

[1895] [2]

OPEN LETTER.

The people of this State are watching with great interest the outcome of the affairs of the Northern Pacific road, which has been from time past such an important factor in the progress of our State. I have no doubt but that the majority of our citizens would prefer to see that great System operated independently as it has been in the past, rather than under control or in connection with any other great System of road; but the very fact that you, as Attorney General of this State, have seen fit to bring the suit to restrain the Great Northern from obtaining control or making traffic arrangements is evidence that in your judgment the Northern Pacific road must be re-organized, and that by some force or power wholly outside of itself. Upon the question of where this outside power shall be located, whether in Chicago or here at home, I think a majority of those most interested in our City and State see a good deal of room for choice.

Recent items in the press of the country indicate that the contemplated re-organization of the Union Pacific, presumably under the control of the Vanderbilt lines, is likely to be accomplished, thus making one interest from the Atlantic Coast to Salt Lake. This is evidence that if parties who have invested their money in these lines are compelled to scale down their holdings they want to see the management of the re-organized lines in the hands of tried organizations, who have given evidence of their ability to successfully manage such enterprises.

The two great interests that have been named in connection with the control of the Northern Pacific by outside organizations have been the Chicago lines (Burlington System) first, and the Great Northern second; and in your reply before Judge Kelly you make use of the following language, which is the cause of this letter, viz., that you "Would prefer any other line should control the Northern Pacific property rather than the Great Northern." I fully believe

that in bringing the suit now pending before Judge Kelly your sole purpose was to serve the citizens of your State and the North West; and inasmuch as the jobbing interests as well as all other interests of this State are likely to be so vitally affected by the outcome, as a business man, who has been identified with the progress of the States along the lines most likely to be affected I wish to give you some views that perhaps have not occurred to you before, and sincerely hope that after giving them a fair and careful consideration if you find from the facts that you would be justified in changing your views in some of its important points that you will do so.

We need not go back many years to the time when every commodity raised by the farmers of this State was worth here at home just what the same commodity was worth in Chicago, less the freight charges from the point of shipment to Chicago; at the same time, every commodity coming into this State cost its citizens just what it was worth in Chicago, plus the rate from Chicago to the point of delivery. As you are doubtless so familiar with the present conditions it will be unnecessary to call your attention to them, and proceed to some of the causes that have led to this change which has resulted in saving millions of dollars to the citizens of this State.

Many of the commodities produced by our farmers are now worth as much in this market as they are in the Chicago market, and all of our cereals are worth much more than the Chicago price less the freight to Chicago. It has been the contention of the business interests of the State of Minnesota that the lines of transportation into and from this State should be independent of any domination by any Chicago lines. To effect this requires in the first place lake facilities of such a character as would give us the accommodations required independent of any control by the lines leading from the seaboard to Chicago. In the next place required distributing territory, controlled by the same lines, that would also resist dictation by Chicago lines as to the proportionate tariffs to be applied into

territory fairly tributary to this market. A great factor in the accomplishment of this has been the Northern Pacific, with its immense distributing territory from Minnesota to the Pacific Coast, and the Great Northern also with its large distributing territory and its fleet of steamers upon the great lakes, who have said to the business interests of this State that we will place you in an independent position as to rates into Minnesota and rates out upon the lines radiating from its business centres.

The effect of these rates has been that Minnesota has been enabled to convert very many of her products, both of her field and of her forests and of her mines, into the manufactured article, and in that process employing a large number of laborers who have consumed the products of the farm and made the best market for the same here, very nearly approaching the prices obtained for the same articles in Chicago, and distributed manufactured articles not only through our own State but through all the territory East and West of the Mississippi River, at a profit to the manufacturer, as well as to the farmers and others who have furnished the raw material entering into this product and also the material fed to the operatives employed in the manufacture.

Not only has this been the case, but on every commodity used by our people, coming from the East, a large saving has been made from the fact that the jobbing centres of Minnesota are now enabled to sell the great staples, which they handle at practically the same prices that are charged for them in Chicago; thus the farmers of this State have reaped the benefit of the proportionate rates heretofore charged from Chicago to St Paul upon the commodities coming from the East into the State. This of itself is a vast amount of money. While this is true of incoming freight, it is particularly true of outgoing freight. We believe that a continuance and development of the present transportation facilities, both rail and lake, will make Minnesota one of the great manufacturing States of the Union, largely

increasing her population and her importance in every way.

If your contention is right, then the control of the Northern Pacific had better be in the hands of a Chicago line or any other System having its interests wholly outside of the State.

Why not place the Great Northern control there also?

We would call your attention now to the fact that the Burlington System already has a line tapping the distributing territory of St Paul at Billings, and in reaching that point traverses a long distance of country that is unproductive. In the very nature of things, it would carry merchandise for all points on its line from Chicago rather than from St Paul. The effect the merchants of this State have already felt.

To show more clearly the effect of such control by interests not identified with our State, I call your attention to the fact that packing house products are now shipped from Omaha, Sioux City, and other packing centres in the Southwest to territory North and West of us, naturally tributary to us, at the same rates that the same products can be shipped from the Twin Cities. Its effect upon these infant and growing industries can readily be seen. A large portion of the raw material used by our packing houses is purchased in markets competitive with Omaha and Sioux City, upon which a local rate is charged from the point of shipment to this point, but in selling our product in the West Omaha practically gets the same rate of freight that is given the St Paul shippers.

The business interests of this State have contended for years that the basing point for all territory tributary to its business centres should be within the State rather than at Chicago. Now the control of the Northern Pacific by any Chicago-St Paul line means that practically as high rates will be made from St Paul to competitive territory as are made from Chicago. Under former conditions a case of eggs raised by a Minnesota farmer, if sold to a

Montana merchant would pay about the same rate of freight that would be charged from Chicago. How can industries and business interests at Fargo, Grand Forks, Helena and Butte prosper when rates to all points beyond them are less or practically the same as they are to those points?

The above cases illustrate the situation, how we have all been in Chicago's grasp until we have declared our independence after a long and bitter contest; and the business interests of Minnesota cannot now afford to go back to the conditions that have taken ten years of hard work to overcome, which would be the case should the Northern Pacific road be controlled by any Chicago-St Paul line.

James J. Hill Papers
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