

James J. Hill: Philanthropy and Reputation in Twentieth Century St. Paul

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Abstract

James J. Hill emigrated from Canada to the United States in the nineteenth century. He quickly rose from lowly clerk to controller of a railroad monopoly and became one of the most powerful figures of the Gilded Age. Hill's Northern Securities Company was prosecuted and tried in St. Paul under the Sherman Antitrust Act of 1890. The judge's decision in 1904 found his company guilty of violating the antitrust act and the NSC was dissolved. Through the examination of collections of letters, legal documents, and newspaper articles this study will determine how Hill succeeded in overcoming legal troubles to exert great philanthropic influence on the city of St. Paul after his trial. This study will also examine Hill's use of the press to alleviate his blame and maintain his reputation in the Twin Cities.

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Introduction

In January 1916, wealthy railroad baron, James J. Hill became a published poet. The somber businessman contributed the following poem to a collection advertised in the *St. Paul Daily News*:

There was a young farm in the west,
So much overworked and hard-pressed,
That it wearily said,
"I'll just take to my bed,"
And drop through to China and rest."¹

Mrs. Karl Roebling of New Jersey sent out a request to wealthy businessman such as Hill to write verses for a book to raise money for a visiting nurse and the pure milk fund in Trenton. Hill demonstrated his generosity and bolstered his reputation by contributing poetry in order to benefit baby welfare work.² Hill's other philanthropic works maintained his positive reputation in the Twin Cities and beyond despite his involvement in a court case brought by the Supreme Court in 1902. The press also provided Hill with the means by which he could explain himself during the trial and eased the blame from his shoulders.

¹ "J.J. Hill Tries Hand at Poetry," *St. Paul Daily News*, January 12, 1916, Hill Family Collection, Minnesota History Center, St. Paul, MN, box 22.D.5.2.

² *Ibid.*

James J. Hill entered the world on September 16, 1838, the third of four children born to parents of Irish and Scottish descent. Hill was born near Guelph, Ontario and migrated to St. Paul in 1856 at the age of seventeen. James Hill soon exerted his impact upon the burgeoning metropolitan area of St. Paul and Minneapolis. He first established a freight and passenger steamboat line in 1871 on the Red River. By 1879 he had organized the St. Paul, Minneapolis and Manitoba Company railway lines. Wherever Hill built new lines, towns would soon appear near them. In 1890, Hill organized these rail lines into the Great Northern Railway Company which he would be president of until his son Louis W. Hill took over in 1907.³

In 1910, Hill wrote and published a book on economic theory titled *Highways of Progress*. He gave numerous speeches and addresses to the public of the northwest (the name for the region Minnesota belonged to at the time) advising them on all matters from agriculture to commerce. Hill finally finished his service to transportation in 1907 when he resigned his Chairmanship of the Great Northern Railway Company. The rest of his years, he continued to exert his influence on the city of St. Paul. In 1913, he bought the First National Bank and Second National Bank of St. Paul, consolidated these businesses and opened the resulting institution under the name of First National Bank of St. Paul. Through this merger, Hill intended to make the region of the northwest financially independent of the rest of the country. As his wealth grew, Hill became heavily involved in philanthropy. He contributed large sums of money to religious and educational institutions in the Twin Cities. He desired his legacy to be the St.

³ J.G. Pyle address to Minnesota Historical Society, January 10, 1917, HFC, box 22.D.5.2.

Paul Reference Library which he planned and funded and began construction in 1914.⁴ By the time of his death in 1916, Hill had become a very wealthy man. His net worth at the time of his death reached the sum of sixty three million dollars.⁵

Hill's philanthropy was a part of a larger pattern of private contributions made by corporate leaders in the late nineteenth and early twentieth centuries.⁶ In the time period of 1858 to 1945, Minnesota's economy comprised of mostly conservative businessmen and political leaders as well as a small group of institutions devoted to philanthropy and the non-profit industry. Beginning in the 1850s, a wealthy class of outsiders infiltrated the Minnesota territories in the northwest and influenced industry and finance in the area. These migrants included businessmen such as George Draper Dayton, Cadwallader Washburn, Amherst Wilder, Charles A. Pillsbury, Thomas Barlow Walker, and James J. Hill, a Canadian import.⁷ Financially successful entrepreneurs of Hill's time viewed philanthropy as a responsibility of their private wealth, not of their business' revenues. Minnesota would not become a leader in corporate philanthropy until after WWII.⁸ Before this time, the few businessmen who made financial contributions to those in need did so through private individual pursuits as shown by James J. Hill and not through their companies.

⁴ Ibid.

⁵ Barbara Caron, "The James J. Hill House: Symbol of Status and Security." *Minnesota History* 55 no. 6 (Summer, 1997): 236.

⁶ Jon Pratt and Edson Spencer, "Dynamics of Corporate Philanthropy in Minnesota." *Daedalus* 129 no. 3 (Summer, 2000): 269-272.

⁷ Ibid, 269-272.

⁸ Ibid., 272.

St. Paul in the Late 19th Century

According to Michael Malone in his book *James J. Hill: Empire Builder of the Northwest*, Hill arrived in a city that “stood at the pivotal threshold of the dynamically expanding northwestern frontier, a new city barely fifteen years old and already boasting over 10,000 energetic inhabitants.”⁹ The end of the Civil War ushered in an era of uncertainty and insecurity followed by growth, urbanization, immigration, and industrialization in this growing metropolitan area of Minnesota. The Minnesota territory became a state in 1858, two years after Hill arrived in St. Paul.¹⁰ By 1855, St. Paul had become the major area of permanent settlement in the northwest. Hill entered a young, impressionable city and exerted tremendous influence on the development of St. Paul. The Twin Cities became known as a center for technological innovation with economic opportunities which attracted emerging entrepreneurs such as Hill.¹¹ The growing nature of St. Paul at this time allowed Hill to change and mold it with his economic pursuits. Specifically, James J. Hill’s improvements in transportation and infrastructure including his railway line brought significant increases in production, wealth, and an infiltration of merchants to the Twin Cities area.¹² Railroad expansion in the years of 1866 to 1868 catalyzed the growth of big business in Minnesota. Influential elites including James J. Hill made St. Paul the transportation, financial and wholesaling center of the region. These elites

⁹ Michael Malone, *James J. Hill: Empire Builder of the Northwest*. (Norman: University of Oklahoma Press, 1996), 10.

¹⁰ *Ibid.*, 11.

¹¹ Jocelyn Will, *Boosters, Hustlers, and Speculators*. (St. Paul, MN: Minnesota Historical Society, 2005), 208.

¹² Carol Berg, “Dear Mr. Hill, Letters to the Empire Builder, 1876-95.” *Minnesota History* 50 no. 2 (Summer, 1986): 73.

showered their gratitude on their growing city with philanthropic contributions to build homes, churches, schools, clubs and other institutions.¹³

St. Paul and the metropolitan area at the time of Hill's influence became a bustling cosmopolitan center. The presence of places of higher education including Macalester, St. Thomas, Hamline, the State University and Agricultural School, as well as Stryker Seminary to name a few made this area the leading center of academics in Minnesota. Electric street cars and steam railway enabled transport within the city and to other regions of Minnesota.¹⁴ The wealthy of St. Paul in the late nineteenth century lived on Summit Avenue, an area located close to the financial center of St. Paul and separate from the common people. Hill's mansion on Summit Avenue was completed in 1891 and marked his acceptance of his new role of immense influence and status in St. Paul as well as national recognition.¹⁵ However, with wealth, obligation to help those with less follows. Hill became a beacon for hope for the downtrodden of St. Paul and throughout the country as his reputation of philanthropy spread. This positive reputation would allow him to weather a Supreme Court case and still remain a hero to St. Paul and the country after his trial.

Historiography

Existing secondary sources on James J. Hill present varying views of his reputation in the Twin Cities. Written in 1934, an early biography *The Robber Barons* by

¹³ Wills, *Boosters, Hustlers, and Speculators*, 209.

¹⁴ T. Lochran letter to Archbishop John Ireland, St. Paul Seminary, April 5, 1893, HFC, box 22.F.2.6.

¹⁵ Caron, "James J. Hill House," 249.

Matthew Josephson presents Hill in a negative light. Josephson presents Hill as a ruthless crook intent on obtaining wealth by any means. He argues that Hill sought to build a monopoly that controlled the transportation system of the northwestern states.¹⁶ According to Josephson, Hill was an aggressive figure developing new methods of conducting business but also set to conquer the northwest. Hill's involvement with J.P. Morgan in the Northern Securities Company showed his attempt to control the northwest. Josephson viewed Hill's philanthropic efforts as a strategy to gain the public's support. Hill gave in order to influence the public into continuing to use his services. Josephson explains that Hill "founded schools, churches and communities, encouraged cattle raising and tree planting. For would they not be his subjects, sending out and calling in a flood of goods forever?"¹⁷ By Josephson's account, Hill gave to make his "subjects" dependent on his generosity and services rather than to contribute to society.

Scholars' views of Hill shifted over time. Martin Albro's biography *James J. Hill: Empire Builder of the Northwest*, written in 1976, presented Hill in a more positive light. By Martin's account, Hill came to America as a hardworking immigrant and gradually moved his way up in society through a combination of intelligence and ingenuity. His backbreaking work ethic produced amazing feats and improvements in the transportation and agricultural systems of the northwest. According to Martin, Hill improved life in the northwest by developing new communities along the railway and showering them with monetary contributions. Martin also defended Hill's involvement in the Northern Securities Company. He explained that Hill knew

¹⁶ Matthew Josephson, *The Robber Barons*. (New York, NY: Harcourt, Inc, 1934), 231.

¹⁷ Ibid, 237.

from the start that the government would become suspicious of their holding company, but that his lawyer “counseled that the company clashed with neither the Sherman Anti-Trust Act of 1890 nor any of the judicial decisions which were painfully building up some substance to that vague statute.”¹⁸ Martin emphasized Hill’s generous contributions to the Twin Cities and beyond. Hill’s giving to private institutions of education Martin deemed as a means to improve the failing education system in America. Hill only gave to private institutions because he saw public education as lesser quality. Martin also expounded Hill’s contributions to churches, art museums, orphanages, and hospitals. He identified the St. Paul Seminary and the St. Paul Reference Library as the main legacies left behind by this influential figure.

A more recent source written in 1996 by Michael Malone continues the positive opinion of Hill’s influence and motives in the Twin Cities. Malone emphasized Hill’s contribution to agriculture in addition to transportation in the northwest. According to Malone, Hill entered St. Paul at the optimal moment to become successful. His influence accelerated the growth and expansion of business that the Twin Cities experienced at that point in time.¹⁹ Malone viewed Hill’s philanthropy as a way to demonstrate his status. Hill’s contributions to schools, churches and hospitals enhanced his reputation with the public. According to Malone, Hill’s involvement with the Northern Securities Company was a part of a larger movement of trust-busting. The

¹⁸ Albro Martin, *James J. Hill and the Opening of the Northwest*. (New York: Oxford University Press, 1976), 511.

¹⁹ Malone, *James J. Hill*, 12.

government at this time was suspicious of any company achieving large amounts of influence and for this reason targeted Hill's holding company.²⁰

Formation of the Northern Securities Company

At the dawn of the twentieth century, three competing railway lines existed. These included James J. Hill's Great Northern Railway Company, the Northern Pacific Railway and the Chicago, Burlington and Quincy lines. James Hill proposed a change to the financial holdings of these competing companies. He suggested creating a holding company to unite the financial interests of all three companies.²¹ A holding company is a third party that owns other companies' outstanding stock. The resulting Northern Securities Company (NSC) formed in 1901 as a joint pursuit controlled by J. Pierpont Morgan, George Baker, and James J. Hill. The company was valued at \$400,000,000 worth of stock and stood to unify the interests of the Great Northern, Northern Pacific and Chicago Burlington and Quincy railway systems.²² The official letter sent out to announce the company's establishment on November 22, 1901 stated the following information. The company incorporated under New Jersey law possessed the power to invest and hold the securities and stock of all three companies. The stock cost one hundred eighty dollars a share and gave the purchaser stock in each company.²³ The NSC became the holder of nine-tenths of Northern Pacific stock, three-fourths of Northern Pacific

²⁰ Malone, *James J. Hill*, 217.

²¹ Josephson, *The Robber Barons*, 444.

²² George Herby, editor, *National Cyclopedia of American Biography* excerpt, HFC, box 22.D.5.2.

²³ Letter to the Holders of Stock of the Great Northern Railway Company, November 22, 1901, HFC, box 20.D.4.3.

stock, and three-fourths of Great Northern stock.²⁴ The company would prove short-lived as it soon became an easy target in the trust-skeptical era of the early twentieth century.

NSC Trial

Several monopolies or business mergers formed in the late nineteenth and early twentieth centuries. In the first merger boom of 1898 to 1902, more than 2,600 business consolidations occurred and included wealth of more than six million dollars. New super-corporations or trusts became popular such as John D. Rockefeller's enormous Standard Oil Company which dominated the oil industry. Other monopolies soon followed including American Tobacco, American Telephone and Telegraph, International Harvester and U.S. Steel Corporation. The public as well as the government began to fear losing power to big business and being held at the mercy of these influential super-companies.²⁵ Hill's Northern Securities Company provoked suspicion from a government already wary of powerful companies seeking control beyond their own interests. Minnesota Governor Van Sant filed a suit in 1902 to dissolve the holding company. His justification was that the company violated the Sherman-Anti Trust Act of 1890. On February 12, 1902, Attorney General Knox followed President Theodore Roosevelt's orders and announced a federal suit to dissolve the Northern Securities Company on these same grounds.²⁶ The war on Hill's holding company had begun.

²⁴ *United States v. Northern Securities Company*, 193 US 197 (1904).

²⁵ Malone, *James J. Hill*, 217.

²⁶ *Ibid*, 220.

The resulting trial was officially named United States of America, Plaintiff, vs. Northern Securities Company, Great Northern Railway Company, Northern Pacific Railway Company, James J. Hill, William P. Clough, D. Willis James, John S. Kennedy, J. Pierpont Morgan, Robert Bacon, George F. Baker, and Daniel Lamont, Defendants. The plaintiff aimed to answer the following questions:

1. Did the respondents in the organization of the Northern Securities Company, and the purchase by it of a controlling interest in the Northern Pacific Railway Company and the Great Northern Railway Company, under the circumstances as developed by the pleadings and evidence in this case, violate the provisions of the Anti-Trust Act, and this regardless of the intent or purpose with which such organization and purchase were made?
2. Did the respondents...intend, contrary to the provisions of the Anti-Trust Act, to monopolize a part of interstate and foreign commerce, and to restrain and prevent competition between the said named railroad companies for interstate and foreign commerce, and to deprive the public of the benefit of competition between said two railroad companies, which theretofore it had, and combine and conspire to monopolize and restrain interstate and foreign commerce?²⁷

To answer the first question, the court provided the following evidence. First, that the Great Northern and Northern Pacific Railway Companies were two parallel and competing lines at the time of the formation of the NSC. Second, that the NSC violated the Sherman Anti-Trust Act of 1890. The anti-trust act forbade the following:

1. Any attempt by any corporation or persons to monopolize any part of interstate and foreign commerce

²⁷ *United States of America vs. Northern Securities Company: Trial Briefs*, Great Northern Railway Company, Northern Pacific Railway Company, James J. Hill, William P. Clough, D. Willis James, John S. Kennedy, J. Pierpont Morgan, Robert Bacon, George F. Baker, and Daniel Lamont, 3rd Division, No. 789 (1904), HFC, box 133.F.2.10.F.

2. Any corporation...combining or conspiring with any other corporation, person or persons to monopolize any part of the trade or commerce among the states or with foreign nations
3. Made illegal every contract and combination in the form of trust or otherwise, which is in restraint of trade or commerce among the several states or with foreign nations.²⁸

To answer the second question, the court defined a monopoly as:

Any one or more persons or corporations gain or attempt to gain control of two or more railroad companies which were competitors in the transportation of freight and passengers among the several states or with foreign nations, so that after such control is gained, the one corporation or combination dominates and dictates to both railroad companies theretofore competitive.²⁹

The plaintiff proved that the NSC monopolized the transportation industry by controlling the securities of several competing and parallel railway lines. Hill endured numerous interrogations and two years of litigation in court. In his testimony he doggedly asserted his innocence and the purity of his intentions in creating the Northern Securities Company. When asked whether he had any intention to restrain trade he repeatedly answered, "There was none absolutely none whatever, and that view of the case never occurred to us; on the contrary, it was constantly in our minds that this was going to be the most effective way of developing and increasing commerce between the states and international commerce."³⁰

Despite his best efforts, Hill's holding company did not last long. On March 14, 1904, the Supreme Court finally reached a decision that declared the Northern Securities Company "in restraint of trade under the Sherman antitrust law, illegal and disqualified from performing

²⁸ Ibid.

²⁹ Ibid.

³⁰ *United States vs Northern Securities Company*, special examiners transcripts and defendant records vol. 3, 1904, HFC, box 133.F.2.10.F.

the functions devolving upon it as owner of most of the stock of the Northern and Pacific and Great Northern systems.”³¹ The official verdict justified the decision with the following:

Where, however, no individual investment is involved, but there is a combination by several individuals separately owning stock in two competing railroad companies engaged in interstate commerce, to place the control of both in a single corporation, which is organized for that purpose expressly, and as a mere instrumentality by which the competing railroads can be combined, the resulting combination is a direct restraint of trade by destroying competition, and is illegal within the meaning of the act of July 2, 1890.³²

The Northern Securities Company was soon deconstructed. However, the trial became nothing but a scratch on Hill’s shiny reputation in the Twin Cities thanks to his generous contributions and immense influence on the success of this area. The media also lessened the trial’s impact on his reputation by allowing him to explain his actions.

Begging Letters and Positive Public Reputation

Letters written to Hill during and after the trial reveal the public’s positive view of his intentions despite the government’s condemnation of his business dealings. In 1902, Mrs. B.B. Crawford wrote to Hill requesting a donation to the Ladies Aid Society in Superior, Wisconsin. Crawford and her society still saw Hill as a generous force in the northwest during his trial.³³ Hill’s positive reputation during the trial even reached overseas. In 1903, Victor Pavelka wrote to James J. Hill from Rustzuk, Bulgaria. Pavelka wrote “knowing of your noble deeds and benevolent acts,” that Hill would assist him in a time of financial need. He had “been robbed of

³¹ Herby, ed, *National Cyclopedia*.

³² *U.S. v. NSC*, 1904.

³³ Mrs. B.B. Crawford, letter to James J. Hill, December 1902, HFC, box 22.F.6.2.

all the money there was in [his] custody” at his current job and sought assistance to pay off the loss in order to keep his job. Pavelka sought eight thousand dollars and offered to pay back this sum plus any interest accumulated.³⁴ Hill’s reputation during the trial remained positive both in the northwest as well as abroad.

Evidence of Hill’s positive reputation in the time period after the trial comes from letters sent seeking aid from Hill’s private wealth. For example, even the youngest members of society appealed to Hill in times of need. In 1906, Miss A. Troy Douglastow wrote to the president of the Great Northern Company. Miss Douglastow appealed to Hill as a fellow Canadian seeking extra help at Christmas time. “Everyone here hears and reads a great deal about you that you are good and kind to all. You are called a millionaire in the papers,” she wrote.³⁵ Miss Douglastow asked for the money to purchase simple necessities such as “a warm coat, a pair of boots and warm underwear.”³⁶ In order to write a letter begging for money, the author must first have a high opinion of the recipient and believe that their question would be answered. This child viewed Hill as a benevolent man who generously bestowed his wealth on others. This shows evidence that the public still viewed Hill in a positive light after his trial which ruled that his company attempted to restrain trade and commerce and monopolize the transportation market.

³⁴ Victor Pavelka, letter to James J. Hill, 1903, HFC, box 22.F.6.2.

³⁵ Miss A. Trory Douglastow, letter to James J. Hill, 1906, HFC, box 22.F.6.2.

³⁶ Ibid.

Numerous non-profit organizations and philanthropic institutions sought Hill's help. For example, the Mercy Hospital and Mercy Orphan Asylum in Chicago wrote to Hill in 1906 asking for a loan. They needed the money to improve "our facilities still further for the good work we have been engaged in, in Chicago for more than half a century...Our purpose is to erect in our lot fronting on Prairie Avenue a four story thoroughly fire proof building, with capacity for about seventy patients."³⁷ The hospital and asylum owners sought a loan, not a donation and asked for twenty-five thousand dollars. Hill's reputation must have been intact after the trial if these people believed that he would consider loaning that large a sum of money to their institution.

The president of the Grand Forks Deaconess Hospital also wrote to Hill seeking money. P.N. Korsmo sent a plea to Hill on January 12, 1906. He organized a public hospital in Grand Forks and mentioned that "a large number of businessmen in Grand Forks and surrounding towns and also many farmers in this vicinity have made us donations...I ask of you will you give us a donation to help this work."³⁸ If Hill could not send money, free transportation on his railway would suffice. P.N. Korsmo believed after Hill's trouble with the law that he, like other businessmen in the area, would come to the assistance of his struggling organization.

Hill received an appeal of a different kind from the president of Carleton College in Northfield, Minnesota. James J. Hill donated large sums of money to Carleton College throughout the years and was one of the school's most influential contributors. On January 11,

³⁷ Mercy Hospital and Orphan Asylum, letter to James J. Hill, 1906, HFC, box 22.F.6.2.

³⁸ P.N. Korsmo, letter to James J. Hill, January 12, 1906, HFC, box 22.F.6.2.

1906, the president wrote to Hill requesting his presence at the dedication of a newly constructed science hall. The president lavishly complimented Hill stating that he believed “...that no businessman in the northwest can talk more interestingly about the practical application of the sciences of chemistry and physics.”³⁹ Sallman assumed that Hill would comply as he also stated that he was “trusting for an early acceptance and assuring you of a cordial reception.”⁴⁰ People not only sought Hill’s money but also his speeches and advice even in the years after the trial when it would be expected that his reputation would have tarnished.

Further evidence of Hill’s positive reputation is supplied by Horace McFarland’s request made also in 1906. McFarland served as president of the American Civic Association. According to McFarland, the association worked in “promoting, developing, and organizing a wider public interest in all that relates to the improvement of our American communities.”⁴¹ McFarland wrote requesting that Hill join the association as a life member. This group sought to improve the quality of life in America’s cities. They aimed to “make cities...more healthful and more attractive places to live...to extend the systems of public parks in cities...to promote the work of providing playgrounds for the children and recreation centers for grownups.”⁴² By asking Hill to join this rank of men, McFarland’s letter showed that he viewed Hill as a positive influence on the region and able to assist the rest of the country. McFarland’s high opinion reflects the wider public opinion of Hill as a benevolent, influential man.

³⁹ William H. Sallman, letter to James J. Hill, January 11, 1906, HFC, box 22.F.6.2.

⁴⁰ Ibid.

⁴¹ Horace McFarland, letter to James J. Hill, January 12, 1906, HFC, box 22.F.6.2.

⁴² Ibid.

Churches often appealed to Hill for aid. For example, in 1908, Pastor Goldren of St. James Church in St. James, Minnesota wrote to Hill. The church had accumulated a one thousand dollar debt which they needed to pay off. Pastor Goldren knew of Hill's reputation and sought his monetary assistance.⁴³ P.H. Mainzer wrote to him in 1906 requesting similar aid. His church, St. John's in an unidentified city in North Dakota, suffered a fire in the previous year. Mainzer asked "if you would not be so kind to give us a little assistance to help rebuild the church which we intend to go at as soon as the frost is out of the ground."⁴⁴ He had so much confidence that Hill's reply would be generous that he included as a post script message, "Whatever you donate please make out your check to the Trustees of the St. John's Church."⁴⁵ Similarly, Pastor B.F. Koch of Crookston, Minnesota wrote to Hill requesting three thousand dollars to pay off debts and build a parsonage in 1906.⁴⁶ Religious organizations saw Hill as a beacon of hope when looking for people to ask for help. Women also appealed to Hill. Miss E.M. Duffy of St. Paul wrote to Hill in 1906 inquiring about an investment in her business. Duffy desired to open a boarding and rooming house in St. Paul and asked "if you would be kind enough to loan me money to buy a place that is all furnished and full of boarders."⁴⁷ People of all ages from children to the elderly as well of both genders and all occupations wrote to Hill. These letters in the years of his trial and after reveal the public's positive view of Hill and his

⁴³ Pastor Goldren, letter to James J. Hill, January 11, 1908, HFC, box 22.F.6.2.

⁴⁴ P.H. Mainzer, letter to James J. Hill, January 19, 1906, HFC, box 22.F.6.2.

⁴⁵ Ibid.

⁴⁶ Pastor B.F. Koch, letter to James J. Hill, January 29, 1906, HFC, box 22.F.6.2.

⁴⁷ Miss E.M. Duffy, letter to James J. Hill, February 19, 1906, HFC, box 22.F.6.2.

influence on the Twin Cities and beyond. These letters also show the type of relationship established between Hill and the public. This relationship was not one of equal balance. The people appealing to Hill wrote from a position of little power. Hill controlled the main transportation system in the northwest and decided which people or organizations to give his money to. This was a relationship of master helping servant rather one of equal partners exchanging favors.

The Press Defends Hill

The media influenced Hill's reputation during and after his trial in the early twentieth century. Print newspapers allowed Hill an outlet to explain his company and his actions. Newspapers in the Twin Cities and beyond interviewed Hill during the trial and published his trial testimony. For example, the December 22nd edition of the *St. Paul Globe* included an article titled "Truth about the Formation of the Northern Securities Company" in 1901. This article summarized an address given by Hill to the public to explain the motivation behind creating the Northern Securities Company. Hill refuted the claim that he created the company to disrupt and infringe on interstate commerce and trade. He stated that the NSC's powers do not include "the operation of railways, banking, mining nor the buying or selling of securities or properties for others on commission."⁴⁸ According to Hill, the NSC stood simply as an "investment company and the object of its creation was simply to enable those who hold its stock to continue their respective interests in association together and to prevent such

⁴⁸ "Truth About the Formation of the Northern Securities Company," *St. Paul Globe*, December 22, 1901, HFC, box 22.1.2.5.

interests from being scattered to death or otherwise.”⁴⁹ The *Globe* presented an additional article on this topic in the same edition entitled “James J. Hill to the Public.” This article blamed the government and politicians for attaching false accusations to Hill and his company. The author wrote that “the NSC has been assailed with all the venom and viciousness that envy and malice could instigate.”⁵⁰ The article absolved Hill of any blame and presented him as an innocent victim of envious politicians. The article’s author further asserted that “knowing little the real scope and purposes of the company, certain newspapers and certain politicians have poured venom from their pens and uttered imprecations with their tongues.”⁵¹ These newspapers and politicians have ignored “the wisdom and researches of those who pronounced the company a legally organized corporation.” By placing the blame on politicians and other media rather than on Hill, the *Globe* allowed Hill to defend his positive reputation during the trial.

The *St. Paul Pioneer Press* presented a similar view of Hill’s actions during the trial. The *Pioneer Press*’ issue on the same date of December 22, 1901 included the article “Benefit to the Northwest” which critiqued other media’s portrayal of Hill’s holding company. The *Pioneer Press* asserted that Hill’s company and its formation had been the victim of misrepresentation by other newspapers’ reports. According to this source, Hill was the victim of “attacks made upon him by rival interests which he worsted in New York and which have since transferred

⁴⁹ Ibid.

⁵⁰ “James J. Hill to the Public,” *St. Paul Globe*, December 22, 1901, HFC, box 22.I.2.5.

⁵¹ Ibid.

their war upon him from Wall Street to the field of Minnesota politics.”⁵² Politicians and the government felt threatened by Hill’s rapid rise to wealth and influence. Hill became too powerful and the government reacted by attacking his holding company. Reading articles such as these, the public began to see Hill as the victim of big government attempting to stem his influence.

Other newspapers outside of the Twin Cities also absolved Hill of any blame during the trial. For example, the *Montevideo Leader* of Montevideo, Minnesota printed an article about the trial in 1902. The article explained the trial as an attempt by the U.S. government to prevent the merger of the Great Northern, Northern Pacific and Burlington railway systems. The article included excerpts from Hill’s testimony with special examiner Frederick Ingersoll during the trial. Through the media, Hill’s own explanation for creating the NSC reached a wide audience. This increased the chances of Hill’s reputation withstanding the trial and attacks from other media or politicians. The article not only included Hill’s own words but also summarized his testimony and explanation. The author of the article concluded that the NSC did not restrict trade and “the Great Northern and Northern Pacific and Burlington were operated separately and independently. There was no actual merger but that their working together was of vital interest in the Northwest.”⁵³ This article removed Hill’s blame and also presented the NSC as necessary and beneficial to the Twin Cities area even as courts of law disagreed.

⁵² “Benefit to the Northwest,” *St. Paul Pioneer Press*, December 22, 1901, HFC, box 22.I.2.5.

⁵³ “The Merger Trial,” *Montevideo Leader*, July 18, 1902, HFC, box 22.I.2.5.

The press outside of Minnesota also defended Hill's reputation during the trial. The *Manhattan Press* in January of 1902 wrote an article summarizing Hill's testimony before the Interstate Commerce Commission. The author of the article asserted the legality of Hill's holding company and defended its purpose. According to this article, the formers of the NSC:

Wanted to form a close corporation into which they could confide their interests with the assurance that the road would be managed along the lines which have made it a success...The plan met with approval, and then broadened into the idea of taking in the Northern Pacific also. The roads had worked in harmony for twenty years, and the change in the holder of the securities would make no difference. It can make no difference, and it will make no difference.⁵⁴

This article assured the wider public that Hill's holding company would not take over the transportation system but would actually have little impact on anyone outside the company.

Similarly, the *Superior Leader* of Wisconsin disputed the accusations against Hill and his holding company. An article written in January of 1902 asserted that the railway companies involved would remain separate corporations. The author asked "How then does the Securities company militate with Minnesota laws of consolidation? How can you torture it into an invention in the restraint of trade?"⁵⁵ According to this article, the government's claim that the NSC was a consolidation that restrained trade was a far stretch from the truth. A second article by the same press expressed strong belief in the public's support of Hill during the trial. The

⁵⁴ "Mr. Hill on the Stand," *The Manhattan Press Clipping Bureau*, January 25, 1902, HFC, box 22.1.2.5.

⁵⁵ "The Northern Securities Company...A Letter from Col. Hiram Hayes," *The Superior Leader*, January 5, 1902, HFC, box 22.1.2.5.

author trusted that the public would take Hill “at his word and stand by him in the contest that is now being waged unrelentingly against him.”⁵⁶

A few rare newspaper writings on Hill and the trial depicted him in a negative light. The *Anaconda Standard* of Montana in 1901 attacked Hill’s holding company and his actions. The author of the article argued that Hill and his associates knew from the beginning that their securities company violated the law. Unlike the other newspaper contributors, this author identified the company as a true consolidation of all three railway systems. The author wondered whether the government would consider it “a pretty good thing to let the law slide and permit the merger to go through.”⁵⁷ A possible explanation for this negative view of Hill could be that the people of Montana felt little of Hill’s influence or philanthropic generosity. Because Hill focused his philanthropic contributions on the Twin Cities area in which he lived, local views of him were more likely to be favorable as compared to those farther away.

However, not all publications on Hill from the Twin Cities at this time were favorable. The *Minneapolis Times* published a rare negative article in 1901 criticizing Hill and his business method. The author explained Hill’s actions as part of a larger scheme to control the Northern Pacific and other railways. He or she also asserted that the public no longer believed Hill’s statements. The public “long ago learned to disbelieve his promises. It would be an insult to Mr. Hill’s intelligence to presume that he did not know that he was violating the law.”⁵⁸

⁵⁶ “The Northern Securities Company,” *The Superior Leader*, January 5, 1901, HFC, box 22.1.2.5.

⁵⁷ “In Court and Conference,” *The Anaconda Standard*, December 31, 1901, HFC, box 22.1.2.5.

⁵⁸ “Seven Answers to the Seven Questions that J. J. Hill Propounds,” *Minneapolis Times*, Decemeber 23, 1901, HFC, box 22.1.2.5.

According to this author, it would also be an insult “to the intelligence of the people at large to presume that they are not aware of such violation.” Articles such as this one proved to be an exception as most press coverage of the NSC trial served to lessen Hill’s guilt and maintain his reputation.

Other newspaper articles and publications written after the trial provide further evidence of the public’s positive support of Hill. Despite his faults, Hill’s accomplishments and influence outweighed his blunders. He was often depicted as a hero with more than human powers. The *Washington Star* issued an article on September 15th, 1906 heralding the accomplishments of Hill and praising his work ethic. The author of the article described him at the age of sixty-eight as a man “with all the energy of a man in his forties...Hill is a wonder as a railroad builder and manager.”⁵⁹ Many saw Hill’s intense work ethic as extreme. He had high expectations of his employees which the author of this article praised and defended. As president of Great Northern Railway Company, Hill had little patience for failure; “he has no sympathy with incompetency, and he will dismiss any one, from vice president to brakeman upon provocation.”⁶⁰ Hill’s gruff behavior and the high demand expected from his workers allowed him to achieve success. An article in the *New York Daily News* in 1907 contained similar description of Hill. The author of the article admitted that Hill had faults including lack of sympathy for the weak, prejudice and impatience. However, his faults were “so far

⁵⁹ “Sketch of Jas. J. Hill,” *Washington Star*, September 15, 1906, HFC, box 22.I.2.5.

⁵³ Ibid.

overshadowed by his virtues and achievements that they hardly need be reckoned.”⁶¹ Hill’s involvement in the trial could be one of these faults that the author so easily justified in defending Hill’s reputation.

Publications other than newspapers also exhibit evidence of Hill’s positive reputation after the trial. In 1910, Walter B. Hennessy wrote a biography of Hill’s life thus far. He described Hill as a heroic figure changing the history of Minnesota. According to Hennessy, “the genius of James J. Hill was manifested at a time in the history of the human race which made its development spectacular.”⁶² Hennessy identified Hill as the royalty of Minnesota, an “unostentatious, dispenser of his wealth” who contributed immensely to institutions of learning and religion in the northwest. Another biography on Hill published in the *National Cyclopedia of American Biography* lists Hill’s numerous accomplishments. Written right after the trial in 1904, the author credited Hill with introducing St. Paul to coal as well as opening communication between St. Paul, Winnipeg, Ft. Garry and Manitoba. According to the author of the biography, Hill “created for the settlers along his line \$1,000,000,000 worth of wealth in real property,” an accomplishment “without parallel in the history of our railroads.”⁶³ The author described Hill as a tamer of the land with innate knowledge of “every portion of the country through which his road runs, its geography, topography, fauna, flora, minerals, water, population, resources, and portable products.”⁶⁴ These articles and publications show that

⁶¹ “James J. Hill,” *New York Daily News*, 1907, HFC box 22.I.2.5.

⁶² Walter B. Hennessy, “James Jerome Hill,” 1910, HFC, box 22.I.2.5.

⁶³ Herby, ed, *National Cyclopedia*.

⁶⁴ *Ibid*.

Hill's faults and follies such as the trial did little to weaken his positive reputation in St. Paul and beyond.

Hill's Speeches and Advice Sought by Public

Hill often gave speeches and addresses to the public in the years after the trial. He spoke on matters such as politics, agriculture and the future development of the northwest. The government and public sought his advice. This shows further evidence of his positive reputation after the trial. People usually only seek advice from those they trust or look up to. Even after the trial, the public still sought Hill's opinion. The *Montevideo Leader* in October of 1905 issued an article on Hill's address to the farmers of the northwest. He spoke to a crowd at the county fair in Willmar, Minnesota. Hill advised the farmers of Minnesota to match the prices of acreage offered in Iowa in order to remain competitively priced. The author of the article reported that Hill gave advice with "facts of startling significance which are worth considering and reflecting upon."⁶⁵ Hill's advice usually received positive reception. For example, Hill was asked to give a dedication speech at the opening of Stephens Hall at a college in Crookston, Minnesota. Hill encouraged the Crookston students to take control of their own education. He stated that "your education is in your own hands. No one can educate you. You must educate yourselves."⁶⁶ He urged the students to "take advantage of your educational opportunities in youth and equip yourselves for the life before you."⁶⁷ The *Minneapolis Journal*

⁶⁵ "How the Farmers Can Make Money," *Montevideo Leader*, October 6, 1905, HFC, box 22.D.5.2.

⁶⁶ "Hill is Cheered by a Multitude," *Minneapolis Journal*, September 17, 1908, HFC, box 22.I.2.5.

⁶⁷ Ibid.

reported on this event. The article's author described the audience's response to Hill's advice. Hill received the "greatest ovation ever given a visitor in Crookston, crowds cheering for fully fifteen minutes."⁶⁸ The public at Crookston and Willmar exhibited clear trust in Hill's advice even after his involvement in the trial.

Hill also offered advice without request. In 1907, the *Minneapolis Tribune* reported on a letter Hill had sent to Governor Johnson of Minnesota. Hill sent his recommendation to the governor on the subject of how to improve transportation in Minnesota. Hill explained the problem of traffic increase without enough railroad lines built. This would lead to business stagnation and overcrowded railroads. Hill urged Johnson to increase railroad construction immediately in order to address this problem.⁶⁹ Hill's act of addressing the governor with advice on how to run the state shows immense confidence in his own reputation.

Hill's Philanthropy and Investment in St. Paul

Hill's heavy investment in the city of St. Paul created a positive reputation that could withstand his legal troubles. His philanthropic contributions added to the list of his accomplishments in the northwest. After the trial his contributions continued to maintain his reputation in the Twin Cities and beyond. Hill's philanthropy influenced the Twin Cities from the 1880s until his death in 1916. Over his lifetime, Hill observed what he believed to be the deterioration of the higher education system in his state of Minnesota. Since he believed that social mobility depended on access to education, as colleges began to grow and secularize he

⁶⁸ Ibid.

⁶⁹ "People Face to Face with Greatest Problem Ever Threatening a Nation," *Minneapolis Tribune*, January 15, 1907, HFC, box 22.1.2.5.

worried about the quality of education offered at public institutions. According to Hill, only private denominational institutions offered a competent education for the youth of America.⁷⁰ He resolved to contribute sums of money to such institutions in Minnesota including Macalester College, Hamline University, the College of St. Thomas and Carleton College.⁷¹ Private colleges such as Macalester relied heavily on such donations. For example, Macalester's Annual Statement of Accounts for the year of 1912 lists the amount of all donations to total 9,671 dollars. This sum, to which Hill contributed, allowed them to clear their deficit of operating the college.⁷² J.G. Pyle's address to the Minnesota Historical Society in 1917 described Hill's generous habit of giving. According to Pyle, Hill was "consistently and immensely generous...his private charities were constant and large," and he donated to private colleges because he believed "in the necessity of a religious environment for the best development of youthful character."⁷³ Hill demonstrated his growing status by giving money to private institutions but rarely supported public education. Although a Protestant himself, he split his attention between Catholic and Protestant organizations out of devotion to his Roman Catholic wife, Mary.

One of Hill's favorite philanthropic pursuits was the St. Paul Theological Seminary. Hill gave 500,000 dollars to cover design and construction and his friend Archbishop John Ireland

⁷⁰ Martin, *James J. Hill*, 595-96.

⁷¹ Thomas White, "James J. Hill's Library: The First 75 Years." *Minnesota History* 55 no. 3 (1996): 123.

⁷² Quail Parker and Co, "Annual Statement of Accounts, Macalester College," St. Paul, MN, May 31, 1912, HFC, box 22.F.2.6.

⁷³ Pyle address, 1917.

donated the land.⁷⁴ The Seminary opened in 1895. Hill attended the dedication on September 4 which attracted over 13,000 people including four hundred priests.⁷⁵ He continued to support the Seminary throughout his life. The Seminary held a reception for Hill in 1912 to express their gratitude for his support throughout the years. They thanked him for providing St. Paul with the “fountain head of the religious and moral life of the nation, the uncompromising guardian of its purity.”⁷⁶ Hill’s contributions made him a hero to the religious community in the Twin Cities.

James J. Hill contributed to organizations of his various interests from art to education to agriculture. His philanthropic efforts also included agricultural development in the northwestern states. In a rare case of aiding an institution of public education, he donated land to the Crookston Experiment Station at the University of Minnesota to improve agricultural research opportunities.⁷⁷ Hill invested in industrial opportunities in St. Paul. For example, he donated funds to the packing plant of South St. Paul.⁷⁸ Hill donated art from his personal collection to Chicago’s Calumet Club art exhibit in 1881, to the Chicago Institute of Art in 1887, and to the Minneapolis Public Library’s Art Department in 1889.⁷⁹ Hill also involved himself in war efforts. Near the end of his life, he contributed to former business associate J.P. Morgan’s

⁷⁴ Lochran letter to Archbishop Ireland, 1893.

⁷⁵ “Hill Seminary Opens,” *Chicago Times*, September 4, 1895, HFC, box 22.D.5.2.

⁷⁶ Address to James J. Hill, November 27, 1912, St. Paul Theological Seminary, HFC, box 22.F.2.6.

⁷⁷ Claire Strom, “James J. Hill: Empire Builder as Farmer.” *Minnesota History* 54 no. 6 (Summer, 1995): 244.

⁷⁸ Pyle address, 1917.

⁷⁹ Martin, *James J. Hill*, 304.

Anglo-French bond drive. This drive held in 1915 allowed the Allies to purchase food and supplies. Amounts of money given to private colleges and universities increased after his retirement. In his last years he gave 2,500 dollars to Marquette University in Milwaukee and 50,000 dollars to the College of Puget Sound.⁸⁰ Hill's contributions affected all areas of life in the northwest. Since he had funded many important places in this area, his reputation repelled the effects of the lengthy NSC trial.

Contributions made to an orphanage and hospital in St. Paul soon after the trial illustrate Hill's efforts to maintain his reputation through philanthropy. In 1905, Hill donated a large sum of money to the Little Sisters of the Poor, an orphanage in St. Paul. He received a letter in response which expressed sincere gratitude. Sister Sara de L'Assomplion wrote, "We offer you our many heartfelt thanks for your generous donation to our institution as also for all kindnesses received from you during the year. We are most grateful to you and pray god to reward your charity."⁸¹ In the same year, Hill also supported St. Joseph's Hospital in St. Paul. In response, M. Bernadine wrote back, "With the return of the Christmas holidays came a renewed token of your annual and kind remembrance of us...I cannot tell you how much the sisters and I appreciate your yearly gift."⁸² Hill's continued support of these organizations maintained the support of himself in St. Paul.

⁸⁰ Malone, *James J. Hill*, 271.

⁸¹ Sister Sara de L'Assomplion, letter to James J. Hill, December 28, 1905, HFC, box 22.D.4.3.

⁸² M. Bernarndine, letter to James J. Hill, December 28, 1905, HFC, box 22.D.4.3.

As Hill approached the end of his life, he wanted to leave behind a concrete reminder of his legacy in St. Paul. James saw a hole in the educational offerings in St. Paul and decided to fill it. According to Hill, the libraries of St. Paul only accommodated the average reader. Those interested in serious research and technical study, however, had nowhere to go. He designed a reference library built in St. Paul in the last years of his life. He modeled the building after a memorial built in honor of J.P. Morgan in New York. Construction began in 1913 and ended in 1921, five years after his death.⁸³ The James J. Hill Reference Library in St. Paul which focuses on research and scholarly reading still stands today. Hill's philanthropic influence continues beyond his death. He passed on his generous ways to his children. His son Louis W. Hill created the Hill Family Foundation in 1934. This organization is known today as the Northwest Area Foundation and works to reduce poverty in the Midwest.⁸⁴

Conclusion

James J. Hill came to St. Paul seeking opportunity. He recognized the potential that the growing city of St. Paul offered in the early twentieth century. Hill's entrepreneurial genius brought changes in transportation, infrastructure, agriculture and communication in the Twin Cities and beyond. Through Hill's various pursuits, his company accumulated vast amounts of wealth and power. Hill returned this wealth to the public by investing in the city he loved. Hill's relationship with St. Paul was one of unconditional and reciprocal love. According to Pyle's address to the Minnesota Historical Society in 1917, "He loved St. Paul and St. Paul loved him,

⁸³ White, "James J. Hill's Library," 124.

⁸⁴ "Founder: Louis W. Hill," Northwest Area Foundation, accessed March 10, 2015, <http://www.nwaf.org/about/founder>.

with a deep and enduring affection.”⁸⁵ When Hill and his associates stretched their powers of influence beyond the comfort of the government, the government attempted to stem their growth with the Northern Securities case. However, Hill’s positive reputation in the city, as shown through begging letters, withstood the trial’s verdict and the dissolution of the Northern Securities Company. The media offered Hill a platform from which he could explain himself and his actions in forming the NSC. This outlet lessened the blame as the media often portrayed Hill as a victim of the government and politicians attacking him without justification. Hill’s philanthropic investment in St. Paul before and after the trial built a solid reputation in the Twin Cities that withstood a Supreme Court trial.

⁸⁵ Pyle address, 1917.

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