

Redemption of St. P. & P. 1st Mtg Bds

216 ~~130~~

GREAT NORTHERN RAILWAY COMPANY.

40-42 WALL STREET,

P. O. Box 756.

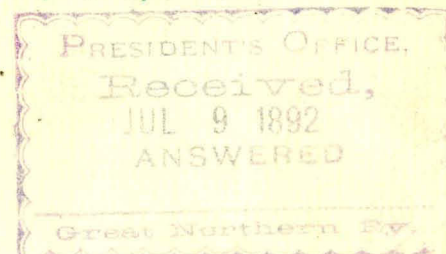
NEW YORK.

July 6th, 1892.

James J. Hill, Esq.,

Pres't, St. Paul, Minn.

Dear Sir,



Just prior to your leaving for the West I received from Mr. Sawyer the minutes of recent meetings of the Manitoba and of the Great Northern Boards. In looking over these minutes I find that on the 17th of June the Manitoba Board requested the Great Northern R'y Co., to provide the funds necessary to redeem on the 1st of July the \$366,000 of St. Paul and Pacific 7% bonds maturing on that date, and to hold the bonds redeemed as a security for the moneys advanced to take them up. The Manitoba Company by the resolution agrees to keep these bonds alive and to continue interest thereon at the rate of 6% until the Manitoba Company shall prepare some form of security to fund its existing debt. On the same date the Great Northern Board adopted a resolution acceding to the above request of the Manitoba Company and I have taken up these bonds as presented at this office in accordance with these resolutions. In looking over the Manitoba First Mortgage, dated June 21st, 1879, I find in article 15th thereof that the Manitoba Company made an express covenant with the trustees of that mortgage to pay the in-

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terest on and the principal of all the St. Paul and Pacific bonds that were at the date of that mortgage outstanding, as such interest and principal respectively became due, and this covenant has been kept so far as the interest and principal of one of said mortgages, namely, that to Walter L. Cutting, Trustee, is concerned, and also as to the interest on the other, and it seems to me that under the terms of said article it is now incumbent on the Manitoba Company to cancel the \$366,000 bonds of the \$700,000 St. Paul and Pacific issue which the Great Northern Company is now taking up. In the article named there is a reason given for this, a special consideration is paid to secure its being done and a particular agreement made to do it, and it seems to me that a failure to cancel these bonds is as clear a default on the part of the Manitoba Company as a failure to pay the interest on the First Mortgage bonds themselves. In the succeeding article (16th), certain penalties are prescribed for a default. I may be mistaken in my view of this matter, but Mr. Grover, who has been with me to-day, has looked over the mortgage with me and seems to think that my view is correct. In any event, to make an extension of the St. Paul and Pacific bonds effective, it would seem to be necessary that the trustee of that mortgage should join in the extension. Russell Sage is the trustee of that mortgage and it happens that he was also a holder of one of the bonds secured thereby,



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and that bond was presented by him and paid at this office on the 1st inst. If we should request him, as trustee, to join in extending the bonds at 6% he might raise a question as to the right of the Manitoba or Great Northern Company to make what would be under the circumstances in effect a forced purchase of his bond from him.

I understand that the object of this extension is to place in the hands of the Great Northern Company, which advanced the funds to take up the bonds, a security for such advance, and I think I can suggest a method, to give them this security and at the same time to effect the cancellation of the St. Paul and Pacific mortgage.

The Manitoba Company has the right to issue Consolidated bonds against First mortgage 7% bonds retired by the trustees of the latter mortgage from proceeds of land sales. I hold here over \$400,000 of these First mortgage cancelled bonds. I suggest that \$366,000 of these bonds be handed to the trustee of the Consolidated mortgage and that the trustee of the Consolidated mortgage be requested to issue \$366,000 of 4 1-2% bonds in exchange therefor as provided in the Consolidated mortgage. The Manitoba Company would then legally have in hand these \$366,000 4 1-2% Consolidated mortgage bonds which it could hand over to the Great Northern Company in re-payment of or as security for its advances. This would give

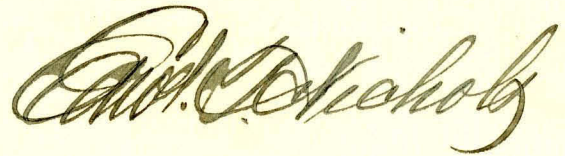
H.J.H. 4.

the Great Northern Company a marketable security which it would, if it should desire to do so, be in a position to sell, whereas it could not well sell the extended St. P. & P. 6's. At the same time, if the Great Northern desires to hold these 4 1-2% Consols until such time as the Manitoba Company decides upon the form of the security to be issued for the purpose of funding its present bonded debt, it could do so. The advantage of the plan I suggest is that it would immediately remove one mortgage (the St. Paul and Pacific issue), which is now a lien prior to that of the Consolidated mortgage, thereby making the Consolidated mortgage even better than it is at present. If we do not cancel the St. Paul and Pacific bonds we have got to show that mortgage as still alive, in our annual report. The method that I propose would extinguish it and at the same time not decrease our bonded debt, for the First mortgage bonds which I propose to surrender for the 4 1-2% consols are <sup>already</sup> all dead bonds, having been redeemed by the Trustees. The method I propose is open to the objection that it is making use of that clause in the Consolidated Mortgage as to the issue of Consols against First Mortgage bonds redeemed from land sales, which has been so often objected to. To this I would reply that the issue of Consols I propose is for a consideration the consideration being that they are to be used to retire a prior obligation for which no special provision was made in the Consolidated mortgage.

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In any event, I think such a criticism of my plan has less force than that I have made of the proposed extension. I have Consolidated bonds in hand and can make the suggested exchange at any moment if it meets your approbation.

Yours very truly,

A handwritten signature in dark ink, appearing to read "C. W. Nichols". The signature is written in a cursive style with a large, prominent initial "C".

Secretary.



*Candidate for Atty Genl. - Kingsley*  
*Great Northern Railway*

*Jas. J. Hill,*  
*President*

*President's Office,*

*T. J. Hyman,*  
*Asst. to the President.*

*St. Paul.*

July 6th, 1892.

*Copy*

J. C. Easton, Esq.,

Lacrosse, Wis.

Dear Sir:-

Replying to your favor of the 4th, I beg to say that I shall be glad to do your friend, Mr. Kingsley, any favor in my power.

The interests I represent in the State depend upon the law for their protection, and it is important that the Courts, and the legal advisers of the State should be composed of sound, intelligent, reasonable men.

Yours truly,



Memo. Mr. Hill:  
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Charlie Holt's matter.

I examined the premises Charlie wants to buy (#338 Aurora Avenue). The house is a two-story frame building, 4 - 5 years old, fairly well constructed, contains 10 rooms, and has good stone foundation and cellar under the entire building. The lot is 50 x 135 ft. to an alley.

There is a mortgage for \$1800, int. 6% annum upon the property, which expires Nov. '94, but can be lifted Nov. '92 by giving 60 days notice of such intention. The owner, a widow, agrees to sell the property, subject to said mortgage, for \$1200; making the property cost equivalent to \$3000. The woman's husband died 2 years ago intestate and administration proceedings must be had upon the estate before deed can be given to the property. She can furnish bond for deed and for whatever earnest money may be paid.

From what I can learn of property valuations in that neighborhood, my judgment is, this property is well worth the price asked. If Charlie can succeed in buying it he intends renting one flat and living in the other. He has a tenant in view at \$15. per month. Counting upon a rental of \$10. per month he can, with his own and his wife's exertions safely lay by \$50. per month towards paying for the place. He would like you to loan him \$1200, taking second mortgage as security; to be paid in monthly instalments of not less than \$25. per month. He agrees to pay as much more than this as he can after providing for interest on the \$1800 mortgage, taxes and insurance. He thinks he can pay for the property in from 4 to 5 years.

I have talked with Charlie and told him you considered a much cheaper place, say about \$1700, would be easier for him to handle. He claims that it is almost impossible for him to get a lot anywhere within reasonable distance and get a small house constructed on it for that sum. He thinks that, with renting one of the flats in the place he has in view he could handle it almost as easily as the cheaper place and at same time secure a much more desirable house and lot.

July 6th, 1892.

Respectfully  
W. A. Stephens







St. Paul, Minn.,

July 6

1892.

To Jay Kille

Please take notice that a certain note  
made by Chapman - Drake Co

dated at St. Paul Minn Apr 6 1892  
payable Three months after date (no grace)  
to the order of Commercial Bank  
for Three thousand DOLLARS,

with  
at Commercial Bank  
endorsed by

Herman Schepfer and by you,  
has this day been duly presented by me for payment  
and payment duly demanded and refused.

Whereupon I **DULY PROTESTED** said note  
for non-payment and the holders look to you for the payment thereof,  
with damages, interest and costs.

Yours respectfully,

Herb Power  
Notary Public, Ramsey Co., Minn.

Protested by request of the MERCHANTS NATIONAL BANK, of St. Paul, Minn.



# GREAT NORTHERN RAILWAY LINE.

After transmitting telegrams which in their judgment would have served the Company's interest if sent by train mail, or which appear unnecessarily long, operators are required to make a copy of them and forward to Superintendent of Telegraph. Operators will write all telegrams in ink, and enclose those for delivery on trains (except to trainmen) in sealed envelope.

Received From	Time Received	SENDER	RECEIVER	<b>TELEGRAM.</b>	SENT TO	TIME SENT	SENDER	RECEIVER
				TIME FILED. <i>240</i> M.				

FROM \_\_\_\_\_ TO *Mr Stephens*

DATED \_\_\_\_\_ 189 \_\_\_\_\_ AT \_\_\_\_\_

*Yours today to Ellen Care Burns*  
*Moorehead is undelivered. Mr Ellen has*  
*gone to Fargo - Can you give us*  
*his address there*  
*Ryan*





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