Personal

8 West 57th Street,
New York.

16th January 1883

My Dear Mr Hill,

I recd your letter of 10th Inst. at the office yesterday morning. I was quite unwell and would not have been there but for the fact that the meeting of Directors of the Canadian Pacific Co had been called Angus McIntyre Abbott & Drinkwater were all down and they could not have a quorum without me, so I drove down in a carriage for a few hours and this enabled me at same time to get Mr. James, and we declared the 3 1/2 % dividend on Manitoba Stock payable forthwith as advised you by wire. Angus told me what you had written him about Canadian Pacific Stock and after some conference with McIntyre I telegraphed you that I could probably place 5,000 shares more of your Stock at same price as last provided you would agree to withhold the remaining 10,000 shares you have until the time fixed in the agreement I sent you for signature. The parties who w. unite in buying your Stock are Stephen Smith Angus McIntyre and myself and we would do it to make good in part at least the Stock we let go in order to get in J. S. Morgan & Co of London, Drexel & Co of Phila Drexel Morgan & Co, Winslow Lanier & Co. Kuhn Loeb & Co

and J & W. Seligman & Co of New York, also Alexr Mitchell
& friends of the C. M & St. P. Co. who got 2500 Shares, and
some other parties in N. Y., London and Amsterdam got
smaller amounts. — In telegraphing you I also mentioned
at Mr. Angus' request in reply to your telegram to him
that he would be happy to meet you here at any time
on a days notice. He got back here on Saturday from
Florida where he left Mrs & Miss Angus. —

I have been so busy of late that it has really been out
of my power to write you as fully as I desired and as I
know you would like to have had me done. — Just as
Mr. Stephen was about to sail for Europe he gave an
option to Mr. W. L. Scott of $10,000,000 Canadian Pacific
Stock at 50% during all January with further options of
$10,000,000 to 25th June at 52½% and ~~and~~ $10,000,000
to 25th December at 55%. with the understanding that
he should offer one half the amount in Amsterdam through
A. Boissevain & Co and Hope & Son and that my firm
should co-operate with him in placing the other half in this
market. I have not a copy of the Contract with Scott by
me, but I will try and remember to send you one as
soon as I return to the office, which I hope to do to-morrow
or Thursday at latest. Then followed the delay in getting
the official statement, the formal application for the admission
of the Stock to the call at the Stock Exchange and the Syn-
dicate agreement ready. they were nominally prepared
in Montreal but came to us in such shape that they
were of no use until they were corrected and entirely
remodelled from beginning to end. Copies of the pamphlet
called the official statement were I think sent you but in
case they have not I will send you some and also copies

of the formal application to the Stock Exchange when I return
to the office. The Syndicate agreement is about complete and
also the form of advertisement offering the Stocks to the
public and as soon as they are finally agreed upon I
will send you copies of these also. - I have been working
at proof copies of them to day and a few changes will still
have to be made and which will have to be determined upon
as soon as I can meet with Mr. W. L. Scott who is now
in town waiting to see me. The labor over all these things has
been immense and I have sat up night after night till
midnight correcting and remodelling them. - I have never
felt more the importance of getting a thing through and
seeing that no mistake was made, for we must make
it successful and should we fail I don't know where
we would be. I spent an hour before a Committee of the
Stock Exchange on the 8th inst. explaining everything
to some of the brightest and cutest men in the city and
I had to get them some further information which I sent
in to them yesterday and I learn to day that they are
now satisfied. The application passed the first Committee
yesterday afternoon and has been referred to the Governing
Committee which meets on the 24th inst. and if it passes
that body as I have no doubt it will, that is the end of it
and the Stock will be immediately quoted at the N.Y.
Stock Exchange on the official list and admitted to dealings
there.

I have been getting subscriptions privately to the Syndicate
and have already applications for about $3,000,000 with
some parties yet to hear from and I suppose Scott has at
least as much more, then of the Amsterdam half of the
first $10,000,000, one million has been taken in London
and we are promised the answer about the other $4,000,000
to morrow and there is no doubt they will take it. That will

dispose or more than dispose of the first $10,000,000 at 50%, and as soon as that is done and the Stock is admitted to the call at the Stock Exchange, we propose to make a public offering of the Stock at 60% and if the applications are as large as we expect we will soon call on the Company for the whole or a portion of the Stock under the second call of $10,000,000 at 52 1/2%. — Of course arrangements are being made to support and protect the market and hence the origin of the request on the part of Scott and concession to him of an agreement by the holders of the original $25,000,000 of Stock not to sell it or offer it for sale until this Syndicate for $30,000,000 is wound up. — If as soon as the first $10,000,000 are taken and it is selling to the public at 60% or it may be even more, the holders of any considerable portion of the $20,000,000 should throw their stock on the market the Syndicate in supporting the market might be saddled with it, they would probably then not avail of the two remaining options and in that event where would the Co. be? — It seems to be quite as much or even more for the interest of the present Stockholders that the Syndicate should succeed than that of any one else, for should it fail the Co. will then be in trouble and what would the original $25,000,000 of Stock be worth? — It therefore does not appear to be an unreasonable request of Mr. Scott's that the present Stockholders should sign the agreement that has been prepared and all the large holders have already signed or agreed to do so and should any considerable amount of them refuse, which however I do not expect, I am quite sure Scott will not call for his options and the whole thing must fail, the Co. would then be in serious trouble and some new financial plan would have to be adopted and then undoubtedly at a great disadvantage and with correspondingly great sacrifices. — I remember perfectly the conversation to which you refer at St Paul and I did intimate to you that by holding on, in view of what was then suggested, you could undoubtedly as soon as a market was made for the Stock sell out to better advantage but the proposition had not then taken form and I did not then take in all the difficulties of the case nor could I foresee how the crude suggestion then made would finally crystallize itself. I am now compelled to admit that what Scott asks is under all the circumstances fair and then if the whole \$30,000,000 is successfully marketed as I believe it can and will be, that as soon as that is done there will be a good market for any of the present holders who may wish to dispose of any of their Stock — I am glad I have been at home to day so as to have the time to write you thus fully about this whole matter and I hope I have now made it clear to you

I recd the paper with the marked copy of the Bill to regulate rates of freight etc which I read carefully. It seems to me the men who get up and offer such bills in the Legislature do not care a straw about the public but are mere strikers, wanting to be bought off or trying to make political capital. I hope all your labors will be rewarded and that all such fellows will get badly beaten.

Manitoba Stock was 145% yesterday and continues steady but quiet. I will buy no more at present unless the market should drop down 2 or 3 points —

I hope the cold and snow will not bother you and that you will not run short of coal. I think I remember your telling me that you anticipated trouble this winter and had made a considerable purchase of coal & if so you have been rewarded for your forethought —

I will be very glad to see you here about the end of the month or indeed at any time you can come on we could then talk over purchases of Manitoba Stock, control of Road, new Consolidated Bonds &c. I hope you can bring draft of the new mortgage with you, the sooner we get it into shape the better and you know I want to get away South about the 10th Feb for 2 or 3 weeks with Mrs Kennedy. Regarding the control I have no fear, you & I have enough stock to keep that at same time it might be well for us to increase our holdings and put it absolutely beyond question —

I must now close as I have a severe headache. The Doctor has just been in and says I must not go out tomorrow. This is inconvenient but I cannot help it. I do hope however to be able to go down town by Thursday at latest —

Hope you and your family are all well and that none of you are any the worse for the severe cold weather you are having —

Yours very truly

John S. Kennedy

James J. Hill Esq

St. Paul

Minnesota

P.S. You have never said whether the four Salmon photographs I sent out about Christmas reached you safely. Possibly you mentioned it in the letter that went amissing. If you have not rec'd them let me know and I will have them looked up — J. S. K.