

GENERAL CORRESPONDENCE

1878 SEPT 2-8

FOLDER NO.

11-5

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

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St Paul Sept 2nd 1898

Geo Stephen Esq
Montreal Canada

My dear Sir

I have been very busy day and night since my last Mr Upper Contractor for Pembina Road is here and I have been trying to help him in getting started on their work so as to finish this fall, but I do not think they will have the road finished much before next fall if their actions are square - Apparently the Don Court takes no active interest in the matter

The water in the Red River is very low and falling quite fast - only two feet on the shoals we have had to stop freighting steel rails, and to make it more troublesome our pilots have struck for \$200.00 per month each, evidently intending to get another advance if this worked well, but we discharged the lot and got new men licensed so that we can manage to run

farm boats - If the Red River continues to fall two weeks longer we will not be able to get the Manitoba merchandise for fall and winter stocks down the river, and if the Pembina Branch is not finished this fall it will be very hard on the whole Province, and will prevent our doing the wheat business by rail all winter and merchandise early in spring before lakes open so as to have it all come via St Paul and then give a haul over our whole line.

It is very unfortunate that the Don Coort made a contract for simply laying 60 miles of iron a few bridges and ballasting to cause two seasons.

Mr Farley has just returned from his Iowa home and I am going at him to sign a contract - I have it as far ready as I can without his aid - The Cambria Co have written they will send the rails so that the last will leave Johnston by Oct 15th - This is a week later than it should but if they actually live up to that we can get along - On the other hand if they drag the shipments out to the 20th we cannot finish the

laying until after Nov 1st when it is apt to be too cold — The old ties put into Breck-Packer Line last fall are very bad and we have to use about 15000 of our new ties to keep line in repair and in addition it will take 40 to 50000 more for the 1st Div, so that during Mr Farley's absence I arranged to get out about 50000 ties from up the St Paul & Duluth road, as I began to be afraid we should not be able to finish any work this fall and at the rate we have gone since you left it certainly would not be finished.

We are ready to lay two miles per day if Mr Farley will get the material forward and I think he will, if so we will keep it up until we reach Pembina — Bigelow has returned and Thompson will call on him today and bring the matter to a close as far as to learn if anything can be done, so that we may seek other means if necessary.

You are quite right as to our not wanting another main line road if we had the stock and I think we could so handle the fore-closures as to

[9-2-78]

make the cost of the stock out of the out of day
hands — Earnings are good and growing
better every day — We have been trying
to get the Nor. Pacific to arbitrate but without
success until the past two days

Since navigation opened Dargent has acted
very dishonorably with Mr Kilton, having refused
to carry out his written contracts &c as to rates, until
Mr K. had paid surcharges amounting to over
\$5000. which both Wright and Dargent finally
repudiated entirely, and Mr Alexander and
myself urged Mr K to change all Canadian
shipments via Duluth to the Duluth St Paul
road which was done on Saturday the
effect of which has been to open Mr Wright's
eyes, and he is now ready to arbitrate and
apparently does not like Dargent's action

I think we may now come to some under-
standing, but this should have been done long ago
and then they would not have gone so far

As soon as I can get a little of Mr Fairley's
time I will try and arrange a proposal that

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will be satisfactory or rather should be, to
give them a running connection to St Paul
while their building a line on the west side of
the River from Saint Rapids to Minneapolis
would by no means destroy the local business of
the Branch Line, still it would be much better
for us to have no such line built - and we can
afford to be fair and liberal with them to prevent
it - I hope to write you fully of this tonight
and also send copy to Kennedy -

Yours very truly
Jas J. Hill

Montreal

Apr 3. 1878

J. J. Hill Esq
St Paul.

My Dear Sir

My friend Mr L. J.
Sargeant, the Genl. Traffic
Manager of the S. J. R., is
sending a representative up
to St Paul, for the purpose
of seeing you & other St Paul
& Pacific R.R. friends, with
a few to the increase of
their business from that
quarter. He has asked me

for an introduction to you.
Knowing your desire to
have a good understanding
with the E. T. R., I am sure
you will be glad of the
opportunity thus afforded
of improving the relations of
the St. Paul & Pacific
with our Great Govern-
ment, & that you will
do all you can to make
the visit of its representatives
to St. Paul a success.
I am Sir
Respectfully

Saint Paul Sept 7th 1878

Sir. Stephen Esq
Maitland
Canada

My dear Sir

Mr Thompson has not done anything with Bigelow, and is rather of the opinion that Bigelow knows nothing whatever of L's ideas outside of the lawsuit.

I casually came across B. the other day and he brought up the matter of a line on west side from Saint Rapids Falls, remarking that he was glad the Trustees had shown a disposition to avoid the necessity of a west side line, but he did not know whether the Nor. Pacific desired to be reasonable or not, and he went on to say that even Litchfield whose interests in the Branch Line were worth more than the Main, could not be depended upon to act with good judgment in a case like this — I think if anything is to be done with that party it will be done

Directly thro' S. himself. I have been thinking of how to approach him, and am of opinion it might be done in connection with the Nor. Pacific negotiations, by asking him if it was necessary to prevent hostile action from Nor. Pac. would he join in executing any instrument necessary to immediately carry out any plan agreed upon. What the other matter would most likely be brought up by himself, and it could be decided at once by getting him to name a sum, or by our naming a sum and asking for an immediate reply. I have very little faith in any other course.

There are outstanding of the bonds of the First Division Co on the 1st inst

\$ 1,200,000. issued	\$ 1,039,000. outstanding
3,000,000 "	1,374,000. "
6,000,000 "	4,687,000. "
2,800,000 "	1,090,000 "

If the Dutch holders have adhered to any considerable extent, to the extended reopening

[9-7-78]

of an offer we should have a very large proportion of the whole, say about seven eighths. There will always be a ~~large~~^{certain} number of the bonds which will not turn up, at present, and may never turn up, but these bonds have to be paid for at a foreclosure sale at the same price our own bring, and for that very reason the stock has a peculiar value

Upham accepted 70¢ for his bonds and coupons and unless we took the latter the same as bonds, he would have held them and given us the bonds. I told him our price was flat and was always so. I considered that we wanted the past due coupons, as they would draw the first money to be paid by the trustees. Upham selling has already made another holder of about 38,000. (Mr Reed) uneasy and anxious to know why Upham sold, and when W. told him he sold at 70¢ Reed was surprised - It certainly will help us very much with other holders and I think the prospective difficulty with the Nor. Pacific will also help us, but still I will be quite satisfied we have done well if we can

[9-7-78]

These bonds at 98¢ — If the accounts were properly adjusted for the past two years I think the Branch Line would have money enough today to pay all past due interest, but would not have its share of the Rolling stock.

I enclose you a statement of the entire rolling stock old and new, and you will see that the Main Line has and is furnishing more than its proportion — The Branch has not enough passenger cars to do its Minneapolis and St Paul business alone.

We have had a terrible week between the State Fair the Presidential party and everything else; it has been about impossible to see any body for business.

Yours very truly,
Jas J. Hill

St Paul Sept 9th 1878

Geo. M. Thompson Esq

Montreat

My Dear Sir

Mr Thompson has not done anything with Bigelow; and is rather of the opinion that Bigelow knows nothing whatever of his ideas outside of the law suit.

I casually came across B the other day and he brought up the matter of a line on west side from South Park to South, remarking that he was glad the Amos had shown a disposition to avoid the necessity of a west side line, but he did not know whether the Nor Pacific desired to be reasonable or not; and he went on to say that even Litchfield whose interests in the Branch Line were worth more than the Main, could not be depended upon to act with good judgment in a case like this. I think if anything is to be done with that party it will be done directly through L himself. I have been thinking of how to approach him, and and of

opinion it might be done in connection
with the Nor Pacific negotiations, by
assuring him if it was necessary to prevent
hostile action from Nor Pac would be joined
in executing any instrument necessary
to immediately carry out any plan
agreed upon, when the other matters would
most likely be brought up by himself
and it could be decided at once by
giving him to name a sum, or by our
naming a sum and asking for an
immediate reply. I have very little
faith in any other course.

There are outstanding of the Bonds of
the First Division Co on the 1st inst.

\$1,200,000 issue	1,039,000 outstg
3,000,000 "	1,344,000
6,000,000 "	4,687,000
2,800,000 "	1,090,000

If the Dutchholders have adhered to any
considerable extent to the extended reopening
of our offer, we should have a very
large proportion of the whole, say
about seven eighths. There will always
be a certain number of the bonds which
will not turn up at present, and may

never turn up, but these bonds have to be
paid for at a foreclosure sale at the
same price our own bring, and for that
very reason the stock has a peculiar
value. Upham accepted 75¢ for his bonds
and coupons and unless we took the latter
the same as bonds he would have held
them and given us the bonds.

I told him our price was flat and was
always so considered but we wanted
the past due coupons, as they would
draw the first money to be paid by
the Trustees. Upham selling has already

made and the holder of about 38,000
(Mr Reed) uneasy and anxious to know
why Upham sold, and when W. told
him he sold at 75¢ Reed was surprised.

It certainly will help us very much
with other holders, and I think the prospect
difficultly with the Nor Pacific will also help
us - but still I will be quite satisfied
we have done well if we can get
those bonds at 75¢.

If the accounts were properly adjusted
for the past two years I think the
Branch here would have money enough

Today to pay all past due interest, but
won't not have its share of the Rolling
Stock.

Enclose you a statement of the
entire rolling stock, old and new, and
you will see that the main line has
and is furnishing more than its
proportion. The Branch has not enough
passenger cars to do its Minneapolis
and St Paul business alone.
We have had a terrible week
between the State Fair, the Presidential
Party and everything else, it has been
about impossible to see any body
for business.

Yours very truly
Jas Hill

Jas Hill, Sept. 1895

Attorneys & Counselors at Law.

St. Cloud, Minn.,

Sept 7 1878

James Hill Esq
St Paul Minn.

Dear Sir: Your Telegram of today is
recd. I regret that you think best
to refuse paying me for my work
until you get ready - however since
you have so concluded, I will have
to see whether I am obliged to wait.
Why you do so, is past my com-
prehension, unless the pittance
due me is too trifling for your
attention. - You know well that
I should never have worked for
you & the rest, unless I expected my
pay, & you know that you have never
until now refused it. - I am sure
Mr Robbins would do as he agreed if
he could; - I shall expect an answer
to the proposition I made Mr Robbins, by
Monday; if none comes, then I shall
consider correspondence upon the sub-
ject closed. M^r L^r Oscar Taylor

Attorney & Counsellor at Law,

St. Cloud, Minn.,

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Hill & Robbins Signs

St Paul

Gentlemen: I rec'd your telegram yesterday & also, this morning. I also rec'd a letter from Mr. Hackett which I enclose to you. Please return one. — I have tried to get released from my engagements here, so as to go to Bicmarer, but cannot. — hence it is impossible for me to leave until after Court. I think that meantime nothing will be done to change the condition of affairs there. — I have several criminal cases here that must have attention, else I would go. — I do not understand Hackett's letter. — He does not say what he wants, or what he thinks could be done. He does not believe in McLean. Is he right? After Court, if I can serve you, I will go.

Very truly Yrs.
Oscar Taylor

I send you letter from Oscar Taylor, saying that
I cannot get released from my engagements here for
Court. I think that meantime nothing will be done to
change the condition of affairs there. — I have several
criminal cases here that must have attention, else I
would go. — I do not understand Hackett's letter. —
He does not say what he wants, or what he thinks
could be done. He does not believe in McLean. Is he
right? After Court, if I can serve you, I will go.

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St Paul Sept 8 1878
Geo Stephen Esq
Montreal

My Dear Sir
Messrs Thompson & Rice have
taken the necessary steps to remove the
Breed and I have Mr Bunnings heard at
St. Breed remains until Oct 1st as there
are many things unsettled which makes
the necessary I am very glad to say
that Breed has acted very manly in the
matter and is doing all he can to show
Bunnings. Mr Thompson has taken a
very strong interest in our behalf with
the Nor Pacific and has during several
interviews with Pres Wright given him to
understand that the St Paul & Pacific bond
holders desire a fair and friendly arrange-
ment with the Nor Pacific if it can be
had on terms mutually fair, but will
not suffer any imposition.
I have discussed the matter very fully
with Mr J. and felt that he was ready
to do all he can for us. He has written
a long letter to Jay Coot advising him
to carefully look into the matter of

relations of both roads to each other
and he would then see how entirely
unnecessary warlike and aggressive the present
course of the Nor Pac is towards the St Paul
& Pac. and that as business men it was
the duty of the Nor Pac Board to their
stockholders to refuse to uphold their
management and deliberately widening the
breach by all the talk about rival lines
until they know that matters could not
be arranged with the St Paul & Pacific, and
assuming him that an honest attempt
to adjust matters would show how wrong
their present course was.

I have seen Wright several times and
have just left him about to start for
Philadelphia to prepare his report for their
annual meeting on the 26th inst.

I have given W Wright to understand
that we wanted it settled before his
meeting on the 26th whether we were to
be friends or enemies, and told him
I had an invitation to be at the
meeting, which seemed to surprise him.

I said to W Wright that up to the
present time we had been very careful

[9-8-78]

to neither do or say anything to prevent a harmonious settlement of all difficulties of every nature and kind, but that his management had constantly tried to excite the people on both sides by representing that we would not treat them fairly or give them a chance to do business with us. and were now trying to get up a feeling to vote local aid for a road on the west side of the Mississippi from Saint Rapids to Minneapolis, that this sort of thing had gone too far already and was only making a settlement more difficult every day, and that we had decided that a settlement must be made now if at all.

I told him that we had offered to leave matters to arbitration to which he had agreed but that he had ^{not} brought his Arbitrator forward yet, altho it was two months since the agreement was signed, that if he wanted any different arrangement he had never said so, and if he persistently attacked us we would make a struggle for life and would not come off second best, that we wanted

at once survey a line from Grand Forks
to Fort Snider at the mouth of the
Yellowstone which was on a good and
easy line all the way, through a country
~~was~~ good for agriculture as the very
best portions of the road, and we
want ask Congress for half of his grant
to the Rocky Mountains &c and that he
knew there were strong interests opposed
to him who would ^{never} be only too glad
to help us. Winding up by saying that
our interests at present lay in developing
Manitoba but we could not set quietly
down and see him but ^{his} ^{lines} that were
unnecessary and only useful to injure us.
After some talk denying that he wanted
anything unfair he said he would like
some permanent arrangement which
would allow them to use our Grand
Line from Saint Rapids down to St Paul
and I replied that with a full settlement
of all matters we would give him such
a right over the Branch, provided they
bought their own depot grounds separate

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Sept 8

[9-8-78]

frank ours, and suggested that it might be accomplished by putting a value on the Branch line road and the pay interest on the amount in proportion to the use he should have accorded him, and all repairs and renewals should be settled on a basis of train miles run or otherwise as might be agreed upon. He said this would be satisfactory to him and much better to so arrange it and work for our mutual advantage than trying to destroy each other. He said he would like to see you and talk it over together. I told him we would meet him in N.Y. before the 22nd inst and try to settle everything if possible or else we would have demonstrated that we could not agree.

I have given you the substance of our consideration so that you may see the position I took and hope it will meet your own views. The matter of giving them the right to run trains on the Branch line would depend upon the valuation of the road

⁶ and if you think we should not give them any such arrangement of course we would set a higher value on the road. This is a very important matter and the details would have to be carefully considered. I have a plan that I think would work well for us and at the same time be fair to them and would like to meet you in N.Y. with our friends and discuss it and for that purpose I hope Mr Kennedy could delay his trip until the 20th or 22nd. If we can get a full settlement of all matters, land dispute and everything our foreclosures will come surely in December and we can sell a very large amount of lands next spring. I think it would also have a direct effect upon Littlefield, but of that you can judge as well as I.

In any arrangement with Nor Pacific I would not give them the right to any local freight, but passengers could be arranged for. I think we should meet in N.Y. before W.K. sails and discuss the whole subject, but as the arbitrators comes off this week and I find nothing has been done towards preparing our case, and Mr Farley is up the road I must remain here.

[9-8-78]

and will then have to take a run
up to the end of track so that I cannot
very well get to NY before the 20th

If you think best send what portion
of this letter you desire to Kennedy & Co
and get their news.

I think of Messrs K & Co could get a
short article into the N.Y Tribune saying
that there was a line about to be surveyed
from Minnesota to Buford on the upper
Missouri which would follow the line of
Governor Stevens Pacific survey to the Rocky
Mountains, and that the parties connected with
the enterprise would ask for half the Nor Pac
grant next winter and would build the
road. The fact that Jay Gould is supposed
to control the Tribune would I think lead
the Nor Pac people to think Gould was in
some way connected with it, and I have
learned that Gould is anxious to do all
he can to cripple them

Very respectfully
Jas D Hill

PS I signed
Telegraph me on receipt of this
about visit to my J.D.H.



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