

JAMES J. HILL—EMPIRE BUILDER

ADDRESS

BY

EDWARD F. FLYNN

**DIRECTOR OF PUBLIC RELATIONS
GREAT NORTHERN RAILWAY COMPANY**

BEFORE THE

NOON LUNCHEON OF THE TWIN CITY MARKET WEEK

ST. PAUL, MINN., AUGUST 2, 1939

JAMES J. HILL—EMPIRE BUILDER

An Address Delivered by Edward F. Flynn, Director of Public Relations, Great Northern Railway Company, Saint Paul, Minnesota, before the Noon Luncheon of the Twin City Market Week, Ryan Hotel, St. Paul, August 2nd, 1939.

Sixty or sixty-five years ago people were talking about James J. Hill's great adventure, the building to the Coast of what is now the Great Northern Railway, as "Hill's Folly." In that day people could not understand how such a great railroad could be built without Government assistance in the way of land grants or otherwise. Mr. Hill would have none of this. He built his railroad without governmental aid of any kind and the best evidence of his sound judgment is the fact that never has the Great Northern Railway been in receivership. Mr. Hill made a great success of the Great Northern and today it is operated and managed largely by men who grew up and worked under Mr. Hill. Today the Great Northern is one of the few really successful railroads in the country due to the sound foundation constructed by Mr. Hill.

Today I am supposed to discuss James J. Hill as an Empire Builder. He truly was an Empire Builder because he literally settled the greater part of the central Northwest from box cars as a large part of his line was built before people had moved into the territory traversed by the Great Northern. In that respect he was one of the country's greatest empire builders.

Since the present depression began some ten years ago, I have frequently heard people ask "I wonder what Mr. Hill would do" or "I wonder what Mr. Hill would say about this situation," or that, "if he were living now." Strange to say from his writings and addresses, I can provide all of the answers now.

In a few short minutes one cannot detail the physical structures of steel and iron and brick and timber which led up to, made and constituted the building of an empire by James J. Hill. Evidence of all of this exists and is known to and can be viewed by everyone. It is convincing evidence that James J. Hill was an Empire Builder.

Men do not just build empires by accident; they do it because they have accurate broad vision, great keen minds; because they devote their lives, their every thought and energy to the one object they seek to bring into being. All of this James J. Hill did; all of this he was.

But what, then, did Mr. Hill say to make his every word listened to, published and heralded as sound advice, wisdom and philosophy? We shall now see!

He was a national, in fact a world authority on agriculture, business and transportation of all kinds. From his important addresses I will quote excerpts which seem as timely today as when uttered or written twenty-five or thirty-five years ago.

Mr. Hill was a much sought after speaker. His time would not permit him to make a great many addresses, but during his lifetime, he spoke at some of the most important meetings throughout the country.

What James J. Hill said about AGRICULTURE

Speaking before a great throng of people at our Minnesota State Fair on September 3, 1906, Mr. Hill said:

"Every people is thus reduced, in the final appraisal of its estate, to reliance upon the soil. This is the sole asset that does not perish, because it contains within itself, if not abused, the possibility of infinite renewal. All the life that exists upon this planet, all the development of man from his lowest to his highest qualities, rest as firmly and as unreservedly upon the capacities of the soil as do his feet upon the ground beneath him."

Continuing, he said:

"Agriculture, in the most intelligent meaning of the term, is something almost unknown in the United States. We have a light scratching of the soil and a gathering of all that it can be made to yield by the most rapidly exhaustive methods. Except in isolated instances, on small tracts here and there, farmed by people sometimes regarded as cranks, and at some experiment stations, there is no attempt to deal with the soil scientifically, generously or even fairly. In manufacture we have come to consider small economies so carefully that the difference of a fraction of a cent, the utilization in a by-product of something formerly consigned to the scrap heap, makes the difference

between a profit and bankruptcy. In farming we are satisfied with a small yield at the expense of the most rapid soil deterioration. We are satisfied with a national average annual product of \$11.38 per acre at the cost of a diminishing annual return from the same fields, when we might just as well secure from two to three times that sum. Here is a draft which we may draw upon the future and know that it will not be dishonored. Here is the occupation in which the millions of the future may find a happy and contented lot."

In the same address before our State Fair Mr. Hill said:

"If we are to walk safely in the way of wisdom, there is much to be done. It is time to begin. There must be, first, a return to conservative and economic methods, a readjustment of national ideas such as to place agriculture, and its claims to the best intelligence and the highest skill that the country affords, in the very forefront. There must be a national revolt against the worship of manufacture and trade as the only forms of progressive activity, and the false notion that wealth built upon these at the sacrifice of the fundamental form of wealth production can endure."

Before the Chicago Commercial Association on October 6, 1906, Mr. Hill stated:

"Though our trade were unshackled from the legislative bonds that now prevent its natural growth and free expansion, it would not offer us for long any other reliance than a broken reed. Every nation that enjoys prosperity and that exhibits a healthy national vitality is rooted to the soil; and all its other industries are clustered about tillage as the branches spring from the parent stock that nourished them all."

In an address "Minnesota's Agriculture" before the Second Minnesota Conservation and Agricultural Development Congress, Minneapolis, Minnesota, November 19, 1912, Mr. Hill said:

"The history of civilization shows how the choice of occupations varies with the rate of profit. It is neither desirable nor possible to aid the farmer by the same method applied to build up manufacturing. All pretence of that is the foolish talk of politicians straining their consciences for a vote. What, then, can be done? Conservation will amply justify itself if it shows how the profits of agriculture may be so increased that it will attract enterprising and ambitious young men and women, and hold men on the farm instead of driving them away in discouragement."

Speaking in the White House at Washington May 13-15, 1908, before the CONFERENCE ON THE CONSERVATION OF NATIONAL RESOURCES, Mr. Hill said:

"When the most fertile land in the world produces so much less than that of poorer quality elsewhere, and this low yield shows a tendency to steady decline, the situation becomes clear. We are robbing the soil, in an effort to get the largest cash returns from each acre of ground in the shortest possible time and with the least possible labor. This soil is not mere dead matter, subject to any sort of treatment with impunity. Chemically, it contains elements which must be present in certain proportions for the support of vegetation. Physically, it is made up of matter which supplies the principal plant food. This food with its chemical constituents in proper admixture, is furnished by the decomposition of organic matter and the disintegration of mineral matter that proceed together. Whatever disturbs either factor of the process, whatever takes out of the soil an excessive amount of one or more of the chemical elements upon which plant growth depends ends in sterility. Any agricultural methods that move in this direction mean soil impoverishment; present returns at the cost of future loss; the exhaustion of the land exactly as the animal system is enfeebled by lack of proper nourishment.

"Our agricultural lands have been abused in two principal ways; first, by single cropping, and, second, by neglecting fertilization. It is fortunate for us that nature is slow to anger, and that we may arrest the consequence of this ruinous policy before it is too late. In all parts of the United States, with only isolated exceptions, the system of tillage has been to select the crop which would bring in most money at the current market rate, to plant that year after year, and to move on to virgin fields as soon as the old farm rebelled by lowering the quality and quantity of its return."

Referring to soil depreciation Mr. Hill in this same address stated: "But the cost of cultivation remained the same." Herein Mr. Hill, I believe, expressed what can be made the solution of our farm problem when he said:

"The cost of cultivation remained the same," whether a large or small crop was obtained. In other words, why farm a section of land when if by better farming one-quarter section would produce the same number of bushels of grain. Thousands of instances could be found where a good farmer raises as much on one acre of land as a

poor farmer does on four. Mechanization, of course, has cut down the cost of producing many of our crops, especially small grain crops. Cotton crops are grown and cultivated mechanically to some extent, but the solution of the cotton problem is in further mechanization of the production of this crop. We will have to raise both grain and cotton cheaper than any other nation in the world if we are going to sell these farm products to foreign countries.

In speaking to this body Mr. Hill continued:

"On a tract of good ground sown continuously for 10 years to wheat, the average yield per acre for the first five years was 20.22 bushels and for the next five 16.92 bushels. Where corn was grown continuously on one plot, while on the plot beside it corn was planted but once in five years in a system of rotation, the average yield of the latter for the two years it was under corn was 48.2 bushels per acre. The plot where corn only was grown gave 20.8 bushels per acre for the first five and 11.1 bushels for the second five of these years, an average of 16 bushels. The difference in average of these two plots was 32.2 bushels, or twice the total yield of the ground exhausted by the single-crop system. The corn grown at the end of the 10 years was hardly hip high, the ears small and the grains light. But the cost of cultivation remained the same."

Speaking at the dedication of Stephens Hall, a building on the campus of the Agricultural School at Crookston, Minnesota, on September 17, 1908, Mr. Hill stated:

"The time for pleading is gone. I tried that. I commenced bringing up cattle and hogs through this country twenty-five years ago, endeavoring to get the people to do something that would preserve the fertility of the soil. And what happened? They said that I was trying to cast a cloud, a dark blot upon the fair name of the State of Minnesota; that it was the home of Number One hard wheat; that it was a wheat state and I had no business to advocate the raising of stock. Well, I am not advocating the raising of cattle at my expense now. But I think a lot of the gentlemen who were very active in denouncing it are a little in the position of the boy. He was a handsome boy, with fine features, but he was careless. His father had told him to avoid the business end of a mule if he did not want to get into trouble, but the boy forgot. The mule kicked him right in the face and he had a badly disfigured countenance. After it was dressed, the first question he asked his father was if his face was badly disfigured, and the old gentle-

man told him, "Son, you will never be quite so handsome, but you will know more." Now when my mind goes back to some of the political conventions where they had nothing to do but denounce me for giving them cattle and hogs, I think that they are not so handsome, but they know more than they did.

"I thought that I would not entirely give it up. So a couple of years ago I thought that I would give cash prizes, to see if that would help them. I stipulated that a man, in order to be entitled to compete, should have twenty head of live stock for breeding purposes; he could have cows or sheep or hogs or horses; he could have them all of one kind or of all kinds. I did not know who were competing. The first intimation I had of that was when the list of those to whom prizes should go was handed in. Out of about 600 that entered, I think it was ninety-three, in three of the agricultural states of the Northwest, that could qualify. They hadn't twenty head of live stock for breeding purposes. That was the rock they split on; and I just want to ask the professors here what kind of farmers they had, trying to preserve the fertility of the soil, if they could not muster twenty head of live stock for breeding purposes."

In an address made at the Thirty-Fifth Annual Convention of American Bankers Association at Chicago, September 14, 1909, Mr. Hill stated:

"That is what we have to do. There are between six and seven million farms in the United States today. Their annual product of over \$8,000,000,000 could be doubled without adding anything to the labor or money now expended. The average wheat yield of the country is now about 14 bushels per acre in good years. The same land might produce 30 bushels if properly cultivated. The average cotton yield is about four-tenths of a bale per acre, and possibly four times that amount could be raised as easily. The same holds true of the whole list of farm products."

And from an address delivered at the National Corn Exposition, Omaha, Nebraska, December 9, 1909, I quote:

"I want, both at the outset and throughout, to guard against a certain error of construction or interpretation among whose victims I find a surprisingly large number of well-meaning people. Whenever the relation of food supply to population, the effect of choice of occupation and trade and standards of living upon the future maintenance of the nation are considered, these people set down the investigator as an alarmist. He belongs, they say, with the followers of the dismal doctrine of

Malthus, that men must some day choose between preventing the birth of additional human beings and seeing them die of starvation. Since this stupid mistake seems so easy and so common, I refer to it early and explicitly."

Mr. Hill continued:

"The following table gives the average product per acre of the principal crops in Holland and the United States for the last three years available:

	Holland			United States		
	1905	1906	1907	1905	1906	1907
Wheat -----	32.6	34.2	38.4	14.5	15.5	14.
Rye -----	24.6	25.	25.7	16.5	16.7	16.4
Barley -----	44.5	43	48.9	26.8	28.3	23.8
Oats -----	47.7	53.1	58.9	34.	31.2	23.7
Potatoes ---	212.	232.	234.	87.	102.2	95.4

"Not only is the per acre average of Holland more than twice that of this country, but even these generous figures show a constant and marked upward tendency. The harder the soil is pressed, provided it be done properly, the more surely it responds to the spur. It is, of course, clear at a glance that if agriculture in the United States were on anything like the same plane as that of Holland, it could provide for every future contingency and also make the world its debtor for food products to the amount of eight or ten billion dollars additional every year, instead of seeing the export of breadstuffs decline."

What Mr. Hill said about BUSINESS

In an address "The Outlook for Business," at the annual dinner of the Chamber of Commerce of Rochester, New York, December 5, 1914, Mr. Hill said, speaking about business:

"Everybody knows that business conditions in the United States are now and have been for some time, broadly speaking, very unsatisfactory. Many concerns have been shut down. Others are running on short time or with reduced forces. New enterprises are not being started. Old ones are not extended. It is a time of hesitation, of uncertainty and of discouragement. The number of unemployed is great and constantly growing. These conditions call for a calm survey of the situation without prejudice; for a review of the causes which have led or forced the country into such a position; for an inquiry into the means by which these conditions unfavorable to every interest, bearing even more harshly on labor than on capital, may be remedied or removed."

Continuing, Mr. Hill remarked:

"Coming down, then, to the radical and permanent, as distinguished from the partial and temporary causes of the bad times that everybody deplores, one stands out pre-eminent by the volume of its effects and the persistence with which it has raged all over the country, though with special intensity at Washington, for some years past. This is the legislative crusade against business. I speak here of no particular act. For the business interests of the country as a whole have been under fire for more than ten years. That attack has steadily increased in violence and decreased in discrimination. The ingenuity of restless minds has taxed itself to invent new restrictions, new regulations, new punishments for guilty and innocent alike. And it is that last condition which makes the new regime so unjust and so intolerable. No voice can be raised against a fit penalty for the man or corporation that has transgressed the law, or sought to impair the settled and immemorial bases of business enterprise and business integrity. If any corporation, firm or individual has offended against the law, to punish him under the law offends nobody and awakens no criticism. In effect, this has been entirely practicable for nearly a quarter of a century, without adding one new line to the statute book. But while existing laws were allowed to fall into more or less complete disuse, new laws were heaped on one another. Each of these invaded some new territory, laid the hand of authority on some new occupation, drew closer the circle of business interference to a bureaucracy. Innovation scarcely stopped short of declaring any marked business success *prima facie* evidence of crime. The country is feeling the inevitable effect."

Continuing, he said:

"New plants will not be built, raw material will not be bought, wages can not be paid unless capital is ready in sufficient quantities to perform the functions that are possible to it alone. It will only do this on two conditions, both imperative. Capital desires and expects to earn at least a reasonable profit, or else it hides and refuses to work. There is no reason why it should take the risks present in even the most conservative employment unless there is a possibility of commensurate profit. That possibility, too, must have a promise of continuance sufficient to make it worth while to go into enterprise at all.

"Now it is exactly these two indispensables, the fair return and a reasonable lease of life, that continuous legislation against business has destroyed or threatens to destroy. Politicians have acted upon the theory that it is good to burn down your house

because a chimney smokes. Fire has been started in many places. It remains to be seen whether the good sense of the people is not ready to call a halt. If capital is not available in quantities or on terms that the work of the country requires, business can only go from bad to worse until a new economic equilibrium is established by the force of disaster itself. But is it necessary to go through so much in order to learn something so simple?

"The condition of the railroads of the country at this time is typical. They have been compelled to appeal again and again for relief from regulation that is crushing the life out of them. At one end is the constantly diminishing rate; at the other is the constantly increasing expense. Most of it is compulsory, in the shape of added wages, new and costly forms of service, complicated investigations and reports required by authority, and a rising mountain of taxes, all directed by new provisions of the law. They are the most conspicuous victims of the desire for regulation."

Continuing, the Empire Builder told his audience:

"All kinds of business, all industry of the country now begins to feel the heavy hand of interference that has rested on the railroads for many years. These have been made unable to obtain the capital required to keep them abreast of the work they have to do. All other enterprises suffer from the same famine. Capital, repulsed from one employment, is finding other doors shut in its face by unfriendly legislation. It justly fears that those still open may be barred and locked at an early session of congress. So it decides to stay comfortably at home until there is some promise of better conditions. The country is now feeling the effects. There is abundance of money and credit. Never before was there so much of either in the United States. The reserves of the banks, notwithstanding war alarms and problems, show a tendency to increase the surplus over the legal limit. There is plenty of commercial money, but little investment money. In that difference speaks the whole situation."

And here is an excerpt from an address "Freedom for our Foreign Trade" made at the Second National Foreign Trade Convention, St. Louis, Missouri, January 21, 1915:

"The only practical, the only desirable policy for this country is the provision of a sufficient American merchant marine. To buy this by big subsidies is a losing and, in the long run, an unsuccessful game. We cannot and we do not want to rely hereafter, as we have so long, upon foreign ships to carry

American trade and thus control not only its profits but also its direction and its volume. There are but two resources; one a merchant marine owned and operated by the government, the other a merchant marine provided by and for the people.

"The former, just now urgently advocated, is an unwise and would certainly be a disastrous experiment. Aside from the complications, almost certain to drag us sooner or later into the European conflict, owing to the uncertain and conflicting claims of national neutrality, this policy would be followed by the total destruction of the private shipping interest. Private enterprise cannot possibly compete with a government which pays no interest on the cost of its ships, and throws aside considerations of profit and loss. As Lincoln said that the nation could not continue to exist half slave and half free, so our merchant marine, if once this precedent is set, must inevitably become a government monopoly."

Speaking on the ever timely subject "How to Help Business" at the annual dinner of the Traffic Club of Chicago, February 25, 1915, Mr. Hill in one of his last addresses told his audience:

"What productive activity in this country needs most, what it has needed and what must be given to it sooner if it is not to suffer under accumulating troubles, is simply a period of freedom from uncertainty resulting from constant political attacks. Business needs a rest cure.

"Within the last two years new laws more important in their bearing upon commercial and financial affairs and upon national prosperity than the legislation of any period of equal length since the civil war have been enacted. Neither the best informed legislator nor the ablest lawyer can give more than a hint or a guess at what the effects of these new regulations upon business will be."

Continuing, he said:

"But without doubt that war is not the only influence at the present time in making business recovery slow and its progress weak and hesitating. It is not the cannon of Krupp, but guns forged in American political foundries and trained from Washington upon the business of the country that have given it pause. For years this form of civil war has grown in favor and in destructive power. It has now reached a point where men already at work, where capital already invested, move only with torpedo nets spread and engines at slow speed; where the man who is thinking of commencing or extending a business will wait before venturing on a sea so thickly sown with mines that there is danger everywhere."

And Mr. Hill went on to say:

"For some years after the close of the present war in Europe, the opportunities of the United States should be great and its responsibilities will also be great. Its soil products, its mineral products, its manufactures and its capital will all be in demand to restore the waste places of countries partially depopulated and industrially destroyed. What we need is a clear field, no favors, and a full restoration of confidence. Division, hostility, working at cross purposes have gone far enough.

"The whole country wants prosperity. This is most important and most necessary to the man who lives by his labor and who must work to live. With many establishments closed, large concerns working with reduced forces, and the great army of unemployed growing, the empty promise and the 'glad hand' of the professional politician will be to him a poor substitute for want of work and bread. The main conditions favorable to a happy change exist. It calls only for understanding, co-operation and harmony between all those elements that unite to make us both economically and politically one. To urge this hearty and lasting co-operation, in good faith and good feeling, is now the first duty and interest of all our people. Thus and not otherwise, the next generation may be able to look back upon the period following the greatest war that the world has ever seen as one of the greatest prosperity that the United States has even known."

In a talk "The Publisher and his Public," given at the Twenty-Ninth Annual Dinner of The American Newspaper Publishers Association, New York City, April 22, 1915, the Empire Builder stated:

"The number of available jobs depends on the rate of wages. There is always work for a larger number of men if they could be obtained at a lower figure. And the ranks of the unemployed, unhappily so swollen of late, are filled not only by those who have been discharged, but by men laid off temporarily or indefinitely. These latter can charge their misfortune largely to a wage rate maintained above what would be the normal figure under the free play of the law of the market. If a man can find work only 150 days in the year—a common condition just now—at a wage of \$2.50 per day, his total income is \$375 for the year. But if he could obtain work for 300 days in the year at \$2.00 per day, it would bring him in \$600. The cash gain is great, to say nothing of the demoralization that forced idleness induces. It does not seem that anything could be more against the interests of working people than a plan to raise wages still further in a period of depression.

"This country must either remain in the ranks of those competing for the world's trade in the world's markets, or it must get out."

And he added:

"You can create jobs or raise wages by statute, but you cannot make capital pay the wages if this involves a loss. Sooner or later the throwing of that burden upon helpless industries or upon the state must end. Industry is bound to come eventually to a state of stable equilibrium, fixed by fundamental economic forces, as surely as water finds its level.

"Now this country has reached a point in its development where these elementary facts must be recognized and dealt with as the basis of both our working life and our laws. It is time to get out of the fool's paradise of believing that wealth and prosperity are created by legislation, or that labor can prosper permanently at the expense of capital."

What Mr. Hill said about

THE FUTURE POPULATION OF THE UNITED STATES

Speaking at the Minnesota State Fair, September 3, 1906, Mr. Hill stated:

"Failing to understand the needs of the hour or to appreciate the moral to which they point, what fortune must await us? Within twenty years 125,000,000 people and before the middle of the century over 200,000,000 people must find room and food and employment within the United States."

We find Mr. Hill on May 15, 1908, addressing the convention of the Conservation of National Resources in the White House at Washington again referring to the fact that by 1950 there would be 200,000,000 people in the United States.

Still another time when addressing a gathering at Crookston in connection with the dedication of Stephens Hall, an agricultural farm school building, (on September 17, 1908), Mr. Hill said:

"Our population has increased in this country at a ratio that, if continued, will give us over 200,000,000 people by 1950. It may be 1953 or it may be 1947, but in or about the middle of the century we will have 200,000,000 people to feed."

And once again, speaking of population in his address before the Farmers' National Congress at Madison, Wisconsin, on September 24, 1908, Mr. Hill referred to the fact that by the middle of the present century, the population of the United States would be 200,000,000.

In his address before the Chicago Commercial Association on October 6th, 1906, Mr. Hill again referred to our population saying that in 1925 it would be 125,000,000, and "by the middle of this century within the lifetime of thousands now living, the population will be more than 200,000,000." The average family in Mr. Hill's day was larger than at present. About the time Mr. Hill made these statements about population, Theodore Roosevelt was fighting what he called "race suicide" and as a result there was a little ditty dedicated to "Teddy" Roosevelt:

"Here's to Teddy,
Rough and Ready,
Here's to Teddy's cry,
Be a rabbit,
Get the habit,
Multiply."

People have broken faith with James J. Hill and with Theodore Roosevelt because by 1950 we probably will not have more than 140,000,000 people in the United States. Neither James J. Hill nor Theodore Roosevelt in those days foresaw the coming of the automobile and therefore did not realize that it would be easy to sell the American people the idea of birth control. When one wants to buy a new automobile, it is easy to believe that a family of one or two children or no children at all is advisable because the ordinary family cannot support an automobile and all of the other present day luxuries and a large family as well, hence the family suffers.

Dr. Alexis Carrel in an article which he wrote for a well known magazine said recently:

"It is probable that three children are the indispensable minimum for harmony of the family and the survival of the race. The true social unit is not the isolated individual but the functional group constituted by husband, wife and offspring."

The population of Europe grew from 266,000,000 in 1850 to 506,000,000 in 1930. The annual increase in population of Europe in recent years has been about 12%, but it is conceded that in the United States the growth will be considerably less in time to come, although, of course, no one can predict correctly what it will be. In Germany, for instance, young people are impressed with their patriotic obligation to marry early and have large families. Loans and even grants

are made to young couples by the state where these young couples are unable to get along alone financially. Subsidies are likewise extended to parents with many children. They and their families pay reduced property and inheritance taxes and are given cheaper railroad fares. To advocate plans for eliminating births is to run the risk of severe punishment.

What Mr. Hill said about RIVER TRANSPORTATION

Frequently Mr. Hill is quoted as having been in favor of barge transportation on the Mississippi River. I cannot find this to be true. Mr. Hill often spoke in favor of water transportation and sometimes argued for river transportation. When he spoke of the Mississippi River however, he always made it plain that he referred to ocean going vessels as being of value and not barges. He said the river should be fifteen feet deep in its channel, twenty would be better, he often added, but in later life he gave up the idea of favoring this kind of transportation on the river. He learned that the Mississippi filled with silt continually. In one of his later talks the Empire Builder said that if the Mississippi River were to be used for water transportation its bottom and sides would have to be lathed and plastered.

Among other statements he made regarding water transportation are the following:

"The Future of Rail and Water Transportation," a talk made at the Lakes to Gulf Deep Waterway Association Convention, Chicago, Illinois, October 7-9, 1908:

"It will be the deep waterway that helps business, just as it is the deep harbor that has built up trade and lowered rates by making it possible to run boats of greater tonnage. I said a year ago to the members of the National Rivers and Harbors Congress that they should work for a fifteen foot channel in the Mississippi and that eighteen or twenty would be twice as good. If you have a waterway, you want it deep enough to do business. A barge that carries only 1,000 tons cannot compete with a box car. With a steamer carrying 10,000 tons you have beaten it."

And continuing, he said:

"If we once embark on this policy in national affairs, where

the connection between the appropriating power and the tax collector is so loose and little realized, we shall scarcely stop short of national bankruptcy. * * *

"A bond issue is easier than an increase of taxation. Our ordinary national expenditure, prodigal as it is, admits one apology; the people actually furnish the money, and when they get tired they can stop it. Introduce the practice of meeting the cost of this popular undertaking by issuing promises to pay, and we should soon be spending several billions yearly. This is the inexorable law of public finance, as of private business. The friends of waterways should be the last to dig a trench which would engulf the nation in a sea of debt."

And from Mr. Hill's address "The Country's Need of Greater Railway Facilities and Terminals" made at the annual dinner of the Railway Business Association, New York, December 19, 1912, I quote:

"Water routes give little assistance: First, because the largest streams of traffic in the United States are not in a direction where either natural or artificial waterways can be used; second, because a waterway less than twenty feet deep cannot compete as a carrier."

What James J. Hill said about FREIGHT RATES

In an address "Development of the Northwest" delivered before the Chicago Commercial Association, October 6, 1906, Mr. Hill said:

"Now the average freight cost of moving a ton one mile is only .787 cents for the whole United States. And the Northwest has, all things considered, the lowest railroad rates in the world; and the products of the fields and the thousands of factories are carried to the consumer upon such terms as to insure a profit to both parties to the transaction, and encourage the further increase of industry by guaranteeing to it its own reasonable share of gain. This theory of railroading, that it is a business enterprise and not a speculation, that its interests are centered in the fields, the factories and the mines instead of upon stock exchanges, that the intelligent and just system of profit-sharing between carrier and shipper embodied in reasonable rates will best promote the prosperity of both and enhance the national heritage, is perhaps not the least contribution made by the Northwest to the development of the nation and the world within the last fifty years."

The average cost of moving a ton of freight one mile today on the railroads in the country is .984 cents and on the Great Northern Railroad .975 cents, less than one cent. These figures are for 1938. The average cost for moving a ton of freight one mile was a little higher in 1938 than in 1937 on the Great Northern, but lower than in the country as a whole.

Taking into consideration the value of a dollar today and the cost of taxes and things, the railways buy railroad freight rates and passenger fares are much lower now than when Mr. Hill made the statement just quoted.

What Mr. Hill said about JUSTICE

Speaking at the "Opening of the Alaska-Yukon-Pacific Exposition," Seattle, Washington, June 1, 1909, Mr. Hill remarked:

"Last and noblest conception of all born from the associated life of mankind is justice. The nation must be true to that abstract and impartial justice which is the foundation of nobility, the patent of heroes and the final test of any state. Over our courts of law, on the domes of our capitols, stands the blind-folded figure with the balance, claiming supreme sway over the lives of men.

"To her some features of our public life are an infidelity. Upon occasion the law-making power has been invoked not to punish guilt, but to give one man an unfair advantage at the cost of another; to confiscate wholly or in part property honestly earned and fairly used; to distinguish between activities by discriminating laws. The tendency is by no means universal, but its presence is palpable and too dangerous to be ignored. If hatred, greed or envy instead of justice ever becomes a formative power in public affairs, then, no matter who may be the victim, the act is treason. For no state ever enjoyed tranquility or escaped destruction if it ceased to maintain one equal and inflexible standard of justice. The greatest service to the nation, to every state and city today, would be the substitution for a term of years of law enforcement for law-making. Get the laws fairly tried, weed out those improper or impracticable, curtail the contempt of law that now flourishes under the American system of non-enforcement, and make the people understand that government means exact and unsparing justice, instead of a complex game. This is the only safeguard if respect for and confidence in the governing system itself are not to be gradually undermined."

No comment on Mr. Hill's views on business and business conditions is necessary. One might think Mr. Hill was speaking on the present day business problems so apt are his statements on business and its treatment by those in power.

Mr. Hill wanted fair treatment for all. He would be opposed to the breeding of hatred, jealousy, envy, and unrest. He would continue to talk peace on earth and good will to men were he with us today.

He believed in the future of this nation. He would tell you, were he here, that nothing can prevent the greatest eras of prosperity this country has ever known, if business, if the railroads, if everyone were treated fairly today. He would warn against the changing too radically of our constitution and our form of government.

LETTER TO STOCKHOLDERS ON RETIRING FROM THE CHAIRMANSHIP OF THE BOARD OF DIRECTORS OF THE GREAT NORTHERN RAILWAY

On July 1, 1912, Mr. Hill retired from the chairmanship of the Board of Directors of the Great Northern Railway, and read a letter to his stockholders, which in railway circles compares favorably with Washington's farewell address. Indeed it was a heritage—a last will and testament—leaving the operation and management of his great transportation system to others because, he said that management "No longer depends on the life or labor of a single individual—any single individual."

He said in part on this occasion:

"Not lightly may the relation between a man and the work in which he has had a vital part be set aside. My personal interest in the Great Northern remains as keen as ever * * * While I shall be no longer the responsible head of the Great Northern I will contribute henceforth such counsel and advice as may seem best from one no longer holding the throttle valve or controlling the brake.

"Most men who have really lived have had, in some shape, their great adventure. This railway is mine. I feel that a labor and a service so called into being, touching at so many points the lives of so many millions with its ability to serve the country, and its firmly established credit and reputation, will be the best evidence of its permanent value and that it no longer depends upon the life or labor of any single individual."

A Tribute to An Empire Builder

As an employe of the Great Northern Railway, may I in closing pay a tribute to James J. Hill, Empire Builder, who passed to his eternal reward in an Empire beyond the skies on May 29, 1916:

At a number of places along the route of the great railway conceived and constructed by the Empire Builder are statues and monuments in bronze and granite and marble, erected to perpetuate the name of James J. Hill.

These mute evidences so placed to revere the memory of this great man are unnecessary, for James J. Hill does not live in any statue or monument of bronze or granite or marble; James J. Hill lives in the great empire he created; he lives along the waters of the Mississippi River where he labored as a young man; he lives along the shallow waters of the Red River of the North where he built a crude transportation line powered by oxen and later his great railway and in the Red River valley he lives.

James J. Hill lives on the plains and prairies and hills of North Dakota and Montana; he lives in the mountains of the Great Northwest and in the valleys and green places of the Pacific Coast and in the ocean whose Pacific waters there meet the Western Wonderland. He lives in the sighing winds of those prairies and mountains and in the sunshine and rain that make these places rich in grain and forest. All along the great railway he built he is ever present; not only in this great empire, but he lives wherever man is civilized.

James J. Hill will always live; he will live as long as there remains any piece of steel or wood of his great railway; he will live as long as there are railways, as long as there is transportation; as long as people move things from place to place—all down through the ages he will live.

I Thank You.