AN EMPIRE BUILT ON PAPER
FOSHAY: THE MAN AND THE CITY 1929-1934

It can be done! – Foshay's motto

Wilbur B. Foshay

was born in 1881 and raised in Ossining, New York. Intending to become an artist, Foshay attended Columbia University until his father's business failure ended his education. He worked with public utility companies out East, then came to Minneapolis in 1915. By 1917, with the help of a $6,000 loan, he built a financial empire by buying and selling public utility companies and then selling their securities. By 1929, his empire was spread out between 12 states and five countries and was valued at $25,000,000.

The Foshay Tower, modeled after the Washington Monument, cost $3.75 million to build. Foshay designed the building to be headquarters of his public utilities empire.

Foshay, a supporter of labor unions, built the Tower with union labor, in what was then a nonunion town.

25,000 people, from all over the world, attended the 3-day dedication ceremonies of the Foshay Tower on September 1, 1929. The extravagant festivities included parades, fireworks, speeches, choirs, dancers and Sousa's brass band playing a march written by Sousa specifically for the occasion. Foshay's check to Sousa later bounced.

Photo: Minnesota Historical Society

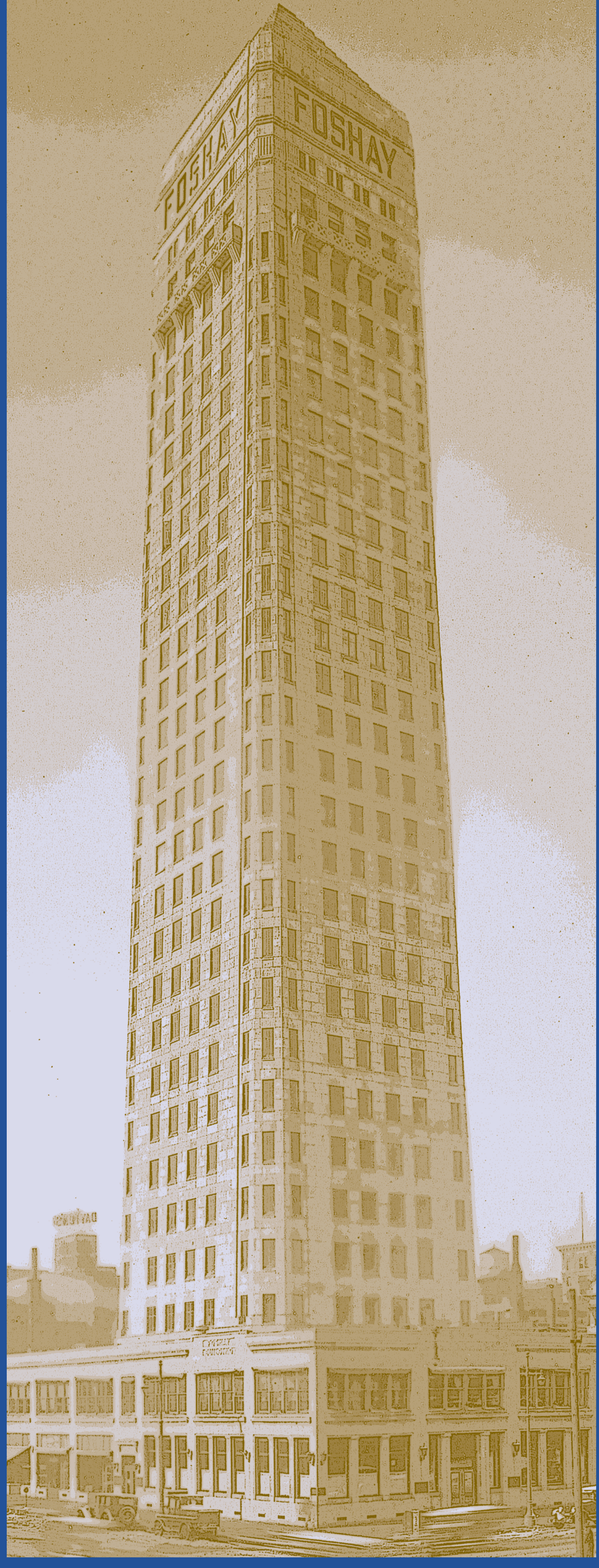Photo: Minnesota Historical Society

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During the "Decade of Excess" (1920-1929) Americans enjoyed exceptional prosperity.

They became consumers of luxury goods purchased on credit. They invested heavily in the stock market with borrowed money. The financial sector was largely unregulated. This was the decade when Foshay was building his securities empire.

Photo: Minnesota Historical Society
Scene in a St. Paul Broker's office, 1929.

The Minneapolis Morning Tribune
BUYING HALTS STOCK COLLAPSE

October 29, 1929, just two months after the Foshay Tower dedication, the stock market crashed and changed all that.

This day signaled the start of the Great Depression. Billions of dollars were wiped out in one day and Foshay's far-reaching business empire crashed, along with thousands of other businesses.

OPEN SHOP FINANCIAL VANDALS SABOTAGE FOSHAY COMPANIES

WRECKERS NOW POSE AS SAVIORS

Courtesy of *Minneapolis Labor Review*, November 8, 1929.

When the stock market crashed, the banks refused to extend credit.

The Citizens' Alliance, established by local businessmen, was connected to the financial institutions controlling the extension of credit. Northwest Bank, a force behind the powerful Alliance, had absorbed several smaller banks. They had previously extended credit to Foshay but called in those loans after the market crashed. Unable to secure an additional $300,000 loan, Foshay's companies went into an operating receivership on November 1, 1929. This allowed them to continue business rather than liquidate the assets. Joseph Chapman, a Minneapolis banker and businessman, was named Receiver of all the Foshay companies by Judge Sanborn.

Thousands of investors lost money in the crash of Foshay's public utilities empire.

In 1930, the Department of Justice began its investigation into the possibility of the Foshay company using the mail to misrepresent stock solicitations to the investor. The U.S. District Attorney and the state prosecutor declined to pursue charges but Chapman, the Receiver of Foshay's companies, persisted. A federal grand jury convened in St. Paul on September 9, 1930.

Not the tower but the man who built it fell last week.
Time magazine, November 11, 1929

Between 1929-1934, the city was in crisis.

As in the rest of the country, bank after bank failed and the system nearly collapsed. People rushed their banks trying to get their money out before it vanished. Nationally, one of three workers was jobless.

Labor union unrest traumatized the city, ending in the bloody 1934 Minneapolis Truckers Strike. The truckers were seeking recognition of their union and better wages. Citizens' Alliance members, who wanted to stop the expansion of the union and determined to end their strike, battled with the truckers in the streets.

Top to bottom,
Unemployed protesting at Minneapolis City Hall, 1934.

Police intervene in clash between striking truckers and the citizen's army, Minneapolis, May 21, 1934.

An elderly woman striker engages in hand-to-hand combat with a female deputy, May 21, 1934.

Children holding signs picketing for jobs.

Photos: Minnesota Historical Society