

GENERAL CORRESPONDENCE

1878 JUNE 7-29

FOLDER NO.

10-27

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

St. Louis Mo.
7 June 1878

Geo. B. Young Esqr
St. Paul. Minn.

Dear Sir:

Yours of 4th inst was received today and I return you the order, with the approval, signed by Gen. Henderson + myself.

I thought a mistake was made when Gen. Henderson departed from our original understanding to meet at St. Paul, and appointed Chicago for that purpose. At the former place we could have more fully advised with all the counsel, perfected our report + draft of order, + then gone, with counsel, to meet Judge Dillon. I hope no great inconvenience, however, has been occasioned by the delay originating in that change of programme.

Please mail to Gen. Henderson an uncertified copy of the order.

Yours respectfully
Thos. C. Reynolds.

Farley vs. Pittson-
Defendants Exhibit 127
L. P. Richardson-
Commissioner

St Paul June 7th 1878

George Stephen Esq
Montreal
Canada

My dear Sir

We have just received
your favor of the 4th inst. concerning
pro. note favor of Mr. J. F. Smithers
and W. Watson agt Bank Montreal
ny. which please find enclosed duly
signed and Endorsed

Yours very truly
Jas. J. Hill

Dated New York June 11th 1878 & drawn
payable on the 28th Dec^r 1878
Amount \$140000.

Signed & endorsed by Geo Stephen
Geo A Smith
H. W. Pittson
Jas J. Hill

128
Farley vs. Kittson
Defendants - (128) - Ex
L.P. Richardson
Commissioner

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St Paul June 7th 1878

George Stephens Esq
Montreal
Canada

Dear Sir

Up to date Mr Upham has
sold 100,000.00 6 mil Issuer
40,000.00 3 4 4
4,000.00 7,800,000 4

Which cost us under the
agreement \$48,180. and for which the proceeds
have been sent to Kennedy & Co to date \$55,005.00
showing a profit of about \$6,825.00 less interest
since purchase and exchange. He has on hand
15,000. 3's and 50,000. - 6's, but the latter are about
all bargained for and will be sold in a few days
and proceeds remitted.

There is very light call
for 3's since prices have been advanced to 40¢ which
is equal to \$554.00 Cy for each \$1000.00 bond and paid
due coupons, which is the price we are now holding at.
The demand for the 6's continues good and sales are

2
D. S.

[6-7-78]

easy. We are pleased with the way
Mr Upham has conducted the sale of our bonds
and he seems very anxious to do all he can to
further our interests

We hope your efforts to get hold of all
the First Division Bonds are meeting with good
success, and that we can meet the demand for
bonds for lands without drawing too heavily on
our deposit with Kennedy & Co and reducing the
proportion of our holding. It is much
better for us to buy outside bonds and sell them,
thus getting them out of the way when the foreclosure
comes, than to reduce the proportion of our own
holding now as our agreement allows
for it seems very plain to us that the increase of
the value of the property increases the value of the
outside bonds as well as our own

As fast as you get any 3's or 6's - original bonds -
and send them to us we will at once have them
sold and remit you proceeds

The present outlook for land sales, and a heavy
crop this fall will very materially reduce the

B.
A.

bonded debt of the First Division, particularly the Main Line, before this time next year, and we can see, at no distant day the First Div would be paying most of its interest, provided no foreclosure was had and the bonds are continually being retired.

The net earnings for April are \$68,000. May will also be quite heavy and from present appearances after harvest, we may expect a net income beyond all our estimates.

I am now wish to call the earnest attention of yourself and Mr. Smith to the situation as a whole, asking you to consider it carefully and give us the benefit of your conclusions and advice with as little delay as possible.

The funds in the hands of the ^{Formal} and all net earnings hereafter, not used on the road must be divided sooner or later, pro rata, among the bondholders — Were it not for some of Litchfield suits the Trustees would now be compelled to pay out all funds for interest on the 12½ Branch Line and 6,000,000. issues, which would very materially

4/
P.S.

[6-7-78]

advanced the latter and make the former par at once, and as these suits have no good foundation this is liable to be decided at almost any time — There have been some lots Branch line 12/ Certificates bought in Holland by St Paul parties for investment — Mr Farley has think him 25,000. also a lot of Certificates of 6's and some German bankers have 20,000. 12's besides others which probably exist that we know nothing of — Mr Upham tells us he was asked yesterday to go into a pool to buy 3's certificates and wait until the Committee dissolved and the bonds were returned to the holders — All this should admonish us that we must lose no time in pushing the purchase of First Division bonds of all classes

If we had the 6's and 12's could we not get the Trustees to pay interest notwithstanding the Litchfield suit? The amount of money they would have to divide is almost equal to the cash of the entire outstanding bonds of the 1st Division

We see daily the importance of a foreclosure and our attorneys think it would be safe to

5
1/2.

[6-7-78]

foreclose the I. rail mortgage by notice and sale which could be done by Dec 1st provided we had the outstanding Bonds of that issue, as it would not be safe to bid much less than the bonded debt, and we holding but 60% would have to pay balance in Cash

The I rail mortgage causes the franchise of the Company, and within thirty days after the foreclosure we could reorganize the Company and put an end to Litchfield's Stock, we could then master the balance of the foreclosure as we wished

We hope you will discuss this with Kennedy & Co and if you think best advise us and we will go on with it at once

Regarding the matter of a lease of the Extension Line - If we had this lease we think a mileage division of the earnings on the Sauk Valley portion with the Branch Line could be had without difficulty from the Trustees; this would give us about half the earnings when the road is finished to Alexandria - and a liberal arrangement with the Main Line for the Manitoba business, would give us a very handsome profit on the transaction and would

6
48.

in fact give us a large share of the earnings which
now go to the Trustees. We think Mr Farley
is so much determined to make a large showing
of net earnings that of his own choice he will not
recommend a lease to the Court, but if Mr
Kennedy will advise him to do so, and at the
same time you write us urging it we think it can be
done — This would give us possession of the
road in such a way that we could make any di-
vision which would best serve our interests
between the Railway and Steamboat Line.

In order to get the lease in time to be of service
for the fall business, we wish you would if you
approve the plan, put Mr Kennedy in communi-
cation with Farley on this subject.

We hope you will not think we are
urging too many things, especially as most of
them have been discussed before, but we desire
you to have all the information we have and to
aid us in deciding course shall be pursued
on the different subjects mentioned and let
us show hand and efforts in that direction.

[6-7-78]

U.S.

The whole matter involves many points, and they are of so much importance to our success, that we don't want to lose sight of any, and ask that you will give us your views as early as possible -

Mr Fairman of Cooper & Co Montreal was just in and says the Canadian Govt will have their road built to Emerson this fall. This will materially tend to settle the policy of our going right on to Pembina, and we hope before this reaches you that the orders will be here to go on with the work.

Mr Bottaford the local Treasurer of the Trustees has just died - Mr Kennedy wrote a few days ago on the subject of a successor and we have looked into the matter with Mr Farley, and find that the paymaster who has done the work during Mr Bottaford's illness can fill the place well, and at a saving of about \$1000. per annum will write Mr Kennedy on the subject.

Yours very truly

A. W. Kittson
L. J. Hill

St Paul June 8th 1878

Horace Thompson Esq
St Paul - Minn

You suggested to me a few days ago in a conversation which I had with you in relation to my compensation for services rendered as attorney in fact for several of the Trustees of the St Paul & Pacific and the 1st Division of the St Paul & Pacific Railroad Companies, that I should give you a written memorandum showing the nature ^{of the claims} and character of the services rendered

On the Branch Line I served as the attorney in fact of the three Trustees in the \$1,200,000. mtgs from November 1863 to the middle of October 1874. Nearly eleven years

On the same line I served as the attorney in fact of Horace Thompson and George T. Mc. Davis Trustees in the \$2,800,000 mortgage from Dec 1865 to Oct 17th 1874 nearly nine years

On the main line I served as the attorney in fact of Horace Thompson and Edmund Rice Trustees in the \$3,000,000. mtgs from Nov 1867 to Oct 17th 1874 nearly seven years

And on the same line I served as the atty in fact of Horace Thompson Trust in the \$6,000,000. mtgs from Aug 3rd 1871 to Oct 17th 1874. something over three years

These mtgs were all land grant mtgs. The land Dept was organized and carried on during the

you named without the assistance of or
Counsel of the Trustees for whom I acted

The Transactions were frequent and important
and the responsibility very great. My time and
attention were largely occupied with the details
of the business and the Trustees whose Agent
and Atty I was, during all these years had
none of the labor or annoyances growing out of it
not one of them during the time specified having
been called upon even to sign his name

For this service and this care and re-
sponsibility I have received no compensation

I think I am justly entitled to pay from
those who constituted me their Atty in fact
for services so rendered them: and am
disposed if it can be arranged now to
accept a consideration that will bear no
proportion to the length of time I acted for
them, or to the character of the services ren-
dered

Very respectfully
Signed George E. Becker

Balance in the Extension for Cash to pay on services
All the services in this letter were settled with
\$10,600. Nominal value of bonds cash value \$4,000.



\$357

Received of Susan M. Mumford
the sum of

Cleveland, June 15th 1878

days after date

Pay to the Order of Ourselves

Three hundred fifty seven ⁴⁰/₁₀₀ Dollars

Value received and charge the same to account of

To Will S. Mumford Clerk
of Paul Mumford

for Subscribing to

Aug 17 1878

2936

Aug 17. 1934

H. P. Wehman Co
for Invoice
Paid Aug 17 34

The Lubricating Oil Co

J. C. Hughes

PAY TO THE ORDER OF
Northwestern Nat Bank
4383

\$5,000.

On demand

St. PAUL, MINN., June 11th 1878

without grace, after date I promise to

Pay to the order of

Five thousand

no

Joseph G

DOLLARS.

with interest at the rate of ten per cent per annum, until paid.

Payable at the FIRST NATIONAL BANK, St. PAUL.

Value Received.

No. 9018

Due

on demand

Hill Sammons & Acker

[6-18-78]

Quasapual

June 18. 1878

My Dear Sir

I had a message from
Mr. Smith yesterday stating
that you had secured an
additional sum of \$25000
steamtrol stock, & hope you
will now succeed in getting
the rest of it. Mr. Smith's
message also states that
everything is going on
satisfactorily. Mr. Keweenaw
& here with me enjoying
the boat very much. We
have concocted the message
in regard to Thompson's offer
to leave his office to us. which
I am now sending Mr.

Mr Thompson is a man of
business & it is not creditable
to us to deal with
him in any way that is not
just and fair. But he must
not shilly shally any longer
and can send in his offer
today or wait 6 months
more. Have you made
a contract with Mr Farley
for building the road at
\$10,000 per mile? Neither
Kennedy nor I know how
this is. He ~~will~~ ^{will} help us in
one way or another very much
if Mr Farley has entered
into a contract with you.

Kennedy has heard nothing
from Farley yet in that
line. I have received and
read with great interest Mr
Hills letter of 1st of 10-7th.
I am working the Bond &
Certificate business in
Amsterdam and have
great hopes that by the end
of the year we shall have
the most of the Bond.
I am not sorry that the
demand for B's has fallen
off. We have plenty of the
B's & there you can push.
I have orders in Amsterdam
to keep all Bonds & Certificates
of all issues up to a certain
limit. Are you getting
any of the 120,000 issue in

St Paul. Barnes bought some
the other day in N Y at
75. Some stand upphim is
doing his worst to entirely
to give satisfaction.

Will order out all the original
Band of 30 + 60 that ~~are to be~~
bought. I hope you will be able
to stop any St Paul people
reading orders to Hall and
for Bonds.

Both Mr Kennedy and I think
you should ^{be ready to} ~~press~~ the preclusion
in mortgage by which state
as soon as we get word of some
more of the Bonds + Cents, ~~want~~
but the proposed proceedings ^{have}
the effect of inducing ^{holders}
to sell? What think you?

[6-18-78]

You say ~~say~~ 1st Dec for
the sale. Why should it
take so long?

About the reason of the ^{extension}
lines. W. H. seems to think
our railway Rolling
stock an almost insuperable
difficulty. but he intends
to ~~overcome~~ you & Farley
do. You must take what
I in hand and do the best
you can with him.

I hope you are all a unit
in making the U. P. people
but that they are not the
only Railway folks in
the world. They are & have
been, simply playing a game

of being right along. As to their
building a line to Nebraska
it is all stuff. The only way
to deal with them, is to stop
buying & beat them fairly
but firmly. I hope you are
not losing sight of the \$50,000
Country Brand (Otter Tail Co)

I'm pretty sure Furler
has made a counter bid
with you for the building
at 10000 per mile.

Yours &c

Geotterphen

Mr Kennedy caught his
first fish yesterday 24th
after over an hour's
fight. he lost another
one after a run of
over a mile and nearly
two hours struggle. This
morning his arms are
so stiff that he can
hardly lift them. This
head, but that will
all go as soon as he
is down to his work



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