The Saint Paul & Pacific Railroad: An Empire in the Making, 1862-1879

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Railroad historian Augustus J. Veenendaal Jr.'s new book is a logical extension of his previous monograph, *Slow Train to Paradise: How Dutch Investment Helped Build American Railroads* (1996). In that study, Veenendaal examined the role Dutch investment played in nineteenth-century American railroads. Research for that earlier work led Veenendaal to the Saint Paul & Pacific, a Minnesota line that was heavily financed by the Dutch, and, once taken over by James J. Hill, became the basis for the Great Northern Railway.

Early railroads in Minnesota followed a fairly typical pattern. Companies were incorporated, grandiose plans were developed, rail routes were proposed, and then, because of inadequate funding, the railroads often became extinct before becoming operational. After such a beginning, the Minnesota & Pacific was reincorporated in 1862 as the Saint Paul & Pacific. Over the next few years, it built two lines: one ran from St. Paul northwest along the Mississippi River; the other headed west and north to the Red River, eventually reaching Saint Vincent, near the Minnesota/Manitoba border.

To enable construction of these lines to go forward, the company floated a bond issue. A London investment firm could not sell these bonds in England because that market had been flooded with American railroad securities, so it looked to Amsterdam. Previously, other American railroads, such as the Illinois Central, had attracted large amounts of Dutch capital. A Dutch investment house took up the bonds and quickly sold them. The Saint Paul & Pacific issued additional bonds, the vast majority of them ending up in Dutch hands.

After a decade of operation, the Saint Paul & Pacific's freight and passenger traffic was increasing, but its financial picture was bleak. The railway could not bear the weight of its heavy debt load, and it defaulted on its interest payments in 1873. During the next several years the company struggled under receivership, and the Dutch sought a new owner. When area railroads—the Chicago & North Western, the Chicago, Burlington & Quincy, and the Chicago, Milwaukee & Saint Paul—were apparently uninterested in purchasing the financially strapped line, young James J. Hill and several associates acquired it in 1878.
Hill turned the company around. With great attention to detail and a grand vision for his new road, Hill expanded and upgraded the system. In 1890 the company was renamed the Great Northern, and it began expanding west. Three years later, the railroad finally fulfilled the promise of its original name, reaching the Pacific at Seattle.

Hill’s success meant success for the Dutch investors as well. Just as Veenendaal argued in his earlier study, investors who stayed in American railroad securities for the long haul often reaped handsome rewards. In this case, the Dutch who exchanged nearly worthless bonds in the Saint Paul & Pacific for bonds in Hill’s reorganized firm ultimately received healthy profits.

Besides describing the road’s corporate history, Veenendaal includes chapters on early Minnesota and the state’s first efforts in railroading, as well as sections on company locomotives, traffic, and accidents. Produced in an over-sized format and loaded with photographs, this book should find an audience with those interested in railroads or Minnesota history.


REVIEWED BY J. R. CHRISTIANSON, LUTHER COLLEGE

Like Iowa’s Vilhelm Koren (1826–1910), Minnesota’s Bernt Julius Muus (1832–1900) was one of those Norwegian-American pioneer clergymen who loomed larger than life. Koren became the Lutheran patriarch of northeastern Iowa, Muus the patriarch of Goodhue County, Minnesota. Both tended to inspire strong feelings. Muus was idolized as a saint and painted as the blackest of sinners. Joseph M. Shaw has succeeded in transforming this semimythical Jekyll-and-Hyde figure into a flesh-and-blood historical person.

Muus and Koren both came from middle-class Norwegian backgrounds and attended the University of Oslo, where they became intensely orthodox Lutherans. Koren was influenced by the Danish philosopher, Søren Kierkegaard, while Muus joined pietistic circles. Koren immigrated to Iowa in 1853 and lived near Decorah until his death in 1910. Muus came to Holden near Zumbrota, Minnesota, in 1859 and was active there until 1899. Both served immense circuits of preaching places in the pioneer years. Shaw devotes two chapters to Muus’s numerous congregations and extensive mission travels. Koren