

GENERAL CORRESPONDENCE

1878 MAR 16 - APR 1

FOLDER NO.

10-23

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

2419 [March 16, 1878]

Blank No. 1.

THE WESTERN UNION TELEGRAPH COMPANY.

This Company TRANSMITS and DELIVERS messages only on conditions, limiting its liability, which have been assumed to by the sender of the following messages. Rates may be avoided except only by repeating a message. The sending station for completion, and the party will not hold itself liable for errors or delays in transmission or delivery of Unrepeated Messages. This message is an UNREPEATED MESSAGE and is not to be repeated by request of the sender under the conditions named above.

A. K. FRETWELL, Sec'y

WILLIAM ORTON, Pres't.

Dated St Paul Minn 16 1878

Received at 791 BROADWAY. March 16

To Geo J Hill
St Louis

READ THE NOTICE AT THE TOP.

Arrived home this am all
well
New Kittson

Epurdk
By tele 2419 call
Chas J. Farley to
to W. Kittson and
Oscar B. Hillier
Henry Public

THIS TELEGRAM HAS JUST BEEN RECEIVED AT THE OFFICE IN:

791 Broadway—Always Open.

WHERE ANY REPLY SHOULD BE SENT.

Direct Wires.

March 18, 1878

Blank No. 1.

THE WESTERN UNION TELEGRAPH COMPANY.

This Company TRANSMITS and DELIVERS messages only on conditions, limiting its liability, which have been accepted by the sender of the following message.
Errors can be guarded against only by repeating a message back to the sending station for comparison, and the Company will not hold itself liable for errors or delays in transmission or delivery of **Unrepeated Messages**.
This message is an **UNREPEATED MESSAGE** and is delivered by request of the sender under the conditions stated above.

A. R. BREWER, Sec'y.

WILLIAM ORTON, Pres.

Dated

Montreal *18* 187

Received at

791 BROADWAY. March 18

READ THE NOTICE AT THE TOP.

*To J. J. Davis
St Denis Hotel
Kittson telegraphs that it
is inconvenient for him
to come here just now
I have answered that
meeting here this week
Absolutely necessary
Saturday will do.
Geo Stephen*

26 p.m. Busan

THIS TELEGRAM HAS JUST BEEN RECEIVED AT THE OFFICE IN

791 Broadway—Always Open.

WHERE ANY REPLY SHOULD BE SENT.

Direct Wires.

Blank No. 2.

THE WESTERN UNION TELEGRAPH COMPANY.

ALL MESSAGES TAKEN BY THIS COMPANY SUBJECT TO THE FOLLOWING TERMS.

To guard against mistakes or delay, the sender of a message should order it repeated; that is, telegraphed back to the originating office for comparison. For this, one half the regular rate is charged in addition. It is agreed between the sender of the following message and this Company, that said Company shall not be liable for mistake or delay in the transmission or delivery, or for non-delivery, of any TELEGRAPHED message, whether originating by negligence of its servants or otherwise, beyond the amount provided for sending the message. In case of mistake or delay in the transmission or delivery, or for non-delivery, of any TELEGRAPHED message beyond fifty times the sum received for sending the same, without specially ordering to the contrary, the Company will not be responsible for damages in the working of its lines, or for errors in cipher or obscure messages.

A. R. BREWER, Secretary.

And this Company is hereby made the agent of the sender, without liability, to forward any message over the lines of any other Company when necessary to reach its destination. Correspondence in the transmission of messages in any point on the lines of this Company, may be repeated by repeating in writing, adding a special order to this, and payment of premium charged at the following rate, in addition to the usual charge for repeated messages, viz. 1 cent per word, for any distance not exceeding 100 miles, and two cents per word, for any greater distance. No employee of the Company is authorized to vary the foregoing. The Company will not be liable for damages in any case where the claim is not presented in writing within sixty days after sending the message.

WILLIAM ORTON, President.

Send the following Message, subject to the above terms which are agreed to.

To *Geo. Stephen*

Montreal, Canada

*There is no reason why
Lithons should be later than Thome day - Time
is important - Have telegrams advise Supreme
Court Minnesota very important decisions are
favor - Leave for Washington tonight
3d April 1878 Montreal Thursday*

READ THE NOTICE AND AGREEMENT AT THE TOP.

via Moyane,

No. *Harley no. Kattson*
Depto - Ex - 126
J. Richardson *Commissioner*
(Form No. 1)

MONTREAL TELEGRAPH COMPANY.

CAPITAL, \$2,000,000. INCORPORATED 1947. NUMBER OF OFFICES, 1450.

Connects with all parts of the United States, Maritime Provinces, and with Cables to Europe, Cuba, &c.
OFFICES IN MONTREAL.—Main Office: Telegraph Buildings, corner of St. Francois Xavier and St. Sacrament Sts. Branch Offices: G.T.R. Ticket Office, St. Lawrence Hall.—Ottawa Hotel, St. James St.—Montreal, P. & N. Ticket Office.—Royal Canadian Insurance Office.—Albion Hotel, McGill St.—Arts & Crafts House, St. Joseph St.—Canada Hotel, St. Gabriel St.—Richelle Hotel, St. Vincent St.—Montreal House, Custom House Square.—Quebec Hotel, St. Paul St.—Corner St. Peter and Young Sts.—Cannon St. No. 59.—St. Paul St. No. 28.—Webster & McMartin, Cor. Craig and Montcalm Sts.—Lafayette Main St. No. 27.—St. Joseph St. No. 68.—Blue Factory, No. 281 St. Joseph St.—Bonaventure Station Express Office.—St. Francois Xavier St. Express Office.—Mountain St. Crossing.—Point St. Charles Post Office.—St. Catherine St. East No. 311.—La Misere Office, Cor. St. Gabriel and Notre Dame Sts.—Young Men's Christian Association Rooms, Radegonde St.—Alexander's, corner St. Catherine and University Sts.

Sent *✓* Rec'd by *X*
Check *122*
Terms and Conditions.—All messages are received by this Company for transmission, subject to the terms and conditions printed on their Book Form No. 2, which terms and conditions have been agreed to by the holder of the following message.
JAMES DICKENS, SEN. MR. HUGH ALLAN, PRES.

No. *122* Time *10:20* Montreal, *8 Feb 1878*
By Telegraph from *New York*
To *George Stephen*
Montreal

Kittson arrived
home Friday.
have asked him meet
you Montreal Thursday
will advise you reply

J. J. Hill
10:20

E. C. JORDAN & CO.,
Civil Engineers and Land Surveyors,
NO. 184 MIDDLE STREET.

Surveys made for proposed Railroads, Water Works, Mill Dams, and Storage Reservoirs, surveys of Counties, Towns, House Lots, &c.
Estimates of Brickwork, Plastering, Slating, Stone Masonry, Earthwork, Earth and Stone Excavation, &c., &c., &c.
Plans and Specifications for Iron or Wooden Bridges, or the combination. Plans and bills of Timber for Wharves, &c., &c.

Portland, Me., March 24 1878

Mr. Proctor. This man got left

My dear Sir:

I have just received information through Gen. Rosser, whose assistant engineer I was for several years, that one Proctor was in the possession of the two lots 748 Block 44 that I purchased of G. W. Sweet a pt. S. S. & P. Land Co. July 30th 1872. Records of which you will find in the old Puget Sound Co's book at Bismarck.

As I paid cash for the lots and offered them for sale through an agent who resided there for several years and who protected them against occupancy (R. M. Douglass) and finally transferred them to the care of S. P. White in the Feb. of 1876. I think I can prove a fair possession. However -

I understand that Mr. G. W. Sweet claims these lots from you and that they are in litigation. I paid \$24,50. it being

~~maker, and action~~

\$5.75 more than twenty five per centum of the ~~price~~ ^{such} price at which they were sold to me.

No other payments were exacted of me, owing to difficulties that were then arising.

Mr. White as late as May 1876 pronounced my title good.

I desire to sell out my interest at an equitable figure. Will you please write me, making me a fair offer, and if satisfactory I will transfer my receipts for money paid and contract for the lots, that I received from G. H. Sweet to you or the present occupier of the lots.

Respectfully

E. C. Jordan

~~the J. S. Jordan Co~~
 I did it myself
 while he was in
 he has been surrounded by

OFFICE OF
The Red River Transportation Company,

120 EAST THIRD STREET.

N. W. KITTSON, General Manager.
C. MICHAEL, Sec'y & Treas'r.

St. Paul, Minn. March 26 1878

James J. Hill Esq.
St. Paul

Dear Sir

Will you please select a "Pump" for the "Docks" I will leave the matter to you as you seem to have decided ideas on the pump I desire (which I have not) I will agree not to countermand any of your orders

You know the Pump is to supply two 40 inch Baylers 16 feet long - I should be bought 2 Ships - at once as we are putting in the Machinery as fast as possible - You select the pump & be responsible for its success & I will be perfectly satisfied -

Yours Truly

E. H. Loomis

St. Paul, Minn.
March 26, 1878

James J. Hill Esq;
St. Paul, Minn
Dear Sir:

Will you please select a "pump" for the "Dakota" . I will leave the matter to you as you seem to have decided ideas on the pump question (which I have not), and will agree not to countermand any of your orders.

You know the pump is to supply two 40 inch Boilers 16 feet long, and should be bought and shipped at once as we are putting in the machinery as fast as possible. You select the pump and be responsible for its success and I will be perfectly satisfied.

Yours truly,

E.V.Holcombe

Montréal

March 28, 1878

My Dear Sir

This will be
delivered by me by
the Myron. When
you were good enough
to say you would
find employment
for in St Paul.

Kindly only add to
the best you can

on him -

of Baker

Grove

Essex

J. J. M. Eyr

Sherbrook 30th March 1878

My dear Mr Hill

Mr Stephen tells me he has
spoken to you in behalf of a young
friend of mine and a native of
Stephens County in Scotland. He has
been with us for several years in a
position of some trust. I am almost
ashamed to bother you or presume on
a slight acquaintance but being both
mutual friends of Mr Stephen. I know
you will pardon the liberty. I take
and in saying that anything you do
to further Mr Stephens interests will be

esteemed a son to myself.

We always found him an active
faithful honest fellow.

I was sorry I did not get back
from New York in time to meet
you in Montreal. I have a great
idea of the valley of the Red River.
If my boys were old enough there
is no place where I would like
better to see them settle.

I trust your Railway will turn out
in every respect equal to your expectations
and that I will have the pleasure of
a ride over it some day.

I am my dear Sir
Yours sincerely
J. A. MacFarlane
St. Pauls

[April?] 1878

United States Circuit Court
District of Minnesota }

Henry M. Baker &
John S. Kennedy and ~~others~~ John S. Barnes
partners as John S. Kennedy & Co.
Plffs. Complainants

^{vs}
The St Paul and Pacific Rail Road Company
The First Division of the St Paul and Pacific
Rail Road Company, The Northern
Pacific Rail Road Company & others
Defts

State of New York
County & City of New York } ^{vs}

Two of the plaintiffs in the above entitled case
John S. Kennedy and John S. Barnes of
the City County and State of New York
being each duly sworn, doth for himself
say that he is a member of the firm of
J. S. Kennedy & Co, doing business at the
City of New York aforesaid and plaintiffs
in the above entitled action.
They further say that ^{the said plaintiffs in said case} their said firm
have at this time in their custody and
under their control

Dollars of
the first mortgage bonds issued by the
First Division of the Saint Paul and Pacific

Rail Road Company, bearing date the
1st day of April 1871 and secured by the
Mortgage or Trust Deed of the Saint Paul
and Pacific Rail Road Company, dated
the first day of April 1871, and executed
and delivered by said Saint Paul and
Pacific Rail Road Company to Horace
Thompson, George L. Becker and William
F. Moorhead as Trustees for the holders
of said issue of bonds of said First Div-
ision of the Saint Paul & Pacific Rail
Road. That the bonds referred to and
upon which the suit ^{now} pending in
the Circuit Court of the United States
for the District of Minnesota ~~in the~~
~~names of said John S. Kennedy & Co. as~~
~~plaintiffs~~, against The Saint Paul & Pacific
Rail Road Company, The First Division
of the St. Paul & Pacific Rail Road Company
and others as defendants was instituted,
are a portion of the said bonds so in
their possession and control, and
affiants further say that said bonds
and all of the same are placed in their
custody in trust by the owners thereof,
with full power and authority to use
and produce the same or any of them
for any purpose that may be necessary

in the name of

in the prosecution of the said action
above named, or in the prosecution of
the action now pending in said Circuit
Court in the Names of Jacob S. Wetmore
Thomas Denny and Thomas W. Pearvall
Trustees, as plaintiffs, against said
First Division of the St. Paul & Pacific
Rail Road Company, The St. Paul &
Pacific Rail Road Company, or others,
which action is brought for the fore-
closure of the said Mortgage or Trust
Deed, securing the said issue of bonds
herein above referred to. That said
bonds so held by them form and are a
large majority of all the bonds secured
by the said Mortgage or Trust Deed
above referred to, and affiants have
full power and authority to produce use
and control the same or any of them,
upon the trial of either of said actions
and at any time during the pendency
of said action upon any proceedings
therein until the final conclusion of
said suits or either of them whenever
such production or use becomes nec-
essary, during the prosecution of said
actions for any purpose whatsoever
and they make this ~~affidavit~~ affidavit
in behalf of the application of

to Represent said bonds

Subscribed
me this
before me

The receiver herein Jesse P Farley
Etc to issue debentures for the
construction of the railroad,
to be heard before Hon Jas F.
Dillon one of the judges of this
Court at Jefferson City Mo.
on the 18th inst. & the
Complainant herein concurs
with said receiver in all
things in said application.

W. J. Circuit Court

Statement of Main Line Bonds & Coupons April 1/78

Bonds of 3000,000 issue	7%	1526 500
" " 600,000 " "	7%	5009 000
Total Bonds		\$6,535,500

Coupons of 3000,000 issue 7%		
Due May 1873		50 956 35
" Nov "		50 898 75
" May 1874		51 012 50
" Nov "		50 872 50
" May 1875		50 837 50
" Nov "		50 960 00
" May 1876		50 837 50
" Nov "		50 916 35
" May 1877		51 056 35
" Nov "		50 960 00
Total		\$509,337. ⁵⁰

Coupons 600,000 issue 7%		
Due		
" May 1873		179 715 00
" Nov "		173 460
" May 1874		173 500
" Nov "		173 565
" May 1875		173 705
" Nov "		173 605
" May 1876		173 415
" Nov "		173 355
" May 1877		173 355
" Nov "		173 495
Total		\$1,690,160. ⁰⁰

Statement of Branch Line Bonds & Coupons April 1 1878

1 st Mtg Bonds	8%	120 000
" " "	7 1/2%	366 000
Real Estate	"	1 044 750
Consolidated	"	1 095 000
Total		\$ 2625 750 ⁰⁰

Coupons of 1200000 issued 7 1/2%

Dec June 1873	2 148 75
" Dec "	31 045 00
" June 1874	31 674 50
" Dec "	31 710 00
" June 1875	31 823 75
" Dec "	31 885 00
" June 1876	31 850 00
" Dec "	31 974 50
" June 1877	32 433 75
" Dec "	33 757 50
Total	\$ 290,248 25

Coupons of Consolidated issued 7%

Dec June 1873	38 255 00	
" Dec "	38 290 00	
" June 1874	38 325 00	
" Dec "	38 290 00	
" June 1875	38 290 00	
" Dec "	38 290 00	
" June 1876	38 290 00	
" Dec "	38 255 00	
" June 1877	38 185 00	
" Dec "	38 325 00	
Total		\$ 382795 ⁰⁰

April 1st 1878

Total amount of land received under
3rd m Intgo 498.405.¹⁰ acres - of this there
has been decided ~~\$~~252.888.⁶⁰ acres and there
has been sold or contracted for which part
payments have been made 87.819.²² acres
on which is due from time to time drawing
7% per annum \$247.958.⁷⁴ leaving land
unsold 207.698 acres

Total amt of land received under the
6th m Intgo 560.989.¹⁸ acres of which
has been sold and decided 199.901.⁶⁵ acres
there are ~~also~~ contracted for 10.497.¹⁸ acres
on which is due from time to time drawing
interest at 7% per annum \$55.600.¹⁹ leaving
unsold 350.591 acres

498.405.10	3 rd m
560.989.18	6 th m
959.394.28	Total Recd

[1878] [?]

ca. April 1878

Having purchased the holding of the Dutch Committee of Bondholders of the St Paul & Pacific Railway Lines (First Division and Extension) at a cost of about say \$3,753,100⁰⁰ and the stock of the Red River and Manitoba Railway, commonly called the Cretaceous River Link - amounting to about \$210,000 U.S. Cy. additional, the interest on which amounts payable semiannually at rate of 7% per annum would be \$277,420,52

The following statement will show the resources from which we would be reasonably entitled to look for an amount to meet the above interest

There now remains uncompleted of the Extension Lines (as called) from End of track to St. Vincent 65 miles, from Malone to Alexandria 35 miles and from Alexandria to Fergus Falls 45 miles; or in all about 145 miles

The act of the Legislature of the State of Minnesota passed in 1874 and reaffirmed in 1878 provides that the portion from Malone to Saint Center 8 miles shall be completed by the 1st of August 1878 and to Alexandria by the 1st of December 1878 and from Alexandria to Fergus Falls and from Marsh River to St. Vincent by the 1st of January 1880, and this act also provides, that upon the completion of the Line as

2

Alma started to St Vincent and to Alexandria there shall accrue to the Line 400,000. Acres of Land and upon the completion of the Line to Fergus Falls all the rest and residue of the Grants from the United States to the State of Minnesota, in all about 928,000. Acres

We recommend the building of the uncompleted parts of the Line under the order of the Court heretofore made in the Suit pending in the U.S. Court for Minnesota (which order can be modified for that purpose) authorizing the Receiver Mr J. P. Farley to issue debentures, which shall be a first lien, prior to the existing mortgage of \$15,000,000.- on all the road land grants and other property of the Extension Lines, to a sufficient amount to enable him to complete the road or such portions of it as he may be able to build -

These debentures would without doubt be authorized to the amount of \$12,000⁰⁰ per mile and would bear say 8% semi annual interest, the bond purchasers, can we think secure a contract from the Receiver to build the road at the rate of \$12,000⁰⁰ ^{per mile} and possibly something more, payable in these debentures, which would be available security for loans ^{if required for that purpose} for loans.

To complete the road and for the payment of the interest on the Bond purchase there will be required as follows.

To complete the road from Snake River to St Vincent	415,000
" " Melrose to Alexandria	215,000
" " Alexandria to Fergus Falls	370,000
Amount required for interest on purchased Bonds &c	300,000
	\$1,300,000

To provide for the semi annual Payments of the interest on the purchase of the Bonds we can fairly look to the following sources

First the amount of money now in the hands of the Trustees \$300,000.

Second The estimated net earnings of the 1st Division Company until January 1st 1878 \$500,000.

Our holding of the Bonds (upon which this money would be paid) in ~~the~~ hands of Kennedy is about 70% of the respective outstanding amounts 800,000

Third Under the advice of the United States Court the Receiver of the Extension Line has authority to lease this line to such party as will pay a reasonable rental therefor as the property is at present situated: (it being detached pieces without any rolling stock) - we therefore recommend obtaining a lease of the above, in favor of the Red River Valley R.R. Co or the Breckinridge-Carnes Line, at a probable rental of from \$15,000. to \$20,000. and the lessee making this lease should make favorable running arrangements with the Trustees of the 1st Division Company, so as to secure a fair division of the Earnings, which we estimate would give a net profit on the lease of \$150,000. which could be applied on account of interest

Under the existing feeling in Congress relative to

the early covering back to the United States of all unearned land grants we think it greatly to the interest of the purchasers of the property to build the road to Fergus Falls before the meeting of Congress next year, as if delayed longer than the present year, although authorized by the Act of the Legislature during the past winter there may be great danger of losing all the land grant which remains unearned at the close of the present year. The act of the State Legislature as to time is not binding on the action of Congress. As a further reason for building ^{the} road ~~up the~~ ^{as far as possible} the lands to be acquired for this portion are of the very best quality and among the most valuable ~~unimproved~~ lands in the State, and will undoubtedly be sold very rapidly and put under cultivation thus reducing the amount of interest bearing debt and also increasing the traffic of the line.

Inasmuch as there is a considerable amount of bonds of each class outstanding other than those purchased from the Committee it may not be considered policy to urge an early division of the funds now in the hands of the Trustees ~~of~~ or of the funds hereafter received by them, as such division of funds would be to all bonds of the same classes, and would at once enhance the value of the bonds held by outsiders.

Mr Farley the present manager claims that the Branch Line will during the coming twelve months earn enough money to pay interest on all the bonds now outstanding on that line, and we believe his estimate is not unreasonable. This makes it very desirable to purchase all the Branch Line bonds which can be got at fair prices, provided always the money can be readily obtained for such purpose.

The retaining of bonds for lands is earnestly urged as being an easy way to reduce the amount for which a new mortgage will be issued upon the foreclosure, also as it leaves so many less bonds to call for a division of the funds in the hands of the Trustees whenever such funds shall be divided.

If it should be decided to build to Fergus Falls the present year at a cash cost of about \$1,000,000= we would probably receive about \$1,800,000- in debentures at 8 or 9% interest and these debentures would in all probability take the Extension property upon the foreclosed of the Extension mortgage, doing ^{away} entirely with the necessity of buying any more of the \$15,000,000. mortgage \$3,600,000. of which are outstanding which at purchase price $13\frac{3}{4}\%$ would cost \$495,000.

{Ca 4-178}

Issue	Total stated March 12/78	Amount of Purchased	Cost of Purchasing	Outside holding March 12/78	Cost of outside holding
1. 200.000.	1.045.00. @ 75	625.000 @ 75-468.7500	420.000. 75	315.000.	
2. 800.000.	1.097.00.	760.000 @ 28-212.8000	337.000 28	94360.	
3. 000.000.	1.500.00.	907.000 @ 30-272.1000	593.000 30	177.900.	
6. 000.000	5.050.00.	3.520.000 @ 35-1.232.000	1.530.000 35	535.500.	
	<u>\$ 8.692.00. =</u>	<u>\$ 5.812.000. =</u>	<u>\$ 2,185.65-</u>	<u>2,880.000</u>	<u>\$ 1,122.760</u>

Total Cost of ~~holding~~ ^{Purchased}
 Branch Line \$ 681.550.
 Main " 1.504.800.
\$ 2,185.650.
 Extension Line
 11.400.000. @ 13 3/4 1,567.500.
 Total Cost of ~~Purchased~~ ^{Purchased} \$ 3,753.150-
 Add for outside bonds
 Main & Branch Lines 1,122.760-
\$ 4,875.910

Note - of the 1.200.000. issue there are
 held in the United States about \$ 240.000.
 which are valued at say 80% of par value,
 but are actually worth par - Nearly all of the
 other outstanding bonds of all the classes
 are held in England, either as Committees
 certificates or original bonds in hands of the
 holders and which have never been in the
 hands of the Committee

Outside Extension
 Not desirable 3.600.000. @ 13 3/4 = \$ 495.000. =



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