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St Paul Sept 8th 1878

George Stephens Esq
Montreal

My dear Sir

The Manager of the G.T. Ry
perused your letter and we will do all we
can for him - Genl Manager Beatty is here
also and is very anxious to get the balance about
2000 tons of his steel rail contract carried down
the Red River to St Paul by Oct 10th but
as there is less than 100 feet in channel and still
pulling very fast Mr Kiteon advises him to
ask the Minister of Public Works to allow
this 2000 tons to go by rail to Pembina after
our road is finished, this course is also urged
by Messrs Upper & Hartley the Contractors for Pembina
Branch, as they want us to lay the iron from this
end when we arrive at Pembina.

Hartley has just returned from Winnipeg
where he has been since your wedding, and he
says that while their contract gives them until the

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1st of Dec 1849 to finish the work they are both ready and willing to finish with far enough this fall to allow trains to run to Winnipeg if the Canadian Govt will protect them from loss arising from any additional expenses on account of completing track this fall, but so far the Govt has decided nothing

I offered to help them when we get to the boundary by going right on with track provided they had the ties ready and the iron left when we could get at it, and I went so far as to offer to operate the road jointly with them and let the Extra Cost for which the Govt would not reimburse them be a first charge on the Earnings, and we would furnish train and station service, they keeping track in repair and give them 50% of the gross Earnings of that part of the line. This to hold good until the Govt took the road from them, or I offered to give them \$25000. for the use of the road for one year from Dec 1st next

Of course you will understand my object was to get them to finish the road this fall. Mr. Upper

fully agrees with me that it is best for them
to arise the work now, and thinks it will be
cheaper than next spring but Mr Harty wants
to see Murphy and has telegraphed him to
meet H. at Kingston on Wednesday P.M.
next

It is most important for us to have the Pemb.
Branch finished this fall so that we can make
season contracts and begin our Manitoba trade
in March before the Lakes open and it is of
great importance to Canada and Manitoba
to have the connection this fall to move the
crop during winter - and Emigrants from
Canada can put their effects into a car
in Canada and take them out in Manitoba
and arrive early enough to prepare a little
crop for the first year while passengers who
wait until the Red River opens are too late
for anything of the kind. I feel quite sure
that the Pemb. Branch will not be finished this
fall to allow the passage of trains unless the
Govt will undertake to stand the additional cost

provided there is any, and which in no case would exceed say \$10,000.

If the line is not completed this fall it will be finished before Aug or Sept of next year and in the mean time we will have to put two of our largest boats which we expected to use above and below Grand Forks under the Canadian flag to run between Pembina and Winnipeg until next fall when they will be worthless for they cannot be run on American waters again, unless we could get consent to use them all summer on Canadian waters allowing them to remain American bottoms.

I sincerely hope you can do something to show Mr McKenzie how important it is to the whole Dominion and especially to Manitoba to have the rails laid this fall, and no small trifle should be allowed to prevent it. The amount we offered for use of the road would secure it but the parties do not know how long the Govt would allow them to keep it & leaving the whole thing too indefinite

I will write Mr Smith upon this subject also for I think it will make fully \$100,000. difference to our entire interests whether the line is finished this year or next.

Now a few words about our own line. We are all right for ties as we can if necessary at an extra cost 5¢ each or \$100. per mile get ten or fifteen miles any time we want them. Our iron is coming very slowly — only 3800 tons have left Johnstown up to Sept 1st.

I got Mr Farley to telegraph Cambridge and land grant would be lost if they did not "send iron faster" to which they replied on 6th inst "Commence shipping tomorrow as fast as made." I then had Mr F. ask them how much he could depend on this month but have received no reply.

We have only laid $13\frac{1}{2}$ miles of new track north of the old iron, and what between being out spikes and short of iron &c the whole thing drags sadly — While Mr Farley was absent Friday a wire came from Chic

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* With the exception that there were 45 cars of iron in Chicago and they had no flats, I at once got the Mil & Paul to furnish the flats and Mr F ordered the iron turned over to them. Now we have between Chicago and the end of track about 24 miles of iron and the Cambria promises to send fast a made which should keep us going at rate of two miles per day if we could handle it and get us to Cambria by October 5th or 10th.

To make sure of no further delay I have asked that a man be sent to Chicago to see that all iron is transferred and sent on with dispatch but have not been able yet to get the man - Of course he must have Mr Fairley's order as I would send one at once.

As we are going now we will not reach Cambria before December 1st and the weather during the last half of November might be so cold as to stop our work and leave it incomplete which would certainly give us great trouble about our adventures - I know

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Mr Farley has a great deal to do and tries
all he thinks he can. and I have said about
all I can to urge matters along. as I know
it will cost no less to do the work now while
the weather is good than wait until it is too cold
and by doing so peril our chances of getting
through at all, therefore I wish you would
on receipt of this telegraph advise ^{Mr F.} that
you expect the work will be done by Oct 10th
or 15th and ask him to reply 'also write him
and urge the importance of an extra effort
to finish before the cold weather

The only trouble I see now if Cambria les
does they say is that the material will not
go forward from here fast enough for the
men to lay it

Mr F went up the river to the work this
morning and Leas to have gone with him
but had not done with the Party & President
Wright — I will write you separately
about the Pac matters — I am going
up to work last of the week and will arrange

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with the foreman to push the work and call for material and if he is not supplied I will know it, and our urge matters here.

Depend upon it, that with a strong effort the work can be done by Oct 15th and should not be allowed to fall into December.

As you know I think everything of the sort but I do not think he fully appreciates the situation and thinks by going slower he will do the work cheaper. This would hold good if there was no winter, but the delay may be fatal and will certainly increase the cost —

Yours very truly
Jas. H. Hill

St Paul Sep 8th 1878

George Stephen Esq
Montreal

My dear Sir

Mr Thompson & Rice have taken the necessary steps to remove Mr Breed and I have Mr Binney here at it - Breed remains until Oct 1st as there are many things unsettled which makes this necessary. I am very glad to say that Breed has acted very manly in the matter and is doing all he can to show Binney

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 & Pac Road holders desired a fair and friendly arrangement with the Nor. Pacific if it can be had on terms mutually fair, but will not suffer any

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imposition. I have discussed the matter very fully with Mr. T. and feel that he is ready to do all he can for us. He has written a long letter to Jay Cook advising him to carefully look into the matter of relations of both roads to each other, and he would then see how entirely unnecessary waston 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 in deliberately widening the breach by all this talk about rival lines until they knew that matters could not be arranged with the St Paul & Pacific. and accusing 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 Mr Wright to understand that we wanted it settled before his meeting on the 26th whether we were to friends or enemies and told him I had an invitation to be at the meeting, which seemed to surprise him.

I said to Mr Wright that up to the present time we had been very careful 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 road on the west side of the Mississippi from Paul 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.

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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
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 would at once
survey a line from Grand Forks to Fort
Baford at the mouth of the Yellowstone
which was on a good and easy line all the
way, through a country as good for agriculture
as the any best portions of his road, and we
would 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 be only too glad to help us.
Winding up by saying that our interests at
present lay in developing Manitoba but we
could not sit quietly down and see him

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build 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 Branch Line from Sauk 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 from ours, and suggested that it might be accomplished by putting a value on the Branch Line road and he 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 him and much better to so arrange it and work for our mutual advantage than trying to destroy each other.

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He then 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 anything if possible, or else we
would have demonstrated that we could not
agree — I have given you the substance
of our conversation 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 ~~price~~ valuation
of the road, 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 de-
tails 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

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a full settlement of all matters,
Land disputes & everything and foreclosed
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 Litchfield
but of that you can judge as well as I.

In any arrangement with Mr. Pacific
I would not give them the right to any local
freight, but passengers could be managed
for — I think we should meet in N.Y.
before Mr K sails and discuss this whole
subject, but as the Arbitration 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 and will then have to take a run up
to the end of track so that I cannot
very well get to N.Y. before the 20th.

If you think best send what portion of
this letter you desire to Kennedy & Co and
get their views — I think if Mess K & Co

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Could get a short article into the N.Y.
Tribune saying that there was a line about
to 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. Pacific 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.

Yours very truly
Jas. F. Hill

P.S. Telegraph me on receipt of
this about visit to N.Y. J.F.H.



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