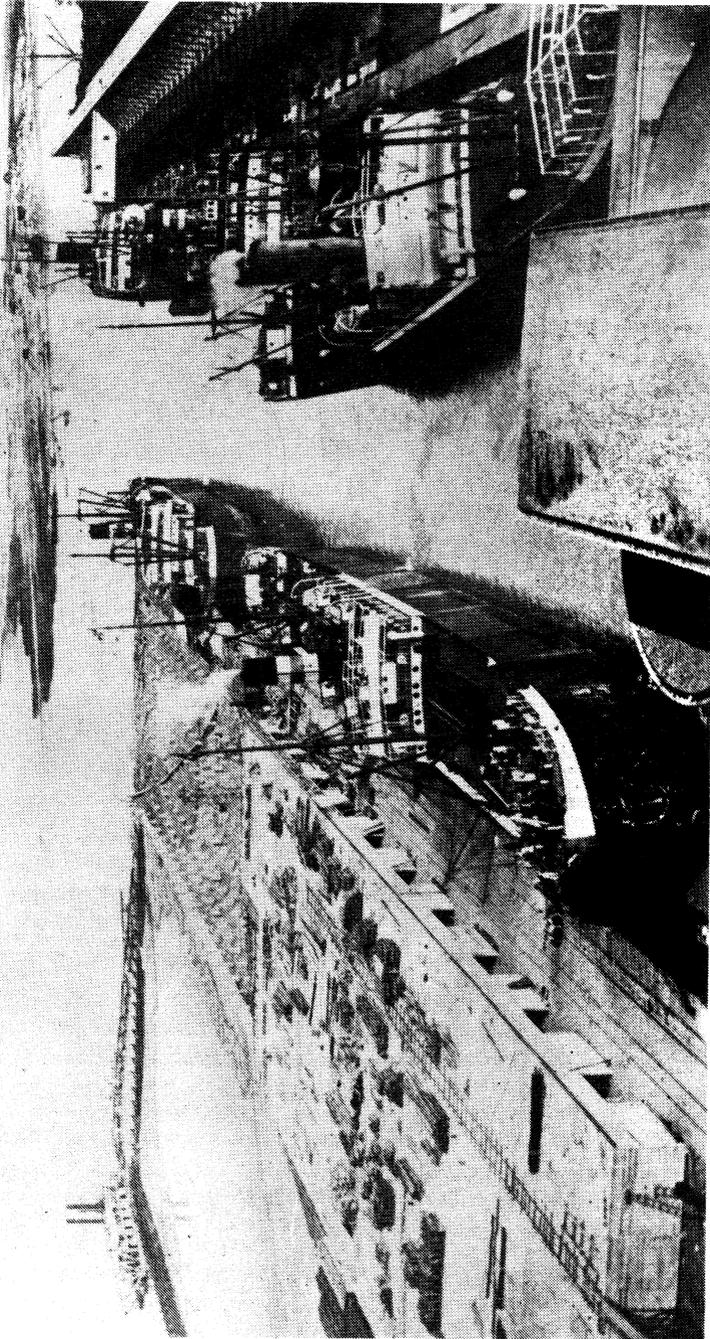
the market for its vegetable and fruit produce, while the people of the Trans-Mississippi West gained an alternative market outlet to New Orleans and an end to dependence on eastern railroads. Commodities bound for Europe and the East coast could just as easily and economically pass through a port on the Gulf of Mexico as through Eastern seaports.

Galveston recognized that to keep the import-export business coming to its port and to encourage other railroads to make Galveston their terminus, the harbor had to be deepened to accommodate ocean-going vessels. Coastal surveys of the 750 miles from New Orleans to Brownsville forced Congress to realize that this section of the United States needed a first-class harbor—a harbor which could berth ships drawing 26 feet at high tide—and that Galveston was the most promising harbor for development. In the spring of 1883 the Santa Fe, Missouri Pacific, and Southern Pacific railroads sent letters to the Rivers and Harbors Committee pledging their support for a deep-water harbor in Galveston and asking Congress to appropriate adequate funds to develop the port.⁸

United States Congressman Thomas Ochiltree from the Texas Seventh District argued with growing success that a first-class port at Galveston was a national necessity. Many representatives across the country joined him in stressing that all the territory lying between the Rocky Mountains and the Mississippi River and from the Gulf to Canada was a natural tributary to Galveston. Twelve million people lived in the region, producing 55% of the wheat, 55% of the corn, 35% of the cotton, and 60% of the animal products of the nation. A Deep-Water Harbor Convention was held at Denver in 1888 and another was held in Topeka, Kansas, the following year. Both of these conventions and other smaller ones sent petitions to Congress demanding better water transportation. All the states in the affected area, from the Dakotas and Wisconsin to Texas and from Wyoming to Iowa, agreed that Galveston was the most eligible site for a deep-water harbor. Californians joined the demand for a deep-water port on the Gulf Coast, closer than New Orleans. These demands throughout the Midwest and Far West, combined with the failure of attempts to build a canal across the Isthmus of Panama, caused Congress in 1890 to appropriate \$6,200,000 for deepening Galveston's harbor.⁹

⁸*House Executive Documents*, 53rd Cong., 3rd. Sess., 1894, Doc. 1713, No. 34 (Serial 3320), 127-128; "Improvement of Ship Channel," *Report of the Secretary of War*, 48th Cong., 1st Sess., Vol. II, Part 2 (Serial 2184), 1059; Senate Miscellaneous Documents, 48th Cong., 1st Sess., Doc. 111 (Serial 2171), 16-19.

⁹Claude H. Hall, "The Fabulous Tom Ochiltree: Promoter, Politician, Raconteur," *Southwestern Historical Quarterly* 71 (January 1968), 363-364; *Galveston Daily News*, November 9, 1882; *ibid.*, December 1, 1882; Axelrod, 217, 224-225; "Improvement of Galveston Harbor," argument of Mr. Eads before the Senate Committee on Commerce, May 21-22, 1884 (pamphlet), Special Collections Department, University of Houston; *Senate Miscellaneous Documents*, 48th



The second unit of the Texas City Ocean Terminal system under construction, ca. 1912.

From Shoal Point to Texas City

The appropriation was an unusually large amount for a harbor project, and gained widespread media attention. Many ambitious investors hastened to buy land on Galveston Bay and elsewhere in Galveston County. Texas City Improvement Company, financed by the Myers brothers from Duluth, Minnesota, joined by other businessmen from the Great Lakes area, was one of the private companies eager to take advantage of the potential growth in trade flowing toward Galveston. Even though Duluth itself was in a growth period in the 1890s, with a booming business district, the national interest in Galveston by residents in other states and by the federal government seemed to promise much greater prospects than were available at home. With the prospect of half of the nation's wheat and corn and a third of its cotton being routed through Galveston's improved harbor, the Myers reasoned that there would be an abundance of import-export business. Since all indicators pointed to expansion, these capitalists proposed a new port to handle some of the increase in cargo traffic. Even the commerce carried by smaller vessels was predicted to increase.

Whether a competing port could be successfully developed was debatable. An 1883 Army Corps of Engineers' survey of Galveston Bay up through Buffalo Bayou had concluded that a seventy-five mile channel to Houston was too costly, due to the distance and the need for continual dredging. Congress had suspended appropriations for a channel into Houston as a result of this survey. Consequently, in 1890, potential locations for a new harbor further inland on Galveston Bay and with higher elevations were out of the question.¹⁰ Nevertheless, rumors enlarged government activity at Galveston to include the nearby mainland. It was certainly not beyond the realm of possibility. If the government were to name Galveston the beneficiary for channel improvements, other ambitious land developers on the coast could present social, political, and economic needs equally as pressing as Galveston's. The Myers brothers were therefore not the only businessmen interested in mainland Galveston County.

Franz Kohfeldt of Denison, the North Texas railroad center, heard from a Baltimore engineer whom he considered a knowledgeable source that the United States Corps of Engineers was planning to make Shoal Point a part of the Galveston deep-water harbor project. Whether or not this would indeed happen was immaterial. Federal corrective measures to Galveston harbor

Cong., 1st Sess., Doc. 111 (Serial 2171), 16-19; "Entrance to Galveston Harbor, Texas," *House Report*, 51st Cong., 1st Sess., Report 1672 (Serial 2812), 1; "Improvements in Galveston Harbor, Texas," *House Executive Documents*, 51st Cong., 1st Sess., Ex. Doc. 454 (Serial 2752), 1-5.

¹⁰"Improvement of Ship Channel," 1077-1086; Marilyn McAdams Sibley, *The Port of Houston: A History* (Austin, 1968), 106-120; Lynn M. Alperin, *Custodians of the Coast: The History of the United States Army Engineers at Galveston* (Galveston, 1977), 99-101.

would greatly increase the amount of traffic through the county. Twenty-three-year-old Kohfeldt decided it was an opportunity not to be missed. With dreams of wharf frontage radiating out from Galveston and developing on the lines and scale of New York's harbor, he hastened to Shoal Point in 1890, buying options to 10,000 acres with \$500 he had borrowed from a friend. Thus, indirectly, young Kohfeldt became a "founding father" of the future port of Texas City.¹¹

Meanwhile, the Congressional appropriations for Galveston's harbor made national news. Impressed with all that they had read about the potential trade through Galveston, Jacob and Henry Myers hastened to investigate investment opportunities around the port. In the fall of 1890, the Myers brothers arrived in Galveston on a business vacation with friends from Duluth, Minnesota. Hearing that Shoal Point on the mainland of Galveston County was a "Huntsman's Paradise," the brothers sought to bag their share of winter geese, ducks, brant, and perhaps a deer. The Great Lakes businessmen looked at Shoal Point with fresh vision and saw warehouses, wharves, factories, and piers to handle the expanding commerce of the area. From their experience as suburb developers in the great shipping port of Duluth, the Myers brothers believed that a safe harbor, perhaps even rivaling Galveston, could be erected there.

On the face of it, Shoal Point seemed an unlikely location for a deep-water harbor. The natural depth of the shoreline, on a bay that was almost as shallow, was only two to six feet, limiting trade to fishing and small sailboats. However, the investors could dredge a channel to the new port, and Shoal Point was only a short seven miles from the Gulf itself. The Myers brothers reasoned that trade with small vessels could be developed quickly while Galveston harbor was still being deepened. Shoal Point could then take advantage of the existing system of lightering, by which goods were ferried from port to ocean-going vessels anchored farther out in the Gulf. As the town grew, there would be money for deepening the channel further.

The 748 acres of flat prairie sloping to salt grass marshlands along the shore from Shoal Point to Virginia Point was undeveloped and virtually unpopulated. The heavy clay soil required costly drainage and, near the marsh, was too salty for successful farming. Ranching and fishing were the chief activities of the small population. The absence of commercial agriculture and bayou traffic meant that the land was cheaper than other shoreline tracts on Galveston Bay. Jacob and Henry Myers observed that the elevation was much higher than the average level of Galveston Island. This would definitely be

¹¹Evans, 280-281; "The Man Who Saw the New York of Texas," *The Connecting Rod* (December 1960): 10-13; Galveston County Deed Records, Vol. 86: 557, Galveston County Court House, Galveston.

beneficial in an area frequently besieged by floods and hurricanes.¹² Situated on the mainland, on the western shore of the bay, the location possessed the additional advantage of being protected from the Gulf by several barrier islands. Also greatly appealing to these men from Lake Superior were the mild temperatures of Galveston County; knowing how ice and snow closed shipping for the winter, they delighted in the prospect of operating a port the year around. All these advantages strengthened their determination to develop a new port on the Texas coast. They believed the motto of the day: "Men and not natural advantages made great and prosperous cities."¹³

Their excitement grew when they discovered that much of the land could be purchased for as little as \$10 per acre.¹⁴ In October 1890, Henry Myers bought five large tracts on the shoreline.¹⁵ Since they wanted as much shoreline as possible to be included in the development of the city's docks, the Myers bought 1,106.3 acres in the H. B. Littlefield grant, south of Shoal Point, from Franz Kohfeldt—at a higher price than usual for the area. Kohfeldt made a nice profit of \$35 per acre on the transaction. After selling another 3000 acres he owned north of Virginia Point to Huntington's Southern Pacific syndicate in 1897, Kohfeldt was easily able to make good his options on land in other sections of Shoal Point.¹⁶

Back in Duluth, a third brother, Benjamin F. Myers, joined the venture. The brothers interested several other investors, the most important of whom was Captain Augustus B. Wolvin. Since the age of ten, he had served on Great Lakes ships owned by his father, B. S. Wolvin. He became the youngest ship captain of the Winslow Brothers of Buffalo at the age of twenty-one. After settling in Duluth in 1888, he became half owner of LaSalle and Wolvin, a general vessel commission business. His expert opinion and contacts in the shipping industry were vital to the success of the proposed port.¹⁷ With more money to invest, Jacob and Henry Myers made two more buying trips to Shoal Point in 1891. One of the more important acquisitions was the purchase of the remaining 2212.3 acres of the Littlefield bayfront property at \$15.00 per acre.

¹²The first recorded storm to deluge and wreck Galveston Island occurred in 1818. Other hurricanes to strike the Island in the nineteenth century happened in 1837, 1842, 1854, 1867, 1871, 1875, and 1886. See Walter Prescott Webb (ed.), *The Handbook of Texas* (Austin, 1952), Vol. I, 666.

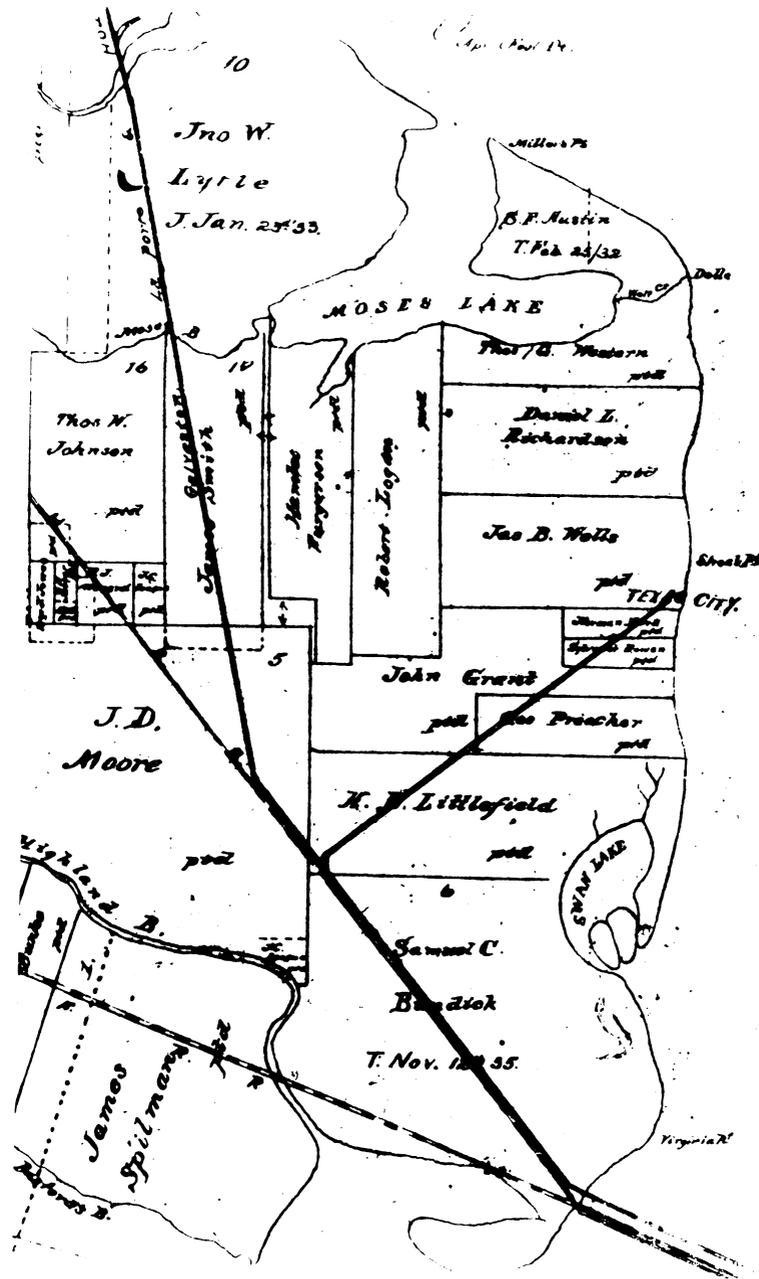
¹³David R. Goldfield and Blaine A. Brownell, *Urban America: From Downtown to No Town* (Boston, 1980), 208.

¹⁴"Texas City Harbor, Texas," *House Document*, 64th Cong., 1st Sess., Document 1054, 4.

¹⁵Galveston County Deed Records, Vol. 86: 479, 557, 567; *ibid.*, Vol. 91: 301, 303; *ibid.*, Vol. 93: 507.

¹⁶Evans, 280-281; "The Man Who Saw the New York of Texas," 10-13; Galveston County Deed Records, Vol. 86: 557.

¹⁷*Minnesota Biographies*, 1912, Vol. 12, 875, Archives, Division of the Minnesota Historical Society, St. Paul, Minnesota; Dwight Woodbridge, ed., *History of Duluth and St. Louis County* (Chicago, 1910), Vol. 2, 891-892; *Duluth News-Tribune*, April 1, 1932.



Detail of Shoal Point area from the Galveston County Land Grant Map published by the General Land Office in 1899.

When the Myers did not have to deal with speculators like Kohfeldt, the price was much lower.¹⁸

In the following year Frank B. Davison and his wife Florence, friends of Jacob Myers from Michigan, joined him in purchasing more land. Davison would invest more than his money in the new port; long after the other original investors left, Davison stayed to become a founder and stockholder in the Texas City National Bank, a retail merchant, a grocery store owner, and one of the first city commissioners when the town was incorporated in 1911. (Today the Davison home is open to the public as a historical site operated by the Texas City Heritage Society.) Davison was initially the Myers's resident agent, renting a house in Shoal Point and concentrating on purchasing all the land in the village and the immediate shoreline. The land transactions were more difficult than had been anticipated. Many of the desired waterfront sites had been grants to veterans of the Republic of Texas Army, each 640-acre grant including a strip of land leading to the shore. All of these strips had to be consolidated and a few owners balked at selling to a syndicate. Securing clear titles added to the problems.¹⁹

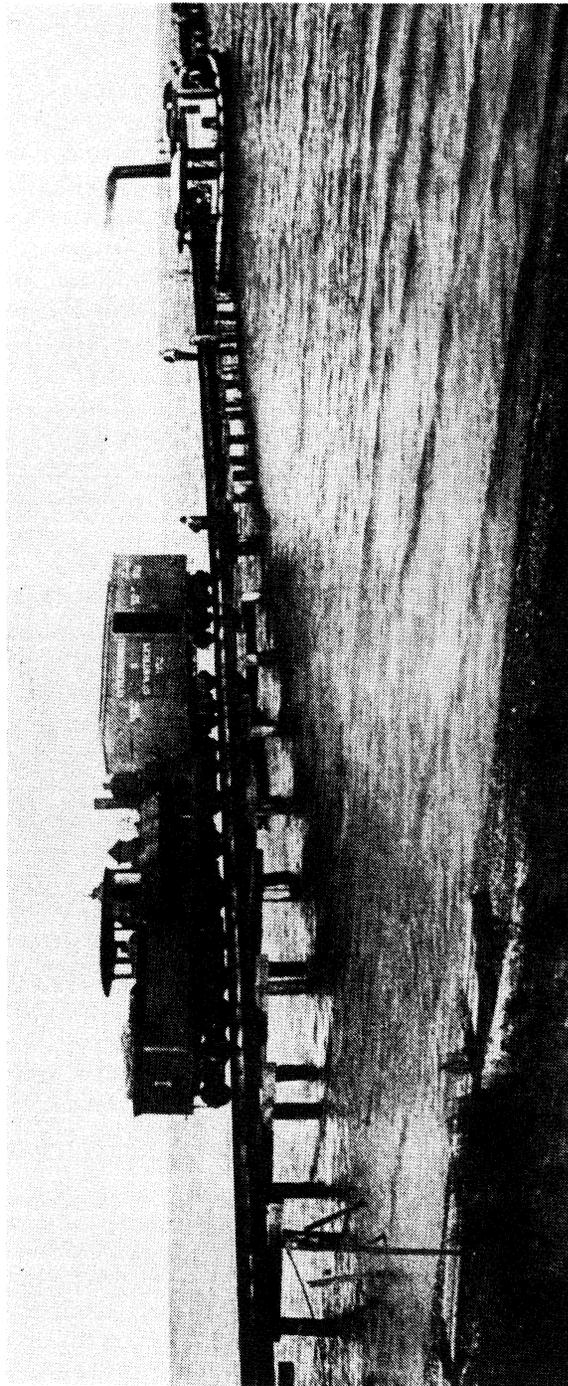
By 1893, Henry and Jacob Myers had bought all the land in the John Grant, George W. Preacher, and H. B. Littlefield grants and the Sylvester Bowen and Norman Hurd labors. The Myers brothers and Davison had jointly bought Shoal Point in the James B. Wells survey, completing the transactions by May 15, 1893. The investors had decided that it would be inappropriate for the deep-water terminal they envisioned to be named after an obstruction to navigation, so they chose to call their town Texas City instead of Shoal Point. After the incorporation of the Texas City Improvement Company on April 1, 1893, the Myers, the Davisons, and the other company officers who had purchased property turned over their land contracts to the new company. Through perseverance by the Myers and Davison, the company held 10,000 acres by 1897, purchased for approximately \$160,000, along five miles of shoreline from Shoal Point southward.²⁰

All of the officers and the financial backing of the Texas City Improvement Company came from the Great Lakes region since investors in Galveston and Houston were not interested in developing a rival port to their cities. Wolvin was president and Jacob Myers was vice-president and resident general

¹⁸Galveston County Deed Records, Vol. 86: 479, 557.

¹⁹Galveston County Deed Records, Vol. 86: 479; Galveston County Deed Records, Filing Index 7, 175; *Texas City Sun*, January 12, 1934; *The Texas City Sun/Mainland Sun Weekly*, July 25, 1984.

²⁰*Texas City Sun*, January 12, 1934; Mamie Price, "The History of Texas City" (typescript), 2, Vertical Files, Moore Memorial Public Library; *Deed Record, Texas City Improvement Company, 1893-1916*, Galveston County Deed Records, Vol. 125; *Surveyor's Records, Book A*, 21, 78, Galveston County Court House; I. G. Stafford, Sr., "History of Texas City" (unpublished paper), Vertical Files, Moore Memorial Public Library.



The first rail and water shipment through Texas City, September 1894.

manager. On the board of directors were the three Myers brothers, and Frank Davison and his brother Fred L. Davison, among other Midwesterners. The company opened an office in Galveston and began advertising investment opportunities at the new seaport of Texas City, in Galveston County. With their shipping and banking connections in Chicago, Duluth, and New York, the company directors were able to sell townsite lots to people from Virginia to California, and from North Dakota to Louisiana.²¹

Building a Port

The first necessity for the new town was connections with water and rail transportation. On March 23, 1893, with a permit from the federal government, the Texas City Improvement Company began the first stage of developing a deep-water terminal at Shoal Point. Since dredging a channel to connect their property with Bolivar Roads was an expensive operation, the company decided on an eight-foot depth. This would allow a certain amount of lighterage, while property sales and industrial development provided capital for later improvements.

Shortly after the dredging commenced, the state granted a charter for the Texas City Terminal Railway, a spur line stretching four and one half miles from the junction with the G.H.&H, a subsidiary of Missouri Pacific to the port. At the waterfront, an innovative railway trestle dock provided the first direct rail-to-ship loading system in Texas. Landowners were willing to accept \$1.00 for the 150-foot right-of-way across their property because they expected the land value to increase. In 1894, the North Galveston Railroad (which consolidated with the Southern Pacific in 1899) joined the other rail lines at the Texas City Junction. The tie to the third major line was not made until 1907, when the Texas City Terminal Railway extended its track an additional two miles to connect with the G.C.&S.F. Meanwhile, the rail connections at the junction enabled Texas City to transport goods to the railroad center of Houston, forty-three miles to the north. The deepened channel and the railroad spur to the Texas City Junction made the port a reality.²²

²¹*Galveston City Directory, 1893-1894*, 435; *Galveston City Directory, 1894-1895*, 277; Moore Collection, Box 79-002, File M24-1, Moore Memorial Public Library. The company officers were: Augustus B. Wolvin, president; Jacob R. Myers, vice-president and general manager; George H. Claypool, second vice-president and assistant general manager; Edward C. Jones, secretary; Henry H. Myers, treasurer. The board of directors were: Wolvin, Claypool, Jones, J. R. Myers, Henry H. Myers, Benjamin F. Myers, and Thomas Cullyford, all of Duluth; E. J. Lander and Edward B. Frederick of Grand Forks, North Dakota; Frank Davison and Fred L. Davison of Michigan; Myron H. French of East Tawas, Michigan; and John W. Livingston of West Branch, Michigan. The value of the capital stock was \$2,500,000.

²²*Texas City Sun*, January 12, 1934; Reed, 493; Potts, 42-43; Galveston County Deed Records, Vol. 111: 552, 553, 619; George Dent, "Beginning with the Earliest Developments as a Port" (typescript), Vertical Files, Moore Memorial Public Library.

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GALVESTON OFFICE:
Sam Fridner, 2120 Security Building

SAN ANTONIO OFFICE: 308 Guenter Building

DALLAS OFFICE: 204 Scollard Building

Advertisement, 1913.

On May 17, 1893, the Texas City Improvement Company recorded the townsite plat of the first section of Texas City, Texas, in the Galveston County Deed Records office. A total of 1,294 lots were surveyed in blocks 1 to 84 in the southeast part of the present city.²³ In the interest of promoting business investments, the shoreline was reserved for industry and harbor facilities. The Midwestern developers divided the city into districts for specific uses: residential, commercial, institutional, and industrial. Land-use controls were ideas from the City Beautiful campaigns popular in the late nineteenth century. Their concern for maintaining and increasing the property values led the Texas City Improvement Company and succeeding developers to implement these land-use classifications and later to legalize them in zoning ordinances.²⁴

Attracting industry was the focus of the company's efforts. Industrial tracts were offered free of charge. They emphasized the desirability of the mainland location with its higher elevation, its natural drainage, and its protection from the worst of the hurricanes from which Galveston suffered. Warehouses and rail connections with the International and Great Northern, the Missouri, Kansas, and Texas, and the Southern Pacific in Texas City Junction made construction of an expensive railroad bridge to Galveston unnecessary. The railroad trestle pier made it possible to unload railroad cars directly on to ships. Shippers and jobbers would benefit from using a port that was not as crowded as Galveston. Texas City could alleviate the problems caused by high charges at Galveston for use of wharves and freight handling by offering free use of their wharves and no switching fees. They stressed that commerce from the Midwest, increasingly routed through Galveston, would profit even more by using the competitive free port of Texas City.²⁵

Two of the businesses to take advantage of the inducements were the Texas City Compress Company and Inman & Company, touted as "the largest cotton handlers in the South."²⁶ The latter company built a railroad yard and large sheds next to their 800-foot-long dock. The compress company built a 95-inch Morse cotton compress in 1895. As the Myers had anticipated, the expansion of cotton exported through the deep-water port of Galveston was great enough to allow the new companies to share in the increased trade. The cotton export business became the principal support of the town, which numbered 500 by 1895.²⁷

²³Galveston County Deed Records, Vol. 113: 27-28.

²⁴Maps and Townsites of Texas City, Mainland Company Records, Box 79-006, Journal 2, Moore Memorial Library.

²⁵*Texas State Gazetteer, 1896-1897*, 1188-1189; Texas City Terminal Railway Company Records, Moore Memorial Public Library; *Galveston City Directory, 1898*, 2; *Galveston Daily News*, February 16, 1896; Price, 2.

²⁶*Texas State Gazetteer, 1896-1897*, 1188-1189.

²⁷*Ibid.*; *Galveston Daily News*, February 16, 1896.

Further improvements in water transportation needed to be made, however, if Texas City was to procure more of the cotton trade, as well as other cargo business. The Texas City channel was a shallow eight feet, and freight had to be reshipped on barges to steamers waiting in Bolivar Roads or in the Gulf. Since a deeper channel was vital for growth, Texas City Improvement Company obtained permission from the United States government on April 24, 1895, to deepen the channel to sixteen feet—only four feet shallower than Galveston harbor. Using the technically advanced hydraulic dredge on their ship *Florida*, Clark and Company completed the dredging on June 1, 1896. At the end of 1896 the cotton exporters proudly reported that over 54,000 bales of cotton passed through the new seaport that year. The Texas City Mill and Elevator Company had recently built a modern, four-story flour mill at dockside with capacity for handling, cleaning and conditioning 900 barrels of grain. The future looked bright for Texas City.²⁸

Failure

Despite the deeper-draught channel and the free wharves, however, the Texas City Investment Company's efforts to compete with Galveston and Houston failed within the year. The company had made no attempt to serve the growing market for Galveston County garden vegetables and fruits, initially concentrating instead on low spoilage and bulk export products such as cotton. Although cotton production was high, the price per pound dropped steadily in the last decades of the century, descending from 17.9 cents in 1871 to 8.6 cents in 1890, down to 4.6 cents in 1894. The drop in the world market price meant that those cotton exporters who could not secure long-term contracts with textile mills abroad were unable to cover their expenses. Competition with Galveston companies, which had stronger commercial ties in Europe, worked against Texas City firms, forcing the closing of their doors in 1897.²⁹

Texas City also failed to successfully export grain. The principal problem was the channel. At first it was too shallow for grain vessels. Later, constant shoaling of the 16-foot channel required ruinously expensive dredging. Even then, grain ships, which weighed more than ships carrying cotton, feared grounding in the narrow channel. Loading smaller amounts of grain at Texas City and then reshipping at Galveston constituted an additional expense. Galveston had three elevators with dock loading capacity of 3,000,000 bushels. These easily handled the 4,933,803 bushels of wheat exported by

²⁸*Texas State Gazetteer, 1896-1897*, 1188-1189; Texas City Terminal Railway Company Records, Moore Memorial Public Library; *Galveston City Directory, 1898*, 2; *Galveston City Directory, 1901-1902*, 3; *Galveston Daily News*, February 16, 1896; "Galveston Harbor-Texas City Channel, Texas," *House Document*, 60th Cong., 1st Sess., Doc. No. 402 (Serial 5288), 3-4.

²⁹*Galveston Daily News*, December 10, 1947; *Skilling's Mining Review*, September 9, 1931; *Duluth Evening Herald*, April 27, 1895; *ibid.*, December 8, 1895; *Duluth News Tribune*, September 14, 1931.

through shipments in 1895. An additional blow to the newly-opened Texas City elevator was the drought of 1896. Both ports were hurt by the drop in grain shipments, but the Texas City Mill and Elevator Company could not hold out even for the quick recovery of the wheat market. In the two years following the drought, 15,381,611 bushels of wheat poured into Galveston, more than enough to share with the new port.³⁰

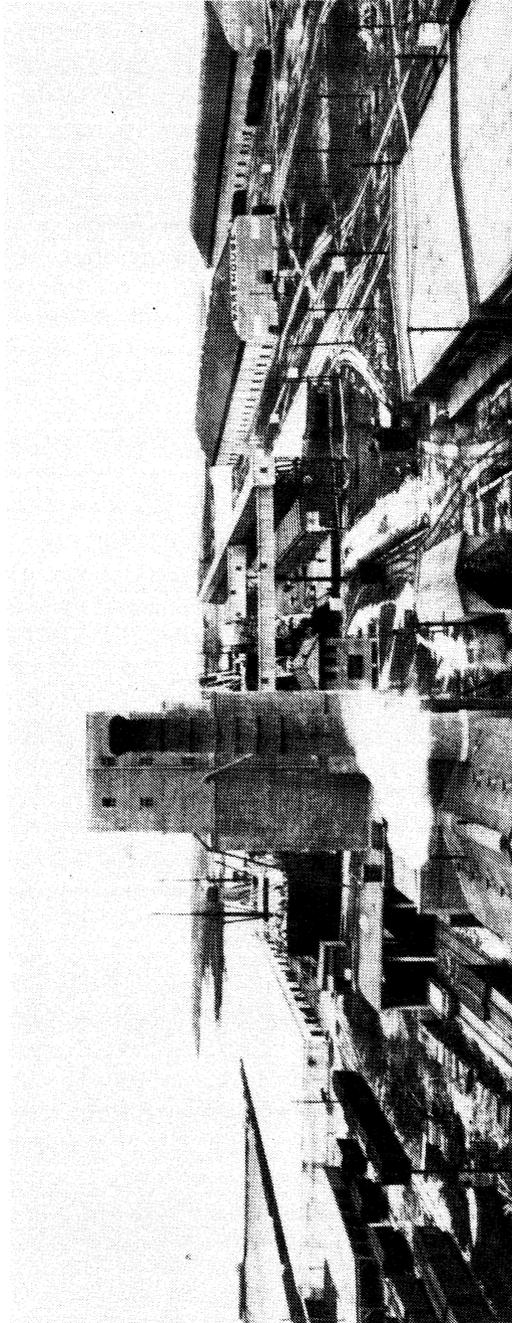
Another factor which contributed to the city's failure was the lack of interest from the major railroads. Although officials from Southern Pacific, Texas Central, and Rock Island viewed the port site frequently and expressed vague interest, each of these railroads decided to locate their railroad shops and wharf facilities elsewhere. Southern Pacific was strongly drawn to the Shoal Point area, because it had purchased 200 acres of bayfront property at Virginia Point in 1883. The Huntington syndicate also bought land at Sabine Pass and experimented briefly with town building of its own. But George Sealy, president of the Galveston Wharf Company, retrieved the Southern Pacific business for Galveston by selling some of its shoreline to the railroad. The company preferred Galveston harbor for its depth and because the Corps of Engineers maintained it.³¹

With only one major industry, the closing of the compress and cotton handling companies in 1897 ruined the new port. Small businesses lost their investments and the population dwindled to one hundred persons. The Texas City Improvement Company had overextended itself with the expensive construction of wharves, warehouses, dock, and railroad spur, and with costly dredging due to faulty engineering of the channel. Having lost even the revenue from the sale of city lots, the company was unable to meet the interest on its bonded indebtedness of \$158,000.

On December 10, 1897, the Houston Land and Trust Company, representing the holders of the first mortgage, auctioned off the town of Texas City. The crowd which gathered for the auction of the company seemed reluctant to start the bidding. After a long silence, resident general manager Jacob Myers, no doubt with a heavy heart, opened with a bid of \$25,000. Brisk bidding followed, and finally Jacob L. Greatsinger of Duluth purchased the \$1,000,000 property "lock, stock, and barrel" for only \$90,000. Mechanic liens and claims against the company (even one from Benjamin Myers) came to several hundred thousand dollars, however, and litigation lasted for months. Henry Myers recouped his losses to become a wealthy owner of real estate and iron

³⁰*Texas State Gazetteer, 1896-1897*, 1188-1189; Texas City Terminal Railway Company Records, Moore Memorial Public Library; *Galveston City Directory, 1898*, 2; *Galveston City Directory, 1901-1902*, 3; *Galveston Daily News*, February 1, 1896; "Galveston Harbor-Texas City Channel, Texas," 3-4.

³¹*Texas State Gazetteer, 1898-1899*, 1188-1189; *Galveston City Directory, 1884-1885*; *Galveston City Directory, 1898*; *Galveston City Directory, 1901-1902*; Evans, 280-281.



Part of the Texas City Transportation Company's extensive system of docks and warehouses, 1913.

mines in the Duluth area. Benjamin did equally well in Philadelphia as a real estate developer. Jacob moved to Houston where he listed his occupation as investor.³²

Greatsinger was president of the Duluth, Missabe, and Iron Range Railroad Company at the time he purchased Texas City. He had years of experience in building docks and warehouses and in routing railroad freight traffic. He was known for his improvements in rail service and for increasing the tonnage of iron ore carried by the railroad. Despite his abilities, he never intended to develop his Texas property, however. He resold it only two months later, in February 1898, maintaining a very minor interest in Texas City until 1907.³³

The new buyers were a syndicate organized by Augustus Wolvin, who refused to give up the dream of a deep-water harbor. For \$400,000 the new Texas City Company, Inc., purchased the 3,000 developed lots plus the 3,200 industrial acres. The railway spur to Texas City Junction, its 150-foot-wide right-of-way from the junction to Block 67 in the First Division of the town, all railroad equipment, and the five single-track sidings beside the railroad dock were purchased by the Texas City Terminal Railway Company for \$300,000. Although it was a separate company, it had the same officers as did the Texas City Company.³⁴

Progress at the port still depended upon two conditions: a deep channel free from shoaling, and diversified industry. Wolvin recognized that the channel had to come first. Because the company was unable to finance the necessary improvements, Wolvin successfully petitioned the federal government for \$250,000 for the project. Under the authority of the River and Harbor Act of March 3, 1899, the United States Army Corps of Engineers undertook the work of deepening the channel to 25 feet with a bottom width of 100 feet. The contractors began dredging the next summer, but all the work completed was utterly destroyed by the hurricane which struck in September 1900. In Galveston, approximately six thousand people lost their lives, but Texas City's losses, both in life and in property, were minimal. The seven mile waterway across shallow Galveston Bay to the deep-water harbor of Galveston was finally completed in 1905. The U.S. Customs Service opened a Custom

³²Galveston *Daily News*, December 10, 1947; *Skilling's Mining Review*, September 9, 1931; Duluth *Evening Herald*, April 27, 1895; *ibid.*, December 8, 1895; Duluth *News Tribune*, September 14, 1931.

³³*The Missabe Road: The Duluth, Missabe & Iron Range Railway* (San Marino, California, 1972), 34-35, 78; unidentified newspaper clipping, Peterson Collection, Northeast Minnesota Historical Center, University of Minnesota, Duluth, Minnesota; Texas City Terminal Railway Records, Moore Memorial Public Library.

³⁴Texas City Terminal Railway Company Records, Moore Memorial Public Library; *Galveston City Directory*, 1898, 2; *Galveston City Directory*, 1901-1902, 3; *Galveston Daily News*, December 10, 1947.



Augustus B. Wolvin, a key figure in Texas City's eventual success.
 (Photo courtesy Northeast Minnesota Historical Center, University of Minnesota, Duluth, Minn.)

House in Texas City, officially establishing it as a world port.³⁵

The problem of encouraging industry to locate at Texas City was assigned to Hugh Benton Moore, who arrived in 1904 from Port Arthur. This energetic young man assumed responsibility for townsite promotion and began carefully wooing import-export business to the seaport.³⁶ Cotton remained the primary product shipped. With Texas City's policy of charging freight revenues and offering free port facilities, it had become the fourth largest cotton port in the world by 1912. At the same time, the region was expanding its economic base to include petroleum products as well as agricultural ones. Texas City was not slow to take advantage of this new industry. The railroad line along the western bay shore, now owned by Southern Pacific, connected Texas City to the oilfields of Sour Lake and Hull in the early 1900s. This link with the fields encouraged the construction of one of the earliest Gulf Coast refineries, built by the Texas City Refining Company in 1908.³⁷ This time, under the leadership of Wolvin and Moore, the Texas City Company made steady progress.

Texas City met hard times again during the First World War. The Texas City Transportation Company and the Texas City Company failed in their turn in 1920. Still, industry continued to locate in the city, often through the efforts of Hugh Moore. Several oil refineries and a sugar refinery were the mainstays of the economy in the 1920s and 1930s, and Texas City survived despite the Great Depression. During World War II Texas City flourished. When Moore died in 1944, he left a legacy of major industries he had encouraged to come to Texas City in his capacities as head of the Mainland Company, which had taken over from the Texas City Company, and president of the Texas City Terminal Railway Company. The population nearly tripled during that decade, increasing from 5,748 in 1940 to 16,620 in 1950 as Texas City became established as a major center for petrochemical processing and shipping. Its industries included the Republic Oil Refining Company, the Pan American Refining Corporation, the Monsanto Chemical Company, the Carbide and Carbon Chemicals Division of the Union Carbide and Chemicals Corporation, the Tin Processing Corporation, and more. Texas City had indeed become an important port.

³⁵"Texas City Harbor, Texas," 2-4; Texas City Terminal Railway Company Records, Moore Memorial Public Library; Texas City *Sun*, June 9, 1916; Texas City *News Citizen*, August 25, 1966; Grant Wheaton, "Annals of Texas City: Port of Opportunity," *Texas City Remembers* (Texas City, 1948), 97.

³⁶Resume of H. B. Moore, Moore Collection, Rosenberg Library Archives, Galveston, Texas; Texas City *Sun*, September 22, 1944; "Death Comes to Colonel H. B. Moore," *A Digest of Trapshooting*, (n.d.), Moore Collection, Moore Memorial Public Library.

³⁷Reed, 252; Potts, 48-49; Texas City Terminal Railway Company Records, Moore Memorial Public Library.

Texas City was never typical of development in the area. Most towns and cities of the Galveston Bay region in the late nineteenth century existed to take advantage of the agricultural market: exporting cotton, marketing fruits and vegetables. Galveston and Houston attracted some manufacturing as well, primarily due to their respective shipping and railroad connections. With Galveston the federal government's choice for harbor improvements, and an important source of local investment, other bayshore towns existed to complement rather than compete with it.

Texas City was the only town in Galveston County before 1893 not organized by Galveston businessmen; the goals of the developers were therefore different. The Duluth investors looked to the Trans-Mississippi West rather than to the local region for business, and they believed that the potential for trade and commerce with this vast hinterland was great enough to support more than one deep-water port on Galveston Bay. They failed because they did not pay sufficient attention to diversified industry. They ignored commercial farming in the area, could not start shipbuilding and related industries without an adequate channel, and thus had nothing to fall back on when revenues from wheat and cotton dropped.

These Midwestern entrepreneurs were both right and wrong. They believed correctly that a new port could compete with Galveston, that there would be enough business on the Texas Gulf Coast for all. But they made a fatal mistake in overlooking the importance of regional production to their new city's economy. Trade from the Trans-Mississippi West never did flow south to enrich Texas City. In the end, prosperity came from regional industry, from Texas cotton and Texas oil.