

96
GREAT NORTHERN RAILWAY COMPANY.

40-42 WALL STREET,

P. O. Box 756.

NEW YORK.

Feb. 7th, 1893.

W. A. Stephens, Esq.,

St. Paul, Minn.

Dear Sir:-

Before leaving St. Paul, Mr. Warren advised me that the Minneapolis Trust Company had paid to the Great Northern Railway Company the sum of about \$590,000. which had been credited to the Minneapolis Trust Company on the Great Northern Co's books. I understand this amount to be in re-payment of advances made on account of the Duluth and Winnipeg matter.

As you are aware, the disbursements on this account were made by me in Mr. Hill's name, and you have the statement of them in my various accounts, and particularly in my letter of October 17th, to Mr. Hill. To review the transaction, however, I will state the first disbursement was on October 14th, 1892, when I deposited with the American Exchange Bank \$600,000. This was done nominally in Mr. Hill's name, but the money used at the time was the Great Northern Co's money, and as the transaction is the Great Northern's, I think that the amount of interest from the 14th, of October may be eliminated.

On the 15th of October I borrowed from J. Kennedy Tod & Co., \$180,000. and from the Central Trust Co., \$100,000, as in making the payments of 14th, October, I had overdrawn the Great Northern's account, and it was necessary to make it good. I also borrowed

on that day \$100,000. from the Great Northern Railway Co. On the 17th inst. I paid off the loans to Tod and the Central Trust Co., with interest, amounting to \$93.33, and on the same day borrowed from Kuhn, Loeb & Co., \$500,000. Therefore, at the close of business October 17th, Mr. Hill had made himself responsible for loans of \$600,000. and had disbursed \$93.33 in interest. The matter continued in this shape until the 15th, December, when, under instructions from Mr. Hill, I paid to the American Exchange Bank for the credit of W. P. Merriam, Trustee, \$50,000. I am not advised that this was on the same account, but assume that it was. This amount was paid out from funds that I had in hand belonging to Mr. Hill.

On the 31st, December I paid Kuhn, Loeb & Co., interest on their loan, ~~paying on that date~~ to the amount of \$6,166.67. The matters remained in this shape until January 11th, when the Great Northern Company having funds in hand, I paid off the loan of \$500,000. to Kuhn, Loeb & Co., with interest amounting to \$916.67, borrowing \$500,000. from the Great Northern Railway Co. for this purpose. The situation as it stands at present therefore, is as follows:- Mr. Hill has borrowed from the Great Northern Company, and disbursed for it in the D. & W. matter, \$600,000. On the money borrowed outside he has disbursed from his own funds, and which must be repaid to him, \$7,176.67. He has apparently disbursed (on Dec. 16th, 1892), \$50,000. more on the D. & W. business of his own money, and of course on this money he is entitled to

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interest from that date to the date of its re-payment to him, if my assumption that it was on D. & W. business is correct.

Mr. Warren suggested before I left St. Paul, that I could settle this matter by crediting on my books the money paid in at St. Paul by the Minneapolis Trust Company, to Loan Acct. and charging ~~over~~ same to the Minneapolis Trust Company. This might do very well provided the amount paid in exactly offset the loan ^{with} interest, which you will observe ^{it} does not.

I have given you, I believe, all the information in my possession regarding this matter, and you will have to take it up in St. Paul and straighten it out there.

I will endeavor in the course of the day, or to-morrow, to get Mr. Hill's Personal Account made up and forwarded to you.

Yours very truly,



Asst. Treas.