

GENERAL CORRESPONDENCE

1878 JULY 11 - 31

FOLDER NO.

11-2

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

[July 11, 1878]

For value received we hereby assign
and transfer all our right title to various
personal accounts amounting to over
hundred twenty nine & 2/100 dollars (\$129.41)
and hereby pay over in addition to the
above cash to the amount of three
hundred & ninety nine & 4/100 dollars (\$399.41)
the receipt whereof is hereby acknowledged
-ed- to James S. Hill - in consider-
ation of which the said Jas S Hill
agrees to assume and pay all the
liabilities of the firm of Saunders &
Wells amounting in the aggregate to
the sum of Eleven hundred twenty
nine & 2/100 dollars (\$1129.02)

Saunders & Wells

Edward H. Saunders
Geo. S. Wells

Attest July 11/78

Papay

St. Paul Minn July 12th 1878
John S. Kennedy Esq Trustee
Chu Nor. Co.
My dear Sir

You have doubtless been advised of some
disagreements between the Northern Pacific management
and our ours. Mr Farley & Mr Sargent do not agree
relative to proper basis of prorating from St. Paul -
There are also other matters of disagreement relating
to connection & business farther north with which I
am not very familiar and do not propose to dis-
cuss - So much feeling has grown up, that the
Northern Pacific people are seriously contemplating the
early construction of a road from Minneapolis to
Sauk Rapids on the west side of the River - The
local feeling in Minneapolis favors such a road, and
I am also advised that the Mil & St. Paul interests en-
courage it - A moment's reflection will suggest
the serious injury resulting to the branch line, should
the road be constructed - The fertile lands, and local
business are on the west side of the river. Such a

roads operated by the Northern Pacific would leave the Branch line only the local trade east of the river with no connection with the Northern Pacific—

Misses Hutton & Hill have not thought it at all probable that the road would be built— My opinion is different. I am satisfied that without a business arrangement is soon made the road will be commenced and finished— in which case the branch line would not be worth one third its present value—

I have felt it to be my duty to do all in my power to prevent it— Mr Wright President of the St. P. is now here— I told him today that the building of such a line was unnecessary that if inaugurated, it would lead to antagonism injurious to both interests. I told him that the Trustees in possession would agree to submit to a final reference to competent and impartial parties all points of difference between the Managers as to the use of the Branch line to St. Paul the pointing of business and terminal facilities and aside by the decision— I understand Mr Rice to agree with me also that Mr Farley approves of this— I will thank you for your views on this point at once that I may act intelligently— Mr Rice starts for Lake Superior tomorrow to be absent some time so that I am alone—

[7-12-78]

Here interested in the Branch line personally I
would leave no stone unturned to prevent the building
of a new road on west side of the Mississippi: - I
fear it is too late to prevent it but it is worth the effort
Telegram received - will write you on that point
soon

(Signed)

Very respectfully,
Horace Thompson

[7-16-78]

James Thompson Esq in trust -

16th July

8

St. Paul

Minnesota.

Dear Sir

I am this morning in receipt of your favor of 17th Inst. and have heard of the disagreement between the Northern Pacific R.R. and Mr. Farley and I supposed they were by this time amicably settled. Then Mr. Stephens and Mr. Wells who had been about 10 days ago we had an interview with Mr. Jay Cooke at his own request to put the various allegations forward and he was told very plainly just what would and what would not be done. He claims to represent the controlling interest in the Northern Pacific and expressed a desire to do as sufficient but he had mislaid all the precedents and records of the managers of the Road and threatened the building of additional lines which were to run in the St. Paul & Pacific supply the demands were submitted to and chief amongst them was the line from Lake Rapids to Minneapolis on the West side of the River. He was told that the N. P. R. could have everything they were fairly entitled to and that Mr. Farley and Mr. Wright could not agree as to what was right and fair under the circumstances and were willing to let the whole question of issue be submitted to arbitration the Arbitrator naming one the N. P. R. another one the other two to choose a third and whatever their decision might be, that of a majority of them we were willing to abide by; more than this they cannot ask and if they will not accept it it can only be because they are unwilling to consent to a fair and impartial trial and if they choose to go and build the additional line so as to prevent it cannot be helped, if they can stand it I think the St. Paul & Pacific R.R. can also and though it may hurt the Road and especially the City of St. Paul, it cannot fail to be good for the country.

[7-16-72]

generally and what the St. Paul & Pacific R.R. might lose directly it
would I think make up largely in other ways though the largely
increased development of the country. But after the money folks
are so compelled by the situation to turn to the Pacific R.R. I don't
hardly think they would want to add to them by building a line from
Laurel Rapids to Minneapolis and I really think you are unnecessarily
alarmed by their threats.

I am glad to hear that Dr. Rice is so much better that he is able
to go to Lake Superior.

I have rec'd under separate covers copies of the letter of Dr. Rice and
yourself as Trustees to Dr. Pratt under date 12th July and I think
the action you have taken was eminently proper though I suppose
it will put an entire stop to Laurel Lake which in some respects may
be unfortunate. I am, Dear Sir,

Yours very truly
Wm. H. Kennedy, Trustee

[July 19, 1878]

Whereas the Northern Pacific Railroad Company has been and is, operating ~~as one line~~ the Northern Pacific Railroad from Duluth on Lake Superior to the Missouri River, and the Western Railroad of Minnesota from Brainerd to Sault Rapids, where it connects with the present terminus of the First Division of the St. Paul & Pacific Railroad, and whereas John S. Kennedy Horace Thompson and Edmund Rice as Trustees under certain mortgages are now and have been in possession of and operating ~~as one line~~ the Branch line of said First Division of the St. Paul & Pacific Railroad from St. Paul to its present terminus at Sault Rapids, and its main line in connection with the Red River and Manitoba Railroad from Minneapolis to Sault Ste. Marie, and said lines of Railroad have been for some time past and now are operated by said Northern Pacific Railroad Company and ^{said} Trustees respectively, in connection as regards business common to said lines and whereas, differences have existed and do now exist between the said Northern Pacific Railroad Company and said Trustees representing the lines of road above specified respecting ~~the running connections between said roads at their points of junction at Sault Ste. Marie and Sault Rapids and the interchange of~~

at their points of junction at Glyndon and Lake Rapids,
traffic between them and the transaction ~~(and~~
~~division)~~ of the business between them and it
being desired by the parties hereto that such
differences shall be adjusted and arranged
upon a basis that will be just and mutually
fair and equitable between said lines of
road as respects such business

Now therefore this memorandum of agreement
made this 19th day of July 1898 by and
between said Levees of the one part and the
Northern Pacific Railroad Company of the other
part, witnesseth, that all matters of difference
past and present between the managements of
said respective lines of Railroad respecting
~~the connections to be made at the said points~~
~~of junction between them~~ the interchange of
traffic at such points, and the transaction
~~(and division)~~ of business between said lines
and the relation which the rates between Lake
Superior and Brainerd and points beyond
shall bear to the rates between St Paul and
Minneapolis and such points, and the di-
vision of rates and charges to be made on all
business done by the respective lines in con-
nection with each other, shall be and they are
hereby submitted and referred to Robert
Harris of Chicago selected by the Northern Pacific
Railroad Company and Joseph F. Tucker

of Chicago, selected by the said Trustees as referees to hear and decide upon the said questions of difference between the parties hereto, and the decision of said referees with respect to said questions and matters shall be binding and conclusive upon the parties hereto, but in case said referees shall be unable to agree upon a decision respecting said matters of difference hereby referred to them, they shall select a third referee to be mutually agreed upon by them and the decision of any two of said referees so chosen shall be binding upon the parties hereto. Said referees shall make their decision upon said matters under their hands within ten days from the submission to them of the questions and matters aforesaid and the parties hereto agree and promise one to the other to stand to and abide by the same, and said decision shall be enforced and binding upon said parties so long as said lines of road are respectively operated by the parties hereto. It is further agreed that any dispute as to the meaning of the award and all disputes which may hereafter arise between the parties as to the matters herein submitted shall be submitted to the same referees whose decision thereon shall have the same effect as the award herein

provided for
given under our hands and seals this
19th day of July A.D. 1848

Wm. W.

Shubert & Co. Trial Balance July 27, 78

	4	L. D. Hall Special etc	477	38	
	70	Salt			119 80
	80	Cement			45 00
✓	60	Pioneer Oil Co			131 00
	104	M. L. Luce		53	
	114	E. H. Briggs	✓	67	74
	134	S. C. & St. Paul Ry	✓	60	56
	144	Nor. Pac. Ry		13	56
	146	St. Paul & Pac. Ry	✓	54	78
	160	A. Maister		72	74
	174	St. Paul & S. C. Ry	✓	147	55
	176	Bills Payable			357 40
	184	P. Wash		34	80
	119	H. D. Brown & Co		60	90
✓	114	J. J. Rhodes		15	00
	113	D. Mullins		66	00
	115	P. L.			269 73
	116	A. Graves & Co			1130 00
	116	J. M. Young & Co		26	50
✓	117	Union Cement Co			197 74
✓	116	M. H. Fuel Co		157 45	
			4450	67	4450 67

45
 642
 642
 1790
 1790
 8210
 8210
 8550

P. H.

11450
 4500
 2650
 15745
 445067

[WITH SAUNDERS & ACKER]
7-22-78

	af	Not given for Collection	
✓		Hendricks & Leland Phil	37.50
✓		Torinus L. E. Stillwater	99.99
✓		Metropolitan Hotel	446.11
		Randall John	
✓		C. M. & L. Leland Ry	77.30
		Randall John	11.97
		L. J. & M. Ry	867.64
✓		Gas Light Co	457.06
✓		Webster Jerry	35.50
		R. R. Trans Co	469.97
Paid		E. H. Biggs	67.74
Paid		D. Mullins & Co	6.60
SDA		Pat Neek	748.00
BR		Pat Neek	25.20
		L. M. Hawkins	25.75
✓		Hudson Bay Co	738.97
		Kelly Swain & Co	76.00
			67.49
Paid		Marshall & Co 15.00	55.00
✓		McLillop Jno & Co	117.48
Paid		Mullins & Co	10.30

129
Farley vs. Kittson - [JULY (?) 22, 1878]
Defendants to Exhibit 129
L. P. Richardson
Commissioner 104

St Paul ^{June} ~~July~~ 22nd 1878

George Stephen Esq
Montreal
Canada

My dear Sir

I have just received a
letter from Capt Barnes saying " We hear from
" the Committee the deposit with them will
" soon be broken up - This will release a lot of
" bonds which will be in the market for lands
" or for sale. We don't know how this will
" effect prices but you can think it over and
" Talk with Upham about it - The Committee
" say there is brisk demand for original B's
" at £ 96. per bond of \$1000. and for C's £ 75.
" Certificates are lower, but L & R say the Committee
" must surrender the bonds to the Certificate holders
" soon and only hold on to them in the hope of your
" assenting to reopening the subscription

I have not talked with Mr Upham in
regard to this because I knew his views already

2.
U.S.

[JULY (7) 22, 1876]

and I did not want to have any one know that the bonds held by the Committee were likely in any way to be thrown upon the market -

With the present demand for lands and a good crop to enable the farmers to pay Cash for their bonds we could not control the price of either 5's or 6's ~~for~~ three days after the Committee surrendered their holding - The St Paul Banks could sell bonds at prices much higher than we are getting now, as they take one third Cash and the balance on mortgage, and convert the mortgage into Cash again thro' the Cornin Banking Co and some other Cos who deal heavily in farm mortgages - I have written Mr Barnes to try and encourage the Com a little until we could write you - I hope you will not think I am fighting a losing battle, but we are very firmly of the opinion that the present time is the best we will ever have to get control of the bonds and certificates of the 1st Division - I expect to see 3's go to 50 or 60¢ this fall for lands and possibly more this is nearly \$700.⁰⁰ for a \$1000. bond + coupons

B.S.
A.

[JULY(?) 22, 1878]

The land sales on the 1st Division for the past six weeks amounts to about 60,000. acres including contracts

Avoid from the great advantage in having the bonds for foreclosure purposes. you will remember that if we had them, all the money in hands of the Trustees could ~~be~~ probably be divided as the liability of Litchfields suit amounts to nothing. This would give us about as much money as the entire bonds would cost for Cash

You can form a good opinion as to sales of bonds for lands. as we have been selling about six weeks and have emitted Mep R & C \$83,000. and will emit about \$18,000. more as soon as the \$68,000. Stamped bonds arrive - If we had outside bonds instead of drawing from our deposit you can readily see how we would reduce them during the present year - We hope you will at once Telegraph or take such steps as you think best to prevent the Committee giving up the bonds, and have your agents make additional efforts to buy the certificates, as the prices at

H.
98.

[JULY (?) 22, 1878]

Which stops are selling is certainly lower than we
can get them hereafter — If the Committee
holding is returned to owners I can see only one
way to control prices of the bonds and that is to
put an absolute stop to the sales of lands, and
make it impossible to use bonds or connect them
into cash —

This whole thing is so different
to what we expected that we hardly know whether
there is any danger of the Com. giving up or
is it a case of L.R.C. to get in more Extension
If it is the former depend upon it we will have
to either stop the sales of lands entirely or make
up our minds to pay more for the bonds than
we ever anticipated

Yours very truly
Geo. J. Hill

J. H. Hill, Pres.
W. G. Guggis, Vice Pres.

E. S. Saunders
Capt. & Genl. Salesman

Farley & Co. St. Paul
Dec 23rd Exp. 13th

L. Richardson
Commissioner

DEALERS IN

Coal, Coke & Pig Iron.

OFFICE OF

North Western Fuel Co.
112 E. THIRD ST.

St Paul, July 22nd

1878

George Stephen Esq
Montreal
Canada

My dear Sir

Enclosed I hand you
copy of the agreement as signed by Pres.
Wright for the Nor. Pac. and to be signed
by the Trustees - I have sent copy to Mr
Kennedy also. - This as you will see covers
all points in connection with the 1st division
and leaves the Extension entirely out. I thought
best to do this as we will soon be through to the
boundary and Winnipeg, when our position
will be quite unassailable as respect to the
Ex Line. Wright did not want the Main
Line or Elgin don considered but we insisted
upon it. I limited the arrangement to the
time the Trustees are in possession, and if we
wish to continue it after that time we can
do so. I have just returned from Sauk
Centre wher I went to hurry the track laying

W. H. Bell, Pres.
W. H. Griggs, Sec. Treas.

E. L. Saunders
Supt. & Genl. Salsman.

[7-27-78]

Geo. L. Fisher, Sec.
Wm. Rhodes, Treas.

DEALERS IN

OFFICE OF

Coal, Coke & Pig Iron.

North Western Fuel Co., St. Paul,

112 E. THIRD ST.

187

as they were not getting along as well as they should, but I think it will all right hereafter. I got Mr Farley to go up with me and when on the ground showed him the trouble, and today steps have been taken to remedy it. I began to fear we would not get to Bank Centre by Aug 1st — We have plenty of material but it was not being used fast enough.

I have had several talks with Mr Farley in regard to contracts lease &c and today he showed me a letter from D. S. K. dated the 10th inst. which he had overlooked. This letter was right to the point and we have Salusha and Young making a draft of such papers as will cover the case so that by tomorrow I hope to have these matters settled as far as the Receiver is concerned. I am going up to the end of track again tomorrow evening, to see there is no hitch getting the work done — Mr Higginson arrived today and goes to work tomorrow.

Yours very truly
Jas. H. Bell



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