

GENERAL CORRESPONDENCE

1892

DEC.

31

FOLDER NO.

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

W.D.S.
PHELPS, DODGE & CO.

118 13 Cliff Street.
New York, December 31, 18 92.

PRESIDENT'S
Received,
JAN 3 1893
C. N. RY.

DEAR SIR :

We have the pleasure to inform you that we have
this day admitted

Mr. ARTHUR CURTISS JAMES,

son of our Mr. D. WILLIS JAMES, as a partner in our firms
of PHELPS, JAMES & Co., London, and PHELPS, DODGE & Co.,
New York.

Very respectfully,

Your obedient servants,

PHELPS, DODGE & CO.

7.)
500)
Thos. J. Finney,

Palace Hotel,

San Francisco.

(5) 11-25
Dec, 31/ 92.

James J. Hill, Esq.,

St. Paul, Minn.

My Dear Sir:

Do not be appalled at the proportions this letter will necessarily assume in view of the grounds to be covered.

The magnitude of the subject will plead my apology for prolixity and you will find your interest increasing and if I conjecture rightly its closing statement will be found to be of more value than all the rest.

You are doubtless well informed as to California's pre-eminent position among the states in wonderful and varied natural resources. You are familiar with its history as a great wealth-producer in the last forty years. Also, with its marvelous growth and development. With only 2% of the population of the United States (leaving out N. Y. State), it has 10% of its millionaires and its wealth per capita is greater than that of any other state in the Union save one.

The impression is quite prevalent that all the great fortunes here have been made in mining enterprises, but this is not true, notwithstanding the enormous contribution to the wealth of the world which has been made by California's yield of precious metals. The majority of our wealthiest men here are owners of great landed estates which give them princely revenues, cost them little in time or care and add still greater annual values in their steady but inevitable and rapid appreciation. A dozen or more men may be mentioned--such as Lloyd Tevis; James Ben Ali Haggin; C. P. Huntington; Jesse D. Carr; Henry Miller; Timothy Paige; E. J. Baldwin; Hon'l Leland Stanford; the George Hearst Estate; Dr. E. B. Perrin; Gen. Jno. Bidwell (Prohibition candidate for President in the last canvass) and others--men worth from \$5,000,000 to \$40,000,000 each, who have acquired broad domains of from 100,000 to 500,000 acres each, of finest and richest lands, bought at moderate or low figures and which are worth to-day TEN to TWENTY times their cost and worth most surely in the near future as many more times than at present. That more of such acquisitions have not been made is simply because the men able to swing such big enterprises are so few. But, the fact that we are now having what is known in California as a "wet year" (after which follow invariably one to three seasons of unusual prosperity) and the further fact that California and its wonders are to be so exploited at the Columbian Exposition as to turn the faces of many capitalists toward the Occident (and to visit and investigate Cal. with money, is to invest it), form the basis of the very safe prediction of an unprecedented advance in realty values in this state in the NEAR future.

The Nicaragua Canal (which may now be regarded as a "fait accompli") will add greatly to the upward impetus of values for obvious reasons which no one better than yourself can appreciate.

California therefore offers to-day to the investor of large means phenomenally fine opportunities to make wonderfully remunerative transactions. Let me illustrate the advantage held by the opulent class in this respect:- The colonist or agriculturist from the East or Europe comes here and buys a 20 acre tract we will say, in the remarkably fertile counties of Kern, Tulare or Fresno at \$100 an acre. He will pay a small portion down. Within four years, the increase in the yield from the land under improvement will have paid for it and reimbursed him his entire outlay for both land and improvements, besides having supported his family (of say five) in perfect comfort and permit him to lay by a fund for future emergencies or further investment. The land will then (if planted to grapes, raisins, fruit, or olives) be worth easily \$500 (or more) an acre. A man of larger means may buy a section (640 acres) for say \$60 to \$75 an acre--his ultimate profits being proportionately greater. One able to take several sections may get them at from \$50 to \$60 an acre with proportionately greater gain, but the financial magnate comes along and wants a little principality of say 50,000 to 100,000 acres and can (to-day--but not much longer) secure such a body of the same quality of land for \$40 and even \$35 or less an acre (including "water rights") which he can either subdivide and dispose of easily at \$100 an acre (thus putting on a 100,000 tract, FIVE or SIX millions to the good) or selling half and improving the rest, having within a few years a property clear of one dollar's actual net outlay, worth millions and enhancing in value annually and bringing him an income equal to the profits of a great manufacturing corporation requiring a huge capital, the brains and skill of a coterie of accomplished financiers and specialists, together with ALL the risks involved, whereas, an enterprise like that I have named incurs no hazard whatever and will enrich its owner in spite of himself.

Now, We approach the pith of the matter--the "raison d'etre" of this letter. I have been able to secure an Option on a magnificent tract--probably the finest body of land of its size in this state, in the richest agricultural county of the state, capable of growing in luxuriance and with a minimum degree of expense all manner of citrus and deciduous fruits; grapes, raisins, prunes, figs, olives, nuts, etc., and this land can be secured and operated on terms which will produce some millions of profit within three to five years. The property can be bought with irrigation rights and facilities (being at the fountain head of the chief water supply of that part of the state) for say two and a half millions of dollars, one half of which is all that it is necessary to invest. I want to secure a syndicate of wealthy gentlemen to join me in this enterprise, being unable to swing so large a transaction personally. I would then suggest incorporating it with a capital stock of Five Millions. Within five years at farthest the property will have fully paid for itself and be worth from seven to ten millions and be producing annually a profit of two and a half to three millions. This sounds Munchausenish I know, but it is as susceptible of proof as any thing can be which is not an accomplished

(4) 15-85

fact and my figures are probably far within the facts. The histories of similar transactions throughout the state furnish abundant data from which to form more liberal estimates than I make here. One case occurs to my mind:- It is that of the famous Santa Anita Ranch (in Los Angeles Co.), of "Lucky" Baldwin's, having (I think) some eight thousand acres. It was offered some years ago to a friend of mine (who has since made more than five millions out of California lands) for \$72,000. His brother dissuaded him from the purchase. Later, Baldwin bought it for \$300,000. I am told that he has been recently offered and refused \$2,000 an acre for 3,000 acres of it--\$6,000,000.00.

(I forgot to say that this tract has 70,000 acres in it).

But, this letter is merely initiatory. No use in backing up statements by evidence until there is some purpose to be served thereby. I am now about to look for gentlemen ready to put up \$100,000 or more each for this enterprise.

I lay the matter before you first because you could swing the entire deal alone and to make the transaction in this way would not only be far less trouble but more satisfactory. Not one dollar of expense is even suggested until such proof as may be required is adduced in satisfactory quantity and quality.

I want to find men who will say to me, "If you furnish me ample evidence satisfactory in every respect to ME that your statements and claims are well founded, THEN I am ready to INVESTIGATE the matter fully, and IF my investigations result satisfactorily, then I am ready to join you to the extent of \$100,000" (or any multiple of it). There is nothing wild or fanciful or chimerical or theoretical or visionary or kite-flying or boomie about this thing or my presentation of it. It is a BIG THING and one with enormous profit in it.

Another year it cannot be duplicated on like terms. It will furnish you good reasons for an annual visit to and sojourn in this Garden Spot of America, which of itself has frequently (within my own knowledge) been the means of prolonging life. And right here is a point of importance. The climate is as near perfection as one can see cure. It is a simple fact that in NO day in the 365 does the sun fail to shine. A long letter could be truthfully written on this theme alone.

on this tract
FINALLY; Please bear in mind that I am not soliciting either your interest or your capital. The thing is too good intrinsically to necessitate solicitation. I simply bring it to your attention to consider, and to act or not as you may please.

If indifferent or not interested, not even a reply is necessary, or expected.

An opportunity of this sort CANNOT go a-begging.

I beg to remain, Dear Sir,

Faithfully yours,

P. S.

This would be a capital time for you to visit this coast and be able to demonstrate secularly the truth of all the statements I have made or may make to you. It would be in enjoyable contrast with your inhospitable winter weather. Yours etc. T. J. F.

James J. Hill
St Paul

Minneapolis, Minn Dec 31 1892

The annual

Meeting of the Stockholders of the
Commercial Bank of Minneapolis will

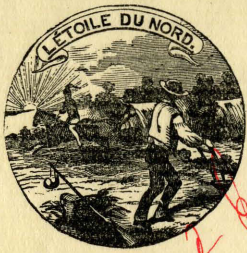
held at their Banking office on

10th day of January 1893

3 o'clock, p. m.

C. C. Merriman
M Cashier

Procy in favor of Hon. Winthrop Young
executed and mailed to him Jan 5 1893



STATE OF MINNESOTA.

Department of Boiler Inspection.

R. C. CLARK,
PRESIDENT.

St. Paul, Minn. Dec. 31st 1892.

Answer Jan 10/93
Hon. James J. Hill
246 Summit Ave.
City.

Dear Sir:-

I learn from nearly all of the better class of engineers in the city that a gentleman by the name of Harty claims to have your signature and hearty support for the position I now hold and it seems strange to me, for when I left your employ I brought with me the highest recommendation from your Master-Mechanic and General Foreman, W. J. Reed and Geo. Dickson also the endorsement of every machinist in the shops.

I have held the position for three years and seven months without having a single explosion in my district and I cannot see why you should be desirous of a change. Hoping to hear from you at an early date I am

Respectfully Yours R. C. Clark



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