

James Hamet Dunn, 1st Baronet Dunn

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Sir James Hamet Dunn, born October 29, 1874 - died January 1, 1956, was a major Canadian financier and industrialist during the first half of the 20th Century.

Born in the village of St. Peter's near Bathurst, New Brunswick, Canada, Dunn's father was a shipbuilder whose fortunes had been all but wiped out by the sharp decline in the demand for wooden ships. His father died when James was an infant and his widowed mother raised him on her meager earnings as a telegraph clerk.

From childhood, James Dunn was a voracious reader with a near-photographic memory. After completing his schooling, he left home to find employment and for a time he worked as a deckhand for an American shipping company on Lake Michigan. After this, he made his way to the east coast where he was employed by a manufacturing company in Lynn, Massachusetts. However, before long he returned home where a job as a clerk at a law firm led him to the decision to apply to Dalhousie University Law School in Halifax, Nova Scotia. The small amount of money he had been able to save was not nearly enough to cover his education costs and Dunn worked at a variety of part time jobs to pay his way through university. He graduated in 1889 then worked as an attorney in Halifax before setting up a law practice in Edmonton, Alberta. Within a short time Dunn was drawn to the booming economy of Montreal, Quebec where he landed a position with one of the city's prominent law firms.

In 1901, James Dunn married Gertrude Paterson Price, the daughter on a prosperous Quebec City lumber dealer. They had the following children before divorcing in 1926:

- 1) Mona Dunn (c.1902-died 1928)
- 2) Sir Philip Gordon Dunn, 2nd Baronet Dunn (1905-1976)
- 3) Joan Molesworth Dunn (c.1910-1982)

James Dunn became involved in the legal aspects for underwriting activities for companies being listed on the Montreal Stock Exchange and in 1902 he established the J.H. Dunn & Co. stock brokerage company. With \$20,000.00 borrowed from his father-in-law, he acquired a seat on the stock exchange. Canadian business at the time was still heavily dependent on investment money from the British financial markets and Dunn became an expert at raising foreign capital for the underwriting of securities as well as selecting the right places to invest. Articulate, outspoken, and with a personality that commanded respect, Dunn had already made contacts with a number of influential people, including a number of railroad executives, one of the most powerful group of entrepreneurs of the day.

As a stockbroker, Dunn's company put together a stock issue for William Van Horne, the former president of Canadian Pacific Railway. Van Horne had invested in the Cuba Railroad Company and wanted to raise capital for his "Havana Electric Company" venture. Already a close friend of fellow New Brunswickers, Max Aitken (Lord Beaverbrook) and a bright young lawyer named Richard Bennett, Dunn's brokerage work

led to even more business connections with some of the elite of corporate Canada, including George Alexander Drummond, Henry Pellatt and the up-and-coming Izaak Walton Killam. As well, he would become a friend and admirer of the very successful American engineer-turned-entrepreneur, Frederick Stark Pearson. However, the London financial markets were the center of the economic universe and encouraged by Pearson, in 1905 James Dunn made the decision to take up residency in London. There he ran a new merchant bank in partnership with the Swiss investment dealer, C.L. Fischer while working in conjunction with his Montreal brokerage. At a time of rapid development in mechanized industry, as a result of large hydro-electric projects, shrewd investments, underwritings and stock promotions, James Dunn was soon a wealthy man. But, all was not easy and as a director of the Sovereign Bank in Canada that fell victim to the stock market crash of 1907, he experienced severe financial difficulties. Added to this, mismanagement kept hidden by the officers running his Montreal brokerage house, one of whom committed suicide when his discrepancies were revealed, caused Dunn more financial grief. Despite these setbacks, he was still a very wealthy man and, only 33 years old, he would quickly recoup and go on to become a multi-millionaire.

Dunn's close friendship with Max Aitken continued after the wealthy New Brunswicker also chose to live in England. Still very much in touch with his roots, after a 1911 fire destroyed the bells of Christ Church Cathedral in Fredericton, James Dunn donated the replacements for the original 1849 five-ton bells. A few years later, after a number of successful ventures together, he received a severe setback when his friend and business mentor, Frederick Stark Pearson, was one of the passengers who went down on the RMS Lusitania on May 7, 1915 when the ship was sunk by a German submarine. The war did however provide great business opportunities and to serve the nation. For his wartime efforts, in 1921 he was knighted as a Baronetcy. During his lifetime Dunn became a major industry leader rivaling even the Rothschilds as a central figure in British finance. Although he lived primarily in England and maintained a villa in France, Dunn frequently traveled to Canada to spend time at his fishing camp on the Nigadoo River not far from his birthplace.

Following the divorce from his first wife, in 1926 Sir James Dunn married Irene Clarice Richards, the former wife of the Francis Archibald Kelhead Douglas, 11th Marquess of Queensberry. The 1928 death of Mona Dunn, a daughter from his first marriage, sent him into a state of depression and for a time he thought about cutting back on his business activities and returning home to his native New Brunswick. However, in 1929, his new wife gave birth to a daughter, Anne, who lifted his spirits a great deal. Anne Dunn grew up to be an artist, studying under Henry Moore and in Paris, France with Fernand Léger and at the Académie Julian. Nevertheless, Dunn and his second wife divorced in 1942 following which he married his long-time personal secretary, Marcia Anastasia Christoforides. Although thirty-six years his junior, "Christofor" as she was nicknamed, was very bright, intensely loyal, and a devoted partner. James Dunn would seek her input on most every business matter for the rest of his life.

A number of Sir James Dunn's Canadian investments were in Northern Ontario mining ventures and he began a business relationship with Algoma Steel, a company in Sault

Sainte Marie, Ontario. Founded by Francis Clergue, Algoma Steel had been taken over by Philadelphia, Pennsylvania investors after its 1903 bankruptcy. Overly dependent on the production of rail tracks, the steel company suffered through numerous problems and in 1908 Dunn had partnered with a British group of investors to cooperate with an American consortium to form the Lake Superior Investment Co. to acquire Algoma Steel. Although Dunn's role at the time was important, he was still only a minority player and the American investors had control. Algoma Steel went through years of ups and downs, marked by a lack of strong leadership, and in 1935 the company was again forced into receivership. This time, Dunn engineered a takeover so that he became the sole controlling shareholder thereby allowing him to take the tough but necessary reorganization measures to restore profitability to the steel maker. As Algoma Steel's president and Chairman of its board of directors, he successfully turned it into one of the largest steel mills of the day and for more than twenty years guided the fortunes of the company he had made into one of the most profitable producers in Canada. During World War II, his company benefited from the huge demand for steel by the military. Although at times his relationship was difficult with the government minister in charge, C.D. Howe, the two became lifelong associates. Howe later acquired a summer manor next door to the Dunn estate at the seaside resort of St. Andrews in New Brunswick and served as an Executor of Dunn's estate after his passing.

Sir James Dunn had been an avid art collector for many years and in the late 1940s, he and Lady Christofor developed a friendship with Salvador Dalí. The artist went on to paint the portraits of the couple which are now on permanent display at the Beaverbrook Art Gallery in Fredericton, New Brunswick along with one of Dali's greatest pieces, the "Santiago el Grande." As well, the art gallery received other works of art that the Dunns collected including a 1650 painting by Jakob Van Loo titled "A Gentleman" and the Augustus John picture, "Dorelia" as well as John's portrait of Sir James Dunn seen here.

In 1944, Dunn was invited to serve on the board of directors of Canada Steamship Lines (CSL), whose ore carriers were an important transporter of ore and coal for the Algoma Steel plant which operated under a geographical disadvantage to its more southerly competitors. Unhappy over CSL's policy of prioritizing service to his steel mill competition on the lower section of the Great Lakes, with backing from a Winnipeg, Manitoba businessman plus the Montreal publishing magnate, John Wilson McConnell, James Dunn quietly set about buying up shares of the shipping line. He secured a line of credit from the Bank of Montreal and through fellow New Brunswicker Earle McLaughlin at the Royal Bank of Canada he raised a war chest that saw him gain effective control of Canada Steamship Lines in 1951. This was followed up by the acquisition of another shipping line with cargo vessels capable of cost-effective delivery of Algoma Steel's products to the southern markets. Within a few years, Dunn was exporting iron ore from his Algoma Ore Properties Limited to American buyers.

Although a workaholic, Sir James Dunn knew how to enjoy the money he had earned. He was one of the first businessmen to acquire a Douglas DC-3 as a private business aircraft in which he traveled frequently between his homes in Europe and Canada. He maintained

a vast wine cellar from the vineyards of France and frequented New York City and Broadway where he was a friend of television host Ed Sullivan.

In 1956, at the age of 81, Sir James Dunn passed away at his home in St. Andrews, New Brunswick. In 1961, Lord Beaverbrook published *Courage: The Story of Sir James Dunn*.

As a result of the very substantial taxes on the estate left by Sir James Dunn and Nova Scotia's Izaak Walton Killam who had died the year before in 1955, the government of Canada was able to create and provide an endowment for the Canada Council for the Arts. However, Dunn left a very significant estate to his last wife who fulfilled his wishes and made numerous contributions to charitable, cultural, and educational works. A number of foundations, buildings and academic Chairs bear his name including:

The Sir James Dunn Jubilee Scholarship at Mount Saint Vincent University in Halifax, Nova Scotia;

The Sir James Dunn Wildlife Research Fund of the University of New Brunswick;

The Sir James Dunn Residence at the University of New Brunswick, Saint John campus

The Sir James Dunn Hall at Saint Thomas University, Fredericton, New Brunswick;

The Sir James Dunn Law Library and the Sir James Dunn Theatre at the Arts Center at Dalhousie University in Halifax, Nova Scotia;

The Sir James Dunn Chair in Geology and the Sir James Dunn Building at Mount Allison University in Sackville, New Brunswick for the computer science, mathematics and physics departments;

The Sir James Dunn Animal Welfare Center at the University of Prince Edward Island;

In addition, Sir James Dunn has been honored with numerous buildings and institutions bearing his name such as:

The Sir James Dunn Academy, a high school in St. Andrews, New Brunswick

The Sir James Dunn Collegiate and Vocational School in Sault Ste. Marie, Ontario

The James Hamet Dunn Hospital in Bathurst, New Brunswick

The Sir James Dunn, a bulk carrier ship (Hull #109) launched in 1951, for Canada Steamship Lines

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