



# Wandiyohi County Historical Society

## James Jerome Hill

James J. Hill was an Empire Builder who started with nothing but a dream. He was different from anyone else in the business. While everyone else was building their railroads through towns, Hill was building towns around his railroads. The land Hill built on was useless and considered wasteland. He used his business skills, experience and planning to build the best network railroad possible. His railroads went from the Great Lakes to the Puget Sound and from Canada to the South. Hill had the most impressive railroads in length, growth rate, and revenue.

James Hill was born on September 16, 1838 in Rockwood, Ontario. When Hill was young, his father died. He had to stop school and help the family with money. Hill still showed academic growth so the head at the academy gave him free tuition. Sometime in his life, Hill lost an eye from an arrow shot. This stopped his and his parent's dream of him becoming a doctor. By 18 Hill had decided to become a trader in Ontario. Hill arrived in St. Paul in 1856, to join a trappers brigade. He missed the last group by only a few days and had to wait another year before the next group left. During the next year in St. Paul he became attached to the town and decided to start his business there.

Hill's first job was a forwarding agent for the Mississippi River Steamboat Company. He set freight and passenger prices and was taught steamboat operation. Hill enlisted in the Civil War but was rejected because he only had one eye. During the war he sold hay for a small profit and served as a warehouseman. In 1866, after the war, he became an agent for the St. Paul and Pacific Railroad. During that time the railroad used wood for fuel. Hill thought that coal would work better. He made a contract with the railroad to supply it with coal. He then formed a business with Chauncey W. Griggs, a man in the grocery business. They made Hill, Griggs and Company, a fuel, freighting, merchandising, and warehouse company. At that time, The Hudson Bay Company was posted in Fort Gary (Winnipeg). Hill saw that they did not serve independent traders so he started to do that. The Hudson Bay Company saw this as a threat and merged with Hill to form Red River Transportation. While Hill would take trips up the Red River he noticed that this area had rich soil and that St. Paul's soil was getting worse. Grasshoppers made it difficult for locomotives to gain traction on tracks. Hill thought that he could extend the railroad to Fort Gary (Winnipeg) and make a profit. The Panic of 1873 put the St. Paul and Pacific in very poor physical and financial conditions. Before the Panic, the Northern Pacific Railroad had planned to buy the railroad; but were not able to after. Hill decided to buy this, and other, railroads in similar crisis.

Hill, Norman Kittson, Donald Smith (of the Hudson Bay Company), and George Stephen (president of the Bank of Montreal) bought the St. Paul and Pacific Railroad. They paid \$280,000 for the line, which Hill estimated to be 20% of the value. Hill bought rails, rolling stock, locomotives, and laborers. He pushed his workers hard; laying more than a mile a day. In 1879, the St. Paul and Pacific connected with the Canadian Pacific at St. Vincent, Minnesota. The Canadian Pacific was not completed so all traffic to Fort Garry had to use Hill's route.

Hill got his success from planning; which other railroaders didn't do. Hill would study area and plan exactly where the track would be laid. He did all the analyzing of grades and curves himself. He often argued with engineers and track foremen demanding changes he thought was needed. He had to always use the best.

While Hill was constructing his routes, he got involved with building the Canadian Pacific. Smith and Stephen, who help purchase the St. Paul and Pacific, where leaders behind the Canadian Transcontinental route, invited Hill to join them on the Canadian Pacific. Hill accepted; but the Canadian Pacific soon became competitors of his railroad so Hill resigned.

After only one year of owning the St. Paul and Pacific Hill had decided to build his railroad to the pacific. Many people thought he would never be able to do this and were pessimistic about his dream. Never before had anyone, without government loans and land, had done this. Hill's plan became known as Hill's Folly.

Planning went well and construction went quickly. The route ran north of the Northern Pacific Railroad. The Northern Pacific Railroad was poorly built because of the worthless land it was built on. Hill had a better route because of his planning. In this time, a railroad would help any town and most towns allowed it to come through. But one town, Fort Benton, Montana, rejected the railroad. Since they would not let Hill build there, Hill built so that the town was disconnected to the railroad; putting at least a mile between the town and the tracks.

Hill had surprisingly quick construction; employing 8,000 and 3,300 horse teams. Hill connected his line with the Montana Central Railroad, which went to Helena, Montana and brought a lot of business.

Hill used strategies that other railroads didn't to increase business. He would encourage settlement by letting immigrants travel halfway around the country for \$10 and he rented out freight cars to families for a little more.

Hill created the Great Northern Railway Company and the St. Paul, Minneapolis and Manitoba became part of it. In 1893 there was another panic. Through the panic, Hill's Great Northern was the only railroad left in good condition. The Northern Pacific was put in very bad conditions. Hill decided to take over the Northern Pacific with Edward Tuck and, Bank of Montreal associate, Lord Mount Stephen. The agreement was stopped shortly after because the Minnesota law prohibited the combination of parallel and competing railroads. Soon, Hill got around it though by having associates buy stocks as individuals instead of as a company. The plan worked and the Northern Pacific became part of the Great Northern in 1896. In the west, the Great Northern became known as the Hill Lines. Hill knew that the only eastbound traffic would be lumber, until the region got developed. He became interested in making a line to Chicago and St. Louis where he could ship the lumber. But, shipping lumber east would mean that there would be empty freight cars going west if he couldn't find anything else to put in them. So Hill researched the Chicago, Burlington, and Quincy that stretched from the Great Lakes to the Rocky Mountains. He saw that if he could get this rail line he could have a direct cotton-hauling route to St. Louis and Kansas City, and a route to the smelters of Denver and the Black Hills. Better than that though, he would have a direct line into the lumber consuming region. Hill worked with JP Morgan and bought The Chicago, Burlington, and Quincy.

Hill found products to ship to the Orient, and now that he had the Chicago, Burlington, and Quincy, he arranged to ship products to the Orient through Seattle. Northern goods such as Minnesota flour and Colorado metals made Hill a huge profit.

Hill kept prices low and sold products just above cost. Hill wanted to build towns using all of the wasteland between the Great Lakes and the Puget Sound. Hill sold lumber to encourage building, and imported cattle, giving them to farmers, to

encourage growth. Because of Hill's strategies, more than 6,000,000 acres of Montana land was settled in two years.

In 1905, the fight between Hill and Harriman began again over the Oregon land. Harriman considered the land his and became worried when Hill announced plans for rail lines in Oregon. This battle was fought mostly in court, but fistfights, night raids, and the dynamiting of equipment was common. Hill eventually won the battle and took control of the Spokane, Portland, and Seattle Railway.

Hill saw an opportunity and took action quick. He built a 165-mile line from Columbia, along the Deschutes River, to the unknown town of Bend. Harriman knew that Hill would not stop at Bend and thought that he was building a direct line to San Francisco, so Harriman tried to stop him. Harriman started laying track on the opposite side of the Deschutes River and called the route Deschutes Railroad. They came to a location in the canyon with only one way through. The rancher who owned the land sold it to Harriman so that only he could build through it. Hill made a deal with Hill saying that he would not build past Bend if he could use part of Harriman's track. Harriman's Southern Pacific Railroad was still the main line in western Oregon. Hill, in competition, bought several electric rail lines and an ocean terminal at the mouth of the Columbia River. He had two large steamboats that operated from there to San Francisco.

In 1907, at age 69, Hill handed his position over to his son, Louis W. Hill James. He stayed active on the railroad and came to the office every day. In May 1916, Hill got sick from an infection and doctors were not able to save him. He went into a coma and died at age 77. Every train and steamship on the Great Northern came to a five-minute stop in honor of Hill.

Hill did build the Pacific Northwest with his railroads. The rapid growth did cause some problems after Hill died. The land that they settled on was not ready to be tilled but they did anyway. Wheat production went down 22.6 bushels and acre from 1916 to 1919. Many people left and this became Hill's only failure. He started with a big region that no one thought could be developed. The states of Minnesota and the Dakotas were popular states for immigration. Seattle, Washington became an international shipping port. While other railroad builders were trying to save all their money Hill was trying to make the most efficient railroad possible. He had the most successful railroad because of its long track, all the country it covered, high profits it made, and the expansion brought to America. In 1915 Hill was named Minnesota's Greatest Living Citizen.

There is no doubt from Hill's accomplishment that he was very successful. He was a self-made man who started with nothing and made on the most successful railroad in America. He developed our country through his railroads.

<http://www.railservice.com/JJHill.html>

<http://voteview.uh.edu/jhill.htm>

**Brochure by “Know Zone” students, New London-Spice High School, 2002.**