

# *Great Northern Railway Company.*

*President's Office.*

*James J. Hill,*  
*President.*

*St. Paul, Minn.*

August 22nd, 1904.

Mr. James J. Hill,

Care Yacht "Wacouta," Bar Harbor, Maine.

Dear Sir:

As I wrote you I spent a day with Irving going over the Kaslo & Slocan and looking into conditions of the Kootenai Railway & Navigation Company.

I feel certain that it is likely to be slow development in this District and that, while there probably is good tonnage and rich values in the various camps, conditions are not now ripe for development. I am satisfied that we can handle the properties Irving has charge of in a more economical way than Irving has been handling them, and, with your permission, I will arrange to let Irving go, turning the Kaslo & Slocan over to Morgan, who can handle this and the Canadian roads that we have in connection with the Spokane Falls & Northern. Mr. Morgan will also keep us better posted as to the mining conditions in the District than Irving has done. Irving is slow, would not be able to take care of our interests if the business were active in the camps, and, now that they are idle, he is maintaining too expensive service; his only excuse being that we cannot afford to lose our prestige in this country. I am certain that we can do better for ourselves than Irving has been doing by saving our money until business starts up. We can put the Kaslo & Slocan where it will carry itself and tie up some of the boats that are now depreciated for want of care. I do not like to bother you with this, but as it is a matter that I have had little to do with, and, as I am not an officer of the Company,



do not like to let Irving go without your approval. I talked this over with Guthrie and he feels as I do, that Irving is too slow and too easy. I attach to this letter a statement showing last year's business on Irving's property. On receipt of this I would be glad if you would wire me to go ahead with the Kaslo & Slocan matter, as suggested, or if you feel otherwise, let me know. My belief is that, while the values and tonnage are there, nothing important will develop until the Jews in control of the lead business (The Guggenheim Exploration Company) interest themselves, or until the American Smelting & Refining Company interest themselves. The District requires a concentrator for all the ores and a separator to get the high values from zinc concentrates. As it is the principal mines operating have their own concentrators, but they are not sufficiently complete, they are losing too much of the values; the whole District would be better consolidated, and, with a concentrator and separating plant at Kaslo in the hands of some strong outfit to encourage it, there would be good business in the District. It is true that the Government has granted a subsidy of ten dollars per ton on lead smelted in Canada, and this District will receive about a half million dollars this year, but this alone will not boom the country.

Yours truly,

