

GENERAL CORRESPONDENCE

1878 OCT 9 - 15

FOLDER NO. 11-10

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

[Blank No. 1.]

The North Western Telegraph Co.

The rules of this Company require that all messages received for transmission shall be written on the message blanks of the Company, under and subject to the conditions printed thereon, which conditions have been agreed to by the sender of the following message.

C. H. BENTON, Sec'y & Gen'l.

CHICAGO, WIS.

J. G. SIMMONS, President.

ST. PAUL, MINN.

Dated, *St Paul* *Chicago* 9, 1878

Received at *ST. PAUL, MINN.* 11/5

To *Hill & Galuska*

Nelson has not been here lately

Robert Hill & Co

1901/5

Montreal Oct 9th 1878

J. J. Still Esq
St Paul

My dear Sir

I have nothing from you since last I wrote, and have now only to enclose copy of a letter from Litchfield, and my reply thereto, and copy of a note I sent him today, enclosing an item from St Paul paper, to the effect that 80 men were at work on the bridge at Sauk Rapids, and stating, that the cars would be running into Minneapolis by July.

I also send you a copy of a letter received yesterday from Mitchell, which looks as if he were really friendly to us.

I had a wire yesterday from Mr. Farley

stating, that he had the iron down
to a point within 20 miles of Puntina,
and the laying was progressing well
on both lines.

I do hope everything will go well
now, and that we are sure of
our Debentures on the 1st.

I think of going to New York
on Saturday, so as to have Sunday
and Tuesday to deal with Litchfield
before Mr Kennedy arrives.

I expect he will reach New York
Tuesday evening or Wednesday morning.

Were it not that you have so
many things to look after at home,
I would ask you to come down.

I shall be glad when the road
is pushed to Puntina & Alexandria,
so that you will have more leisure
to look after other matters of
even a more important character.

if that were possible.

A settlement with Litchfield and our N.P. friends, would bring us close up to the object we have in view, namely reorganization. We shall have nothing but trouble and worry until we reach that point.

I shall be glad when our door work is finished, and we have got our debentures, and you are then free to help me with the other part of the business.

I expect Mr Smith here tonight from Ottawa.

The Government resigns this morning I believe.

Yours very truly
Geatruphen

Montreal 10th Oct 1878

J. J. Hill Esq
St Paul

My Dear Sir

Mr Smith arrived today via Ottawa,
and confirms what Forsyth had
already wired me in regard to
Pambina Branch.

The extra cost is fixed at \$14000,
neither more nor less, which with,
~~these and an~~ ^{the} leave a pretty good
margin of profit, and with other things,
will help us in our big load.

In case you may not have seen
it. I send you copy of a letter
I have just received from Mr Thompson.

I go down to New York on Monday
afternoon, and will see Litchfield on
Tuesday. The N.P. people I will not
call upon, until I have seen Kennedy,

(about Thursday or Friday.)

I hope by that time, to have your views in full as to the basis of a settlement with them.

I think Mitchell is really friendly to us, and if we were free to make a fast alliance with him, we could soon contrab the R.P., but any such alliance would raise up an enemy in the R. Western.

It is not easy to divine what is best; I think it would be well for you to submit the terms we propose offering the R.P. to Mitchell, and secure his approval before I submit them to the R.P. Committee.

I hope to be in possession of your views in time to enable me to initiate negotiations by Thursday

Yours very truly
This is a copy of a letter
sent recently from W. Thompson. Res. Thompson

Montreal 11th October 1898

J. J. Hill Esq
St Paul

My Dear Sir

Since writing to you today, I
have received a letter from J S K & Co,
of which the enclosed is a copy.

I replied by wire as follows:

"The Committee are stupid but if they
won't sign first form cable them
the second which they surely cannot
refuse"

It is a pity, I think, as Mr
Barnes says, that all this was not
thought of before, so that the matter
could have been explained to the Committee
by letter.

I find myself unable to get away
from here before Tuesday afternoon.
Will be in New York to the end of
the week.

Yours very truly

E Stephen

Montreal Oct 11th 1878

J. J. Hill Esq

My Dear Sir

Referring to your private letter of the 7th instant. I now return the anonymous note enclosed in it.

I am ~~not~~ in the least uneasy about Sir John A. Macdonald doing anything that will be injurious to us, and I would consider it bad policy to show that we considered such a thing as even a possibility.

Our position is a strong one, and will meet with the approval of all reasonable men, when it is made known.

I pay no attention to 'gossippers' like Harby et al from Kingston.

Of course we must watch the

N.P. people - they are not to be trusted.

I am glad you are pushing matters so vigorously, and hope there will be no delay in getting the materials up on the line by the time they are wanted, and, that our Debentures will be delivered by very early November.

I note what you say about the earnings, and hope your estimate of the next few months will be realized.

I shall be glad to hear further from you, when you have had a little more time to consider the matter, as to what our position will be, with a foreclosure of the Extension Lines in Decr, and with no power to issue Bonds.

I see you are inclined to think a

lease the best thing for us

I doubt if the Court will give ~~it~~
lease, in view of an early foreclosure.

Write to me fully when you have
discussed the matter with the Lawyers.

How would you propose amending
our Dutch Agreement so as to cover
the point?

Let me know, as I do not quite
take in the point.

The settlement with Becker is a
good one.

I will request Barnes to send
you the \$10,000 3^d.

Yours very truly

Leopold von

Folio 1179

STATEMENT.

Minneapolis, Minn. Oct. 14th 1878.
Hill, Saunders & Co.
St Paul.

To N. B. HARWOOD & CO. Dr.

Interest at 12 per cent. on all past
 due accounts. Drafts made
 with out of collection.

Wholesale Dry Goods & Notions.

213 and 215 NICOLLET AVE.

Apr 5	Balance,				
	To Adse	118	34		
May 22	"	135	67	304	01

672
 270
 9.43
 1.57
 7.66

Paid Oct 14/78
 N. B. HARWOOD & CO.
Faulman

Should we not hear from you by the inst., we shall assume that you prefer to honor our
 Draft for dues, and make Sight Draft accordingly.
 Very Respectfully,

N. B. HARWOOD & CO.

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Milwaukee

Oct 10th 1848

My dear Mr. Stephens
Since writing this
evening it has occurred to
me that I have not made
myself sufficiently plain
as regards the manner of
getting at the value of the
Branch Line and that the
Hon. Sec. may think the sum
named pretty high -

If they will stop & consider
it they will see that the right
of way into St Paul and
Minneapolis alone is worth
a great deal of money, and
by calculating the prices of
the bonds on that line at the
prices they are worth it will
show that I have about hit

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value we pay for the road
of course the land grant
shops St Paul Depot ground
Equipment &c are ours
but against them we have
a lawsuit to fight.

As a further reason why
the N. & O. should not
take any local freight on
our line between stations I
would mention that we have
a large land grant that
we are interested in developing
and to do so must frequently
give reduced rates which
would lead to trouble if they
had equal local rights with
us on the Branch.

Let me hear from you in
regard to iron also as to how
you get on with Litchfield and
the N. P. - Do not forget the
Stemmat dividend

Yours very truly
Geo. J. Hill

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Milwaukee
Oct 10th 1848

My dear Mr. Stephen
I arrived here today
and met Messrs Merrill
and Mitchell by appointment
and discussed Nov. Pae.
and S. P. Pae matters very
fully - Mr. Mitchell was
anxious to know where you
would be next again and
said he would do all he could
to bring about a friendly and
full settlement of all difficulties.

I asked if there was any
reason why they could not advise
with me in an entirely fair and
disinterested manner as to what
would be fair between ourselves
and the S. P. to which they replied

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They had no interest in the Nor
Pac and desired a settlement
that would be fair to us. They ad-
mitted that they would like a
better understanding with us but
did not desire to rule out the
C & N.W. Ry or West. Vis. only to
be placed on same footing as
On the whole they talked admirably
but I think there has been consider-
able talk between them and the N.P.
and I also think they prefer not to
do anything to drive us and the
N.W. together - Mr Mitchell
said he would go to N.P. to the
directors meeting to urge the
acceptance of our offer and
said also that the offer had to
come before the whole board
who would not be governed by
Mr Wrights likes or dislikes but
would he thought accept the
offer - Mr Mitchell asked

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that we should not say anything to the N. Pac people to let them know we had discussed the proposition together as it would weaken his influence in their board in our behalf

I gave them to understand that we wanted to be friendly with the N. Pac & not driven to an alliance with the C. & N. Western by their allying themselves to the N. Pac.

Below I give you substantially the offer as talked with them except that I did not name any prices or figures to them. and I think this offer would give the N. Pac all they really need or want, upon terms that are fair to both interests

Taking the Branch Line at a valuation of \$25,000. per mile from Park Rapids to Park Street Crossing near the Duluth Depot

[10-15-78]

in Saint Paul the distance is 76 miles to which add one and a half miles from St Anthony Junction to Minneapolis making in all $77\frac{1}{2}$ miles worth say \$1,937,500.

This does not include the shops or any of the depot grounds, but simply the Railway and that is only continued to the crossing of Third St St Paul.

Seven per cent on the above amount would be \$135,625.⁰⁰

The Nor Pac, should confine themselves to their own through business on all freight hauled by them, and passengers other than those going thro to points on their line, i.e. passengers between all stations on the St P & Pac, carried by the Nor Pac, should be on St P & Pac tickets for which the Nor Pac should receive say 2 or $2\frac{1}{2}$ Cents per mile

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except between St Paul and
Minneapolis where the fare is
low and they should receive
say $1\frac{1}{2}$ ¢ per mile. All
passenger business on St P & Pac
R.R. to be done at St P & P. prices
and under its control.

You will understand it would
scarcely be practicable to stop
passengers from going on the
first train. Neither would there
be any object in running too
many trains.

This would not give the
Nor Pacific any of the ~~the~~
local freight traffic of the
Branch Line and would I
think confine them to less than
half the business. Therefore I
would have them pay say
four tenths of the interest on
the value of the road or about
\$54,250. per annum and in
addition they should pay their

[10-15-78]

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Proportion of the expenses for
track repairs renewals fences
&c &c of every kind, also their
share of any new iron or steel
on the basis of the number of
train miles run by their trains
they to furnish their own
depot grounds in St Paul
and Minneapolis
Time cards of ^{their} passenger trains
and all minor details to be
agreed upon by the respective
Managers from time to time
The St P & Pac and the Nor. Pac
to give each other full and
reasonable facilities at Glyndon
for the interchange of traffic
between Lake Superior and
Manitoba the details to be
agreed upon by the local Man-
agers or by arbitration.
Business at competing points

[10-15-78]

to be pooled on some basis fair
to both parties

I have taken the
ground that they should furnish
their own depot grounds for two
seasons first, that we have
not room enough for our-
selves in Minneapolis and
certainly not enough for
them and us in St Paul

Saw a few years when our
road is fairly developed and
their road finished to Puget
Sound our entire grounds in
St Paul would not be large
enough for either and second
they can get nearly as much
ground as we now have on
the other side of third St from
our track near the Duluth depot
within two blocks of Kelley's Store
running parallel to our ground
for nearly its whole length, and

I think they can could get
considerable local aid towards
purchasing this ground

I would give them the use of
an round-house for their
Engines and an Passenger
depot for their trains.

It is in the interest of both
roads that the N. or. Pac. should
have their own freight yards
and depots.

I have not touched on the
Brainerd Branch, the disputed
lands or the claims we have
against them for wood and
material used by them and
for locomotives belonging
to the Extension taken by
them - These I would
settle by letting the Brainerd
Branch offset the disputed
lands and quit claim to each

[16-15-78]

other, and I would leave the
account for wood property
rest for the attys of each
Company to make up their cases
and choose a referee to whom
they would submit their cases
and evidence, the judgement
of the referee to be final.

Again I have given you
the heads of an arrangement
such as I talked with Mitchell
and Merrill and they consider
it fair, and I hope it will
aid you in coming to some
understanding with them
I have been so busy I have
hardly had time to get all the
ground covered but I hope
yourself and our friends in
N.Y. will pick out the weak
spots and reject them. Still
I think it is very fair to the
torque and I have intended

[10-15-78]

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it should be so, and it would give us just that much more than we would get from our own local business, except the business we formerly got from the upper country above Saint Rapids

The foregoing arrangement would be a sort of lease that they may not think is permanent enough but it could be made permanent by the Trustees of Trust deed when reorganized approving it.

If they accept the basis the details can be worked out and inasmuch as you are to a great extent unacquainted with details of the division of business &c I would suggest that all such matters be left to Messrs Farley and Jangut
January 1st
Jas. J. Hall



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