

# Great Northern Railway

President's Office.

James J. Hill,  
President.

St. Paul.

## MEMORANDUM.

The following is about the inside situation of Northern Pacific matters in the Courts, from a source that is both reliable and able to form good conclusions.

Judge Hanford has assumed jurisdiction of the Northern Pacific, with a probability that Judge Caldwell will, as ranking Judge on this Circuit, assert his authority over at least the portion of the road within his own jurisdiction. Judge Caldwell's order appointing Receivers, while considered ancillary, was very different from the mere recording an order of another Court. It made several important changes in Judge Jenkin's order; and Judge Caldwell has, by arrangement with the other Judges, taken personal charge of Northern Pacific matters in this Circuit embracing the line from Lake Superior to Montana. Last year, during the strike, he gave matters his personal attention, and issued his own orders without reference to any other Court or Judge whatever. If the Northern Pacific Receivers are not able to show entirely clean hands, they will be held to the strictest accountability, and Judge Hanford will not hesitate to remove them for cause. The complaint of the Ives party is understood to be that large sums of money have been paid by the Receivers as preferred claims which should not have been preferred, and some of which were not legal claims against the Company or the Receivers. While matters have been handled in this manner on the Northern Pacific by the Receivers, the Courts, particularly Judges Caldwell and Hanford, had



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ordered payment of claims for wages, personal injury, and other claims of like nature, which order has been neglected, and many of this class of claims are in the same Courts, and have been postponed from time to time, under one excuse or another, until the Courts are led to think that the only reason for such delay is the hope that the Plaintiffs may grow weary or die. In support of this view it is generally understood that there are now over one thousand such claims pending in the Courts between here and the Pacific Coast which will average from one to five thousand dollars each, and of which nearly two hundred and fifty are in Court in the State of Washington alone. When it is shown what the Receivers have spent for personal expenses, services of expensive New York Counsel (\$75,000. per annum) who have not been near the property, or, as far as the Court will see, have not been useful, and other claims of smaller character, it may be expected that the Judges will probe the matter thoroughly, and apply some very drastic remedies. The removal of the present Receivers and appointment of others is not unlooked for. The hearing before Judge Hanford should be carefully watched by good Counsel who have not been concerned in the past action of the Receivers. The lawyers best posted here consider that Cromwell and, to some extent, Senator Spooner are under a cloud with the Court. Spooner is a good lawyer, a man of force and integrity, but he undoubtedly urged his friend, Judge Jenkins, too far, and now suffers for it. Cromwell will find great difficulty in getting the



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Court to understand his position as being of any benefit to the property whatever. The Company has a good lawyer in Mr. Bunn, as General Counsel. He is probably more able than any of the Northern Pacific lawyers, but he should have an active, bright and ready lawyer with him, to aid in examination and argument.

The foregoing is the general situation, as it comes from sources which should be in every way reliable.

James J. Hill Papers  
Minnesota Historical Society