GENERAL CORRESPONDENCE 1879 MAY 1 - JUNE 27 FOLDER NO. 11-23

JAMES J. HILL PAPERS

PLEASE RETAIN
ORIGINAL ORDER

[May 1, 1879]

Basis of an Agreement between W.L. Scott & Co. of Erie Pa. parties of the first part, and E.N. Saunders of the City of St. Paul, State of Minn., party of the second part, as follows:

Whereas the parties hereto propose to purchase the capital stock of the North Western Fuel Company, a corporation under the general laws of the State of Minnesota, located at St. Paul in said State, it is hereby mutually agreed between the parties hereto as follows:

That said parties of the first part shall purchase 610 shares of Fifty dollars each, of said stock and become the owners thereof, and the said party of the second part shall purchase 590 shares and become the owner thereof. That the price to be paid for said 1200 shares of stock is $66.000.00

That in case said stock is purchased as aforesaid by the parties hereto, that said party of the second part is to make his drafts on the said party of the first part for the cost of the said stock as aforesaid, and the said parties of the first part agree that they will pay for the whole of said stock and carry the interest of the party of the second part for a period of not exceeding two years, charging said party of the second part 7% interest on the cost of his said stock, payable annually; the stock so

(#64.006.08)

purchased by said party of the second part to be assigned to said parties of the first part as collateral security for the amount of money so advanced by them on account of said party of the second part, and said party of the second part having the option to pay for the whole or any portion of said stock at or before the expiration of the said two years; it being expressly understood and agreed by the parties hereto that any division of profits, or dividends made or declared upon the stock of the said party of the second part held as collateral security by said parties of the first part, shall be paid said party of the first part on account of the indebtedness due them.

Erie May 1st 1879

W. L. Scott & Co.

E. M. Saunders

[Copy]

May 1st 1879

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[5-1-79]

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(signed) W. L. Scott & Co.

Ein May 1st 1879 E. N. Saunders

E. V. Holcombe,
Gen'l Manager.

H. Swinford,
Sec'y-Treas.

OFFICE OF
"The Winnipeg & Western Transportation Co., Limited."

Winnipeg, May 1st 1879

Jas J Hill Esq.
St Paul.

Dear Sir. Your telegram recd this morning. I regret your inability to meet me at St Vincent. it is impossible to write so that you will see the position of things as I now see them.
The fact is we have no adequate facilities for doing business either here or at St Vincent & I greatly fear that the Customs will do very little for our accommodation this year Even the Custom House people on our own side of the line are not inclined to be any too friendly I understand Mr McMurray has already shown himself to be an Ass on more than one occasion. As for the St Vincent side nobody seems to know anything or what is to be done & with the depot a mile from the Steamboat landing. the prospects for doing business with dispatch is not flattering. I am sorry the St Paul & P. have issued a tariff which I suppose they are bound to carry out It would have been better to stop right at St V. & collected freight at local rates thus then let the boats & Pembina Branch fight it out. but under this through tariff & the way it is divided between Road & Boats it is perfectly beautiful you may say it is all the same & the boats expenses will be paid by RR. but it ain't the same. With the present delays at both ends the Expense of doing business is

[5-1-79]

E. V. Holcombe,
Gen'l Manager.

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OFFICE OF
"The Winnipeg & Western Transportation Co., Limited."

Winnipeg, 187

simply frightfull & I venture to say you will be frequently dis-satisfied with the results. Parties here have already been trying to pump me as to how much the boats get out of this through rate. & although it is not their business I presume a Stockholder or director thinks it his right to enquire. I have given no one any satisfaction. have however said that matter was not fully settled. I think it should be put in shape before our Annual Stock holders meeting June 1st As to running our boats with regularity that must be done - or you should at once withdraw your through passenger rates. If you were here you would see it just as I do. I telegraphed Alexander that we could run passenger boats daily if train at St Vincent could be held till about 11 Oclk instead of 9.20. I know that train has been held right along an average of about an hour for the St Boniface train & supposed they could do same for Boats - in the innocence of his heart Alex replied that we must start from here Earlier. Now how in the devil can we start out before we get here - We want to arrive here as early as nine oclk & leave at five. If we can get the train at four oclk we can get here at nine & leave at five arrive at St V. about 10.30 or in time to connect with a 11-oclk train & have a little margin for business

[5-1-79]

E. V. Holcombe,
Gen'l Manager.

H. Swinford,
Sec'y-Treas.

OFFICE OF

"The Winnipeg & Western Transportation Co., Limited."

Winnipeg, 187

I have ordered our repairer (Godfrey) to come down & calk & fix up barges (that wintered down here) for carrying RR Iron the barges built at Breckenridge have had three years hard usage & never any repairs & they are not in the best condition - No second track has been built for loading Iron Lumber &c at W.W. - this will be indispensable as one of the regular boats carrying Mdze &c. will be at the regular landing most of the time & can't submit to any delay - all this time we are decreasing the expense of boats run so.

The Assiniboine is at a booming stage & considerable business each way - McArthur has a good boat & began to cut the rate - so I cut our rate right in two. My intention is to make McA. loose money or at least not make any -

The whole outlook is so extremely gloomy that I must confess to a feeling of discouragement greater than I have ever experienced in this Country - Jim. if I could make a decent living anywhere in God's Country I would light out of this tomorrow - I wish to God you would come up here & look things over. You might see some things in a different light from what you now do -

Yours truly

E V Holcombe

"THE WINNIPEG & WESTERN TRANSPORTATION CO., LIMITED"

Winnipeg, May 1, 1879

Jas. J. Hill Esq;

St. Paul, Minn.

Dear Sir:

Your telegram received this morning. Iregret your inablity to meet me at St. Vincent, and it is impossible to write so that you will see the position of things as I now see them.

The fact is we have no adequate facilities for doing business either here or at St. Vincent, and greatly fear that the customs will do very little for our accomodations this year even th custom house people on our own side of the line are not inclined to be any too friendly. I understand Mr. McMurray has already shown himself to be an Ass on more than one occasion. As for the St. Vincent side nobody seems to know anything or what is to be done,, and with the depot a mile fro the steamboatlanding, the prospects for doing business with dispatch is not flattering. I am sorry the St. Paul and P. have issued a tariff which I suppose they are bound to carry out. It would have been better to stop right at St. Vincent and collect freight at local rates there then let the banks and Pembia Branch fight it out, but under this through tariff and the way it is divided between Road and Boats it is perfectly fearfull. You may say it is all the same, and the banks expenses will be paid by R.R., but it ain't the same- With the present delays at both ends, the expenses of doing business is simply frightfull, and I venture to say you will be fearfully dissatisfied with the results. Parties here have already been trying to pump me as to how much the boats get out of this through rate, and although it is not their business I presume a stockholder or director thinks it is right to inquire. I have given noone any satisfaction, I have, however, said that the matter was not fully settled. I think it should be put in shape before our annual stockholders meeting June 1st. as to running our boats with regularity that must be done, and you should at once Withdraw your through rates (passenger). If you were here, you would see it just as I do. I telegraphed Alexander that we could run passenger boats daily if train at St. Vincent could be held till about 11 o'clock instead of 9:20. I know that train has been held right along an average of about an hour for the St. Boniface Train, and supposed they could do same for boats - (in the innocence of his heart all X replied that we must start from here earlier. Now how in the devil can we start out before we get here. We want to arrive here as early as nine o'clock and leave at five. If we can get the train at four o'clock, we can get here at nine and leave at five arrive at St. Vincent about 10;30 or in time to connect with a 11 o'clock train and have a little margin for business.

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The whole outlook is so extremely gloomy that I must confess to a feeling of discouragement greater than I have ever experienced in this country, Jim, if I could make a decent living anywhere in God's Country, I would light tomorrow. I wish to God you would come up here and look thinks over. You might see some things in a different light from what you now do.

Yours truly,

E.V. Holcombe

Chicago & North Western Railway Co.

Office of the General Manager.

Chicago, May 3 1879

Dear Sir:-

Referring to your favor of the 23d ult. to which I have been unable to reply until now in consequence of my being absent from the city.

I regret to say that we have only one copy of the by-laws of this Company and it is on file in the Secretary's office - hence my inability to comply with your request to be furnished with a copy.

Yours truly
M. Hughitt

Jas. J. Hill Esq
St Paul
Minn.

H.G. Brooks, Pres.t & Sup.t

M.L. Hinman, Sec.y & Treas.r

OFFICE OF THE
Brooks Locomotive Works

Dunkirk, N.Y. May 5 1879

J. P. Farley Esq
General Manager St Paul & Pacific RR
St Paul Minn

Dear Sir
When you are in the market for additional locomotives, we should be pleased to submit specification and prices.

We have now on hand for immediate shipment, 1 - 14x22 shifting engine, general design shown in photograph of "Clint", driving wheels 4 ft in dia, weight 25 tons, an eight wheel tender with a 1200 gall "cut away" tank, steel boiler, steel firebox, steel crossheads, built in our very best manner. also nearly completed one 16x24 - 33 1/2 ton locomotive, general design of the "J. E. Childs", 5 ft drivers boiler of same material as the shifting engine.

If you are not in want of any engines at present, we solicit your correspondence when you are,

Truly Yours

M L Hinman
Secy & Treas

MINNEAPOLIS AND ST. LOUIS RAILWAY,

Chas. F. Hatch,
General Manager.

Minneapolis, Minn., May 8th 1879

Jas. J. Hill Esq
St Paul.

Dear Sir

I see by this mornings paper the start at reorganization in purchase of "Branch Line" was made yesterday. Should you decide to employ me &/ want me sooner than anticipated in your talk of Sunday please advise me in sufficient time to give these folks two or three days notice before leaving them. They are short handed a/c of sickness of one of the boys &/ ought to have this much warning

Yours Truly
H. C. Ives
P.O. Box 381

Articles of
~~Memorandum of an~~ agreement made and entered into this 23d day of May A.D. 1879 by and between George Stephen, Donald A. Smith, Norman W. Kittson and James J. Hill, parties of the first part, and John S. Barnes party of the second part:

Whereas under a certain agreement made by and between the said parties of the first part, and certain persons and firms, constituting ~~the~~ a Committee of the Dutch Bondholders of the St. Paul and Pacific Railroad Company and of the First Division of the St. Paul and Pacific Railroad Company, for the purchase, by said parties of the first part of the said Committee, of a large amount each of ~~of~~ the several issues of such bonds known, respectively, as the $1,200,000 Branch Line issue, the $2,800,000 Branch Line issue, the $3,000,000 Main Line issue of March 1st 1864, the $6,000,000 Main Line issue, and the $15,000,000 Extension Mortgage ~~Line~~ issue of April 1st 1871 — which agreement bears date on the 13th day of March A.D. 1878 ~~an~~ John S. Kennedy and the said John S. Barnes, partners as J. S. Kennedy & Co., were made joint and several trustees for certain purposes therein mentioned, and among them to have the custody and control of the bonds so purchased pending

proceedings for the
the foreclosure of the second mortgages
securing the said issues of bonds, and
to make any use of the same that are may fit be necessary ~~to use the same~~, in completing the said
foreclosures, or in re-organizing said Rail-
road Companies also to buy in ~~said~~ the rail-
embraced in the said second mortgages
roads and properties at any sale or sales
thereof under the said foreclosures or any
of the same, and to use said bonds in
making payments therefor taking the
title of such railroads and properties in
such case in their own names or name
as such trustees, and holding such title
of the purchase price of said bonds
until payment should be made by said
parties of the first part, as in said agree-
ment provided, ~~of the purchase price of said
bonds~~, and upon such payment to convey
such title to the reorganized, or newly
organized, Company therein contemplated:—
of which agreement the said J. S. Kennedy
&c., and the said parties of the first
part, ~~hold~~ each, a duplicate, and refer-
ence is hereby made to the same for the
full contents thereof.
And whereas it ~~is and~~ has been found
impracticable to follow literally the provisions
of the said agreement ~~literally~~ with reference to for the
purchase of said railroads & properties by said
Trustees, and the holding of the title by them

~~as thus~~ until payment of the purchase price of the bonds should be made as aforesaid, and a portion of the said property, trust, that part thereof or interest therein covered by and embraced in the mortgage securing the said $2,800,000 Branch Line issue of bonds has already been purchased (through the agency of said Barnes), at sale thereof had in the suit for the foreclosure of said mortgage and has become vested, by operation of law and the proceedings taken to organize a new company as contemplated in said agreement, in such new company, to wit "The Saint Paul Minneapolis and Manitoba Railway Company" a corporation this day organized under and by virtue of the said purchase, and the laws of the State of Minnesota.

And whereas it is the intention and purpose of the said parties of the first part to give to the said Committee, and of the said Barnes to take and hold for said Committee, ~~as nearly~~ ~~the same security for~~ until the payment of such purchase price, as nearly as practicable ~~the same security for such payment (and in substance the same the same in substance) as that contemplated in the said agreement~~ the same (and in substance the same) security contemplated in said agreement:

And whereas the said parties of the first part control, and are entitled to control, said new organization – the Saint Paul Minneapolis and Manitoba Railway Company and all its Capital Stock and the issuance thereof.

Now therefore it is hereby agreed by ~~and~~ ~~between~~ the said parties of the first part hereto # ~~that~~ there shall be this day issued of the said Capital Stock two million dollars to wit twenty thousand shares of one hundred dollars each of which nineteen thousand and nine Hundred sixty five shares shall be issued to "John S. Barnes trustee" the remaining 35 shares to be issued to the several directors of said company to give to them the qualification prescribed by law for the directorship of said company; and Third that no more of the capital stock of said Company shall be issued until said purchase price shall have been fully paid, unless at the written request of the said Barnes, and in such case it shall be issued only to said "John S. Barnes trustee"; it being understood and agreed by and between the parties hereto that the ~~further~~ purchases of said railroads and properties here after to be made under said foreclosure proceedings, or any of them, are to be made by and

~~# First That no part of the capital stock of said Company has yet been issued.~~
Second. That

in the name of the said "The Saint Paul Minneapolis and Manitoba Railway Company"

And the said Barnes hereby agrees that upon the full payment of the said purchase price of said bonds, by the said parties of the first part, in the manner in said agreement provided, he will transfer ~~and return~~ to said parties of the first part all of the shares of said capital stock which shall have been ~~so~~ issued to "John S. Barnes trustee" as herein above provided and surrender and deliver up to them the certificates thereof; it being distinctly understood by and between the parties hereto, and hereby declared, that he the said Barnes shall take and hold all the said capital stock ~~which~~ so to be issued to "John S. Barnes trustee" as aforesaid upon the same trust ~~in all respects~~ on which by the terms of said agreement the said trustees are authorized to ~~purchase~~ buy in and hold the title to said railroads and properties as aforesaid, & not otherwise. ~~and hold the title until the payment of such purchase price~~

In testimony whereof the said parties have hereunto set their hands and seals (in duplicate) at the city of St Paul in the State of Minnesota, the day and year first hereinabove written.

In Presence of
E. C. Sawyer

Geo Stephen (Seal)
Donald A. Smith (Seal)
Norman W. Kittson (Seal)
Jas. J. Hill (Seal)
John S. Barnes (Seal)

Dupl Articles of
Agreement between
Geo Stephen & others
and
John S. Barnes
concerning stock of
The St Paul & M. & M. R'y Co
Nov 23rd 1879

St Paul Minnesota
May 23rd 1879.

The Saint Paul Minneapolis and Manitoba Railway Company will please issue the Two Million Dollars, Capital Stock of the Company this day ordered by the Board of Directors to be issued to us or to such person or persons, as we shall in writing direct as follows: viz

To	Geo Stephen, Five (5) shares	$500."
"	Donald A Smith Five (5) Shares	500."
"	Norman W. Kittson Five (5) Shares	500."
"	James J. Hill Five (5.) shares	500."
"	H. R. Bigelow Five (5.) shares	500.—
"	R. B. Galusha Five (5) shares	500."
"	John S. Barnes Five (5) shares	500."
"	John S. Barnes Trustee, Nineteen Thousand, nine hundred & sixty five shares (19.965)	$1.996.500."

Total shares. 20.000 shs = $2.000.000.

And, oblige

Geo Stephen
Jas J. Hill
Norman W. Kittson
Donald A. Smith

Order for issue of
Stock. to Geo Stephen
and others.

May 23. 1879

New York. June 16. 1879.

George Stephen, President
of The St Paul, Minneapolis & Manitoba Ry. Co.
George Stephen, D.A. Smith, N.W. Kittson and J.J. Hill.

You are hereby requested to issue the balance of the Capital Stock of the Saint Paul, Minneapolis and Manitoba Railway Company, viz: $13,000,000, as follows:
One Certificate for 2500 shares to J.J. Hill, President of the Red River and Manitoba R.R. Co. in payment of purchase price of said railroad.
One Certificate for 2000 shares to H.H. Sibley, President of the Red River Valley Railroad Company, in payment of purchase price of said railroad, and one Certificate for 125,500 shares to me as Trustee, in accordance with our agreement, dated May 23rd 1879 all of said shares of Stock to be held by me until Compliance with the terms of said agreement.

John S. Barnes

Request for
stock to be issued
June 16 1879

Horace Thompson Prest. L. E. Reed Vice Prest. H. P. Upham Cashier.

5 NH

THE
First National Bank,
OF
SAINT PAUL.
UNITED STATES DEPOSITORY.
CAPITAL $1,000,000. SURPLUS, $250,000.

J. S. KENNEDY & CO. 28 JUN 1879 NEW YORK.

St. Paul, Minn. June 21st 1879

John S. Kennedy & Co
New York

Gentlemen
I enclose by express, charges paid 307 No 10 Coupon 6 million issue St Paul & Pacific bonds - payment of $12.00 endorsed on each = $23.00 bal due = $7.061.00

Please deposit the amount in the Metropolitan National Bank New York, at the credit of the First National Bank of St Paul
When you have so done, please advise me

Henry P. Upham
Personal

I send them by direction of your Mr Kennedy, who left last evening, headed homeward

Office of **H. Houlton**

Manufacturer and Dealer in all Kinds of

LUMBER, SHINGLES, LATHS &c.

Mills at Elk River.

Also Dealer in General Merchandise

Elk River, Minn. June 27th 1879

Ans 6/28/79

Jas J Hill Esq
Dr Sir

I am about to ship a lot of lumber to St Paul & St Cloud give me the best raits you can and as good as you give Anoka or any other mill men - I would like to have my side track extended about five rods it is all graded & the ties ready - I have also a small lot of ties on track here that I want to sell you - Please give me rates on lumber immediately as I begin shipping to day

Respt &c H. Houlton.

(over)

5-4

W. S. Alexander Esq G.F.A.

Please name the rates as requested & return letter.

6/28/79 Jas J Hill G.M. ...

Rates given June 28/79
WSA