

GENERAL CORRESPONDENCE

1879 MAR 3-20

FOLDER NO. 11-19

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

Jameson, Smith & Cutting,

No. 44 Broad Street

New York Mar 8th 1879

Edmund Rice Esq
Dr fr.

At the suggestion of
Judge Barbours we enclose you list of Prof.
J. S. Kennedy & Co. for \$1500 Bids of \$1,200,000 if new
Grand Line St Paul & Pacific R.R. Co being bids
No^t 1500/4 \$250 each and No^t 36 & 64 of \$500 Ea.
Pay^e to us - Please send us a check to our
order for Twelve Hundred & seventy five dollars in
payment of same. & O.K.

Yrs Respect
Jameson Smith & Cutting

1500

[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. HASTINGS, Gen'l Supt. }
MILWAUKEE, WIS. }

E. O. SIMMONS, President. } KENOSHA, WIS.
E. S. HINDEDALE, Secretary. }

THE N. W. T. CO. HAS NO LIABILITY IN PAYING FOR MESSAGES.
Dated, St. Paul, Minn. 12 1879
Received at ST. PAUL MINN 2 PM 29
To John

Please advise Bureau my drafts
will be good N.B. Willis

S.D. Ans to L.H.

March 3, 1879
and March 12, 1879

St. Paul and Pacific Railways.

In our last number we stated that the American Combination had offered Cash instead of Bonds for the accepted Certificates. This seems to be a true fact. See Committee's advertisement.

However the question is if the Certificate Holders have not the right to claim payment in New Bonds (with or without 25% in shares as may be desired by certificate Holders; without shares the new Bonds are calculated at 90%). It pleases us to be able to inform our readers that a close investigation has assured us, that our first impression is the right one, and that the Certificate Holders can refuse payment in Cash. We are glad that it is so, for we consider this much better for the interest of Certificate holders.

As the receipts of the St. Paul and Pacific Railroad have increased and are still on the increase we may safely value the new Bonds at 95% to 100%.

For the Bonds calculated at 90% a price of 105 to 111% is obtained, whilst by a cash payment only 100 is received.

We therefore beg to advise certificate holders, now that the St. Paul & Pacific Rail Road is going ahead so fast, to refuse payment in Cash and to demand either settlement in New Bonds calculated at 90%, or payment in New Bonds figured at par with 25% added in shares yielding 3% interest.

We do not see much difference in either way of payment.

It appears to us that the new shares may be valued at 40% and in such case the payment in Shares and Bonds, and Bonds only will be about the same.

Should 100% be taken for the value of New Bonds then the accepted Certificates 1st Section are worth $100 \times 75 = 83\frac{1}{2}\%$. For Amsterdam this price ²⁰needs still some reduction, for whilst 7% interest must be paid over old Bonds only 7% over New Bonds is returned.

Therby the current price becomes in reality $83\frac{1}{6}\%$. The same way the value is obtained for.

Certificates 1869.	$37\frac{3}{4}\%$
" 2 nd Section	$31\frac{1}{2}\%$
" Consolidated	$29\frac{1}{4}\%$
and " Vincent & Brauwer	$12\frac{1}{2}\%$ or $9\frac{3}{4}\%$

depending on the first or second proposal being accepted.

It would be very disadvantageous indeed, to accept payment made in Cash.

Groningen

March 12th 1879

"The Editor"

St. Paul and Pacific Railways

The Committee has received word from its Agents in America, that not all difficulties with the Northern Pacific R. R. Co. and Mr. Litchfield have been adjusted, that the American Canadian Combination is in possession of the Bonds and Stock with which above named gentleman gave battle, and that the decrees of foreclosure will be obtained very soon.

The reorganisation also will take place without further trouble.

As regards the refunding of the \$2000000 10% Receiver Certificates of 1873. now in circulation, a decree from the Court is hourly expected.

The Committee has received a cable, that on the 28th February last, the American Canadian Combination had informed the Agents at New York, that they desired to pay for the Certificates in Cash within the time fixed in the Agreement and under the conditions contained in the proposal published by the Committee on Febry 8th 1878.

The Committee proposes to give further notice as soon as the written documents will have come to hand.

Amsterdam.

3rd March 1879.

For the Committee
(Sign) L. H. Westgen.
Pres.

Receiver Certificates of 1873.

The Committee referring to its announcement of 3rd instant, now begs to inform that according a later cable received, the above named Receiver Certificates \$100. each are now being taken up by the American Canadian Combination at par with interest due since January 1st last.

The certificates have therefore to be delivered during this Month at the offices of Messrs J. S. Kennedy & Co at New York where payments will be made.

Amsterdam

5th March 1879.

For the Committee

sigd L. H. Steetjen

Pres^t

Montreal 12th March 1879.

Geo Stephen Esq.
Bank of Montreal
Chicago Ill.

Dear Sir, Peter Mitchell called
to-day to enquire when you would be home.
I mentioned the Penobscia Branch
matter, and he said that Upper's ideas
were that he should get \$50,000.

That is, Upper has done so much
work, and has received so much on
account from the Govt, the balance due
to him for work done on the Contract to go
to you, Upper receiving \$50,000 to retire.

Mitchell seemed to think that if you were
to meet Upper the matter might be arranged.

Yours truly
Geo Stephen Esq.



NORTH CHICAGO
(Rolling Mill Company)

(MANUFACTURERS OF)

HEAVY RAILROAD IRON

AND

HEAVY STEEL RAILS

Office 17 Metropolitan Block

Chicago, *March 14* 1879

O. W. POTTER *Pres't*
E. C. MANN *V. Pres't*
R. C. HANNAH *Sec'y*

13
Memorandum of agreement made this fourteenth day of March 1879: between the North Chicago Rolling Mill Company and George Stephen - It is hereby agreed that the contract between the said parties dated December 19th 1878 shall be and is, so modified as to make the number of tons of steel to be delivered six thousand tons instead of five thousand tons as provided in said contract and also to provide that the said Rolling Mill Company shall deliver to said Stephen on cars in Milwaukee the necessary splice bars for the six thousand tons of steel rails for the sum of One dollar and sixty cents per hundred pounds - the splice bars to be delivered as fast as needed for the rails and all amounts delivered to be paid for when the rails are paid for. The delivery of the additional one thousand tons of rails to follow upon the delivery of the previous five thousand tons - In all other respects the contract above cited shall remain unchanged

Geo Stephen
North Chicago Rolling Mill Co
By *O. W. Potter*
President

Bank of Montreal

Chicago 14th and 18th of

J. J. Hill Esq

My dear Sir

Since writing to
you I have seen Mr
Patten of C. & N. W. R. Mills
& all but closed out the
line for 5000 tons of
reheated iron rails
at \$37 on 4 mps credit
for the line from 7 Falls
to main line. 5000 tons
rather than 1000 tons on
hand

ought to be enough for
that. I have also got
time to make the
quantity of steel 6000 tons
instead of 5000 tons in
order to steel the whole
branch from the R. P.
head of junction.

The enclosed is taken
from the rail pool to
be used. It might be well
to get the Winnipeg papers
to say the Railway could
easily have been kept

open had the Govt settle with the
Cuth a day & allowed the St PP
to operate the road. The Govt
prefers to do something for their
hangers on at ~~Sturgeon~~ to the
interest of Manitoba, who are
not taking care that you and
the road are kept out of sight
"Let them skin their own skunks"

I hope you will be as
p. what are doing about
rails. I learn today that the
Boothings & Dakota have an
order in Potter (and) for 8000 tons
iron rails. query what are those
for? we must look sharp
in Dakota. Yours
Geo. Thompson

Bank of Montreal

Chicago 14 March 1879

J. I. Hill Esq

My dear Sir

I forgot to speak about
the peigning of the ^{North Chicago} ~~St. Louis~~
Rail, but from ^{North Chicago} ~~St. Louis~~
rolling mill. The circumstances
under which we buy these
rails places us under some
obligation to Merrill, & the
best way of discharging the
obligation is to give him
the ~~perpetuity~~ ^{perpetuity} i.e. if he
will do it at same price

as the Northwestern, I think
Merrill spoke of 2⁵⁰ to
2⁵⁰. Do the best you can
with him.

I have seen J. C. Gault
& the New Orleans freight
men. They are both much
exercised about the Rock
as the Pembina Branch.
Gault has had advice that
the Govt has leased the
Pembina Branch to Upper.
It will be impossible to know
exactly what the Govt has
done or what Upper means
to do until I get down

there see how matters stand, meantime
we had better keep quite quiet & play
our own game. I cut the inclosed from
~~the~~ Wheelwright Gazette recd this morn.
all sort of reports will be set afloat,
which I think we should not notice
in any way. I inclose a letter
recd this morn. which indicates what
Leppe's ideas are about the value of
his interest in the contract. It would
be well for Willis to get out of it as quickly
as he can, and this letter may help you to
advise him what he ought to ask
Leppe for his interest in the contract.
If he cannot do better he should
take his money & expenses, letting
Leppe take all the profit he can
make, only get clear of Leppe and
the contract as soon as he can. ^{I think}
he ^{Willis} should refuse to allow Harris
to be run until he is settled into
by Leppe.

[3-14-79]
Mr Kennedy ~~has~~ used your yesterday at
my request to lose no time in
sitting a competent ^{locating} Engineer
to survey & locate the line from
Hogues Falls to the best point
of junction with the main line
Young Barker said he thought it
would be in two months yet that
that be so there is not one
have to lose.

Don't forget to send me a statement
of the Bonds cancelled for Bonds
since 5th March. If left over
can deduct of the \$90,000 balance
Bonds we have in the B of M. before
the Decree issues. let him do it.
The Bonds can be sent for ^{holding} by
until we get our act for
Kind regards to Mr Kittson. Keep
the lawyers up to the mark
Yours R
Geo. Thompson

Dear friend

Winnipeg, March 17, 1889

Last Wednesday, Sam Young, Engineer from
Dr. Schultz, the following telegram from Ottawa: "Upper
is to quit rent at once. All plans agree to forward on freight
in meantime." This of course made me quite anxious
and while it is not for me to suggest upon the
policy to be pursued, it seems to me that we should
act in harmony. So long as you ask me to run
down passengers or freight and I do so, I just
take the people here thinking we are losing
a good deal of the freight. The contract is not lost.

Now the general feeling is that Upper is trying
to beat me and I am advised to take out a bribe
or at least to get out an opinion containing some
from running over the road and the fact
that he will not communicate with me
is producing this impression. Last night
the pumps in our engine froze up and the
driver in trying to get out of the way of Whitehead's
engine broke a crossbar. It will take us at
least a week or ten days to get her back on the
line again. The weather is so cold that I
dare not touch the director. She has not
been thawed out for 3 weeks and the metal
is full of frost. We cannot do anything
if Farley and Fisher will say that they dare
not take the risk to run their engine down
here it will bring people to their knees.

I believe quicker than anything else - Effert
will find it the worst job he ever started
if they will not help him - I will be at
the earliest long after navigation opens before
he can get the thing running - even if he
buys me out. My idea is to serve an appeal
on him if he will not settle with me.

If I am wrong about this will you advise
me at the earliest moment. I mailed
the letter to Mr. Taylor by the first mail
which went out after I got him.

Yours in haste
Willis

Mails are very irregular and
anything important had better be
telegraphed.

I have told Willis not to
take out any bridge but to
be firm and wait - insisting on
all his rights.
J. J. Will

St Paul March 18th 1879

George Stephen
Montreal Canada

~~Following received last night~~
"Message from Ottawa to you last night" The
Gambian branch is to be operated by Folyer & Co
in accordance with fifth clause in your agreement
until they equip the road you are authorized to operate
it under your agreement - Signed F. Brand -

St Paul March 17th 1874

Joseph Upper
Sir

Referring to our conversation
regarding my furnishing you with freight and
passenger cars to carry the traffic between Emerson
& St Boniface until you can procure your own
cars not later than May 1st I have to say that
I have no present authority to act upon any
contract between Mr George Stephen and the
Canadian Government in relation to the
Pembina Branch of the C. P. R. Co.

As Receiver of the St Paul & Pacific ~~and agent~~
and Manager for the Trustees of the First Division
of the St Paul & Pacific and not otherwise,
I will allow you to use the cars of the Companies
I so represent as follows - For all coaches
per mile 3 cents per car, for all baggage and
express cars 2 cents per mile per car and for
all freight cars going from St Vincent and
Emerson into Manitoba one dollar per day for
each day from the time they are delivered to
you until returned by you to our possession

[3-18-79]

at Emerson or St Vincent

It must be understood that all freight
Cans must be unloaded by you as promptly
as the same can reasonably be done and that
no cans shall be used by you for local
business on said Pembina Branch, and
that all cans shall be returned promptly.

Settlements for above car service to be made
weekly

If this arrangement is accepted by you
please notify me in writing of such acceptance
without delay

I must however reserve the right to
withdraw or modify this arrangement if from
any change of circumstances or otherwise I
may deem best so to do at any time hereafter

[J. P. Farley]

Montreal 18th March 1874

Jas. J. Still Esq
St Paul

My Dear Sir

We arrived here yesterday morning safe and sound, and not a bit the worse from our long journey. I would have written yesterday but I had so many matters waiting my return that I could not get the necessary time. About the Pembina Branch, Tupper seems to have got things into a regular muddle, and how it will work out no one can tell exactly; my latest advice is a wire from a friend in

Ottawa stating as follows:

"Govt has made an agreement
"with Messrs Folger Hartly & Schultz
"(and perhaps some others) to work
"the Pembina Branch after completion
"for 5 years they think that under
"agreement with you they can get
"you to convey stuff at through
"rates to Glyndon and there exchange
"by R.P.

How they are to succeed in this
attempt at swindling I do not
quite see, but doubtless a day
or two will develop their plan.

In reply to Brauns message
yesterday forwarded via St. Paul
I sent a reply of which I send
you a copy herewith.

The whole thing looks to me just now - as if Tupper & Schultz had put their heads together to devise a plot for injuring Donald Smith and perhaps feathering their own and their friends nests.

Mr Smith goes up to Ottawa to night. I have advised him to take no notice of the matter, as I and the St P & O. can take care of ourselves, as perhaps Tupper Schultz and the Kingston ring may find out before they are much older.

Your letter of the 15th reached New York after I had left, but I got it today.

I am glad you are taking steps

to locate the line from Alessandria
to the Main line and hope the
cold snap won't keep the Engineer
out of the field very long.

I am most anxious now to get
under way without delay with our
own work of construction on both
sides of the river.

I regard a certain amount of
work on the West side this summer
to be an imperative necessity.

The question ^{where} will the work do the
most good, is important, and needs
your careful consideration.

If we are ultimately to build
from Breckinridge or from the point
of intersection of the branch with
the main line north on the west

58

[3-19-79]

side to the international line

I doubt if it would be wise
to think of bridging the Red River
at or near Grand Forks

I rather incline to the idea that
the branch from Crookston should
terminate on the east bank of
the Red River and be used as
a feeder to the Railway in connection
with the boats on the river,
and the west side line to be a
through line touching the main
line at the point of the branch
line's intersection

How does that plan strike you?
I am glad you are pleased at
the purchase of the iron.



Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org